

# DOING BUSINESS IN AGRENTINA

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# KNOWING YOUR CLIENT

- **Persons**

- Personal identifications: ID (D.N.I.), Tax ID (C.U.I.T.).

- **Companies**

- It is possible to check registered by laws from public records in order to establish who are the duly registered representatives.
  - Authorized representatives.
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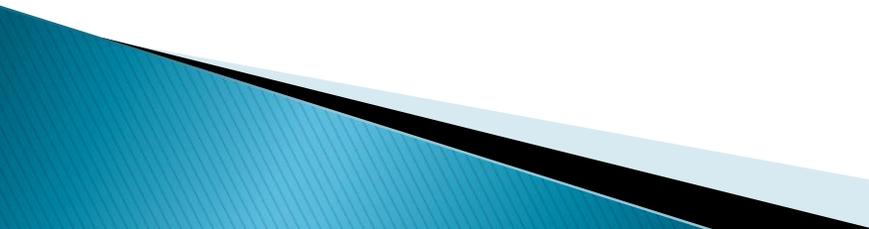
# FINANCIAL INFORMATION

- Importance of knowing clients tax id number (CUIT)
  - Online information available with tax id number (rejected checks, compliance with debt of banking system, updated tax information and compliance with tax authority).  
[www.bcra.gov.ar](http://www.bcra.gov.ar)
- Court information.
  - There are many complete online systems to check whether the future client has any kind of claims against him (collection claims, tax claims, bankruptcy procedures).  
[www.pjn.gov.ar](http://www.pjn.gov.ar)
- The combination of the previous information gives you a reasonable picture of client financial health. Information is updated periodically, its use can prevent surprises.

# HOW TO DOCUMENT RELATIONS

- Always use written forms.
  - Sign them in original and get an original copy of them. Digitalized documents are not considered for claims.
  - Always request signatures and representation to be certified by a notary and apostilled.
  - Use documents written in Spanish and English in order to be easily used in Argentina in case of claim.
  - Request promissory notes as back up for debts, notes can be executed easy and quickly and injunctions are easily obtained if you have a promissory note. It is advisable to always have a contract to demonstrate the origin of the debt (it will be essential in case of a bankruptcy procedure).
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# COLLECTION ACTIONS

- Historical background.
    - Argentina defaults and breach of contracts, public and private. Periodical debt restructuration (public and private).
    - Foreign payments restrictions (2011–2015).
    - Liberalization of economy (2015–2017). Regularization of foreign payments.
    - 2017 – onwards what to take into account if giving credit to locals. Foreign debt, rates of change.
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# COLLECTION ACTIONS

- Negotiating with debtor
    - Breach or default might be seen by debtor as the starting point of a negotiation to restructure debt.
    - Debtor, usually, will not feel intimidated by a lawyer calling him.
    - Debtor will evaluate eventual financial benefits from default.
    - Debtor presumes foreign creditors do not have easy access to local collection resources.
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# COLLECTION ACTIONS

- Time
  - Do not let debt grow old.
  - General term for statute of limitations is 5 years for contracts.
  - Default might obey to a bankruptcy procedure going on and immediate action is requested in order not to lose your credit.

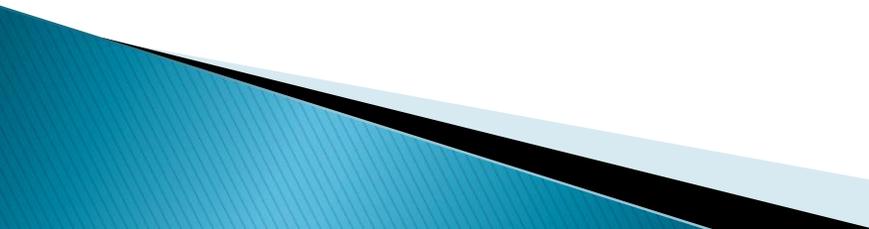
# COLLECTION ACTIONS

- Mediation an easy, cheap and non-risky resource.
    - Obligatory in order to file a claim at court.
    - Informal negotiation led by a mediator.
    - No risk of being charged with mediation expenses if an agreement is not reached.
    - Agreement, if breached, is executable as if it was a court decision.
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# COLLECTION ACTIONS

- Judicial claims
  - Convenience of local jurisdiction in order to have easy access to debtors assets.
  - Costs. Court tax and general expenses about 6% of claimed amount.
  - Court expenses (only if claim is dismissed) 25%–30% of the amount claimed.
  - Duration, ordinary procedure 4 to 6 years. Executive procedures (for checks and promissory notes 2 to 4 years).
  - Possibility to execute locally a foreign courts decision.

# BANKRUPTCY PROCEDURES

- Concurso preventivo. Similar to the process of US Code, Chapter 11. Terms of the restructuring agreement, if voted by majority of creditors is imposed to all of them.
  - Call for presentation of proof of claim.
  - Importance of presenting the proof of claim, allows creditor to vote for or against the agreement proposed by debtor.
  - Many times credit is bought by debtor in better terms than those offered in agreement in order to get the vote.
  - Restructuration agreements. Long term poor pay. Foreign debt converted to local currency. If you are not able to sell your credit, the chance to recover the debt is very low.
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# THANK YOU FOR YOUR ATTENTION

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