



# The Republic of Argentina

EURO 750,000,000

8½% Global Bonds due 2008

Issue Price 98.84%

Interest on the 8½% Global Bonds due 2008 (the "Global Bonds") is payable annually in arrears on April 21 of each year, commencing April 21, 1999. The Global Bonds will be direct, unconditional, unsecured, and unsubordinated obligations of the Republic of Argentina ("Argentina" or the "Republic"). The Global Bonds will mature on April 21, 2008 at par and will not be redeemable prior to maturity or be entitled to the benefit of any sinking fund.

The Global Bonds will be represented by (i) a permanent global certificate (the "DTC Global Certificate") in fully registered form registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") and (ii) a permanent global certificate in bearer form (the "European Global Certificate" and, together with the DTC Global Certificate, the "Global Certificates"). Both the DTC Global Certificate and the European Global Certificate will be deposited with a custodian and a common depository (the "Certificate Depository") for DTC, Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") and Cedel Bank, société anonyme ("Cedel Bank"). All Global Bonds will be recorded in a register, maintained by the Fiscal Agent. Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Cedel Bank and their respective participants. Definitive Global Bonds will not be issued in exchange for beneficial interests in the Global Certificates, except in the limited circumstances described herein. See "Description of the Global Bonds" and "Clearing and Settlement".

Until the introduction of the EURO at the start of the third stage of economic and monetary union on January 1, 1999 pursuant to the Treaty establishing the European Economic Community (the "Treaty of Rome"), as amended by the Treaty on European Union, signed at Maastricht on February 7, 1992 (the "Treaty"), principal, interest and all other monetary rights and obligations in respect of the Global Bonds shall be performed in ECU at the rate of one ECU for one EURO.

The Global Bonds are being issued on the terms and subject to the conditions set forth in this Prospectus Supplement (together with all amendments and supplements hereto, the "Prospectus Supplement"), and the Prospectus, dated March 27, 1998, included herein (the "Prospectus").

The Global Bonds are offered for sale only in those jurisdictions where it is legal to make such offers. Application has been made to list the Global Bonds on the Luxembourg Stock Exchange.

**THE GLOBAL BONDS 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 SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

	Price to public(1)	Underwriting discounts and commissions(2)	Proceeds to the Republic(3)
Per Global Bond	98.84%	.625%	98.215%
Total	EURO 741,300,000	EURO 4,687,500	EURO 736,612,500

(1) Plus accrued interest, if any, from April 21, 1998.

(2) The Republic has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(3) Before deducting expenses payable by the Republic estimated at U.S.\$318,500, approximately U.S.\$243,500 of which is allocable to registration fees.

The Global Bonds are offered by the Underwriters subject to prior sale and to receipt and acceptance by them and subject to the Underwriters' right to reject any orders in whole or in part. It is expected that the Global Bonds will be ready for delivery in book-entry form only through the facilities of DTC, Euroclear and Cedel Bank on or about April 21, 1998.

## ABN AMRO

## MERRILL LYNCH & CO.

## PARIBAS

### BARCLAYS CAPITAL

### CHASE MANHATTAN INTERNATIONAL LIMITED

### DEUTSCHE BANK AKTIENGESELLSCHAFT

### ICCREA S.P.A.

### MORGAN STANLEY DEAN WITTER

### BANCA COMMERCIALE ITALIANA

### BANCO FINANTIA

### BBV LATINVEST SECURITIES

### CARIPLO S.P.A.

### CREDITO ITALIANO

### GOLDMAN SACHS INTERNATIONAL

### IMI BANK (LUX) S.A.

### KREDIETBANK INTERNATIONAL GROUP

### SCOTIA CAPITAL MARKETS

### UNION BANCAIRE PRIVEE

### CARISBO S.P.A.

### CREDIT SUISSE FIRST BOSTON

### DRESDNER KLEINWORT BENSON

### J.P. MORGAN SECURITIES LTD

### SBC WARBURG DILLON READ

### BANCA NATIONALE DEL LAVORO

### BANQUE BRUXELLES LAMBERT S.A.

### CABOTO HOLDING SIM

### COMMERZBANK AKTIENGESELLSCHAFT

### DG BANK DEUTSCHE GENOSSENSCHAFTSBANK

### HSBC MARKETS

### ING BARINGS

### SANTANDER INVESTMENT

### SOCIETE GENERALE

### WESTMERCHANT

April 15, 1998

**CERTAIN PERSONS PARTICIPATING IN THE GLOBAL BOND OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE GLOBAL BONDS, INCLUDING OVER-ALLOTMENT, STABILIZING AND SHORT-COVERING TRANSACTIONS IN SUCH GLOBAL BONDS, AND THE IMPOSITION OF A PENALTY BID, IN CONNECTION WITH THE GLOBAL BOND OFFERING. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION".**

The Republic, having made all reasonable inquiries, confirms that this Prospectus Supplement and the accompanying Basic Prospectus (as defined herein) contain all information with respect to the Republic and the Global Bonds which is material in the context of the issue and offering of the Global 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.

**No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus Supplement or the accompanying Basic Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Republic of Argentina or the Underwriters. Neither this Prospectus Supplement nor the accompanying Basic Prospectus constitutes an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Prospectus Supplement or the accompanying Basic Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the dates hereof or thereof or that there has been no change in the affairs of the Republic of Argentina since such date.**

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 Prospectus Supplement 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 and the Global Bonds offered hereby may be found in the Registration Statement on Schedule B (the "Registration Statement") relating to the Global Bonds and other securities of the Republic described in the Basic Prospectus on file with the Commission in the United States.

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

References herein to "EURO" are to the single currency to be introduced at the start of the third stage of economic and monetary union as described below under "Description of the ECU, European Monetary Union and the EURO — The EURO". References herein to "ECU" are to the European Currency Unit as defined below under "Description of the ECU, European Monetary Union and the EURO — Definition and Composition of the ECU".

Until the introduction of the EURO at the start of the third stage of economic and monetary union pursuant to the Treaty, principal, interest and all other monetary rights and obligations in respect of the Global Bonds shall be performed in ECU at the rate of one ECU for one EURO.

On April 15, 1998, the noon buying rate in The City of New York for cable transfers payable in ECU, as announced by the Federal Reserve Bank of New York for customs purposes, was ECU1=U.S.\$1.1005.

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## SUMMARY OF THE OFFERING

*The following summary is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Prospectus Supplement and the accompanying Basic Prospectus.*

Issuer .....	The Republic of Argentina.
Securities Offered .....	EURO 750,000,000 principal amount of 8½% Global Bonds due 2008.
Issue Price .....	98.84%.
Interest Payment Dates .....	April 21 of each year, commencing April 21, 1999.
Interest Rate .....	8½% per annum.
Redemption .....	The Global Bonds are not redeemable prior to maturity. At maturity, the Global Bonds will be redeemed at par.
Markets .....	The Global Bonds are offered for sale in those jurisdictions in the United States, Europe and Asia where it is legal to make such offers. See "Underwriting".
Listing .....	Application has been made to list the Global Bonds on the Luxembourg Stock Exchange.
Form and Settlement .....	The Global Bonds will be represented by (i) the DTC Global Certificate registered in the name of Cede & Co., as nominee for DTC and (ii) the European Global Certificate in bearer form. Both the DTC Global Certificate and the European Global Certificate will be deposited with a custodian and common depository, as the Certificate Depository, for DTC, Euroclear and Cedel Bank. Except as described herein, beneficial interests in the Global Certificates will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC, Euroclear and Cedel Bank. Investors may elect to hold interests in the DTC Global Certificate through DTC or in the European Global Certificate through Euroclear or Cedel Bank, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Owners of beneficial interests in the Global Certificates will not be entitled to have Global Bonds registered in their names, will not receive or be entitled to receive Global Bonds in definitive registered form and will not be considered holders thereof under the Fiscal Agency Agreement (as defined herein), except in the limited circumstances described herein. Under no circumstances will definitive Global Bonds in bearer form be issued. Initial settlement for the Global Bonds will be in immediately available funds in ECUs. See "Clearing and Settlement". Certain Underwriters are prepared to arrange for currency conversions into ECUs to enable investors to make such payment in ECUs. See "Currency Conversions and Foreign Exchange Risks".
Taxation .....	Payments of principal and interest in respect of the Global Bonds will be made by Argentina 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 accompanying Basic Prospectus.
Further Issues .....	Argentina may, from time to time, create and issue further bonds ranking pari passu with the Global Bonds in all respects and so that 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 Republica 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 Global Bonds will be used for general purposes of the Republic, which may include the repayment of debt.

