

NATIONAL REMITTANCE PLAN 2015 ARGENTINA

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Background

In Argentina, banks are the specific entities authorized to transfer remittances, operations which are regulated by the Argentine Central Bank (BCRA) both for transfers taking place within the Argentine territory and from the latter to recipients abroad.

On the other hand, as it has been widely recognized, Argentina is not a major source of money transfer remittances within the Latin American region.

As part of its financial inclusion policies, the BCRA is analysing various options, including payment systems modernisation and additional regulatory mechanisms aimed at optimising money transfer operations.

2014 Call to Action on Remittances

Within the context of the commitments undertaken in 2014, the BCRA is carrying out reviews of regional initiatives regarding remittances. The ultimate objective is to ensure that any regional initiative conforms to international practices and takes into account international experiences in this field.

As part of these activities and of the fulfilment of 2014 G20 commitments undertaken with regard to remittances and financial inclusion, Argentina actively participates in the Latin America and Caribbean Payment Systems Working Group (ALC-PSWG), currently being coordinated by the Latin American Centre for Money Studies (*Centro Latinoamericano para Estudios Monetarios* or CEMLA) and the World Bank (WB). It holds the Presidency of the WG, and is also engaged in work being carried out within various ALC-PSWG subgroups. It supports work being aimed at attaining a clear vision of some of the major aspects related to regional integration of national financial infrastructures, including the purpose and scope of such integration, possible forms of attaining it and the regional needs it should address. Argentina understands that this will eventually facilitate interconnection of all kinds of financial operations, including payments.

2015 Country plan for reducing remittance transfer costs

1. Increase Remittance Market Competitiveness

- a. Currently, the BCRA is analysing possible future policies, including the improvement of operation requirements, as well as technical aspects related to ensuring that the activities of financial entities adopt the necessary safeguards. Adequate de-risking is being considered as necessary in order to protect consumers and to ensure the necessary transparency of transfer operations. The latter are aimed at preventing money-laundering activities, especially those in connection with criminal activities such as drug-trafficking and terrorism.

- b. Within that context, Argentina is currently analysing a modernisation of the National Payment System (NPS) through the creation of a platform that may allow for greater integration of standards and the unification of electronic channels of information exchange.
- c. The modernization of the NPS will make it possible to integrate all suppliers of payment services authorized by the Argentine Central Bank, thereby contributing to greater competitiveness between those suppliers.

2. Improve Financial System Infrastructure and Pursue Policies Conducive to Harnessing Emerging Technologies

- a. As already said with regard to the ALC-PSWG, Argentina and other Latin American and Caribbean countries are fully aware of the need of having financial infrastructure that facilitate trans-border relations of economic agents, while ensuring adequate levels of safeguards and transparency.
- b. Moreover, Communication “A” 5775 established the Principles for Financial Market Infrastructures, which comprise all of such type of infrastructures that may be deemed by the Argentine Central Bank as systemically important. The Central Bank has also created a mechanism that follows International recommendations, and allows it to periodically evaluate and determine which financial structures are systemically important.
- c. As to money transfers within the Argentine territory, Argentina will undertake to make progress with an initiative aimed at allowing electronic cash-point and digital networks to transfer money from a cash-point and/or internet-banking source to a beneficiary, who holds no debit or credit card and is not a client of any financial institution. This allows small groups of people who currently remain excluded from the Argentine banking system to benefit from such transfers at a reduced cost to be paid by the originator of the transaction.

3. Discourage Taxes on Migrant Remittance Transfers

- a. Argentina does not tax migrant remittance transfers and it is not considering changing its policies in this regard.

4. Improve Transparency and Consumer Protection of Remittance Transfers

- a. The BCRA Financial System Consumer Protection Unit is in charge of improving transparency and ensuring consumer protection with regard to money transfers. People have access to information provided by the Unit at the BCRA institutional website and can consult the Transparency Regime being enforced at the same website.