



U.S.\$375,000,000

**The Republic of Argentina**  
 11<sup>3</sup>/<sub>8</sub>% Bonds due January 30, 2017

In November 1998, the Republic of Argentina offered and issued ten tranches of 11<sup>3</sup>/<sub>8</sub>% Bonds due January 30, 2017 denominated in U.S. Dollars in an aggregate principal amount of U.S.\$375,000,000 (the "Bonds"). The Republic of Argentina will pay interest on the Bonds on January 30 and July 30 of each year. The first such payment was made on January 30, 1999; the next payment will be made on July 30, 1999. The Bonds will be direct, unconditional, unsecured and unsubordinated obligations of the Republic of Argentina.

The Bonds constitute a further issuance of, are fungible with and are consolidated and form a single series with, the 11<sup>3</sup>/<sub>8</sub>% Bonds due January 30, 2017 issued January 22, 1997 in the amount of \$2,500,000,000, March 19, 1998 in the amount of \$750,000,000 and October 23, 1998 in the amount of U.S.\$250,000,000.

Application has been made to list the Bonds on the Luxembourg Stock Exchange and the Bonds have been listed on the Buenos Aires Stock Exchange. In addition, the Bonds may be traded on the Mercado Abierto Electrónico, the Argentine over-the-counter market. This Listing Memorandum has been prepared by Argentina solely for the purpose of listing the Bonds on the Luxembourg Stock Exchange, and this Listing Memorandum has not been otherwise used in connection with the offer or sale of the Bonds.

These Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these Bonds or passed upon the accuracy or adequacy of this Listing Memorandum. Any representation to the contrary is a criminal offense.

	Issue Date	Face Value of Bonds	Issue Price Per Bond
Tranche 1 .....	November 9, 1998	U.S.\$ 50,000,000	98.400%
Tranche 2 .....	November 9, 1998	25,000,000	98.500%
Tranche 3 .....	November 9, 1998	50,000,000	98.500%
Tranche 4 .....	November 10, 1998	25,000,000	97.100%
Tranche 5 .....	November 10, 1998	25,000,000	97.000%
Tranche 6 .....	November 10, 1998	50,000,000	97.000%
Tranche 7 .....	November 11, 1998	50,000,000	97.750%
Tranche 8 .....	November 18, 1998	25,000,000	96.625%
Tranche 9 .....	November 24, 1998	50,000,000	97.750%
Tranche 10 .....	November 24, 1998	25,000,000	97.600%
Total .....		U.S.\$375,000,000	

The public offering price set forth above does not include interest. Interest on the Bonds will accrue from July 30, 1998 to the relevant Issue Date and must be paid by the purchasers.

**J.P. Morgan Securities Ltd.**

The date of this Listing Memorandum is February 9, 1999.

The Republic of Argentina, having made all reasonable inquiries, confirms that this Listing Memorandum (together with all amendments and supplements hereto, the "Listing Memorandum") and the Prospectus dated July 15, 1998 (the "Prospectus") contain all information with respect to the Republic and the Bonds which is material in the context of the issue and offering of the Bonds, and that such information is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that, to the best of the knowledge and belief of the Republic, there are no other facts the omission of which would make any such information or the expression of any such opinions and intentions misleading. The Republic accepts responsibility accordingly.

**The Republic of Argentina is a foreign sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in the United States against the Republic. See "Description of Securities — Debt Securities — Jurisdiction, Consent to Service and Enforceability" in the Prospectus.**

This Listing Memorandum should be read together with the Prospectus and the Annual Report on Form 18-K incorporated by reference in the Prospectus (the Prospectus and the Form 18-K to be referred to collectively as the "Basic Prospectus"), as filed with the U.S. Securities and Exchange Commission (the "Commission") which contain information regarding the Republic and other matters, including a description of certain terms of the Republic's securities. Further information regarding the Republic may be found in the Registration Statement on Schedule B (the "Registration Statement") relating to the Bonds and other securities of the Republic described in the Basic Prospectus on file with the Commission in the United States.

Any prospectus (including this Listing Memorandum and the Prospectus attached hereto) may only be used for the initial purposes for which they were published.

No person has been authorized to give any information or to make any representations, other than that contained in this Listing Memorandum and Prospectus in connection with the offering or sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by Argentina or J.P. Morgan Securities Ltd. The delivery of this Listing Memorandum and Prospectus shall not, under any circumstances, constitute a representation that there has been no change in the affairs of Argentina since the date hereof or the information contained herein is correct as of any time subsequent to the date hereof.

References herein to "U.S. \$", "\$", "U.S. dollars" and "dollars" are to lawful money of the United States of America.

## OFFERING SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Listing Memorandum.

**Issuer** ..... The Republic of Argentina.

**Securities Offered** ..... U.S.\$375,000,000 aggregate principal amount of 11 $\frac{3}{8}$ % Bonds due January 30, 2017.

**Dates of Issue and Issue Price** .....

	<u>Issue Date</u>	<u>Face Value of Bonds</u>	<u>Issue Price Per Bond</u>
Tranche 1 .....	November 9, 1998	U.S.\$ 50,000,000	98.400%
Tranche 2 .....	November 9, 1998	25,000,000	98.500%
Tranche 3 .....	November 9, 1998	50,000,000	98.500%
Tranche 4 .....	November 10, 1998	25,000,000	97.100%
Tranche 5 .....	November 10, 1998	25,000,000	97.000%
Tranche 6 .....	November 10, 1998	50,000,000	97.000%
Tranche 7 .....	November 11, 1998	50,000,000	97.750%
Tranche 8 .....	November 18, 1998	25,000,000	96.625%
Tranche 9 .....	November 24, 1998	50,000,000	97.750%
Tranche 10 .....	November 24, 1998	25,000,000	97.600%
<b>Total</b> .....		U.S.\$375,000,000	

The public offering price set forth above does not include interest. Interest on the Bonds will accrue from July 30, 1998 to the relevant Issue Date and must be paid by the purchasers.

**Interest Payment Dates** ..... January 30 and July 30. The first interest payment was made on January 30, 1999; the next payment will be made on July 30, 1999. The purchasers of the Bonds will be entitled to the semi-annual regular interest payment due January 30, 1999.

**Redemption** ..... The Bonds are not redeemable prior to maturity. At maturity, the Bonds will be redeemed at par.

**Listing** ..... Application has been made to list the Bonds on the Luxembourg Stock Exchange and the Bonds have been listed on the Buenos Aires Stock Exchange. In addition, the Bonds may be traded at the Mercado Abierto Electrónico, the Argentine over-the-counter market.

**Form and Settlement** ..... The Republic of Argentina issued the Bonds in the form of one or more fully registered global bonds (each a "Global Bond") registered in the name of a nominee of The Depository Trust Company ("DTC"). Beneficial interests in the Global Bonds are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Global Bonds through any of (1) DTC, (2) Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear"), (3) Cedel Bank, société

*anonyme* ("Cedel Bank") or (4) Caja de Valores S. A. ("Caja de Valores") if they are participants in such systems.

Investors may also elect to hold interests in the Global Bonds indirectly through organizations which are participants in such systems. Cedel Bank and Euroclear will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants in DTC. Caja de Valores will hold interests on behalf of its participants through its account at Cedel Bank. Owners of beneficial interests in the Global Bonds will generally not be entitled to have Global Bonds registered in their names, will not receive or be entitled to receive Global Bonds in definitive form and will not be considered the holders thereof under the Fiscal Agency Agreement.

The Bonds will be issued only in denominations of \$1,000 and integral multiples of \$1,000.

**Taxation** ..... The Republic of Argentina will make payments of principal and interest in respect of the Global Bonds without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as set forth in "Description of Securities — Additional Amounts" in the Basic Prospectus.

**Further Issues** ..... Argentina may, from time to time, create and issue further bonds ranking equally with the Global Bonds in all respects and such further bonds shall be consolidated and form a single series with the Global Bonds. See "Description of the Global Bonds — Further Issues" herein. Such further issues may include sales to Banco Central de la República Argentina ("Banco Central") for cash or in exchange for other securities of Argentina held by Banco Central, and may settle simultaneously with the Global Bonds offered hereby.

## USE OF PROCEEDS

The net proceeds of the sale of the Bonds will be used for general purposes of the Republic of Argentina, which may include the repayment of debt.

## RECENT DEVELOPMENTS

### Global Economic Conditions

The Government faced economic challenges beginning in the last quarter of 1997 due to decreased investor confidence in emerging markets resulting from the severe economic difficulties experienced by many Asian countries (the "Asian Crisis"). Beginning in August 1998, investor confidence in emerging markets was further eroded as a result of the devaluation of the Russian ruble and the default by Russia on its debt. The Asian Crisis and the Russian crisis (together, the "1997-1998 Global Crisis") had repercussions in Latin America, including Argentina, in the form of declining stock market values, widening spreads of Government securities in the secondary market and capital outflows. Between October 22, 1997 and December 30, 1997, the Buenos Aires Stock Exchange declined 20.3% and the spread on Argentina's Brady Floating Rate Bonds (the "FRBs") traded on the secondary market increased by 194 basis points. During the year 1998, the Buenos Aires Stock Exchange declined 38.2% and the spread on Argentina's FRBs traded on the secondary market increased 280 basis points to equal 730 basis points.

Brazil, Argentina's largest trading partner, has had to withstand significant capital outflows and speculative attacks on its currency as a result of the 1997-1998 Global Crisis. As a result, on January 13, 1999, Brazil devalued its currency, the Real, by allowing it to float freely on the exchange markets. The devaluation of Brazil's currency could have a material adverse impact on Argentina's trade balance and economy. In addition, Argentina could be adversely affected by continued lack of investor confidence, as well as by a downturn in any of the economies of the principal countries in the Latin American region.

### Gross Domestic Product and Economy

Gross Domestic Product grew an estimated 7.2% during the first quarter of 1998 and 6.9% during the second quarter of 1998 and 2.9% during the third quarter of 1998, as compared to the same periods in 1997. The slowdown in Argentina's economic growth during the third quarter of 1998 was due largely to a downturn in the manufacturing and automotive sectors.

### Inflation

As of December 31, 1998, the Consumer Price Index increased by 0.7% and the Wholesale Price Index decreased by 6.3% from levels recorded on December 31, 1997.