## **RECENT DEVELOPMENTS**

The information included herein supplements, and to the extent inconsistent therewith replaces, the information about Argentina that is incorporated by reference in the Basic Prospectus.

### **Government and Politics**

On October 26, 1997, Argentina held nationwide elections for 127 of the 257 seats that comprise the Chamber of Deputies, the lower house of Congress. The Partido Justicialista or Peronist Party ("PJ"), of which President Menem is the leader, garnered 51 seats and the Alliance or Alianza, a coalition of the opposition parties Unión Cívica Radical or Radical Civic Union ("UCR") and Frente del País Solidario or Front for a Country in Solidarity ("Frepasso"), won 42 seats. In addition, in those provinces in which the UCR and Frepasso did not act in coalition, the UCR won 17 seats and Frepasso 4 seats. The PJ now holds a total of 120 seats, less than the number required for an absolute majority in the Chamber of Deputies.

### **Gross Domestic Product**

During 1997, Gross Domestic Product grew an estimated 8.4%. In February 1998, industrial production increased approximately 6.2% over the level recorded in February 1997.

### **Inflation**

During the year 1997, inflation, as measured by the Consumer Price Index (the "CPI"), increased by 0.3% and, as measured by the Wholesale Price Index (the "WPI"), decreased by 0.9%. As of March 31, 1998, the CPI increased by 0.8% and the WPI decreased by 2.0% from levels recorded on March 31, 1997.

### **Employment and Labor**

The national unemployment rate fell from 16.1% in May 1997 to 13.7% in October 1997. As a result of structural reforms to the Argentine economy stemming from the Convertibility Plan, and, more recently, legislative measures taken by the Government to provide greater labor flexibility in wage bargaining, real wages fell 7.6% between 1991 and 1996. This trend continued in 1997, with real wages declining approximately .3% between December 31, 1996 and December 31, 1997.

### **Deregulation of the Economy and Privatizations**

On January 23, 1998, the Government selected the winning bidder for a concession to operate the 33 main airports in Argentina for a period of 30 years in exchange for U.S.\$171 million in annual royalties. The Government entered into the concession contract with the winning bidder on February 9, 1998, and the decree approving the contract was issued on February 13, 1998. On February 27, 1998, the Government raised U.S.\$82.7 million from the sale of its remaining 20% stake in gas distributor Gas Natural BAN S.A.

### **Balance of Payments — Trade Balance**

During January 1998, Argentina recorded a trade deficit of U.S.\$9 billion. During 1997, Argentina recorded a trade deficit of U.S.\$4.9 billion, of which exports (measured on an FOB basis) totaled U.S.\$25.5 billion and imports (measured on a CIF basis) totaled U.S.\$30.4 billion. In 1996, Argentina recorded a trade surplus of approximately U.S.\$49 million, with exports totalling U.S.\$23.8 billion and imports totalling U.S.\$23.8 billion.

In October 1997, Argentina and Canada dropped their respective trade barriers with respect to pork and beef products. On April 1, 1997, Brazil, Argentina's principal trading partner, implemented restrictions requiring importers to pay cash for all imports, except for limited classes of imports and imports with financing terms greater than 360 days. On April 3, 1997, Brazil granted Argentina and certain other countries in the region a partial exemption from these restrictions, permitting imports from these countries valued at no more than U.S.\$40,000 and having financing terms of less than 90 days. On January 26, 1998, Brazil announced that these exemptions will be extended for an indefinite period of time.

In 1997, Argentina recorded a current account deficit of U.S.\$10.1 billion and a capital account surplus of U.S.\$13.2 billion, representing a 167.2% increase in the current account deficit and a 74.1% increase in the capital account surplus from levels recorded during the same period in 1996. In 1997, total foreign direct investment was approximately U.S.\$6.3 billion, representing a 24.3% increase over the level recorded in 1996.

### **Financial Sector**

As of February 27, 1998, total deposits (46.4% of which were in pesos and 53.6% of which were in dollars) in the banking system were U.S.\$71.1 billion, representing an increase of 24.1% over the level recorded on February 27, 1997. The recent instability in global capital markets which began in October 1997 as a result of the currency devaluations and other economic problems in several Asian countries, affected the share prices of Argentine companies listed on the Buenos Aires Stock Exchange (the "Bolsa") and caused a widening in the spreads of Argentine Government bonds traded in the secondary market. Between October 22, 1997 and December 31, 1997, the Bolsa declined 20.3% and the spread on Argentina's Brady par bonds traded on the secondary market increased by 18.8 basis points. Between January 1, 1998 and March 31, 1998, the Bolsa increased 3.3% and the spread on the Republic's Brady par bonds traded on the secondary market decreased by 81 basis points.

### **Monetary Base and Reserves**

As of March 31, 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.\$20.6 billion, representing an 11.1% increase from the level recorded on March 31, 1997. In addition, as of such date, gross international reserves (including gold deposits and approximately U.S.\$1.9 billion of public bonds) stood at U.S.\$23.1 billion, representing a 16.6% increase over the level recorded on March 31, 1997.

### **Public Sector Accounts**

The Government recorded a U.S.\$4.3 billion deficit (excluding revenues from privatizations and sales of tax receivables and including expenses related to certain provincial social security systems) in its public accounts in 1997, approximately U.S.\$239 million below the fiscal deficit target set by the International Monetary Fund (the "IMF") for 1997. The Government expects to record a deficit in 1998, on the same basis, of U.S.\$3.5 billion. During the first two months of 1998, the Government recorded a deficit of U.S.\$0.9 billion.

On February 4, 1998, the IMF approved a three-year extended fund credit facility (the "IMF Facility") for Argentina in the amount of U.S.\$2.8 billion. Among other targets, the accord between the IMF and Argentina requires that Argentina not exceed a public fiscal deficit (the overall balance excluding revenues from privatizations) of U.S.\$3.5 billion for 1998. In addition, the IMF Facility limits the trade deficit of Argentina to no more than U.S.\$5.0 billion in 1998. If in any month in 1998 the cumulative 12-month merchandise trade deficit (with imports measured on a CIF basis) exceeds U.S.\$5.0 billion, the Government, in consultation with the IMF, will take appropriate corrective fiscal and/or credit policy measures. During January 1998, Argentina recorded a trade deficit of U.S.\$0.9 billion, raising the cumulative 12-month merchandise trade deficit to approximately U.S.\$5.4 billion. As a result, representatives of the IMF met with the Government in late March and early April 1998. Although it was decided that no specific corrective

measures needed to be taken at that time, the IMF and the Government agreed to meet in July 1998 to revisit trade deficit issues.

Argentina has reserved the IMF Facility for use in special or urgent circumstances and does not otherwise intend to draw down on the IMF Facility in the normal course of operations.

## Public Sector Debt

As of December 31, 1997, 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. \$98.1 billion and total gross public debt was U.S.\$101.1 billion. Approximately U.S.\$91.6 billion of total gross public debt is denominated in currencies other than the peso, principally in U.S. dollars.

