Country Guide
Argentina

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Doing Business in Argentina 2025

Everything you need to know about investing in Argentina

March 2025

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Introduction

Marval O'Farrell Mairal's 2025 'Doing Business in Argentina' is an essential resource for companies investing in Argentina.

With a complex business landscape, our country offers plenty of opportunities, but can also present challenges to even the most experienced investor. Our Doing Business

guide helps companies navigate the legal and operational complexities of this emerging market. This user-friendly guide explains legal precedents and trends as well as regulatory and policy changes.

Our team of experienced legal professionals has provided in-depth analysis and clear sum-maries for investors on various topics such as Country Overview, Establishing a Business in Argentina, and Termination of a Business in Argentina.

If you are interested in finding out more about investment opportunities in Argentina, our team of legal experts are here to help you.

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2. Argentine Investment Vehicles

Law 26994 amended and unified the Argentine Civil Code and the Argentine Commercial Code (now the Argentine Civil and Commercial Code or CCCN) and amended, among others, the Argentine Companies Law 19550 (*Ley General de Sociedades* or LGS).

2.1. Principal Types of Business Entities

Foreign companies may conduct business in Argentina on a permanent basis whether by:

(i) appointing a local commercial representative or setting up a branch,

(ii) incorporating a local corporate entity (subsidiary), or

(iii) acquiring shares in an existing Argentine company.

In any case, foreign companies must first register before the corresponding corporate regulator, considering the jurisdiction involved, which should be chosen based on the effective place of business and administration of the Argentine entity. Registration usually involves filing the foreign company's incorporation documents, the decision of the corresponding corporate authority of the foreign company to hold shares in a company incorporated in Argentina, and the appointment of the legal representative.

Requirements to register foreign entities as shareholders of local entities vary substantially from jurisdiction to jurisdiction. For example, the Public Registry of Commerce with jurisdiction in the Province of Buenos Aires has recently modified the legal framework for foreign companies, adding limitations and requirements. Among others, the new requirements include:

(i) filing an investment plan stating in which Argentine company or companies the foreign company intends to participate,

(ii) compliance with an annual information regime within 120 calendar days as from the end of the fiscal year to evidence that the foreign company carries out its main activity outside of Argentina,

(iii) providing updated information regarding its shareholders and others.

These requirements are similar to the ones recently that were in force in the City of Buenos, but the entity in charge of the public registry in the city (the *Inspección general de Justicia* or *IGJ*) has now eased its regulations and none of the items above are required for the registration of foreign companies in the City of Buenos Aires[1].

The main investment vehicles non-resident individuals and foreign companies use are branches, corporations (*sociedades anónimas),* and limited liability companies (*sociedades de responsabilidad limitada)*. The LGS also recognizes single-shareholder corporations (*sociedades anónimas unipersonales* or *SAU*).

To obtain the benefits derived of each corporate type, companies must be registered before the public registry of commerce of the jurisdictions corresponding to their domiciles.

[1] Please note that, as evidence of the relaxation of the rules, the *IGJ* now allows registration of offshore companies and those companies established, registered, or incorporated in non-cooperative jurisdictions for tax transparency purposes and/or categorized as non-cooperating in anti-money laundering and terrorism financing, provided however that *IGJ* could require that kind of companies to file additional information and/or documentation in order to verify the effective existence and legitimate activity of those kind of entities.

As part of the new perspective of the public regulators' role, the IGJ enacted new regulations that, among other things, approved that:

(i) companies can have a multiple corporate purpose,

(ii) as to irrevocable contributions to capital for future subscription of shares, parties (company and shareholders) can agree on the period during which contributions may be maintained as such without capitalizing them,

(iii) the requirement to approve an issuance premium in case of a capital increase is no longer mandatory,

(iv) contributions of digital assets can now be used as capital contributions in companies,

(v) the reduction of the capital stock to zero and its simultaneous increase resolved in the same meeting of the corporate body—is now authorized subject to specific requirements,

(vi) the criteria of substantial plurality of partners will no longer apply,

(vii) Certain regulatory aspects regarding guarantees for directors and managers of the companies have been simplified by deleting certain requirements.

Law 27349 (*Ley de Apoyo al Capital Emprendedor*) introduced a new type of legal entity called simplified corporation (*sociedad por acciones simplificada* or *SAS*). The main characteristics of SAS are that they are fully incorporated by digital means and the regulations applicable to them include a flexible corporate governance framework. Opposite to what has happened in the last four years, and thanks to recent regulations issued by the IGJ, it is now feasible to register an SAS in the City of Buenos Aires.

Additionally, Law 27742 created an Incentive Regime for Large Investments (RIGI). As a rule, companies that qualify for the RIGI will have to structure their investments through single project entities (VPU). To that end, the following will be considered VPUs:

(i) corporations,

(ii) limited liability companies,

(iii) branches,

(iv) joint ventures and other associative contracts,

(v) dedicated branches (*sucursales dedicadas*).

Further, in accordance with Law 25246 and with General Resolution 112/2021, issued by the Financial Information Unit (UIF), the various public registries of commerce in Argentina must report to the UIF the ultimate beneficiary owners of the local and foreign companies under their surveillance. In that sense, each public registry of commerce in Argentina has its own regulations that local and foreign companies under their surveillance must follow to comply with such report.

The basic characteristics of the branch, corporation, single-shareholder corporation, simplified corporation, and limited liability company—as per Argentinian law and the regulations of the IGJ—are detailed below.

2.1.1. Branch of a Foreign Entity

Any company duly organized and existing in accordance with the laws of its country of origin can set up a branch in Argentina.

In principle, it is not necessary to allocate capital to the Argentine branch, except as required for regulatory matters (e.g., insurance or reinsurance companies). The branch must keep separate

accounting records in Argentina and file annual financial statements. The branch must also comply with several obligations related to the external supervision of the IGJ, such as maintaining positive net equity.

2.1.2. Corporation (*Sociedad Anónima* or SA)

Capital stock and shareholders*:* At least two shareholders, which can be legal entities or individuals, are required to set up an SA. The minimum capital required is ARS 30,000,000 (approximately USD 30,000 at the exchange rate at the time of writing). While the share capital must be fully subscribed at the time of incorporation, only 25% needs to be paid in immediately, and the outstanding 75% must be paid within two years of incorporation. Non-monetary contributions (in real estate, equipment, or other assets) must be made in full at the time of incorporation.

Capital stock is divided into shares that must be registered and denominated in Argentine currency. Except for specific cases provided by law, there are no nationality or residency requirements. Foreign individuals—whether residents of Argentina or not—and foreign companies may hold up to 100% of the capital. Shares must be of equal par value and have equal rights within the same class. However, different classes of shares may be created. Transfers of shares are generally unrestricted, but restrictions may be included in the bylaws if they do not effectively prevent the transfer of shares.

Management and representation*:* A board of directors elected at a shareholders' meeting manages the SA. Directors, and even the president of the company, may be foreigners. However, most of the board members must be Argentine residents.

Shareholders' meetings*:* A shareholders' meeting must be held at least once a year to consider the annual financial statement and the appointment of directors and statutory supervisors, if applicable. Shareholder resolutions must be recorded in an appropriate minute book.

SAs must keep a share registry book as well as books on attendance at shareholders' meetings, the minutes of their Board, shareholders' meetings, accounting books, and—if applicable—a supervisory committee minutes book.

Supervision*:* Argentine companies are subject to the IGJ's external supervision, and the internal supervision of controllers or supervisors (*síndicos* or *comisión fiscalizadora*) appointed by the shareholders, if required by law.

Shareholder liability*:* Shareholders who have fully paid up their subscribed shares are, in general, not liable for the company's obligations beyond their capital contributions. Shareholders who have partially paid up their shares are required to pay any outstanding balance within a maximum of two years from the date of subscription.

Any shareholder with a conflict of interest has a duty to abstain from voting on any matter relating to that conflict. Any shareholder who fails to comply with this provision will be liable for any damage resulting from a final resolution of the matter in conflict if their vote contributed to the majority vote necessary to adopt the resolution. Shareholders who vote in favor of a resolution that is subsequently declared null are jointly and severally liable for damages caused because of that resolution.

Liability of Directors and Managers*:* All directors and managers of an SA are subject to a standard of loyalty and diligence. Noncompliance with these standards results in unlimited joint and several liability.

2.1.3. Single-Shareholder Corporations (*Sociedades Anónimas Unipersonales* or SAU)

Incorporation requirements: Since a SAU is a type of SA, it has the same incorporation requirements of an SA, with these additional requirements:

(i) SAUs can only be incorporated as corporations (*sociedades anónimas)*,

(ii) SAUs cannot be shareholders in another SAU (this also applies to SAUs whose shareholder is a sole-shareholder company incorporated abroad),

(iii) SAUs' share capital must be fully subscribed and paid up upon incorporation,

(iv) SAUs' corporate names may include the name of one or more individuals, and must include the words *"sociedad anónima unipersonal"* or its acronym "SAU."

Capital: If the capital is increased, the capital contribution must be fully subscribed and paid in simultaneously upon the shareholders' approval.

Supervision: The LGS establishes that SAUs are subject to permanent corporate supervision, as provided in the LGS, section 299. In this regard, SAUs must:

(i) appoint a statutory supervisor,

(ii) comply with the filings required from companies subject to permanent corporate supervision by the public registry of the jurisdiction where the SAU's domicile is registered. This includes information on the holding of ordinary and extraordinary shareholders' meetings and financial statements.

As SAUs are subject to permanent corporate supervision, they are a costly type of corporate entity, so they are typically not a convenient option for small-scale businesses. However, SAUs may be a convenient alternative for foreign investors to set up a subsidiary in Argentina, given that only one shareholder is required (previously, the LGS required a minimum of two).

2.1.4. Simplified Corporations (*Sociedades por Acciones Simplificadas* or SAS)

This type of corporations was introduced as part of a law passed in 2017 to promote entrepreneurial activities in Argentina.

Incorporation: Registration must be completed within 24 hours from the next business day after the filing, if the filings are made electronically with a standard form. However, timings and requirements may vary and be extended due to new regulations and requirements. The incorporation or any amendment may be made by public deed, a duly legalized private instrument, or electronically with a digital signature. This procedure includes digital notices for IGJ observations. If the model of bylaws pre-approved by the IGJ are not adopted, the registration may take at least 20 days.

SAS can obtain their tax IDs within 24 hours of filing the relevant application before the Argentine tax authorities.

Board of Directors: SAS must have at least one regular and one alternate director, in the case of no statutory supervisors. The directors can be appointed for a determined or undetermined period. At least one of the regular directors must reside in Argentina. This new type of entity also allows the Board of Directors to meet remotely through a virtual platform and outside of the company's premises.

Shareholders: SAS may have one or more corporate entities or individuals as shareholders. Shareholders' meetings may be held remotely through a virtual platform and outside of the company's premises.

Corporate purpose: SAS's corporate purposes may be multiple.

Limitations: SAS cannot incorporate or participate in other SAS. A SAS cannot be controlled by or related by more than 30% of its corporate capital to a company included in section 299 of the LGS (essentially, large corporations).

Initial Corporate Capital: In principle, corporate capital cannot be less than two times the minimum salary.[2] Capital is divided into shares with singular or plural vote. Capital integration is based on the terms and conditions of the bylaws.

Corporate capital increase: Up to 50% of the registered capital does not need to be registered, it just needs to be communicated to the IGJ. The issuance of shares with different prime are allowed.

Notices regarding incorporation and capital variation: notices must include detailed information on the contribution and ownership of each of the shareholders.

Contributions: shareholders may unanimously set the value of in-kind contributions, or it can be established by market value as a default.

Shares assignment: The assignment of shares must be done according to the bylaws and may require shareholders' approval. If it is not determined in the by-laws, any assignment must be notified to the company and registered in the Stock Ledger Book to be effective against third parties. Limitations may be included in the bylaws forbidding the assignment of shares for a period of up to 10 years.

Transformation: all companies incorporated pursuant to the LGS may be transformed into an SAS.

2.1.5. Limited Liability Companies (*Sociedad de Responsabilidad Limitada* or SRL)

Corporate capital and partners: An SRL may be set up by a minimum of two and a maximum of 50 partners, who may be individuals or corporate entities. Foreign individuals or corporate entities can be admitted as partners of SRLs if the laws of their jurisdiction of incorporation empower them to participate in such companies.

The corporate capital must be fully subscribed upon incorporation, denominated in Argentine currency, and divided into partnership units. A quarter (25%) of the corporate capital must be paid up by the partners at the time the SRL is incorporated, and any balance must be paid up within two years thereafter.

When units are issued for contributions in non-monetary assets, they must be fully paid in. Partnership units must be of equal par value and entitle the holder to one vote each. Partners in an SRL are entitled to preemptive rights with respect to new issuances of units.

Management and representation: Partners may appoint one or more managers, who may be partners, employees, or third parties. Managers represent the company, either individually or jointly, as determined in the bylaws.

Partners' meetings: SRL bylaws include the rules for adopting resolutions. Unless the bylaws state otherwise, resolutions may be passed in writing without the need for holding a meeting. The exception is for those companies with a capital of ARS 2,000,000,000 or more, which must hold meetings to review the annual financial statements. Different majorities are required to make decisions in the partners' meetings, depending on the subject matter. In meetings considering amendments to bylaws, if one partner holds the majority vote, the vote of another partner will be necessary to approve such amendment.

Supervision: Appointing a statutory supervisor or creating a supervisory committee are optional for SRLs unless their capital amounts to ARS 2,000,000,000 or more, in which case one or more statutory supervisors or a supervisory committee must be appointed. When statutory supervisors or a supervisory committee are appointed, the rules for SAs generally apply.

[2] As of October 2024, the mandatory minimum salary in Argentina is ARS 271,571.22.

Liability of partners and managers: In general, and with few exceptions, similar rules for the liability of partners and managers apply to SRLs and SAs. However, when there is more than one manager, liability will depend on the provisions of the bylaws.

2.1.6. Mergers and Spin-Offs

2.1.6.1. Mergers

The LGS regulates mergers. This law provides for two types of mergers:

(i) mergers by consolidation, in which two or more companies transfer their assets and liabilities to set up a new company (the successor company), which issues shares to the shareholders of the merged companies, which are then dissolved,

(ii) mergers by absorption, where one or more companies (the absorbed companies) transfer their assets and liabilities to an existing company (the surviving company), which issues shares to the shareholders of the absorbed companies, which are then dissolved.

Creditors' rights: to protect creditors' rights, a notice of merger must be published in the Official Gazette of each company's jurisdiction and in a newspaper of nationwide circulation.

Right of withdrawal: whenever the shareholders of a company approve a merger in which their company is not the surviving company, any shareholder who voted against the resolution or did not attend the meeting in which the resolution was approved may withdraw from the company and receive the value of the corresponding shares, determined based on the company's most recent audited balance sheet (i.e., the merger balance sheet).

Registration: The law requires that the merger be recorded before the applicable public registry by jurisdiction of incorporation of the merged companies. If the merger, the capital increase, or modification of the charter or bylaws of the absorbing company are not registered, the merger will have no legal effect *vis-a-vis* third parties.

Taxation: to encourage these kinds of business reorganizations, Argentine tax law provides, in principle, that mergers do not give rise to tax liability, provided that certain conditions are met.

2.1.6.2. Spin-Offs

Argentine law defines a spin-off as an action by which a company:

i) carves part of its assets and liabilities out of its existing assets and liabilities and either:

(a) creates (together with another company) a new company to which these assets or liabilities are transferred,

(b) merges those assets and liabilities into one or more existing companies (in the latter case, rules applicable to mergers apply),

ii) carves part of its assets and liabilities out of its existing assets and liabilities and creates one or more companies to which these assets and liabilities are transferred,

iii) creates new companies into which all its assets and liabilities are transferred.

Creditors' rights: Creditors in spin-offs are entitled to the rights similar to those applicable to mergers. Details of the spin-off must be published in the Official Gazette of the jurisdiction of the new spun company and in a newspaper with nationwide circulation.

Right of withdrawal: similar rules to those of mergers apply.

Registration: Once the periods provided for the rights of withdrawal, objection by creditors, and application for judicial liens have elapsed, and there are no claims pending, the bylaws of the new company and the amendment to the bylaws of the spin-off company will be executed and registered before the public registry that corresponds to the company's incorporation jurisdiction. The spin-off will then be effective with respect to third parties.

Taxation: to encourage these kinds of business reorganizations, Argentine tax law provides, in principle, that mergers do not give rise to tax liability, if certain conditions are met.

2.2. Other Forms of Investment Entities

2.2.1. Partnerships

Partnerships are entities in which the participants' liability is unlimited. In Argentina, partnerships generally take the form of a *Sociedad Colectiva*. All the partners are jointly and severally liable for the obligations of the partnership once its assets have been exhausted. No minimum capital is required, and the liquidation of the partnership requires unanimous consent.

2.2.2. Joint Ventures

Specific regulations on joint ventures are included in Chapter 16 of the CCCN.

The joint venture entity most used in Argentina is the *Unión Transitoria* (UT).

UTs are a specific type of joint venture governed by the CCCN. A non-resident corporation may be a member of an Argentine UT if it complies with the same kind of registration proceedings before the public registry as those applicable to a branch of a foreign company.

All UTs and their representatives must be registered before the public registry of the jurisdiction of incorporation (i.e., the City of Buenos Aires or one of the provinces).

UTs are generally not treated as independent legal entities, although they are considered as such for certain purposes including labor law, social security contributions, and value-added and turnover taxes. For assets, income, and other taxes, UTEs are considered transparent entities, and their members pay such taxes.

Joint ventures other than UTs are also permitted under the LGS.

2.3. Certain Regulated Activities

2.3.1. Financial institutions

The Financial Institutions Law 21526 (FIL) of February 14, 1977, as amended, governs banking activities in Argentina. It provides that the Argentine Central Bank (BCRA) is responsible for regulating, inspecting, and supervising financial institutions. The BCRA has the discretionary authority to authorize the operation, merger, and transfer of the banking business of financial institutions, as well as the establishment of branches and representative offices of foreign banks. Local branches of foreign financial institutions receive the same treatment as their domestic counterparts. A bank must notify the BCRA of any proposals for transfers of interests, and the BCRA has the power to approve or deny such proposals.

The FIL provides the regulatory framework for commercial banks, investment banks, mortgage banks, and finance companies. It also regulates savings and loan companies for housing and other real estate, as well as credit associations, which are commonly known as *Cajas* and have limited functions and a smaller impact on the market.

The BCRA also has the power to establish the scope of permitted and prohibited activities and to put limits on credit, indebtedness, minimum capital, reserves, net worth requirements, and the concentration of risks. Many of the requirements of the BCRA mirror the risk-weighted criteria provided in the Basel Committee guidelines.

Under the FIL, all financial institutions may, without restriction, receive term deposits, make temporary investments in assets of high liquidity, and act as dealers or agents in transactions within the scope of their permitted business activities.

Commercial banks may engage in all the financial and banking activities not prohibited by the FIL and BCRA regulations. Commercial banks are the only financial institutions that may accept sight deposits and offer checking accounts.

Other financial institutions are limited to transactions specifically authorized.

2.3.2. Payment service providers

Non-Financial Entities performing at least one activity within a retail payment scheme, in the context of the National Payment System - defined as Payment Service Providers or PSPs- must comply with certain obligations established by the BCRA. The following PSPs also need to register before the Superintendence of Financial and Exchange Institutions (SEFyC) of the BCRA, in the Payment Service Providers Registry:

(i) PSPs offering payment accounts (PSPOC), such as digital wallets or similar services,

(ii) PSPs that act as payment initiators (PSPI),

(iii) PSPs acting as ATM networks and electronic fund transfer networks.

Once the registration requirements are met, the SEFyC issues a registration certificate. PSPs cannot operate without this certificate, even if the registration procedure has been initiated.

In particular, PSPOCs are subject to the BCRA's surveillance powers and must comply with a reporting regime. Other obligations imposed on PSPOC include having transparent advertising policies, complying with KYC standards and regulations on the National Payment System, using strong authentication mechanisms for accessing the wallet and for linking payment instruments and accounts to the digital wallets, and the obligation to enable the linkage between the digital wallet and bank accounts of the clients.

2.3.3. Virtual Assets Service Provider

The new law that amends the Federal System for the Prevention of Money Laundering and Financing of Terrorism was approved in March 2024. In it, Virtual Assets Service Providers (VASP) were included as reporting entities (please see section 2.5).

This law also creates the Registry of VASP, under the scope of the Argentine Securities Commission (CNV). This Registry will gather adequate, accurate, and updated information on individuals and legal entities that are VASPs.

According to Resolution No. 994/2024, VASPs must register in the VASP Registry to carry out any of the activities or operations included in the definition of PSAV in Argentina. The activities included in the VASP definition are:

(i) exchange between virtual assets and fiat currencies,

(ii) exchange between one or more forms of virtual assets,

(iii) transfer of virtual assets,

(iv) safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets,

(v) participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

2.3.4. Insurance Companies

According to Law No. 12988 (as amended), persons, goods, and any other insurable interest of Argentine jurisdiction may only be insured by insurers licensed by the Argentine Superintendence of Insurance (SSN).

Insurance activities are governed by the Insurance Companies Law No. 20091 (as amended). This law states that insurance activity may only be offered by one of the following types of entities, with the prior license of the SSN:

(i) SAs, SAUs (according to the amended General Corporation Law) (please see section 2.1), cooperatives, and mutual entities incorporated and domiciled in Argentina,

(ii) branches or agencies of foreign insurance companies with local capital, and cooperatives and mutual entities,

(iii) state-owned entities, whether federal, provincial, or municipal.

To obtain an insurance license from the SSN, a company must:

(i) have insurance activity as its exclusive corporate purpose,

(ii) comply with minimum capital requirements,

(iii) be registered in the corresponding Public Registry,

(iv) submit a corporate governance report with information on how it complies with corporate governance principles and recommendations, which mainly refer to (a) the composition of the board of directors and its experience in the insurance activity, (b) liabilities and sanctions applicable to the board of directors, (c) business and investment plans, (d) risk management policies, (e) board of directors and managers' compensation policies, (f) guidelines for the attention of the insured customer, (g) anti-money laundering and financing of terrorism policies,

(v) present a feasibility report and a business plan.

Insurers must notify the SSN within 48 hours following a capital contribution and following any transfer of shares—regardless of their number—even when the acquirer is already a shareholder of the insurer.

Insurers must report their ultimate beneficial owner to the SSN. "Ultimate beneficial owners" are the individuals that have at least ten per cent (10%) of the capital or voting rights over a legal entity or that, by any other means, exercise the final direct or indirect control over a legal entity. If there is no individual final beneficial owner to report, the identity of the president or of the highest authority in the company must be reported.

The lines of insurance the SSN admits are life, personal accidents, health, retirement, burial, property and casualty, motor, liability, employer's liability, environmental damage, agriculture, surety, credit, aviation and public transportation insurance, among others. Insurers may either write life or non-life business, but not both.

Insurance companies must keep accounting books and records; produce financial, accounting and other reports on a regular basis; notify or require approval for certain corporate actions (e.g., shareholder

meetings, by-law amendments); maintain the required level of reserves and capital; and report suspicious activities under anti-money laundering regulations, etc.

Insurance companies may market insurance policies themselves, through agents or independent brokers.

2.3.5. Reinsurance Companies

Reinsurance activities are governed by Insurance Companies Law No. 20091 (as amended), and by SSN Resolution No. 38708/2014 (as amended).

Reinsurance and retrocessions may be placed both with local reinsurers and with admitted reinsurers.

Local reinsurers may be SAs, SAUs, cooperatives, and mutual entities, as well as branches of foreign companies with capital in Argentina. To obtain a local reinsurer license from the SSN, a company must comply with requirements akin to those described in 2.3.3. above, albeit with a higher minimum capital.

"Admitted reinsurers" are foreign reinsurers that act from their home offices and that must be registered with the SSN.

Insurers may place reinsurance, in all lines, with admitted reinsurers up to a maximum of 75% of premium ceded under the contract. The other 25% must be mandatorily placed with local reinsurers. However, facultative reinsurance contracts for individual and catastrophe risks for sums equal to or higher than USD 35 million may be fully placed with admitted reinsurers.

The transfer of shares of local reinsurers, capital contributions and any change in shareholding, like that of insurers, require to be notified to the SSN. Local reinsurers must also comply with a number of ongoing requirements, similar to those required from insurers.

Local reinsurers, as well as insurers, have the duty to report their ultimate beneficial owner to the SSN within 30 days from the date the transaction takes place.

2.4. Capital Market Regulations

Capital markets activities are mainly regulated by the Argentine Capital Markets Law No. 26831, published on December 27, 2012, (as amended) (the Securities Law) and CNV regulations. The Securities Law addresses several aspects relating to market transparency, such as participation in public offerings, disclosure of relevant information, tender offers, insider trading, and market manipulation. It also includes regulations on the CNV's supervisory capacity, summary investigations, and administrative sanctions.

The Productive Financing Law was published in the Official Gazette on May 5, 2017. This law introduces significant reforms to the Securities Law to achieve a modern financial regulatory framework that contributes to the development of Argentina's economy.

2.4.1. Securities offerings

The securities offering is divided, from a regulatory viewpoint, into private and public offerings. The division is based on the concept of "public offer." A public offer is an invitation made by an issuer or individuals or companies engaged fully or partially in the purchase and sale of securities to the public or to certain sectors or groups.

To engage in a public offering of securities, the issuers, placement agents, registered agents, and other entities must be authorized by and registered before the CNV. Issuers who have received authorization must continue to observe certain reporting requirements as long as they are authorized to publicly offer securities

The CNV General Resolution No. 1016 of 2024 enabled two private offering regimes: private offerings and employee offerings. Private offerings are those directed to a restricted group of investors, without recurring to mass media. In the case of the private offering for employees, it must be directed only to certain eligible persons, using exclusively media that only employees can access.