### Employment and Labor

The national unemployment rate fell from 16.1% in May 1997 to 13.2% in August 1998 and to 12.4% in October 1998. Real wages rose by approximately 0.4% between the second quarter of 1997 and the same period in 1998.

### Balance of Payments — Trade Balance

During the first eleven months of 1998, Argentina recorded a trade deficit of U.S.\$5.1 billion.

During the first three quarters of 1998, Argentina recorded a current account deficit of U.S.\$8.7 billion and a capital account surplus of U.S.\$10.5 billion. In the same period, total foreign direct investment was U.S.\$4.4 billion. Argentina's current account deficit as a percentage of GDP was 2.9% as of December 31, 1997.

## **Financial Sector**

As of December 30, 1998, total deposits (45.4% of which were in pesos and 54.6% of which were in U.S. dollars) in the banking system totaled U.S.\$77.4 billion, representing an increase of 11.7% from the level recorded on December 30, 1997. As of December 30, 1998, total deposits increased 1.0% from the level recorded on November 30, 1998. In December 1998 prime rates in Argentina were 10.83% for 30-day loans in pesos and 9.34% for 30-day loans in dollars.

On September 3, 1998, Moody's placed Argentina's rating of "Ba3" for its long-term foreign currency debt under review for possible downgrade. In September 1998, Standard & Poor's and Fitch IBCA reaffirmed their "BB" ratings for Argentina's long-term foreign currency debt and announced that their ratings outlooks for Argentina were stable. Also in September 1998, Duff & Phelps Credit Rating Company reaffirmed its "BB" rating for Argentina's long-term foreign currency debt and raised its outlook on this rating from stable to positive. As is the case for ratings generally, there is no assurance that the current ratings will remain in effect for any period of time or that they will not be revised downward or withdrawn entirely by said rating agencies if, in their judgment, circumstances warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## **Monetary Base and Reserves**

As of December 30, 1998, the monetary base (consisting of currency in circulation, reserves required in U.S. dollars for peso deposits, Bank Liquidity Notes and repurchase agreements between Banco Central and commercial banks) was U.S.\$24.7 billion, representing a 10.2% increase from the level recorded on December 30, 1997. As of December 30, 1998, the monetary base increased 6.6% from the level recorded on November 30, 1998. In addition, as of such date, gross international reserves (including gold deposits and approximately U.S.\$1.6 billion of public bonds) stood at U.S.\$24.7 billion, representing a 10.7% increase over the level recorded on December 30, 1997. As of December 30, 1998, gross international reserves increased 7.7% from November 30, 1998.

## **Public Sector Accounts**

The Government recorded a deficit in 1998 of U.S.\$3.84 billion. A new letter of intent for 1999 was submitted to the board of directors of the IMF. According to that letter, the Government expects to run a fiscal deficit of U.S.\$2.95 billion during 1999, less than 1% of GDP.

## **Public Sector Debt**

As of September 30, 1998, total net public debt (including debt of the Government and public entities but excluding debt of the provinces and state-owned banks) was U.S.\$106.8 billion and total gross public debt was U.S.\$109.4 billion. Between September 30, 1997 and September 30, 1998, total net public debt increased 10.7% and total gross public debt increased 10.0%. Approximately U.S.\$98.5 billion of total gross public debt was denominated in currencies other than the peso, principally in U.S. dollars.

## **Financing Strategy**

Notwithstanding the effects of the 1997-1998 Global Crisis, Argentina was able to raise funds through offerings in the global capital markets in the period between October 22, 1997 and August 31, 1998. During September 1998, widening spreads and reduced investor demand made it unattractive for Argentina to raise funds through the global capital markets. In order to have access to funds to satisfy its borrowing requirement for 1998 and to further ensure availability of funds through the second quarter of 1999 in the event that Argentina does not have the opportunity to raise funds through the capital markets, the Government entered into negotiations for loan packages with the World Bank, the IADB and other creditors in September 1998. On November 10,

1998, the World Bank approved two loans to Argentina in an aggregate principal amount of approximately U.S.\$3 billion. The first loan, in the amount of U.S.\$2.5 billion, may be drawn down in three installments beginning with U.S.\$1 billion in 1998, U.S.\$1 billion during the first quarter of 1999 and U.S.\$500 million during the third quarter of 1999. The proceeds of this loan will be applied towards meeting the financing requirements of the Argentine Treasury. The second loan, in the amount of U.S.\$500 million, may be drawn down in the third quarter of 1999. The proceeds of this loan will be used to enhance the standby repurchase facility of Banco Central by providing it with additional funds to be used towards meeting margin calls. For a discussion of Banco Central's standby repurchase facility, see the Republic's Annual Report on Form 18-K, "Monetary System — The Central Bank".

## DESCRIPTION OF THE BONDS

The Bonds are to be issued as a series of debt securities pursuant to a Fiscal Agency Agreement, dated as of October 19, 1994 as amended (the "Fiscal Agency Agreement"), between Argentina and Bankers Trust Company, as Registrar, Fiscal Agent, Transfer Agent and Principal Paying Agent (the "Fiscal Agent"). The following statements briefly summarize some of the terms of the Bonds and the Fiscal Agency Agreement relating thereto, copies of which have been filed as exhibits to the Registration Statement and will be available for inspection at the office of the listing agents located in Luxembourg and Buenos Aires. The Fiscal Agency Agreement does not limit the amount of other debt securities which may be issued thereunder. Additional terms of the Bonds are described in the Basic Prospectus under the heading "Description of Securities".

The Bonds will bear interest from July 30, 1998 at a rate equal to 11 $\frac{3}{8}$ % and will mature at par on January 30, 2017. Interest on the Bonds will be payable semi-annually on January 30 and July 30 of each year (each such date, an "Interest Payment Date"), commencing January 30, 1999 to the persons in whose names the Bonds are registered at the close of business on the fifteenth calendar day preceding the corresponding Interest Payment Date (each such date, a "Regular Record Date"). The Bonds are not redeemable prior to maturity and are not entitled to the benefit of any sinking fund.

The Bonds constitute a further issuance of, are fungible with and are consolidated and form a single series with, the 11 $\frac{3}{8}$ % Bonds due January 30, 2017 issued January 22, 1997, March 19, 1998, and October 23, 1998.

Application has been made to list the Bonds on the Luxembourg Stock Exchange and the Bonds have been listed on the Buenos Aires Stock Exchange. In addition, the Bonds may be traded on the Mercado Abierto Electrónico, the Argentine over-the-counter market.

### Form, Denominations and Registration

The statements set forth in this section and under "— Title" and "Clearing and Settlement" as well as under "Description of Securities — Global Securities" in the Basic Prospectus include summaries of certain rules and operating procedures of DTC, Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear"), Cedel Bank, société anonyme ("Cedel Bank") and Caja de Valores S.A. ("Caja de Valores") which affect transfers of interests in the Bonds issued in global form, as provided herein.

The Bonds were issued in denominations of U.S.\$1,000 and integral multiples thereof in the form of one or more fully registered Global Bonds (collectively, the "Global Security") registered in the name of the nominee of DTC. Except in limited circumstances described below under "— Definitive Certificates", owners of beneficial interests in the Global Security will not be entitled to have Bonds registered in their names, will not receive or be entitled to receive Bonds in definitive form and will not be considered holders thereof under the Fiscal Agency Agreement or the Bonds. See "— Title" and "— Definitive Certificates". Except as set forth below, the Global Security may be transferred, in whole and not in part, only to another nominee of DTC or a successor of DTC.

Beneficial interests in the Global Bonds will be represented, and transfers of such beneficial interests will be effected, through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Global Security through any of DTC (in the United States), Cedel Bank or Euroclear (in Europe) or Caja de Valores (in Argentina) if they are participants in such systems, or indirectly through organizations which are participants in such systems. Cedel Bank and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Cedel Bank's and Euroclear's names on the books of their respective depositaries (the "U.S. Depositaries"), which in turn will hold such interests in customer's securities accounts in the depositaries' names on the



books of DTC. Caja de Valores will hold interests on behalf of its participants through its accounts at Cedel Bank and Euroclear.

The Fiscal Agent will not impose any fees in respect of the Bonds, other than reasonable fees for the replacement of lost, stolen, mutilated or destroyed Bonds. However, owners of beneficial interests in the Global Bonds may incur fees payable in respect of the maintenance and operation of the book-entry accounts in which such interests are held with the clearing systems.

#### **Title**

Subject to applicable law and the terms of the Fiscal Agency Agreement and the Bonds, Argentina and the Fiscal Agent shall deem and treat the registered holder of the Bonds, initially Cede & Co., as the nominee of DTC, as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to or on the order of the registered holders shall be valid and effective to discharge the liability of Argentina and the Fiscal Agent on the Bonds to the extent of the sum or sums so paid. Accordingly, any person owning a beneficial interest in the Global Security must rely on the procedures of DTC and, to the extent relevant, Euroclear, Cedel Bank or Caja de Valores, and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder of Bonds. Argentina understands that, under existing industry practice, in the event that an owner of a beneficial interest in a Global Security desires to take any action that Cede & Co., as the holder of such Global Security, is entitled to take, Cede & Co. would authorize the participants to take such action, and the participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

DTC may grant proxies or otherwise authorize its participants (or persons holding beneficial interests in the Global Security through such participants) to exercise any rights of a holder or take any other actions which a holder is entitled to take under the Fiscal Agency Agreement or the Bonds. Euroclear, Cedel Bank and Caja de Valores, as the case may be, will take any action permitted to be taken by a holder under the Fiscal Agency Agreement of the Bonds on behalf of their respective participants only in accordance with their respective rules and procedures and subject to their respective U.S. Depositary's ability to effect such actions on its behalf through DTC.

Because DTC can act only on behalf of its participants, who in turn act on behalf of indirect participants, the ability of an owner of a beneficial interest in the Global Security to pledge such interest to persons or entities that do not participate in the DTC system or otherwise take actions in respect of such interest may be limited by the lack of a definitive certificate for such interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in the Global Security to such persons may be limited.

#### **Further Issues**

The Republic may from time to time, without notice to or the consent of the registered holders of the Bonds, create and issue further bonds ranking *pari passu* with the Bonds in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such further bonds or except for the first payment of interest following the issue date of such further bonds) and so that such further bonds shall be consolidated and form a single series with the Bonds and shall have the same terms as to status, redemption or otherwise as the Bonds. The Republic may place directly with Banco Central Bonds in addition to Bonds offered hereby.