In September 1997, Argentina extended an invitation (i) to exchange its outstanding Collateralized Fixed Rate Bonds Due 2023 (USD Par Series L) (the "Par Bonds"), Collateralized Floating Rate Bonds Due 2023 (USD Discount Series L) (the "Discount Bonds"), Floating Rate Bonds Due 2005 (the "FRBs"), Bonos de Consolidación en Dólares Estadounidenses (the "Bocon Pro 2 Bonds") and Bonos de Consolidación en Moneda Nacional Primera Series (the "Bocon Pro 1 Bonds" and, together with the Par Bonds, Discount Bonds, FRBs and Bocon Pro 2 Bonds, the "Old Bonds") for U.S. Dollar-Denominated 9.75% Unsecured Global Bonds due 2027 (the "New Bonds") of Argentina and (ii) to sell Old Bonds to Argentina for cash or a combination of the foregoing (collectively, the "Invitation") and made a concurrent offer to sell New Bonds for cash (the "New Cash Offering" and together with the Invitation, the "Offering"). As a result of the Invitation, Argentina paid U.S.\$140 million for Old Bonds sold for cash, issued U.S.\$1,750 million aggregate principal amount of New Bonds and retired an aggregate principal amount of U.S.\$2,389.6 million of Par Bonds, Discount Bonds and FRBs. As a result of the Offering, Argentina issued U.S.\$2,250 million aggregate principal amount of New Bonds, of which U.S.\$500 million was issued pursuant to the New Cash Offering.

Between September 1, 1997 and the date hereof, Argentina issued the following debt instruments:

<u>Issue</u>	<u>Principal Amount</u> (in millions)
9.75% Bonds due 2027 .....	U.S.\$2,250
Step-Down Notes due 2004(1) .....	ITL750,000
Step-Down Notes due 2004(1) .....	ITL375,000
8.0% Bonds due 2009 .....	DM1,000
Spread-Adjusted Notes due 2002 .....	U.S.\$500
8.0% Notes due 2000(1) .....	ITL300,000
8.75% Notes due 2003(1) .....	EURO 400
9.75% Bonds due 2027 .....	U.S.\$500
Step-Down Notes due 2008 .....	DM1,500
Step-Down Notes due 2009(1) .....	ITL750,000
Step-Down Notes due 2008 .....	FFR1,500
Step-Down Notes due 2008 .....	NLG500
11.375% Bonds due 2017 .....	U.S.\$750
Floating Rate Accrual Notes due 2005 .....	U.S.\$1,000

(1) Issues made under the Republic's U.S.\$11 billion Medium-Term Note Program.

On January 12, 1998, the Republic of Argentina entered into a three-year loan agreement with a syndicate of eleven banks for an amount of U.S.\$2.0 billion, which amount was fully disbursed on January 14, 1998.

## DESCRIPTION OF THE ECU, EUROPEAN MONETARY UNION AND THE EURO

### Definition and Composition of the ECU

On December 22, 1994, the Council of the European Union (the "Council") adopted Council Regulation (EC) No. 3320/94 (the "ECU Regulation"), which defined the ECU as a composite currency that consists as of the date thereof of the sum of the following currencies of twelve of the fifteen member states ("Member States") of the European Union.

German Mark .....	0.6242	Luxembourg franc .....	0.130
Pound Sterling .....	0.08784	Danish Kroner .....	0.1976
French francs .....	1.332	Irish Pound .....	0.008552
Italian lire .....	151.8	Greek drachmas .....	1.440
Dutch guilder .....	0.2198	Spanish pesetas .....	6.885
Belgian francs .....	3.301	Portuguese escudos .....	1.393

The composition of the ECU for purposes of payments on the Global Bonds will be equal to the composition of the ECU that is used in the ECU Regulation. Under Article 109g of the Treaty, the currency composition of the ECU basket as set forth in the ECU Regulation shall not be changed.

### European Monetary Union

Under the Treaty, Economic and Monetary Union ("European Monetary Union") will be implemented in three stages. The first stage, which began in July 1990, abolished all restrictions on the movement of capital among the Member States and between Member States and third countries. The second stage, which began in January 1994, established the European Monetary Institute to, among other things, increase the cooperation between the central banks of the Member States, coordinate the monetary policies of the Member States, facilitate the use and development of the ECU and consult with the Council on monetary policy. The third stage ("Stage III") of the European Monetary Union will commence on January 1, 1999 pursuant to the Treaty. Part of Stage III is the introduction of a single currency and the transfer of authority for conducting monetary policy for the Member States participating in Stage III to the European Central Bank.

### The EURO

At the Madrid Summit in December 1995 the Council decided that the name of the single currency would be the EURO. From the start of Stage III, the value of the EURO as against the currencies of the Member States participating in Stage III will be irrevocably fixed, and will become a currency in its own right. To date, the legal framework relating to the introduction of the EURO consists of two Regulations of the Council.

On June 17, 1997, the Council adopted Council Regulation (EC) No. 1103/97 based on Article 235 of the Treaty (the "Article 235 Regulation"). The Article 235 Regulation reaffirms, among other things, the continuity of contracts and other legal instruments as a result of the introduction of the EURO, sets forth certain rules relating to the adoption of the rates for the conversion of the national currencies of the Member States that will participate in Stage III and provides for the rounding of monetary amounts after conversion of those national currencies into the EURO. In addition, the Article 235 Regulation provides that every reference in a legal instrument to the ECU as defined in the ECU Regulation will be replaced by a reference to the EURO at the rate of one EURO to one ECU.

The Council is to adopt a Council Regulation to be based on Article 109(4) of the Treaty (the "Article 109(4) Regulation"). Pursuant to the most recent draft of the Article 109(4) Regulation published on August 2, 1997, (OJEC C 236), Stage III will be initiated by a transitional period between January 1, 1999, and December 31, 2001, during which, and for a maximum period of six months thereafter, currency units of the participating Member States will be considered denominations of the EURO and continue to have legal tender status in their respective States of issue. Once issued, the EURO will have legal tender status in all participating Member States. It is expected that the

Article 1091(4) Regulation will be adopted by the Council once the decision is taken as to which Member States will participate in Stage III. This decision on participation is expected to be made at a meeting of the Council in May 1998.

### Exchange Rates of the ECU and the EURO

At the present time, the value of the ECU is based on the underlying currencies of which it is comprised. See “— Definition and Composition of the ECU.” The European Commission calculates the daily exchange rates of the ECU in terms of most of the world’s currencies using rates in effect on the national currency exchange of each of the Member States at 2:30 p.m., Brussels time. The ECU exchange rates are published daily in the Official Journal of the European Communities. Dealers in the foreign exchange markets will provide bid and offer quotations for the exchange rate of the EURO in terms of most of the world’s currencies on a daily basis.

### Historical Exchange Rates

The following table sets forth, for the periods indicated, certain information with respect to the exchange rate of ECU to U.S. dollars based on the noon buying rate in The City of New York for cable transfers payable in ECU, as announced by the Federal Reserve Bank of New York for customs purposes.

	U.S.\$ per ECU			
	Low	High	Average	Period End
1993 .....	1.0910	1.2467	1.1637	1.1125
1994 .....	1.1040	1.2777	1.1928	1.2266
1995 .....	1.2190	1.3456	1.2980	1.2795
1996 .....	1.2228	1.2890	1.2524	1.2545
1997 .....	1.0482	1.2530	1.1267	1.0980
1998 through (April 15) .....	1.0725	1.1060	1.0857	1.1005

See “Currency Conversions and Foreign Exchange Risks.”

