

DOING BUSINESS IN ARGENTINA

An Investor's Guide



SECRETARY OF INTERNATIONAL TRADE AND INTERNATIONAL ECONOMIC RELATIONS

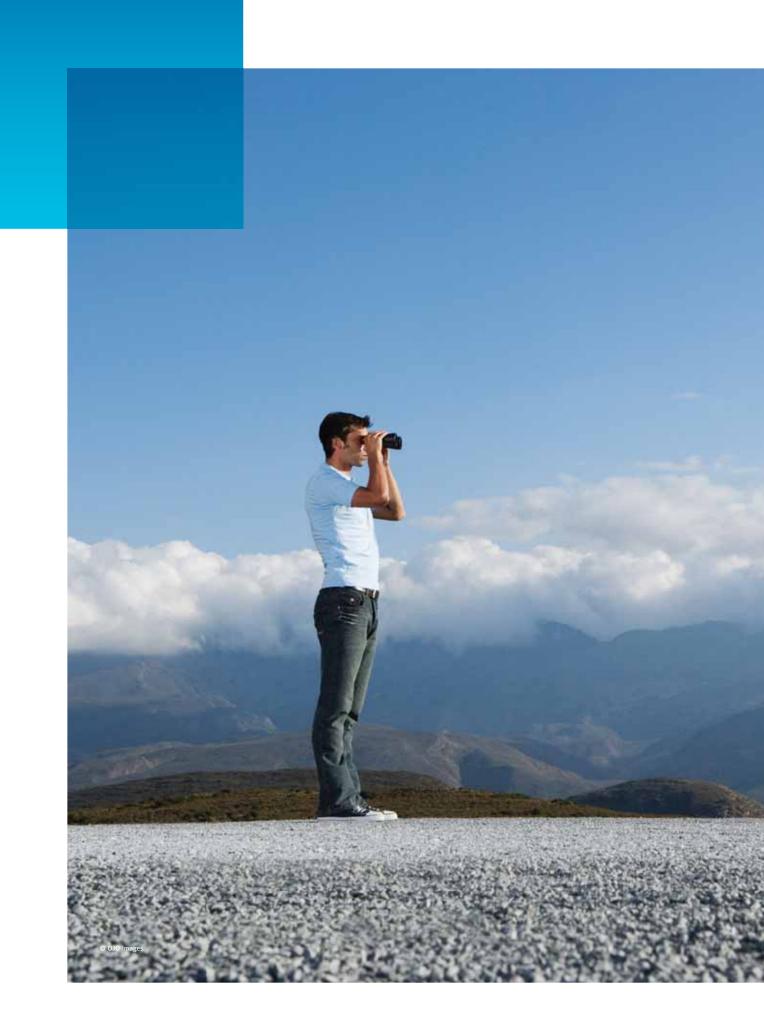
UNDERSECRETARY FOR INVESTMENT DEVELOPMENT













Doing Business in Argentina

An Investor's Guide

Undersecretary for Investment Development

Secretary of International Trade and International Economic Relations

Ministry of Foreign Affairs, International Trade and Worship

December 2010

Acronyms and Abbreviations

ABAPPRA: Asociación de Bancos Públicos y Privados de la República Argentina / Association of Argentine Public and Private Banks

AEO: Authorized Economic Operator

AFIP: Administración Federal de Ingresos Públicos / Federal Administration of Public Revenues

AIERA: Asociación de Importadores y Exportadores de la República Argentina / Association of Importers and Exporters of Argentina

ANSES: Administración Nacional de la Seguridad Social / National Social Security Administration

ART: Aseguradora de Riesgos del Trabajo / Work Insurance Company

BAFICI: Festival Internacional de Cine Independiente de Buenos Aires / Buenos Aires International Independent Film Festival

BCBA: Bolsa de Comercio de Buenos Aires / Buenos Aires Stock Exchange

BCRA: Banco Central de la República Argentina / Central Bank of the Argentine Republic

BICE: Banco de Inversión y Comercio Exterior / Investment and Foreign Trade Bank

BIT: Bilateral Investment Treaty

BNA: Banco de la Nación Argentina / National Bank of Argentina

CAC: Cámara Argentina de Comercio / Argentine Chamber of Commerce

CACIPRA: Cámara de Comercio, Industria y Producción de la República Argentina / Chamber of Commerce, Industry and Production of the Argentine Republic

CEI: Centro de Economía Internacional / Center for International Economy

CEP: Centro de Estudios para la Producción / Production Studies Center

CERA: Cámara de Exportadores de la República Argentina / Argentine Chamber of Exporters

CET: Common External Tariff

CFI: Consejo Federal de Inversiones / Federal Investment Council

CNEA: Comisión Nacional de Energía Atómica / National Atomic Energy Commission

CNV: Comisión Nacional de Valores / National Securities Commission

CNZS: Comisión Nacional de Zonas de Seguridad / National Commission of Security Areas

COFECYT: Consejo Federal de Ciencia y Tecnología / National Science and Technology Council

CONICET: Consejo Nacional de Investigaciones Científicas y Técnicas / National Council for Scientific and Technical Research

CREA: Consorcios Regionales para la Experimentación Agrícola / Argentine Association of Regional Consortia for Agricultural Experimentation

CUIL: Clave Única de Identificación Laboral / Labor Registration Number

CUIT: Clave Única de Identificación Tributaria / Tax Registration Number DGA: Dirección General de Aduanas / Customs Office

EIA: Environmental Impact Assessment

ENGE: Encuesta Nacional de Grandes Empresas / National Survey of Large Companies

EPH: Encuesta Permanente de Hogares / Permanent Survey of Household

ESE: Empresa de Servicios Eventuales / Temporary Work Agency

FAO: United Nations Food and Agriculture Organization

FDI: Foreign Direct Investment

FIAPF: International Federation of Film Producers Associations

FONAPyME: Fondo Nacional de Desarrollo para la MiPyME / National Development Fund for MiSMEs

FONCYT: Fondo para la Investigación Científica y Tecnológica / Fund for Scientific and Technological Research

FONSOFT: Fondo Fiduciario de Promoción de la Industria del Software / Software Industry Fiduciary Fund

FONTAR: Fondo Tecnológico Argentino / Argentine Technology Fund

FTZ: Free Trade Zones

GATS: General Agreement on Trade in Services

GDFC: Gross Domestic Fixed Capital

GEM: Gender Empowerment Measure

GSP: Generalized System of Preferences

HDI: Human Development Index

HO: Head Office

IASCAV: Instituto Argentino de Sanidad y Calidad Animal / Argentine Animal Health and Quality Institute

IDB: Interamerican Development Bank

IGJ: Inspección General de Justicia / Office of the Inspector General of Justice

IGN: Instituto Geográfico Nacional / National Institute of Geography

IMF: International Monetary Fund

INAL: Instituto Nacional de Alimentos / National Food Institute

INDEC: Instituto Nacional de Estadística y Censos / National Institute of Statistics and Censuses

INPI: Instituto Nacional de Propiedad Industrial / National Institute for Industrial Property

INTA: Instituto Nacional de Tecnología Agropecuaria / National Institute for Agricultural Technology

INTI: Instituto Nacional de Tecnología Industrial / National Institute for Industrial Technology

LAPI: Licencias Automáticas Previas de Importación / Automatic Licenses Prior to Import

LCT: Ley de Contrato de Trabajo / Law of Employment Contracts

LLC: Limited Liability Company

MAE: Mercado Abierto Electrónico / Open Electronic Market

MERCOSUR: Mercado Común del Sur / Southern Common Market

MERVAL: Buenos Aires Stock Market

MIGA: Multilateral Investment Guarantee Agency

MINCyT: Ministerio de Ciencia, Tecnología e Innovación Productiva / Ministry of Science, Technology and Productive Innovation

MOA: Manufacturas de Origen Agropecuario / Manufactured Goods of Agricultural Origin

MOI: Manufacturas de Origen Industrial / Manufactured Goods of Industrial Origin

MVBA: Mercado de Valores de Buenos Aires / Buenos Aires Stock Market

NCM: Nomenclatura Común del MERCOSUR / MERCOSUR Common Nomenclature

OECD: Organization for Economic Co-operation and Development

OEDE: Observatorio de Empleo y Dinámica Empresarial / Employment and Business Dynamics Observatory

PRC: Public Registry of Commerce

PROSPERAR: Subsecretaría de Desarrollo de Inversiones / Undersecretary for Investment Development

RAF: Régimen de Aduana Factoría / In-company Customs Regime

REM: Relevamiento de Expectativas de Mercado / Survey of Market Expectations

ROFEX: Mercado de Futuros de Rosario / Futures Exchange Market of Rosario

SA: Sociedad Anónima / Incorporated Business

SACU: South African Customs Union

SAFE: Framework of Standards to Secure and Facilitate Global Trade SCyE: Seguro de Capacitación y Empleo / Training and Employment Insurance Program

SENASA: Servicio Nacional de Sanidad y Calidad Agroalimentaria / National Service for Agri-food Health and Quality

SIM: Sistema Informático María / María Computer System

SME: Small and Medium-Size Enterprise

SSN: Superintendencia de Seguros / Insurance Superintendent

TRIPS: Agreement on Trade Related Aspects of Intellectual Property Rights

UNASUR: Unión de Naciones Suramericanas / Union of South American Nations

UNCTAD: United Nations Conference on Trade and Development

UNDP: United Nations Development Program

VAT: Value Added Tax

WCO: World Customs Organization

WTO: World Trade Organization

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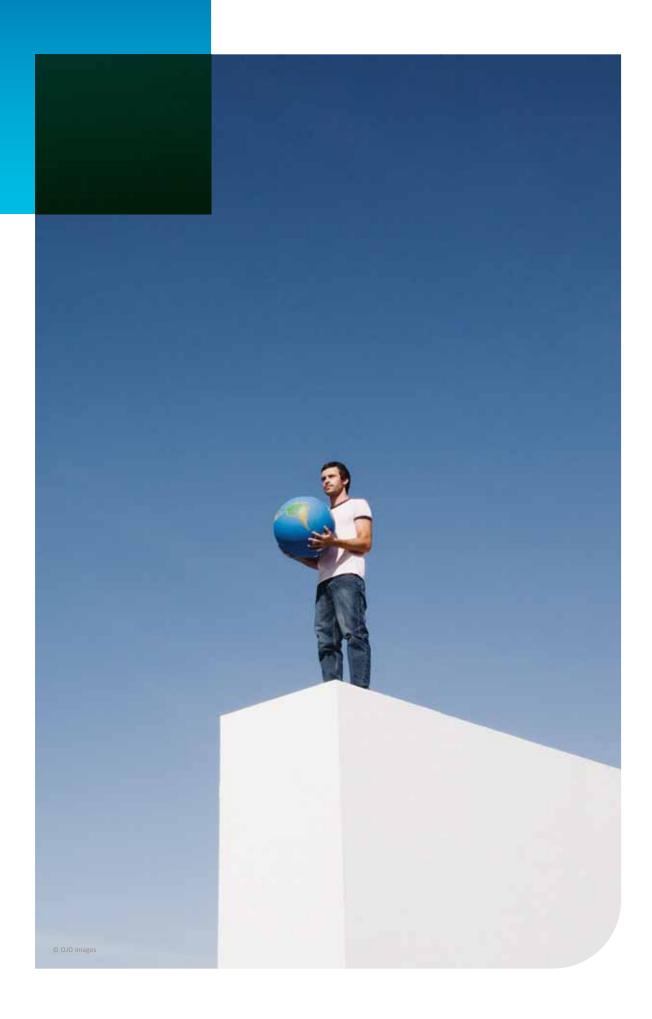
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Foreword

Ambassador Luis María Kreckler Secretary of International Trade and International Economic Relations



I am delighted to present "Doing Business in Argentina: An Investor's Guide", created by the Undersecretary for Investment Development (ProsperAr) of the Ministry of Foreign Affairs, International Trade and Worship.

This publication is a comprehensive and practical guide to doing business and investing in Argentina, representing key source material for all investors interested in our country as a strategic investment destination. This guide is divided into nine chapters which contain the relevant information for investors to comprehend Argentina's economic and business environment, the legal and regulatory framework, main investment incentives available and the experience of working and living in Argentina.

This guide is part of ProsperAr's efforts to promote, generate and facilitate productive investments in Argentina in terms of quality and quantity. The Undersecretary works with efficiency and professionalism to support and enable the investment process from identifying opportunities and evaluating projects to the post-investment, or aftercare, phase. Investment development activities are supported by a network of 130 permanent representations of Argentina throughout the world.

Along with foreign trade and international negotiations, investment development is a strategic pillar of the work conducted by the Ministry. These central activities share a common objective: to ensure Argentina's smart international integration for sustainable development with equity and social inclusion.

Argentina offers investors profitable investment opportunities in a wide range of sectors. The country's structural factors and competitive advantages position it as a strategic destination to meet current and future demands from regional and global markets: highly skilled and talented human resources; a diversified supply of high-quality food products; opportunities to develop clean and renewable energy sources; an industrial sector with the experience to integrate globally into higher value-added segments; and a renown performance in various creative and knowledge-intensive segments of high world growth.

Doing Business in Argentina: An Investor's Guide" provides essential information for investing in one of the world's and Latin America's most dynamic economies. We look forward to welcoming you as one of our strategic partners.

Thank you.





Chapter 1 Profile of Argentina

An overview of our population and geography

1.1. Argentina at a glance

| Official name | República Argentina | | | | |
|--|---|--|--|--|--|
| Capital city | Ciudad Autónoma de Buenos Aires | | | | |
| Surface area | 3.8 million km² (2.8 million km² of continental land mass and 966 thousand km² on the Antarctic continent and South Atlantic islands) | | | | |
| Maritime coastline | 4,725 km | | | | |
| Population | 40.5 million | | | | |
| Population growth | 1% per year | | | | |
| Literacy rate | 98% | | | | |
| Life expectancy at birth | 76 years | | | | |
| Gross Domestic Product (GDP) per capita (PPP) | US\$ 14,559 | | | | |
| Currency | Argentine peso (AR\$) | | | | |
| Political division 23 autonomous provinces and the Autonomous City of Buenos Aires | | | | | |
| Political system | Republican, representative and federal | | | | |
| Fiscal year | January-December | | | | |
| Measurement system | Metric | | | | |
| Time zone | GMT -03:00 | | | | |
| Official language | Spanish | | | | |
| President | Dra. Cristina Fernández de Kirchner | | | | |

1.2. Geographical location and territory

Located in the southernmost point of South America, Argentina is the eighth-largest country in the world in terms of surface area and the second largest in Latin America. Argentina has a continental land mass of 2.8 million km², with an additional 966 thousand km² on the Antarctic continent. Argentina's continental land extends 3,694 kilometers from north to south (between latitudes 21° and 55°) and 1,423 kilometers from east to west (between longitudes 53° and 63°).

The country has access to the South Atlantic Ocean and the South Pacific Ocean through the Magellan Straits. It borders Uruguay, Brazil and the Atlantic Ocean to the east; Chile to the south and west; and it shares its northern frontier with Bolivia and Paraguay. Its geographical location provides direct access to a regional population of 236 million, in addition to its own 41 million inhabitants.