Resolution No. 1016 also explicitly authorizes cross-border offerings, defining them as offers made by non-resident entities to an unlimited number of investors within Argentina.

2.4.2. Stock exchanges

There are five relevant stock exchanges in Argentina, of which *Bolsas y Mercados Argentinos SA* (BYMA) is the most important. It was created to unify the Argentine stock market and improve its efficiency.

According to the Securities Law, stock exchanges must be integrated and use the same electronic platform.

Securities traded in the City of Buenos Aires are traded in the BYMA and on *Mercado Abierto Electrónico* (MAE). Individuals or brokerage firms organized as sole-purpose corporations *(sociedades de bolsa)*, including subsidiaries of commercial banks, registered, and authorized by the CNV are allowed to carry out transactions with securities in the stock exchanges.

The Securities Law expressly provides that stock exchanges and securities markets can no longer impose being a shareholder of the market as a requirement for membership. It also establishes that securities markets must be organized as public companies, excluding other types of corporations or civil associations.

The CNV may directly authorize, revoke, regulate and supervise the securities markets and their participants. The CNV must determine the requirements that the markets and their participants need to be authorized as such.

The Securities Law includes at least three types of licenses for the public offering of securities: the broker-dealer license, the underwriter license, and the clearing member license. The CNV has the power to create new types of licenses and modify the existing ones, including the power to cancel types of licenses that were created by the Securities Law.

CNV regulations establish procedures for registering equity securities, debt securities, asset-backed securities, pooled or investment funds, direct investment funds, and money market funds. There are lesser requirements for the listing of the securities of small and medium-sized enterprises (SMEs).

2.4.3. Trust regulations

Law No. 27440 introduced several modifications to the existing system of financial trusts. Among other relevant modifications, the maximum term of 30 years for trusts has been excluded for financial trusts with public offer of listed securities whose purpose is the securitization of mortgage loans. Under Law No. 27440, the obligation to register the financial trust is deemed completed with the authorization of public offering by the CNV.

On February 15, 2024, the CNV issued General Resolution No. 992, modifying the regulation applicable to publicly offered financial trusts. One of the main modifications is an increase in the liability of the trustees, who will no longer be able to release themselves from liability before third parties for not complying with the contractual legal obligations that participating agents had to fulfill.

2.4.3.1. Small and Medium-sized Enterprises

The CNV has also regulated the creation of global programs of trust securities by SMEs through several regulations. The purpose of these trusts is to finance entities qualified as SMEs. It is important to bear in

mind that the trustees of financial trusts may only be financial entities or corporations specifically authorized by the CNV to act as financial trustees.

CNV General Resolution No. 696 of June 15, 2017, establishes a special regime for the issuance of securities by SMEs, called CNV SME Guaranteed Notes. These have the advantages of regular notes but their registration process is easier, and they need to comply with fewer disclosure requirements compared to larger companies. It also simplifies access for SMEs to the public offering regime. CNV General Resolution No. 901 updated the definition of an SME—in terms of access to capital markets—as a company as defined by Resolution No. 220/2019 of the Secretariat for Entrepreneurs and Small and Medium-Sized Enterprises and registered in the Registry of Micro, Small, and Medium-Sized Companies.

The Productive Finance Law also introduced a new financial instrument for the financing of SMEs in the capital markets, the "SMEs Electronic Credit Invoice." CNV General Resolution No. 850 of July 23, 2020, established that these invoices will automatically be authorized for public offering and delegated to the stock markets regulated by the CNV for trading the SMEs Electronic Credit Invoice.

On August 12, 2021, by means of General Resolution No. 899, the CNV created a separate intermediate regime for the public offering of shares and/or notes SMEs and family businesses, which seeks to facilitate access to the public offering regimen by reducing administrative burdens and other regulatory requirements.

Pursuant to General Resolution No. 899 and General Resolution No. 915, the CNV eased the Differentiated Information Regime, which is compulsory for SMEs, by exempting issuers from presenting annual financial statements.

2.4.3.2. Access to capital

The Support for Entrepreneurial Activity Law No. 27349 was published in the Official Gazette on April 12, 2017. This Law creates a Fiduciary Fund for Entrepreneurial Capital Development and regulates Crowdfunding Systems, to provide access to capital for businesses.

The Fiduciary Fund for Entrepreneurial Capital Development **(**FONDCE), created as an administrative and financial trust, is governed and enforced by the Secretary of Entrepreneurial and Small and Medium-sized Enterprises of the Ministry of Production. Its purpose is to provide financing for entrepreneurs and entrepreneurial capital institutions. Financed by a variety of public and private resources, the funds are used for granting loans, non-reimbursable contributions, and capital contributions to support entrepreneurial projects and entrepreneurial capital institutions.

The Support for Entrepreneurial Activity Law also regulates crowdfunding, which had not been regulated before. The goal is to promote financing for entrepreneurs and entrepreneurial capital institutions through capital markets. The crowdfunding platform must be a corporation *(sociedad anónima)* duly authorized by the CNV. This regulation excludes from the crowdfunding system projects with charitable purposes, donations, direct sales of goods and services, and loans that cannot be converted into corporate shares or simplified corporate shares.

2.4.4. Insider trading

The Securities Law and several CNV regulations aim to prevent the misappropriation of non-public information and guarantee fair trading in the securities market. The CNV must be informed of any relevant facts that may have a significant impact on the purchase and sale of securities. The CNV imposes a duty on certain people to keep secret all information that has not been publicly disclosed and which may have an impact on the price of securities. The use of privileged information for the benefit of those who have access to such information or for the benefit of third parties is forbidden.

The CNV also requires that controlling shareholders, directors, managers, statutory auditors, members of supervisory committees, and any other person, who by reason of their position, activity, or relationship obtains information, take all the measures necessary to prevent subordinates or third parties from gaining access to such privileged information. These persons must inform the CNV of any fact or circumstance that may be deemed a violation of the duty of confidentiality or a violation of the prohibition against the use of privileged information.

The issuer or the shareholders are entitled to recovery proceedings in connection with the use of privileged information by insiders ("short-swing profits").

Law No. 26733 amended the Argentine Criminal Code on December 28, 2011, to incorporate criminal sanctions for insider trading. The amendments include criminal penalties on directors, members of supervisory bodies, shareholders, shareholder representatives, and whoever, by means of their job, profession, or position at an issuing company, provides or uses privileged information to which it had access as a result of its activities for the negotiation, pricing, purchase, sale or liquidation of securities.

These activities are subject to the following sanctions that the CNV may impose:

(i) a written warning, which may be accompanied by the publication of the corresponding resolution in the Official Gazette and two nation-wide newspapers,

(ii) fines of up to ARS 20 million, which may be increased up to five times the benefit obtained by the insider if it were higher,

(iii) disqualification for up to five years to act as directors, administrators, members of the supervisory board, accountants or external auditors, managers, of any entity subject to the supervision of the CNV

(iv) cancellation of up to two years of the authorization to make a public offering,

(v) prohibition to make a public offering of securities or to participate in any capacity in a public offering.

2.5. Anti-Money Laundering Regulations

The Argentine regulatory framework applicable to anti-money laundering, control of financing of terrorism, and financing of the proliferation of weapons of mass destruction (ML/TF/PF) includes Law 25246 (as amended and supplemented), Financial Intelligence Unit agency (UIF) resolutions, and all applicable rules and laws on the prevention and punishment of ML/TF issued by the Argentine Congress, the Argentine Executive Branch, or any Argentine Ministry, Secretariat, agency, and/or any other Argentine competent authority establish by law (collectively, AML Regulations).

Money laundering is defined as the exchange, transfer, management, sale, pledge, acquisition, hidden or, by any other fraudulent means, introduction of goods or assets from a criminal act into the market, intending to grant such goods or assets with the appearance of having been obtained by legitimate means. The infringement of AML Regulations is subject to sanctions under Law 25246 Chapter IV, which establishes penalties such as warnings, fines, and/or disqualification of the compliance officer for up to five years (depending on the infringement). The treatment of these criminal offences is handled on a risk-based analysis that may include the forfeiture and return of assets.

Money laundering, financing of terrorism, and the financing of the proliferation of weapons of mass destruction are specific criminal offences included in Title XIII of the Criminal Code and in Law 25246. These crimes commonly involve money or similar assets, but might also include, for example, movable or immovable property. Committing these crimes may result in sanctions under the Criminal Code, which establishes penalties such as fines and imprisonment (depending on the amount involved).

2.5.1. Applicable Rules

The applicable rules on money laundering are included in the AML regulations and in several international commitments that Argentina has undertaken. These include the recommendations of the Financial Action Task Force (FATF), which was signed by 37 countries including Argentina. Argentina is also a member of the *Grupo de Acción Financiera de Latinoamérica* (GAFILAT) along with 17 other Latin American countries. Local rules should be examined carefully, as different legal requirements may apply depending on the specific activity of the involved party (e.g., financial entities do not have the same treatment as insurance entities).

Local enforcement has two stages: the actions of the security forces and criminal proceedings, and a previous confidential and preventive stage. The authority in charge of controlling and sanctioning in the first stage is the UIF, which was created through Law 25246 (as amended) and is a decentralized agency of the Ministry of Justice. The UIF is responsible for implementing regulations and monitoring compliance, with special emphasis on preventing ML/TF/PF. Decree 360/2016 created a federal program to fight against money laundering and terrorism financing. This Decree establishes that the UIF has jurisdiction to create and lead operations in federal, provincial, and municipal jurisdictions. Finally, the UIF collaborates with the Egmont Group, an international agency comprised of several entities of this nature whose goal is to prevent and fight money-laundering crimes.

2.5.2. Reporting and Know-Your-Customer Requirements

Law 25246 (as amended and supplemented) established the obligation to file periodical reports before the UIF. Certain types of companies and individuals—including financial entities, broker-dealers, virtual asset service providers, insurance companies, notaries public, and certain government registries and agencies (e.g., Public Registry of Commerce, the Argentine Central Bank, and the Argentine Securities Commission) are required to report suspicious transactions and implement "Know Your Customer" (KYC) procedures. Specifically, reporting entities must:

(i) Obtain certain information and documentation from their clients to verify their identity, domicile, ultimate beneficial owners, and other basic information determined by the implementing regulations the UIF issued.

(ii) Store client's data in the manner and for the periods of time established by the implementing regulations the UIF issued.

(iii) Report to the UIF any suspicious transaction, or any transaction that —based on the experience of the reporting entity and considering customary practices for that type of transaction— is unusual, lacks economic or legal grounds, or involves unjustified complexity.

(iv) Abstain from disclosing to clients or third parties any information concerning suspicious transactions or any pending proceedings.

The regulations the UIF issues have specific guidelines on how to identify suspicious transactions, including a list of examples of the kinds of transactions deemed suspicious. Such regulations also establish the timing and procedure for filing reports on suspicious activities.

Companies and individuals cannot waive the reporting obligations imposed by the anti-money laundering regulations on grounds of legal or contractual confidentiality commitments. During the last several years, the UIF took significant steps towards aligning local AML/TF/PF regulations to comply with international standards by consolidating a new "risk-based" approach regarding obligations of certain reporting entities, by adjusting its regulations regarding Politically Exposed Persons, and by implementing coordinated surveillance.

During 2023 and 2024, an update of the regulations applicable to the reporting entities and an inclusion of new reporting entities was executed. These rules also establish new measures, proceedings, and controls that certain reporting entities must adopt and apply to manage the risk of being used as vehicles of money laundering or terrorism financing, moving from a "normative approach" to a "risk-based approach."

3. Tax Considerations

3.1. Income Tax

Income Tax Law (ITL) establishes a federal tax on the worldwide net income made in a given fiscal year, obtained by Argentine residents, legal entities incorporated in Argentina, and Argentine branches of foreign entities.

As a rule, for Argentine legal entities or Argentine branches of foreign entities, income is allocated to the fiscal year in which it accrues (but for certain exceptions). Losses incurred during any fiscal year may be carried forward and offset against taxable income obtained during the following five fiscal years. Deduction of expenses necessary to obtain such income is allowed.

Regarding foreign-source income earned by Argentine residents, any payment of foreign taxes can be taken as a credit against the payment of the applicable Argentine tax. However, the credit may only be applied to the extent that the foreign tax does not exceed the Argentine tax.

A Permanent Establishment (PE) is defined in the ITL as a fixed place of business through which the business of a foreign enterprise is wholly or partly carried out. The definition also includes the provision of services under certain circumstances, and the use of agents with certain features (e.g., if the agents are not independent, do not act in the ordinary course of their business, etc.). A PE located in Argentina belonging to a foreign resident is taxed similarly to an Argentine company.

3.1.1. Taxation on Argentine Residents

Local Companies and Branches

Income tax on local companies and branches is applicable in two stages:

A first stage charged on the company or branch level. Argentine companies and branches are subject to a progressive rate ranging from 25% to 35%, depending on their annual net income. A second stage charged on the shareholder or owner level (except where such shareholder or owner is an Argentine company). Regardless of the tax rate the company pays, the applicable rate over profits and dividends paid to Argentine and non-Argentine shareholders is 7%.

Regarding income obtained before fiscal year 2018, equalization tax applies. This tax applies when dividends being paid derive from profits that were not taxed at the corporate level in accordance with the ITL provisions. In this case, the entity paying those dividends must withhold 35% of the amount being paid in excess of its net taxable income.

Individuals

Argentine residents are taxed on their worldwide net income on a sliding scale from 5% to 35%, depending on their net income during the fiscal year.

The net profits from Argentine source of the individual and undivided estates arising from the transfer of securities will be subject to a tax rate of 5% in the case of securities issued in Argentine currency without an adjustment clause, or 15% if there was an adjustment clause or they have been issued in foreign currency. For the transfer of shares, securities representing shares and certificates of deposit of shares and any type of corporate participations—including mutual funds shares and rights over trusts and similar contracts, digital currencies, securities, bonds, and other securities—the tax rate will be 15%. The same tax rate applies to net income derived from the sale of real estate or transfers of property rights.

However, Argentine residents are exempted from taxes on any gain derived from the transfer of shares, securities representing shares, and certificates of deposit of shares carried out through stock exchanges or stock markets authorized by the Argentine Securities Commission.

3.1.2. Transfer Pricing Provisions

Any transaction between related companies or unrelated companies located in a non-cooperative jurisdiction or a nil or low-tax jurisdiction are deemed to be not at arm's length, unless evidence to the contrary is provided. To establish that the terms of the transaction are on equal footing (i.e., arm's-length compliance), businesses in Argentina must submit special reports to the Argentine Tax Authority with detailed information including data and supporting documentation.

Article 19 of the ITL defines "non-cooperative jurisdiction" is any jurisdiction that:

(i) has not signed an information exchange agreement with Argentina,

(ii) has not signed a Convention for the Avoidance of Double Taxation with Argentina,

(iii) has signed an agreement or convention but does not comply with its obligation to share information with Argentina.

Nil or low-tax jurisdictions are countries, jurisdictions, territories, or special tax regimes in which the maximum corporate income tax rate is lower than 60% of the "minimum" corporate income tax rate. Thus, nil or low-tax jurisdictions are those where the corporate rate is lower than 15%.

3.1.3. Taxation on Foreign Beneficiaries

3.1.3.1. General Rule

In principle, any income the ITL deems to be from an Argentine source obtained by a Foreign Beneficiary is subject to withholding tax, and the Argentine payer is responsible *vis-a-vis* the Argentine Tax Authority for its payment.

To determine the effective withholding rate, a 35% rate is applied to a presumed net income provided by the ITL that varies depending on the type of income.

Argentina is party to a number of Conventions for the Avoidance of Double Taxation that impose ceilings on withholding rates of certain taxable gains, and which may reduce the domestic withholding rates (please refer to section 3.3 of this chapter to find a list of the jurisdictions with which Argentina has entered into this kind of treaties).

3.1.3.2. Capital Gains

Income derived from the sale, exchange, or other disposition of shares, securities representing shares, certificates of deposit of shares, and any type of corporate participations of an Argentine company by Foreign Beneficiaries is subject to income tax at the following tax rates:

(i) if the seller is located in a cooperative jurisdiction: 15% on the net gain or 13.5% on the gross amount of the transaction, at the option of the seller,

(ii) if the seller is located in a non-cooperative jurisdiction: 35% on the net gain, or 31.5% on the gross amount of the transaction, at the option of the seller.

The ITL provides an exemption on capital gains obtained by Foreign Beneficiaries, to the extent that said beneficiaries do not reside in, and the funds do not come from, non-cooperative jurisdictions. In such cases, any gain derived from the transfer of shares, securities representing shares, and certificates of deposit of shares carried out through stock exchanges or stock markets authorized by the Argentine Securities Commission will be tax-exempt. The ITL also provides an exemption to the interest and/or profit accrued on, and any capital gain resulting from any form of disposal of public bonds and negotiable obligations issued by Argentine companies, if certain conditions are met.

3.1.3.3. Indirect sale of assets located in Argentina

If a Foreign Beneficiary transfers shares, units, participations, and other rights representative of the capital or equity of an entity incorporated, domiciled or located abroad, the resulting income will be considered as an Argentine-source income as long as the following conditions prevail:

(i) the value of the shares, participations, or rights of the foreign entity at the time of sale or in any of the 12 previous months represent, at least, 30% of the value of the assets that the entity owns directly or indirectly in Argentina,

(ii) the sold shares, participations, or rights of the foreign entity represent 10% of the equity of that entity, at the time of their disposal or in any of the 12 previous months.

The Foreign Beneficiary may opt to pay 15% on the net gain or 13.5% over the gross amount of the transaction, but only in the proportion of the participation of the Argentine assets on the value of the disposed shares.

The tax will not apply if the transfer is done within an economic group, or if the shares, units, or participations being transferred were acquired before January 1, 2018.

3.2. Personal Assets Tax

Individuals domiciled in Argentina as of December 31 are subject to an annual "wealth tax" on their worldwide taxable personal assets exceeding the minimum exempt threshold as of December 31. Savings accounts, term deposits at Argentine banks, and Argentine government bonds are exempted.

Non-Argentine resident individuals and undivided estates not located in Argentina are only levied with this tax on their assets located in Argentina.

For fiscal year2024, the exempt minimum is ARS 292.994.964,89. Also, the non-taxable minimum for the taxpayer's home is ARS 1.025.482.377,13.

The applicable rates range from 0.50% to 1.25%, depending on the amount of the assets exceeding the minimum exempt threshold. A recent amendment introduced to this law established a progressive reduction of the tax rate to 0.25% in call cases as of 2027.

The tax on shares and other equity participations in Argentine companies is paid by the local company itself, which may seek reimbursement from its shareholders. The applicable rate is 0.50% on the company's net worth.

3.3. Conventions for the Avoidance of Double Taxation

Argentina has signed Conventions for the Avoidance of Double Taxation with the following countries: Australia, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Italy, Mexico, Norway, Russia, Spain, Sweden, Switzerland, the Netherlands, the United Arab Emirates, the United Kingdom, Qatar, Uruguay, and Turkey.

The Argentine Executive signed tax treaties with Austria, China, Japan, and Luxembourg but they are pending approval of the Argentine Congress. In general, these treaties are based on the OECD model. To date, there is no tax treaty in effect between Argentina and the United States.

3.4. Value-Added Tax (VAT)

Value-added tax (VAT) applies to the sale of goods, the provision of services and the import of goods to Argentina. Services rendered outside Argentina that are effectively used or exploited in the country (importation of services) are deemed rendered in Argentina and thus subject to VAT to the extent that the

recipient of the service is a VAT registered taxpayer. In addition, digital services rendered abroad are taxed regardless of the tax status of the recipient of the services.

Exports of goods and exports of services (services rendered in Argentina, which are effectively used or exploited abroad) are not subject to VAT.

The tax is levied on the difference between the so-called "tax debit" and "tax credit", which, if positive, constitutes the amount to be paid to the Argentine Tax Authority. The current general rate is 21%. However, sales and imports of capital goods are subject to VAT at a lower tax rate of 10.5%.

3.5. Tax on Credits and Debits in Bank Accounts

This tax is levied on debits and credits from and to Argentine bank accounts and on other transactions that, due to their special nature and characteristics, are similar or could be used in substitution of a bank account, such as payments on behalf of or in the name of third parties. Transfers and deliveries of funds also fall within the scope of this tax, regardless of the person or entity that carries them out, when those transactions are made through organized payment systems as a substitute for bank accounts. Tax law and regulations allow for several exemptions to this tax.

The general rate of the tax is 0.6% on each credit and debit in bank accounts. An increased rate of 1.2% applies in cases in which there has been a substitution for the use of a bank account. In both cases, 33% of the tax paid can be computed as a credit against Income Tax. In certain cases, a reduced tax rate of 0.075% may apply, in which case only 20% of the tax paid can be computed as a credit.

3.6. Turnover Tax (Tax on Gross Income)

Turnover tax is a local tax levied on gross income (revenue) resulting from business activities carried out within any of the 23 Argentine provinces and the City of Buenos Aires. Each of the provinces and the City of Buenos Aires applies different tax rates to different activities and provide different tax exemptions.

To avoid double or multiple taxation on activities carried out in more than one jurisdiction, all 23 provinces and the City of Buenos Aires have entered into a multilateral agreement pursuant to which taxpayers allocate turnover tax base (revenue) between the different jurisdictions by applying a coefficient based on revenue obtained and expenses incurred in each jurisdiction. Once the revenue is allocated among the relevant jurisdictions, each of them applies the tax treatment and tax rates provided in their local regulations.

3.7. Stamp Tax

Stamp tax is a provincial tax applicable to the formal execution of public and private instruments that have a money interest. For the tax to be levied, these instruments must be executed in Argentina or, if executed abroad, must be deemed to have effects in one or more relevant jurisdictions within Argentina. The rate depends on the province, but it is generally 1%, though the rate applicable to real estate transactions is, in general, higher. All parties are jointly and severally liable for the payment of this tax.

The City of Buenos Aires levies the tax in a similar way.

4. Intellectual Property

In Argentina, trademarks and other distinctive signs such as trade names and slogans are governed by Trademark Law No. 22362 (as amended).

On the other hand, patents and utility models are governed by Law No. 24481 (as amended).

In Argentina, the governmental agency in charge of industrial property is the Argentine Institute of Industrial Property (INPI).

4.1. Trademarks

The ownership of a trademark and right to its exclusive use are obtained through registration before INPI.

(i) Duration and renewal: Trademark registrations are granted for 10 years and can be renewed indefinitely for subsequent 10-year periods provided that the trademark has been used in connection with the sale of a product, the rendering of a service, or as a trade name during the five-year period preceding each expiration date. A mid-term sworn declaration of use must also be submitted between the 5th and 6th year of the registration if the trademark has been in use. Late filings incur additional official fees for each year of non-compliance.

(ii) Opposition proceedings: Once INPI formally notifies an applicant of a third-party opposition, the applicant has a three-month period to arrange a settlement with the opponent. If no settlement is reached, INPI will notify the opponent to ratify the opposition. Not ratifying the opposition will result in the termination of the opposition proceedings.

As of July 2024, INPI requires applicants to pay a new official fee when filing their reply to opponents' arguments to demonstrate their interest in continuing the administrative opposition proceedings. Failure to pay this fee will result in the rejection of the application.

Applicants and opponents are allowed to submit additional arguments and evidence in support of their corresponding claims and closing arguments.

INPI must decide on the merits of the oppositions in a ruling that may be appealed before the Federal Courts of Appeals.

(i) Partial Cancellation for Non-Use: Since June 2023, trademarks that have not been used for 5 years in relation to goods or services covered by the registration, or on related goods or services, may face partial cancellation. Cancellation in totem continues to apply for marks that have not been used at all.

(ii) Invalidity: Trademarks may be invalidated by INPI *sua sponta* or at the request of third parties. Invalidations before INPI may only proceed for registered trademarks. Upon service of notice, the trademark owner will have 15 business days to respond and submit evidence. INPI will then issue a decision that can be appealed before the Federal Courts of Appeals. Invalidity would only proceed *sua sponte* if there is a procedural defect that cannot be remedied.

Should invalidity be requested during an opposition procedure, it will be decided within the context of such procedure.

Invalidation actions based on bad faith remain under the scope of Federal Courts.

4.1.2. Enforcement of IP Rights

The applicable laws include provisions for legal actions in cases where third parties infringe copyrights or industrial property rights. These actions can involve civil lawsuits for infringement or unfair competition, as well as criminal proceedings. The laws also allow requesting *ex-parte* preliminary injunctions.

4.1.3. Domain names

There is no legislation in Argentina dealing specifically with domain names registered under the internet country code top-level domain (ccTLD.ar). However, the Argentine government has passed Resolution 110/2016 to regulate the domain name registration procedure.

Registration of domain names with NIC-Argentina confers the exclusive right of use to the proprietor. Domain names may be subject to dealings such as assignment and liens, and may be challenged by third parties with a legitimate interest before both NIC-Argentina and courts.

4.1.4. Trademark, Patent, Know-How Licensing Agreements and Other Technology Transfer Agreements

Trademark licensing and technology transfer agreements executed by a resident as licensee and a non-resident as licensor —provided consideration is involved— fall under the provisions of Law No. 22426 (as amended). Regulatory Decree No. 580/1981 defines technology as any patent, industrial model or design, and any other technical knowledge directly applicable to the productive activity of the local licensee. Registration of the agreements with the technology transfer authorities is necessary to enjoy preferential withholding income tax rates as well as the benefits established in Double Taxation Treaties, if applicable.

Resolution No. 117/2014 allows license agreements between two local companies, or between a local licensor and a foreign licensee, to be registered with Argentine Transfer of Technology authorities for information purposes only. Registration is voluntary.