### DESCRIPTION OF THE GLOBAL BONDS

The Global Bonds are to be issued as a series of debt securities pursuant to a Fiscal Agency Agreement, dated as of October 19, 1994, between Argentina and Bankers Trust Company, as Registrar, Fiscal Agent, Transfer Agent and Principal Paying Agent (the “Fiscal Agent”), as amended by Amendment No. 1 to the Fiscal Agency Agreement, dated as of April 21, 1998 (as amended, the “Fiscal Agency Agreement”). The following statements briefly summarize some of the terms of the Global 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 agent located in Luxembourg. The Fiscal Agency Agreement does not limit the amount of other debt securities which may be issued thereunder. Additional terms of the Global Bonds are described in the Basic Prospectus under the heading “Description of Securities”.

The Global Bonds will bear interest from April 21, 1998 at rate equal to 8½% per annum and will mature at par on April 21, 2008. Interest on the Global Bonds will be payable annually on April 21 of each year (each such date, an “Interest Payment Date”), commencing April 21, 1999, to the persons in whose names the Global Bonds are registered at the close of business on the April 6 immediately preceding such Interest Payment Date (each such date, a “Regular Record Date”). The Global Bonds are not redeemable prior to maturity and are not entitled to the benefit of any sinking fund.

Application has been made to list the Global Bonds on the Luxembourg Stock Exchange.

## **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”) and Cedel Bank, société anonyme (“Cedel Bank”).

The Global Bonds will be issued in denominations of EURO 1,000 and integral multiples thereof and will be represented by (i) the DTC Global Certificate registered in the name of Cede & Co., as nominee for DTC and (ii) the European Global Certificate in bearer form. All of the outstanding Global Bonds will be represented by the two Global Certificates. Except in the limited circumstances described below under “Definitive Certificates”, both the DTC Global Certificate and the European Global Certificate will be deposited with a custodian and common depositary, as the Certificate Depositary, for DTC, Euroclear and Cedel Bank. Except as described herein, beneficial interests in the Global Certificates will be represented through accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC, Euroclear and Cedel Bank. Investors may elect to hold interests in the DTC Global Certificate through DTC or in the European Global Certificate through Euroclear or Cedel Bank, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Except in the limited circumstances described below under “Definitive Certificates”, owners of beneficial interests in the Global Certificates will not be entitled to have Global Bonds registered in their names, will not receive or be entitled to receive physical delivery of definitive registered Global Bonds and will not be considered holders of the Global Bonds under the Fiscal Agency Agreement or the Global Bonds. Under no circumstances will definitive Global Bonds in bearer form be issued.

The Fiscal Agent will not impose any fees in respect of the Global Bonds, other than reasonable fees for the replacement of lost, stolen, mutilated or destroyed Global 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**

So long as a depositary, or its nominee, is the registered owner or holder, as the case may be, of a Global Certificate, such depositary or such nominee, as the case may be, will be considered the sole owner and holder of the Global Bonds represented by such Global Certificates for all purposes. Accordingly, each person owning a beneficial interest in the Global Certificates must rely on the procedures of Euroclear, Cedel Bank and DTC or its nominee 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 Global Bonds.

The Global Certificates may not be transferred without the prior written consent of the Republic and in such case may be transferred only in combination and as a whole by the Certificate Depositary to another custodian and common depositary for such Global Certificates or to a successor of such custodian and common depositary.

Upon the issuance of the Global Certificates, the Republic expects that Euroclear, Cedel Bank and DTC or its nominee will credit on their book-entry registration and transfer system the respective principal amounts of the Global Bonds represented by such Global Certificates to the accounts of persons that have accounts with Euroclear, Cedel Bank and DTC or its nominee (“participants”), respectively. The accounts to be credited shall be designated by the Underwriters. Ownership of beneficial interests in the Global Certificates will be limited to participants or persons that may hold interests through participants. The beneficial interests will not be available in definitive form. Ownership of beneficial interests in the Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear, Cedel Bank and DTC or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Owners of beneficial interests in the Global Certificates (other than participants) will not receive written confirmation from Euroclear, Cedel Bank or DTC of their purchases. Each beneficial owner is entitled to receive upon request written confirmation providing details of the transaction as well as periodic statements of its holdings from Euroclear, Cedel Bank or DTC (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 of the United States require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability of beneficial owners to own, transfer or pledge beneficial interests in the Global Certificates may be limited by such laws.

All Global Bonds will be recorded in a register maintained by the Fiscal Agent. The Fiscal Agent will be responsible for (i) maintaining a record of the aggregate holdings of all outstanding Global Bonds evidenced by the DTC Global Certificate and the European Global Certificate; (ii) registering transfers between DTC, on the one hand, and Euroclear or Cedel Bank, on the other hand; (iii) ensuring that payments of principal and interest in respect of the Global Bonds received by the Fiscal Agent from the Republic are duly credited to the holders of the Global Bonds; and (iv) transmitting to the Republic any notices received from the holders of the Global Bonds.

The Global Bonds will be treated for United States federal income tax purposes as registered form debt obligations. Thus, the United States federal income tax restrictions applicable to the issuance and holding of bearer form debt obligations will not apply to the Global Bonds.

### **Payment**

Payments by Argentina to the Fiscal Agent will be made in EURO; provided that, until the introduction of the EURO at the start of Stage III of European Monetary Union, payments by Argentina to the Fiscal Agent will be made in ECU at the rate of one ECU for one EURO.

Any payment of principal or interest due on the Global Bonds on any interest payment date or at maturity will be made available by the Republic to the Fiscal Agent or any paying agent on or before such date. On the respective payment date, the Fiscal Agent and/or any paying agent will make such payments to Euroclear, Cedel Bank and DTC or its nominee, as the case may be, in accordance with arrangements between the Fiscal Agent and/or any paying agent and Euroclear, Cedel Bank and DTC or its nominee. Euroclear, Cedel Bank and DTC or its nominee, upon receipt of any payment of principal or interest, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Certificates as shown on the records of Euroclear, Cedel Bank and DTC or its nominee. Payments by participants to owners of beneficial interests in the Global Certificates 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", and will be the responsibility of such participants. Neither the Republic nor the Fiscal Agent nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments to holders of the Global Bonds in respect of principal and interest on the Global Bonds will be made in EURO or ECU, as the case may be, except as may otherwise be agreed between any applicable securities clearing system and any holders of the Global Bonds. See "Currency Conversions and Foreign Exchange Risks". Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither Argentina, the Fiscal Agent nor any paying agent shall be liable to any holder of a Global Bond or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments or any currency conversion or rounding effected in connection therewith.

On and after the first date for the payment of interest in respect of the Global Bonds,

(i) payment of principal or interest on the Global Bonds in EURO may only be made on a day that is a EURO Business Day or, in case of a payment in ECU made prior to the start of Stage III of European Monetary Union, on a day that is an ECU Business Day. If any day for payment of principal or interest on the Global Bonds is not a EURO Business Day or an ECU Business Day, as the case may be, such payment shall be made on the first following day that is a EURO Business Day or an ECU Business Day, as the case may be, and the holders of the Global Bonds shall not be entitled to any interest or other sums in respect of such postponed payment; and

(ii) if interest is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 (B) the number of those days falling in a non-leap year divided by 365);

provided that, if Argentina determines, with the agreement of the Fiscal Agent (which shall not be unreasonably withheld), that the then market practice in respect of EURO denominated internationally offered securities, as applicable, is different from that specified in clauses (i) and (ii) above, such clauses shall be deemed to be amended so as to comply with such market practice and Argentina shall promptly notify the holders of the Global Bonds, the stock exchange(s) (if any) on which the Global Bonds may be listed and any paying agent(s) of such amendments.