#### **Payment**

Principal of and interest on the Bonds are payable by Argentina in such coin or currency of the United States as at the time of payment is legal tender for the payment of public and private debts

to the persons in whose names the Bonds are registered on the Regular Record Date preceding any Interest Payment Date or at maturity, as the case may be. Ownership positions within each clearing system will be determined in accordance with the normal conventions observed by such system. The Fiscal Agent will act as Argentina's principal paying agent for the Bonds pursuant to the Fiscal Agency Agreement. Neither Argentina nor the Fiscal Agent will have any responsibility or liability for any aspect of the records of DTC relating to payments made by DTC on account of beneficial interests in the Global Bonds or for maintaining, supervising or reviewing any records of DTC relating to such beneficial interests.

Upon receipt of any payment of principal of or interest on the Global Bonds, DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of any Global Bond as shown on its records. Payments by such participants to owners of beneficial interests in such Global Bond held through such participants will be the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name". Distributions with respect to Bonds held through Euroclear or Cedel Bank will be credited to the cash accounts of Euroclear participants or Cedel Bank participants in accordance with the relevant system's rules and procedures to the extent received by the U.S. Depository. Distributions with respect to Bonds held through Caja de Valores will be credited to its participants in accordance with such clearing system's rules and procedures to the extent received in its Cedel Bank account.

If any date for payment in respect of any Bond is not a business day, the holder thereof shall not be entitled to payment until the next following business day. As used in this Listing Memorandum under the headings "Description of the Bonds" and "Clearing and Settlement", "business day" means a day on which banking institutions in The City of New York and at the applicable place of payment are not authorized or obligated by law or executive order to be closed. No further interest shall be paid in respect of any such delay in payment.

#### **Definitive Certificates**

No beneficial owner of Bonds will be entitled to receive Bonds in definitive form except in the limited circumstances described below.

If DTC notifies the Republic that it is unwilling or unable to continue as depository for the Global Bonds or ceases to be a clearing agency registered under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") at a time when it is required to be and a successor depository is not appointed by Argentina within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, or if an event of default with respect to the Bonds shall have occurred and be continuing as described in the Basic Prospectus under "Description of Securities — Default; Acceleration of Maturity", the Republic will issue or cause to be issued Bonds in definitive form upon registration of, transfer of, or in exchange for, the Global Security. In the event that Bonds in definitive form were to be issued under the limited circumstances described herein, and for so long as the rules of the Luxembourg Stock Exchange shall so require, Argentina has agreed to appoint a paying agent in Luxembourg (the "Luxembourg Paying Agent") and a transfer agent in Luxembourg (the "Luxembourg Transfer Agent"). Argentina expects to appoint Bankers Trust Luxembourg S.A. as such Luxembourg Paying Agent and Luxembourg Transfer Agent. In such event, the Bonds may be presented for transfer at the corporate trust office of the Fiscal Agent in the City of New York or at the office of the Luxembourg Transfer Agent, subject to the limitations set forth in the Fiscal Agency Agreement. Payments of principal and premium, if any, and interest with respect to the Bonds in definitive form will be made against surrender or presentation, as the case may be, of the certificate or certificates representing such Bonds in definitive form at the office of the Paying Agent (in Luxembourg, the Luxembourg Paying Agent). With respect to any transfer or exchange of all or a portion of a Bond in definitive form, the transferor and the transferee will be entitled to receive, at the office of the Fiscal Agent, the Luxembourg Paying Agent or the Luxembourg Transfer Agent, a new Bond in definitive form representing the principal amount

retained by the transferor or the principal amount received by the transferee, as the case may be, after giving effect to such transfer. Pending appointment by the Republic of the Luxembourg Paying Agent and Luxembourg Transfer Agent, Kredietbank S.A. Luxembourggeoise, the Luxembourg listing agent for the Bonds (the "Listing Agent"), will act as intermediary in Luxembourg between holders of the Bonds and the Republic.

#### **Notices**

All notices will be published in English in London in the *Financial Times*, in The City of New York in *The Wall Street Journal*, and, so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require, in Luxembourg in a newspaper of general circulation (expected to be the *Luxemburger Wort*). If at any time publication in any such newspaper is not practicable, notices will be valid if published in an English language newspaper with general circulation in the respective market regions as Argentina shall determine and in another daily newspaper of general circulation in Luxembourg. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made.

### **CLEARING AND SETTLEMENT**

Links have been established among DTC, Cedel Bank, Euroclear and Caja de Valores to facilitate the initial issuance of the Bonds and cross-market transfers of the Bonds associated with secondary market trading.

Although DTC, Euroclear, Cedel Bank and Caja de Valores have agreed to the procedures provided below in order to facilitate transfers of Bonds among their participants, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither Argentina nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear, Cedel Bank, Caja de Valores or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC, Euroclear, Cedel Bank and Caja de Valores have advised Argentina as follows:

#### **The Clearing Systems**

**DTC.** DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. DTC participants include certain of the Underwriter, the U.S. Depositories, the Fiscal Agent, securities brokers and dealers, banks, trust companies and clearing corporations and may in the future include certain other organizations. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Bonds in DTC may be made only through DTC participants. In addition, beneficial owners of Bonds in DTC will receive all distributions of principal of and interest on the Bonds from the Fiscal Agent through such DTC participant.

**Cedel Bank.** Cedel Bank is incorporated under the laws of Luxembourg as a professional depository. Cedel Bank holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical

movement of certificates. Cedel Bank provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Cedel Bank interfaces with domestic markets in several countries. As a professional depository, Cedel Bank is subject to regulation by the Luxembourg Monetary Institute. Cedel Bank participants are financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Underwriter. Indirect access to Cedel Bank is also available to others that clear through or maintain a custodial relationship with a Cedel Bank participant either directly or indirectly.

Distributions with respect to Bonds held beneficially through Cedel Bank will be credited to cash accounts of Cedel Bank participants in accordance with its rules and procedures.

*Euroclear.* Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by the Brussels, Belgium office of Morgan Guaranty Trust Company of New York (the "Euroclear Operator") under contract with Euro-Clear Clearance Systems, S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Underwriters. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator is the Belgian branch of a New York banking corporation which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to Bonds held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

*Caja de Valores.* Caja de Valores, an Argentine corporation, is currently the only authorized securities clearing house in Argentina. Caja de Valores is owned by The Buenos Aires Stock Exchange and provincial exchanges and it is regulated by the Comisión Nacional de Valores (the National Securities Commission of Argentina, or the "CNV"). Caja de Valores acts as a clearing house for securities trading, provides central depository facilities for securities and acts as transfer and paying agent. It also handles settlement of securities transactions carried out on The Buenos Aires Stock Exchange. All securities in Caja de Valores are held on a fungible basis without attribution of specific securities to specific accounts. Accounts at Caja de Valores are opened only in the name of its participants, primarily financial institutions and stock brokers, which may, in turn,

request Caja de Valores to open sub-accounts in the name of such participants' customers. In general, Caja de Valores only acts on behalf of its participants and has no direct relationship with such participants' customers.

The CNV allows Caja de Valores to carry out clearing transactions with securities admitted to be settled through Cedel Bank even though such securities are not physically deposited in Caja de Valores, provided that such securities must have been previously approved by the CNV to be publicly offered in Argentina or otherwise have been exempted from such approval (as in the case of the Bonds).

### **Initial Settlement**

Initial settlement for the Bonds was made in immediately available funds.

Investors electing to hold their Bonds through DTC (other than through accounts at Euroclear or Cedel Bank) followed the settlement practices applicable to U.S. corporate debt obligations. The securities custody accounts of investors were credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Bonds through Euroclear or Cedel Bank accounts followed the settlement procedures applicable to conventional Eurobonds in registered form. Bonds were credited to the securities custody accounts of Euroclear and Cedel Bank holders on the business day following the settlement date against payment for value on the settlement date.

Investors electing to hold their Bonds through Caja de Valores followed the settlement practices applicable to securities transactions in U.S. dollars. Bonds were delivered to the account of the Caja de Valores participant on the business day following the settlement date free of payment. Separate payment arrangements were made in accordance with customary securities delivery procedures in Argentina.

### **Secondary Market Trading**

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Bonds where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

*Trading between DTC participants.* Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to U.S. corporate debt obligations in same-day funds using DTC's Same-Day Funds Settlement System.

*Trading between Euroclear and /or Cedel Bank participants.* Secondary market trading between Euroclear participants and /or Cedel Bank participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Cedel Bank and Euroclear and will be settled using the procedures applicable to conventional eurobonds in same-day funds.

*Trading between Caja de Valores participants.* Secondary market trading between Caja de Valores participants will occur in accordance with the applicable rules and operating procedures of Caja de Valores.

*Trading between DTC seller and Euroclear or Cedel Bank purchaser.* When Bonds are to be transferred from the account of a DTC participant (other than U.S. Depositories) to the account of a Euroclear participant or a Cedel Bank participant, the purchaser must send instructions to Euroclear or Cedel Bank through a participant at least one business day prior to settlement. Euroclear or Cedel Bank, as the case may be, will instruct the relevant U.S. Depository to receive the Bonds against payment. Payment will then be made by such U.S. Depository to the DTC participant's account against delivery of the Bonds. After settlement has been completed, the Bonds will be credited to the respective clearing system and by the clearing system, in accordance

with its usual procedures, to the Euroclear participant's or Cedel Bank participant's account. Credit for the Bonds will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Bonds will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Cedel Bank cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Cedel Bank participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as the participants would do for any pre-settlement occurring within Euroclear or Cedel Bank. Under this approach, such participants may take on credit exposure to Euroclear or Cedel Bank until the Bonds are credited to their accounts one day later.

