

INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Argentina

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Restructuring & Insolvency analysis: We look at the reforms to the insolvency law of Argentina prompted by the coronavirus (COVID-19) pandemic. Written by Professor Dr Hector Jose Miguens, member of INSOL Europe.

In line with the World Health Organisation (WHO) declaration of coronavirus as a pandemic, multiple prevention measures were adopted in Argentina to preserve the people's health and try to mitigate the spread of it and its health impact (See [National Executive Power Decree No. 260/2020](#), published in the Official Gazette on 12 March 2020). In this context, the Public Health Emergency established by Law No 27,541 was extended, and preventive and mandatory social isolation was established ((Ibid) see [Law number 27541](#)). In this law, the relaxation of fiscal obligations is remarkable. Many other Decrees and Administrative Resolutions followed these regulations (see all of these regulations in the website, [Emergencia Sanitaria \(COVID-19\)](#)).

In order to accompany the measures ordered by the National Ministry of Health (see Decree No. 4/2020, published in the Official Gazette on 16 March 2020), the Supreme Court issued a series of Agreements, including the declaration of holidays (Ibidem) and an extraordinary 'fair' (see [Agreement 'Acordada' No 6/2020, 20 March 2020](#), together with its respective extensions). The partial overlapping of the provisions of Agreements 4/2020 and 6/2020 (and their respective extensions in accordance with Agreements 8/2020, 10/2020 and 13/2020) has already been the subject of interpretation by the National Chamber of Appeals in Commercial Matters, which considered that:

'judicial holidays were held from 16 March 2020 to 19 March 2020, while the following day (20 March 2020) governs the extraordinary judicial fair declared by Agreement 6/20 of the same Maximum Court' (see CNCCom, Sala Feria, 14 April 2020, 'Papeles PM S.A.I.C. s/ concurso preventivo').

Pursuant to Article 14 of the Argentine Bankruptcy Law number 24522 as amended (LCQ), the court resolution that decrees the opening of the re-organisation proceeding must set various procedural dates until (or on) which certain relevant legal acts in the insolvency proceeding must take place, such as the date by which creditors must present their claims for verification of credits, the opportunity for the presentation of the individual and general report, and the expiration of the exclusivity period. The determination of the bankruptcy schedule means, in practice, adapting to each specific case the deadlines generically determined in the LCQ.

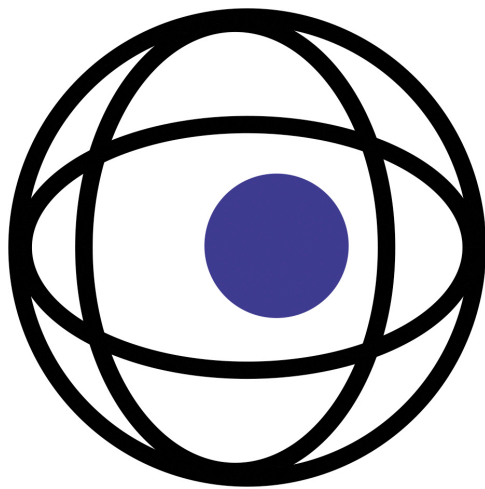
Up to 9 May 2020, there are no Insolvency Law reforms or National Law by the National Congress pertaining to Insolvency Proceedings (which is Federal Law for the whole country), but in the context of coronavirus, some authors have suggested the following Insolvency Law reforms, namely (See JosÈ D Botteri (h)/Ariel G Dasso (h), *El Derecho concursal argentino y la pandemia de Covid-19: Propuestas de mejora*, in *La Ley*, Buenos Aires, April 24th, 2020):

- authorise electronic sales of idle assets or electronic auctions of goods
- incorporate the advances in digitalisation and information technology in judicial communications between the parties of the Insolvency proceedings
- deadline extensions, such as for example the period of exclusivity (article 43 LCQ). Today it is 90 or 120 days, as decided by the judge, in accordance with the reform of Law 25589 to the LCQ
- facilitate the bailouts such as the regulated by the Article 48 LCQ, specially regarding media companies with the modification of the Law 25750
- lessen the due reports of the Trustee. Often, the Trustee reports operate as a deterrent, but in most cases they only generate a greater bureaucratic burden

- encouraging out-of-court preventive agreements for small and medium enterprises
- lessen the initial requisites for the opening of the proceedings of re-organisation
- changes in the leadership of top management and management
- changes in the workers' compensation system
- maximised sale of idle assets
- clarity in the accounting system
- greater financial control
- reduction of costs
- Article 20 LCQ, must be modified and other more flexible ideas must be enabled to deal with the financial restructuring of the company
- a more rapid decision regarding a viable business or deciding the liquidation
- improvement in profitability margins and taxes
- extend the benefits of Law 25284 for Sports Entities with Economic Difficulties, which allowed many clubs to be kept through a fiduciary scheme
- improve the lifting of the precautionary measures through the mechanisms of Article 21 LCQ
- improve the fees of the trustee in each of three stages in the proceeding
- improve the current bankruptcy novation of obligations
- improve issues regarding mediation problems in Bankruptcy

INSOL Europe/LexisNexis COVID-19 Tracker of Insolvency Reforms

A tracker of insolvency reforms globally produced by Lexis Nexis in partnership with INSOL Europe is now available: [Coronavirus \(COVID-19\) Tracker of insolvency reforms globally](#).



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We look at various countries worldwide which are expediting reforms to their restructuring and insolvency laws, temporarily suspending onerous insolvency law provisions, increasing limits for statutory demands, suspending enforcement powers and introducing other measures to deal with the coronavirus crisis. As the situation is rapidly evolving with more countries adding new measures daily, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.