With respect to each due date of the payment of interest or principal (each, a "Payment Date"), in the event that payments are to be made in ECU and the ECU is neither used as the unit of account of the European Communities nor as the currency of the European Union, the Fiscal Agent shall, without liability on its part, choose a component currency of the ECU in which all payments due on that Payment Date with respect to Global Bonds are to be made. Notice of the chosen currency selected by the Fiscal Agent shall, where practicable, be published in accordance with the provisions described under the heading "— Notices" below. The amount of each payment in the chosen currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as set out under the heading "— Computation of Equivalents of the ECU" below, as of the fourth business day in Luxembourg prior to the relevant Payment Date. On the first business day in Luxembourg on which the ECU is used neither as the unit of account of the European Communities, nor as the currency of the European Union, the Fiscal Agent shall, without liability on its part, choose a component currency of the ECU in which all payments with respect to the Notes having a Payment Date prior thereto but not yet presented for payment are to be made. The amount of each payment in the chosen currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as set out under the heading "— Computation of Equivalents of the ECU" below, as of such first business day.

"EURO Business Day" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system ("TARGET") is operating.

"ECU Business Day" means any day on which banks are open for business and carrying out transactions in ECU or the chosen currency (as the case may be).

#### **Computation of Equivalents of the ECU**

In the event that payments are to be made in ECU and the ECU is used neither as the unit of account of the European Communities, nor as the currency of the European Union, the equivalent of the ECU in each of the component currencies as of any day (the "Day of Valuation") shall be determined by the Luxembourg Stock Exchange as follows:

The component currencies of the ECU for this purpose (the "Components") shall be the currency amounts that were components of the ECU when the ECU was most recently used as the unit of account of the European Communities. The equivalent of the ECU in the chosen currency shall be calculated by, first aggregating the U.S. dollar equivalents of the Components, and then, using the rate for determining the U.S. dollar equivalent of the Component in the chosen currency as set out below, calculating the equivalent in the chosen currency of such aggregate amount in U.S. dollars.

The U.S. dollar equivalent of each of the Components shall be determined by the Luxembourg Stock Exchange on the basis of the middle spot delivery quotations prevailing at 2:15 p.m. Luxembourg time on the Day of Valuation, as obtained by the Fiscal Agent from one or more major banks, as specified by the Fiscal Agent, in the country of issue of the component currency in question.

If no direct quotations are available for a component currency as of a Day of Valuation from any of the banks selected by the Fiscal Agent for this purpose because foreign exchange markets are closed in the country of issue of that currency or for any other reason, the most recent direct quotations for that currency obtained by the Luxembourg Stock Exchange shall be used in computing the equivalents of the ECU on such

Day of Valuation; provided, however, that such most recent quotations may be used only if they are prevailing in the country of issue no more than two business days before such Day of Valuation. Beyond such period of two business days, the Luxembourg Stock Exchange shall determine the U.S. dollar equivalent of such Component on the basis of cross rates derived from the middle spot delivery quotations for such component currency and for the U.S. dollar prevailing at 2:15 p.m. Luxembourg time on such Day of Valuation, as obtained by the Luxembourg Stock Exchange from one or more major banks, as selected by the Fiscal Agent, in a country other than the country of issue of such component currency. Within such period of two business days, the Luxembourg Stock Exchange shall determine the U.S. dollar equivalent of such Component on the basis of such cross rates if the Fiscal Agent judges that the equivalent so calculated is more representative than the U.S. dollar equivalent calculated on the basis of such most recent direct quotations. Unless otherwise specified by the Fiscal Agent, if there is more than one market for dealing in any component currency by reason of foreign exchange regulations or for any other reason, the market to be referred to in respect of such currency shall be that upon which a non-resident issuer of securities denominated in such currency would purchase such currency in order to make payments in respect of such securities.

All determinations made by the Fiscal Agent or the Luxembourg Stock Exchange shall be at their sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on Argentina and all holders of, and owners of beneficial interest in, the Global Certificates.

### **Definitive Certificates**

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

If (i) DTC notifies Argentina 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 (ii) if an event of default with respect to the Global Bonds shall have occurred and be continuing as described in the Basic Prospectus under "Description of Securities — Default; Acceleration of Maturity", Argentina will issue or cause to be issued Global Bonds in definitive registered form upon registration of transfer of, or in exchange for, the DTC Global Certificate. If (i) either Euroclear or Cedel Bank or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if an event of default with respect to the Global Bonds shall have occurred and be continuing as described in the Basic Prospectus under "Description of Securities — Default; Acceleration of Maturity" and a beneficial owner of Global Bonds so requests in accordance with the procedures established from time to time by Euroclear or Cedel Bank, Argentina will issue or cause to be issued Global Bonds in definitive registered form in exchange for interests in the European Global Certificate. Under no circumstances will Global Bonds in definitive bearer form be issued.

### **Further Issues**

Argentina may from time to time, without notice to or the consent of the registered holders of the Global Bonds, create and issue further bonds ranking *pari passu* with the Global 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 Global Bonds and shall have the same terms as to status, redemption or otherwise as the Global Bonds. Argentina may place directly with Banco Central Global Bonds in addition to Global Bonds offered hereby.

### **Consolidation**

Subject to the provisions set forth in the next paragraph but without prejudice to the provisions set forth under "Further Issues", the Republic may on any Interest Payment Date falling on or after the day on which

the third stage of European Economic and Monetary Union has started ("EMU Date") (or if that day is not a business day in The City of New York and any other location(s) which is or are determined by the Republic together with a consolidation agent (the "Consolidation Agent") appointed by the Republic for such purpose to be necessary or appropriate for the consolidation of the Global Bonds, the next following day which is a business day in The City of New York and any such other location(s)) (each a "Consolidation Date"), and on the giving of not less than 30 days' notice prior to the Interest Payment Date falling on or immediately prior to the relevant Consolidation Date by publication in accordance with the provisions under "Notices" (which notice shall detail the manner in which consolidation shall be effected), consolidate the Global Bonds with one or more series of Other Securities (as defined below), provided, however, (i) that such consolidation may only be carried out if the Other Securities to be consolidated have been redenominated in EUROS on or before the Interest Payment Date falling on or immediately prior to the relevant Consolidation Date (if not already so denominated), (ii) that the holders of the Global Bonds or the relevant Other Securities are not entitled to accelerate the Global Bonds or such Other Securities and (iii) that the consolidation may only be carried out if the Republic has received an opinion of counsel of recognized standing as to United States federal income tax matters to the effect that, for United States federal income tax purposes, (a) after the consolidation, the Global Bonds will continue to be treated as registered form debt obligations and (b) a holder of a Global Bond who has purchased that Global Bond in the original offering (x) will not recognize income, gain or loss with respect to that Global Bond as a result of the consolidation, and (y) will be subject to United States federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such consolidation had not occurred. "Other Securities" means, at any time, any one or more series of other bonds or notes of the Republic which: (i) have been issued pursuant to the Fiscal Agency Agreement and have the same or substantially the same terms and conditions (as then in effect and which have not lapsed), and the benefit of the same or equivalent rights as the Global Bonds (other than in relation to the currency of original denomination and/or the denominations and/or the terms and conditions of the Global Bonds relating to business days or interest accrual bases and/or the stock exchange(s) (if any) on which such bonds or notes are listed and/or the clearing systems through which such bonds and notes are cleared and settled and/or redenomination into EURO and/or notices and (ii) have been designated by the Republic upon consultation with the Consolidation Agent, as falling within subclause (i) above and remain so designated.

The Republic may exercise its right referred to in the preceding paragraph if it determines upon consultation with the Consolidation Agent, that the Global Bonds and Other Securities which it proposes to consolidate (together the "Consolidating Securities") will, with effect from their consolidation, (i) be cleared and settled on an interchangeable basis with the same International Securities Identification Number and/or Committee on Uniform Security Identification Procedures number through the main clearing systems through which the Global Bonds and the relevant Other Securities were cleared and settled immediately prior to consolidation unless on the date of such proposed consolidation it will be impossible to so clear and settle the Consolidating Securities in one or more of the main clearing systems, in which case the Consolidating Securities need not so clear and settle through such unavailable clearing system(s) unless it would be materially prejudicial to the holders who hold their Global Bonds through such clearing system(s) and (ii) be listed on at least one European stock exchange on which debt obligations issued in the euromarkets are then customarily listed and on which either the Global Bonds or the relevant Other Securities were listed immediately prior to consolidation.