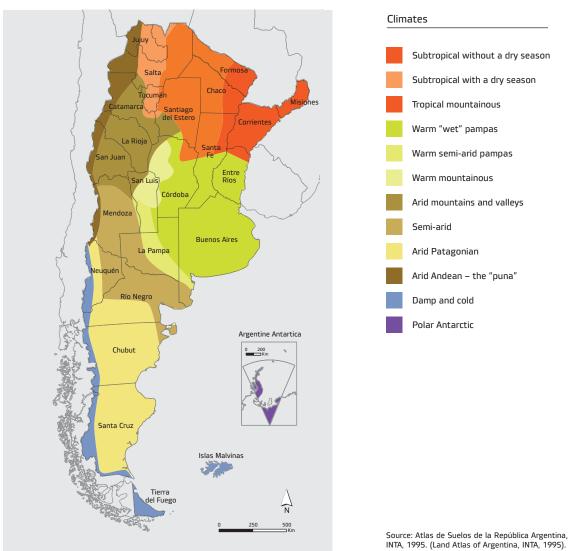
Argentina in the world



1.3. Climate and natural resources

Due to the expanse of its territory and topographical diversity, Argentina boasts a wide range of climates and landscapes as well as significant biodiversity. The varied features of its many climates—tropical, cold, temperate, arid—are present in a diversity of landscapes and terrains. Ice fields, arid deserts, mountain ranges, plateaus, plains, steppe vegetation, forests and jungles provide a platform for the development of an extremely broad selection of crops and agricultural activities throughout the country. Arid lands and climes extend from northwest to southeast (in the Puna region and the Andes mountain range in the provinces of Catamarca, La Rioja and San Juan down to the Andean foothills in Patagonia). More temperate conditions are found in the provinces of Buenos Aires, part of Entre Ríos, the south and center of Santa Fe, east of Córdoba and northwest of La Pampa; while sub-tropical, humid climates characterize the provinces of Misiones, Corrientes, the north of Entre Ríos, the east of the Chaqueña region and the Andean foothills in Jujuy and Salta. Dry, hot temperatures can be found in the western Chaqueña region, and damp, cold temperatures in the wetlands of the Patagonian Andes throughout the southwest of Argentina.

Climates in Argentina



INTA, 1995. (Land Atlas of Argentina, INTA, 1995).

Argentina is one of the countries with the greatest abundance and diversity of natural resources in the world. The vast expanse of extraordinarily fertile agricultural lands, in particular those in the seemingly endless stretches of the Pampa Húmeda, cover a surface area of some 180 million hectares, placing Argentina among the world's top food producers.

Abundant forest resources cover much of northeast of the country and western Patagonia. The mineral-rich Andes mountain range contains mining deposits of gold, silver, zinc, copper, oil, manganese, lithium, uranium and sulfur throughout its 4,500 kilometers. Argentina is also endowed with extensive aquifers and sea and fishing resources, along its 4,725 km of Atlantic coastline and a network of rivers, streams and inland waterways, 11,000 km of which can be navigated. Both the Argentine Sea and the continental platform are rich in fishing and hydrocarbon resources.

Argentina actively promotes sustainable development and protection of its natural resources, for example through the voluntary reduction of its carbon dioxide emissions.

Topography of Argentina



Source: Instituto Geográfico Nacional (National Geography Institute).

Argentina's natural heritage draws visitors from all over the world. There are many highlights. Iguazú Falls plunging 80 meters in the midst of rainforests on the frontier with Brazil is a vast horseshoe-shaped cataract of 260 different waterfalls declared a World Natural Heritage Site by UNESCO in 1984. The Guaraní Aquifer, shared by Argentina, Brazil, Paraguay and Uruguay, is one of the world's largest fresh water reserves. Aconcagua at 6,959 meters is the highest mountain in the western hemisphere. Perito Moreno glacier, another UNESCO World Natural Heritage Site, is one of the most impressive of its kind in the world.

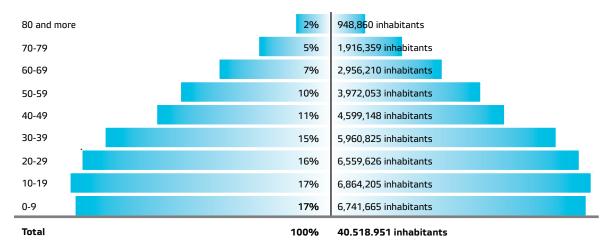
1.4. Population and demographics

Argentina was forged as a nation open to immigration, building a society whose wealth was matched by its cultural diversity. From the mid-19th century to the 1950s, wave upon wave of European immigrants, mostly Spanish and Italian, joined by groups from the Middle East, arrived to Argentina's shores. More recent migratory currents—less numerous than past ones—originate in neighboring countries and, to a lesser extent, from Asia, in particular China and Korea. Some native populations observe their ancient rituals and traditions to this day.

Argentina's population is 40.5 million (49% men and 51% women). Its demographic profile is relatively young, with a median age of 30.3. Its population growth rate is 0.98% with an average of 2.16 births per woman. Life expectancy at birth is 76 years.

The Human Development Index (HDI) published by the United Nations Development Program (UNDP) places Argentina among the countries in the high human development category. It ranks second in Latin America.

Population distribution by age group, 2010



Source: ProsperAr based on data from the National Institute of Statistics and Censuses (INDEC, for its acronym in Spanish).

Argentina has a high rate of urbanization with 92% of the population living in metropolitan areas. Population density is relatively low and varies considerably throughout the country's different regions. The average density for mainland Argentina is 14.5 inhabitants per km² although this ranges from 15,292 inhabitants per km² in the City of Buenos Aires, to 1 per km² in the province of Santa Cruz.

Almost one third of the Argentine population lives in Greater Buenos Aires, which includes the City of Buenos Aires and the 24 districts that make up the surrounding suburbs. The main urban centres include Buenos Aires, Rosario, Mendoza, Tucumán, La Plata and Mar del Plata.

Main urban centers in Argentina, 2010

| City (Metropolitan area) | Population (number of inhabitants) |
|--------------------------|---|
| Buenos Aires | 13,028,000 |
| Córdoba | 1,403,000 |
| Rosario | 1,260,000 |
| Mendoza | 901,000 |
| Tucumán | 809,000 |
| La Plata | 741,000 |
| Mar del Plata | 610,000 |
| Salta | 536,000 |
| Santa Fe | 505,000 |
| San Juan | 468,000 |

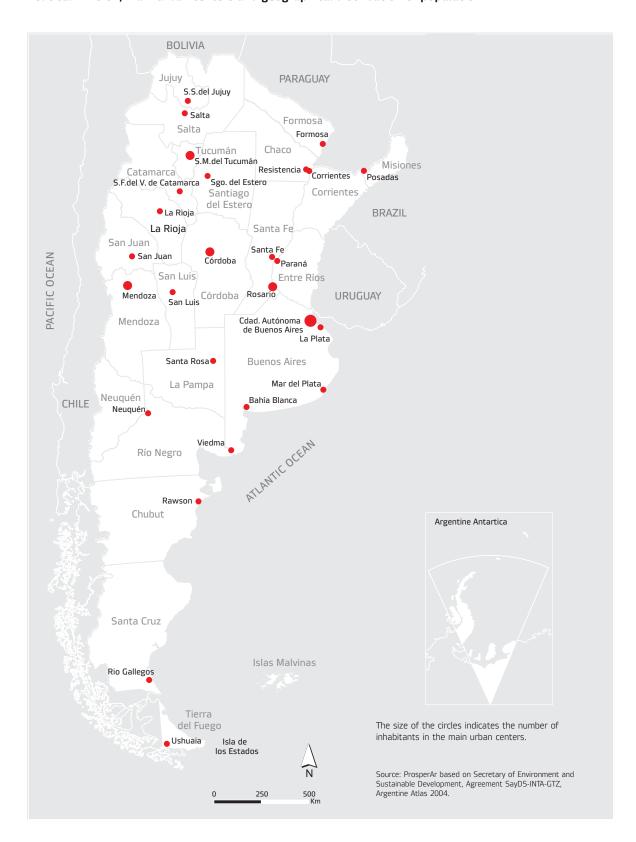
Source: ProsperAr based on data from Permanent Survey of Households, INDEC.







Political Division, main urban centers and geographical distribution of population



1.5. Language and religion

Spanish is Argentina's official language. English is widely spoken. Argentine students' examinations consistently reflect some of the highest levels of fluency in the region, according to the University of Cambridge. Portuguese, French and Italian are second and third languages for a large number of Argentines, and there is growing interest in other languages, including Arabic and Chinese.

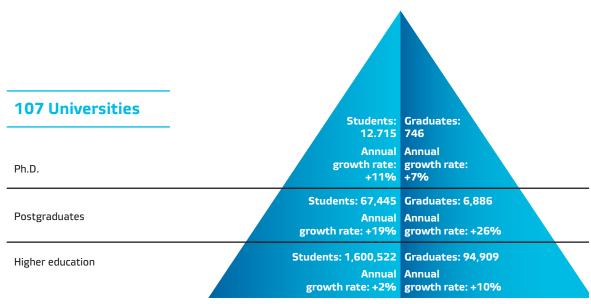
There is no official religion in Argentina. While a majority of the population is Roman Catholic, there are over 4,500 different religions registered at the National Records of Worship. There is a long tradition of religious diversity in the country and freedom of religion is guaranteed by the Argentine Constitution.

1.6. Education

In Argentina, education from elementary through high school is compulsory and free of charge. The country has one of the highest rates of literacy (98%) and school-life expectancy (15.6 years) in Latin America, on a par with Spain, Italy and Israel. The National Education Law establishes that the consolidated budget allotted for education by the national government, provinces and the City of Buenos Aires may be no less than 6% of GDP.

Over 1.6 million students attend the 107 public and private universities throughout Argentina. It is the leading country in Latin America in terms of the number of students entering higher education programs each year. Its gross tertiary enrollment rate of 68% is the highest in the region and is comparable to that of many developed countries. The number of students, graduates and post-graduates, grows annually, contributing to a highly trained population specialized in a range of different disciplines. Some 95,000 graduates from tertiary education establishments and over 7,600 post-graduates from all over the country enter the job market every year.

Higher education in Argentina, 2008



Source: ProsperAr based on data from 2008 Statistics Yearbook, Ministry of Education.

The development of science and technology is also a policy priority, reflected by the creation in 2007 of the Ministry of Science, Technology and Productive Innovation (MINCyT, for its acronym in Spanish) and by the increase in the levels of public investment in these areas.





Argentina has prestigious institutions, companies and public and private universities dedicated to the development of science and technology; many have over fifty years of expertise and international renown. Some of the best known are the National Council for Scientific and Technical Research (CONICET, for its acronym in Spanish); the National Atomic Energy Commission (CNEA, for its acronym in Spanish); INVAP, a company specializing in nuclear and space technology; the National Institutes for Agricultural and Industrial Technology (INTA and INTI, respectively, for their acronyms in Spanish); and the Leloir and Favaloro Institutes.

The country also boasts a roster of well-known scientists and researchers recognized by leading institutions around the world. Among them are the Nobel Prize laureates Bernardo Houssay (Physiology and Medicine, 1947), Luis Leloir (Chemistry, 1970), and César Milstein (Physiology and Medicine, 1984), making Argentina the Latin American country with the highest number of Nobel prizes in sciences, ranking fourth among developing countries.

1.7. Form of government

The Argentine Constitution as sanctioned in 1853 adopts a republican, representative and federal form of government.

The federal form of government establishes the division of powers between the national government and the provinces, guaranteeing their autonomy. In this system, the national or federal sovereign government with jurisdiction over the entire national territory coexists with local governments whose jurisdictions are limited to their own respective territories. Argentina is divided into 23 provinces and the Autonomous City of Buenos Aires which has a special autonomous regime although it is not considered as a province. The provinces divide their respective territories into districts, which in turn are divided into municipalities.

Argentina is a democratic country and has enjoyed an uninterrupted period of institutional stability since 1983, guaranteeing both civil liberties and human rights. Argentina's democratic stability is assured by the maturity of its civil society and by the regional framework and institutions set up to safeguard democracy throughout the continent.

1.8. Political system

Argentina's political structure is based on a traditional republican division of powers: executive, legislative and judicial.

The executive branch is led by the President, elected for a term of four years with the option of re-election for one additional term. Both the President and Vice President, who also serves as the Chairperson of the Senate, are elected by direct vote through a process of mandatory universal suffrage. The President is advised by the Chief of Staff and a Cabinet of Ministers.

The legislative branch is represented by the National Congress, made up of the Senate and the Chamber of Deputies. The Senate represents the 23 provinces and the City of Buenos Aires. Each jurisdiction is entitled to three senators (two from the majority and one from the minority), who are elected for a six-year period by direct vote. The Chamber of Deputies is comprised of 257 members elected directly by proportional representation—according to population—for a four-year period. Both deputies and senators may be reelected indefinitely. Every two years, half of the Chamber of Deputies is reelected and the Senate is renewed by one third.

A quota law for women in politics has been in force since 1991, stipulating that at least one third of the electoral positions be occupied by women. This has guaranteed female representation in the public domain. Argentina heads up the roster of Latin American countries included on the Gender-related Development Index published by the UNDP, which takes into consideration the percentage of women in parliament and ministerial positions, among other factors.

The judicial branch is comprised by the Supreme Court of Justice, the National Council of the Magistracy and the lower courts. The judges are appointed by the President with the approval of the Senate (based on a shortlist selected by the Council of the Magistracy following a public call for candidates). Judges enjoy freedom of action and stability and may only be removed if found guilty of serious misdemeanor by a jury made up of national legislators, magistrates and lawyers.

In addition, the Public Ministry, an independent entity comprised of the Attorney General's Office and the Public Defender's Office, actively promotes legal action on behalf of society's general legal interests in coordination with other national authorities.

Each of the 23 provinces has its own republican and representative constitution which organizes its own powers (executive, legislative and judicial) and regulates the regime of municipal autonomy. The executive power is wielded by a governor elected by the inhabitants of each province; the legislative power is unicameral in some cases and bicameral in others; and the judicial power is independent. The provinces may pass laws on non-national issues, although the principle common laws (civil, trade, criminal, labor, social security and mining) are the preserve of Argentina's National Congress.

The Autonomous City of Buenos Aires also has its own constitution establishing the division of powers and a regime of decentralization organized into communes, or districts. The executive power is represented by the head of government of the City of Buenos Aires.

1.9. Foreign Relations

Argentina is an open economy integrated into world markets. The country, one of two representing South America at the G20, is a founding member of the World Trade Organization (WTO) and the Inter-American Development Bank (IDB). It has been a member of the International Monetary Fund (IMF) and the World Bank since 1956 and has taken part in UN Peacekeeping Operations for over 35 years. Argentina is also an active member of the Union of South American Nations (UNASUR, for its acronym in Spanish) and in 2011 will preside the G77.

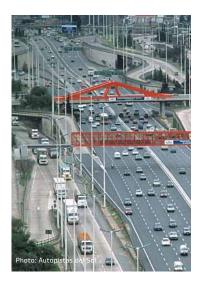
Argentina is a full member of the Southern Common Market (MERCOSUR, for its acronym in Spanish), a customs union with Brazil, Paraguay and Uruguay. Chile and Bolivia, associate members of MERCOSUR, grant member countries preferential access to their markets. Venezuela is in the process of becoming a full member of MERCOSUR.

MERCOSUR members negotiate trade agreements jointly. Agreements negotiated with other Latin American nations have created a free trade area in South America and have liberalized trade with Mexico. MERCOSUR has a Preferential Trade Agreement (PTA) with India; a PTA with the Southern African Customs Union (SACU); a Free Trade Agreement (FTA) with Israel and a FTA with Egypt. MERCOSUR is currently negotiating an Association Agreement with the European Union (EU) and a FTA with Jordan.

1.10. Infrastructure and communications

Argentina's developed transport and communications infrastructure includes over 39,322 kilometers of national highways and 195,837 kilometers of provincial roads; one of the largest railway networks in the world (35,753 km); 43 ports, of which seven are sea ports; and 53 airports, of which 21 are international. In addition, there are over 30 air operators offering direct flights from Argentina to over 40 destinations on every continent. This extensive infrastructure ranks Argentina second in Latin America in the World Bank's Logistics Performance Index.