As an alternative, if Euroclear or Cedel Bank has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Cedel Bank participants purchasing Bonds would incur overdraft charges for one day, assuming they cleared the overdraft when the Bonds were credited to their accounts. However, interest on the Bonds would accrue from the value date. Therefore, in many cases, the investment income on Bonds earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Because the settlement is taking place during the New York business hours, DTC participants can employ their usual procedures for sending Bonds to the relevant U.S. Depository for the benefit of Euroclear participants or Cedel Bank participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Cedel Bank and that purchase Bonds from DTC participants for credit to Euroclear participants or Cedel Bank participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(1) borrowing through Euroclear or Cedel Bank for one day (until the purchase side of the day trade is reflected in their Euroclear account or Cedel Bank account) in accordance with the clearing system's customary procedures;

(2) borrowing the Bonds in the United States from a DTC participant no later than one day prior to settlement, which would give the Bonds sufficient time to be reflected in the borrower's Euroclear account or Cedel Bank account in order to settle the sale side of the trade; or

(3) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participant or Cedel Bank participant.

*Trading between Euroclear or Cedel Bank seller and DTC purchaser.* Due to time zone difference in their favor, Euroclear participants or Cedel Bank participants may employ their customary procedures for transactions in which Bonds are to be transferred by the respective clearing system through the relevant U.S. Depository to another DTC participant. The seller must send instructions to Euroclear or Cedel Bank through a participant at least one business day prior to settlement. In these cases, Euroclear or Cedel Bank will instruct its U.S. Depository to credit the Bonds to the DTC participant's account against payment. The payment will then be reflected in the account of the Euroclear participant or Cedel Bank participant the following day, and receipt of the cash proceeds in the Euroclear participant's or Cedel Bank participant's account will be back-valued to the value date (which would be the preceding day, when settlement occurs in New York). If the Euroclear participant or Cedel Bank participant has a line of credit with its respective clearing

system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear participant's or Cedel Bank participant's account would instead be valued as of the actual settlement date.

*Trading between DTC, Euroclear and Cedel Bank participants and Caja de Valores participants.* For investors holding Bonds through participant accounts in DTC, Euroclear or Cedel Bank, secondary market trading with Caja de Valores participants will occur in the ordinary way as with any other Cedel Bank participant. Participants in Caja de Valores will need to make arrangements with Caja de Valores and Cedel Bank, or Euroclear, as the case may be, regarding the prepositioning of funds or Bonds, as the case may be, to complete settlement and ensure that trades will not fail.

## LEGAL MATTERS

The validity of the Bonds was passed upon on behalf of Argentina by Cleary, Gottlieb, Steen & Hamilton, United States counsel to Argentina, and on behalf of the Underwriter by Davis Polk & Wardwell, United States counsel to the Underwriter.

## UNDERWRITING

Argentina and J.P. Morgan Securities Ltd. (the "Underwriter") entered into an underwriting agreement with respect to the Bonds. Subject to certain conditions, the Underwriter agreed to purchase all of the Bonds.

Bonds sold by the Underwriter to the public were initially offered at the public offering prices set forth on the cover of this Listing Memorandum. The Bonds were offered for sale in those jurisdictions where it is legal to make such offers.

The Underwriter has agreed that it will not offer, sell or deliver any of the Bonds, directly or indirectly, or distribute this Listing Memorandum or any other material relating to the Bonds, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of the Underwriter result in compliance with the applicable laws and regulations thereof and which will not impose any obligations on Argentina except as set forth in the Underwriting Agreement.

The Underwriter, on behalf of itself and each of its affiliates that participated in the initial distribution of the Bonds, represented and agreed that it complied and will comply with all applicable provisions of the Financial Services Act of 1986 with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom. The Underwriter, on behalf of itself and each of its affiliates that participated in the initial distribution of the Bonds, represented and agreed that it and each such affiliate had not offered or sold, and it and they will not offer or sell, directly or indirectly, any of the Bonds in or to residents of Japan or to any persons for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of the Securities and Exchange Law available thereunder and in compliance with other relevant laws of Japan.

The Underwriter, on behalf of itself and each of its affiliates that participated in the initial distribution of the Bonds, represented and agreed that it and each such affiliate had not distributed and will not distribute Listing Memorandum or any other material relating to the Bonds in Hong Kong other than to persons whose business involves the acquisition, disposal, or holding of securities, whether as principal or as agent, unless such Underwriter or affiliate is a person permitted to do so under the securities laws of Hong Kong.

The Underwriter, on behalf of itself and each of its affiliates that participated in the initial distribution of the Bonds, represented and agreed that the Bonds had not and will not be registered

under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.

In addition, the Bonds may not be publicly offered or sold in Argentina except by the Republic of Argentina or through persons or entities authorized to do so under Argentine Law No. 17,811 and applicable regulations of the Argentine National Securities Commission.

Purchasers of the Bonds may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the price to the public set forth on the cover page hereof. Neither the Republic nor the Underwriter represents that the Bonds may at any time be lawfully sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating such sales.

In connection with the offering, the Underwriter may purchase and sell the Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriter of a greater aggregate principal amount of Bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while the offering is in progress.

These activities by the Underwriter may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriter at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Republic has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933.

In the ordinary course of their respective businesses, the Underwriter and its affiliates have engaged, and may in the future engage, in investment banking transactions with the Republic.

Argentina may from time to time issue and sell additional Bonds to Banco Central for cash or in exchange for other securities of Argentina held by Banco Central. See "Description of the Bonds — Further Issues".



## GENERAL INFORMATION

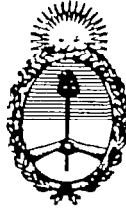
Except as disclosed herein, there has been no material change in the financial position of Argentina since September 30, 1998.

The issue of the Bonds has been authorized by Decree No. 1161, modified by Decree No. 650 dated July 15, 1994 and June 6, 1998, respectively, of the National Executive Power of the Republic of Argentina; Resolution Nos. 1094 and 1033, of the Ministry of Economy and Public Works and Services of the Republic of Argentina dated September 9, 1994 and September 17, 1997 respectively; Resolution Nos. 25 and 508 of the Secretary of the Treasury of Argentina dated January 28, 1997 and November 4, 1998, respectively.

Copies of the Registration Statement, which includes the Fiscal Agency Agreement and the Underwriting Agreement as exhibits to Registration Statement No. 33-83954, will be available for inspection at the offices of the listing agent in Luxembourg during normal business hours on any weekday for so long as the Bonds are listed on the Luxembourg Stock Exchange. In addition, so long as the Bonds are outstanding or listed on the Luxembourg Stock Exchange, copies of Argentina's economic reports for each subsequent year in English (as and when available) will be available at the offices of the listing agent in Luxembourg during normal business hours on any weekday. Documents incorporated by reference into the Listing Memorandum shall also be available free of charge at the office of the listing agent and any paying and transfer agent in Luxembourg.

In the event that Bonds in definitive form were to be issued under the limited circumstances described herein, and for so long as the rules of the Luxembourg Stock Exchange shall so require, Argentina has agreed to appoint a paying agent in Luxembourg (the "Luxembourg Paying Agent") and a transfer agent in Luxembourg (the "Luxembourg Transfer Agent"). Argentina expects to appoint Bankers Trust Luxembourg S.A. as such Luxembourg Paying Agent and Luxembourg Transfer Agent. Pending appointment by Argentina of the Luxembourg Paying Agent and Luxembourg Transfer Agent, Kredietbank S.A. Luxembourgeoise, the Luxembourg listing agent for the Bonds (the "Listing Agent"), will act as intermediary in Luxembourg between holders of the Bonds and Argentina.

The Bonds, which have been accepted for clearance through DTC, Euroclear, Cedel Bank and Caja de Valores, will trade under the same security codes as the previously issued 11 $\frac{3}{8}$ % Bonds due January 30, 2017. (Common Code: 7321473; ISIN: US040114AR16; CUSIP: 040114AR1).



# The Republic of Argentina

## DEBT SECURITIES AND/OR WARRANTS TO PURCHASE DEBT SECURITIES

The Republic of Argentina (the "Republic" or "Argentina") may from time to time offer up to U.S. \$5,587,607,800 (or the equivalent thereof in one or more other currencies or currency units) aggregate principal amount of its debt securities consisting of debentures, notes, bonds and/or other evidences of indebtedness ("Debt Securities") with or without warrants ("Warrants") to purchase Debt Securities (such Debt Securities and/or Warrants being hereinafter collectively called "Securities"). The Securities will be offered in one or more series in amounts, at prices and on terms to be determined at the time of sale and to be set forth in supplements to this Prospectus (each a "Prospectus Supplement").

The terms of the Securities, including, where applicable, the specific designation, aggregate principal amount, denominations, maturity, premium, interest rate (which may be fixed, floating or zero) and time of payment of any interest, currency or currencies (including any currency unit) in which the Securities are denominated or in which payments in respect of the Securities may be made, terms for redemption or exchange at the option of the Republic or the holder (if any), terms for sinking fund payments (if any), terms for any conversion or exchange of Debt Securities (including the terms relating to the adjustment thereof), terms relating to Warrants (if issued), the initial public offering price and the other terms in connection with the offering and sale of each series of the Securities in respect of which this Prospectus is being delivered, will be set forth in one or more Prospectus Supplements relating to such series of Securities. The net proceeds to the Republic from each such sale will also be set forth in such Prospectus Supplements. Such Prospectus Supplements may also set forth, if appropriate, information regarding developments relating to the affairs of the Republic subsequent to the date of this Prospectus.

The Securities may be sold through agents designated from time to time, through underwriters or dealers, or directly by the Republic. If any agents of the Republic or any underwriters are involved in the sale of Securities, the names of such agents or underwriters and any commissions or discounts will be set forth in the applicable Prospectus Supplement.

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**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES  
AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR  
HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE  
SECURITIES COMMISSION PASSED UPON THE ACCURACY  
OR ADEQUACY OF THIS PROSPECTUS. ANY  
REPRESENTATION TO THE CONTRARY  
IS A CRIMINAL OFFENSE.**

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**THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF  
AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES DESCRIBED  
HEREIN AND IN A PROSPECTUS SUPPLEMENT RELATING THERETO. THE  
INFORMATION CONTAINED IN THIS PROSPECTUS IS QUALIFIED IN  
ITS ENTIRETY BY THE SUPPLEMENTARY INFORMATION  
CONTAINED IN SUCH PROSPECTUS SUPPLEMENT.**

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The date of this Prospectus is July 15, 1998

Unless otherwise specified in the applicable Prospectus Supplement, Securities offered and sold outside the United States have not been and will not be registered under the United States Securities Act of 1933, as amended. Accordingly, subject to certain exceptions, such Securities may not be offered, sold or delivered within the United States or to U.S. persons.