No prior administrative approval is required for technology transfer agreements between local entities and their foreign controlling entities. Even if not registered, the agreement remains valid and enforceable under Argentine Law.

4.1.5. Indications of Source, Geographic Indications and Appellations of Origin

Geographic indications (GIs) and appellations of origin (AOs) for wines and spirits are governed by Law No. 25163, while GIs and AOs of agricultural and food products are governed by Law No. 25380. GIs and AOs registered in Argentina as indications of origin may be included in the National Register.

Trademark law explicitly prohibits registering GIs as trademarks. The regulatory decree also outlines how GIs and AOs can receive legal recognition in Argentina.

Decree No. 247/2019 on Fair Trade, which references Laws No. 25163 and 25380, prohibits the use of misleading information about a product's characteristics or quality. However, AOs can still be used even if they refer to a different geographical area than the actual place of production.

Anyone with a legitimate interest has 30 days from the publication date to challenge the registration of a GI or AO.

4.2. Patents – Utility Models

4.2.1. Patents

Patents and utility models in Argentina are governed by Law No. 24481 (as amended), and Decree No. 260 of March 20, 1996 (the “Patent Law”).

Argentina has adhered to the Paris Convention Law No. 17011 and is a member of the TRIPS Agreement Law No. 24425 but not the Patent Cooperation Treaty (the “PCT”).

The Patent Law allows patents to be granted for any invention that complies with the requirements of novelty, inventive step and industrial application. Disclosure of an invention by the inventors or their lawful successors by any means of communication or exhibition in a fair within a period of one year immediately prior to an application for a patent or of the recognized priority is not a bar to obtaining a valid patent. Patents are granted for 20 years as from the filing date.

The owner of a patent granted in Argentina has the right to prevent third parties from manufacturing, using, offering for sale, selling, or importing the patented product without his or her consent. The protection for process patents covers use of the process and also the manufacturing, using, offering for sale, selling, or importing the product obtained directly by that process.

The reversal of the burden of proof is available for process patents without distinction as to the field of technology. Such reversal of the burden of proof will not be applied, however, when the product directly obtained from the patented process is not new. A product is not considered new if there was another product from another source other than the patentee or the alleged infringer on the market at the time of infringement that did not infringe the product and was obtained directly from the patented process.

Patent applications may be filed in the name of an individual or a legal entity.

Patents and utility models may be assigned and licensed, in whole or in part. The assignment must be recorded with the INPI to be effective *vis-à-vis* third parties.

With respect to plants, as of September 1994, Argentina has been party to the International Convention for the Protection of New Varieties of Plants (the "UPOV" after its acronym in Spanish), as revised in Geneva in 1978.

4.2.2. Pharmaceutical Patents

With the enforcement of the TRIPS Agreement on October 24, 2000, pharmaceutical product patents were granted in Argentina for the first time in more than 130 years. The enforcement of these patents is identical to that of other non-pharmaceutical patents.

On May 2, 2012, the INPI, along with the former Ministries of Industry and Health, issued Joint Regulation Nos. 118/2012, 546/2012 and 107/2012 with new guidelines for examining chemical-pharmaceutical patent applications. This Regulation was published in the Official Gazette on May 8, 2012 and became effective on May 9, 2012.

In essence, this regulation severely restricts the patentability of several categories of inventions in the pharmaceutical field and can be summarized as follows:

(i) Claims directed to polymorphs of known compounds will not be allowed, as polymorphism is considered to be an intrinsic property of matter in its solid state and thus is not considered to be an invention. Additionally, processes to obtain polymorphs constitute routine experimentation and therefore are not patentable. Similar considerations apply to hydrates and solvates, which are also considered polymorphs.

(ii) Single enantiomers are not patentable when the racemic mixture is known. However, novel and inventive processes for obtaining enantiomers may be patentable if they are clearly disclosed and the resulting compound is fully characterized by spectroscopic data.

(iii) Compounds represented by Markush structures will be accepted if the specification includes examples representative of all the claimed compounds. Such examples must include physicochemical data for each compound obtained.

(iv) Selection patents will not be considered novel and will not be recognized for the selection of one or more elements that were already generically disclosed in the art (such as in a Markush claim), even if these elements show different or improved properties.

(v) Salts, esters and other derivatives of known substances, such as amides and complexes, are considered the same substance and are not patentable.

(vi) Active metabolites are derivatives from the active ingredients produced in the body and cannot be considered "created" or "invented." Metabolites are not patentable as an object independent from the active compound.

(vii) Prodrugs must be supported by the specification, which must include the best method for obtaining them and their characterization. The specification must also show that the prodrug is inactive or less active than the active compound.

(viii) New formulations and compositions as well as the processes for preparing them should generally be deemed obvious over the prior art. Exceptionally, claims directed to formulations will be acceptable when a long-felt need is solved in a non-obvious manner.

(ix) Claims directed to combinations of known active compounds, second medical uses or dosage regimes will be considered as equivalent to methods of treatment, which are excluded from patent protection.

(x) Any additional example or information filed during the patent prosecution process will be considered as far as it does not broaden the original disclosure.

(xi) Manufacturing methods must be reproducible on an industrial scale. Therefore, processes for the manufacture of active compounds disclosed in a specification must be reproducible and applicable on an industrial scale.

According to the regulation, these guidelines make up the general instructions for patent examiners. Experience with the general guidelines for patent examination has shown, however, that in practice such guidelines operate as very specific legal provisions that must be adhered to.

The constitutionality of this regulation is being challenged since it could be argued that it is contrary to the TRIPS Agreement, the Argentine Constitution, and Argentine Patent Law.

4.2.3. Biotech Inventions

The INPI issued Regulation No. 283/2015, published in the Official Gazette on October 5, 2015, to amend the Patentability Guidelines on biotechnological inventions.

In general terms, the regulation incorporates the current practice of the INPI regarding the patentability of biotechnological inventions to the Patentability Guidelines.

The main amendments are as follows:

(i) *Homology/Identity Percentage:* The regulation does not allow the definition of molecules based on homology/identity percentages and requires that the claimed sequence be specifically disclosed and exemplified in the specification.

(ii) *Plants and Animals:* Consistent with the INPI's practice, plants and animals are non-patentable subject matter irrespective of whether they are modified or not.

(iii) *Plant parts (seeds, cells, flowers, etc.) and components (organelles, DNA molecules, etc.) as well as animal parts (organs, tissues and animal cells) and components (organelles and DNA molecules)*: These are patentable subject matter as long as they are modified, isolated and cannot regenerate into a complete organism.

(iv) *Transformation Events:* Event claims are allowed, provided the following requirements are met:

(a) the entire sequence of the insert is disclosed,

(b) the flanking regions with at least 100 pairs of bases is disclosed, and

(c) the certificate of deposit of the biological material is referenced.

(v) *Isolated:* The regulation provides a definition of the term "isolated," which requires the claimed element to be separated from any organism.

The constitutionality of this regulation could also be challenged as being contrary to the TRIPS Agreement, the Argentine Constitution, and Argentine Patent Law.

4.2.4. Software Patents

The INPI issued Regulation No. 318 on December 7, 2012, which introduced a new Annex on the Protection of Patents Related to Computer Programs. The new annex loosely corresponds to the guidelines issued by the European Patent Office (the "EPO") on June 20, 2012, although it is more restrictive regarding computer programs, which, according to Section 6 of the Argentine Patent Law, are not acceptable.

Regulation No. 318 summarizes the current official criterion on software patents:

(i) A computer program, claimed as such or stored in a computer readable media, is not patentable regardless of its contents, since it has been conceived as a non-technical work.

(ii) This applies also when the computer program is done by a known computer.

(iii) On the other hand, if the claimed object makes a technical contribution to the state of the art, patentability must not be denied simply because a computer program is involved.

(iv) All inventions involving a computer program that provide a technical solution to a specific problem in a technical field may be considered patentable.

These new guidelines on software patents summarize the official criterion that has evolved since 2003. Examples that may be considered as having a technical character are: (i) the processing of physical parameter data handled or transmitted by a computer, and (ii) any method or process that may enhance the technical operation of a computer system or connection between computers.

4.2.5. Accelerated Examination

The INPI issued Regulation No. P-56/2016, which became effective on October 15, 2016. It allows applicants to accelerate the prosecution of pending patent applications.

Under this Regulation, the INPI will consider any patent application for which the examination had not begun by October 15, 2016. The application must satisfy the substantive requirements of patentability (i.e., novelty, non-obviousness and industrial application) and a patent must have been granted abroad for the same invention (regardless of whether a priority has been claimed or not) by a foreign patent office carrying out substantive examination in a country whose patent law has the same substantive requirements as Argentina.

In such cases, the patent will be granted provided that:

(i) the scope of the claims of the application in Argentina is the same or narrower than that of the foreign patent,
(ii) there is no domestic prior art,
(iii) when no foreign priority has been claimed, the disclosure of the invention has taken place abroad after the filing date in Argentina,
(iv) third-party oppositions, if any, have been studied, and
(v) the foreign office that granted the equivalent patent shares the same patentability criteria.

Applicants can voluntarily request the application of this regulation, and the INPI will issue a decision within 60 days as from the filing of the request.

Alternatively, the INPI can issue an "office action" requesting the applicant to conform the scope of the claims to that of a granted equivalent. The term to comply with such request is 90 days.

4.2.6. Preliminary Injunctions

A patent holder may apply for an injunction based on the TRIPS Agreement, the CPCCN and Argentine Patent Law No. 24481.

For the injunction to be granted, the applicant must provide reasonably strong evidence of:

(i) likelihood of validity,

(ii) likelihood of infringement,

(iii) irreparable damage to the patentee, and

(iv) balance of hardship.

Please note that an official technical expert must be appointed to issue a report on both points i) and ii).

In addition, a bond must be posted in the event that the preliminary injunction is granted.

If the court considers that the evidence is not sufficiently persuasive, then there is another proceeding for patent infringement cases provided for in the Patent Law called "*incidente de explotación*." In this proceeding, the holder of the title may require alleged infringers to post a bond or give adequate guarantees to cover possible damages in the event that the court finally decides there is an infringement. Alternatively, the alleged infringer may elect not to post the requested bond and interrupt the objected use and, in turn, require that the bond or guarantee be posted by the plaintiff.

4.2.7. Other Remedies

Apart from applying for preliminary injunctions, the claimant may also make a claim for damages consisting of compensation for the damages that the plaintiff can effectively prove it suffered (e.g., loss of profits, failure to collect a reasonable royalty, price erosion). In general, punitive damages are not available.

4.2.8. Utility Models

Utility model protection is available for any new arrangement or shape of tool, work instrument, utensil, device or object of an industrial nature, provided that the new arrangement or shape is novel in Argentina and improves the way an object function. Utility model certificates are granted for a non-extendible term of 10 years from the filing date.

4.3. Industrial Designs and Models

Registrations are granted for industrial designs or models to protect the appearance or shape of an industrial product that gives it an ornamental character. Applications may be filed in the name of an individual or a company. A foreign individual or legal entity must establish a legal domicile in the City of Buenos Aires.

A single registration may cover up to 50 different examples of a single model or design, as long as they are homogeneous.

In the absence of prior publication or use in Argentina or abroad, a valid registration may be obtained for a term of five years, renewable for two further terms of five years each.

If a design application has been filed abroad, an application for a design registration in Argentina must be filed within six months from the filing date of the foreign application.

5. Real Estate

5.1. General

The Argentine Constitution and Human Rights treaties expressly provide for the right to private property. Real estate rights are governed by the Argentine Civil and Commercial Code under the *numerus clausus* principle, which restricts the number and scope of property rights to those explicitly defined by law.

Therefore, the creation, transfer, perfection, priorities, rights and liabilities of real estate rights are exclusively governed by the Civil and Commercial Code and by other laws at the federal level. The Civil and Commercial Code adopts the Roman law distinction between rights *in rem* and rights *in personam*, distinguishing property rights from personal rights related to obligations. Unlike a personal right, a property right is considered "absolute," as it is explicitly acknowledged by the Civil and Commercial Code, making it enforceable against third parties.

Certain matters related to real estate transactions are ruled at the provincial or municipal levels. Among others, these include local taxes, real estate registry, foreclosure proceedings, and zoning and environmental regulations.

In general, Argentina's real estate regulatory framework is designed to protect property rights. Despite certain restrictions on foreign ownership described below, the overall legal environment in Argentina remains favorable to both domestic and foreign investments, providing legal mechanisms and protections for property transactions.

5.2. Main real rights

The main real estate rights include:

(i) Sole ownership (*dominio*), which grants full legal and material control over the property.

(ii) Joint ownership (*condominio*), where the property is co-owned by multiple parties, each holding an undivided interest.

(iii) Real estate developments (*propiedad horizontal, conjuntos inmobiliarios, tiempo compartido,* and *cementerio privado*), covering all types of residential projects (e.g., buildings, country clubs, gated communities, commercial or nautical parks, private cemeteries), in which common and individual areas coexist.

(iv) Surface rights (*superficie*) which allow a person (the superficiary) to build or plant or forest on another's land, and to hold ownership over what is constructed or planted or forested. This right is granted for a fixed term, after which ownership of the buildings or plantations or forestation reverts to the landowner.

(v) Usufruct, use, and habitation (*usufructo, uso,* and *habitación*), which allow a person to use and enjoy another's property under different scopes. Usufruct grants the right to fully use and benefit from the property, including its fruits or earnings, without owning it, typically for a set period or the life of the usufructuary. The right of use allows limited use of the property for personal needs, while habitation is restricted to the right to occupy a dwelling. These rights provide flexible ways to utilize property without transferring ownership.

(vi) An easement (*servidumbre*) allows the owner of a property (the dominant estate) to use or benefit from a neighboring property (the servient estate) in a specific way, without owning it. Common examples include rights of way, drainage, or access to light. This right is attached to the land itself and benefits the dominant estate, passing to new owners if the properties are sold, thereby enhancing utility or access without transferring ownership.

(vii) Mortgage (*hipoteca*) allows a creditor to secure a debt using a debtor's real property as collateral, without transferring possession of the property. If the debtor defaults, the creditor

can initiate foreclosure proceedings to sell the property and recover the debt from the sale proceeds. The mortgage right is registered publicly, creating a priority claim on the property and ensuring enforceability against third parties, thereby providing security in credit transactions.

(viii) Pledge (*prenda*) allows a creditor to secure a debt with the debtor's movable property, typically requiring the transfer of possession to the creditor or a third party until the debt is repaid.

(ix) Antichresis (*anticresis*) allows the creditor to use and benefit from the debtor's immovable or movable property (such as collecting rent) to offset the owed debt, without transferring ownership.

(x) Indigenous communal property (*propiedad comunitaria indígena*) recognizes indigenous communities' collective ownership of their ancestral lands, respecting their cultural values, traditions, and way of life. This communal property cannot be sold, transferred, or seized, as it is intended to safeguard indigenous identity and heritage. The right is held collectively by the community rather than by individual members, affirming their relationship with the land and ensuring continuity for future generations.

5.3. Transactions in real estate

The most common transactions in the Argentine real estate market for conducting business include purchase agreements (*compraventa*), leases (*locación*)—which is a personal right, not an *in rem* right—, usufruct (*usufructo*), surface rights (*derecho de superficie*), and mortgages (*hipoteca*).

Under Argentine law, to acquire ownership over a real estate property, three conditions must be complied with:

(i) Title: it is the legal act serving as the cause of the transaction. For instance, a purchase agreement, a donation agreement, etc.

(ii) Form: the title must be instrumented in a public deed of conveyance before a public notary.

(iii) Delivery of possession: the seller must hand over possession of the property to the purchaser.

After these three conditions have been complied with, the purchaser acquires ownership rights over the target property. To have effects *vis-à-vis* third parties, the deed of conveyance must be registered with the Real Estate Registry of the jurisdiction where the relevant property is located. Since Argentina has a well-developed land register system, there is no title insurance system.

Before entering into any real estate transaction in Argentina, it is highly recommended that investors conduct a thorough title search (*estudio de títulos*). This process involves verifying the legal status of the property, ensuring that the titles are valid, checking the current registered ownership, and confirming the conveyance history.

5.4. Seller's legal responsibility in real estate transactions. Representations and warranties

In Argentina, real estate transactions are often conducted "as is," but the Civil and Commercial Code provides certain implied seller warranties. These include: (i) the seller's guarantee of a valid, encumbrance-free title (eviction warranty) and (ii) assurance that the property has no hidden defects (hidden defects warranty).

The eviction warranty ensures the legitimacy of the transferred property rights, covering any encumbrances existing before or at the time of sale, and disturbances caused by the seller.

The hidden defects warranty protects the buyer from any undisclosed or unknown defects that affect the property's intended use or value. This warranty lasts for three years from the date the property is received.

Common seller representations also include assurances of a clear title, free of unauthorized encumbrances, and the absence of claims or disputes affecting property use.

5.5. Lease

In Argentina, real estate leasing covers urban, commercial, and rural leases, each regulated under the Civil and Commercial Code and, for rural leases, the Rural Lease Law No. 13246.

Urban leases apply to residential properties. In turn, commercial leases are for business or commercial purposes. These kinds of leases allow greater flexibility for the parties to agree on the contractual terms; this is because they are subject to the principle of freedom of contract. This means that both the lessor and lessee may freely agree upon the terms and conditions of the contract. Alternatively, the provisions of the Civil and Commercial Code apply as supplementary rules.

Rural leases are governed by the Rural Lease Law. They cover agricultural land and typically set longer terms to accommodate farming cycles. This law ensures tenant rights to crop production and resource usage, supporting rural development and productivity.

5.6. Limitations on foreign ownership

In Argentina, both nationals and foreigners are entitled to own property and enjoy equal rights and protections under the law concerning the ownership, use, and transfer of real estate. However, the acquisition of rural and urban lands by foreigners is subject to certain restrictions:

(i). The *Ley de Tierras Rurales* (Law No. 26737) limits foreign ownership of rural land to 15% of the total rural land in the country and imposes further restrictions on individual ownership by foreigners.

(ii) . The security border zones regulations state that (a) any sale, transfer, or lease of properties located within security border zones (which are areas within a maximum of 150 kilometers from territorial borders and 50 kilometers from maritime shores), and (b) mergers and transfers of the controlling holdings in companies that own a property located in a security border zone in favor of foreigners are subject to the prior approval of the Argentine Government.

6. Consumer Protection

6.1. Principal Sources of Law and Regulation

Consumer protection has been a constitutional right in Argentina since 1994. As such, it has been governed primarily by the Argentine Civil and Commercial Code and the Consumer Protection Law 24240 (as amended). In addition to these foundational laws, consumers benefit from fair trading laws that regulate labeling and advertising practices, as well as antitrust laws that address market manipulation and prevent anti-competitive behavior. There may also be criminal liabilities in instances where the provision of products or services involves intentional misconduct or severe negligence regarding regulatory compliance, or if fraud occurs in their sale or marketing efforts.

While the overarching regulation provides a baseline of consumer rights, certain product categories are governed by additional specific regulations and designated authorities. Particularly, the automotive, insurance, cosmetics, medications, and financial products sectors—among others—each has tailored regulations that address their unique complexities.

6.2. Overview

The law protects consumers throughout all contractual phases of a purchase, from advertising to delivery of goods (including used goods) or provision of services, and applies to anyone acquiring a product or service for personal use (i.e., for any use that does not involve re-introducing it into the market). Suppliers must provide truthful, objective, and detailed information about the essential features and marketing conditions of their goods and services, comply with labeling and packaging requirements, and inform authorities and consumers if a product is found to be dangerous after introducing it in the market, including taking corrective actions (recalls).

Products must be safe for use under regular conditions, and those posing health risks must be sold with appropriate safety instructions. Consumers and successive purchasers are entitled to a legal warranty against defects or faults, with the entire supply chain jointly and severally liable for this warranty.

6.3. Liability Regime and Proceedings

When a consumer is injured by a defective product or service, everyone in the supply chain—from producer to seller—is liable if there is a causation link between the act or omission, the damage, and the product or service. Successful product liability plaintiffs can request specific performance, accept an equivalent product or service, or terminate the agreement with reimbursement. Additionally, they may claim compensatory damages, loss of profits, moral damages, and capped punitive damages.

Consumer protection disputes begin with a conciliation or mediation procedure aimed at reaching enforceable settlements comparable to formal court judgments. When such alternative dispute resolution is unsuccessful, consumers and NGOs can pursue their claims through the judiciary system either individually or through class actions. Additionally, if an issue remains unresolved at conciliation, the local or national Consumer Protection Agencies (CPAs) may open an investigation to examine the reported non-compliance by the consumer, as well as explore similar issues. CPAs actively scrutinize adherence to regulations and possess the authority to impose sanctions, such as fines or temporary business closures, even if the identified conduct did not result in any specific damage.

For court proceedings, plaintiffs are permitted to litigate without incurring court fees or other legal costs. This policy can also lead to a rise in litigation as plaintiffs have little financial disincentive.

To structure class actions and fill the legislative void, the Argentine Supreme Court has implemented specific criteria requiring standards to demonstrate adequate representation, numerosity, and commonality.

7. Antitrust Law

7.1. Argentine Antitrust Law

The Antitrust Law No. 27442 prohibits conducts relating to the production and exchange of goods and services if they limit, restrict, falsify, or distort competition, or if they are an abuse of dominance in a given market. It applies to all individuals and entities doing business in Argentina, and to those doing business abroad, to the extent that their actions, activities, or agreements potentially have an impact on the Argentine market.

The Antitrust Law creates the Argentine Competition Authority, a new decentralized and self-regulated entity within the scope of the Argentine Executive. The Argentine Competition Authority is composed of the Antitrust Tribunal, the Secretariat of Instruction of Anticompetitive Behaviors, and the Secretariat of Economic Concentrations.

However, the Argentine Competition Authority[3] has not been created yet, and there is no telling when this will occur. In the meantime, the current two-tier regulatory system continues to apply as with the previous regime, where the Antitrust Commission performs technical reviews on mergers and investigations and issues recommendations to the Secretariat of Domestic Trade, the ultimate ruling body.

7.2. Description of Prohibited Practices

The Antitrust Law presumes that there are certain behaviors that are absolute restrictions to competition ("hard core" cartels), to enhance cartel prosecution. These cartel agreements are deemed null and void.

The behaviors are now listed under section 2 of the Antitrust Law:

(i) to fix, directly or indirectly, the price of the purchase or sale of products and/or services,

(ii) (a) to establish obligations of manufacturing, distributing, buying or commercializing a limited amount of goods and/or (b) to provide a limited number, volume, or frequency of services,

(iii) to divide, distribute, or horizontally impose areas, portions, or segments of the markets, clients, or supply sources,

(iv) to establish or coordinate submissions or abstentions in public tenders.

The Antitrust Law also prosecutes certain conducts that may entail an abuse of a dominant position. In such cases, the offender must:

(i) have a dominant position in the relevant market,

(ii) engage in a conduct that distorts competition in that market, either by exploitative or exclusionary means,

(iii) cause harm to the general economic interest.

The Antitrust Law establishes that the infringing parties may be fined with the highest amount resulting from applying any of these methods:

(i) fines up to 30% of the volume of business of the last fiscal year, associated with the products and/or services involved in the perpetuation of the anticompetitive conduct, multiplied by the years of duration of the conduct, which—in turn—should not exceed 30% of the consolidated

[3] In this chapter, the terms "Argentine Competition Authority" (i.e., the competition authority created by the Antitrust Law) and "Antitrust Commission" (i.e., the current body in charge of merger control reviews and antitrust proceedings) will be used interchangeably.

volume of business generated in Argentina in the last fiscal year of the group to which the offender belongs,

(ii) up to double the economic benefit reported by the anticompetitive conduct.

If calculating the fine is not possible following these two methods, the fine could be of up to 200,000,000 adjustable units (equivalent to ARS 101,238,000,000 or USD 101,390,085, according to the current exchange rate).

The Antitrust Law also establishes the possibility of being suspended from the Argentine Registry of Suppliers for a maximum of five years. For those involved in bid rigging activities, the suspension may be of up to eight years.

7.3. Leniency Program

The Antitrust Law incorporates a leniency program to facilitate the investigation of "hard core" cartels by establishing two possible run-to-the-door scenarios for those who adhere to the benefit: full exemption or reduction of fines, as well as immunity from certain criminal sanctions and damages, with certain specific exceptions.

For the full exemption to apply, the petitioner must:

(i) be the first among those involved in the conduct to apply and supply evidence,

(ii) immediately cease the anticompetitive action,

(iii) cooperate with the Argentine Competition Authority during the proceedings,

(iv) not destroy evidence of anticompetitive behavior,

(v) not disclose the intention to adhere to the benefit.

If the petitioner is not the first to adhere to the benefit, it may be eligible for a reduction of between 50% and 20% of the fine if it provides additional evidence to the investigation. The filing can be made at any time until a formal accusation is served on the parties.

On May 28, 2024, by means of Resolution No. 98, the Secretary of Industry and Trade of the Ministry of Economy approved the Regulation of the Implementation of the Leniency Program, drafted by the Antitrust Commission after consultation.

7.4. Economic Concentrations (Mergers and Acquisitions). Administrative Control

The Antitrust Law requires certain transactions resulting in economic concentrations *(concentraciones económicas)* to obtain prior approval of the Argentine Competition Authority under a non-suspensory system by means of which the parties to a transaction can close the deal and carry out the filing within one week.

The requirement for approval of the Argentine Competition Authority applies when the relevant groups of companies involved in the transaction have a combined volume of business[4] in Argentina exceeding 100,000,000 adjustable units[5] (equivalent to ARS 50,619,000,000 or USD 61,115,605 at the exchange rate as of December 31, 2023).