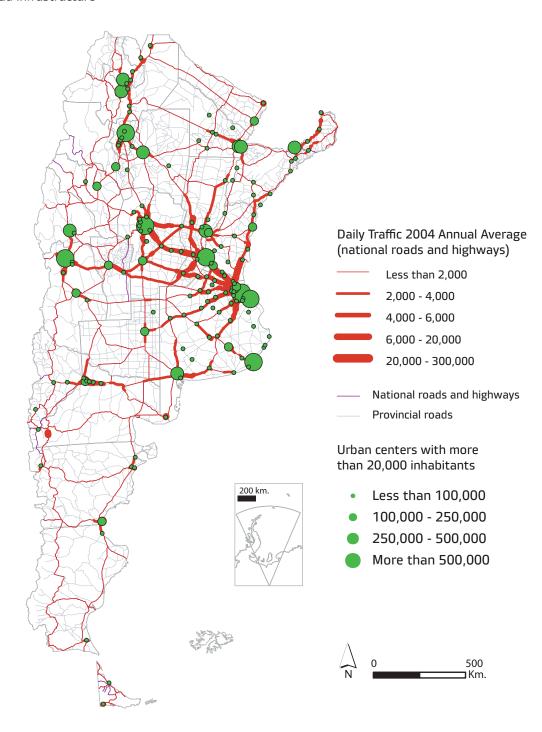
Buenos Aires is the country's main port. It is the principal point of access and departure for most of the country's foreign trade, handling river and ocean-going vessels. Other major sea ports include La Plata, Bahía Blanca, Neuquén, San Antonio Oeste and Madryn, as well as the river ports along the banks of the Paraná River, including Rosario, San Lorenzo, Santa Fe, Barranqueras, San Nicolás and Campana.





Infrastructure and transport in Argentina

Road Infrastructure



Source: ProsperAr based on Undersecretary of Public Investment Territorial Planning.







The country has an advanced and competitive telecommunications system. The capital investments made in the industry are reflected in the extensive national and international digital networks, while the density of fixed and mobile lines (152 subscriptions per 100 inhabitants) is the highest in Latin America. Internet penetration (21 users per 100 inhabitants) is increasing rapidly and stands well above the region's average rate. Argentina places 16th in the world ranking of Internet penetration with over six million hosts. The City of Buenos Aires is recognized as the WiFi capital of Latin America, hosting the highest concentration of wireless hotspots per inhabitant (more than in Sao Paulo, Mexico City and Santiago de Chile).

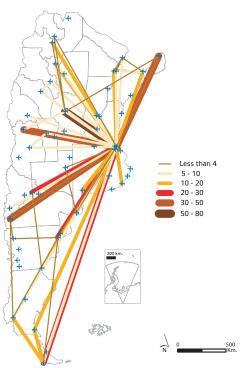
Argentina also has a varied selection of buildings suitable for commercial purposes in different urban centers throughout the country. Within the best office categories, A and A+ premium scale, the supply in Buenos Aires is outstanding, with costs per square meter comparable to those in other capital cities in the region, such as Santiago de Chile and México City, but significantly below those in São Paulo and Bogotá.

The national government has been extremely successful in implementing its electronic administration system, offering citizens electronic access to a range of different public services. In the 2009 E-Government Readiness Index compiled by the United Nations, Argentina scored higher than any other country in South America.

The country is able to meet most of its energy requirements with its own resources. Hydraulic power generates some 30% of the electricity consumed domestically, while nuclear energy produces an additional 7%.

Current legislation seeks to promote the use of renewable energies with a focus on fostering sustainable development. The Biofuels Law establishes mandatory blends for liquid fuels with biofuels (biodiesel and ethanol) effective as of 2010. Blend level targets currently stand at 7%. Different programs are being implemented within the framework of the Regime to Promote Renewable Energies, which is aimed at increasing the percentage of electricity generated from alternative energy sources. In particular, the GENREN Program issued a tender for the purchase of 15 years of 895 MW generated by clean sources, mostly wind power.

Average weekly frequency of domestic flights



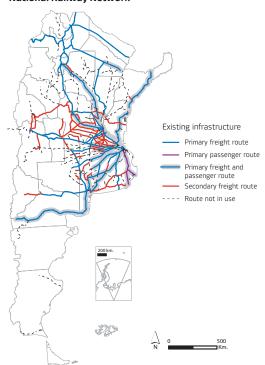
Source: Undersecretary of Public Investment Planning on the basis of data provided by the Undersecretary of Aero-commercial Transport (Subsecretaria de Planificación de la Inversión Pública en base a datos de la Subsecretaria de Transporte Aerocomercial)

National Airport Network



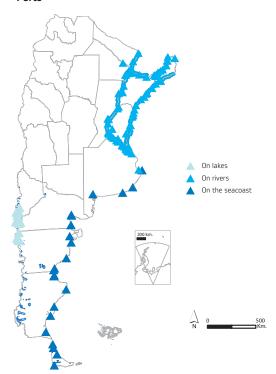
Source: Regulatory Organism of the National Airports Network (Órgano Regulador del Sistema Nacional de Aeropuertos – ORSNA)

National Railway Network



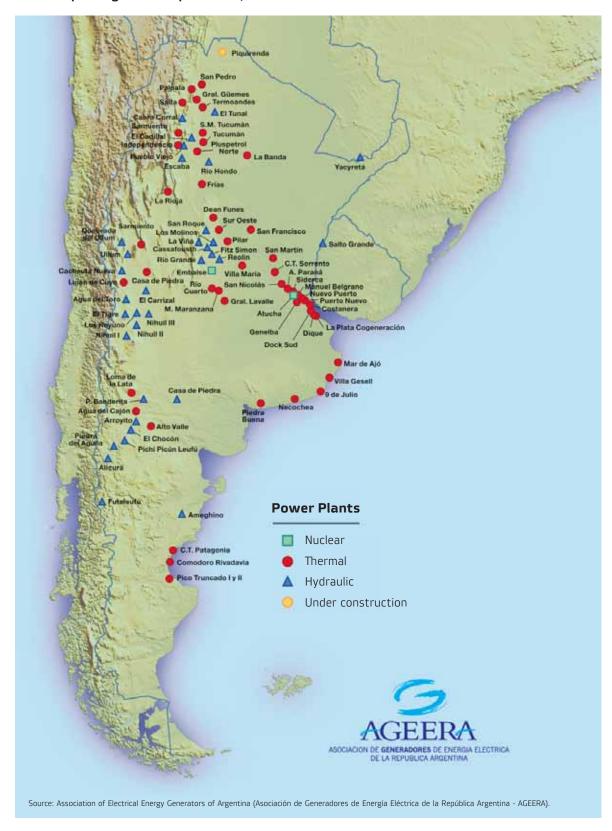
Source: Undersecretary of Public Investment Planning on the basis of data provided by the Undersecretary of Railway Transport (Subsecretaria de Planificación de la Inversión Pública en base a datos de la Subsecretaría de Transporte Ferroviario).

Ports



Source: Undersecretary of Public Investment Planning on the basis of data provided by the Naval Coast Guard Service and the Undersecretary of Water Resources. (Subsecretaria de Planificación de la Inversión Pública en base a datos de Prefectura Naval Argentina y Subsecretaria de Recursos Hidricos)

Electrical power generation per source, 2010







Chapter 2 Business & Economy

An overview of our economy and business structure

2.1. Main economic indicators

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010E |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| GDP growth rate (% per year) | 8.8% | 9.0% | 9.2% | 8.5% | 8.7% | 6.8% | 0.9% | 7.1% |
| GDP (PPP, US\$ million) | 333,399 | 373,041 | 419,568 | 469,913 | 525,196 | 572,668 | 584,392 | 609,015 |
| GDP (US\$ million) | 128,078 | 152,158 | 181,967 | 212,868 | 260,682 | 326,872 | 306,754 | 344,499 |
| Exports of goods and services (US\$ million) | 34,439 | 39,864 | 47,021 | 54,569 | 66,343 | 82,034 | 66,576 | - |
| Imports of goods and services (US\$ million) | 18,827 | 27,930 | 34,926 | 41,111 | 53,400 | 67,751 | 48,751 | - |
| Goods and services trade balance (US\$ million) | 15,611 | 11,934 | 12,095 | 13,458 | 12,943 | 14,283 | 17,825 | - |
| Trade surplus (% of GDP) | 12.2% | 7.8% | 6.6% | 6.3% | 5.0% | 4.4% | 5.8% | 4.5%* |
| Current account surplus (% of GDP) | 6.4% | 2.1% | 2.9% | 3.6% | 2.8% | 2.1% | 3.7% | 1.8% |
| Primary fiscal surplus (% of GDP) | 2.3% | 3.9% | 3.7% | 3.5% | 3.2% | 3.1% | 1.5% | 1.2% |
| Gross capital formation (% of GDP, at current prices) | 15.1% | 19.2% | 21.5% | 23.4% | 24.2% | 23.3% | 20.9% | 20.7%* |
| Gross national savings (% of GDP, at current prices) | 19.6% | 20.6% | 23.7% | 26.4% | 26.6% | 26.8% | 24.4% | - |
| Foreign Direct Investment (US\$ million) | 1,652 | 4,125 | 5,265 | 5,537 | 6,473 | 9,726 | 3,902 | - |
| Exchange rate (\$/US\$; annual average) | 2.95 | 2.94 | 2.92 | 3.07 | 3.12 | 3.16 | 3.73 | 3.96** |
| International reserves (US\$ million) | 14,119 | 19,646 | 28,077 | 32,037 | 46,176 | 46,386 | 47,815 | 51,636 |
| Unemployment rate (% of EAP) | 17.3% | 13.6% | 11.6% | 10.2% | 8.5% | 7.9% | 8.7% | 8.2% |

Source: ProsperAr based on data from the National Institute of Statistics and Censuses (INDEC, for its acronym in Spanish), Survey of Market Expectations of the Central Bank of the Argentine Republic (BCRA, for its acronym in Spanish) and the International Monetary Fund (IMF) as of 10/31/2010.

** Data from the first half 2010.

** Data as of 10/29/2010.

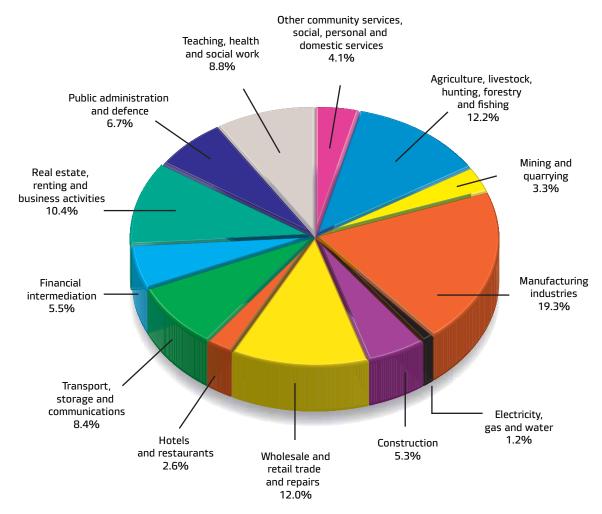
2.2. Economic structure

Argentina has a highly diversified economy. The primary sector is internationally renowned for its high productivity levels and use of advanced technologies. The country's well-developed industrial base showcases key sectors such as agribusiness, automotive, pharmaceuticals, chemicals and petrochemicals, biotechnology and design manufacturing.

The services sector is well established in the country, gradually developing niche expertise in the more sophisticated segments of the value chain, with notable growth in software and IT services as well as a wide variety of high added-value professional services.

Composition of GDP by economic activity, first half of 2010

As a percentage of the total, at current prices



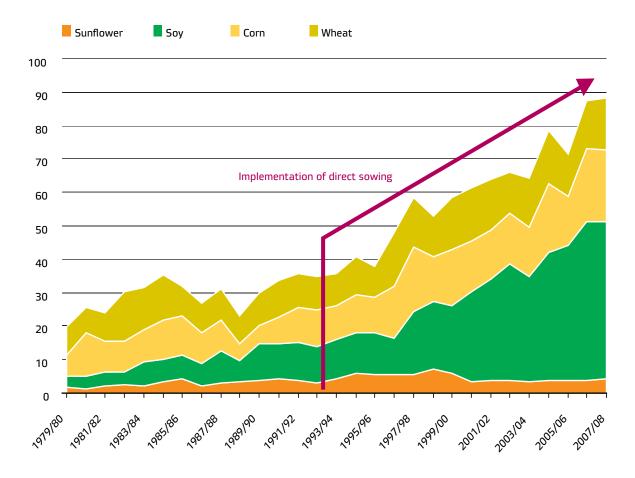
Source: ProsperAr based on data from INDEC.

2.2.1. Primary sector

Argentina's primary sector—agriculture, hunting, forestry, fishing and mining—represents 16% of the economy.

The country is a leading producer and exporter of commodities and raw materials, with over 60% of its 280 million hectares dedicated to agricultural production. The extraordinarily fertile lands of the Pampas not only provide grazing for beef cattle but also produce cereals and oilseeds for local and export markets. Agriculture has reached high productivity levels, achieving per hectare yields of soybean and wheat well above those of other world leading producers. Furthermore, the country continues to lead the way in the development and implementation of direct-sowing techniques. From 2005 to 2009, 41.3 million tons of soybeans were harvested on average per year, making Argentina the world's third largest soybean producer. In addition, 17.8 million tons of corn, 13 million tons of wheat and 3.6 million tons of sunflower seeds, the top Pampean crops, were harvested on average per year during the same period.

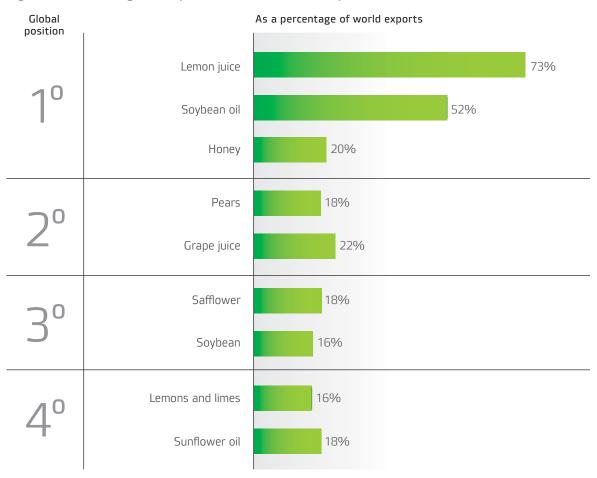
Output of sunflower, soybean, corn and wheat, 1979-2009 In millions of tons



Source: Argentine Association of Regional Consortia for Agricultural Experimentation (CREA, for its acronym in Spanish) based on data from the Ministry of Agriculture, Livestock and Fisheries.

Argentina is also a world leading producer of other primary products, ranking among the top five exporters of honey, pears, grape juice, lemons and limes, among others. These primary products are also key inputs for the local agribusiness industry.





Source: ProsperAr based on data from the Food and Agriculture Organization (FAO).

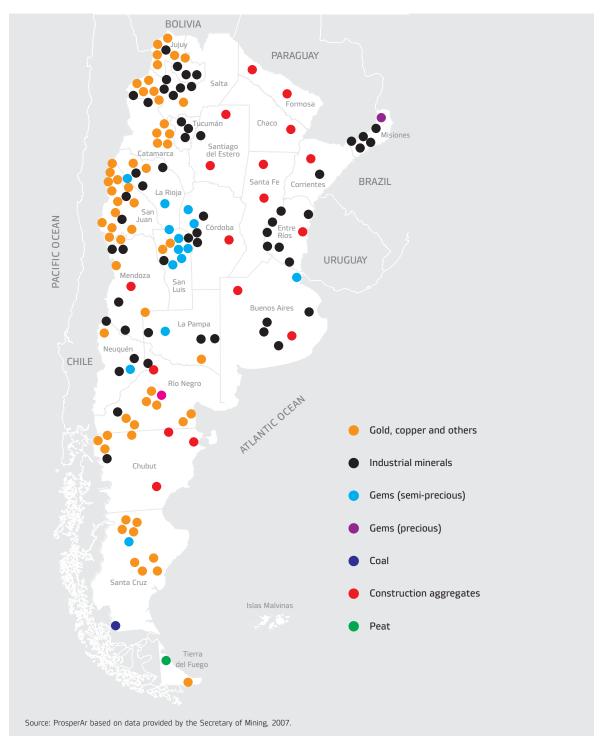
Argentina stands at the forefront of biotechnology applications for agriculture and human health, in addition to animal health. Noteworthy work being carried out includes efforts to develop innovative applications for seeds, inoculants and micro-propagation techniques. The country is the third largest GM-crop grower in the world (with 21.3 million hectares, equivalent to 16% of the total surface area cultivated with GM crops worldwide). Furthermore, Argentina is one of the few countries in the world with animal cloning technology.