The Republic of Argentina is a foreign sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in the United States against the Republic. Attachment prior to judgment or attachment in aid of execution will not be ordered by Argentine courts with respect to (i) those assets which constitute freely available reserves pursuant to Article 6 of the Convertibility Law, (ii) public property if such property is located in the Republic of Argentina and is included within the provisions of Article 2,337 or 2,340 of the Argentine Civil Code or directly provides an essential public service, and (iii) any funds, assets and other financial resources (whether in the form of cash, bank deposits, securities, third party obligations or any other methods of payment), including the proceeds of any financing, of the Argentine Government and any of its governmental agencies and any other governmental entities relating to the performance of any budget. The Republic will irrevocably submit to the jurisdiction of any Federal or State court in the Borough of Manhattan, the City of New York and will irrevocably waive, to the fullest extent permitted by law, any immunity from the jurisdiction of such courts in connection with any action based upon the Securities brought by any holder of Securities. The Republic reserves the right to plead sovereign immunity under the United States Foreign Sovereign Immunities Act of 1976 (the "Immunities Act") with respect to any action brought against it under the United States Federal securities laws or any State securities laws. Notwithstanding the absence of a waiver of immunity by the Republic with respect to such actions, it would be possible to obtain a United States judgment in such an action against the Republic if a court were to determine that the Republic is not entitled under the Immunities Act to sovereign immunity with respect to such action. The enforceability in Argentina of such a judgment is dependent on such judgment not violating the principles of Argentine public policy. See "Description of Securities — Jurisdiction, Consent to Service and Enforceability".

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Argentina's Annual Report on Form 18-K (including all exhibits thereto) for the year ended December 31, 1996 (the "1996 Annual Report") filed with the United States Securities and Exchange Commission (the "Commission") shall be incorporated by reference herein and into any accompanying Prospectus Supplement. In addition, each subsequent Annual Report on Form 18-K (including all exhibits thereto) and any amendments to such Form 18-K on Form 18-K/A (including all exhibits thereto (collectively, a "Form 18-K"), filed with the Commission by Argentina subsequent to the date of this Prospectus and prior to the termination of the offering of the Securities, shall be deemed to be incorporated by reference herein and into any accompanying Prospectus Supplement and to be a part hereof and thereof from the date of the filing of such documents and shall supersede and replace any prior Form 18-K. As used herein, the term "Annual Report" shall refer to any Form 18-K incorporated herein not superseded or replaced by operation of the preceding sentence. Any statement herein or contained in a document that is incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus or any accompanying Prospectus Supplement to the extent that a statement contained in any accompanying Prospectus Supplement or in any other subsequently filed document that is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus or of any accompanying Prospectus Supplement.

Any person receiving a copy of this Prospectus may obtain, without charge, upon request, a copy of any of the documents incorporated by reference herein, except for the exhibits to such documents (other than exhibits expressly incorporated by reference therein). Requests for such documents should be directed to the Office of the Financial Representative of Argentina, 1901 L Street N.W. Suite 606, Washington, D.C. 20036 (telephone: (202) 466-3021 and facsimile (202) 463-8793).

## USE OF PROCEEDS

Unless otherwise specified in the applicable Prospectus Supplement, the net proceeds of the sale of the Securities offered hereby will be used for the general purposes of the Republic.

## DESCRIPTION OF SECURITIES

### Description of Debt Securities

*The following is a brief summary of the terms and conditions of the Debt Securities to be issued pursuant to the Fiscal Agency Agreement (the "Fiscal Agency Agreement"), between the Republic and Bankers Trust Company, as Fiscal Agent (the "Fiscal Agent"). Copies of the form of the Debt Securities (which form may differ from one series of Debt Securities to another) and the Fiscal Agency Agreement relating thereto are or will be filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summary does not purport to be complete and is qualified in its entirety by reference to such exhibits. In addition, in respect of each issue of Debt Securities, this summary will be supplemented (and to the extent, if any, it is inconsistent therewith, replaced) by the description of the particular terms and provisions of such issue set forth in the Prospectus Supplement relating thereto.*

#### General

The Debt Securities may be issued in one or more series as may be authorized from time to time by the Republic. Reference is made to the applicable Prospectus Supplement relating to the particular series of the Debt Securities offered thereby for the following terms of such Debt Securities: (a) the specific designation of such Debt Securities; (b) any limit on the aggregate principal amount of such Debt Securities; (c) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which such Debt Securities will be issued; (d) the date or dates on which the principal and premium, if any, of such Debt Securities is payable; (e) the rate or rates (which may be fixed or floating) per annum at which such Debt Securities shall bear interest, if any, the date or dates from which such interest, if any, shall accrue, the interest payment dates on which such interest, if any, shall be payable, and the record dates for such payments (f) the place or places where the principal of, and interest on, such Debt Securities is payable; (g) the price or prices at which, the period or periods within which and the terms and conditions upon which such Debt Securities may be redeemed in whole or in part, at the option of the Republic or otherwise; (h) the obligation, if any, of the Republic to redeem, purchase or repay such Debt Securities pursuant to any sinking fund or analogous provisions and the price or prices at which, the period or periods within which, and the terms and conditions upon which such Debt Securities shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation; (i) the minimum denomination and any multiples thereof of such Debt Securities, which may be U.S. dollars, another foreign currency, units of two or more currencies or amounts determined by reference to an index; (j) the currency or currencies in which the principal, premium, if any, or interest on such Debt Securities may be payable; (k) the manner in which the amount of payments of principal, premium, if any, or interest on such Debt Securities is to be determined and if such determination is to be made with reference to any index; (l) any covenants or agreements of the Republic and events which give rise to the rights of a holder of such Debt Security to accelerate the maturity of such Debt Security; (m) the terms, if any, on which such Debt Securities may be converted into or exchanged for other debt securities of Argentina or stock or other securities of any corporation, any specific terms relating to the adjustment thereof and the period during which such Debt Securities may be so converted or exchanged; and (n) any other terms of such Debt Securities not inconsistent with the provisions of the Fiscal Agency Agreement.

The Republic may replace the Fiscal Agent at any time, subject to the appointment of a replacement fiscal agent and may appoint different fiscal agents for different series of Debt Securities. The Fiscal Agent is not a trustee for the holders of the Debt Securities and does not have the same responsibilities or duties to act for such holders as would a trustee. The Republic may maintain deposit accounts and conduct other banking and financial transactions in the ordinary course of business with the Fiscal Agent.

One or more series of Debt Securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. One or more series of Debt Securities may be floating rate debt securities, exchangeable for fixed rate debt securities. United States Federal income tax consequences and special considerations applicable to any such series will be described in the Prospectus Supplement relating thereto.

Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities denominated in U.S. dollars will be issued in fully registered form only, without coupons, in denominations of \$1,000 and integral multiples thereof.

Unless otherwise specified in the applicable Prospectus Supplement, initial settlement for the Debt Securities will be made in same-day funds and interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The Securities offered hereby are direct obligations of the Republic and do not have the benefit of any separate undertaking of other government entities (including Banco Central).

#### **Payment of Principal and Interest**

Principal and interest (if any) on the Debt Securities will be payable at such place or places and in such currency or currencies as are designated by the Republic and set forth in the applicable Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement and subject to further provisions set forth in the applicable Debt Security, payment of the principal of and interest on each Debt Security will be payable in lawful money of the United States of America at the New York office of the Fiscal Agent on the due date for payment to the person in whose name such Debt Security is registered (the "registered holder") at the close of business on the applicable record date specified in the Prospectus Supplement relating to such Debt Security; *provided, however*, that unless otherwise specified in the Prospectus Supplement, interest will be paid by check mailed to the registered holders of the Debt Securities at their registered addresses. The register of holders of Debt Securities will be kept at the New York office of the Fiscal Agent.

Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities will not be subject to any sinking fund.

Any moneys held by the Fiscal Agent in respect of Debt Securities and remaining unclaimed for two years after such amount shall have become due and payable shall be returned to the Republic, and the holder of a Debt Security shall thereafter look only to the Republic for any payment to which such holder may be entitled.

#### **Additional Amounts**

All payments of principal and interest in respect of the Debt Securities by the Republic will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic or any authority therein or thereof having power to tax (together "Taxes"), unless such withholding or deduction is required by law. In such event, the Republic shall pay such additional amounts as will result in receipt by the holders of Debt Securities of such amounts of principal, premium and interest as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Debt Security:

- (a) to a holder (or to a third party on behalf of a holder) where such holder is liable to such Taxes in respect of any Debt Security by reason of his having some connection with the Republic other than the mere holding of such Debt Security or the receipt of principal, premium or interest in respect thereof;
- (b) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in this Description of the Debt Securities, "Relevant Date" in respect of any Debt Security means the date on which payment in respect thereof first becomes due or (if the full amount of the money payable has not been received by the Fiscal Agent on or prior to such due date) the date on which notice is duly given to the holders in the manner described in "Notices" below that such moneys have been so received and are available for payment. Any reference herein to "principal" and/or "interest" shall be deemed to include any additional amounts which may be payable on the Debt Securities.

## **Redemption and Repurchase**

Unless otherwise set forth in the applicable Prospectus Supplement, the Debt Securities will not be redeemable prior to maturity at the option of the Republic or the registered holders thereof. The Republic may at any time purchase Debt Securities at any price in the open market or otherwise. Debt Securities so purchased by the Republic may, at the Republic's discretion, be held, resold or surrendered to the Fiscal Agent for cancellation.

## **Global Securities**

The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities ("Global Securities") that will be deposited with, or on behalf of, a depository (the "Depository") identified in the Prospectus Supplement relating to such series. Global Securities may be issued only in fully registered form and in either temporary or definitive form. Unless and until it is exchanged in whole or in part for Debt Securities in definitive form, a Global Security may not be transferred except as a whole by the Depository for such Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any nominee of such Depository to a successor Depository or any nominee of such successor.

The specific terms of the depository arrangement with respect to a series of Debt Securities will be described in the Prospectus Supplement relating to such series. Unless otherwise specified in the Prospectus Supplement, the Republic anticipates that the following provisions will apply to depository arrangements.

