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Global Tax Alert

News from Americas Tax

Argentina identifies foreign reinsurance companies and intermediaries not subject to foreign exchange restrictions on premium payments

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On 16 October 2019, Argentina's National Superintendence of Insurance published in the *Official Gazette*, Resolution 927/2019 (Resolution 927), through which it identified the foreign beneficiaries that will not be subject to foreign exchange restrictions on reinsurance premium payments from Argentina.

Background

Decree 609/2019, issued on 1 September 2019, implemented foreign exchange regulations, which will be in effect until 31 December 2019. That same day, the BCRA (Central Bank of Argentina; Banco Central de la República Argentina in Spanish) issued Communiqué A 6,770, which established that prior authorization from the BCRA will be required for payments for services performed by related parties abroad. For more information on the Communiqué, see EY Global Tax Alert, [Argentina implements foreign exchange control regulations](#), dated 5 September 2019.

On 11 September 2019, the BCRA issued Communiqué A 6,780, clarifying that prior authorization is not required for insurance premium payments to foreign reinsurance companies to the extent that the payments are made to a foreign beneficiary admitted by Argentina's National Superintendence of Insurance.

Resolution 927

Resolution 927 established that admitted reinsurance companies and collection agents appointed by those companies to collect payments derived from reinsurance premiums on their behalf (intermediaries) will both qualify as “foreign beneficiaries.” Therefore, reinsurance premium payments from Argentina to reinsurance companies and their intermediaries will not be subject to prior authorization from BCRA.

The resolution also creates a special registry with which intermediaries must enroll to receive reinsurance premium payments and establishes the documents that the admitted reinsurance companies appointing those intermediaries must file with Argentina’s National Superintendence of Insurance.

Insurance companies doing business in Argentina should evaluate these requirements and monitor the developments related to foreign exchange regulations.

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