Argentina also possesses a wealth of mineral resources, mostly concentrated along the Andes mountain range, which include significant deposits of lead, zinc, tin, silver, potassium, copper and gold. The province of San Juan is home to one of the most important reserves of gold and silver on the planet; while to the east of the Cuyo region (in the provinces of La Rioja, Mendoza, San Juan and San Luis) with its chalky lime soil, there are major gold, silver, lead and zinc deposits; and further to the southeast, copper and molybdenum reserves. The country also has some of the largest lithium deposits in the world, a mineral increasingly in demand due to its low environmental impact and use for cellular phone and car batteries.

The mining sector has grown dramatically in recent years. Thanks to over 400 mining projects, record levels of investment have been matched by similarly high rates of exploration, exports and job creation. Investment for exploration activities, project development and mineral production has come from 30 different countries on five continents, up substantially from 2003. For 2015, output levels are forecast to be worth some US\$ 36 billion, while exports are expected to rise to US\$ 28 billion.

Oil exploitation has also grown significantly in recent years. Argentina has achieved self sufficiency in oil production since the 1980s and exports grew during the 1990s. Today fuel and energy exports represent almost 12% of the country's total exports.

Mining resources



Argentina also has important gas fields, among which the Neuquina, Austral, Noroeste and Golfo de San Jorge are worth highlighting. Consumption of natural gas has grown over the last few years driven mainly by industrial growth.

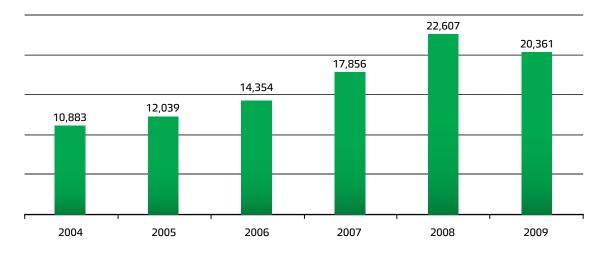
2.2.2. Industrial sector

The manufacturing industry represents 19% of the domestic economy. From 2003 to 2009, the sector grew 7% a year.

The country's agribusiness chain is well consolidated, with the food and beverages sector standing out from the rest. Argentina is the world's top soybean oil producer and second sunflower oil producer. It places fifth as a wine producer and ninth as a wine exporter worldwide. The output of food and beverages grew at an annual rate of 8% from 2004 to 2009, while the value of food and beverage exports increased at an annual rate of 13% during the same period, reaching approximately US\$ 20 billion per year.

High standards of quality, constant product innovation and decisive export strategies have enabled the companies operating in Argentina to complement the elaboration of traditional food products, penetrating exclusive market niches in order to meet the demands of premium consumers around the world. Many of these companies also carry out their own R&D applied to the value chain in food production.

Food and beverage exports, 2003-2009 In US\$ million



Source: ProsperAr based on data from INDEC.

Argentina's agro-ecological conditions are truly exceptional for producing wine. Argentina produces a vast range of outstanding reds, whites and rosé wines. Bolstered by over 1,300 wineries throughout the country, the Argentine wine industry has reached a considerable degree of maturity, reflected not only in the high level of investments, but also in the close relationship between the public and private sectors. The country offers a highly attractive price-quality ratio which allows it to compete with the world's leading wine producing countries. Argentine wine exports reach over 120 countries, primarily the United States—where Argentina tops the list as the most dynamic exporter—Canada, Brazil, The Netherlands and the United Kingdom.

The automotive and auto parts industry is well consolidated in Argentina with a track record of over 100 years in the country; it ranks second in terms of production volume in South America. The industry represents nearly 7% of Argentine industrial output value and plays a key role in employment creation and technology transfer. Production is mainly concentrated in the provinces of Buenos Aires, Córdoba and Santa Fe.

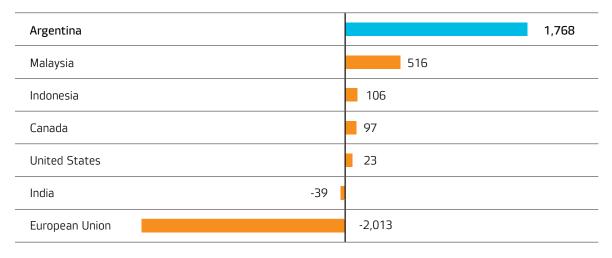
Ten top-tier multinational automotive manufacturers have chosen to base production and export platforms in Argentina. A reciprocal manufacturing strategy for models and auto parts has been put into place between local subsidiaries and their counterparts in Brazil in order to supply the Latin American market. Six out of every ten vehicles manufactured in Argentina are exported, mainly to Brazil and Mexico.

Both automotive and auto part manufacturers have the capabilities and know-how needed to meet the strictest international standards, encouraging the development of new products and technologies in line with the most recent global trends. In 2009, the leading companies in the sector produced over 20 different models, from cars to utility vehicles.

The pharmaceutical and pharma-chemical industry is also known for its longstanding presence in Argentina, in addition to its enormous potential. There are over 110 industrial plants involved in the manufacture of medical drugs, for the most part locally owned. The quality of the output produced by the sector is internationally recognized, as is the world-class standard of the industries' human resources. Investments in the sector have increased tenfold since 2002, with a marked growth in biotechnology applications, in particular recombinant DNA technology and gene therapy.

The production of clean renewable energy, a boom industry worldwide, is growing fast in Argentina. The country is currently the third-largest producer and leading exporter of biofuels in the world. It is also further developing its capabilities for alternative energy generation, such as wind power. Activities developed by local companies have achieved international recognition for their specialization in these technologies.

Biodiesel trade balance in selected countries, 2010 In millions of liters



Source: ProsperAr based on data from OECD-FAO Agricultural Outlook 2009-2019.

Argentina has also made a name for itself in a range of high added-value manufactured goods. Many of these products rely on the steel industry, a sector in which Argentina boasts some of the top companies in the world.

In particular, the country is recognized internationally for its manufacturing of light watercraft vessels, including sailboats, cruisers, yachts and motorboats. There are some 120 companies operating in this industry from manufacturers to maintenance providers for a wide variety of watercrafts. The industry has been exporting boats of all kinds to different developed countries, mainly in Europe and Asia, for the last 25 years.

The agricultural machine manufacturing industry is characterized by its years of experience and capability to manufacture highly differentiated goods. Today, this cluster is made up of some 720 factories and employs approximately 40,000 people, of which 80% are skilled workers. The industry uses hi-tech applications in its production processes and has developed a sizeable capacity for innovation and adaptation. It has the necessary know-how to produce innovative equipment for new agricultural practices, such as direct sowing. The manufacturing of tools and high-precision technological instruments for agribusiness is an area where the local agricultural machine manufacturers have made important advances.

There are a number of leading Argentine companies working in the fields of industrial, nuclear and aerospace engineering. Their high standards of excellence have made them internationally competitive. Finally, the manufacture of medical, optic and precision instruments is another segment that stands out for its export profile.

2.2.3. Services

Representing 59% of the economy, the services sector grew by an annual rate of 7% from 2003 to 2009.

The more traditional services sector is well established in Argentina, with a modern retail infrastructure covering the entire country. Utility services and transportation companies are privately held for the most part. Their tariffs are highly competitive in comparison with those in other countries in the region. Healthcare and education, supplied by both public and private providers, offer a broad range of quality services to all Argentines.

In addition, Argentina is growing rapidly as a provider of differentiated technological services. It is one of the top locations for professional services and shared service centers, simultaneously able to offer quality and high added value. Exports of professional services grew exponentially from the end of the 1990s onwards, reaching US\$ 4.3 billion in 2009.

The types of activities being undertaken in the local market have expanded from call centers to more sophisticated market segments, underpinned as much by world demand as by the growing presence of multinationals choosing the country as their preferred location for the development and export of these services.

Its favorable time zone (GMT -3) and cultural similarities with Europe and other countries in Latin America endow Argentina with a clear advantage over other emerging markets. Furthermore, Buenos Aires places sixth in the world ranking of the best emerging cities for outsourcing services.

The software and IT sector is characterized by its proven capabilities, versatility, performance and global profile. This dynamic sector is made up of some 1,600 firms and employs almost 60,000 people, of whom more than half are professionals with higher education or full university degrees. The lattice of firms making up the sector ranges from consolidated multinationals to a growing and active network of highly innovative small and medium-sized enterprises, working in synergy with universities and public sector institutions. This collaboration is reflected in the large number of technological poles and clusters found throughout the country.

Main software and IT poles



Source: ProsperAr.

Sales in this sector grew at a annual rate of over 20% between 2002 and 2009, while exports expanded by even more. Currently, foreign sales represent almost 30% of the sector's total revenue, and 65% of the companies export on a regular basis to a diverse range of destinations.

Argentine creative industries have also positioned themselves in the international marketplace with great success, supported by local competitive advantages. The country is the fourth world exporter of original television formats and ranks third after the UK and the US as the best place to develop and produce ideas, according to the Gunn Report.

The country's unique mix of highly qualified human resources, an extensive culture of creative design and a solid technological platform fuels the development of the sector. In addition, Argentina offers an excellent cost-to-quality ratio as a location.

Argentina also boasts an attractive tourism sector and receives some four million tourists a year. Buenos Aires was selected as one of the top ten cities to visit in the world for the fifth year running, by the magazine Travel & Leisure. The newspaper The New York Times singled out Patagonia as the second "must visit" location in the world in 2010, while singing the praises of San Patricio del Chañar in the province of Neuquén for its stunning landscapes and array of wineries, an activity which is unique at that latitude.

Finally, two sectors that play a key role in the local economy are electricity, gas and water supply, and the construction industry, with a 1% and 5% share of GDP, respectively. From 2003 to 2009, the first sector grew 4% and the latter 12% per year.

2.3. Companies in Argentina

Argentina's productive network is comprised of young innovative companies as well as those with traditions dating back a hundred years. A broad segment of small and medium enterprises (SMEs) and a large number of big companies are active in the country's different economic sectors.

There are some 485,000 companies registered in Argentina which work in the manufacturing, retail and wholesale, and services sectors. Most of these are micro companies (72%), followed by SMEs, which number 131,000 (27%), and finally 9,000 large companies registered (2%). Of the three sectors, the services industry concentrates the largest proportion of companies, 55% of the total, followed by retail and wholesale (33%) and manufacturing (12%).

Private companies registered in the manufacturing, retail and wholesale, and services sector according to size and type of activity

In thousands

| Size / Sector | Large | Medium | Small | Micro | Total |
|----------------------|-------|--------|-------|-------|-------|
| Manufacturing | 2 | 6 | 6 20 | | 60 |
| Retail and wholesale | 2 | 5 | 30 | 123 | 160 |
| Services | 5 | 15 | 55 | 190 | 265 |
| Total | 9 | 26 | 105 | 345 | 485 |

Source: ProsperAr based on data from Employment and Business Dynamics Observatory (OEDE, for its acronym in Spanish), Ministry of Labor, Employment and Social Security.

Although large companies represent the smallest segment of companies, they account for 48% of the salaried workforce. SMEs employ 39% of workers on the record, while micro companies are responsible for hiring the remaining 13%.

2.3.1. Profile of the top 500 non-financial companies

The National Survey of Large Companies (ENGE, for its acronym in Spanish) covers the 500 largest non-financial companies in Argentina. While all the companies surveyed are considered to be large, there are significant differences within the listing. While the 50 largest companies reported minimum production values of US\$ 700 million in 2008, the 50 smallest recorded production values ranging from US\$ 57 to US\$ 71 million for the same year.

Together, the top 500 represent 23% of the total added value of the Argentine economy and 32% of the added value of the sectors included in the survey (this analysis does not include companies whose main activity corresponds to the agricultural, financial and personal services sectors).

Taken as a whole, the 500 largest companies in Argentina employed nearly 700,000 people in 2008, reflecting the creation of 50,000 new jobs between 2007 and 2008 (equivalent to a year-on-year growth of 7%).

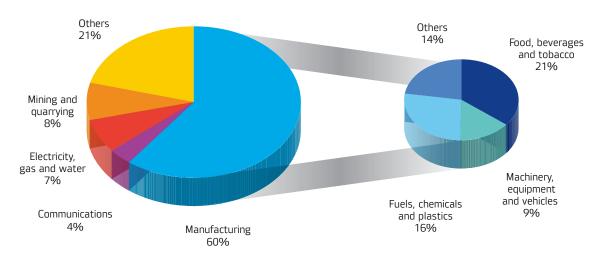
In addition to employment growth, productivity levels (taken as value added per employee) also rose, registering an increase of over 26% during the period from 2006 to 2008. In this context, the top 500 companies showed relatively high profitability margins (revenue/sales) in historical terms, averaging 13% for the period from 2006 to 2008.





Large companies generally display a multi-sector productive structure. Many of them are part of an economic group or a multinational conglomerate. In terms of their main activity, 60% of the top 500 are from the manufacturing industry, particularly food products, beverages and tobacco, as well as chemicals, rubber and plastics, and machinery, equipment and vehicles.

Top 500 non-financial companies in Argentina by sector, 2008 As a percentage of the total



Source: Prosperar based on data from ENGE, INDEC.

Main macroeconomic aggregates of the largest 500 non-financial companies in Argentina, 2006-2008

In US\$ millions

| | Source of capital | | | | | | | | | |
|----------------------------------|-------------------|----------|---------|---------|----------------------|---------|--|--|--|--|
| | | National | | Wit | With foreign capital | | | | | |
| | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | | | | |
| Sales (production value) | 20,598 | 26,878 | 32,214 | 98,651 | 120,391 | 144,737 | | | | |
| Gross added value | 7,034 | 9,191 | 11,483 | 40,729 | 47,635 | 56,417 | | | | |
| Profits | 1,693 | 1,982 | 2,151 | 15,777 | 18,334 | 18,069 | | | | |
| Profitability (profits/sales) | 8.2% | 7.4% | 6.7% | 16.0% | 15.2% | 12.5% | | | | |
| Salaried jobs | 215,115 | 238,993 | 241,536 | 382,549 | 405,365 | 450,321 | | | | |
| Companies | 159 | 170 | 162 | 341 | 330 | 338 | | | | |

 $^{^{\}star}$ A company is considered to have foreign capital when over 10% of its equity is in foreign hands.

Source: ProsperAr based on data from ENGE, INDEC.

2.3.2. Multinational companies

MULTINATIONAL ENTERPRISES IN ARGENTINA

Argentina has pursued a policy of openness towards foreign investment since its earliest stages of economic development, today reflected in the historically strong presence of international companies in the country. Some 1,800 foreign subsidiaries are currently operating in Argentina with a total Foreign Direct Investment (FDI) stock of US\$ 80 billion.

In 2008, 338 of the top 500 largest non-financial companies in Argentina were overseas branches, employing over 450,000 people and with US\$ 145 billion in sales. In that year, foreign-controlled companies represented 83% of gross added value and 89% of the profits produced by the 500 largest non-financial companies. The high levels of profitability achieved by the 338 foreign companies in Argentina are worth mentioning: 14% in average from 2006 to 2008.

Multinationals are active in a wide range of sectors and industries, mostly operating with a long-term approach, as there are practically no industries off limits to foreign capital investments. Their presence is particularly strong in the energy, telecom, automotive and agribusiness sectors, among others.

ARGENTINE COMPANIES ABROAD

Argentine enterprises were among the first from emerging countries to invest abroad. Both Argentine SMEs and large companies enjoy an increasingly significant presence in the world. Their process of internationalization has developed steadily over the last two decades, despite certain setbacks such as those suffered during the 2001-2002 economic crisis.

Taken as a whole, Argentine companies have a stock of US\$ 29 billion invested abroad. Among this, the leading 19 Argentine multinationals held US\$ 19 billion in foreign assets, employed 42,400 people abroad and owned 315 subsidiaries in 42 countries in 2008.

There are two interesting features which characterize Argentine multinationals. First, there is the diversity of sectors in which they are involved worldwide, including pharmaceuticals, agribusiness, civil engineering, electronics and computer products, chemicals, IT services, waste collection and disposal activities, and R&D. At the same time, Argentine multinationals vary greatly in terms of their size: large multinationals that lead their sector on a world level co-exist alongside new, smaller companies that are highly dynamic and have managed to penetrate foreign markets successfully.