[4] Volume of Business means annual sales net of sales discounts, value-added tax, and other taxes related to the volume of business.

[5] Currently, 1 adjustable unit is ARS 506.19. Adjustable units are adjusted on an annual basis.

Transactions abroad must be notified if both parties do business in Argentina, either through a corporate presence or through sales made in Argentina.

When filing, the Antitrust Law sets out that the notifying parties must pay a fee that can range from 5,000 Adjustable Units (equivalent to ARS 2,530,950 or USD 2,542 at the current exchange rate) to 20,000 Adjustable Units (equivalent to ARS 10,123,800 or USD 10,169 at the current exchange rate. This fee will be set by the Argentine Executive. However, this has not occurred yet. Therefore, the filing fee is not operational at the time of writing this edition.

Failure to comply with the notification obligation will result in a daily fine of up to 0.1% of the consolidated national business volume of the group to which the noncompliant company belongs. If said calculation cannot be carried out, the daily fine may be of up to 750,000 Adjustable Units (equivalent to ARS 379,642,500 or USD 380,354 at the current exchange rate).

7.5. Timeline

The Antitrust Law establishes the following timeline:

The Argentine Competition Authority has 45 business days after the notification to issue a resolution, provided that the information submitted is correct and complete.

If the transaction has the potential to restrict competition, the Argentine Competition Authority must communicate in writing (Statement of Objections) its objections and summon a special hearing to consider the remedies. In these cases, the term to reach a resolution is extended up to an additional 120 business days.

If the Argentine Competition Authority considers that information has not been duly provided, the economic concentration could be deemed unnotified.

Notwithstanding the above, the authority is currently enforcing a “stop-the-clock” interpretation. This means that it considers that the first request for information interrupts the 45-business-day term, which does not resume until the necessary information for the issuance of the final resolution has been obtained. This has had an impact on timing: the average time to issue a final decision is 3-6 months under the summary procedure, 6-12 months for non-complex ordinary procedures, and 24-30 months for complex or high-profile ordinary procedures (in which the Antitrust Commission issues a Statement of Objections and a remedy negotiation takes place).

The Antitrust Commission’s case law shows that:

(i) it has approved without remedies approximately 93% of all transactions that have been subject to review,

(ii) has only conditioned approximately 6% of all merger control cases (almost half due to ancillary restraint clauses),

(iii) it has only rejected less than 1% of all cases, which involved monopoly-level market shares and/or sensitive political issues. However, in the cases involving a rejection, the authority did not order to unwind the transaction, but rather ordered the buyer to sell the target to a third party.

It should also be noted that the tacit approval of a notified transaction is contemplated in the Antitrust Law, but its implementation is still to be regulated at the time of writing this edition.

In 2022, the Antitrust Commission published a new draft regulation of the Antitrust Law, subject to public consultation. On May 16, 2023, it was approved through Resolution No. 905/2023, replacing the "Guide for the Notification of Economic Concentration Operations” contemplated in Resolution No. 40/2001.

The most relevant points included in Resolution 905/2023 includes the implementation of a summary procedure as an alternative to the ordinary procedure for the notification of economic concentrations, which is set out in section 10 of the Antitrust Law. A special F0 Form has been created for this specific purpose. As a result, those economic concentrations that do not entail significant effects on competition may be subject to the terms of the summary procedure. Under this abbreviated system, the parties will be able to obtain—within 45 days of notification—the Antitrust Commission's decision to either approve, condition, or reject the transaction.

However, the summary procedure will be applicable only if, in the Antitrust Commission's view, the notified transaction is not likely to entail significant competitive effects. New clauses have been amended and included in the F1 and F2 Forms to broaden the range of information provided when notifying a transaction.

Resolution 905/2023 also modifies the deadline granted to the parties when answering requests for information regarding the forms that were submitted in the notification process. The term to file a reply is reduced to 20 business days as from the notification of the Antitrust Commission's request, as opposed to the previous 30 business days. However, despite the shortening of the term, should parties fail to comply with the request within the indicated period or should the information submitted be incomplete or defective, the Antitrust Commission may summon the parties to provide the missing or incomplete information within a maximum of 48 hours.

The Argentine Competition Authority is entitled to initiate investigations *sua sponte* or at the request of any party entity. The Argentine Competition Authority may, as a preventive measure at any stage of the process impose certain conditions and issue cease and desist orders. Please note that the Argentine Competition Authority's decisions for imposing sanctions, cease and desist orders, and the rejection or conditioning of acts regarding economic concentrations are subject to judicial review.

7.6. Transactions Exempted from the Notification

The following economic concentrations, among others, are exempted from the mandatory notification requirement:

(i) The acquisition of only one company by only one foreign company that has no assets (except those used for residential purposes) or shares in other companies in Argentina. If the foreign company is active in the country by means of exports, the "*first landing*" exception could still be invoked if such exports were not substantial, regular and predictable during the last 36 months, but a case by case analysis should be carried out.

(ii) The acquisition of companies, if the total local assets of the acquired company and the local amount of the transaction each do not exceed 20,000,000 Adjustable Units (equivalent to ARS 10,123,800,000 or USD 10,169,563 at the current exchange rate). However, this exemption will not apply if any of the involved companies were involved in economic concentrations in the same relevant market for an aggregate of 20,000,000 Adjustable Units in the last 12 months or 60,000,000 Adjustable Units (equivalent to ARS 30,371,400,000 or USD 30,508,689) in the last 36 months.

8. Labor and Immigration Laws

8.1. Labor Laws

Employer-employee relations in Argentina are governed, for the most part, by the Argentine Constitution and international treaties and conventions, as well as by the Labor Contract Law No. 20744 (as amended), collective bargaining agreements, and the individual terms of labor contracts between employers and their employees.

8.1.1. Salaries

Salaries may be paid on a monthly, daily, or hourly basis, depending on the type of work the employee carries out. There is a mandatory monthly minimum wage which is updated on a monthly basis. The only exceptions to this rule are wages paid to interns (non-employment relationship) and part-time workers, who may be paid less than minimum wage.

Additionally, by law, employees are entitled to a "13th salary" (*aguinaldo*), which is paid in two semiannual installments, on June 30 and December 18. Each installment is equivalent to 50% of the highest monthly wage earned in the last six months.

Typically, the standard work week is 40-48 hours, or an average of eight hours per day. Workers earn overtime pay for work done in excess of the standard working week. However, if the daily cap of nine hours is exceeded, overtime must be paid. If, on the other hand, the daily cap of eight hours is exceeded by only one hour, this excess does not have to be paid as overtime. Overtime payment rates are 50% more than the base rate on normal workdays, and double the base rate on Saturday afternoons, Sundays, and official holidays. Directors and managers, however, are exempt from workday limitations, meaning they are not entitled to overtime pay.

8.1.2. Contributions and Withholdings

Based on Argentine law, employers and employees have certain obligations to make social security contributions for family allowances, medical services, pension, and unemployment benefits. Additionally, union contributions may be withheld from employees' salaries, in accordance with many collective bargaining agreements.

Mandatory social security withholdings and contributions are calculated as a percentage of the employee's salary. The employer's social security contributions, on the other hand, have no cap in their calculation basis.

Under certain circumstances, foreign employees working in Argentina may be exempt from making pension fund contributions.

8.1.3. Vacations and Leaves of Absence

Employees are entitled to annual paid vacations, which range from 14 to 35 calendar days each year, based on seniority. Employees are also entitled to short leaves of absence for marriage, birth or adoption of a child, death of a close relative, and high school or university exams.

Female employees have additional rights, including a 90-day maternity leave. During maternity leave, employees are entitled to certain family allowances.

If employees cannot work due to non-work-related accidents or illnesses, they are entitled to their full salaries for a period of 3-12 months, depending on the number of years they have worked for the company and whether they have dependents.

8.1.4. Trial-Period Hiring

Employment contracts may be for an indefinite period or for a fixed term. In indefinite time contracts, the first six months are considered trial period. However:

(i) in companies with 6 to 100 employees, it may be extended to eight months by collective bargaining,

(ii) in companies with up to 5 employees, it may be extended to one year by collective bargaining.

During the trial period, either party may terminate the labor relationship at any time without the employer having to pay severance. However, the terminating party must put in their 15-day notice Or, if the employer is the terminating part, pay the substitute compensation in lieu of prior notice.

8.1.5. Termination of Labor Contracts

Employees may resign at any time but they must put in their 15-day notice.

In indefinite term employment contracts, employers may dismiss employees at any time with notice of:

(i) 15 days, if terminated during the trial period,

(ii) one month, if the period of service is longer than the trial period but less than five years,

(iii) two months, if the period of service is longer than five years.

The notice can be substituted by paying the equivalent to the salary that the employee would have received for the notice period. If no prior notice is given and the dismissal takes place on a day other than the last day of the month, the employee will also collect an amount equal to the salary corresponding to the remaining days of the month of dismissal.

Employers are also required to pay employees severance based on the employee's highest ordinary monthly salary during the last year of employment or full term of service, if shorter than one year. With certain limitations resulting from statute and case law, employers must pay employees the equivalent to one month worth of salary for each year of employment or period worked in excess of three months. Severance cannot be lower than the ordinary highest monthly salary.

Likewise, through collective bargaining agreements, employers may replace the severance compensation for dismissal without just cause—which remains in force—with a cessation fund or system (subject to further regulations pending). Employers may opt to contract a private system at their own cost to settle the corresponding compensation and/or the sum agreed upon with the employee for mutual agreement termination.

If an employee is dismissed for gross misconduct, no severance is paid and no prior notice is required. However, employers must prove that gross misconduct occurred.

8.1.6. Telework Regime

Employees may work from home as regulated by Law No. 27555 and its Regulatory Decree No. 27/2021 (Telework Regime).

According to the Telework Regime, there is a telework contract when the performance of acts, execution of works, or provision of services is carried out totally or partially at the employee's domicile, or in places other than the employer's establishment/s by using information and communication technologies.

The Telework Regime does not apply if:

(i) the tasks are performed in the facilities or branches of the clients to which the employer provides services on a continuous or regular basis,

(ii) the employee only works at their domicile occasionally and sporadically, either at the request of the employee or due to some exceptional circumstance.

Employees must provide express and written consent to telework. Even though it is not mandatory, the most conservative alternative is to implement Telework Agreements with all terms and conditions in writing.

The Telework Regime also provides certain requirements and measures for employers who have employees working from home:

(i) notify the labor risks insurer information from employees working under such regime,

(ii) provide certain elements to employees (e.g., ergonomic chair, mouse pad, among others),

(iii) provide hardware and software equipment, and the adequate work tools to perform the tasks,

(iv) pay compensation for the use of the employee's own tools (e.g., connectivity expenses),

(v) respect the right to digital disconnection outside the employee's working hours and/or during leave periods.

8.2. Immigration Controls

8.2.1. Foreign Workers

Any foreign person wishing to reside and work in Argentina must obtain a residence permit from the Argentine Immigration Department. There are three categories for residencies:

(i) permanent residents,

(ii) temporary residents,

(iii) transitory residents.

In principle, a permit for either permanent or temporary residency must be obtained by filing an application at the nearest Argentine consulate in the country of origin/residence or by entering Argentina as a tourist and requesting a change in immigration status. For foreigners that have nationalities that require a visa to enter as tourist, this is not recommended, as two visas would have to be issued.

If the applicant prefers to apply for a permanent or temporary residency permit at the Argentine consulate, the request must be preceded by the issuance of an entry permit approved by the Argentine Immigration Department. The request for this permit may be filed before the Argentine Immigration Department through a third party on behalf of the applicant with a power of attorney. The consular visa for transitory, temporary, or permanent residencies may be also requested without obtaining the entry permit approved by the Argentine Immigration Department, since the submission of documents and payment of consular fees can be processed through the consulate.

The transitory visa is only valid for short term periods. It could be 30 days for trips for technical or professional purposes or 60 days for business meetings. Temporary residencies are allowed to stay up to one year, renewable. Permanent residencies have a resident ID card valid for 15 years. The ID card is renewable.

8.2.2. RENURE: Unique Registry of Sponsors for Foreigners

Any legal entity (or natural person, if it is an independent worker) based on Argentina, willing to host or hire foreigners to carry out professional activities in Argentina must be duly registered in the Unique Registry of Sponsors for Foreigners within the Argentine Immigration Department (RENURE). RENURE is important to request work visas, transfer visas, electronic authorizations, work authorizations, and

others. The visa sponsor is migratorily responsible of the foreigner during the time of stay in Argentina while the visa is valid. If the foreigner has a temporary residency as work or transfer visa and changes local employer, the new entity must also be registered at RENURE to be the new visa sponsor, and the residency can be renewed after this change.

8.2.3. Transitory residents

The procedure for obtaining a transitory residency permit varies according to whether the request is made through the nearest Argentine consulate at the country where the applicant resides or if the request is made through the Argentine Immigration Department in Argentina. These short-term visas allow working without being a temporary resident. This kind of permit can be renewed up to two times at the Argentine Immigration Department. For this transitory stay in Argentina, the visa criteria can be a technical or professional visa, or a business visa.

It is possible to apply for a transitory visa through an electronic authorization called "TIE24H," which is valid for those nationalities that do not require a mandatory visa to enter Argentina. For countries that do require a visa to enter, the application must be issued as a consular visa through the Argentina consulate from the country where the foreigner resides.

There are the several subcategories for a transitory residency or visa, which will apply depending on a series of factors such as, among others, nationality of the applicant, term of stay, and activity to be carried out in the country. 8.8.4. Temporary Residency

A permit for temporary residency is granted to foreigners who wish to enter Argentina for a limited period of time. There are different categories under which foreigners may apply. To apply for a temporary residency or a work permit in Argentina, the applicant and their family must provide personal data and documents. The applicant must also be sponsored by the local company for which he or she will work. The company must be registered to sponsor foreign applicants before RENURE. To obtain registration before RENURE, the company must file certain documents and corporate information. The applicant must also file personal documents such as birth and marriage certificates for his or her family, if they are going to reside in Argentina too, and a certificate showing that he or she has no criminal record. The authorization may be granted for up to one year and may be renewed for another one.

8.2.4. Permanent Residency

A permanent residency permit grants a foreigner the right to reside, work, and study in Argentina indefinitely. A foreigner may apply for permanent residency if they are related to an Argentine citizen (spouse, child, or parent).

A foreign may also obtain permanent residency in Argentina if they have resided in Argentina for the last three years or more under a temporary residency visa. Generally, birth certificates of the applicant's children (if they are foreigners), and marriage or cohabitation certificates, plus a certificate stating that the applicant has no criminal records, are required.

Visas for permanent residency in Argentina may be granted to foreigners according to the following requirements:

(i) Being a spouse, parent, child under the age of 18 or of-age disabled child of a native-born Argentine citizen or Argentine citizen by choice.

(ii) Being a spouse, parent, child under the age of 18 or of-age disabled child of a permanent resident of Argentina.

(iii) Having a minimum of temporary residencies granted in Argentina. For nationals of a Mercosur country and Mercosur associated country, the residency must be two continuous years. For

non-Mercosur citizens, the application of the permanent visa must be three years of continuous residence under a temporary category.

8.2.5. Mercosur Nationals

The procedure for obtaining a temporary or permanent residency permit in Argentina varies for citizens born or naturalized in Brazil, Bolivia, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay, or Venezuela. Citizens of these countries and citizens naturalized in Mercosur countries may apply for an initial two-year temporary or permanent residency permit without the need to be sponsored by a local entity. Brazilian citizens are allowed to apply for a permanent residency since the first year under an agreement between both countries.

8.2.6. Argentine citizenship

The application for the Argentine citizenship can be by naturalization or by choice. The request is made through the civil court of the jurisdiction where the foreigner lives in Argentina. Foreigners complying with these requirements may apply if they:

(i) Are a spouse, parent, child under the age of 18 or of-age disabled child of a native-born Argentine citizen or Argentine citizen by choice.

(ii) Are a spouse, parent, child under the age of 18 or of-age disabled child of a permanent resident of Argentina.

(iii) Have a minimum of temporary residencies granted in Argentina. For nationals of a Mercosur country or Mercosur associated country, the residency must be two continuous years in Argentina. For non-Mercosur citizens, it must be three years of continuous residence under a temporary category.

8.2.7. Bilateral agreements and visa exemptions

The most used agreements for visa exemptions are:

(i) São Borja visa exemption (bilateral agreement between Argentina and Brazil): This is valid for citizens of Brazil, who may stay up to 90 days in Argentina without a visa. The entry can be for technical, professional, or business reasons. It can be renewed once.

(ii) OECD country members: it is valid for foreigners of OECD countries and allow business or investment persons to stay up to 90 days.

(iii) Uruguay-Argentina agreement: this is for citizens of Uruguay that need to enter Argentina for business and technical purposes.

8.2.8. Irregular Immigration status of foreigners

The Argentine Immigration Authorities may fine whoever provides (or provided) paid or unpaid work, with or without a labor relationship, to foreigners without legal authorization with a fine of up to 50 times the minimum wage for every employee in irregular migratory situation. In addition, recidivism raises the imposed fine amount by up to 50%. When proving the irregularity of a foreigner's permanence in Argentina, and considering the circumstances of the foreigner's profession, their relationship with Argentine nationals, the period of credited permanence, and other personal and social conditions, the Argentine Immigration Department may recommend them to regularize their situation within a peremptory deadline.

However, in certain cases penalties may result in the expulsion of the foreigner. But the most common action from the immigration office is to suspend or cancel to the local entity's registration before RENURE due to irregularities.

9. Environmental Laws

Under section 41 of the Argentine Constitution, all Argentine residents enjoy the right to an undamaged environment and have a duty to protect it. The Argentine Congress sets the minimum standards for environmental protection, while the provinces can establish specific standards and implementing regulations. However, their standards cannot be lower than those at the federal level.

The main federal laws setting minimum standards for environmental protection relate to:

(i) national environmental policy,

(ii) management of hazardous, household, industrial, and service industry waste,

(iii) atmosphere pollution,

(iv) preservation of water,

(v) management and elimination of polychlorinated biphenyls (PCBs),

(vi) protection of native woods,

(vii) protection of glaciers and periglacial environments,

(viii) burning activities and forest and rural fires,

(ix) free and public access to environmental information,

(x) management of empty containers of phytosanitary products,

(xi) climate change adaptation and mitigation.

The provinces and the City of Buenos Aires have issued specific regulations addressing a wide spectrum of environmental matters, including environmental impact assessment proceedings, permits for managing hazardous substances, wastes, gaseous emissions, and liquid effluents, and for handling certain equipment.

Additionally, specific federal, provincial, and municipal environmental regulations exist for certain activities and industries, such as oil and gas; power generation, transmission, and distribution; mining; food; medical waste disposal; agriculture; and the transportation of radioactive material.

Environmental authorities are entitled to impose administrative sanctions when the relevant agency identifies any breach of environmental regulations, including fines, closure of facilities, suspension of activities, and revocation of permits, among others.

Regarding non-contractual liability, the primary obligation of any person held liable for environmental damage is to remediate it. If said damage is caused by two or more persons, or if it cannot be exactly demonstrated what damage each person caused, then all of them are jointly and severally liable. In case of environmental damages caused by legal entities (i.e., corporations), their authorities and the professionals involved may be held personally liable in accordance with their intervention.

Criminal liability may arise if a person pollutes the environment with hazardous waste or causes harm to wildlife or archaeological and/or paleontological heritage.

10. Foreign/International Aspects

10.1. The Foreign Trade Regime

10.1.1. Mercosur

On March 26, 1991, Argentina, Brazil, Paraguay, and Uruguay signed a treaty (the Mercosur Treaty) to create a single market with a common external tariff. Venezuela became a full member on July 31, 2012, and Bolivia did so on July 8, 2024. However, Venezuela is currently suspended in all its rights and obligations inherent to its status as a party to Mercosur. Mercosur has a population of approximately 295 million, living in an area of over 14 million square kilometers.

The goals of the Mercosur Treaty are:

(i) the free transit of capital goods, services, people, and capital between member states by eliminating customs duties and lifting non-tariff restrictions on the transit of goods, among other measures,
(ii) the establishment of a common external tariff (*Tarifa Externa Común* or TEC) and the adoption of a common trade policy in relation to non-member states,
(iii) the coordination of macroeconomic and sectoral policies between member states in relation to foreign trade, agriculture, industry, taxes, the monetary system, monetary exchange rates, capital investments, customs, services, transport, and communications, as well as any other matters, to ensure free competition among member states.

While Mercosur has achieved a free-trade zone with respect to most products, some products considered sensitive—such as sugar, automobiles, and capital assets—are still subject to tariffs. Those tariffs are being reduced every year, and new products are being added every year to the TEC.

On June 28, 2019, Mercosur and the European Union reached an initial agreement that is part of a broader Association Agreement between the two regions. This agreement will be subject to further revision and market access offers.

This initial agreement is the conclusion of over 20 years of negotiations and, for both parties, will be the largest trade agreement in place. In addition to reducing tariffs on most products, the agreement includes chapters on other disciplines that are key for granting market access to the parties, such as the reduction of tariffs, Non-Automatic Licenses, Rules of Origin, Trade remedies, Technical Barriers to Trade, Public Procurement, Intellectual Property Rights and Dispute Settlement.

10.1.1.1. Additional Mercosur Agreements

Bolivia's amended protocol for becoming a member of Mercosur was signed by the Mercosur countries in 2015, and full membership was granted on July 8, 2024. Additionally, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname are associate members of the trade block.

10.1.2. Customs Regulations

Argentina and the other Mercosur member countries have adopted the international classification of goods and are members of the World Trade Organization (WTO). Accordingly, WTO regulations on customs valuation, labeling, and fair-trade practices (e.g., anti-dumping actions, safeguard measures and countervailing duties) apply to Argentina.

Argentine customs regulations impose customs duties on most imported goods before entering the country. In general, there is no import duty on goods originating from a Mercosur member state.

To clear customs, all imported goods are subject to the Argentine Statistical Import System (SEDI). The SEDI was created recently and has been in force since December 27, 2023. The SEDI replaced the former Argentine Import System (SIRA). Certain goods, such as food, chemicals, and medicines may require additional authorizations by regulatory agencies to be imported.

According to Law 27541, as amended by Law 27562, there are different maximum export duty rates applicable to several types of goods. Soybean and soybean products are subject to the maximum export duty rate of 33%, while other agricultural products are subject to export duty rates between 5%-9%. In 2024, export duty rates on bovine meat and dairy products were reduced to 0%. Most manufactured goods have had their export duties rate reduced to less than 5% or even subject to a 0% export duty rate during 2021. The Federal Government eliminated export duties on services in 2022.Specific foreign exchange rules apply to the export of goods.

10.1.2.1. Argentine Statistical Import System – SEDI

On December 26, 2023, the Argentine federal tax authority, together with the Secretariat of Trade, issued Joint General Resolution No. 5466/2023, which created the SEDI to make the registration of import information easier.

The SEDI requires importers to file beforehand a sworn statement with the relevant data concerning their imports. This data is compared with the information in the tax authorities' records and with the applicant's declared Financial Economic Capacity. Once these controls are passed, the application will move on to "REGISTERED" status. It is worth mentioning that the "Risk Profile" controls required under the SIRA system were discontinued.

The SEDI application is then changed to "CLEARED" status once all relevant public agencies authorize it in the Foreign Trade portal (known as *Ventanilla Única de Comercio Exterior* or VUCEA). Under the new regime, public agencies are granted 30 days to analyze the information filed and, if they fail to do so, the application will be automatically approved.

10.1.2.2. Automatic and Non-Automatic Import Licenses – LAI and LNA

On December 27, 2023, the Secretary of Trade repealed the automatic and non-automatic import licenses regime that had been in force since December 2015 (i.e., LAIs or *licencias automáticas de importación*, and LNAs or *licencias no automáticas de importación*). Imports are now only subject to the SEDI.

10.1.3. GATT/WTO

On December 7, 1994, Argentina enacted Law No. 24425, which incorporated the items agreed in the Uruguay Round of Multilateral Trade Negotiations and the Marrakesh Agreement, both of which were held under the sponsorship of the WTO.

This law introduced to the Argentine legal system agreements on anti-dumping, countervailing duties and safeguard measures, in accordance with sections VI and XIX of the GATT Agreement 1994.

10.1.3.1. Anti-Dumping Legislation

Dumping occurs when a product is introduced in the Argentine market at a price (export price) lower than its "comparable price." For these purposes, a comparable price is the price at which the product is sold in the course of normal business transactions in the exporting country's market. The comparison between the export and comparable prices must be made at the same stage in the distribution process, normally at the post-factory level.

The anti-dumping procedure is regulated by Decree No. 1393/2008. Procedures for products produced in countries that do not have a market economy are regulated by Decree No. 1219/2006.

In Argentina trade remedy investigations follow a double-agency system:

(i) The Subsecretary of Foreign Trade (*Subsecretaría de Comercio Exterior* or SCE*)* is the agency with jurisdiction to determine whether there is dumping/subsidies.

(ii) The National Commission of International Trade (*Comisión Nacional de Comercio Exterior* or CNCE) is the agency with jurisdiction to:

a) determine whether there is damage (or threat of damage) to the domestic industry and whether there is a causal relationship between dumping/subsidies and the damage,

b) define the investigated and related products,

c) assess the representativeness of the domestic industry.

Both the SCE and the CNCE are agencies under the scope of the Ministry of Economy.

Anti-dumping duties may only be applied when dumping causes, or threatens to cause, material damage to a domestic industry, or material delay to the establishment of that industry. To impose anti-dumping duties, it is necessary to prove:

(i) the existence of dumping,

(ii) damage (or threat of damage) to the domestic industry,

(iii) the causal relationship between both. When such requisites are met, the Ministry of Economy decides whether or not to impose anti-dumping duties.

