



MARTINEZ
DE HOZ
& RUEDA

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Ladies and Gentlemen,

With our newsletter we would like to inform you of recent and significant legal developments in the field of Capital Markets in Argentina.

IN THIS ISSUE

ARGENTINE SECURITIES COMMISSION ISSUES NEW REGULATION ON LICENSED AGENTS

After several months of temporary and proposed rules, and after receiving comments from a wide range of market participants, the Argentine Securities Commission (Comision Nacional de Valores) issued on May 3, 2018 a new set of regulations applicable to licensed agents (Resolution No. 731). Following the trend of the past two years, Resolution No. 731 introduces several changes to promote local capital markets and the participation of foreign banks and funds.

Argentine regulations contemplate several agents with different scope of permitted activities. In most cases, agents may apply to more than one license. The activity of a typical stock broker is divided in two main categories. Trading Agents (Agentes de Negociación) may conduct trading activities, while back office and

settlement of transactions are carried out by Settlement Agents (Agentes de Liquidación y Compensación). Resolution No. 731 changed the scope of activities of these agents.

Global Investment Advisers (Agente Asesor Global de Inversiones) are a recent type of agents which carry out portfolio management and placement of orders abroad, mainly for qualified investors. Resolution No. 731 clarified the scope of this license. Marketing and Promotion Agents (Agentes Productores) act as sales representative of Trading and Settlement Agents. Their activities were also modified by Resolution No. 731

Investment funds remain regulated separately and their activities have not been changed by Resolution No. 731.

	Trading Agent	Settlement Agent	Global Investment Adviser	Marketing and Promotion Agents
Investment Advise	Yes	Yes	Yes	Yes
Placement and trading of securities	Yes	Yes (limited to transaction recording and settlement)	No	Yes. Limited to marketing activities under, and subject to the supervision of a Trading or Settlement Agent
Placing orders to trade on foreign securities	Yes (limited to FATF cooperative jurisdictions)	Yes (limited to FATF cooperative jurisdictions)	Yes (limited to FATF cooperative jurisdictions)	No
Discretionary Asset Management	Yes	Yes	Yes	No
Receiving funds from clients	No	Yes	No	No
Custody of funds or securities	No	Yes	No	No
Settlement of transactions	No	Yes	No	No
Public offering of securities not registered in Argentina	No	No	No	No
Minimum Net Worth	USD 125,000 (approx.).	USD 900,000 (approx.).	USD 125,000 (approx.).	N/A

CONTACTS

For your further inquiries the following contact persons are available:



MARTIN LEPIANE

martin.lepiane@mhrlegal.com

[+INFO](#)



JOSÉ MARTÍNEZ DE HOZ (N)

jose.mdehoznieto@mhrlegal.com

[+INFO](#)

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Bouchard 680 - Piso 19°
Ciudad Autónoma de Buenos Aires
C1106ABJ - Argentina
(+54-11) 2150.9779

Corrientes1650
Ciudad de Neuquén
Argentina
(54-299) 442.2135

www.mhrlegal.com