2.4. Economic policy

From 2003 onwards, Argentina displayed one of the most impressive economic performances in the world, with high sustained growth rates. From 2003 to 2008, GDP grew at an average annual rate of 9%. Although the impact of the international economic crisis was felt between the fourth quarter of 2008 and the second quarter of 2009, the Argentine economy bounced back rapidly and in the first half of 2010, recorded a year-on-year growth rate of 9%.

This growth is supported by a solid macroeconomic base which strengthens the domestic economy. The sound handling of public spending combined with an increase in tax revenue has served to substantially fortify public accounts. At the same time, the balance of payments' current account has registered nine years of uninterrupted surplus, and the Central Bank's prudent approach has led to a record-high accumulation of foreign reserves. The government has also pursued a successful policy aimed at reducing the level of public debt, and its share of GDP and exports.

2.4.1. Fiscal policy

After 2003, the public sector consolidated a strong primary fiscal surplus, averaging 3% of GDP from 2003 to 2009 and a financial surplus of approximately 1% of GDP, an unprecedented phenomenon in recent fiscal history. The international crisis and the economic slowdown in 2009 impacted tax accounts, although the primary fiscal result remained positive.

Fiscal results of the National Public Sector, 1980-2010

As a percentage of GDP

| Períod | Primary result |
|-----------|----------------|
| 1980-1989 | -3.9 |
| 1990-2001 | 0.2 |
| 2002-2009 | 2.7 |
| 2010E | 1.5 |

Source: ProsperAr based on data from Ministry of Economy and the Survey of Market Expectations of the BCRA.

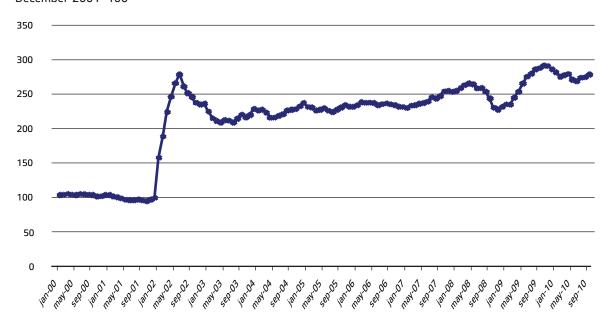
The sound performance of public finances is largely due to the robust growth in tax revenues; public spending growth at rates commensurate with fiscal policy objectives; and the diminished impact of debt servicing payments as a consequence of the restructuring of liabilities and the process of debt reduction underway since 2003. With the end of the international crisis, income from taxes displayed strong growth thanks to the process of economic recovery and the increase in revenues from taxes on consumer goods, income and trade.

2.4.2. Monetary and exchange policy

Argentina's Central Bank (BCRA) designs and implements a consistent monetary policy to guarantee equilibrium in money markets and at the same time encourage savings and investment. Its monetary program is consistent with the twin goals of achieving a balance between money supply and demand, and providing a stable environment for prices in which economic agents are able to make informed decisions.

Monetary policy has leaned towards the maintenance of a stable and competitive exchange rate with a floating currency managed both bilaterally against the dollar as well as multilaterally against a basket of currencies from Argentina's main trading partners. The managed float is one of the pillars of monetary policy designed to diminish the impact of a volatile exchange rate and thus contribute to strengthening the demand for money.

Real multilateral exchange rate index, 2000-2010 December 2001=100

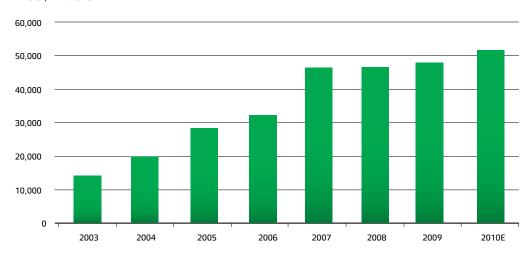


Source: ProsperAr based on data from BCRA.

Furthermore, in the context of a favorable international scenario, the Central Bank's prudent policy of reserve accumulation has allowed reserves to reach record levels. The significant increase in exports since 2003 and a sustained surplus in the country's current account, resulted in the expansion of international reserves from a low point of US\$ 9 billion in 2002 to US\$ 52 million in 2010.

International BCRA reserves, 2003-2010

In US\$ millions



Source: ProsperAr based on data from BCRA.

2.4.3. Debt policy

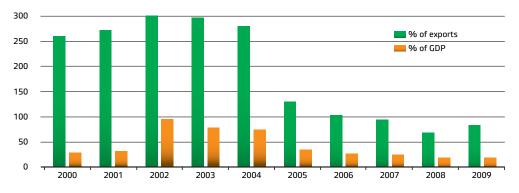
In 2005, Argentina carried out an important debt swap of the sovereign debt declared in default in 2001 with an adhesion rate of 76%. In 2010, the government offered bondholders who did not take part in the first debt swap (holdouts) a new opportunity to join the process of Argentine debt restructuring. The 2010 debt swap achieved a 67% adhesion rate. The 2005 and 2010 operations served to regularize 91% of the debt declared in default in 2001.

The debt swap helped to reduce the cost of financing for the government in both local and international markets, triggering a trickle-down effect on the financing options for the local private sector.

The success of the debt restructuring policy meant that the national public sector foreign debt stock as a percentage of GDP dropped from 95% in 2002 to 18% in 2009. Furthermore, total public debt contracted to 49% of GDP in 2009 while total external debt (public and private) stands at 37% of GDP.

National public sector external debt, 2000-2009

As a percentage of GDP and exports



Source: ProsperAr based on data from the Ministry of Economy and Public Finance.

2.5. Domestic and foreign investment

Argentina's economic growth starting in 2003 was driven by investment in large part. This dynamic investment process embraced both traditional sectors and the new knowledge and technology-intense sectors.

2.5.1. Gross Domestic Capital Formation (GDCF)

Domestic investment in Argentina has followed a growth curve over the last few years. After dropping to minimum levels in the first quarter of 2002, Gross Domestic Capital Formation (GDCF) first rallied and subsequently expanded. GDCF grew at an annual average rate of 22% from 2003 to 2008. The rate of investment as a percentage of GDP expanded from 14% in 2003 to 23% in 2008. The investment levels in 2008 were the highest registered in the last 20 years.

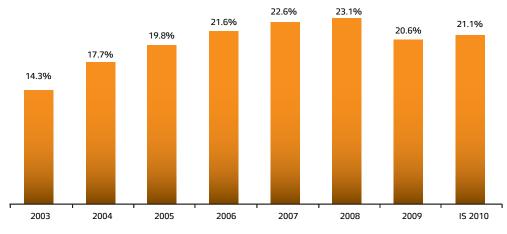
As of 2003, private investment grew alongside public sector investment in a complementary process. Public investment was mainly driven by the start-up of a range of public infrastructure projects.

The investment process was fuelled by a positive savings-investment balance as a consequence of twin fiscal and current account surpluses, a phenomenon still in evidence to this day.

In the context of the world financial crisis, and in line with other economies around the globe, domestic investment in Argentina contracted during 2009. However, despite the crisis, the rate of investment recorded in 2009 remained close to its historic long-term average and well above the levels registered during other episodes of crisis. In the first half of 2010, domestic investment showed signs of recovery, reaching a rate of 21% of GDP.

Evolution of Gross Domestic Capital Formation, 2003-2010

As a percentage of GDP, at constant prices

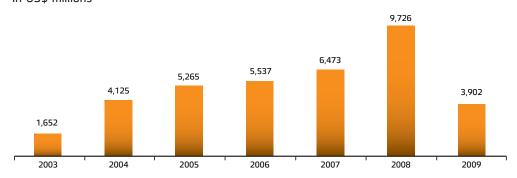


Source: ProsperAr based on data from INDEC.

2.5.2. Foreign Direct Investment (FDI)

Like domestic investment, FDI also underwent a process of recovery followed by robust growth between 2003 and 2008. FDI flows into Argentina grew 43% per year on average from their lowest level in 2003 to 2008 when they reached a record US\$ 9.7 billion.

Evolution of Foreign Direct Investment, 2003-2009 In US\$ millions



Source: ProsperAr based on data from INDEC.

The composition of FDI has improved steadily since 2004, largely driven by an increase in the productive capacity of foreign companies established in Argentina, the arrival of new international firms and greenfield investments. This is borne out by an increase in the share of new capital injections and reinvested earnings, as well as a very low rate of mergers and acquisitions.

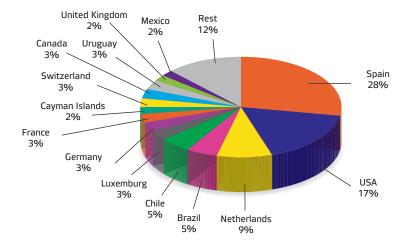
High levels of profitability are another salient feature of foreign investment in Argentina. Profits as a percentage of FDI stock averaged 10% during the period from 2006 to 2009. The profit/sales ratio for the leading foreign firms operating in the country (the 338 largest, according to ENGE) averaged 14% from 2006 to 2009.

As with GDCF, FDI flows contracted during 2009 in line with trends around the world as a result of the global crisis, but began to grow once more in the first half of 2010.

Spain is the top source of FDI in Argentina, representing 28% of the total FDI stock in 2009, followed by the United States (17%), The Netherlands (9%), Brazil (5%) and Chile (5%). Companies from these five countries were also the leading entities generating FDI inflows to Argentina from 2005 to 2009.

FDI stock per source country, December 2009

As a percentage of total FDI stock



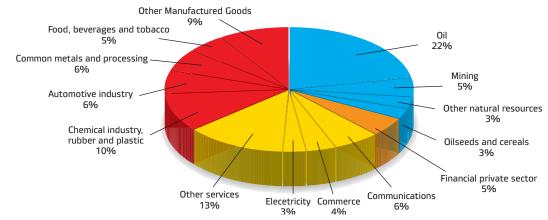
Source: ProsperAr based on data from the BCRA

The manufacturing sector represents the highest proportion of FDI stock, reaching 36% of the total in 2009, while natural resources is slightly lower, standing at 34%, followed by the services sector (31%). A more detailed breakdown shows the oil sector with 22% of the total FDI stock in Argentina, followed by chemical, rubber and plastic industries (19%), communications (6%), automotive sector (6%) and basic metals and their processing (6%).

In addition to the investments made in traditional sectors, there is a noticeable increase in FDI inflows in dynamic sectors requiring relatively smaller amounts of capital, but which are hi-tech and human capital intensive, such as the software and IT industry, as well as professional services and other segments within the cultural and creative industries.

FDI stock per sector, December 2009

As a percentage of total FDI stock



Source: ProsperAr based on data from the BCRA.

2.6. International trade

Argentine foreign trade has grown solidly over the last six years, an extension of a long-term upwards trend. From 2003 to 2008, the degree of openness (exports and imports over GDP) reached an average of 37%, the highest level in the last 20 years. If trade in services is included, the average level of openness was 44%.

Balance of payments, 2003-2009

In US\$ millions

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------|--------|--------|--------|--------|--------|--------|--------|
| Current account | 8,140 | 3,212 | 5,275 | 7,768 | 7,355 | 6,857 | 11,451 |
| Goods | | | | | | | |
| Exports FOB | 29,939 | 34,576 | 40,387 | 46,546 | 55,980 | 70,019 | 55,669 |
| Imports FOB | 13,134 | 21,311 | 27,300 | 32,588 | 42,525 | 54,596 | 37,141 |
| Balance | 16,805 | 13,265 | 13,087 | 13,958 | 13,456 | 15,423 | 18,528 |

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------|--------|--------|-------|-------|--------|--------|--------|
| Services | | | | | | | |
| Exports | 4,500 | 5,288 | 6,634 | 8,023 | 10,363 | 12,015 | 10,907 |
| Imports | 5,693 | 6,619 | 7,626 | 8,523 | 10,876 | 13,155 | 11,610 |
| Balance | -1,193 | -1,331 | -992 | -501 | -513 | -1,140 | -703 |

Source: ProsperAr based on data from INDEC.

As a consequence of the high value of exports, Argentina registered a trade balance surplus throughout the period, resulting in the positive current account balance recorded for the last nine years.

2.6.1. Trade in goods

EXPORTS

From 2003 to 2008, exports of goods grew at an average annual rate of 19%, in excess of US\$ 70 billion. Imports grew at an average annual rate of 33%, in excess of US\$ 54 billion. The trade balance was positive throughout the period. Both exports and imports fell in 2009 due to the drop in world trade generated by the international economic and financial crisis. However, the trade balance reached US\$ 19 billion in 2009, the highest recorded during this period.

In 2009, manufactured goods represented 72% of the country's total exports of goods. Manufactured goods of agricultural origin (MAO) represented 38% of exports, and manufactured goods of industrial origin (MIO) came to 34%. These were followed, in order of importance, by exports of primary products (17% of exports in 2009) and fuel and energy (12%). MIO displayed the most dynamic performance from 2003 to 2008 with an average annual growth rate of 22%.

Main components of goods exports, 2003-2009 In US\$ millions, FOB

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Manufactured goods of agricultural origin (MAO) | 10,004 | 11,926 | 13,141 | 15,265 | 19,213 | 23,906 | 21,212 |
| Manufactured goods of industrial origin (MIO) | 8,047 | 9,616 | 11,985 | 14,843 | 17,333 | 22,063 | 18,713 |
| Primary products | 6,471 | 6,852 | 8,111 | 8,625 | 12,486 | 16,202 | 9,306 |
| Fuels and energy | 5,417 | 6,181 | 7,150 | 7,813 | 6,949 | 7,848 | 6,438 |
| Total exports | 29,939 | 34,576 | 40,387 | 46,546 | 55,980 | 70,019 | 55,669 |

Source: ProsperAr based on data from INDEC.

Brazil is Argentina's main trading partner and accounts for over 20% of Argentine exports, followed by China, the United States, Chile and The Netherlands.

Main trading partners, 2004-2009

Share as a percentage of total exports

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------------|-------|-------|-------|-------|-------|-------|
| Brazil | 16.2% | 15.7% | 17.5% | 18.8% | 19.0% | 20.4% |
| China | 11.1% | 7.9% | 7.5% | 9.2% | 9.1% | 6.6% |
| United States | 7.6% | 11.1% | 8.7% | 7.4% | 7.3% | 6.2% |
| Chile | 10.8% | 11.1% | 9.5% | 7.5% | 6.7% | 7.9% |
| The Netherlands | 3.6% | 3.3% | 3.1% | 3.2% | 4.2% | 4.3% |

Source: ProsperAr based on data from the Center for International Economy (CEI, for its acronym in Spanish).

The country's main export products are soybean derivatives: flour, pellets, oil, and beans. Crude oil and petroleum, corn grains, transport and cargo vehicles, copper and gold minerals and wheat follow in terms of sales.

It should be noted that despite the good performance of Argentine exports from 2003 to 2009, Argentina's export profile continues to be weighted towards primary goods and industrial commodities. However, in recent years, there has been a slight trend towards inter-sector upgrading, involving products of greater technological complexity, linked to the increase in exports of mid-level technological goods and the involvement of R&D, particularly in the chemicals sector (agrochemicals, paint, pharmaceutical products and perfumes), auto parts, and medical, optic and precision instruments.

Argentina has a diversified export profile in terms of products and markets, with commercial diversification indicators that positions it below countries such as Germany, the United States, China and Brazil, but above Canada, Ireland, New Zealand, Australia, Mexico, Peru and Colombia, according to the World Bank.

IMPORTS

In 2009, manufactured goods of industrial origin represented 87% of the country's total imports. These were followed, in order of priority, by fuels and energy (7% of imports), primary products and manufactured goods of agricultural origin (3% each).

Main components of goods imports, 2003-2009

In US\$ millions, CIF

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Manufactured goods of industrial origin (MIO) | 12,134 | 19,979 | 25,392 | 30,394 | 38,990 | 48,681 | 33,841 |
| Fuels and energy | 548 | 1,006 | 1,551 | 1,740 | 2,849 | 4,341 | 2,631 |
| Primary products | 629 | 812 | 1,028 | 1,206 | 1,804 | 3,137 | 1,245 |
| Manufactured goods of agricultural origin (MAO) | 540 | 648 | 715 | 814 | 1,065 | 1,303 | 1,065 |
| Total imports | 13,851 | 22,445 | 28,687 | 34,154 | 44,707 | 57,462 | 38,781 |

Source: ProsperAr based on INDEC.