The decision not to impose anti-dumping duties, even when the legal requisites are met, may be based on international policy considerations.

10.1.3.2. Safeguard Measures

Safeguard measures can be used by a WTO member country to provide the Argentine industry with a "protection period" to attain greater competitiveness in international markets through a readjustment process. Since safeguard measures are not directed at counteracting unfair trade practices from a specific country, they are applied to all imports of a particular product, regardless of the country of origin.

Generally, the safeguard procedure is regulated by Decree No. 1059/1996, as complemented by Regulation 381/2019. However, procedures for products from countries without a market economy are regulated by Decree No. 1859/2004.

The CNCE is also responsible for the safeguard procedures. To impose safeguard measures, it is necessary to prove the existence of a causal relationship between the increase of imports of the product under investigation, and the damage or threat of damage to the domestic production of that product.

The application of such measures under the safeguard procedure depends on the compliance with certain requirements.

10.2. International Treaties

According to sections 31 and 75 subsection 22 of the Argentine Constitution, international treaties—once approved by the Argentine Congress and ratified by the government—take precedence over federal and provincial laws.

Argentina is party to many international treaties, including several approved by the Hague Conference on Private International Law, the United Nations Convention on the Recognition and Enforcement of Foreign

Arbitral Awards of 1958 (the New York Convention), and the United Nations Convention on Contracts for the International Sales of Goods of 1980.

11. Dispute Resolution

11.1. Argentine Judicial System

Since Argentina has a federal system of government, the judicial system is divided into the Federal Judiciary and the local judiciary of each of the 23 provinces and the City of Buenos Aires. The Argentine Supreme Court (CSJN) is the highest court of the Argentine judicial system and its intervention is reserved for matters in which it has original jurisdiction pursuant to the Argentine Constitution, or exceptional federal cases in which it exercises ordinary or special appellate jurisdiction

While federal courts have jurisdiction over disputes based on federal matters referred to by the Argentine Legislative branch and the Argentine Constitution, provincial courts deal either with cases based on local laws or with those based on non-federal laws.

In the City of Buenos Aires, there are federal courts and others known as national courts. Federal courts are organized into lower courts and courts of appeals for each subject matter (e.g., civil, commercial, administrative and criminal law). National courts resolve non-federal legal disputes. Along with these, there are courts in the City of Buenos Aires that deal exclusively with local legal matters.

The organization and activity of the judicial courts are governed by the procedural laws enacted by the legislative power of each province. Procedural rules for the federal and national courts located in the City of Buenos Aires (and for the federal courts located in the provinces) are enacted by the Argentine Congress.

11.2. Choice of Law and Jurisdiction

11.2.1. Choice of Law

As a general rule, Argentine law allows parties to an international cross-border contract to select the laws that will govern the agreement, except in the case of consumer contracts.

The parties are free to choose different laws to govern different aspects within a particular contract (a process known as *dépeçage*) or even create the rules that will govern their agreement. As part of the latter, the parties may agree on the application of the principles of international commercial law, such as the UNIDROIT Principles for International Commercial Contracts.

The choice of foreign law will only be valid to the extent that it is not agreed on to evade the application of the mandatory rules contained in the laws that would apply in the absence of a choice-of-law provision. To that extent, the Argentine Civil and Commercial Code (CCCN) requires that the law selected by the parties does not contravene Argentine public policy (*orden público*) and internationally mandatory rules of those States that may have a strong connection with the case.

If no choice-of-law provisions are made or no international treaty applies, Argentine law establishes that contracts are governed by the laws of the place of their performance. If such a place cannot be determined, contracts are governed by the laws of the place where they were executed.

Rights associated with real estate, such as *in rem* rights, the ability to acquire real estate and the formal requirements with regard to legal acts connected with real estate are all governed exclusively by the laws of the place where the real estate is located or registered. The same principles apply for movable property permanently located in Argentina.

The CCCN also contains specific choice-of-law rules on other matters such as securities, inheritance, family affairs, and consumer relations.

11.2.2. Choice of Jurisdiction

Argentine law allows the parties to an international cross-border contract to choose a jurisdiction other than Argentina for the settlement of any disputes arising out of their relationship when the dispute relates to pecuniary rights, even when it will be handled by a foreign court or an arbitral tribunal.

In the absence of a forum-selection clause by the parties or the application of an international treaty, the plaintiff may choose to initiate its claim before (i) the courts of the domicile or residence of the defendant, (ii) the courts of the place of performance of any of the obligations under the agreement, or (iii) the courts where the agency, branch or representative office of the defendant is located.

Argentine courts have exclusive jurisdiction to hear all insolvency proceedings relating to debtors domiciled in Argentina or whose principal place of business is Argentina, as well as disputes involving property located in Argentina and the registration of trademarks and patents. With respect to debtors domiciled abroad, local courts have jurisdiction only to the extent that the debtor has assets in Argentina, in which case insolvency proceedings will only cover such assets. Moreover, local courts also have jurisdiction if the debtor's principal place of business is in Argentina.

The CCCN provides for specific jurisdiction rules related to marriage, adoption, paternal liability, inheritance, legal formalities, agreements, consumer relations, civil liability, credit instruments, real estate and statute of limitations, and also regulates on international *lis pendens*, international cooperation, and procedural assistance between foreign and local courts.

The CCCN also empowers Argentine courts to issue provisional measures and injunctions in certain cross-border cases.

The Argentine Constitution guarantees non-Argentine citizens the same rights as Argentine citizens, including unlimited access to Argentine courts for the resolution of legal disputes. The CCCN expressly grants equal procedural treatment for foreign nationals who litigate in Argentina.

11.3. Alternative Dispute Resolution

The Argentine legal system contemplates both judicial and non-judicial dispute resolution methods, such as mediation and arbitration.

11.3.1. Mediation

In the City of Buenos Aires, parties are required to attend compulsory mediation proceedings prior to litigating before the courts with only few exceptions such as insolvency and bankruptcy proceedings, provisional measures, or proceedings on family matters. Several provincial jurisdictions have also established this mechanism as mandatory.

Mediation may take place before publicly or privately appointed mediators. One or more hearings may be held, and the parties are mostly required to attend personally. However, mediators may also conduct mediation hearings by electronic means.

Mediators are not empowered to hand down a decision but to prompt the parties to reach an amicable and mutually beneficial settlement.

If a settlement is reached at the mediation, the settlement agreement will have the same binding force as that of a judgment. If a settlement cannot be reached, the mediator will formally close the mediation proceedings, and the claimant may then pursue its case before the courts.

Confidentiality is one of the guiding principles of the mediation process.

11.3.2. Arbitration

Argentine legislation permits the parties to an agreement to choose arbitration as the dispute resolution method if a dispute arises in connection with their contractual relationship.

Arbitration legislation in Argentina contains separate regulations for domestic and international arbitrations.

Domestic arbitrations

Domestic arbitration in Argentina is regulated by the existing local procedural codes – the Argentine Civil and Commercial Procedural Code (CPCCN) in the City of Buenos Aires and other federal jurisdictions in the rest of the country – and by the CCCN in sections 1649 to 1665.

Based on the CCCN, an arbitration agreement exists when the parties decide to submit all or some of the disputes that have arisen or could arise between them in connection with their legal relationship, contractual or non-contractual, in which public policy is not compromised, to the decision of arbitrators. However, the agreement to arbitrate must be in writing.

In principle, all disputes concerning matters of economic content and capable of a private settlement may be resolved by means of arbitration when the parties have agreed so. However, the following matters of dispute are considered excluded from any arbitration agreement and may not be resolved through arbitration: (i) civil status or capacity of natural persons, (ii) family affairs, (iii) users and consumers, (iv) standard form contracts,[6] (v) labor law, and (vi) those in which the Federal State or local states are parties.

Moreover, the CCCN provides that the rules contained therein related to the arbitration contract are not applicable to disputes to which the national or local States are a party.

The arbitration chapter of the CCCN was inspired by the UNCITRAL Model Law, and it includes many of its well-known arbitration standards, such as the principles of autonomy and separability of the arbitral agreement and of competence-competence.

The CCCN empowers arbitrators to grant interim measures, unless otherwise agreed.

Both *de jure* and *ex aequo et bono* or amiable composition arbitrations are admitted. Argentine law allows the parties to agree on the procedural rules for the arbitration, whether these are ad hoc rules drafted by the parties or rules provided by an arbitral institution.

The CCCN allows arbitral awards to be reviewed before state courts on the grounds of nullity. Additionally, it has introduced an ambiguous provision stating that the parties may not waive the right to challenge final awards that would be contrary to the legal system, though case law has interpreted that this provision does not expand the grounds for reviewing arbitral awards.

Argentina is party to several international conventions for the resolution of disputes through arbitration and the enforcement of arbitral awards, such as the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the 1975 Inter-American Convention on International Commercial Arbitration.

For local disputes, the institutions most frequently used are the Arbitral Tribunal of the Buenos Aires Stock Exchange (rules in effect as of April 16, 1993; only available in Spanish) and the *Centro Empresarial de Mediación y Arbitraje Asociación Civil (*which refers to the UNCITRAL Arbitration Rules).

International arbitrations

[6] There has been certain case law, however, that has enforced arbitration clauses contained in standard form contracts, insofar said contracts had been reached between companies, enterprises, or businesspeople.

International arbitration is regulated by the International Commercial Arbitration Law (LACI), which is essentially based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law on International Commercial Arbitration, as amended in 2006, with some modifications.

In accordance with its sections 1 through 3, the scope of application of the LACI is limited to those international commercial arbitrations whose arbitral seat is located within the territory of the Argentine Republic. In this way, domestic arbitration will continue to be governed by local procedural rules and the provisions of the CCCN that regulate the arbitration contract.

The LACI establishes that arbitration will be considered "international" if:

(i) the parties to an arbitration agreement have at the time of the conclusion of that agreement, their places of business in different States; or

(ii) the place of arbitration or any place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject-matter of the dispute is more closely connected, are outside the State in which the parties are located.

These provisions on the scope of application of the LACI provide a substantial difference in the text of the UNCITRAL Model Law that allows assigning an international status to arbitration if "*the parties have expressly agreed that the subject matter of the arbitration agreement relates to more than one country*".

Likewise, any legal relationship, whether contractual or not, that is private or predominantly governed by Argentine private law must be deemed commercial; the interpretation is broad and in case of doubt, it must be judged that it is a commercial relationship.

The main arbitral institutions for cross-border disputes in Argentina are the International Chamber of Commerce (ICC) and the International Centre for Dispute Resolution of the American Arbitration Association.

Among other aspects, the LACI regulates the formal requirements and autonomy of arbitration agreements; the constitution and jurisdiction of the arbitral tribunal; the issuance of interim measures and preliminary orders; the course of the proceedings in all its stages; the issuance of the arbitration award; the correction, interpretation, and judicial review of the award; and the applicable provisions to the recognition and enforcement of the award.

Finally, the LACI also provides for the repeal of section 519 *bis* of the CPCCN, which used to regulate the local execution of awards pronounced by foreign arbitral tribunals.

11.4. Enforcement of Foreign Judgments

If an international treaty for the enforcement of foreign judgments or arbitral awards exists between a foreign State and Argentina, the rules of such treaty will prevail. In the absence of such a treaty, the corresponding procedural code will apply. The CPCCN will be applicable[7] if the defendant is domiciled in the City of Buenos Aires or if the matter at issue will be debated before a federal court. Provincial procedure rules will be applicable when the matter at issue is to be debated before a provincial court. Unless otherwise stated, this analysis of the recognition of foreign judgments concerns federal procedure rules (i.e., the CPCCN), which are, in principle, applicable when a foreigner is involved.

11.4.1. Requirements

Subject to certain requirements in section 517 of the CPCC, Argentine courts will enforce foreign judgments to resolve disputes and determine the rights and obligations of the parties to an agreement.

[7] Until the issues brought up by the new charter for the City of Buenos Aires have been resolved.

The requirements that a foreign judgment must meet to be recognized in Argentina without further discussion of its merits are the following:

(i) The judgment must have been issued by a court considered competent by Argentine conflict of laws principles related to jurisdiction and must have been final in the jurisdiction where it was rendered and resulted from a personal action or an *in rem* action concerning movable assets. If the judgment resulted from an *in rem* action, the disputed personal property must have been transferred to Argentina during or after the prosecution of the foreign action.

(ii) The defendant against whom enforcement of the judgment is sought must have been duly served with a summons and, in accordance with due process of law, given an opportunity to defend itself against the foreign action.

(iii) The judgment must have been valid in the jurisdiction where it was rendered, and its authenticity must be established in accordance with the requirements of Argentine law.

(iv) The judgment must not violate any principles of public policy of Argentine law.

(v) The judgment must not conflict with a prior or simultaneous judgment of an Argentine court.

(vi) Reciprocity is not required for an Argentine court to recognize a foreign judgment.

Argentine courts do not automatically acknowledge a foreign court's original jurisdiction over the matter. As indicated in (i) above, the competency of the jurisdiction of the foreign court that rendered the judgment is analyzed based on the Argentine rules of jurisdiction.

11.4.2. Procedures Relating to Enforcement

To enforce a foreign judgment in Argentina, a notarized copy of the decision must be filed with the Argentine court and the petitioner must file a statement evidencing that each of the conditions required by law has been fulfilled. In addition, all documents, originals, or notarized copies, submitted to the court must be authenticated by the Argentine consulate with jurisdiction over the country where the documents were issued. If the relevant country has ratified the 1961 Hague Convention on the Abolition of Legalization of Documents, then authentication by the Argentine consulate may be substituted with the Apostille made available by the Hague Convention. All documents not in Spanish must be translated into Spanish by a translator registered in Argentina to be admitted by a local court.

The amounts expressed in foreign judgments must be converted to Argentine currency. A court tax must be paid by the party seeking enforcement, and the costs and expenses will be charged to the defeated party in the proceedings.

11.4.3. Immunity

Certain assets are unavailable to satisfy judgments obtained or determined to be enforceable in Argentina.

11.4.4. Enforcement of Foreign Arbitral Awards

The enforcement of foreign arbitral awards is currently regulated in section 104 of the LACI, which follows the system for the recognition and enforcement of foreign awards shared by the UNCITRAL Law and the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards, to which Argentina is party with reservations over reciprocity and commercial disputes.

Other relevant international treaties on this matter that Argentina has also acceded to are the 1975 Inter-American Convention on International Commercial Arbitration and the 1988 Mercosur International Commercial Arbitration Agreement.

12. Security Interests

12.1. Overview

Under Argentine law, security interests may be created through mortgages, pledges (including registered and floating pledges), security assignments, and trusts. Security may be taken over a wide variety of properties, such as personal and real property, securities, trademarks, shares, cash, and receivables. Certain assets subject to immunity may not be used as security interests.

12.2. Mortgages

Under Argentine law, a mortgage may be established over real estate, ships, and aircraft. A mortgage will generally secure the principal amount (even if adjusted), accrued interest, and other related expenses owed by the debtor to the creditor. To satisfy the "specialty or singularity" principle established by the Argentine Civil and Commercial Code (CCCN), the secured obligation must be properly identified. The maximum principal of the secured obligation must be determined in monetary terms. Conditional, future or undetermined obligations can be secured, provided that a maximum amount of the guarantee is determined when the mortgage is created, and that the term of the guarantee does not exceed 20 years. All mortgages must be registered in the relevant registry to become effective *vis-à-vis* third parties. Mortgaged property may remain in the possession of the owner.

12.2.1. Mortgages over Real Estate

Mortgages over real estate may only be created through a notarial deed signed before a notary public. The mortgage deed then must be filed for registration before the Public Real Estate Registry of the jurisdiction where the property is located. The mortgage is effective *vis-à-vis* third parties only once it is registered in said registry.

12.2.1.1. Priorities

Under Argentine law, mortgages grant the registered mortgagee a first priority right over the underlying real estate as from the date from which the mortgage is signed before a notary public, provided that the filing for registration is submitted within 45 days of date of its execution. This first priority right only includes the maximum amount of the mortgage determined in the agreement, which may include principal, interest, costs, and other ancillary amounts secured by the mortgage.

The holder of a first-degree mortgage over real estate property will be given priority over all other credits subsequently secured by a mortgage over the same property, with a few exceptions. Priority is given based on the chronological order in which each mortgage is signed, provided that they are subsequently registered within the 45-day period.

12.2.1.2. Foreclosure

Foreclosure of a mortgage is done through a special summary proceeding that makes it possible for the property to be sold at a public auction. However, foreclosure may be conducted through out-of-court proceedings under certain conditions. Foreclosure of a mortgage (or a pledge) is subject to special rules if the debtor is subject to bankruptcy proceedings.

12.2.2. Mortgages over Ships

Mortgages over ships may be created through a notarial deed or an authenticated private instrument. The ship mortgage then must be filed for registration with the National Ship Registry to become effective *vis-à-vis* third parties.

Under Argentine conflict-of-law rules, mortgages over ships are governed by the law of the ship's flag. Argentina will recognize mortgages established outside Argentina only if the foreign state recognizes mortgages established in Argentina.

12.2.3. Mortgages over Aircraft

Mortgages over an aircraft may be created through a notarial deed or an authenticated private instrument. The mortgage must then be filed for registration with the National Aircraft Registry to be effective *vis-à-vis* third parties.

Under Argentine conflict-of-law rules, liens over an aircraft are governed by the law of the aircraft's flag. Argentina will recognize mortgages established outside Argentina only if the foreign state recognizes mortgages established in Argentina.

12.3. Pledges

12.3.1. Overview

As a general rule, to perfect a pledge on a non-registrable movable asset or document of credit, the pledged asset should be delivered to the creditor or placed in the custody of a third party. The CCCN states that a pledge must be executed through a public deed or a private instrument with evidence of the effective date of its execution. The “specialty or singularity” principle must be satisfied, as with mortgages.

The CCCN provides that, in the event of default on the secured debt, the creditor may sell the pledged asset through a court auction. In principle, the creditor may not obtain ownership of the asset. However, the creditor who has a pledge on an asset has a priority right to the proceeds from an asset sale.

Unless the debtor and creditor agree on a special sales proceeding, the pledged asset must be sold in public auction duly announced in the Official Gazette.

12.3.2. Registered Pledges

Decree-Law No. 15348/46, of May 28, 1946 (as ratified by Law No. 12962, and further amended), has made it possible to create pledges on assets that remain in the possession of the pledgor. These pledges are known as "registered pledges," and include "fixed” and “floating” pledges. Fixed pledges affect only the relevant registered assets. Floating pledges affect the original pledged goods and the goods derived from their transformation or replacement. The amount of the pledge is limited to the amount of the secured obligation, including but not limited to interests and other ancillary amounts.

Registered pledges do not require a public deed. They may be established through an authenticated private instrument using forms provided by and filed before the Registry of Pledges. Fixed pledges fall under the jurisdiction of the Registry of Pledges where the assets are located, and floating pledges fall under the jurisdiction of the Registry of Pledges where the debtor is domiciled. The pledge becomes effective *vis-à-vis* third parties only upon filing.

12.3.3. Foreclosure

Pledge certificates, which the relevant public registry issues, grant the right to initiate summary enforcement proceedings. Claims may be filed, at the option of the creditor, in the jurisdiction where payment was agreed, where the goods are located, or where the debtor is domiciled, except when the debtor is considered a consumer. In that case, it is mandatory to file the claim in the jurisdiction where the debtor is domiciled.

Regarding the enforcement of the pledge, the proceeds must be applied first to paying all taxes and expenses incurred to protect the assets and second to paying the principal and interest of the debt secured by the pledge.

12.3.4. Pledges of Shares

Pledges of shares are governed by the CCCN and General Companies Law No. 19550.

Under Argentine law, shares must be issued in non-endorsable registered form or book-entry form. Pledges over shares must be reported to the issuing company or the registrar (if any), and they must be recorded in the company's or the registrar's books. The pledge only takes effect *vis-à-vis* the company and third parties from the date on which it is registered in the company's or registrar's books.

The pledge grants the creditor a priority right over the proceeds of the sale of the shares. For shares or other securities traded on stock markets, those held as collateral may be sold through a stockbroker as soon as the pledgor has failed to comply with its obligations under the pledge.

12.4. Security Assignments and Trusts

Security may also be obtained through security assignments and trusts. Assets may be placed in trust with a receiver who holds them as a separate estate that, according to the CCCN, is not subject to insolvency proceedings of the settlor, receiver or beneficiaries, unless creditors can claim and provide evidence that their claims were established fraudulently, or the trust is declared null and void in an insolvency proceeding.

Alternatively, credits may be assigned as a security in favor of creditors. One of the main differences with a trust is that in a security assignment, the assigned assets are typically limited to rights or credits, including receivables. With trusts, however, there is no such limitation, and they may be used as vehicles for taking security over most forms of movable and real estate assets.

As a general rule, Argentine law requires that a debtor be given notice of assignment for the assignment to be effective *vis-à-vis* the debtor and third parties. Such notice must be given to the debtor by public instrument (*instrumento público*), typically through a notary public, or by a private instrument bearing a certain date.

Additionally, pursuant to Law No. 27440, Part II, section 142, in case of guarantee assignments (whether in trust or otherwise) over current and/or future credits, the notice to the debtor may be replaced with the assignor publishing a notice notifying the assignment in the Official Gazette of the assignor's jurisdiction and in one of the newspapers with nation-wide circulation.

According to the CCCN, the rules on pledges of credits are applicable to the assignment of credits as security.

12.5. Security Agent and Assignment of Securities

In section 2186, the CCCN restricts the assignment and transfer of *in rem* security rights and establishes that such securities may not be transferred without the corresponding transfer of the secured obligations.

However, pursuant to Law No. 27440, in financings with two or more creditors, a security agent may be appointed. Thus, any securities may be established in favor of the security agent, who will act in benefit of the creditors and according to the instructions of the beneficiaries of such securities. The obligations guaranteed by the securities may be transferred to third parties, who will benefit from the securities in the same terms than the original creditors, notwithstanding the provisions of the CCCN in this regard.

13. Insolvency and Bankruptcy

Argentine Bankruptcy Law No. 24522, (as amended), regulates the following three main insolvency proceedings: (i) out-of-court agreement, (ii) reorganization and (iii) bankruptcy.

The general provisions of the Bankruptcy Law apply to legal entities and individuals with a domicile in Argentina, including, without limitation, business organizations in which the government is a shareholder. It also applies to foreign legal entities and individuals with respect to their assets located in Argentina. There are, however, certain exceptions in the case of financial institutions, and some differences with respect to public utilities, trusts, pension funds and insurance companies, which are subject to special liquidation proceedings.

13.1. Out-of-Court Agreement

When debtors are under a 'suspension of payments' (when unable to service debt obligations as they become due) or undergoing economic or financial hardships, they may seek to reach agreements with the majority of their unsecured creditors and submit that agreement to the courts for approval prior to reorganization proceedings or bankruptcy adjudication.

The parties are free to determine the terms of the restructuring, and the unsecured creditors may be classified in different classes with different restructuring proposals. Even if a court approval is not obtained, the agreement is binding among the parties, unless otherwise expressly agreed.

Along with the petition for court approval, the debtor must submit the following before the relevant court: a statement of assets and liabilities appraised as of the date of the agreement duly certified by a licensed accountant; a list of creditors; a list of judicial and administrative proceedings of an economic nature with a pending or unenforced final judgment; a list of the debtor's commercial and other corporate books; the amount of principal represented by the claims held by the unsecured creditors executing the agreement; and the percentage this represents on the aggregate amount of the unsecured claims outstanding.

Upon the filing of the petition for endorsement of the agreement and a preliminary verification of the admission requirements, the court orders the publication of notices informing the admission of the case for five days. The publication of the notice triggers a stay of all claims against the debtor other than the claims of secured creditors seeking foreclosure of the collateral under their secured claims, among other limited exceptions.

To be endorsed by the relevant court, the agreement must be executed by unsecured creditors (excluding those who are also controlling shareholders) representing within each class an absolute majority of creditors on a headcount basis, and not less than two thirds of the aggregate principal amount of the unsecured claims outstanding. Consent of unsecured creditors holding debt securities issued in series (i.e., notes) must be granted at a noteholders' meeting for each series duly called and convened with the required minimum quorum (at least 60% or 30% of the aggregate principal amount of the applicable series in first or second call, respectively). Noteholders' meetings are subject to the following rules: (i) for determining a headcount majority, all votes of each series consenting to the plan will be computed as given by one person and all votes rejecting the plan will be computed as given by one person, and (ii) the aggregate principal amount of the securities held by the holders consenting to the plan will be computed for determining the principal amount majority, provided that widely followed court precedents have construed that for purposes of calculating the principal majority within each series, the principal amount of the notes of holders not appearing at the meeting or otherwise not voting will not be computed.

Upon court endorsement, the agreement is binding on all unsecured creditors, even those who have not executed the agreement or have challenged the proceedings or the agreement.

13.2. Reorganization Proceedings

Debtors may file a voluntary petition for reorganization *(concurso preventivo)* at any time prior to bankruptcy adjudication. Admission of the petition requires the filing of evidence showing that the debtor is in suspension of payments and that at least one year has elapsed since a court authorized the performance of any prior reorganization.

In addition, debtors declared bankrupt may in certain limited cases request the conversion of the bankruptcy proceedings to reorganization.

Along with the petition for reorganization, the debtor must submit the following before the relevant court: a description and date of the start of the suspension of payments along with evidence thereof; a statement of assets and liabilities appraised as of the date of the petition duly certified by a licensed accountant; the debtor's financial statements for the last three fiscal years; a list of creditors; a list of judicial and administrative proceedings of an economic nature with a pending or unenforced final judgment; a list of the debtor's commercial and other corporate books; and a list of employees.