Notwithstanding the provisions set forth under "Payments — Business Days", the business day definition that shall apply to the Global Bonds for payments on or in respect of the Global Bonds following consolidation shall be (i) a business day definition for fixed rate EURO denominated debt obligations issued in the euromarkets and held in international clearing systems which is consistent with existing or anticipated market practice as determined by the Consolidation Agent upon consultation with the Republic, or (ii) failing a determination pursuant to (i), the component business days included in the business day definitions which applied to the Global Bonds and the relevant Other Securities for payments thereon or in respect thereof prior to consolidation.

The interest accrual basis that shall apply to the Global Bonds from, and including, the Interest Payment Date falling on or immediately prior to the Consolidation Date shall remain the same provided that the Other

Securities which have been consolidated with the Global Bonds had the same interest accrual basis prior to such consolidation as applies to the Global Bonds. If such Other Securities do not have such same interest accrual basis, the interest accrual basis that shall apply to the Global Bonds from, and including, the Interest Payment Date falling on or immediately prior to the Consolidation Date shall be (i) the interest accrual basis which applied to the Global Bonds prior to their consolidation, unless such interest accrual basis is inconsistent with the then existing or anticipated market practice for EURO denominated debt obligations issued in the euromarkets with fixed rate annual interest payments and held in international clearing systems as determined by the Consolidation Agent upon consultation with the Republic, or (ii) if the interest accrual basis which applied to the Global Bonds prior to their consolidation is so inconsistent, the interest accrual basis which is consistent with the then existing or anticipated market practice for EURO denominated debt obligations issued in the euromarkets with fixed rate annual interest payments and held in international clearing systems as determined by the Consolidation Agent upon consultation with the Republic.

Any consolidation of the Global Bonds with any series of Other Securities may involve, inter alia, a change of the depository(ies) which hold(s) the Global Bonds and/or the relevant Other Securities either physically or on behalf of the clearing system(s) through which the Global Bonds and/or the relevant Other Securities are held and/or the issue of a replacement global security.

The Republic undertakes to the holders of the Global Bonds that following a consolidation of the Global Bonds with a series of Other Securities, it shall in dealing with the holders of the Global Bonds have regard to the interests of such holders and the holders of the relevant Other Securities, taken together as a class, and shall treat the holders of the Global Bonds and the holders of the Other Securities alike.

#### **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 Global 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 and Euroclear to facilitate the initial issuance of the Global Bonds and cross-market transfers of the Global Bonds associated with secondary market trading.

Although DTC, Euroclear and Cedel Bank have agreed to the procedures provided below in order to facilitate transfers of Global 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 or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC, Euroclear and Cedel Bank 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 Underwriters, 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 Global Bonds in DTC may be made only through DTC participants. In addition, beneficial owners of Global Bonds in DTC will receive all distributions of principal of and interest on the Global 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 Underwriters. 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 Global 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 Global Bonds held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

## **Initial Settlement**

Initial settlement for the Global Bonds will be made in immediately available ECU funds (i.e., for value on the date of delivery of the Notes). Certain Underwriters are prepared to arrange for currency conversions into ECUs to enable investors to make payment in ECUs. See "Currency Conversions and Foreign Exchange Risks".

Investors electing to hold their Global Bonds through DTC will follow the settlement practices applicable to U.S. corporate debt obligations. The securities custody accounts of investors will be credited with their holdings on the settlement date against payment in same-day funds within DTC, if such payment is effected in U.S. dollars, or, if such payment is not effected in U.S. dollars, free of payment (in such case, separate payment arrangements outside of DTC are required to be made).

Investors electing to hold their Global Bonds through Euroclear or Cedel Bank accounts will follow the settlement procedures applicable to conventional eurobonds.

## **Secondary Market Trading**

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Global 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 U.S. Dollar 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 DTC Seller and Euroclear/Cedel Bank Purchaser.* When book-entry interests in Global Bonds are to be transferred from the account of a DTC participant holding a beneficial interest in the DTC Global Certificate to the account of a Euroclear or Cedel Bank accountholder wishing to purchase a beneficial interest in the European Global Certificate, the DTC participant will deliver instructions for delivery to the relevant Euroclear or Cedel Bank accountholder to DTC by 3:00 p.m., New York City time, on the settlement date. On the settlement date, the Certificate Depository, or any successor custodian and common depository, will instruct the Fiscal Agent to (i) decrease the amount of Global Bonds registered in the name of Cede & Co. and evidenced by the DTC Global Certificate and (ii) increase the amount of Global Bonds deposited with the Certificate Depository, or any successor custodian and common depository, and evidenced by the European Global Certificate. Book-entry interests will be delivered to Euroclear or Cedel Bank, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

*Trading between Euroclear/Cedel Bank Seller and DTC Purchaser.* When book-entry interests in the Global Bonds are to be transferred from the account of a Euroclear or Cedel Bank accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the DTC Global Certificate, the Euroclear or Cedel Bank participant must send delivery instructions to Euroclear by 10:00 a.m. Brussels time for custody exchange instructions received by telex and by 3:00 p.m. Brussels time for custody exchange instructions received through SWIFT or Euclid and to Cedel Bank by 7:45 p.m. Luxembourg time, one business day prior to the settlement date. Euroclear or Cedel Bank, as the case may be, will in turn transmit appropriate instruction to the Certificate Depository, or any successor custodian and common depository, and the Fiscal Agent to arrange delivery to the DTC participant on the settlement date. On the settlement date, the Certificate Depository, or any successor custodian and common depository, will (i) deliver such book-entry interest in the Global Bonds to the relevant account of the DTC participant and (ii) instruct the Fiscal Agent to (a) decrease the amount of Global Bonds deposited with the Certificate Depository, or any successor custodian and common depository and evidenced by the European Global Certificate, and (b) increase the amount of Global Bonds registered in the name of Cede & Co. and evidenced by the DTC Global Certificate.

## CURRENCY CONVERSIONS AND FOREIGN EXCHANGE RISKS

### Currency Conversions

Initial purchasers are required to make payments in ECU. Certain Underwriters are prepared to arrange for currency conversions into ECU to enable investors to make payment in ECU. Each such conversion will be made by such Underwriter on such terms and subject to such conditions, limitations and charges as such Underwriter may from time to time establish in accordance with its regular foreign exchange practices, and subject to applicable laws and regulations. All costs of conversion will be borne by such investors. See “— Foreign Exchange Risks”.

Notwithstanding the payment provisions described under “Description of Global Bonds — Payments” above, investors who hold beneficial interests in the Global Bonds, directly or indirectly, through DTC will be paid in U.S. dollars converted from such payments in EURO, ECU or the chosen currency, as the case may be, by the Fiscal Agent, unless the registered holder, on behalf of any such owner of beneficial interests, elects to receive payments in EURO, ECU or the chosen currency, as the case may be. All costs of conversion, if any, will be borne by holders of beneficial interests in the DTC Global Certificate receiving U.S. dollar payments by deduction from such payments. The U.S. dollar amount of any payment of principal or interest to be received by such a registered holder not electing to receive payments in EURO, ECU or the chosen currency, as the case may be, will be based on the Fiscal Agent’s bid quotation, at or prior to 11:00 a.m., New York time, on the second New York Business Day preceding the applicable payment date, for the purchase of U.S. dollars with EURO, ECU or the chosen currency, as the case may be, for settlement on such payment date. If such bid quotation is not available, all such payments will be made in EURO, ECU or the chosen currency, as the case may be. As long as Global Bonds continue to be represented by the DTC Global Certificate, EURO, ECU or amounts in the chosen currency, as the case may be, converted into U.S. dollars will be paid to Cede & Co. for payment to participants in DTC (each a “DTC Participant”) in accordance with customary procedures established from time to time by DTC.