In regard to their economic use, the imported products were largely capital and intermediate goods, representing 33% and 23%, respectively, in 2009. Parts and accessories for capital goods represented the third most important use and consumer goods followed in fourth place.

Economic uses for goods imports, 2003-2009

In US\$ millions, CIF

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|------|------|
| Intermediate goods | 45% | 38% | 36% | 35% | 35% | 36% | 33% |
| Capital goods | 18% | 24% | 25% | 24% | 24% | 23% | 23% |
| Parts and accessories for capital goods | 16% | 16% | 17% | 18% | 18% | 17% | 17% |
| Consumer goods | 12% | 11% | 11% | 11% | 11% | 11% | 13% |
| Fuels | 4% | 4% | 5% | 5% | 6% | 8% | 7% |
| Automotives | 4% | 5% | 6% | 6% | 6% | 7% | 6% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: ProsperAr based on data from CEI.

As with exports, Brazil is Argentina's main source of imports, accounting for 31% of the country's purchases, placing it well ahead of the United States and China, a trading partner which has doubled its share of the Argentine import market since 2004.

Main trading partners, 2004-2009

Share of total, CIF

| Countries | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------|-------|-------|-------|-------|-------|-------|
| Brazil | 33.7% | 35.5% | 34.4% | 32.5% | 30.8% | 30.5% |
| United States | 15.1% | 13.9% | 12.4% | 11.8% | 12.0% | 13.2% |
| China | 6.2% | 7.8% | 9.1% | 11.4% | 12.4% | 12.4% |
| Germany | 4.9% | 4.5% | 4.5% | 4.8% | 4.4% | 5.1% |
| Mexico | 3.4% | 2.8% | 3.3% | 3.0% | 2.8% | 3.0% |

Source: ProsperAr based on data from CEI.

The main products imported include transport vehicles and their parts, diesel fuel, mobile telephones, airplanes, and electrical energy.

After trade contracted as a result of the international economic crisis, trade figures rallied during the first half of 2010. Exports grew by 17%, while imports increased by 43% year-on-year. The trade balance continues to be positive. The excellent 2009-2010 harvest resulted in a sharp increase in the shipments of primary and manufactured agricultural products, bolstered by increased industrial exports, particularly from the automotive sector. On the import side, growth was linked to the increase in domestic demand for consumer goods, industrial supplies and energy, fuelled by economic recovery.

2.6.2. Trade in services

Trade in services has been a highly dynamic sector in terms of exports and imports. Services exports more than doubled in value from 2003 to 2009, and have consistently exceeded US\$ 10 billion since 2007. The growth spurt in corporate, professional and technical services is noteworthy, with average annual growth rates in excess of 25% from 2003 to 2009, while the IT services sector grew 31% on average per year during the same period. Imports of services also increased during this period although at a lower rate, mainly in insurance and transport.

Exports of services, 2003-2009

In US\$ million and annual average growth rate

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Cumulative annual average growth rate 2003 - 2009 |
|--|-------|-------|-------|-------|--------|--------|--------|---|
| Exports | 4,500 | 5,288 | 6,634 | 8,023 | 10,363 | 12,015 | 10,907 | 15.9% |
| Transport | 932 | 1,140 | 1,264 | 1,408 | 1,666 | 1,762 | 1,566 | 9.0% |
| Travel | 2,006 | 2,235 | 2,729 | 3,344 | 4,314 | 4,646 | 3,966 | 12.0% |
| Communications services | 146 | 162 | 210 | 273 | 314 | 362 | 313 | 13.5% |
| Construction services | 41 | 61 | 46 | 20 | 38 | 30 | 38 | -1.1% |
| Insurance services | 0 | 0 | 0 | 0 | 0 | 11 | 12 | n/a |
| Financial services | 1 | 2 | 4 | 6 | 9 | 8 | 6 | 28.6% |
| IT and information services | 166 | 193 | 238 | 378 | 655 | 895 | 1.021 | 35.4% |
| Royalties | 51 | 61 | 51 | 71 | 106 | 107 | 102 | 12.1% |
| Corporate, professional and technical services | 953 | 1,194 | 1,774 | 2,140 | 2,816 | 3,579 | 3,398 | 23.6% |
| Personal, cultural and entertainment services | 122 | 153 | 203 | 258 | 314 | 465 | 350 | 19.2% |
| Government services | 81 | 86 | 115 | 124 | 130 | 151 | 136 | 9.0% |

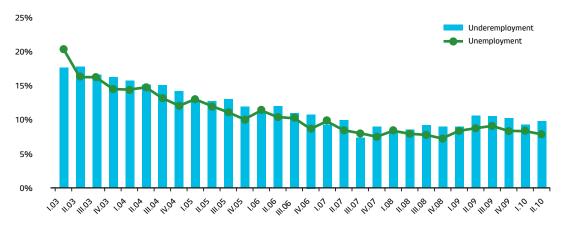
Source: ProsperAr based on data from CEI.

2.7. Labor market

The Economically Active Population (EAP) living in urban areas is 16.5 million people. The number of employed individuals within urban areas totals 15.2 million people. The number of employed workers has grown at accelerated rates since 2002, as nearly four million net jobs have been created.

As a result, the unemployment rate has fallen significantly, the result of a process of an inclusive growth strategy which focused on job generation as one of the basic pillars of economic policy. The unemployment rate fell from 20% in the first quarter of 2003 to 8% in the first quarter of 2010.

Unemployment and underemployment rates, 2003-2010As a percentage of the EAP



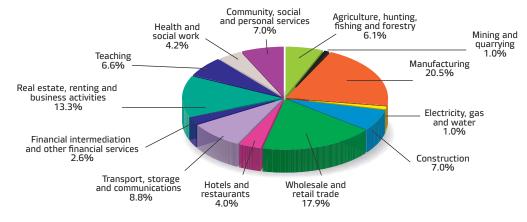
Source: ProsperAr based on data from the Permanent Survey of Households, INDEC.

The impact of the international economic and financial crisis has been overcome with a relatively low cost in terms of employment. Unemployment rates are now similar to pre-global crisis levels.

The employment rate during the first half of 2010 was 42% of the population. The proportion of salaried workers among the employed is high (76%) and has grown in tandem with employment itself (it was of 73% during the first half of 2003).

The private sector is the main employer in the country. Of total salaried employees recorded in the private sector, 7% work in the primary sector (agriculture, hunting, forestry, fishing and mining), 22% in the manufacturing industry, 7% in construction and the remaining 64% in services.

Salaried employment recorded by the private sector by branch of activity, 2009 As a percentage



Source: ProsperAr based on data from Employment and Business Dynamics Observatory, Ministry of Labor, Employment and Social Security.

2.8. Financial system and capital markets

The Argentine financial system is made up of 81 entities: 65 retail and investment banks, and 16 non-banking financial entities. The BCRA and the Superintendency of Financial Entities are the public organizations responsible for ensuring the correct and transparent working of the financial system.

Argentina's financial system, 2010

| Number of financial entities | 81 |
|------------------------------|----|
| Banks | 65 |
| Public | 12 |
| Nation | 2 |
| Provinces and municipalities | 10 |
| Private | 53 |
| National | 32 |
| Cooperatives | 1 |
| Foreign | 20 |
| Non-banking entities | 16 |
| Financial companies | 14 |
| Loan companies | 2 |

Source: Association of Argentine Public and Private Banks (ABAPPRA, for its acronym in Spanish).

The local financial system is healthy with standards on par with the highest ones in the region. High levels of solvency and efficiency accompanied by low levels of delinquency characterize the system. Despite the rapid growth in bank lending to the private sector, credit depth in the local economy continues to be relatively low compared with other economies in the region, implying a high potential for development.

2.8.1. Banking system

There are 65 banking entities operating in Argentina, of which 31% are foreign owned. Leading banks from the United Kingdom, Spain and the United States, together with locally owned entities, form a competitive dynamic in the banking sector with over 4,000 branches and 11,000 automatic teller machines (ATMs) countrywide.

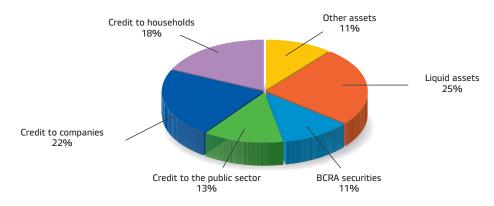
Local indicators of access to financial services are higher than the regional average. By the end of 2009, 61% of homes and 75% of Argentine companies had access to financial products. The public sector adopted a series of measures designed to facilitate access to banking services throughout the population. The key measures targeted an increase in the geographical coverage and infrastructure of information points and ATMs, as well as a drive to publicize the use of electronic payment methods by using universally free accounts and reducing the costs of interbank transfers.

The Argentine banking network has carried out its operations in a context of high solvency for several years, while the capital stock subscription of the financial system easily exceeds the requirements of international norms.

By mid-2010, banking credit for the private sector represented approximately 11% of GDP. The main destinations for loans from the Argentine financial system are personal loans and company financing, which represent 40% of the banks' assets.

Financial system asset portfolio, June 2010

As a percentage of netted assets



Source: ProsperAr based on data from BCRA.

The extended cycle of economic expansion since 2003 has allowed individuals and companies to meet their financial commitments as required. By mid-2010, the delinquency rate on loans to the private sector as a whole was around 3%, very similar to the Latin American average, 12% below the average of developed countries and 65% below Eastern Europe. Furthermore, the share of local corporate borrowing has fallen in recent years, and stands at 22% of sector output.

2.8.2. Capital markets

Argentine capital markets were created almost a century ago, but are still small in relation to the size of the economy. Stock exchange operations are overseen by the Securities and Exchange Commission (CNV, for its acronym in Spanish), an independent entity with national jurisdiction responsible for regulating and supervising the public offering of securities.

The CNV supervises eleven stock exchanges and nine markets. The most important ones include the Buenos Aires Stock Exchange (BCBA, for its acronym in Spanish), Córdoba, Mendoza, Santa Fe, La Plata and Rosario, the Buenos Aires Stock Market (MVBA, for its acronym in Spanish) and the Open Electronic Market (MAE, for its acronym in Spanish). Founded in 1854, the BCBA is the oldest of these institutions.

Foreign investors may purchase shares in companies quoted on the BCBA without prior authorization from the government and with no limit on volume.

The Buenos Aires Grain Exchange (Bolsa de Cereales de Buenos Aires) and the Buenos Aires Futures Market (MATba, for its acronym in Spanish) are two centennial institutions whose experiences in handling commodity derivatives propelled Buenos Aires into long standing position as the most important futures and options agricultural market in MERCOSUR. Today, trading takes place in assets such as wheat, corn, sorghum, rye, soybean, sunflower and their derivatives.

In November 2010, Banco Ciudad, the commercial bank of the City of Buenos Aires, and the Futures Exchange Market of Rosario (ROFEX, for its acronym in Spanish) developed a futures market for gold.



Setting up in Argentina

Doing business in Argentina

3.1. Establishing a company

Investors have three options for setting up a business in Argentina: establish a foreign subsidiary, acquire stock in an existing company or create a new company.

The main characteristics, requirements and implications of the different legal structures available to companies in Argentina are presented in the following section of this guide.

3.1.1. Foreign subsidiary or branch

A foreign branch or subsidiary is created when the company opens an office in Argentina. It does not imply the creation of a new legal entity. The branch or subsidiary in Argentina must be registered with the Public Registry of Commerce (PRC), however the laws governing the existence and validity of the foreign company are those of its place of incorporation.

A subsidiary may undertake all the activities pursued by the company's head office (HO), in representation of the HO, carried out by the person designated as the company's representative. In this case, the subsidiary is liable in terms of assets to the total value of the capital owned by the company's HO and not to the value of the subsidiary in Argentina as assigned by HO. The HO is responsible for all of the subsidiary's liabilities. The subsidiary's accounting must be managed separately from the HO and the subsidiary must present its financial statements periodically to the PRC.

The subsidiary must be managed by a legal representative with power of attorney and administrative faculties which may be limited in certain circumstances. The subsidiary's representative should be granted ample administrative powers in order to ensure that transactions with financial institutions and other local suppliers are carried out efficiently.

Subsidiaries are subject to supervision by the PRC office corresponding to their jurisdiction and must comply with the same requirements as incorporated businesses (Sociedad Anónima, SA for its acronym in Spanish).

SUBSIDIARY REGISTRATION REQUIREMENTS

For a foreign branch or subsidiary to operate legally, the following documentation is required:

- 1. A certificate testifying to the length of time the company has been operational in its country of origin and that it is not in the process of liquidation or involved in any legal process that implies a restriction on its goods and/or activities. If there is not an official certificate available to this effect, a report signed by an attorney or public notary from the HO's country of origin can be presented.
- 2. Foreign documentation including:
 - a) The partnership agreement or company statutes and any amendments.
 - b) The resolution adopted by the governing body that resolved to create the branch, affiliate or permanent representation in Argentina.
 - c) The fiscal year end date.
 - d) Its domicile in Argentina (the representative may have power of attorney to set the domicile).
 - e) The capital assigned to it if any.
 - f) The designation of the representative, who must be an individual.

- **3.** Furthermore, documentation should be provided stating that:
 - a) There are no restrictions or prohibitions in the place where the company is incorporated which hinder or prevent it from carrying out all of its activities, or its main activity / activities.
 - b) It possesses outside of Argentina:
 - One or more operational agencies, branches or representations, and/or
 - Non-current fixed assets or exploitation rights for third-party assets of this nature, and/or
 - Stock in other companies not subject to takeover bids, and/or
 - Regular investment operations in stock markets as stipulated in its statutes.
 - c) A list of the partners at the time of the decision to apply for registration.
- **4.** Original proof of the publication of the edict, in the cases of a joint-stock company, a limited liability company or a corporate structure which is not recognized in Argentine law, including:
 - a) Regarding the branch: the domicile; capital assigned to it if any; the fiscal year end date.
 - Regarding the designated representative: personal information; domicile; term of representation (if any); any limits or restrictions on a representative's authority (in case more than one representative has been designated).
 - c) Regarding the HO: the information required in Article 10 of Law 19,550, in regard to its statutes and amendments.
- **5.** A document signed by the representative, certified by public notary or personally ratified prior to registration, in which said representative:
 - a) Provides his/her personal data.
 - b) Establish the domicile if so authorized.
 - c) Establish the domicile within the radius of the corresponding jurisdiction.

3.1.2. Creation of a new company or acquisition of shares in an existing one

The Law of Commercial Companies (Ley de Sociedades Comerciales) contemplates a wide range of corporate forms, amongst which the most widely used by foreign investors are the incorporated business (SA) and the limited liability company (LLC). In these cases, unlike subsidiaries, these kinds of companies are only answerable in principle for the capital of the company incorporated or in which stock is acquired.

Unlike local companies, before foreign companies can set up a company or acquire stock in an existing one, they must first submit proof to the PRC that they are legally incorporated in their countries of origin. They must also register the data concerning their statutes, amendments and all qualifying documentation as well as details of their legal representatives with said PRC.

INCORPORATED BUSINESS (SA)

This format establishes that the company's property belongs to the stockholders, limiting their liabilities to the contributions they make. At least two stockholders are required. The stock may or may not be quoted on the local stock exchange.

The operation of these companies is regulated by their statutes. Administration is the responsibility of a board made up of one or more members, who may or may not be stockholders. The majority of the board members must be residents in Argentina. While there are no restrictions in terms of the stockholders' residency or nationality, if these are foreign commercial companies, they should be previously registered at the PRC.

The board members answer unanimously as one and without limits on behalf of the company to the stockholders

and third parties for poor performance, breaking the law, statutes or regulations, and any other damages arising from fraud, the abuse of responsibilities or gross negligence.

