

## ▶ REGINAVE UPDATE- ARGENTINA

**The Club would like to draw Members' attention to recent changes to the navigation regulation in Argentina. The main legislation governing navigation in open seas and inland waterways in Argentina was the REGINAVE, which came into force in 1973. However, the existing REGINAVE was recently repealed and, with effect from 23 November 2019, a new regulation was introduced.**

Following this development, the Club has highlighted some of the key changes that are likely to affect Members operating in this jurisdiction:

### **1. Fines**

Previously, the Argentine Coastguard could only impose fines on Argentine companies and/or individuals. Now foreign companies and/or individuals found to have breached the provisions of the REGINAVE can also be fined.

Fines are issued in Unidades de Multa (UM). Previously a UM was worth AR\$ 1.50 and the maximum fine imposed was around 60,000 UM (approximately AR\$ 90,000). However, at the time of publishing, the value of a UM is AR\$ 10 and the maximum fine could be as much as 3,000,000 UM (approximately AR\$ 30,000,000). The UM value will be adjusted every year depending on the Consumer Index Price which is issued by the National Institute of Statistics and Censuses (INDEC).

The new regulation also introduces fines specific to oil spills. The amount of the fine corresponds to the quantity of oil spilled but by way of example, where a spill exceeds 700 tons, the fine can reach the maximum limit of 3,000,000 UM (approximately AR\$ 30,000,000).

### **2. Arrests by the Coastguard**

If a fine has not been paid, then the Argentine Coastguard can arrest a vessel (whether foreign or Argentine flagged) until such time as payment is settled or a guarantee is posted.

Crucially, the guarantee must be issued by an entity domiciled in Argentina meaning Club LOU's are unlikely to be accepted if they are issued directly.

**With the assistance of our local service providers, the Club will be closely monitoring how this new regulation is implemented but would encourage Members to contact the Club if they have any queries regarding these changes.**