An owner of a beneficial interest in the DTC Global Certificate may receive payment in respect of principal or interest on the Global Bonds in EURO, ECU or the chosen currency, as the case may be, by notifying the DTC Participant through which its beneficial interest in the DTC Global Certificate is held on or prior to the Record Date of (i) such investor’s election to receive such payment in EURO, ECU or the chosen currency, as the case may be, and (ii) wire transfer instructions to an account entitled to receive the relevant payment. Such DTC Participant must notify DTC of such election and wire transfer instructions on or prior to the second New York Business Day after the Record Date for any payment of interest and on or prior to the eighth day prior to the payment of principal. DTC will notify the Fiscal Agent of such election and wire transfer instructions on or prior to the fourth New York Business Day after the Record Date for any payment of interest and on or prior to the sixth day prior to the payment of principal. If complete instructions are received by the DTC Participant and forwarded by the DTC Participant to DTC and by DTC to the Fiscal Agent on or prior to such dates, such investor will receive payment in EURO, ECU or the chosen currency, as the case may be, outside DTC; otherwise only U.S. dollar payments will be made by the Fiscal Agent. All costs of such payment by wire transfer will be borne by registered holders receiving such payments by deduction from such payments.

“New York Business Day” means a day all banking institutions are not authorized or obligated by law or executive order to be closed in The City of New York.

Investors may be subject to foreign exchange risks as to payments of principal and interest that may have important economic and tax consequences to them. For further information as to such consequences, see “— Foreign Exchange Risks” below.

### Foreign Exchange Risks

An investment in the Global Bonds entails significant risks not associated with a similar investment in a security denominated and payable in the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities or maintains its accounts (the “home

currency"). Such risks include, without limitation, the possibility of significant changes in rates of exchange between the home currency and the EURO, the ECU or the chosen currency (if different than the home currency), as the case may be. Such risks generally depend on events over which the Republic has no control, such as economic and political events and the supply of and demand for EURO, ECU or the chosen currency, as the case may be, and the home currency. In recent years, rates of exchange for certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of the Global Bonds. Depreciation of the EURO, the ECU or the chosen currency (if different than the home currency), as the case may be, against the relevant home currency could result in a decrease in the effective yield of such Global Bond below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income tax considerations that may be relevant to a holder of a Global Bond that is (i) an individual who is a citizen or resident of the United States, (ii) a U.S. domestic corporation or (iii) any other person that is subject to U.S. federal income tax on a net income basis in respect of its investment in the Global Bonds (a "United States holder"). This summary supplements the disclosure under the heading "Taxation — United States Federal Taxation" in the Prospectus. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. This summary deals only with United States holders that acquire Global Bonds as part of the original offering thereof and that will hold Global Bonds as capital assets, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies or dealers in securities or currencies, persons that will hold Global Bonds as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or persons that have a "functional currency" other than the U.S. dollar.

Investors should consult their own tax advisors in determining the tax consequences to them of holding Global Bonds, including the application to their particular situation of the United States federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

*Payments of Interest.* Payments of interest on a Global Bond will be taxable to a United States holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the United States holder's method of tax accounting). The amount of interest income realized by a United States holder that uses the cash method of tax accounting will be the U.S. dollar value of the payment in EUROS, ECUs or the chosen currency, as the case may be, based on the spot rate on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars. A United States holder that uses the accrual method of accounting for tax purposes will accrue interest income on the Global Bond in EUROS, ECUs or the chosen currency, as the case may be, and generally will translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the United States holder's taxable year), or, at the accrual basis United States holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. A United States holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Global Bond.

*Purchase, Sale and Retirement of Notes.* A United States holder's tax basis in a Global Bond generally will equal the cost of such Global Bond to such holder, determined based on the U.S. dollar value of the ECU purchase price on the date of purchase. The conversion of U.S. dollars to ECUs and the immediate use of the ECUs to purchase a Global Bond generally will not result in taxable gain or loss for a United States holder.

Upon the sale, exchange or retirement of a Global Bond, a United States holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued interest, which will be taxable as such) and the United States holder's tax basis in such Global Bond. If a United States holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Global Bond, the amount realized generally will be the U.S. dollar value of the currency received calculated at the exchange rate in effect on the date the instrument is disposed of or retired. A cash basis United States holder, and if it so elects, an accrual basis United States holder, will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale.

Gain or loss that is recognized by a United States holder on the sale, exchange or retirement of a Global Bond and that is not attributable to changes in exchange rates during the period in which the holder held such Global Bond generally will be long-term capital gain or loss if the United States holder has held the Global Bond for more than one year at the time of disposition. Long-term capital gain recognized by an individual U.S. Holder generally will be subject to a maximum tax rate of 28 percent in respect of Global Bonds held for more than one year and to a maximum rate of 20 percent in respect of Global Bonds held in excess of 18 months. Gain or loss recognized by a United States holder on the sale, exchange or retirement of a Global Bond that is attributable to changes in exchange rates during the period in which the holder held such Global Bond generally will be treated as ordinary income or loss to the extent that the gain or loss is so attributable. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Global Bonds.

### UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement dated as of April 15, 1998 (the "Underwriting Agreement"), the Republic has agreed to sell to each of the Underwriters named below, for whom ABN AMRO Bank N.V., Banque Paribas and Merrill Lynch International are acting as representatives (the "Representatives"), and each of the Underwriters has severally agreed to purchase, the principal amount of Global Bonds set forth opposite its name below:

<u>Underwriter</u>	<u>Principal Amount of Global Bonds</u>
ABN AMRO Bank N.V. ....	EURO 223,000,000
Banque Paribas .....	224,000,000
Merrill Lynch International .....	223,000,000
Barclays de Zoete Wedd Limited .....	4,000,000
CARISBO S.p.A. ....	4,000,000
Chase Manhattan International Limited .....	4,000,000
Credit Suisse First Boston (Europe) Limited .....	4,000,000
Deutsche Bank Aktiengesellschaft .....	4,000,000
Dresdner Bank Aktiengesellschaft .....	4,000,000
ICCREA S.p.A. ....	4,000,000
J.P. Morgan Securities Ltd .....	4,000,000
Morgan Stanley & Co. International Limited .....	4,000,000
Swiss Bank Corporation .....	4,000,000
Banca Commerciale Italiana .....	2,000,000
Banca Nazionale del Lavoro SpA .....	2,000,000
Banco Finantia S.A. ....	2,000,000
Banque Bruxelles Lambert S.A. ....	2,000,000
BBV Latinvest Securities Limited .....	2,000,000
Caboto Holding SIM S.p.A. ....	2,000,000
Cassa di Risparmio Delle Provincie Lombarde S.p.A. ....	2,000,000
Commerzbank Aktiengesellschaft .....	2,000,000
Credito Italiano SpA .....	2,000,000
DG Bank Deutsche Genossenschaftsbank .....	2,000,000
Goldman Sachs International .....	2,000,000
ING Bank N.V. ....	2,000,000
IMI Bank (Lux) S.A. ....	2,000,000
Midland Bank plc .....	2,000,000

<u>Underwriter</u>	<u>Principal Amount of Global Bonds</u>
Kredietbank N.V. ....	2,000,000
Santander Investment Limited .....	2,000,000
ScotiaMcLeod Inc. ....	2,000,000
Societe Generale .....	2,000,000
Union Bancaire Privee, CBI-TDB .....	2,000,000
WestMerchant Bank Limited .....	2,000,000
	<u>EURO 750,000,000</u>

Note: The Underwriters will purchase the Notes in ECU at the rate of one ECU for one EURO.