Incorporated businesses must be registered via public deed. In the City of Buenos Aires they must be registered with the Office of the Inspector General of Justice (IGJ, for its acronym in Spanish) and require a minimum capital of AR\$ 12,000.

In Argentina, incorporated businesses are subject to internal and external tax audits. External tax audits are undertaken by the PRC office corresponding to the jurisdiction. There are also regulatory organizations to oversee specific activities. For example, companies that trade on the stock exchange are audited by the National Securities Commission (CNV, for its acronym in Spanish), financial entities are overseen by the Central Bank of Argentina (BCRA, for its acronym in Spanish); and insurance companies report to the Insurance Superintendent (SSN, for its acronym in Spanish).

Internal tax audits are usually the responsibility of one or more trustees nominated at the stockholders' meeting. The position of trustee is optional for those companies not under permanent supervision of a government entity. Furthermore, the law contemplates the control of the supervisory board, an entity of wide-ranging objectives established by the statutes.

LIMITED LIABILITY COMPANY (LLC)

While LLCs and incorporated businesses have many features in common, an LLC is different from an incorporated business in regard to:

- The number of partners may not exceed 50 persons in an LLC;
- LLCs may not have an incorporated business as one of its partners;
- LLCs are not eligible to list on the stock exchange;
- A change in one of the partners requires the company statutes to be modified;
- The procedures for setting up an LLC are simpler than an SA; and
- The statutes are more flexible.

As with incorporated businesses, the partners' liabilities are limited to the amount of stock they underwrite or acquire. However, in LLCs, the partners must provide unlimited and mutually binding guarantees of their contributions. Partners may own more than one share. There are no legal restrictions on transfers, however the LLC's partnership agreement may place restrictions on them.

The task of administering and representing the company falls to one or more managers, whether they are partners or not. The managers are held personally responsible or on a mutually binding level, depending on the way management is organized and on the rules governing the company's working as established in the partnership agreement.

LLCs may be established by means of public or private instruments. They must register with the PRC. There are no minimum capital requirements, however the company's capital should be in line with the company's stated goals.

COMMON ISSUES FOR REGISTERING A COMPANY IN ARGENTINA

In Argentina, commercial companies register with the PRC office corresponding to their domicile. In the case of the City of Buenos Aires, the organization and activities of the PRC fall under the jurisdiction of the Office of the Inspector General of Justice (IGJ, for its acronym in Spanish).

The process for registering a company with the IGJ includes the option for an "urgent procedure" allowing registration on the same day that the documentation is presented and requiring the payment of administrative

charges of AR\$ 1,000. Otherwise, the "normal procedure" takes approximately 30 days. These procedures involve the following requirements:

- **1.** Application for Reservation of name or denomination (Reserva de nombre o denominación). This involves filling in Form No. 3 available at IGJ. The form (an original and a copy) should be presented at the area called reservation of names (Reserva de nombres). Applicants can apply for three names or denominations.
- 2. Presentation of Form No. 1 of registration and amendments. This form should be presented accompanied by:
 - a) The partnership agreements or statutes with certified copies.
 - b) Professional pre-qualification certificate.
- **3.** Payment of corporate establishment tax (SA) or retributive tax (SRL), as required. SAs are required to pay a one-time corporate establishment tax. LCCs pay one-time retributive tax. In both cases, the tax must be paid at the National Bank of Argentina.
- 4. Publication of edict

Article 10, section A of the Law of Commercial Companies establishes that limited liability companies and joint-stock company companies must advertise for one day in the official journal for legal notices.

The paid legal notice must address certain information, including:

- Name, age, marital status, nationality, profession, domicile and identity document number of each of the partners;
- Date when the documents establishing the company were drawn up;
- The name or denomination of the company;
- Company domicile;
- Company purpose;
- Term;
- Stockholders' equity;
- Members of the administration and audit departments, names and amount of time in these positions where relevant;
- Details concerning legal representation;
- The fiscal year end date.
- 5. Initial deposit

An initial deposit of 25% of the liquid capital contributed must be made at the National Bank of Argentina. This may be done when applying for registration.

FOREIGN COMPANIES PARTICIPATING IN A COMPANY IN ARGENTINA

Foreign companies wishing to directly participate in a new or existing company must, in addition to the points mentioned above:

- Prove that they have been established in accordance with the laws in force in their countries of origin before their respective PRC.
- Register the company's original statutes, amendments and any other documentation concerning its authorization, as well as that relating to its legal representatives at the PRC. If this is a joint-stock company it should also be registered with the Joint-stock Company Register (Registro de Sociedad por Acciones).

- State whether there are any prohibitions or legal restrictions on the company's activities, main activity or activities in its country of origin. This information must be given in the partnership agreement or statutes of the company or subsequent amendments if relevant.
- Prove that as of the date of the application for registration, the company complies with at least one of the following conditions outside Argentina:
 - Existence of one or more branches or permanent representatives, accompanied to this effect with the proper good standing certificates, issued by the competent administrative or legal bodies from the location where they are based.
 - Ownership of stock in other companies which comes under the heading of non-current assets according to the definitions given in accounting standards in general use.
 - Ownership of fixed assets in the place of origin, whose existence and value must be verified by the definitions given in accounting standards in general use.

The two requirements mentioned immediately above must be supported by the financial statements of the company and/or certification documentation signed by one of the company's authorized executives, taken from the accounting entries transcribed into the company's books.

PROVISIONS RELATED TO DOCUMENTATION ORIGINATING ABROAD

Documentation originating abroad must be presented according to the requirements established by the legislation in force in its country of origin, duly authenticated by a notary public and stamped, if applicable, with the Hague Apostille. The original documentation must be submitted along with a copy of its translation into Spanish by a certified translator whose signature must be legalized by the relevant professional association for this purpose.

Notary protocols: Documentation originating abroad which must be registered may also be presented under a notary protocol signed before a registered notary of the Argentine Republic with its corresponding Spanish translation.

Finally, if a foreign company wishes to indirectly participate in a local company through an investment vehicle, all the abovementioned requirements must be fulfilled but by the controlling company of such vehicle.

3.2. Settling in Argentina

The country's immigration policy is based on the guidelines established in Law No. 25,871, Decree No. 616/2010, carried out and enforced by the National Immigrations Office of the Ministry of Domestic Affairs of Argentina.

The State guarantees equal treatment to foreigners, as well as equal access for immigrants and their families to the conditions and rights guaranteed to its citizens, in particular to social services, public property, health, education, justice, work, employment and social security.

All persons who wish to settle in Argentina should apply for a residency visa in accordance with specific admission criteria (permanent, temporary or transitory residence).

The National Inmigrations Office requires foreigners to present personal and other documentation which proves they meet the admission criteria.

After entering the country with an entry permit and a visa, foreigners are automatically considered to be settled and, if applicable, are able to make arrangements for their National Identity Document (DNI, for its acronym in Spanish) at the National Registry of Personal Data (Registro Civil de las Personas).

The forms and requirements for residency vary based on whether the applicant is a citizen of a MERCOSUR country or associate member country, or if a citizen of a non-MERCOSUR country.

All documentation presented must include either the original and a copy, or a copy certified by a notary public. If the notary public is not from the City of Buenos Aires, his/her signature must be authorized by the Association of Notaries Public in the corresponding province. Any documentation issued abroad must be accompanied by a seal from the Argentine Consulate in the country of origin, or the Hague Convention Apostille. Furthermore, any documentation issued in a language other than Spanish must be submitted with its Spanish translation by a certified translator whose signature must be legalized by the relevant professional association for this purpose.

The different forms and requirements for entry and residing in Argentina are given as follows.

3.2.1. Entry permits

Foreigners requesting entry and long-term stay in Argentina must apply for and Entry Permit which comes into force when the foreigner enters the country and is valid for one-year.

Entry permits may be requested by foreigners abroad by their legal representative at the Argentine consular authorities or immigration authorities with jurisdiction in the foreigner's country of origin or in Argentina or at the National Immigrations Office by a legal representative, close relative or the applicant in person.

Argentine consulates abroad in their capacity as authorities appointed by the National Immigrations Office may grant foreigners entry permits and permanent, temporary and transitory visas.

3.2.2. Types of residency permits

Foreigners with entry permits must present the following documentation to the Argentine consular authorities in order to obtain the appropriate visa:

- Current entry permit.
- Valid and current passport, ID, or other travel documents.
- Birth certificate and any documentation attesting to the applicant's civil status.
- Certificate of good conduct, issued by the competent bodies of those countries where the applicant resided for over a year during the last three years.
- \bullet Affidavit of good conduct issued in other countries when applicable.
- Certificate issued by the corresponding health authorities as required by the Ministry of Health.

Foreigners will be allowed to enter and stay in the country according to the following categories: "permanent resident", "temporary resident" or "transitory resident". Until such time as these procedures have been concluded, the application authorities may grant an authorization for a short-term residency of three months.

PERMANENT RESIDENCY

Foreigners who plan to settle in Argentina are eligible for permanent residency after holding a temporary residence for two or more consecutive years if citizens of MERCOSUR countries or associate member countries or after three or more consecutive years if citizens of all other countries.

Permanent residency may be granted to spouses, children and parents of Argentine citizens; spouses, children under 19 and parents of a permanent resident; and those who have performed diplomatic or consular tasks or worked in international organizations.

Foreigners granted permanent residency may carry out all kinds of remunerated or lucrative activity either on their own behalf or as an employee, and have the right to the protection provided by the law on these matters.

Procedures for first entry into the country as a permanent resident

When entering the country for the first time, permanent residents must present the immigration authorities with the following documentation:

- Valid and current passport, ID or other travel documentation.
- Current entry permit as a permanent resident.
- Valid Argentine consular visa as a permanent resident.

TEMPORARY RESIDENCY

A temporary residence may be granted to any foreigner seeking to settle in Argentina for a specific period of time as an investor, migratory worker, stockholder, pensioner, scientist or expert, company executive, administrative or technical staff of a foreign entity of commercial or industrial characteristics, athlete or artist, member of a religious order that is officially recognized, a patient receiving medical treatment, academic or student, asylum-seeker or refugee, a native citizen of the MERCOSUR countries and associate members, a foreigner invoking humanitarian reasons or those which the Ministry of Foreign Affairs, International Trade and Worship consider special.

Foreigners admitted or authorized as temporary residents may carry out all kinds of remunerated or lucrative activity either on their own behalf or as an employee during the authorized period specified in their temporary residency visa.

Any person who invests AR\$ 1.5 million or more in the productive, commercial or services sector in Argentina is considered an investor by local legislation. Investors are granted a temporary residency visa for a period of up to three years, which may be extended and includes multiple departures from and entries to the country.

Current legislation requires foreign investors to present to the National Immigrations Office information on the investment project, detailing the origin of the funding. Funds must be transferred into the country through banking or financial institutions authorized by the Central Bank.

With the approval of the banking or financial institution, the Ministry of Industry analyzes the project and its implementation timetable in order to issue a non-binding opinion in regard to the nature of the investment, the legal viability of the project and its economic and financial sustainability.

Finally, the National Immigrations Office grants the investor temporary residency and sets a peremptory deadline for the completion of the investment.

Procedures for first entry into the country as a temporary resident

When entering the country for the first time, temporary residents must present the immigration authorities with the following documentation:

- Valid and current Passport, ID or other travel documentation.
- Current entry permit as a temporary resident.
- Valid Argentine consular visa as a temporary resident.

TRANSITORY RESIDENCE

Transitory residence is granted to foreign citizens wishing to remain in the country for a limited period of time and may be applied for in the following subcategories: tourists, transit passengers, border passes, international transport crew, seasonal migrant workers, academics, patients seeking medical treatment and other special cases.

Foreigners admitted or authorized as transitory residents may not perform any kind of remunerated or lucrative activity either on their own behalf or as an employee. The only exception to this rule applies to seasonal migrant workers or those with express authorization granted by the National Immigrations Office.

Current legislation recognizes in particular that special transitory residence status may be granted to foreigners entering and remaining in the country with the purpose of undertaking investments, business or market studies.

A special two-month transitory residence subject to extension may be obtained by foreigners doing business and engaged in economic or commercial activities either under their sole risk and responsibility, or as a stockholder of a company or legal entity involved in this kind of activity, or as a representative of these, as well as those entering the country with the purpose of taking part in fairs or exhibitions. Accordingly, they must present the following:

- Documentation containing the foreigner's personal data and the activities to be pursued in Argentina and the length of time these are expected to take.
- Records for the activity that the foreigner will be undertaking (commercial references, company statutes, documents certifying the existence of the company, etc.).
- Any other documentation deemed necessary by the National Immigrations Office.
- Payment for administrative services tax.

Procedures for first entry into the country as a transitory resident

Unless otherwise ruled by agreements or international treaties which establish other requirements for documentation or exemptions from visa control, foreigners must present immigration authorities with the following documentation:

- Valid and current passport.
- Valid Argentine consular visa.

PROVISIONAL RESIDENCY (RESIDENCIA PRECARIA)

Until a foreigner entry and permanent, temporary or transitory residence status has been completed and approved, the authorities may grant a provisional residency valid for 180 days subject to renewal.

Provisional residents may depart and enter the country freely during the period of their authorized stay, as-and-when they provide proof of their identity and residency status, subject to the regulations dictated by the National Immigrations Office. The term of the residency granted upon re-entry expires on the date of expiry of the provisional residency. If the provisional residency has expired when the foreigner leaves the country, a departure authorization must be obtained and the appropriate charges paid up.

Procedures for entering and departing the country as a provisional resident

In order to leave and re-enter the country, the following should be presented to immigration authorities:

- Valid and current travel documentation.
- Record of provisional resident status which must be stamped upon departure and re-entry.

3.3. Lease and acquisition of real estate

Business activities related to the development, acquisition and rent of real estate is mainly regulated by the National Civil Code and applicable throughout the country. There are regulations, licenses and specific authorizations issued by both provincial and municipal governments.

Rental property agreements are signed by both parties. One party agrees to concede the other the right to inhabit, use and enjoy the property in exchange for economic compensation (rent). The terms for residential rental property agreements range from two to 10 years, while for office space this period ranges from three to 10 years. Rent may be paid as agreed in any currency and indexation is forbidden. However, a scaled rent payment system with increases set for each period may be agreed upon in order to protect the landlord.

Most property acquisitions are made initially with a sales-purchase agreement. This agreement does not transfer ownership but ensures the right to demand this transfer. A document which transfers ownership signed before a notary public is the official sales agreement and transfers the property's ownership.

Property purchases by foreigners are not subject to prior authorization except in the case of real estate located in frontier security zones (areas which are strategically located for national defense purposes). These areas are comprised of areas along the country's land and sea borders and also include a zone surrounding military or civilian establishments inland which are particularly relevant for defense purposes.

Prior authorization is required for the transfer of ownership of real estate or the exploitation of permits and concessions located in security zones. This should be arranged with the National Commission of Security Areas (CNZS, for its acronym in Spanish).

3.4. Building permits

Permits for construction—building, extension or reform—are issued by municipal authorities. The documentation should be acquired prior to commencing work and includes the cadastre certification (Certificación de Nomenclatura Parcelaria), a certificate of use (Certificado de Uso Conforme), the building permit (Permiso de Edificación o Aviso de Obras, depending on the type of construction work to be carried out).

The cadastre certification is issued by the Cadastre Office corresponding to the area where the work is to be carried out. This certification is valid for six months following its issue due and indicates zoning restrictions, such as the broadening, opening or alterations to the public right of way.

Documentation required to obtain a building permit

- Application affidavit for the project and supporting documentation, adjusted to meet the rules in force.
- Certificate of use.
- Cadastre certification.
- Site plan of the surface area divided by class and category according to the classification of the tariff ordinance in force at the time of the presentation and the calculation of the respective amounts.

The certificate of use ensures that the use of a parcel of land, building, structure, installation of part of one is commensurate with the uses and zoning permitted by the legislation in force.

Building permits (Permiso de Edificación) should be requested from Private Works Office in the municipality where the construction work is to be done. These permits are required for the construction of new buildings, extensions, remodeling or alterations to previously built constructions; closing, opening or altering window openings in the facade; changing and carrying out the application of new surfacing to the main facade; putting up walls; changing or altering roofing; demolition and excavation; work involving mechanical, electrical, insulation or plumbing installations and any work involving flammable items, remodeling or transforming existing ones; opening up new rights of way; land surveys and status modifications; or building, extending or remodeling parking lots.

