

## **Task Force Argentina Announces Final Argentina Settlement for Italian Bondholders**

Task Force Argentina (TFA) entered into a final Settlement Agreement with the Ministry of Economy and Public Finance of the Argentine Republic on 21 April 2016 in New York. The agreement will result in the resolution of claims of nearly 50,000 Italian retail holders of defaulted Argentina bonds.

The Agreement implements fully the Agreement in Principle signed in New York on 31 January 2016 and subsequently approved by the Argentina Congress. The Agreement in Principle was a breakthrough that ended a 15-year deadlock over the Argentine default. It was a cornerstone for steps taken by the new administration of President Mauricio Macri to normalize the Republic's relations with creditors and the international markets, leading to Argentina's placement this week of US\$ 16.5 billion in global bonds.

As anticipated, the Agreement provides that the Republic will settle all claims with respect to the defaulted bonds held by the participating Italian Bondholders for a payment equal to 150% of the original principal amount of the defaulted bonds. The executed Agreement provides for immediate placement of funds in trust for the benefit of the Italian bondholders, and a settlement procedure for Italian bondholders to participate and receive funds in a period expected to conclude by the end of June. Further to the negotiations undertaken by TFA, the payments will be made in cash.

Dr. Nicola Stock, President of Task Force Argentina, signed the Settlement Agreement at offices of counsel White & Case LLP on the Avenue of the Americas in New York. A delegation of the Argentine Republic participated in the ceremony, and was led by Undersecretary of Finance Santiago Bausili. TFA emphasized that it conducted negotiations with good faith, respect and transparency to facilitate the relevant conditions for resolution with the Republic.

*"The Italian Bondholders have shown great determination to reach this landmark moment," commented Dr. Nicola Stock, President of Task Force Argentina, "and the Argentine government has shown appreciation for our good faith and a readiness to finalize our breakthrough agreement. We look forward to finalizing the implementation promptly."*

The Agreement relates to Italian bondholders who pursued claims before the International Centre for Settlement of Investment Disputes (ICSID) at the World Bank, in a proceeding designated as *Abaclat and others v. Argentine Republic* (ICSID Case No. ARB/07/5), as well as certain proceedings before the U.S. District Court for the Southern District of New York and other jurisdictions.

The Agreement brings relief to Italian bondholders, and also opens the door to a reinforcement of the strong ties between Argentina and Italy, and future investment between the two countries.

**With respect to Task Force Argentina, questions may be directed to Task Force Argentina. For contacts and info, visit the web site [www.tfargentina.it](http://www.tfargentina.it).**

Rome, 22 April 2016