Upon the issuance of a Global Security, the Depository for such Global Security will credit on its book-entry registration and transfer system the respective principal amounts of the Debt Securities represented by such Global Security to the accounts of Persons that have accounts with such Depository ("Participants"). The accounts to be credited shall be designated by the agents or underwriters with respect to such Debt Securities or by the Republic if such Debt Securities are offered and sold directly by the Republic. Ownership of beneficial interests in a Global Security will be limited to Participants or Persons that may hold interests through Participants. Ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable Depository (with respect to interests of Participants) and records of Participants (with respect to interests of Persons who hold through Participants). Owners of beneficial interests in a Global Security (other than Participants) will not receive written confirmation from the applicable Depository of their purchase. Each beneficial owner is expected to receive written confirmation providing details of the transaction, as well as periodic statements of its holdings, from the Depository (if such beneficial owner is a Participant) or from the Participant through which such beneficial owner entered into the transaction (if such beneficial owner is not a Participant). The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, pledge or transfer beneficial interests in a Global Security.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the Fiscal Agency Agreement. Except as specified below or in the applicable Prospectus Supplement, owners of beneficial interests in a Global Security will not be entitled to have any of the individual Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of any such Debt Securities in definitive form and will not be considered the owners or holders thereof under such Debt Securities or the Fiscal Agency Agreement. Accordingly, each Person owning a beneficial interest in a Global Security must rely on the procedures of the Depository for such Global Security and, if such Person is not a Participant, on the procedures of the Participant through which such Person owns its interest, to exercise any rights of a holder under the Debt Securities or the Fiscal Agency Agreement. The Republic understands that under existing industry practices, if the Republic requests any action of holders, or an owner of a beneficial interest in such Global Security desires to take any action which a holder is entitled to take under the Fiscal Agency Agreement, the Depository for such Global Security would authorize the Participants holding the

relevant beneficial interests to take such action, and such Participants would authorize beneficial owners owning through such Participants to take such action or would otherwise act upon the instructions of beneficial owners holding through them.

Payments of principal of and any premium and any interest on Debt Securities registered in the name of a Depository or its nominee will be made to the Depository or its nominee, as the case may be, as the holder of the Global Security representing such Debt Securities. None of the Republic, any Paying Agent or the Fiscal Agent, in its capacity as registrar for such Debt Securities, will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial interests.

The Republic expects that the Depository for a series of Debt Securities or its nominee, upon receipt of any payment of principal, premium or interest in respect of a Global Security representing such Debt Securities will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of such Depository. The Republic also expects that payments by Participants to owners of beneficial interests in such Global Security held through such Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name". Such payments will be the responsibility of such Participants.

If the Depository for a series of Debt Securities is at any time unwilling or unable to continue as Depository and a successor Depository is not appointed by the Republic within ninety days, the Republic will issue Debt Securities of such series in definitive form in exchange for the Global Security or Securities representing such series of Debt Securities. In addition, the Republic may at any time and in its sole discretion determine not to have the Debt Securities of a series represented by a Global Security or Securities and, in such event, will issue Debt Securities of such series in definitive form in exchange for the Global Security or Securities representing such series of Debt Securities. In either instance, an owner of a beneficial interest in a Global Security will be entitled to have Debt Securities of the series represented by such Global Security equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Debt Securities in definitive form. Debt Securities of such series so issued in definitive form will be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only, without coupons.

#### **Exchange, Registration of Transfer and Replacement of Debt Securities**

Debt Securities may be presented for exchange or registration of transfer (with the form of transfer endorsed thereon duly executed) at the corporate trust office of the Fiscal Agent in The City of New York. Upon surrender for transfer or exchange of any Debt Security of any series, the Fiscal Agent shall authenticate and deliver, in exchange for such Debt Security, a Debt Security or Debt Securities of the same series, of the appropriate denomination and of a like principal amount. No service charge will be made for any transfer or exchange of Debt Securities, but the Republic or the Fiscal Agent may require payment of a sum sufficient to cover any tax or governmental charge in connection therewith. The Republic and the Fiscal Agent may treat the Person in whose name any Debt Security is registered as the owner of such Debt Security for the purpose of receiving payment of any principal of and (subject to the provisions of "Payment of Principal and Interest" above) interest on the Debt Securities and for all other purposes.

Any mutilated Debt Security will be replaced by the Republic at the expense of the holder upon surrender of such mutilated Debt Security to the Fiscal Agent. Debt Securities that become destroyed, stolen or lost will be replaced by the Republic at the expense of the holder upon delivery to the Fiscal Agent of evidence of the destruction, loss or theft thereof satisfactory to the Republic and the Fiscal Agent. In the case of a destroyed, lost or stolen Debt Security, an indemnity satisfactory to the Fiscal Agent and the Republic may be required at the expense of the holder of such Debt Security before a replacement Debt Security will be issued. In case any mutilated, destroyed, lost or stolen Debt Security has become or is about to become due and payable, the Republic in its discretion may pay such Debt Security in lieu of issuing a new Debt Security.



## Nature of Obligation; Negative Pledge

### *Status*

The Debt Securities will constitute (except as set forth below) direct, unconditional, unsecured and unsubordinated obligations of the Republic and shall at all times rank *pari passu* and without any preference among themselves. The full faith and credit of the Republic has been pledged for the due and punctual payment of the principal of, or interest on, the Debt Securities and the performance of the covenants in the Debt Securities. The payment obligations of the Republic under the Debt Securities shall at all times rank at least equally with all its other present and future unsecured and unsubordinated External Indebtedness (as defined below).

### *Negative Pledge and Covenants*

So long as any Debt Security remains outstanding, save for the exceptions set forth below, the Republic will not create or permit to subsist any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest ("Lien") upon the whole or any part of its assets or revenues to secure any Public External Indebtedness of the Republic unless, at the same time or prior thereto, the Republic's obligations under the Debt Securities either (i) are secured equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the holders of the Debt Securities (as provided in "Meetings of Holders of Debt Securities, Modification and Waiver").

Notwithstanding the foregoing, the Republic may permit to subsist:

(i) any Lien upon property to secure Public External Indebtedness of the Republic incurred for the purpose of financing the acquisition of such property; any renewal or extension of any such Lien which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;

(ii) any Lien existing on such property at the time of its acquisition to secure Public External Indebtedness of the Republic and any renewal or extension of any such Lien which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;

(iii) any Lien created in connection with the transactions contemplated by the Republic of Argentina 1992 Financing Plan dated June 23, 1992 sent to the international banking community with the communication dated June 23, 1992 from the Minister of Economy and Public Works and Services of Argentina (the "1992 Financing Plan") and the implementing documentation therefor, including any Lien to secure obligations under the collateralized bonds issued thereunder (the "Par and Discount Bonds") and any lien securing indebtedness outstanding on the date hereof to the extent required to be equally and rateably secured with the Par and Discount Bonds;

(iv) any Lien in existence on the date of the Fiscal Agency Agreement;

(v) any Lien securing Public External Indebtedness of the Republic issued upon surrender or cancellation of any of the Par and Discount Bonds or the principal amount of any indebtedness outstanding as of June 23, 1992, in each case, to the extent such Lien is created to secure such Public Indebtedness on a basis comparable to the Par and Discount Bonds;

(vi) any Lien on any of the Par and Discount Bonds; and

(vii) any Lien securing Public External Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project provided that (a) the holders of such Public External Indebtedness expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness and (b) the property over which such Lien is granted consists solely of such assets and revenues.

For purposes of this section:

“External Indebtedness” means obligations (other than the Debt Securities) for borrowed money or evidenced by bonds, debentures, notes or other similar instruments denominated or payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of the Republic provided that no Domestic Foreign Currency Indebtedness shall constitute External Indebtedness.

“Public External Indebtedness” means any External Indebtedness of, or guaranteed by the Republic which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter or other securities market (including, without prejudice to the generality of the foregoing, securities eligible for sale pursuant to Rule 144A under the U.S. Securities Act of 1933 (or any successor law or regulation of similar effect)).

“Domestic Foreign Currency Indebtedness” means (i) the following indebtedness: (a) Bonos del Tesoro issued under Decree No. 1527/91 and Decree No. 1730/91, (b) Bonos de Consolidación issued under Law No. 23,982 and Decree No. 2140/91, (c) Bonos de Consolidación de Deudas Previsionales issued under Law No. 23,982 and Decree No. 2140/91, (d) Bonos de la Tesorería a 10 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (e) Bonos de la Tesorería a 5 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (f) Ferrobonos issued under Decree No. 52/92 and Decree No. 526/92, (g) Bonos de Consolidación de Regalías Hidrocarburíferas a 16 Años de Plazo issued under Decree No. 2284/92 and Decree No. 54/93; (h) Bonos del Tesoro a Mediano Plazo en Dólares Estadounidenses issued under Law No. 24,156 and Decree No. 340/96 and (i) Bonos de Consolidación issued under Law No. 24,411 and Decree No. 726/97; (ii) any indebtedness issued in exchange, or as replacement, for the indebtedness referred to in (i) above; and (iii) any other indebtedness payable by its terms, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of the Republic of Argentina which is (a) offered exclusively within the Republic of Argentina or (b) issued in payment, exchange, substitution, discharge or replacement of indebtedness payable in the lawful currency of the Republic of Argentina; provided that in no event shall the following indebtedness be deemed to constitute “Domestic Foreign Currency Indebtedness”: (1) Bonos Externos de la República Argentina issued under Law No. 19,686 enacted on June 15, 1972 and (2) any indebtedness issued by the Republic in exchange, or as replacement, for any indebtedness referred to in (1) above.