Under the terms of the Underwriting Agreement, the Underwriters are committed to take and pay for all of the Global Bonds, if any are taken.

The Underwriters have advised Argentina that they propose initially to offer the Global Bonds to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of 0.375% of the principal amount of the Global Bonds. After the initial public offering, the public offering price and such concessions may be changed.

The Global Bonds are offered for sale in those jurisdictions in the United States, Europe and Asia where it is legal to make such offers. Only offers and sales of the Global Bonds in the United States, as part of the initial distribution thereof or in connection with resales thereof under circumstances where this Prospectus Supplement and the accompanying Basic Prospectus must be delivered, are made pursuant to the Registration Statement of which the Basic Prospectus, as supplemented by this Prospectus Supplement, is a part.

The Underwriters have agreed that they will not offer, sell or deliver any of the Global Bonds, directly or indirectly, or distribute the Registration Statement, this Prospectus Supplement or the accompanying Basic Prospectus, or any other material relating to the Global Bonds, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of the relevant Underwriter result in compliance with the applicable laws and regulations thereof (including, without limitation, any prospectus delivery requirements) and which will not impose any obligations on Argentina except as set forth in the Underwriting Agreement.

Each Underwriter, on behalf of itself and each of its affiliates that participates in the initial distribution of the Global Bonds, has represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Global Bonds in, from or otherwise involving the United Kingdom.

Each Underwriter, on behalf of itself and each of its affiliates that participates in the initial distribution of the Global Bonds, has represented and agreed that it and each such affiliate has not offered or sold, and it and they will not offer or sell, directly or indirectly, any of the Global 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.

Each Underwriter, on behalf of itself and each of its affiliates that participates in the initial distribution of the Global Bonds, has represented and agreed that it and each such affiliate has not distributed and will not distribute this Prospectus Supplement and the accompanying Basic Prospectus 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.

In addition, the Global 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 Global 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 any of the Underwriters represents that the Global 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.

Although application has been made to list the Global Bonds on the Luxembourg Stock Exchange, the Global Bonds are a new issue of securities with no established trading market. Argentina has been advised by the Underwriters that one or more of them intend to make a market in the Global Bonds but are not obligated to do so and may discontinue any market-making at any time without notice. No assurance can be given as to the liquidity of, or the trading markets for, the Global Bonds.

Argentina has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the United States Securities Act of 1933.

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

## **LEGAL MATTERS**

The validity of the Global Bonds will be passed upon on behalf of Argentina by the Attorney General of the Treasury of Argentina and by Cleary, Gottlieb, Steen & Hamilton, United States counsel to Argentina, and on behalf of the Underwriters by Davis Polk & Wardwell, United States counsel to the Underwriters, and Cárdenas, Cassagne & Asociados, Argentine counsel to the Underwriters. As to all matters of law of Argentina, Cleary, Gottlieb, Steen & Hamilton will rely upon the opinion of the Attorney General of the Treasury of Argentina and Davis Polk & Wardwell will rely upon the opinion of Cárdenas, Cassagne & Asociados.

## **GENERAL INFORMATION**

Except as disclosed herein, there has been no material change in the financial position of Argentina since March 27, 1998.

The issue of the Global Bonds has been authorized by Decree Nos. 1161 and 862, dated July 15, 1994, and August 29, 1997, respectively; Resolutions Nos. 1094, 373, 190 and 1033 of the Ministry of Economy and Public Works and Services of the Republic of Argentina dated September 9, 1994, October 5, 1995, September 20, 1996 and September 17, 1997, respectively; Resolution Nos. 1, 372, and 142 of the Secretary of the Treasury of Argentina dated January 3, 1997, August 27, 1997 and March 25, 1998, respectively and a resolution of the Secretary of the Treasury of the Republic of Argentina to be issued prior to purchase of the Global Bonds by the Underwriters.

Copies of the Registration Statement, which includes the Fiscal Agency Agreement and the Underwriting Agreements filed as exhibits to Registration Statement No. 33-83954, and Amendment No. 1 to the Fiscal Agency Agreement, 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 Notes are listed on the Luxembourg Stock Exchange. In addition, so long as the Global 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 Prospectus 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 Global 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 Global 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 Global Bonds in definitive form will be made against surrender or presentation, as the case may be, of the certificate or certificates representing such Global Bonds in definitive form at the office of the Fiscal Agent (in Luxembourg, the Luxembourg Paying Agent). With respect to any transfer or exchange of all or a portion of a Global 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 Global 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 Argentina of the Luxembourg Paying Agent and Luxembourg Transfer Agent, Kredietbank S. A. Luxembourgeoise, the Luxembourg listing agent for the Notes (the "Listing Agent"), will act as intermediary in Luxembourg between holders of the Global Bonds and Argentina.

The Global Bonds have been accepted for clearance through DTC, Euroclear and Cedel Bank (Common Code: 8633347; ISIN: XS0086333472; CUSIP: 040114AY6).



# **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. \$2,250,000,000 (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 March 27, 1998

Unless otherwise specified in the applicable Prospectus Supplement, Notes 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 Notes 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 Bonds brought by any holder of Bonds. 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 depositary (the "Depositary") 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 Depositary for such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any nominee of such Depositary to a successor Depositary or any nominee of such successor.

The specific terms of the depositary 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 depositary arrangements.

Upon the issuance of a Global Security, the Depositary 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 Depositary ("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 Depositary (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 Depositary 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 Depositary (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 Depositary for a Global Security, or its nominee, is the registered owner of such Global Security, such Depositary 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 Depositary 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 Depositary 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 Depositary or its nominee will be made to the Depositary 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 Depositary 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 Depositary. 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 Depositary for a series of Debt Securities is at any time unwilling or unable to continue as Depositary and a successor Depositary 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.

The United States backup withholding and information reporting rules are under review by the United States Treasury and their application to the Debt Securities could be changed by future regulations.

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 Noemí La Greca, 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 862 dated July 15, 1994 and August 29, 1997, 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 142 dated January 3, 1997, August 27, 1997, September 1, 1997, September 8, 1997 and March 25, 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.

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## **THE ISSUER**

**The Republic of Argentina**  
**Ministry Of Economy and Public Works and Services**  
Hipólito Yrigoyen 250, Piso 10-Ofician 1001  
1310 Buenos Aires  
Argentina

### **FISCAL AGENT**

**Bankers Trust Company**  
4 Albany Street  
New York, New York 10006  
United States

### **LONDON PAYING AGENT**

**Bankers Trust Company**  
1 Appold Street  
Broadgate  
London EC2A 2HE  
United Kingdom

### **PAYING AGENT AND TRANSFER AGENT**

**Bankers Trust Luxembourg S.A.**  
14 Boulevard F.D. Roosevelt  
L-2450 Luxembourg  
Luxembourg

### **JOINT LEAD UNDERWRITERS**

**ABN-AMRO Bank N.V.**  
199 Bishopsgate  
London EC2M 3TY  
United Kingdom

**Banque Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Merrill Lynch International**  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY  
United Kingdom

### **LEGAL ADVISORS**

*To the Republic:*

*as to U.S. Law:*

**Cleary, Gottlieb, Steen & Hamilton**  
One Liberty Plaza  
New York, New York 10006  
United States

*as to Argentine Law:*

**Attorney General of the Treasury of the Republic**  
Procuración del Tesoro de la Nación  
Posadas 1641  
1112 Buenos Aires  
Argentina

*To the Underwriters:*

*as to U.S. Law:*

**Davis Polk & Wardwell**  
450 Lexington Avenue  
New York, New York 10017  
United States

*as to Argentine Law:*

**Cárdenas, Cassagne & Asociados**  
Reconquista 360  
1003 Buenos Aires  
Argentina

### **LISTING AGENT**

**Kredietbank S.A. Luxembourgeoise**  
43, Boulevard Royal  
L-2955 Luxembourg  
Luxembourg