Upon commencement of the reorganization proceedings, the court appoints a receiver and all the proceedings in connection with pre-petition unsecured monetary claims against the debtor (with certain limited exceptions) are automatically stayed and the venue of all such proceedings are consolidated at the court hearing for the reorganization proceedings. This rule does not apply to arbitration proceedings that are already in course. Filings of new claims based on those reasons or titles are not allowed. Plaintiffs whose judgments are still pending may choose to continue the lawsuit until a final judgment is granted; or they may file a proof of claim with the receiver waiving prior proceedings. Accrual of interest on pre-petition unsecured claims is suspended. Foreclosure proceedings relating to mortgages and pledges may be initiated or continued in the relevant courts with prior notice to the court that is hearing the reorganization, provided that the secured creditor files proof of such claim with the receiver.

Once a reorganization process commences, the debtor stays in possession of its assets, but their administration is subject to the supervision of the receiver. Nonetheless, the debtor must obtain court approval (with prior notice to the receiver and the creditors' committee) before engaging in most activities deemed to exceed the ordinary course of business, as well as certain material transactions (including transactions on registered property, creation of liens, disposition or lease of goodwill and issuance of secured debt). In addition, the debtor is forbidden from entering into transactions for no consideration or which would adversely affect the status of pre-petition claims.

A creditors' committee including the three creditors holding the largest claims disclosed by the debtor and an employee representative elected by the debtor's workforce is nominated by the court.

All creditors (including, without limitation, secured creditors) must submit proof of their claims with the receiver, who reviews them and confirms the registration of the claim in the debtor's books and, if appropriate, those of the creditor. This rule does not apply to Security Trust Agreements. There is a nominal fee due in connection with such filings. Both the debtor and any creditor may challenge the filings of proofs of claims made by other creditors. The receiver prepares and submits before the court a report on each individual claim filed; and, based on this report, the court will issue a resolution on the allowance or rejection of the claims. The debtor and creditors may file objections against the claims filed after the receiver presents its report. If nevertheless the credit is approved, those parties that have objected it have the right to initiate a proceeding to overturn the approval. If the claim is rejected by the court, the creditor has the same right to file a proceeding to seek the approval of the rejected claim. These proceedings must be filed before the same bankruptcy court within a 20-day term after the court decision approving or rejecting the claim is notified.

Within 10 days from the court's decision on the creditors' claims, the debtor must submit a proposal to classify creditors according to the amount, security, cause, or other reasonable distinguishing features

of their claims. It is acceptable to subordinate certain unsecured claims to other unsecured claims. There must, however, be a minimum of at least three categories: secured creditors, general or unsecured creditors, and labor creditors.

The debtor enjoys a non-compete or exclusivity period of 90 days, extendable by up to 30 additional days, from the date on which the court's resolution is issued admitting the debtor's proposed classification of creditors. During this time, it must create a reorganization plan for each class of unsecured creditors and obtain the consent of the required majorities of the creditors.

To be confirmed by the relevant court, the reorganization plan must be consented by unsecured creditors (excluding those who are also controlling shareholders) representing for each class an absolute majority of creditors on a headcount basis, and not less than two thirds of the aggregate principal amount of the unsecured claims outstanding with court approval. Consent of unsecured creditors holding debt securities issued in series (i.e., notes) must be granted at a noteholders' meeting for each series duly called and convened with the required minimum quorum (at least 60% or 30% of the aggregate principal amount of the applicable series, in first or second call, respectively). Noteholders' meetings are subject to the following rules: (i) for determining a headcount majority, all votes of each series consenting to the plan will be computed as given by one person and all votes rejecting the plan will be computed as given by one person; and (ii) the aggregate principal amount of the securities held by the holders consenting the plan will be computed for determining the principal amount majority; provided that widely followed court precedents have construed that for purposes of calculating the principal majority within each series, the principal amount of the notes belonging to holders not appearing at the meeting or otherwise not voting will not be computed.

If at the end of the exclusivity period, the debtor does not obtain consent to the plan by the required majorities, then the court may exercise its cramdown power and confirm the plan if certain requirements are met.

If the court does not exercise its cramdown power, then it will declare the debtor bankrupt; however, in certain cases, before declaring bankruptcy, the court will commence the salvage proceedings as described below.

Once the plan has been approved by the required majorities, the judge must conduct a substantive review of the terms of the plan before approving it. Creditors who have not consented to the proposal may challenge the approved plan if they consider it to be abusive or contrary to the rules of the Bankruptcy Law.

A plan duly confirmed may be declared null and void at the request of a creditor. The request must be filed within six months after the plan was confirmed and based exclusively on the willful exacerbation of the liabilities, recognition or simulation of inexistent or unlawfully granted securities, concealment or exacerbation of the assets, known after the elapse of the statutory term for challenging the plan as described above.

13.3. Salvage Proceedings

Based on the Bankruptcy Law, under certain conditions the bankruptcy of certain entities (i.e., limited liability companies, corporations, cooperatives and companies with state participation) will not necessarily follow if the debtor fails to obtain the consent of the required majorities to get a confirmation of its reorganization plan.

If the debtor fails to obtain the requisite majorities and the court does not exercise the cramdown power as described above, instead of declaring bankruptcy, the court will open a registry for a five-day period during which any creditor, interested party and/or a *Cooperativa de Trabajo* (workers' cooperative formed by employees of the debtor) may register for filing an offer for purchasing the debtor's equity and

formulating competing reorganization plans, during which the debtor may also file a new competing reorganization plan. If the five-day period elapses and no person has requested registration, the debtor will be declared bankrupt.

Registered persons or entities are entitled to file their proposals with respect to the same categories of creditors as provided by the debtor, or they may propose new categories of creditors. Within a 20-day period, registered persons have to obtain the consent of the creditors to their respective plans with the same requisite majorities that are required for a confirmation of the debtor's original reorganization plan.

The first of the registered persons showing evidence of consent to its reorganization plan by the requisite majorities of creditors is awarded the right to purchase the debtor's equity for an amount no lower than its value as assessed by the court. If no competing reorganization plan is consented by the requisite majorities of creditors within the 20-day period, the debtor is declared bankrupt.

13.4. Bankruptcy

Bankruptcy may be adjudicated indirectly upon the failure of reorganization proceedings, or directly upon request of the debtor (i.e., voluntary bankruptcy) or of any of its creditors (i.e., involuntary bankruptcy). A condition for filing a voluntary or involuntary petition for bankruptcy is that the debtor must be in suspension of payments.

The filing of a petition for voluntary bankruptcy must include: (a) a description and the date of the start of the suspension of payments along with supporting evidence; (b) a statement of assets and liabilities appraised as of the petition date duly certified by a licensed accountant; (c) the debtor's financial statements for the last three fiscal years; (d) a list of creditors; (e) a list of judicial and administrative proceedings of an economic nature with a pending or unenforced final judgment; and (f) a list and submission of the debtor's commercial and other corporate books.

The filing of a petition for involuntary bankruptcy must include evidence of the claim and of the suspension of payments. Upon the filing of an involuntary bankruptcy petition, the court will give a five-day notice to the debtor. The petition may be dismissed if during that period the debtor provides evidence to the court that it is not in suspension of payments (i.e., the deposit of the amounts owed to the plaintiff). After bankruptcy is adjudicated and within 10 days after the publication of the bankruptcy adjudication notices, the debtor may file a motion requesting the conversion of the bankruptcy proceedings into reorganization, provided that the bankruptcy was not adjudicated as a consequence of the breach of a reorganization plan or while reorganization proceedings were pending, or if one year has elapsed since a court authorized the performance of a prior reorganization.

Unlike reorganizations, at the time of a bankruptcy adjudication the debtor loses possession of its assets, which will be subject to the administration of a court-appointed receiver who will, among other things, collect all the debtor's receivables.

Adjudication of bankruptcy has, among other things, the following effects:

(i) all proceedings on unsecured claims against the debtor are automatically stayed and the venue of all such proceedings is consolidated at the court that hears the bankruptcy proceedings;

(ii) new proceedings on unsecured claims are stayed;

(iii) accrual of interest on unsecured claims (other than labor claims) is suspended;

(iv) interest on secured debts will continue to accrue, but may only be claimed to the extent of amounts realized from the security interest;

(v) secured creditors may enforce their pledges or mortgages pursuant to a final judgment, provided that upon a request by a *Cooperativa de Trabajo* (workers' cooperative) such enforcement may be suspended by the court for up to two years;

(vi) all obligations of the debtor become due and payable; all claims denominated in foreign currency are converted into Argentine pesos at the exchange rate as of the bankruptcy adjudication date or the stated maturity (if prior) at the option of the creditor;

(vii) arbitration clauses are inapplicable, except if prior to the bankruptcy adjudication, the arbitral tribunal was already constituted; agreements with reciprocal obligations pending are suspended (with limited exceptions); and

(viii) the managers of the debtor or the natural person debtor is subject to restrictions such as requiring the court's prior authorization to travel outside Argentina and will be disqualified from doing business, acting as administrator, manager, trustee, liquidator or incorporator of companies, or acting as agent or attorney-in-fact with general powers for a term of one year from the bankruptcy adjudication date or the suspension of payments.

All creditors, including, without limitation, preferred or secured creditors, must submit proof of their claims with the receiver. As with reorganizations, there is a nominal fee for such filings. The receiver must promote the formation of a creditors' committee to oversee the liquidation.

In certain circumstances, the receiver may decide on the immediate continuation of the debtor's activities, subject to court approval. This could be the case for public utilities, or to avoid damages to the creditors or preserve the assets of the estate, or at the request of at least two thirds of the debtor's employees organized in a *Cooperativa de Trabajo* (workers' cooperative) to preserve employment. If the debtor's activities are continued, the receiver or the workers' cooperative, whichever is the case, will manage the assets of the estate with the powers to perform all acts within the ordinary course of business. Any act beyond this limitation, including incurring unsecured or secured debt, is subject to the prior approval of the court.

If no decision is made on the continuation of the debtor's activities, the receiver will move forward with the liquidation of the assets of the estate. Before beginning the liquidation process, the workers' cooperative may make a request to the court to purchase the debtor's equity and compensate this purchase price against its labor claims.

The liquidation may be carried out either by the sale of (i) the entire business as an ongoing concern, (ii) the bulk of all the estate's assets, or (iii) each individual asset of the estate.

After liquidation, expenses and claims enjoy the following order of preference in payment:

(i) claims with special preference, with priority of payment in respect of the proceeds of the assets affected in each case (including credits secured with mortgage or liens);

(ii) administrative expenses including debts incurred in connection with the administration of the case, and with the maintenance, administration and liquidation of the estate's property;

(iii) claims with general preference including certain labor claims and principal on contributions to social security and taxes;

(iv) unsecured claims; and

(v) subordinated claims.

After concluding the liquidation procedure, the receiver prepares a final report, including proposals for the distribution of the proceeds among the creditors, and notice is given to the creditors, who may file objections. After all of the distributions to creditors have been completed, the bankruptcy proceedings conclude, and the debtor is discharged.

The debtor has the right to terminate the bankruptcy proceedings and the related proceedings described below before liquidation by means of a payment agreement with all admitted creditors, who must also agree with the termination of the bankruptcy proceedings. If the debtor is not able to reach an agreement with one or more of the creditors, it has the right to guarantee or deposit with the court the amount due to those creditors in order to lift the bankruptcy proceedings.

Also, the proceedings described below shall be immediately terminated by operation of the Bankruptcy Law if the distribution of the estate proceeds suffice for a total payment of the approved debts and the costs and fees of the proceeding.

Under exceptional circumstances, a debtor's bankruptcy adjudication may be extended to a debtor's shareholders with limited liability and other third parties. The bankruptcy adjudication may be extended to:

(i) any person who caused the debtor to conduct activities for that person's sole benefit and managed the debtor's assets as if they were the property of that person in fraud of the debtor's creditors, provided that the person:

   a. had an active role in the debtor's bankruptcy;

   b. showed willful misconduct;

   c. had conflicting interests;

   d. caused an actual diversion of the debtor's assets for its own benefit; and

   e. defrauded the debtor's creditors.

(ii) any controlling shareholder of the debtor who unlawfully diverts the debtor's corporate interest, and subjects the debtor to a common management with the purpose of pursuing such controlling entity or its corporate group's benefit; and

(iii) any person whose assets and liabilities are commingled with those of the debtor in such a way that makes it impossible to identify their owner or holder.

The following third parties may be held liable for any damages arising from the debtor's bankruptcy: i) the members of the board of directors and representatives that willfully provoked, facilitated, allowed or aggravated the debtor's economic and financial situation or its insolvency; and ii) any third party, including the shareholders, who willfully participated in acts leading to the depletion of the debtor's assets or to unduly increasing the debtor's liabilities (known as an exaggeration of the debtor's liabilities), before or after the adjudication of bankruptcy.

13.5. Pre-Petition Void or Voidable Transactions

Certain transactions carried out by the debtor within the claw-back period are void or voidable. The claw-back period is the period starting with the suspension of payments and ending on the date when the debtor files the request for reorganization or is adjudicated as bankrupt. The claw-back period cannot extend more than two years from the date immediately preceding that of filing the request for reorganization or of the adjudication of bankruptcy.

The following transactions carried out by the debtor during the claw-back period are void:

(i) transactions without valuable consideration (*a título gratuito*),

(ii) advance payments on account of debts that are due on or after the bankruptcy adjudication date, and

(iii) granting of security (mortgage, pledge or any other preference) regarding debts not due and not secured under their original terms.

Any other transactions detrimental to the creditors carried out by third parties during the claw-back period with knowledge of the debtor's insolvency are voidable. The third party has the burden of proving that the transaction did not cause any detriment to the creditors.

Generally, neither the transactions carried out by the debtor in the ordinary course of business during a reorganization proceeding nor the transactions exceeding the ordinary course of business or disposition of assets carried out by the debtor during a reorganization proceeding, or the implementation of the plan with the authorization of the court, are subject to an avoidance action.

14. Public Law

14.1. Introduction

Argentina is a federal country organized under a federal constitution. The federal government coexists with 24 state governments (23 provinces and the City of Buenos Aires) and local governments within each province (municipalities).

The Federal Government has exclusive power to enact laws concerning international and interstate trade; general welfare; and the civil, commercial, criminal, and mining codes, and labor and social security laws, which are applicable throughout the country.

Administrative law is of a "local" nature: the federal government, the state governments, and the local governments may enact or issue their own laws on administrative matters. Such laws must comply with the Argentine Constitution and the constitution of the corresponding state. Generally speaking, the same administrative caselaw and principles are followed at both federal and state levels in areas such as judicial review, government contracts, State liability, public ethics, and access to public information, among others.

14.2. Judicial Review of Administrative Rulings

Argentina's constitutional system and Supreme Court caselaw allow for the judicial review of administrative rulings and regulations, and of the constitutionality of laws.

At the federal level, access to the judiciary is generally subject to certain requirements that may, in practice, restrict judicial review, such as the court tax (in principle, 3% of the amount involved without a cap) and the short terms to exhaust administrative remedies against administrative rulings (30 days).

Special remedies—like the action for constitutional protection of fundamental rights (*amparo*) and the action to challenge constitutionality—offer ways to circumvent these obstacles, though they have strict requirements, such as the lack of a better suited legal alternative (for both remedies), and the manifest violation of a constitutional right and a 15 business days deadline (for the *amparo*).

Private parties may seek a court injunction to suspend the effects of administrative rulings and regulations or laws, impose performing a certain conduct on the defendant public party, or mandate the reversal of decisions for a set period. When the Federal Government or its entities are involved, the procedure should follow Law No. 26854 on Federal State Preliminary Injunctions, which imposes specific limitations on such injunctions.

14.3. Government Contracts: Procurement Regulations, Public Works and Utility Concessions, and Public-Private Partnerships

Government contracts are subject to the laws and regulations of the relevant contracting entity (the federal government, each state government, or the local government).

Government contracts are subject to:

(i) the general regime that applies to most of the contracts entered into by the government (including purchases, leases, supplies, use of public domain assets, consulting services, etc.), or

(ii) the special regimes that apply to particular contracts (such as public works and utility concessions and public private partnerships). Incentive investment regimes may also apply to government contracts, if the relevant project complies with the applicable requirements.

The provisions of general and special regimes are supplemented by:

(i) the bidding terms and conditions that rule the relevant tender process and usually impose certain economic and technical requirements on the bidder (e.g., expertise in similar works, a minimum net worth, and certain debt ratios),

(ii) the particular terms of the contract executed with the awarded bidder.

As a general rule, public procurement requires a competitive bidding process that ensures broad participation and equal treatment of bidders, and the awarding decision must be broadly published. Direct contracting and other processes are allowed under specific cases provided in the applicable regime (e.g., urgency, sole source, failure of prior competitive process, etc.). Private initiative for certain type of infrastructure projects is generally permitted, allowing private parties to propose public works or projects that meet public needs and, if the government declares it to be of public interest, the proponent obtains certain advantages in the subsequent competitive bidding process.

At the federal level, government contracts are mainly regulated under Decree No. 1023/2001 (Federal Public Procurement Regime), Law No. 17520 (Federal Public Works and Utility Concessions Regime), and Law No. 27328 (Federal Public-Private Contracts Partnership Regime). The incentive regime passed by Law No. 27742 (Incentive Regime for Large Investments or RIGI) may apply to certain government contracts, offering a comprehensive system of tax, customs, and foreign exchange incentives, as well as guarantees and stability for investments exceeding USD 200 million.

The latest amendments to the relevant legal framework have improved the legal situation of private contractors under concessions and public-private contracts. In both cases, the aim was to encourage private investment in infrastructure by enhancing flexibility, legal certainty, and stability in government contracts, as the guarantees for private contractors are strengthened and the traditional government prerogatives are either excluded or severely limited (e.g., limited State liability, powers to unilaterally construe, modify or terminate the contract for reasons of public interest and power to force the private contractor to continue the project despite the State's failure to comply with its own obligations).

The Federal Government has also declared subject to privatization several state-owned companies within the energy, airport, water and sewer, railroad transport and infrastructure, and highway infrastructure areas. These privatizations will be conducted in accordance with the procedures regulated under Law No. 23696 of State Reform, which governed the last privatization process during the 1990´s.

14.4. State Liability

State liability is direct and objective, and is based on:

(i) the concept of *faute de service*, or misconduct, for liability due to State unlawful action,

(ii) the notion of "special sacrifice" for liability due to State lawful action.

At the federal level, Law No. 26944 on Federal State Liability regulates the non-contractual liability of the State and public officers. The Argentine Civil and Commercial Code is consistent with this regulation on the non-contractual liability of the State and public officers, since both determine that State liability is not governed directly or as a default rule by that code, because it is a matter of public law that must be regulated by the Argentine Government and the states in their corresponding jurisdictions.

14.5. Public Ethics and Anti-corruption

Argentina has ratified many international conventions (e.g., the Inter-American Convention against Corruption, the United Nations Convention against Corruption, and the Convention against Bribery of Foreign Public Officers in International Transactions) and passed many laws and regulations (e.g., Law No. 27401 on Corporate Criminal Liability and Law No. 25188 on Federal Public Ethics) that not only

prohibit and sanction corrupt conduct, but also provide mitigating measures to avoid corruption risks and improve transparency, such as the duties to file affidavits in certain cases to prevent potential conflict of interests when acting before public officials and to implement compliance programs (which became mandatory for entities engaged in certain government contracts).

In recent years, new regulations were implemented in terms of compliance, such as the Transparency and Integrity Program, which promotes actions aimed at preserving, promoting, and strengthening the administrative management areas of the Police and Security Forces on issues related to ethics, transparency and integrity and the prevention of corruption. Also, an Integrity and Transparency Registry of Companies and Entities (RITE) was established as a central platform where companies register their integrity programs of their own accord; and the Monitoring System on the Exercise of Public Duties, which ensures that public officials who take and leave high-rank positions comply with public ethics legal standards and prevent incompatibilities or conflicts of interest.

Finally, Argentina's effort towards OECD accession reflects broader international alignment in combating corruption. These initiatives collectively signify Argentina's ongoing commitment to strengthening compliance frameworks, promoting transparency across public and private sectors, and aligning with global best practices and corporate governance and anti-corruption measures.

14.6. Access to Public Information

Argentina guarantees the right to access to public information and promotes citizen involvement and transparency in public affairs, based on principles of equal treatment, procedural celerity, and maximum disclosure

At the federal level, this right is regulated under Law No. 27275 on Federal Access to Public Information, which is in line with traditional caselaw and international commitments and recommendations, and determines who must provide access, what exceptions apply, and the relevant information request procedure.

14.7. Bilateral Investment Treaties

The bilateral investment treaties signed by the Argentine Government with most OECD countries grant direct rights protecting foreign investors (e.g., fair and equitable treatment, protection in the case of direct or indirect expropriation, national treatment, most favored nation treatment) and provide international arbitration (under the ICSID or UNCITRAL rules) to obtain relief for acts or omissions adopted by Argentina and its political subdivisions.

14.8. Funding of political parties

Political party financing in Argentina is based on a mixed system in which public and private funds are allocated and subject to the limits established by the applicable law. At the federal level, Law No. 26215 of Political Party Financing rules the political parties' assets, public and private financing, accounting and disclosing obligations, prohibitions and election advertising, among other matters. In 2019, amendments were introduced to the law, as well as to the Federal Electoral Code and the Charter Law of Political Parties, mainly aimed at strengthening transparency and control of the funding of political parties and their expenditures.

15. Mining

15.1. Introduction

Mining in Argentina is governed by Law No. 1919 (the "Mining Code"), which was first enacted in 1886 and has undergone several amendments since.

As in most Latin American countries, Argentine mining law is based on the principle that all mineral deposits are owned by the state. Each province, the City of Buenos Aires or the Argentine Government is considered the owner of the minerals in its respective jurisdiction. However, individuals and legal entities may obtain a legal concession from these entities to explore and develop the deposits and may freely dispose of the minerals extracted within the concession area. Section 8 of the Mining Code establishes the general principle that "the right to explore and develop mines and dispose of them as owners is granted to private individuals and companies in accordance with the provisions of this code".

The Mining Code enables obtaining exploration permits and mining concessions. The exploration permit grants a right to search for mineral resources within a specified area and the right to obtain a mining concession if a discovery is made during the term of exploration.

The provisions of the Mining Code do not apply to oil and gas deposits. Additionally, the mining of ores used in the nuclear industry (uranium and thorium), although subject to the Mining Code, must comply with additional regulations.

The mining concession covers development and includes the mine and its deposits as well as the buildings, machinery, vehicles, etc., used in developing the mine. The law considers this concession to be a real property right distinct from the title to the surface land where it is located. Once the titleholder's rights are incorporated into public deeds and registered before the provincial mining authority, the mining concession gets the final title. Mining concessions may be sold or transferred like any other real estate property. The transfer document must be notarized and registered with the appropriate mining authority. Mortgages may also be granted on mining concessions. Since mineral products are movable assets, once extracted they can be pledged as security for financing purposes.

The Mining Code includes the circumstances under which a mining concession may be terminated.

15.2. Classification of Mines

Based on the type of mineral discovered, mines are categorized into three classes:

The first class of mines is for gold, silver, platinum, mercury, copper, iron, lead, tin, zinc, nickel, cobalt, bismuth, manganese, antimony, wolframite, aluminum, beryllium, vanadium, cadmium, tantalum, molybdenum, lithium and potassium. Certain fuels, such as mineral coal, lignite, anthracite coal and solid hydrocarbons, and non-metals like arsenic, quartz, feldspar, mica, fluorite, calcareous phosphates, sulfur, borates and precious stones are also included in this category.

The second class of mines is divided into two categories. The first is for metalliferous sands and precious stones found in riverbeds, waters and sandbanks, or at the tailing and slag heaps of abandoned mines. Minerals falling into this category may be mined by anyone without having to obtain a concession. The second category is for saltpeter, salt mines and peat lands, metals not included in the first class of mines, and pyrite and aluminum deposits, abrasives, ochres, resins, soap rock, barite, sulfate of iron, graphite, kaolin, alkaline or alkaline-earth salts, asbestos, bentonite, zeolite, or any other exchangeable minerals. The owner of the surface rights has a preferential right to the deposits within their property, but they must have their claims officially demarcated.

The third class of mines is for minerals of a stony or earthy nature used in the construction and ornamental industries. Generally, these deposits belong to the surface owner.

15.3. Exploration of Mineral Resources

Prior to launching exploration works, the mining company may obtain an exploration permit from the provincial mining authority. The exploration permit grants the explorer the exclusive right to explore and eventually obtain a mining concession to work any deposit of any mineral discovered in the concession area. However, the obtaining of a prior exploration permit is not a requirement to obtain a mining concession. The minerals are not limited to those mentioned in the request for exploration rights.

15.4. Development of Mineral Resources

If a discovery is made during exploration, the titleholder must register the discovery with the provincial mining authority. The territory may not be explored or developed by third parties until the end of the staking proceedings.

The next step is to define the limits of the mining concession. The titleholder must file a request for a mining concession with the mining authority.

15.5. Mining Concessions

15.5.1. Acquisition

Mines are acquired through a legal concession. Mines that can be acquired through a concession (original acquisition) are discoveries and null and vacant mines.

15.5.2. Effects

A mining concession makes the titleholding owner of every deposit found within the boundaries of the concession, regardless of the mineral. However, the titleholder must inform the mining authority the existence of any mineral different from the one registered. This information is relevant to decide the annual fee and the capital investment required. It is preferable to exploit the first class of mines on land containing the second and third class of mines. This allows the concessionaire to exercise the right of accession, form mining groups and acquire the land, among other things.

15.5.3. Withdrawal

Concessionaires can withdraw from a mining concession through a direct and spontaneous act that informs the relevant mining authority of their decision to not move ahead with the mining works. A written declaration must be filed as well with such mining authority.