#### **Default; Acceleration of Maturity**

If any of the following events (“Events of Default”) with respect to the Debt Securities of any series occurs and is continuing:

(a) *Non-Payment*: the Republic fails to pay any principal of any of the Debt Securities of such series when due and payable or fails to pay any interest on any of the Debt Securities of such series when due and payable and such failure continues for a period of 30 days; or

(b) *Breach of Other Obligations*: the Republic does not perform or comply with any one or more of its other obligations in the Debt Securities of such series or in the Fiscal Agency Agreement, which default is incapable of remedy or is not remedied within 90 days after written notice of such default shall have been given to the Republic by the Fiscal Agent; or

(c) *Cross Default*: any event or condition shall occur which results in the acceleration of the maturity (other than by optional or mandatory prepayment or redemption) of any Public External Indebtedness of the Republic having an aggregate principal amount of U.S.\$30,000,000 or more, or any default in the payment of principal of, or premium or prepayment charge (if any) or interest on, any such Public External Indebtedness having an aggregate principal amount of U.S.\$30,000,000 or more, shall occur when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto; or

(d) *Moratorium*: a moratorium on the payment of principal of, or interest on, the Public External Indebtedness of the Republic shall be declared by the Republic; or

(e) *Validity*: the validity of the Debt Securities of such series shall be contested by the Republic;

then the holders of not less than 25% in aggregate principal amount of the Debt Securities of such series, by notice in writing to the Republic at the specified office of the Fiscal Agent shall declare the principal amount of all the Debt Securities of such series to be due and payable immediately, and in the case of (a) and (d) above, each holder of Debt Securities of such series may by such notice in writing declare the principal amount of Debt Securities of such series, or with respect to discounted Debt Securities such portion thereof as may be described in the Prospectus Supplement, held by it to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable upon the date that such written notice is received by the Republic unless prior to such date all Events of Default in respect of all the Debt Securities of such series shall have been cured; provided that in the case of (b), (d) and (e) above, such event is materially prejudicial to the interests of the holders of the Debt Securities of such series and provided further, that if, at any time after the principal of the Debt Securities of such series shall have been so declared due and payable, and before any sale of property under any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Republic shall pay or shall deposit with the Fiscal Agent a sum sufficient to pay all matured amounts of interest and principal upon all the Debt Securities which shall have become due otherwise than solely by declaration (with interest on overdue amounts of interest, to the extent permitted by law, and on such principal of each Debt Securities at the rate of interest set forth on the cover page, to the date of such payment or deposit) and the expenses of the Fiscal Agent, and reasonable compensation to the Fiscal Agent, its agents, legal advisers, and any and all defaults under the Debt Securities, other than the non-payment of principal on the Debt Securities of such series which shall have become due solely by declaration, shall have been remedied, then, and in every such case, the holders of 75% in aggregate principal amount of the Debt Securities of such series then outstanding, after a meeting of holders of Debt Securities held in accordance with the procedures described in "Meetings of Holders of Debt Securities; Modification and Waiver" below, by written notice to the Republic at the specified office of the Fiscal Agent, may on behalf of the holders of all of the Debt Securities of such series waive all defaults and rescind and annul such declaration and its consequences: but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

#### **Meetings of Holders of Debt Securities; Modification and Waiver**

A meeting of registered holders of Debt Securities of any series may be called at any time and from time to time to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Fiscal Agency Agreement or the Debt Securities of any series to be made, given or taken by registered holders of Debt Securities of such series or to modify, amend or supplement the terms of the Debt Securities of such series or the Fiscal Agency Agreement as hereinafter provided. The Fiscal Agent may at any time call a meeting of registered holders of Debt Securities of any series for any such purpose to be held at such time and at such place as the Fiscal Agent shall determine. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given as provided in the terms of the Debt Securities not less than 30 nor more than 60 days prior to the date fixed for the meeting. In case at any time the Republic or the registered holder or holders of at least 10% in aggregate principal amount of the Outstanding (as defined in the Fiscal Agency Agreement) Debt Securities of any series shall have requested the Fiscal Agent to call a meeting of the registered holders of such Debt Securities of such series for any purpose by written request setting forth in reasonable detail the action proposed to be taken at the meeting, the Fiscal Agent shall call such meeting for such purposes by giving notice thereof.

To be entitled to vote at any meeting of registered holders of Debt Securities, a person shall be a holder of Outstanding Debt Securities of such series or a person duly appointed by an instrument in writing as proxy for such a holder. The persons entitled to vote a majority in principal amount of the Outstanding Debt Securities of any series shall constitute a quorum. At the reconvening of any meeting adjourned for a lack of a quorum, the persons entitled to vote 25% in principal amount of the Outstanding Debt Securities of any series shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. The Fiscal Agent may make such reasonable and customary regulations as it shall deem advisable for any meeting of holders of Debt Securities with respect to the proof of the holding of Debt Securities, the appointment of proxies in respect of registered holders of Debt Securities, the record date for determining the registered

holders of Debt Securities who are entitled to vote at such meeting, the appointment and duties of inspectors of votes, proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate.

With the approval of registered holders of Debt Securities at a meeting duly called and held as specified above, (i) upon the affirmative vote of the holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of the Debt Securities then Outstanding (or of such other percentage as may be set forth in the text of the Debt Securities with respect to the action being taken), or (ii) with the written consent of the owners of not less than 66 $\frac{2}{3}$ % in the aggregate principal amount of the Debt Securities of any series then Outstanding (or of such other percentage as may be set forth in the text of the Debt Securities of such series with respect to the action being taken), the Republic and the Fiscal Agent may modify, amend or supplement the terms of the Debt Securities of such series or the Fiscal Agency Agreement, in any way, and such registered holders may make, take or give any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Fiscal Agency Agreement or the Debt Securities of any series to be made, given or taken by registered holders of Debt Securities of such series; *provided, however*, that no such action may, without the consent of the registered holder of each Debt Security, (A) change the due date for the payment of the principal of (or premium, if any) or any installment of interest on any Debt Security of such series, (B) reduce the principal amount of any Debt Security of such series, the portion of such principal amount which is payable upon acceleration of the maturity of such Debt Security or the interest rate thereon, (C) change the coin or currency in which, or the required places at which, payment with respect to interest, premium or principal in respect of the Debt Securities of such series is payable, or (D) amend the procedures provided for and the definition of an event of redemption in the Debt Securities of such series, (E) shorten the period during which the Republic is not permitted to redeem the Debt Securities of such series if, prior to such action, the Republic is not permitted to so redeem such Debt Securities, (F) reduce the proportion of the principal amount of the Debt Securities of such series the vote or consent of the holders of which is necessary to modify, amend or supplement the Fiscal Agency Agreement or the terms and conditions of the Debt Securities of such series or to make, take or give any request, demand, authorization, direction, notice, consent, waiver or other action provided hereby or thereby to be made, taken or given, or (G) change the obligation of the Republic to pay additional amounts.

The Fiscal Agent and the Republic may agree, without the consent of the registered holders of Debt Securities of any series, to (i) any modification of any of the provisions of the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Fiscal Agency Agreement) of any of the provisions of the Fiscal Agency Agreement which in the opinion of the Fiscal Agent and the Republic is not materially prejudicial to the interests of the registered holders of Debt Securities of such series. Any such modification shall be binding on the registered holders of Debt Securities of such series.

### **Prescription**

The Debt Securities and interest payments thereon will become void unless claimed within periods of ten years and five years respectively from the due date for payment.

### **Notices**

Unless otherwise set forth in the applicable Prospectus Supplement, all notices to the registered holders of Debt Securities of a series will be given by mail to the address of the registered holder or published in such publications, if any, as are set forth in the applicable Prospectus Supplement. Any such notice shall be deemed to have been given on the date of mailing or, if published, on the first date on which publication is made.

### **Governing Law**

The Securities, the Fiscal Agency Agreement and the Warrant Agreement will provide that they are to be governed by, and interpreted in accordance with the laws of the State of New York, except with respect to their authorization and execution by and on behalf of Argentina, which shall be governed under the laws of Argentina.

## **Jurisdiction, Consent to Service and Enforceability**

The Republic will appoint Banco de la Nación Argentina, at its office presently located at 299 Park Avenue, New York, New York 10171 and its successors from time to time, as its authorized agent upon whom process may be served in any action based on the Securities which may be instituted in any state or federal court in the Borough of Manhattan, The City of New York by the holder of any Securities. Argentina will irrevocably submit to the jurisdiction of any such court in respect of any such action and irrevocably waive any objection which it may have to the venue of any such court in respect of any such action. Such appointment will be irrevocable until all amounts in respect of the principal and interest due and to become due on or in respect of all the Securities have been paid to the Fiscal Agent, except that if, for any reason, Banco de la Nación Argentina ceases to be able to act as such authorized agent or to have an address in The City of New York, Argentina will appoint another person in the Borough of Manhattan, The City of New York as its authorized agent. Argentina will irrevocably waive and agree not to plead any immunity from the jurisdiction of any such court to which it might otherwise be entitled (including sovereign immunity and immunity from pre-judgment attachment, post-judgment attachment and execution) in any action based upon the Securities. In addition, Argentina will waive any rights to which it may be entitled on account of place of residence or domicile. Argentina is also subject to suit in competent courts in Argentina. However, attachment prior to judgment or attachment in aid of execution will not be ordered by Argentine courts with respect to the assets which constitute freely available reserves pursuant to Article 6 of the Convertibility Law, the amount, composition and investment of which is reflected on the balance sheet and accounting statements of Banco Central consistently prepared pursuant to Article 5 of the Convertibility Law or with respect to public property if such property is located in the Republic of Argentina and is included within the provisions of Article 2,337 or 2,340 of the Argentina Civil Code or provides directly an essential public service.

Argentina reserves the right to plead sovereign immunity under the Immunities Act with respect to actions brought against it under United States Federal securities laws or any State securities laws, and Argentina's appointment of Banco de la Nación Argentina as its agent for service of process will not extend to such actions. In the absence of a waiver of immunity by Argentina with respect to such actions, it would not be possible to obtain a United States judgment in such an action against Argentina unless a court were to determine that Argentina is not entitled under the Immunities Act to sovereign immunity with respect to such action. However, even if a United States judgment could be obtained in any such action under the Immunities Act, it may not be possible to enforce in Argentina a judgment based on such a United States judgment.

## **Description of Warrants**

*The following is a brief summary of some of the provisions of the Warrants and the Warrant Agreement relating thereto, copies of the forms of which are or will be filed as exhibits to the Registration Statement of which this Prospectus is a part. This summary does not purport to be complete and is qualified in its entirety by reference to such exhibits. In addition, in respect of each issue of Warrants, this summary will be supplemented (and, to the extent, if any, it is inconsistent therewith, replaced) by the description of the particular terms and provisions of such issue set forth in the Prospectus Supplement relating thereto.*

The Prospectus Supplement relating to the particular series of Warrants offered thereby will set forth: (a) the terms referred to above under "Debt Securities—General" of the Debt Securities purchasable upon exercise of such Warrants; (b) the principal amount of Debt Securities purchasable upon exercise of one Warrant, the exercise price, and the procedures of, and conditions to, exercise of such Warrants; (c) the dates on which the right to exercise such Warrants shall commence and expire, and whether and under what conditions such Warrants may be terminated or cancelled by the Republic; (d) the date, if any, on and after which such Warrants and any Debt Securities with which such Warrants were issued will be separately transferable; (e) whether such Warrants will be issued in uncertificated, registered or bearer form, whether they will be exchangeable as between such forms, and if registered, where they may be transferred and registered; (f) special United States federal income tax considerations, if any, applicable to the issuance of any such Warrants; and (g) any other terms of such Warrants.

