

DOING BUSINESS IN AGRENTINA

Juan Pablo Bonficio.

juanpablobonficio@gmail.com.

Darrell Horton

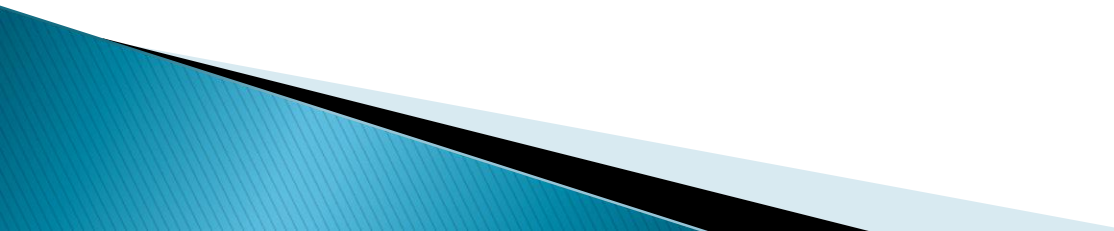
darrell.horton@aristocrat.com

KNOWING YOUR CLIENT

- **Persons**

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

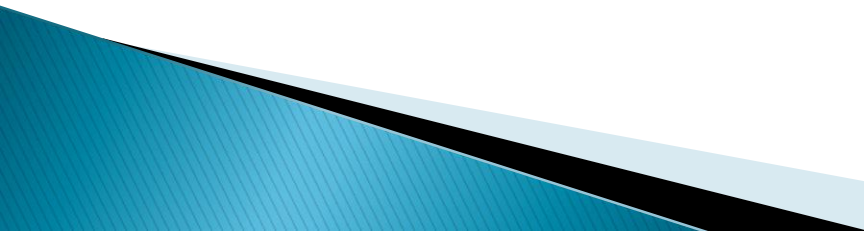
- **Companies**

- 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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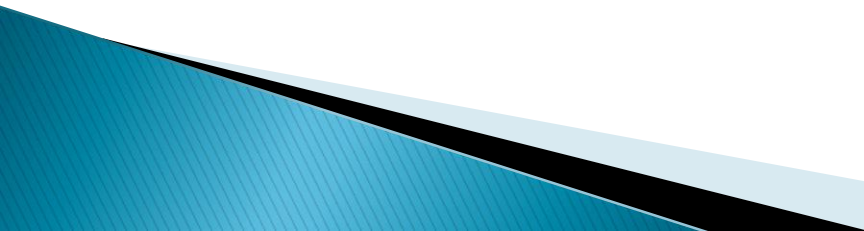
FINANCIAL INFORMATION

- 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
- 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
- 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.

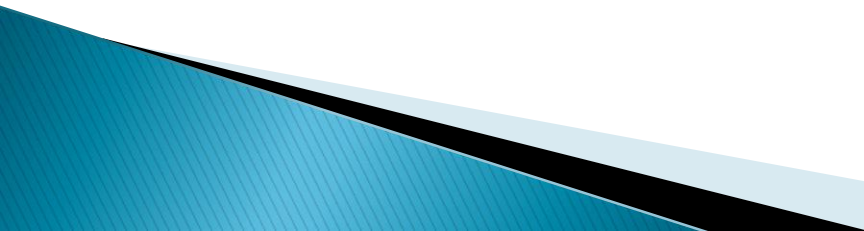
COLLECTION ACTIONS

- 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

- ▶ Juan Pablo Bonficio
 - ▶ juanpablobonficio@gmail.com
 - ▶ 0054 11 6009 2672
 - ▶ 0054 9 115860 6912
 - ▶ Skype: juanpablobonficio
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