15.5.4. Mining Fee

Mines are awarded through the payment of an annual fee established by the Argentine Secretary of Mining and paid to the relevant federal or provincial government, depending on the location of the mines.

15.5.5. Investment Plan

The concessionaire must submit an estimate of the capital investment plan to the relevant mining authority. The investment plan should include (i) the execution of mining labor works, (ii) the building of camps, roads and other constructions for exploration purposes, and (iii) the acquisition of machinery, facilities and production equipment that will permanently be at the mine.

15.5.6. Termination of the Mining Concession

Mining concessions may be terminated for the following reasons: (a) failure to pay the annual fee; (b) failure to file the estimate of the investment plan; (c) making investments contrary to the requirements of the Mining Code; (d) if the amount of the investment made is less than 300 times the annual fee; (e) failure to file the annual affidavit on the progress of the investment plan; (f) committing fraud in the annual affidavit for the development of the investment plan; (g) lack of compliance with the estimated investments; (h) a modification and reduction of the estimated investment without prior notice; (i) withdrawal of assets that reduces the investment plan; and (j) inactivity of the mine for more than four years.

15.5.7. Applicable Regulations to Common Use Substances

Second-class minerals are classified into (i) those awarded to the owner of the land as a prior right and (ii) those of common use.

The following are common use minerals: (a) metalliferous sands and precious stones found in riverbeds, running water and water sources; (b) clearing lands, tailings and cinder dumps of previous exploitations, as long as such mines are abandoned, and abandoned or opened tailings and cinder dumps, as long as the owner does not recover them; and (c) national and municipal-owned quarries, as long as they are not transferred to third parties or bound by an agreement.

For the common use minerals in (a) and (c), no concession, exploration permit or prior notice is required. However, for the minerals in (b), given the existence of evidence of a previous exploitation, a declaration issued by the enforcement agency is required to determine the common-use state of the land.

15.5.8. Third-Class Mines

Third-class minerals are the mineral productions of stony or earthy nature and, in general, all minerals used as construction and ornamental materials which form quarries. Mines included in the third class do not require the granting of legal concession for exploitation, given that they belong to the landowner. Third parties may exploit third-class mines in privately owned lands if such exploitation is declared a "public use development".

15.5.9. Nuclear Minerals

Section 205 of the Argentine Mining Code states that "all aspects of exploration and exploitation of nuclear minerals and land clearing, tailing and slag heaps containing said minerals not provided hereunder will be governed by the provisions of this Code regarding first and second-class mines." Section 206 of the Argentine Mining Code states that "uranium and thorium" are nuclear minerals. Consequently, uranium and thorium are included in the first-class minerals and land clearing, tailing and slag heaps containing them are common use substances. The acquisition processes for first-class substances and common use substances are applicable to uranium and thorium with the particular features described below:

(i) Those who exploit mines containing nuclear minerals are obliged to submit the following: (a) a restoration plan for the natural area affected by mining waste and to neutralize, conserve or preserve the tailing or liquid or solid particles and other processing products containing radioactive or acid elements (Mining Code, Section 207); and (b) as requested by the Argentine Commission on Atomic Energy (the "CNEA" after its acronym in Spanish) and the Mining Authority, the information regarding reserves and production of nuclear minerals and their concentrates (Mining Code, Section 208).

(ii) The Argentine Government, through the CNEA, will have the first option to acquire nuclear minerals, their concentrates and their derivatives produced in the country, under normal price conditions and usual market methods, (Mining Code, Section 209).

(iii) The export of nuclear minerals concentrates and their derivatives will require prior approval by CNEA.

15.6. Specific Tax Treatment

Mining activities have special tax incentives that should be carefully analyzed in the decision-making process for a new investment. Legal statutes on tax incentives allow for: (a) the financing or reimbursement of the value-added tax payments made by mining companies; (b) a 30-year tax stability for the taxes in force at the time of submitting the feasibility report; (c) the beneficiaries have the right to deduct from their income taxes 100% of the amounts invested in prospecting, special research, mineral and metallurgical tests, pilot plants, applied research and other works for determining the technical and economic feasibility of a project; (d) the possibility of accelerating (over three years) the depreciation of investments made on housing, transportation, plant construction and equipment required for the mining activities; (e) exemption from paying income taxes derived from the profits of the mines and mining rights, used as payment for the subscription of shares of registered beneficiary companies; (f) exemption from paying taxes on the assets; (g) exemption from all import duties and any other taxes for importing capital goods; and (h) a 3% cap on royalties, among other benefits.

15.7. Cyanide

The following Argentine provinces have banned cyanide from mineral processing: (i) Chubut; (ii) Tucumán; (iii) Mendoza; (iv) La Pampa; (v) Córdoba; (vi) San Luis; and (vii) Tierra del Fuego. The Provinces of La Rioja and Río Negro, which had banned cyanide use for metal processing, revoked the prohibition in 2008 and 2011, respectively.

16. Energy

16.1. Background: From Regulatory Reform to Emergency Law

In 1992, the power sector was reformed, deregulated and privatized at federal and provincial levels. At the federal level, the reform was implemented by Law No. 24065 and its regulations—Decree Nos. 1398/1992 and 18619/95, and Resolution No. 61/1992, among others (Regulatory Framework).

The Regulatory Framework is characterized by the following main features:

(i) The vertical division of the power sector into four categories: generation, transmission, distribution, and demand, with cross-ownership restrictions between some of these categories.

(ii) The introduction of competition in power generation activities with an electricity wholesale market (*Mercado Eléctrico Mayorista*, MEM) so that large users can purchase power directly from generators or traders.

(iii) The privatization of most of the existing state-owned assets, including thermal and hydropower plants and transmission and distribution networks (nuclear power plants and bi-national hydropower plants were excluded).

(iv) The creation of an autonomous regulatory agency.

The recurrent economic crises that Argentina suffers impact the energy sector significantly. Hence, the Regulatory Framework is frequently affected by different political measures that distort utility rates and power prices. These measures can leave the power system in a critical condition and often reliant on imports from neighboring countries.

Although the partial abrogation of these measures in 2016 allowed certain improvements and augured a better future for the power sector, the latest crisis has put the country and its power system at a significant juncture again, which led to new interventionist measures for the sector that, despite public announcements of regulatory reform, have not yet been lifted (please see section 16.4 below).

16.2. Regulatory Agencies

The Regulatory Framework has delegated decision-making and enforcement powers among the following entities:

(i) The Argentine Executive, through the Secretariat of Energy, has the authority to set the general policies and rules that govern the sector.

(ii) The Argentine Regulatory Agency for Electricity (ENRE), an autarchic entity created within the Secretariat of Energy, has various functions, including the following: (a) the surveillance of Regulatory Framework compliance; (b) the control of service supply standards; (c) the stipulation and calculation of rates; (d) the authorization of the construction and expansion of new infrastructure; and (e) the mandatory initial jurisdiction to hear any disputes arising among the energy market participants.

(iii) The Wholesale Energy Market Administrator (CAMMESA) coordinates dispatch operations, determines wholesale prices, administers the economic transactions in the MEM and acts as government off-taker in certain power purchase agreements, acting on behalf of large users and distribution companies (PPAs).

16.3. Power Generation: The Wholesale Market

The Regulatory Framework allows for power generation to be carried out in a competitive market environment. As per the Regulatory Framework, to build and operate a hydroelectric generation facility, a concession must be obtained from the Argentine Executive. Meanwhile, the operation of thermal power generation plants does not require any specific authorization, other than planning, regulatory, safety, transmission, and environmental clearances.

The MEM consists of a spot market and a fixed-term market. In the spot market, the real values of power supply and demand are traded. CAMMESA dispatches available units according to production costs, beginning with the most efficient units. The energy price is passed through to end-users by the distribution utilities companies. To enable this process, a seasonal price is calculated and fixed quarterly by CAMMESA.

Since 2013, as a rule, industrial customers must purchase power from CAMMESA rather than directly from generators or traders. The generator's pricing regime has been amended as well. As of February 2013, generators are entitled to recover fixed costs and variable costs that are calculated based on power generated in line with fuel burnt, plus an additional compensation which varies depending on whether certain availability targets are met.

At the beginning of 2017, after an integral tariff review procedure, new calculation methods were established and, consequently, new increases in electricity seasonal prices applicable through 2018 and 2019 were approved. This scenario changed due to the issuance of Law No. 27541 which was followed by Decree No. 1020 ("Decree 1020") issued in December 2020.

16.4. Transmission and Distribution

Transmission and distribution companies are regulated as public utilities.

Transmission services are provided by concessionaires that own and operate high- and medium-voltage transmission lines. The business involves the transformation and transmission of electricity from the generators' delivery points to the reception points of distributors or large users. The Regulatory Framework mandates that transmission companies be independent from other participants in the MEM, barring them from buying and selling power.

The rates charged by electricity transmission companies include: (a) a connection charge; (b) a transmission capacity charge; and (c) a charge for the actual energy transmitted. Incoming revenues from system expansions are regulated separately. Transmission rates are billed to generators or passed through to end users through distributors.

Distribution companies oversee the supply to end users whose consumption level prevents them from contracting with the power supplier independently.

The main features of concession agreements for power transmission and distribution services are: (a) service supply quality standards which if not met are penalized; (b) a 95-year concession agreement for monopoly service supply within an area or grid, divided into "management terms" for an initial 15-year term and subsequent 10-year extensions (at the end of the full term, the majority stock of the corporation may be offered for sale again); (c) the rates are fixed by economic criteria (e.g., price caps, following a pre-determined scheme for their calculation and adjustment).

The fees charged by distribution companies consist of the following: (a) the price of purchasing power in the MEM (i.e., the seasonal price described above); (b) transmission costs, and (c) an added value for distribution (VAD) to remunerate the distributor's activity. The VAD represents the economic or marginal cost of the networks available to users, plus the network operating and maintenance costs and management costs. All these costs are considered within a framework of reasonable business efficiency.

The determined rates must make it possible for an efficient distributor to cover operating costs, finance the renewal and improvement of facilities, satisfy growing demand, meet predetermined quality standards, and obtain a reasonable return, considering its operational efficacy and efficiency in line with the amounts invested, and with the national and international risk inherent to the activity.

At the beginning of 2016, and in line with the price readjustment policy pursued by the Argentine Government to relaunch and recover the MEM and the national power matrix, power transportation and distribution tariffs applicable to services provided by concessionaires operating under federal jurisdiction were substantially raised.

However, in December 2019, the Argentine Congress passed Law No. 27541 (known as the "Social Solidarity and Productive Reactivation Law") that proclaimed a public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health, and social matters, and delegated to the Argentine Executive multiple legislative powers to attend the referred emergency. The bases for the legislative delegation include: (i) the restructuring of the energy tariff scheme following distributive equity and productive sustainability principles, and (ii) the reorganization of the energy sector's regulatory agencies to guarantee an efficient administration.

Regarding tariff regulation, Law No. 27541 provides:

(i) Tariff freeze: Electricity tariffs (including transmission and distribution) subject to federal jurisdiction cannot be adjusted for a 180-day term as from the law's effective date (December 23, 2019). Provinces are invited to implement this policy (article 5).

(ii) General renegotiation: The Argentine Executive is entitled to renegotiate tariffs subject to federal jurisdiction, within the framework of the existing Integral Tariff Renegotiation (RTI) or by means of extraordinary revisions, pursuant to Law No. 24065, to reduce the burden of these tariffs on homes and commercial and industrial facilities during 2020 (article 5).

(iii) Administrative intervention: The Argentine Executive is entitled to intervene in the ENRE for a 1-year term (article 6).

In March 2020, the Argentine Executive enforced the intervention of ENRE through Decree No. 277/2020. This Decree appointed a statutory auditor (*interventor*) until December 31, 2020. This term was subsequently extended by article 12 of Decree 1020 until the new tariff renegotiation process ends.

On December 16, 2020, the Argentine Executive issued Decree No. 1020 pursuant to which the renegotiation of the electricity (as well as natural gas) tariffs mentioned above had been initiated, subject to federal jurisdiction. Pursuant to article 2 of Decree No. 1020 the renegotiation process could not exceed a two-year-term. During this term, the previously concluded RTI remains suspended and ENRE is tasked with executing transition renegotiation agreements with the service providers, subject to the approval of the Argentine Executive. The renegotiation process is to conclude with the execution of a final agreement (*Acta Acuerdo Definitiva*) after which a new tariff term will begin.

However, the renegotiation process imposed through Law No. 27541 and implemented by means of Decree No. 1020 was not completed during the term of that administration (December 2019 to December 2023). On the contrary, during this period, no significant steps were taken to conclude a new RTI as mandated by Law No. 27541.

16.5. Recent Policy Measures

Since the renegotiation of tariffs of the electricity sector was not completed by December 2023, Decree No. 55/2023 declared the emergency of the national energy sector concerning the generation, transportation, and distribution of electric power under federal jurisdiction and the transportation and

distribution of natural gas. Initially, the emergency declaration was to last until December 31, 2023. However, this emergency declaration was postponed until July 9, 2025.

Even though the state of emergency in the electricity sector continues, following Decree 55, ENRE launched a tariff review process for the public utilities of electric power services that are subject to federal jurisdiction. This was the first measure towards recovering the financial sustainability of the energy sector. It shows a 180° policy shift *vis-à-vis* the previous administration's approach, where energy subsidies were the rule.

Additionally, the Argentine Congress passed Law No. 27742, which empowers the Argentine Executive to adapt the regulatory framework for electricity (Laws No. 15336 and 24065) until 31 December 2025, to guarantee, among others: (a) free international trade in electricity; (b) free commercialization and maximum competition in the electricity industry, guaranteeing end users the free choice of supplier; (c) economic dispatch for energy transactions based on payment scheme in accordance with the hourly economic cost of the system; and (d) the development of transmission infrastructure through open, transparent, efficient, and competitive mechanisms.

It is expected that within the framework of this delegation of powers, the Argentine Executive will approve a regulatory redesign of the electricity sector, restoring the freedom of the relevant players (generators, large users, distribution, and transmission utilities companies) and reducing the leading role of the State, which has been the rule in recent years.

16.6. Renewable Energies

Law No. 26190, passed in 2006, approved the creation of a National Regulatory Framework for Renewable Energies. This law, as amended in 2015, sets a 12% target for domestic consumption from renewable power sources (e.g., wind, solar, geothermal, biomass, biofuels) by December 2019, and 20% by December 2025, with sequential targets in between. Law No. 26190 provides tax and customs incentives for renewable power generation projects.

To meet the targets of Law No. 26190, the former Ministry of Energy and Mining instructed CAMMESA to launch a public tender in July 2016, called the RenovAr Program, to award long-term PPAs for renewable power. Under these PPAs, CAMMESA acts as the off-taker, prices are denominated in US dollars, and the awarded projects get access to the tax and customs benefits provided by Law 26190. The off-taker's obligations under the PPA are secured by a public trust called FODER. Awardees may also opt for a World Bank Guarantee as a second-tier security to FODER under certain PPA termination events.

In Round 1 of RenovAr, 29 renewable projects were awarded PPAs for a total installed capacity of 1,142 MW.

Following the impressive response to RenovAr Round 1, RenovAr Round 1.5 was launched in October 2016. In this opportunity, companies with solar and wind projects that had been pre-qualified under RenovAr 1 but not awarded a PPA were invited to present new offers. In RenovAr Round 1.5, 30 projects were awarded PPAs for a total installed capacity of 1,281 MW. All PPAs awarded under RenovAr 1 and 1.5 have already been executed and most of these projects are either operating or under construction.

In August 2017, the former Ministry of Energy and Mining launched RenovAr Round 2 for 1,200 MW of installed capacity divided between (a) solar, (b) wind, (c) biomass, (d) biogas, and (e) small hydropower plants. Under this round, 88 PPAs were awarded, and, as of June 2019, 86 PPAs have already been executed.

In November 2018, a third RenovAr round named "MiniRen" was launched for 400 MW to be connected to mid-voltage lines of 13,2 kV, 33 kV and 66 kV. The available capacity must be distributed between solar and wind (350 MW), biomass (25 MW), small hydropower plants (10 MW), biogas (10 MW), and landfill biogas (5 MW).

This round provides a power capacity cap of 0.5 to 10 MW per project and of 20 MW per province, except for the Province of Buenos Aires, whose capacity cap is 60 MW. In addition, this round does not allow for the capacity expansion of existing plants.

In August 2019, within the MiniRen round, the Under Secretary of Renewable Power and Power Efficiency awarded 380 PPAs for approximately 260 MW and invited 12 additional projects to file new offers.

In addition, the regulations for implementing renewable corporate PPAs have been approved by means of Resolution No. 281/2017 of the former Ministry of Energy and Mining, which set the marketing and administration charges applicable to Large Users who buy power from CAMMESA (MATER). This rule also authorizes generators and Large Users to negotiate the terms and conditions of their PPAs (establishing priorities, term, prices, etc.) and establishes a specific dispatch priority regime for renewable PPAs. Following the RenovAr Program, in the last few years, the renewable market has been driven by the corporate PPAs executed within the MATER.

16.7. Renewable Distributed Generation

In December 2017, the Argentine Congress enacted Law No. 27424 which created the Regime for the Promotion of Renewable Distributed Generation. This framework provides a series of tax benefits and incentives to promote the installation of renewable distributed generation equipment.

Renewable distributed generation consists of on-site renewable installed capacity of up to 12 MW, which is connected to the distribution utility grid with the main purpose of self-supplying electricity, with the option to inject the power surplus, if any, into the grid. Those who carry out this activity are defined as Users-Generators under Law No. 27424.

Law No. 27424 included a net metering tariff system, pursuant to which the Users-Generators compensate the power they consume against the power they generate with the relevant distribution utility company. The distribution company must deduct the applicable surpluses when power generation outbalances power consumption from the electricity bill. ENRE periodically determines the injection tariffs.

Renewable distributed generation is a high potential industry which, combined with the measures described in this chapter, is expected to facilitate the relaunch of the electricity sector.

17. Oil & Gas

17.1. Overview

Argentina is one of major players in the South American hydrocarbon market. The outlook for the Argentine hydrocarbon industry is promising due to the availability of world-class unconventional resources at the Vaca Muerta formation, which make Argentina the country with the second largest shale gas resources and the fourth largest shale oil resources worldwide.

The amendments to the Federal Hydrocarbons Law No.17319, approved in 2024 through Law No. 27742 (Law of Bases and Starting Points for the Freedom of the Argentine People) substantially limited the role of the State in the hydrocarbon sector.

17.2. Ownership and jurisdiction over hydrocarbon reservoirs

Hydrocarbons are severable from the general ownership of property. Original domain of hydrocarbon reservoirs corresponds to the provinces or the federal State, depending on their location. While the provinces own and manage hydrocarbons within their territories up to the 12th mile from the shore, offshore reservoirs located beyond said mile correspond to the Federal State.

Regardless of their ownership, jurisdiction over all hydrocarbons is reserved to the Argentine Congress, which legislates over hydrocarbon matters in all of Argentina.

The Secretariat of Energy, under the Ministry of Economy, is the enforcement agency of the Hydrocarbons Law at the federal level. In each oil-producing province there is an agency responsible for hydrocarbon matters.

17.3. Exploration and production

Hydrocarbon exploration and production require an exploration permit or a production concession granted by a province or the Argentine Government, as applicable. Permits and concessions must be granted through a competitive bidding process and may be transferred with the grantor's approval.

To hold a permit or concession, companies must register before the registry of oil companies under the Secretariat of Energy and, if applicable, before the corresponding provincial authorities. Registration is granted if certain financial and technical standards are fulfilled.

Exploration permits require minimum investments and may be granted for up to six years for conventional exploration or up to 8 years for unconventional and offshore exploration, subject—in both cases—to an extension of up to 5 years.

A permit holder that discovers a commercially exploitable reservoir is entitled to a production concession to develop it. The term of conventional production concessions is 25 years, while concessions for to develop unconventional resources are granted for 35 years. Offshore production concessions are granted for 30 years. Concession terms may be extended or reduced up to 10 years at the time of their granting.

Holders of permits and concessions are required to pay canon and royalties to their grantors. While the canon is determined on the surface of the permit or concession, and paid annually, royalties are levied monthly over the hydrocarbons produced, valued at market prices (wellhead value). Royalties under concessions and permits awarded after the Bases Law will be determined on a case-by-case basis at the time of their award, starting from a base royalty of 15%, which the bidders may increase or reduce.

17.4. Midstream and downstream

Pipeline transportation requires an authorization or a license from the Argentine Government or a province, depending on whether the relevant pipeline crosses into another country, runs across two or more provinces, or is limited to the territory of a single province. These permits can be obtained under two different regulations: the Hydrocarbons Law, which applies to all kinds of hydrocarbons, and the Natural Gas Law No. 24076, which applies exclusively to natural gas transportation and distribution.

In most cases, transportation is subject to regulated tariffs and spare capacity is subject to open access.

Hydrocarbons industrialization, including crude oil refining, natural gas processing and liquefaction, and natural gas underground storage require authorization from the Argentine Government or a province, depending on the location of the relevant facilities.

17.5. Market regulation

The amendments to the Hydrocarbons Law approved by the Bases Law provide the right of producers to freely market, transport, and industrialize hydrocarbons and derivatives, and prohibit the Executive Branch from intervening in hydrocarbon markets or fixing their prices.

In terms of foreign trade, the Bases Law provides the free import and export of hydrocarbons and their derivatives. Exports will be subject to non-objection from the Secretariat of Energy and will be carried out in accordance with the Executive Branch's regulations. Only long-term Liquefied Natural Gas exports are subject to prior authorization.

17.6. Promotion

The Bases Law created an Incentive Regime for Large Investments (RIGI). The RIGI is available to projects in certain sectors of the hydrocarbon industry, including offshore exploration and production, transportation and storage, natural gas processing, refining, petrochemical, and Liquefied Natural Gas production and liquefaction, among others.

18. Telecommunications and Broadcasting

18.1. Telecommunications

18.1.1. Main Regulatory Framework

The provision of Information and Communications Technologies Services (ICT Services) in Argentina is primarily governed by the *Argentina Digital* Law No. 27078 (ADL), which sets forth definitions, general rules, and market standards. It also covers rights and obligations of ICT Services providers, including a licensing regime, interconnection ruling, fees, obligations, and a sanctions regime.

18.1.2. Enforcement Authority

With the aim of ensuring compliance with the provisions established in the ADL, the Argentine Communications Agency (ENACOM) was created through Decree No. 267/2015 as the enforcement authority in charge of the telecommunications and audiovisual communications industry.

18.1.3. Key Issues

18.1.3.1. Licensing rules for ICT Services

The ADL and the Licensing Rules for ICT Services approved by Resolution No. 697-E/2017 of the former Ministry of Modernization (Licensing Rules) establish only one class of country-wide license for rendering ICT Services: a single license called Information and Communications Technologies License (ICT License).

The ICT License authorizes the provision to the public of any ICT Service, fixed or mobile, wired, or wireless, national or international, and with or without its own infrastructure. ICT Services may only be provided after an ICT License has been granted, and only regarding the specific services registered under such license.

The only restrictions on foreign investment in the telecommunications market are those established for providers of internet access services in Law No. 25750 (Media Ownership Law (please see point 18.2.3.6). Foreign companies must at least be registered as a local branch before the local Public Registry of Commerce to apply for an ICT License.

ICT Licensees must pay ENACOM a monthly fee for the control, monitoring, and verification of services. Said fee is equivalent to 0.5% of the total revenues earned from the provision of ICT Services, net of taxes and fees charged.

18.1.3.2. Universal services. General rules

Universal Services refers to services and programs, defined by the government, that ensure that the entire population has access to quality and affordable telecommunications, regardless of location, social and economic status, or physical disabilities.

Each telecommunications services provider must contribute to a fiduciary fund created to finance the Universal Service. The contribution is equivalent to 1% of the provider's total income from the provision of telecommunications services, minus taxes and fees.

18.1.3.3. Interconnection and access rules

Telecommunications service providers are required to grant interconnection to other telecommunications service providers on a non-discriminatory, transparent, and proportional basis, and based on objective criteria. The parties may agree on specific interconnection terms and conditions.

18.1.3.4. Radio spectrum

The rules of the administration, management, and control of the radio spectrum determine that the radio spectrum is an intangible, scarce, and limited resource that must be administrated exclusively by the Argentine Government.

Spectrum use for the provision of ICT Services requires a technical frequency authorization and the ICT License. Obtaining an ICT License does not mean that ENACOM guarantees that the required resources (e.g., frequency channels) will be available for supporting the requested service.

ICT licensees may decide which technology and infrastructure are required for providing services, as long as it complies with the technical standards ENACOM establishes. Any request for frequency authorization must be submitted to ENACOM for approval, based on a full telecommunications project. This includes, but is not limited to, point-to-multipoint-link studies, interference analysis, site locations, radiated power, antenna gains and types, etc.

Nevertheless, the Ministry of Modernization Resolution No. 581/2018, complemented by ENACOM Resolution No. 4653/2019, established certain frequency bands may be used by users or service providers without previous authorization. If ICT Services are provided in these bands, providers must obtain an ICT License and register the corresponding ICT Service.

18.1.3.5. Rights-of-way/tower siting

Each province and municipality has their own regulations on tower siting/rights-of-way. However, the Argentine Supreme Court has ruled that regulation on tower siting must not interfere with the necessary infrastructure deployment to provide the intended ICT Service, which is governed by federal rules.

18.1.3.6. Passive telecommunications infrastructure

Under Decree No. 798/2016, partially amended by Decree No. 1060/2017 and the Licensing Rules, independent companies sharing passive telecommunications infrastructure (e.g., towers) do not require an ICT Services license to carry out their activity, as long as they do not discriminate between licensees and meet the applicable local regulations for tower siting and other passive infrastructure deployment.