The Warrants will be subject to the provisions set forth under "Description of the Securities — Debt Securities — Notices; Governing Law; Jurisdiction, Consent to Service and Enforceability".

## TAXATION

### Argentine Taxation

Under existing laws and regulations of Argentina, payments of principal of and interest on the Debt Securities to an individual that is a non-resident of Argentina or to a legal entity that is neither organized in, nor maintains a permanent establishment in Argentina (collectively, "non-resident holders") will not be subject to taxation in Argentina, and no withholding of any Argentine tax will be required on any such payments to any such non-resident holders of the Debt Securities. In addition, gains obtained by non-resident holders derived from the sale or exchange of Debt Securities by such non-resident holders will not be subject to Argentine income tax.

In the event of the imposition of such withholding taxes or duties, the Republic has undertaken to make payments of additional amounts, subject to certain limitations as described in "Description of the Securities — Debt Securities — Additional Amounts."

Pursuant to an amendment to the Argentine Personal Asset Tax law, individuals domiciled in and outside Argentina and certain legal entities domiciled outside Argentina are subject to an annual tax on assets, at a rate of 0.50 per cent. of the value of the assets, including securities, owned on December 31 of the relevant year (the "Personal Asset Tax"). In the case of individuals and certain legal entities domiciled outside Argentina, the Personal Asset Tax applies only to assets located in Argentina. For this purpose, the Securities will be considered to be assets located in Argentina. On February 9, 1996, the Executive branch issued Decree No. 127/96 which exempts bonds, including the Securities, issued by the Republic or by the provincial or municipal governments, and governed by non-Argentine law from the Personal Asset Tax as it applies to individuals or legal entities domiciled outside Argentina.

### United States Federal Taxation

Interest on the Debt Securities will be subject to United States taxation generally. In the opinion of Cleary, Gottlieb, Steen & Hamilton, United States counsel for the Republic, under United States federal income tax law as currently in effect, a holder of the Debt Securities that is, with respect to the United States, a foreign corporation or nonresident alien individual (a "non-U.S. holder") will not be subject to United States federal income taxes, including withholding taxes, on payments of interest (including any original issue discount) on the Debt Securities so long as the requirements described in the second succeeding paragraph are satisfied, unless:

- (i) the non-U.S. holder is an insurance company carrying on a United States insurance business, within the meaning of the United States Internal Revenue Code of 1986, as amended, to which the interest is attributable, or
- (ii) the non-U.S. holder has an office or other fixed place of business in the United States to which the interest is attributable and the interest either is (a) derived in the active conduct of a banking, financing or similar business within the United States or (b) received by a corporation the principal business of which is trading in stock or securities for its own account, and certain other conditions exist.

The gain realized on any sale or exchange of the Debt Securities by a non-U.S. holder will not be subject to United States federal income tax, including withholding tax, unless (i) such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States or (ii) in the case of gain realized by a non-U.S. individual holder, the non-U.S. holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such non-U.S. holder or (B) such non-U.S. holder has a tax home in the United States.

The Fiscal Agent will be required to file information returns with the United States Internal Revenue Service with respect to payments made to certain United States persons on the Debt Securities. In addition, certain United States persons may be subject to a 31% United States backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers and comply with certain other requirements. Non-U.S. holders of Debt Securities may be required to comply with applicable certification procedures to establish that they are not United States persons in order to avoid the application of such information reporting requirements and backup withholding tax. Similar rules requiring information reporting and, in certain circumstances, backup withholding will apply to sales of Debt Securities through certain brokers.

A Debt Security held by an individual holder who at the time of death is a nonresident alien will not be subject to United States federal estate tax.

As used herein, the term "United States person" means an individual citizen or resident of the United States, a U.S. domestic corporation, or an entity otherwise subject to United States federal income taxation on a net income basis in respect of the Debt Securities, and the term "United States" means the United States of America (including the States and the District of Columbia), its possessions, territories and other areas subject to its jurisdiction.

Any additional tax considerations relevant to holders of a particular series of Debt Securities will be provided in the Prospectus Supplement relating to such Debt Securities.

#### PLAN OF DISTRIBUTION

The Republic may sell the Debt Securities (with or without Warrants) in any of three ways: (a) through underwriters or dealers; (b) directly to one or more purchasers; or (c) through agents. The Prospectus Supplement relating to a particular series of Securities offered thereby will set forth the terms of the offering, including the name or names of any underwriters, the purchase price of such Securities and the proceeds to the Republic from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such Securities may be listed.

If underwriters are used in the sale of Securities, such Securities will be acquired by the underwriters for their own account and may be resold by them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices to be determined at the time of sale. The Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. Unless otherwise set forth in the applicable Prospectus Supplement, the obligations of the underwriters to purchase the Securities offered thereby will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of such Securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

The Securities may be sold directly by the Republic or through agents designated by the Republic from time to time. Any agent involved in the offer or sale of Securities will be named, and any commissions payable by the Republic to such agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the applicable Prospectus Supplement, the Republic will authorize agents, underwriters or dealers to solicit offers by certain specified entities to purchase the Securities offered thereby from the Republic at the public offering price set forth in such Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a future date specified in such Prospectus Supplement. Such

contracts will be subject only to those conditions set forth in such Prospectus Supplement and such Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

If so indicated in the applicable Prospectus Supplement, the Republic may offer the Debt Securities to present holders of other debt securities of the Republic as full, partial or alternative consideration for the purchase by the Republic of such other securities either in connection with a publicly announced tender offer for such debt securities or in privately negotiated transactions. Such offering may be in addition to or in lieu of sales of Debt Securities directly or through underwriters or agents as set forth in the applicable Prospectus Supplement.

Agents and underwriters may be entitled under agreements entered into with the Republic to indemnification by the Republic against certain liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof. Agents and underwriters may be customers of, engage in transactions with, or perform services (including commercial and investment banking services) for, the Republic in the ordinary course of business.

### OFFICIAL STATEMENTS

Information included herein or incorporated herein by reference which is identified as being derived from a publication of Argentina or one of its agencies or instrumentalities is included herein on the authority of such publication as a public official document of Argentina. All other information herein and in the Registration Statement of which this Prospectus is a part, other than that included under the caption "Plan of Distribution" herein, is included as a public official statement made on the authority of Dr. Pablo Guidotti, Secretary of the Treasury of the Republic of Argentina.

### VALIDITY OF THE DEBT SECURITIES

The validity of the Debt Securities will be passed upon on behalf of Argentina by the Attorney General of the Treasury of the Republic of Argentina and the Legal Undersecretary or the Secretary of Coordination of the Ministry of Economy and Public Works and Services of the Republic of Argentina and by Cleary, Gottlieb, Steen & Hamilton, United States counsel to Argentina, and on behalf of the underwriters, if any, by Davis Polk & Wardwell, United States counsel to the underwriters, and Bruchou, Fernández Madero & Lombardi, Argentine counsel to the underwriters, or other United States or Argentine counsel to the underwriters named in the applicable Prospectus Supplement. As to all matters of Argentine law, Cleary, Gottlieb, Steen & Hamilton will rely upon the opinion of the Attorney General of the Treasury of the Republic of Argentina and the Legal Undersecretary or the Secretary of Coordination of the Ministry of Economy and Public Works and Services of the Republic of Argentina and Davis Polk & Wardwell, or other United States counsel to the underwriters, will rely upon the opinion of Bruchou, Fernández Madero & Lombardi or other Argentine counsel to the underwriters.

### AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

The Authorized Representative of the Republic of Argentina in the United States of America is Carlos Weitz, Alternate Financial Representative of the Republic of Argentina, whose address is Office of Financial Representative of Argentina, 1901 L Street N.W., Suite 606, Washington, D.C. 20036.

### FURTHER INFORMATION

The issue and terms of the Debt Securities have been authorized by Argentina pursuant to Decree Nos. 1161 and 650 dated July 15, 1994 and June 4, 1998, respectively; Resolution Nos. 1094 and 190, dated September 9, 1994 and September 20, 1996 respectively, of the Ministry of Economy and Public Works and Services of the Republic of Argentina; and Resolution Nos. 1, 372, 380, 395 and 326 dated January 3, 1997, August 27, 1997, September 1, 1997, September 8, 1997 and July 10, 1998 respectively, of the Secretary of the Treasury of the Republic of Argentina.



A Registration Statement with respect to Argentina and the Debt Securities has been filed with the U.S. Securities and Exchange Commission, Washington, D.C., under the Securities Act of 1933. Additional information concerning Argentina and the Debt Securities is to be found in such Registration Statement and any pre- or post-effective amendment thereto, including the various exhibits thereto, which may be inspected and copied at the Public Reference Section of the Securities and Exchange Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at the prescribed rates as well as at the regional offices of the Commission located at Seven World Trade Center, New York, NY 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of all or any portion of the Registration Statement may be obtained from the Public Reference Section of the Commission upon payment of prescribed fees.

Argentina is not subject to the informational requirements of the Securities Exchange Act of 1934. Argentina commenced filing annual reports on Form 18-K ("Annual Reports") with the Commission on a voluntary basis beginning with its fiscal year ended December 31, 1994. These reports include certain financial, statistical and other information concerning Argentina. Argentina may also file amendments on Form 18-K/A to its Annual Reports on Form 18-K for the purpose of filing with the Commission exhibits which have not been included in the registration statement or registration statements to which this Prospectus and any Prospectus Supplement hereto relate, which exhibits would thereby be incorporated by reference into such registration statement or registration statements. Such reports can be inspected and copied at the Public Reference Section of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, as well as at the regional offices of the Commission located at Seven World Trade Center, New York, NY 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such reports may also be obtained at prescribed rates from the Public Reference Section of the Commission at Washington, D.C.