These companies must be registered before ENACOM as Independent Operators of Passive Infrastructure and notify ENACOM once they start renting their infrastructure and register the rented infrastructure in a special registry named “One-Stop Window System for the Installation of Antennas.”

18.1.3.7. Provision of satellite services

ENACOM is also in charge of the Registry for the Provision of Satellite Services. The provision of satellite facilities is free, pursuant to DNU 70/2023, and requires prior registration to operate satellite communications systems with the sole purpose of coordinating the use of radio frequencies and avoiding interference. Nonetheless, the provision of any ICT Services via satellite requires an ICT License, as described below.

18.1.3.8. Telecommunications equipment

Companies importing and/or manufacturing telecommunications equipment must be registered at ENACOM's Registry of Telecommunications Activities and Materials (RAMATEL). The device must also be technically approved by the same special registry to commercialize it.

Telecommunications equipment is approved by ENACOM, and testing should be done locally. ENACOM controls the quality and technical standards of the equipment used for telecommunications

18.1.4. Transfer of License or Change of Control

According to the ADL and the Licensing Rules for ICT Services, ENACOM's post-closing approval is required for a transaction that implies:

(i) a direct or indirect change of controlling shareholdings in an Argentine ICT company,

(ii) the transfer of an ICT License (Telco Transaction).

The request for ENACOM's approval must be submitted within 30 days from closing. Said approval may either be granted explicitly or be deemed approved if ENACOM does not expressly reject the transaction within 90 days from submitting the request.

Implementing a Telco Transaction without ENACOM's prior approval may result in the revocation of the ICT License. If the ICT License is revoked, the licensee or any of its affiliates will not be able to:

(i) continue providing an ICT Service,

(ii) obtain a new ICT License for a year following the revocation of that license.

18.1.5. Mobile Virtual Network Operators

Communication Ministry Resolution No. 38-E/2016 establishes the general rules that apply to a Mobile Virtual Network Operator licensee (MVNO). These rules require that Mobile Network Operators (MNOs) submit a reference proposal to the MVNOs with details of the conditions and prices of the services and facilities to be provided to the MVNOs on an annual basis. Said MNOs' reference proposals are available on ENACOM's website. The MNOs must also offer the MVNOs any new services and technologies they offer to their users.

18.2. Broadcasting

18.2.1. Main Regulatory Framework

The provision of broadcasting services in Argentina is mainly governed by the Audiovisual Communication Services Law No. 26522 (ACS Law), The ACS Law establishes that audiovisual communications services are an activity of public interest and includes a set of definitions, general rules, and market standards. It also covers rights and obligations for audiovisual communications services providers, regulations for advertising agencies, content producers, and television channels.

18.2.2. Enforcement Authority

As mentioned in section 18.1.2 above, ENACOM is the authority in charge of the telecommunications and audiovisual communications industry.

18.2.3. Key Issues

18.2.3.1. Licenses

The ACS Law establishes certain requirements for individuals as licensees or shareholders of a licensee, including being an Argentine citizen or naturalized citizen with a minimum residence of five years in the country, being of legal age, being able to demonstrate the origin of the funds committed to the investment, and not being incapacitated or disqualified under civil or criminal law, among others. In the case of legal entities, the restrictions on foreign investment described in section 18.2.3.6. below apply.

Non-satellite licenses for using the radio spectrum are awarded through an open and permanent bidding process. The Argentine Executive will award licenses for providers whose primary service area is large than 50 km and have more than 500,000 inhabitants. ENACOM will award through a bidding process the rest of the open services that use non-satellite radio links.

18.2.3.2. Incompatibilities

The licensee company and its shareholders cannot hold directly or indirectly 10% or more of the shares with voting rights in a legal entity or corporation that provides a public service under a national, provincial, or municipal license, concession, or permit. The restrictions on public service providers do not apply to non-profit organizations.

18.2.3.3. Capital of the licensees

Licensed companies may not issue shares, bonds, or any other negotiable instruments without ENACOM's authorization when such transactions involve more than 30% of the company's equity. Shares of companies providing open air or paid audiovisual communications services may be listed in the stock market up to a maximum of 45% of the voting capital.

18.2.3.4. Limitations to multiple licensing

Decree No. 70/2023 introduced the possibility to hold more than one license of audiovisual communication services and exceed the limits previously established for the rendering of these services at a national level. It also allowed audiovisual communication services licensees to be holders of signal registries.

Currently, the ACS Law includes the following limitations on multiple licensing at a local level:

(i) up to one license for AM radio

(ii) up to one license for FM radio, or two licenses for FM radio if there are more than eight licenses in the same primary services area

(iii) up to one license for open air television services.

In no case may a holder have more than four licenses in the same primary service area.

18.2.3.5. Term of licenses

According to the ACS Law, audiovisual communications licenses are valid for ten years as of the granting date with a possible extension for another five years, which can be automatically granted upon request

to ENACOM. ENACOM may grant subsequent renewals for 10-year periods. However, the applicable national authority may call a bidding process for granting new licenses.

18.2.3.6. Restrictions on foreign investment

The Media Ownership Law No. 25750 (MO Law) establishes certain restrictions to the participation of foreign investors in communications media companies to 30% of the entity's voting capital. MO Law includes:

(i) newspapers, magazines, and publishing companies in general,

(ii) broadcasting services under ACS Law (open radio and TV stations) and providers of DTH services,

(iii) producers of audiovisual and digital content,

(iv) internet access providers,

(v) street advertisement companies.

The ACS Law, in line with the MO Law, also establishes restrictions on the relationship of individual and company licenses with foreign companies. These include:

(i) They must not have a legal corporate tie or be directly or indirectly controlled by a foreign audiovisual communications company. Non-profit companies, their directors and counselors cannot have direct or indirect associations with foreign audiovisual communications companies or domestic or foreign telecommunications companies in the private commercial sector. The entity must prove that its source of funding is not directly or indirectly associated with these foreign companies.

(ii) They must not be affiliates or subsidiaries of foreign companies, nor may they perform acts or enter into contracts that allow a dominant position of foreign capital in the management of the licensee.

(iii) Foreign equity participation of up to 30% of the share capital with voting rights is allowed, provided that such participation does not result in direct or indirect control of the company.

The limitations in points (i) and (ii) will not be considered when international treaties to which Argentina is a party establish effective reciprocity in the activity of audiovisual communications services. The 30% foreign participation cap may be increased by virtue of the reciprocity conditions agreed on between Argentina and the foreign country where the foreign investor is based. Reciprocity is based on the rights that the law of the country where the investor is based allows an Argentine investor to participate in broadcasting companies.

However, precedents on the application and enforceability of the MO Law are very limited. According to available public information, the only known cases in which this law has been enforced are those related to companies operating open radio and TV stations.

18.2.3.7. Pay-TV services

According to Decrees No. 267/2015 and 70/2023, licenses to exploit subscription television services have been renamed as Registrations of an ICT License. They are governed by the ADL in accordance, mainly, with the legal framework described under section 18 for ICT Services. The subscription broadcasting services include the exploitation through satellite link, physical link, and radio electric link.

18.2.3.8. Registries

Several registries have been created within ENACOM to control the different actors of the communications sector. These include the Public Registry of Licenses and Authorizations, the Public Registry of Channels and Producers, and the Public Registry of Advertising Agencies and Advertisement Producers.

18.2.3.9. Content regulations

Private audio broadcasting services must broadcast a minimum of 70% of domestically produced content and a minimum of 30% of domestic music for every day of transmission. A minimum of 50% of self-produced content (directly produced by the licensees), including news programs or local newsreels, is also required.

Open television network services must broadcast a minimum of 60% of domestic productions. A minimum of 30% of the content must be self-produced, including local news programs and an equal percentage of independent local productions in cities of more than 1.5 million inhabitants. For localities of more than 600,000 inhabitants, the minimum is 15%, and for all other localities it is 10%.

18.2.3.10. Advertisements

Advertisements must be domestically produced when broadcasted on open broadcasting services or on channels owned by subscription services licensees, or when advertised in domestic channels. The regulations incorporated the possibility of including ads of foreign origin in these cases if the advertiser or advertising agency can provide ENACOM evidence of reciprocity conditions between Argentina and the country from which the ad is sourced.

The ACS Law also rules on other aspects of ads to be aired by broadcasting licensees, such as time limits for broadcasting ads, special content, and the obligation of registering the advertising agency or the direct advertiser before the corresponding ENACOM registry.

18.2.3.11. Taxes

Owners of audiovisual communications services must pay a tax proportional to the amount of the turnover from the commercialization of traditional and non-traditional ads, programs, channels, content, subscriptions, and any other concept deriving from the exploitation of such audiovisual communications services. The tax varies between 0.5% and 5%, depending on the service and the number of inhabitants in the service area.

Channels must also pay this tax at a rate of 5% when the broadcasted signal is foreign and at a rate of 3% when it is local.

18.2.4. Transfer of License or Shares in a Licensee

According to section 41 of the ACS Law, as amended ENACOM's post-closing approval is required for any transaction that implies:

(i) the transfer of an audiovisual communications licenses,

(ii) a direct or indirect transfer of shares in an audiovisual communications service company (Media Transaction).

The request for ENACOM's approval must be submitted within 30 days of closing the Media Transaction, and the purchaser must provide ENACOM evidence that it fulfilled all regulatory requirements for becoming the owner of such license. The implementation of a Media Transaction without ENACOM's explicit or deemed approval may result in ENACOM revoking the license.

18.2.5. Aspects related to Over the Top (OTT) platforms providing audiovisual contents

In contrast with traditional linear TV services—governed by the ACS Law—and cable TV operators—which must obtain the corresponding license to provide audiovisual communications services—it is not necessary to obtain any special license or authorization from the regulatory authority to operate an OTT platform providing audiovisual contents.

Furthermore, certain regulations issued by the Argentine Institute of Cinema and Audiovisual Arts (INCAA) ordered the compulsory administrative registration of certain OTT platforms as "Alternative Marketers." This registration resulted in the obligation to pay a special tax of 10% applicable to the sale or rental price of recorded videograms for exhibition, to contribute to the Film Development Fund managed by INCAA.

19. Entertainment, eSports, and Gaming

19.1. eSports and Gaming

19.1.1. Regulatory status

Although gaming and eSports do not have specific legislation, the development of this industry is covered by multiple areas of the law, such as intellectual property, personal data protection, consumer law, tax law, among others. For instance, the terms and conditions (T&Cs) of eSports tournaments have to comply with general legal requirements, such as regulations in the Civil and Commercial Code and rules on false or misleading advertisements.

In general, charging a fee to participate in an eSports tournament is legal. However, if the event offers prizes or other payments to participants, the organization may be subject to certain requirements within each province, and special licenses may be required. Under Argentina's constitutional system, regulations on eSports would fall within the jurisdiction of each province.

Further, the selection of winners and the awarding of prizes must comply with the rules of the tournament provided by the organizers. Violation may constitute a contractual breach, violation of the provincial regulations, and even criminal fraud.

19.1.2. Publishing

No formal approvals are required to launch or sell video games in Argentina. However, Law No. 26043 on video games mandates that video game manufacturers and/or importers must include certain warnings on the packaging. If there is public access to the game, these labels must be displayed before starting to play.

19.1.3. Age rating

Law No. 26043 states that it is the National Council for Children, Adolescents, and Family—coordinating with INCAA,—that is responsible for ratings. Age ratings must be displayed on the packaging, with the following labels: "Suitable for all audiences," "Suitable for those over 13 years of age," or "Suitable for those over 18 years of age."

Resolution No. 4/2019 from the Data Protection Authority mandates that data controllers must implement mechanisms to verify the identity of the person giving consent and, in particular, ensure that a minor's consent is provided by their legal representative, taking reasonable steps for confirmation.

Furthermore, Resolution No. 18/2015 from the Data Protection Authority outlines good practices for apps targeting children, such as limiting data collection from children as much as possible, implementing stricter security measures, avoiding sharing children's personal information, and obtaining parental consent when necessary.

19.1.4. In-game content and in-game currency

No specific laws regulate "In-Game Currencies." However, other laws may apply depending on their characteristics. For instance, if these currencies present characteristics of securities, they would fall under the scope of the Argentine Capital Markets Law No. 26831.

In terms of NFTs, given that they often have economic value, it is important to consider if they present characteristics of securities, which could lead to the application of the Argentine Capital Markets Law

No. 26831. From an intellectual property perspective, NFT-linked works may be protected under copyright and trademark laws.

Regarding lootboxes, the mechanisms for prize assignment, including random selection of prizes, should be assessed on a case-by-case level. In Argentina, random raffles and similar products/services are regulated locally, and their applicability would depend on specific circumstances.

19.2. Gambling

19.2.1. Regulatory status

In Argentina, the regulation of gambling falls within the scope of each province and the City of Buenos Aires, and their corresponding authorities oversee this matter.

Gambling and sports betting are generally prohibited unless explicitly authorized by the relevant authority. This rule is outlined in local regulations and is included in the Argentine National Criminal Code. The exploitation, management, or operation of gambling businesses without authorization granted by competent (local) authorities is considered a criminal offense that carries a penalty of three to six years imprisonment. It applies to both land-based and online gambling.

Gaming licenses can be obtained either by public tender or by the assignment of another licensee currently operating in the province. These assignments may require previous approval of the local authority.

In response to the serious concerns regarding minors' involvement in online gambling and the operation of illegal gambling platforms, Argentina is actively enhancing its regulatory frameworks. In this regard, several bills have been drafted regarding this issue (including certain restrictions to the promotion of online gambling by influencers in social media).

19.2.2. Advertising, promotion, and sponsorship

Most provincial regulations state that advertising, promotion, and sponsorship of any unauthorized gambling is prohibited. An exception to this is the City of Buenos Aires, whose regulation establishes the guidelines, general principles, and rules applicable to all advertising, without requiring special previous authorization for the ads.

In general, when advertising authorized gambling platforms, the local rules require the advertiser to provide the gambler with clear information on the scope of the online gambling and with several specific requirements (e.g., specific warnings to prevent compulsive gambling, etc.).

20. Bribery and Corruption Under Argentine Law

Under Argentine law, "corruption" is a generic term that includes one or more conducts such as bribery of public officials, commercial bribery, fraud among private parties, fraud and other crimes against the public administration, money laundering, misuse of public funds, tax evasion, organized crime, misuse of privileged information, conflicts of interest and other illegal or improper activities.

This chapter summarizes certain material aspects of Law No. 27401, in force since March 1, 2018, which makes legal entities criminally liable for the following conducts:

(i) Bribing local public officials, foreign public officials, or officials of international organizations (*cohecho*);

(ii) Local and transnational influence peddling (*tráfico de influencias*);

(iii) Negotiations that are incompatible with public office; (iv) illegal payments made to public officials under the appearance of taxes (*concusión*);

(iv) Illegal enrichment of public officials and employees; and

(v) Financial misstatements to conceal transnational bribery or influence peddling.

Legal entities are liable for the crimes mentioned above when committed, directly or indirectly, through intermediaries, with their intervention or in their name, interest or benefit. Legal entities are only exempted from liability if the individual who committed the crime acted as a rouge agent, exclusively in his/her own benefit.

Penalties under Law No. 27401 include:

(i) fines, ranging from 2 (two) to 5 (five) times the 'undue' benefit obtained or that could have been obtained,
(ii) total or partial suspension of activities, for up to 10 (ten) years,
(iii) debarment from participating in government bids and contracts or in "any other activity related to the government" for up to 10 (ten) years,
(iv) dissolution and liquidation of the legal entity when it was created for exclusively of substantially for criminal purposes,
(v) suspension or termination of government benefits,
(vi) publication of the conviction sentence at the cost of the convicted entity, and
(vii) confiscation of assets obtained through the illegal actions. Judges may freeze or seize relevant assets during an investigation. In addition, judges may initiate a civil action and rule forfeiture without the need of a conviction pursuant to Presidential Decree No. 62/2019.

According to Law No. 27401, legal entities may be exempted from penalties and administrative responsibility when they:

(i) Spontaneously self-report a crime detected as a consequence of an internal investigation,

(ii) Established a proper compliance program before the facts, that wrongdoers sidestepped with some degree of effort, and

(iii) Return the undue benefit obtained.

Additionally, legal entities may enter into effective collaboration agreements with the authorities seeking a reduction in penalties.

Compliance programs are relevant to minimize the risk of the company incurring in the crimes addressed by Law No. 27401 and to seek exception or reduction in penalties under such law.

In general, implementing anti-corruption compliance programs is voluntary for legal entities. However, Law No. 27401 makes it mandatory for companies that engage in certain contracts with the federal government –for example contracts of public works that, according to their value and applicable law, must be approved by cabinet ministers or public officials of higher rank– to implement an anti-corruption compliance program.

Certain provinces have replicated this federal mandate and passed local legislation requiring legal entities to implement anti-corruption compliance programs for contracting with the provincial or municipal governments of the relevant jurisdiction.

The Argentine Anti-corruption Office, which is a decentralized public agency of the Argentine Executive, has issued a set of guidelines to help legal entities (including SMEs) comply with the provisions of Law No. 27401 regarding compliance programs. Such guidelines address compliance trainings, implementation of reporting lines, protocols to develop internal investigations, and more.

The Argentine Federal Register of Criminal Records has set up a register that must include records of legal entities related to corruption offenses within the scope of Law No. 27401 and other regulations.

During 2022, the Argentine Anti-Corruption Office launched the Integrity and Transparency Registry of Companies and Entities (RITE). The digital platform aims to provide (i) a registry where companies that have implemented integrity programs can upload information on their integrity programs, and (ii) a toolkit to help companies develop and improve integrity programs, while fostering market transparency and promoting the exchange of good practices between the public and private sectors. The RITE is still actively promoted by the Argentine Anti-Corruption Office, that has recently incorporated a self-assessment tool for the purposes of corporate risk analysis.

21. Personal data

21.1. Legal and Regulatory Framework in Argentina

In Argentina, the protection of personal data is governed by the Personal Data Protection Law 25326 (DPL), its Regulatory Decree 1558/2001, Convention 108 for the Protection of Individuals with respect to Automatic Processing of Personal Data (ratified by Law 27483), its Amending Protocol (approved by Argentine Law 27699)—also known as "Convention 108+"—and by the complementary rules issued by the Agency of Access to Public Information (DPA) (collectively, the Data Protection Regime).

Argentina was the first Latin American country to be declared to provide an adequate level of protection for cross-border data transfers by the European Commission in 2003. The adequacy decision was reviewed and ratified by the European Commission in January 2024.

21.2. Application of the Data Protection Regime to the processing of personal data

21.2.1. Material scope of the Data Protection Regime

The DPL defines personal data as *"any kind of information referring to identified or identifiable individuals or legal entities."* In this sense, the Data Protection Regime applies to any and all processing of personal data, that is, the disclosure, collection, storage, amendment, assignment, and destruction of personal data.

21.2.2. Territorial scope of the Data Protection Regime

Although there are no specific provisions on the territorial scope of the DPL, the Data Protection Regime applies to the processing of personal data from "data subjects" defined as "*any individual or legal entity with legal domicile, offices, or branches in Argentina, and whose personal data are subject to processing.*"

21.3. General obligations of the Data Protection Regime

The DPL defines "controller" as the individual or legal entity who owns a database and, in that capacity, determines the purposes and means of the processing of personal data. In addition, under the Data Protection Regime, a "processor" is the individual or legal entity who processes personal data at the request and on behalf of the data controller.

The Data Protection Regime provides obligations for data controllers and data processors processing personal data subject to the DPL. Among others, the main obligations are:

21.3.1. To comply with the general principles of personal data processing

Section 4 of the DPL includes a number of general principles that should be respected by any natural or legal person involved in the processing of personal data:

(i) the principle of minimization,

(ii) the principle of lawfulness fairness and transparency,

(iii) the principle of purpose limitation,

(iv) the principle of accuracy.

21.3.2. To have proper legal basis for the processing personal data

Section 5 of the DPL establishes that data subjects must consent to all processing of personal data. Such consent must be prior, free, given based on information previously provided (i.e., informed), and expressed in writing or by other equivalent means, depending on the circumstances of the case, including electronic means.

However, consent for the processing of personal data is not necessary when an exception to consent applies. These exceptions include collecting personal data from public sources of unrestricted access, or processing personal data to comply with a legal obligation or for the fulfilment of a contractual relationship. Exceptions to consent should be interpreted restrictively and would only cover specific purposes for data processing.

21.3.3. To comply with the duty of information

Section 6 of the DPL states that, when personal data is collected, the data subjects must be informed beforehand in a clear and explicit manner on:

(i) the purpose for which the personal data will be processed and who could be the recipients or class of recipients of such data,

(ii) the existence of the file, registry, database, electronic or otherwise, and the identity and address of the data controller,

(iii) the mandatory or optional nature of providing personal data,

(iv) the consequences of providing personal data, failing to provide personal data, or providing inaccurate personal data,

(v) the possibility for data subjects to exercise the rights of access, rectification, and deletion of data, together with information on how or by what means they may exercise such rights,

(vi) the possibility of filing claims before the DPA, using the mandatory text provided by DPA Resolution 14/2018.

21.3.4. To register as a data controller as well as the databases before the DPA

Sections 3 and 21 of the DPL require that any database containing personal data must be registered before the DPA, and that the data controllers must also register themselves as such before the DPA before registering a database. The DPA has enabled processes for both local and foreign data controllers to register themselves and their databases. This requirement is an essential condition for the legality of any processing of users' personal data, and failure to register a database or to renew an existing registration would be considered a moderate infringement under the DPL.

21.3.5. To guarantee the possibility for data subjects to exercise the rights of access, updating, rectification, and deletion of data

The DPL grants data subjects the following rights:

(i) the right to access any database containing their personal data and to request information concerning their personal data,

(ii) the right to request that their personal data be rectified, updated, or deleted from databases.

21.3.6. To adopt the necessary technical and organizational measures to ensure the security and confidentiality of personal data

Section 9 of the DPL states that the data controller, processor, and user of a database containing personal data must take the necessary technical and organizational measures to guarantee the protection and confidentiality of the data, to prevent any adulteration, loss, or unauthorized access or processing. Registration of personal data in databases that do not comply with such requirements is forbidden.

21.3.7. To implement adequate safeguards to transfer of personal data from Argentina to countries or international or supranational organizations that do not provide adequate levels of protection in terms of personal data protection

The DPL prohibits, in principle, the transfer of personal data from Argentina to countries or international or supranational organizations that, at the sole discretion of the DPA, do not provide adequate levels of protection in terms of personal data protection.

The countries to which personal data could be transferred without further safeguards (other than compliance with the general rules applicable to the assignment of personal data or to the outsourcing of processing activities), as they have appropriate personal data protection legislation according to the DPA criteria are: the Member States of the European Union and the European Economic Area, the Swiss Confederation, Guernsey, Jersey, the Isle of Man, the Faroe Islands, Canada (only in respect of its private sector), New Zealand, the Principality of Andorra, Uruguay, Israel (only in respect of data undergoing automated processing), the United Kingdom of Great Britain and Northern Ireland.

The DPL allows the transfer of personal data to countries or organizations that do not have adequate levels of protection in certain cases, such as:

(i) when the data controller obtains the specific consent of the data subjects,

(ii) when adequate levels of protection arise from: (a) contractual clauses, such as agreements for the international transfer of personal data between the exporter and the importer of personal data or (b) self-regulatory systems, such as binding corporate rules between companies of the same corporate group.

21.4. Infringements

Penalties for non-compliance with personal data protection regulations are limited to:

(i) warnings,

(ii) fines from ARS 1,000 to ARS 100,000.

(iii) Suspensions,

(iv) Closure,

(v) cancellation of the file, registry, or data bank.

The severity of sanctions is graded as follows:

(i) minor: sanctions of up to two warnings and/or a fine of ARS 1,000 to ARS 80,000,

(ii) severe: sanctions of up to 4 warnings, suspension from 1 to 30 days, and/or a fine of ARS 80,001 to ARS 90,000,

(iii) very severe: sanctions of up to 6 warnings, suspension of 31 to 365 days, closure, or cancellation of the database and/or a fine of ARS 90,001 to ARS 100,000.

DPA's Resolution 126/2024 limits the fines applicable to several violations included in the same administrative procedure to the total amount of the fine for such conducts equivalent to the maximum of

the corresponding scale according to the grade of the infringements committed (i.e., moderate, severe, and very severe) multiplied by 500.

On the other hand, the DPA keeps a public registry of individuals and legal entities that have been sanctioned as a result of a violation of the DPL. Therefore, the infringer could additionally face reputational damage.

In addition to the sanctions that the DPA imposes, there may be claims for damages by data subjects, based on the general principles of civil liability established in the Argentine Civil and Commercial Code, including through class actions.

21.5. Current outlook of personal data protection in Argentina

21.5.1. Data Protection Law 25326

The DPL is currently under a review process to be replaced by a new law, aligned in many aspects to the General Data Protection Regulation (GDPR) provisions. The Executive Branch filed the bill—drafted by the DPA together with contributions from stakeholders from the public and private sectors, the civil society, and scholars—has been filed before Congress in June 2023.

21.5.2. DPA´s Artificial Intelligence Guide

On September 2024, the DPA issued a guide for public and private entities on transparency and personal data protection for responsible use of Artificial Intelligence. This guide addresses the responsible use of Artificial Intelligence with a particular focus on transparency and the protection of personal data. It highlights key risks such as biases, privacy breaches, and the lack of transparency in AI systems. The guide emphasizes that AI systems should be implemented with strict adherence to legal requirements, focusing on data protection, transparency, and accountability throughout the AI lifecycle. It further stresses the need for proactive risk management and ethical oversight to ensure responsible AI development.