Municipal authorities also issue a works notice (Aviso de Obra) for construction work involving alterations to the curb; cleaning or painting main facades; opening, closing or altering window openings not in the main facade; re-plastering or changing the plaster on walls at the front of the property; carrying out or changing fronting, external plasterwork or similar; changing roofing materials; building ceilings; flattening and filling in land; making small alterations to mechanical, electrical thermal installations as well as those used for working with flammable items; putting up shop windows and awnings over the facade overlooking the public right of way, and performing tasks for which authorization is not required but which require a provisional barrier to be erected on the pavement for equipment and materials.

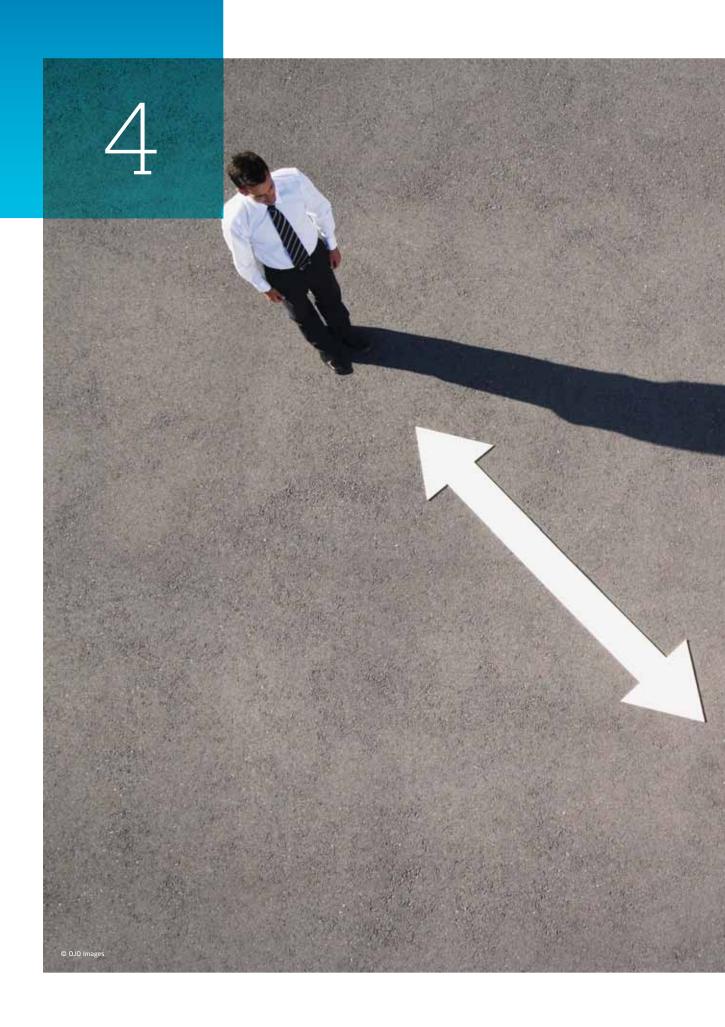
Documentation required to obtain a works notice

- Application forms in duplicate as affidavits of the tasks to be performed with details and costs.
- Cadastre certificate.
- Proof of payment of the corresponding rights, presented on an official form.

Environmental impact assessment

There are different laws and procedures governing the environmental impact of industries at provincial level. In general terms, provincial authorities require a company to present an environmental impact assessment (EIA) for a new project or modifications to an existing one. After the assessment has been approved by the regional authorities, a certificate of environmental aptitude is issued authorizing the company to carry out the project and its activity.

For further information, see Chapter 4, Section 4.5 (Environmental regulations) of this guide.





Chapter 4 Legal framework

Key legislation and regulations

4.1. Legal framework for FDI

In Argentina, foreign investors and their investments are protected by law, guaranteed by a set of national and international norms which make this country a safe destination for Foreign Direct Investment (FDI).

The Argentine Constitution guarantees foreigners equal treatment—as from its Preamble—and recognizes in Article 20 that foreigners have the same rights as Argentine nationals.

4.1.1. Foreign Investment Law

The Foreign Investment Law No. 21,382 defines the legal framework regulating foreign investment. This law covers the different ways in which foreign investors may invest in Argentina for the purposes of carrying out economic activities—manufacturing, mining, agriculture, commerce, finance, services or other activities related to the production and exchange of goods and services—or expand or perfect existing ones. No prior approval is required. The law states that foreign investors are granted the same rights and are subject to the same obligations as defined for domestic investors by the Argentine Constitution and laws. The legislation regulating foreign investment establishes certain definitions for this purpose:

- Foreign capital investment: All capital contributions issued by foreign investors for economic activities undertaken in the country and/or used for acquiring shares of an existing domestic company, on behalf of foreign investors.
- Foreign investor: All individuals or legal entities with permanent domicile outside national territory that invest foreign capital locally and domestic companies of foreign capital when they invest in local companies.
- Domestic company of foreign capital: Any company with permanent domicile within Argentina where individuals or legal entities with permanent domicile outside its borders directly or indirectly own over 49% of the capital or directly or indirectly have the number of votes required to control shareholders' or partners' meetings.
- Domestic company of domestic capital: All companies with permanent domicile in Argentina where individuals
 or legal entities also with permanent domicile in this country directly or indirectly own no less than 51% of
 the capital and directly or indirectly have the number of votes required to control shareholders' or partners'
 meetings.

By law, foreign investors have the following rights:

- To remit abroad profits earned as a return on their investment as well as repatriate their investment.
- To avail themselves of any of the legal forms of incorporation foreseen by Argentine legislation.
- To make use of domestic credit and loans with the same rights and under the same conditions as domestic companies of domestic capital.

The legislation also provides details on the ways in which foreign investment may be exercised:

- Convertible foreign currency.
- Capital goods, spare parts and accessories.
- Capital or profits in domestic currency belonging to foreign investors as long as they meet the legal requirements for transfer abroad.
- Capitalization of foreign loans in foreign convertible currency.
- Intangible assets, according to specific legislation.
- Other forms of contributions contemplated in special or promotional regimes.

The Foreign Investment Law also contemplates the treatment of provisional contributions and of the relationship between controlling and controlled companies. The provisional contributions of foreign capital made for the purposes of implementing lease contracts for goods, works or services or others are out of the scope of this law, being governed by the terms of the applicable agreements according to the legal requirements therein established. Nonetheless, the owners of these contributions may opt to make their investment within the terms of the Foreign Investment Law.

In regard to the relationship between controlled and controlling companies, legal agreements between a domestic company of foreign capital and the company directly or indirectly controlling it or another subsidiary of the latter are considered to be agreements between independent parties as long as their stipulations and conditions are in line with common practices in the market carried out by independent entities.

4.1.2. Bilateral Investment Treaties (BITs)

Argentina has signed the following bilateral investment promotion and protection treaties with different countries.

Bilateral Investment Promotion and Protection Treaties

| Country | Date signed (day/month/year) | National Law (number/year) | Effective date (day/month/year) |
|--------------------|---------------------------------|-------------------------------|---------------------------------|
| 1. Algeria | 04/10/2000 | 25,538/01 | 28/01/2002 |
| 2. Armenia | 16/04/1993 | 24,395/94 | 20/12/1994 |
| 3. Australia | 23/08/1995 | 24,728/96 | 11/01/1997 |
| 4. Austria | 07/08/1992 | 24,328/94 | 01/01/1995 |
| 5. Benelux | 28/06/1990 | 24,123/92 | 20/05/1994 |
| 6. Bolivia | 17/03/1994 | 24,458/95 | 01/05/1995 |
| 7. Bulgaria | 21/09/1993 | 24,401/94 | 11/03/1997 |
| 8. Canada | 05/11/1991 | 24,125/92 | 29/04/1993 |
| 9. Costa Rica | 21/05/1997 | 25,139/99 | 01/05/2001 |
| 10. Croatia | 02/12/1994 | 24,563/95 | 01/06/1996 |
| 11. Cuba | 30/11/1995 | 24,770/97 | 01/06/1997 |
| 12. Chile | 02/08/1991 | 24,342/94 | 01/01/1995 |
| 13. China | 05/11/1992 | 24,325/94 | 01/08/1994 |
| 14. Czech Republic | 27/09/1996 | 24,983/98 | 23/07/1998 |
| 15. Denmark | 06/11/1992 | 24,397/94 | 02/02/1995 |
| 16. Ecuador | 18/12/1994 | 24,459/95 | 01/12/1995 |
| 17. Egypt | 11/05/1992 | 24,248/93 | 03/12/1993 |
| 18. El Salvador | 09/05/1996 | 25,023/98 | 08/01/1999 |

| Country | Date signed (day/month/year) | National Law (number/year) | Effective date (day/month/year) |
|---------------------|---------------------------------|-------------------------------|---------------------------------|
| 19. Finland | 05/11/1993 | 24,614/95 | 03/05/1996 |
| 20. France | 03/07/1991 | 24,100/92 | 03/03/1993 |
| 21. Germany | 09/04/1991 | 24,098/92 | 08/11/1993 |
| 22. Guatemala | 21/04/1998 | 25,350/00 | 07/12/2002 |
| 23. Hungary | 03/02/1993 | 24,335/94 | 01/10/1997 |
| 24. India | 20/08/1999 | 25,540/01 | 12/08/2002 |
| 25. Indonesia | 07/11/1995 | 24,814/97 | 14/02/2001 |
| 26. Israel | 23/07/1995 | 24,771/97 | 10/04/1997 |
| 27. Italy | 22/05/1990 | 24,122/92 | 14/10/1993 |
| 28. Jamaica | 08/02/1994 | 24,549/95 | 01/12/1995 |
| 29. Lithuania | 14/03/1996 | 24,984/98 | 01/09/1998 |
| 30. Malaysia | 06/09/1994 | 24,613/96 | 20/03/1996 |
| 31. Mexico | 13/11/1996 | 24,972/98 | 22/07/1998 |
| 32. Morocco | 13/06/1996 | 24,890/97 | 18/02/2000 |
| 33. Nicaragua | 10/08/1998 | 25,351/00 | 01/02/2001 |
| 34. Panama | 10/05/1996 | 24,971/98 | 22/06/1998 |
| 35. Peru | 10/11/1994 | 24,680/96 | 24/10/1996 |
| 36. Philippines | 20/09/1999 | 25,481/01 | 01/01/2002 |
| 37. Poland | 31/07/1991 | 24,101/92 | 01/09/1992 |
| 38. Portugal | 06/10/1994 | 24,593/95 | 03/05/1996 |
| 39. Romania | 29/07/1993 | 24,456/95 | 01/05/1995 |
| 40. Russia | 25/06/1998 | 25,353/00 | 20/11/2000 |
| 41. Senegal | 06/04/1993 | 24,396/94 | 1/02/2010 |
| 42. Spain | 03/10/1991 | 24,118/92 | 28/09/1992 |
| 43. South Africa | 23/07/1998 | 25,351/00 | 01/01/2001 |
| 44. South Korea | 17/05/1994 | 24,682/96 | 24/09/1996 |
| 45. Sweden | 22/11/1991 | 24,117/92 | 28/09/1992 |
| 46. Switzerland | 12/04/1991 | 24,099/92 | 06/11/1992 |
| 47. Thailand | 18/02/2000 | 25,532/01 | 07/03/2002 |
| 48. The Netherlands | 20/10/1992 | 24,352/94 | 01/10/1994 |

| Country | Date signed (day/month/year) | National Law (number/year) | Effective date (day/month/year) |
|--------------------|---------------------------------|-------------------------------|---------------------------------|
| 49. Tunisia | 17/06/1992 | 24,394/94 | 19/01/1995 |
| 50. Turkey | 08/05/1992 | 24,340/94 | 01/05/1995 |
| 51. Ukraine | 09/08/1995 | 24,681/96 | 06/05/1997 |
| 52. United Kingdom | 11/12/1990 | 24,184/92 | 19/02/1993 |
| 53. United States | 14/11/1991 | 24,124/92 | 20/10/1994 |
| 54. Venezuela | 16/11/1993 | 24,457/95 | 01/07/1995 |
| 55. Vietnam | 03/06/1996 | 24,778/97 | 01/06/1997 |

In addition, Argentina has been an observer of the Investment Committee of the OECD since 1996 and is currently a member of the Multilateral Investment Guarantee Agency (MIGA), whose objective is to mitigate the risks of investment and provide advice and information on investment opportunities in emerging economies.

4.1.3. Bringing in and remitting funds

In Argentina, FDI is exempt from the 365-day statutory interest-free deposit, commonly known as "encaje". This deposit shall be made in US dollars with 30% of the equivalent in that currency to the total sum when there are foreign exchange inflows into the foreign exchange market.

According to the International Monetary Fund (IMF), the Central Bank of Argentina (BCRA, for its acronym in Spanish) defines FDI as the category of international investment that reflects the objective of a resident entity in one economy obtaining a lasting interest in an enterprise resident in another economy. In practical terms, a direct investment enterprise is one in which a direct investor, who is resident in another economy, owns 10% or more of the ordinary shares or voting power. Once this threshold has been reached, any further contributions made by the non-resident investor shall be considered as FDI, independent of the amount or percentage.

The only incoming funds of a foreign direct investor which must comply with the 30% deposit are those pertaining to external financial liabilities, except for those agreed on and settled at an average life of no less than two years and used to invest in nonfinancial assets.

According to Decree 616/2005, these foreign exchange regulations aim to maintain economic stability by discouraging speculative capital flows without affecting the inflow of foreign currency for productive investments.

Other inflows which are also exempt of the mandatory deposit, related to direct investment are:

- Income from nonresident investment applied to purchasing real estate.
- Foreign funds transferred by nonresidents to purchase real property under construction in installments in Argentina.
- Inflows in the local exchange market from external asset repatriations by residents.
- Foreign currency inflows into the local exchange market issued by a trust fund for energy infrastructure development.

There are no restrictions on the remittance abroad of interests, dividends, earnings, royalties or any other form of commercial payment as long as it is duly supported by the corresponding documentation.

REQUIREMENTS FOR EXCEPTIONS TO THE STATUTORY DEPOSIT

In order to apply for an exemption from the deposit as regards direct investment, the investor must present the following documentation, depending on the ultimate destination of the incoming funds.

- a) Capital contributions for the creation of new companies or to increase the capital stock in an existing company (BCRA Code 447).
- Proof of having begun the procedures to register the capital contributions at the Public Registry of Commerce corresponding to the relevant jurisdiction.
- Proof of the definitive capital contribution (authorization of the capital contribution by the Public Registry of Commerce) within 250 days of starting procedures. There is an option to extend this period for an additional 180 days when it can be shown that the delay in capitalization is due to causes beyond the control of the investor.

When the definitive capitalization of a contribution is not finalized, the investor has 10 working days in which to make the interest-free deposit of 30%.

- b) Sales of shares of local companies to direct investors (BCRA Code 453) as-and-when this purchase meets the definition of direct investment:
- Presentation of the corresponding purchase contract or takeover bid, as appropriate.
- Proof of having begun the procedures to modify the shareholder registration at the Public Registry of Commerce if appropriate and corresponds to the kind of corporate structure; or a certified copy of the share transfer in the share records (Libro Registro de Acciones). This proof must be presented within 20 working days of the decision to make changes.

In the case of a takeover bid with prior authorization from the National Securities Commission, when the transaction does not take place, or is carried out for less than the agreed amount due to lack of agreement among the shareholders, access will be provided to the local exchange market within 20 days following the date on which the takeover was partially or totally rejected in order to transfer the unused funds to the investor's account abroad.

- c) Capital contributions to reimburse equity or transfer funds to an Argentine subsidiary with no equity allocated from a foreign company in order to cover negative equity:
- Audited balance sheet immediately prior to the date in which the currency entered the country, providing proof
 of the amount of losses arising from the cumulative results during the period and the other items making up
 negative equity.
- General shareholders' meeting minutes, or equivalent body, providing proof of the acceptance of the contribution specifying its destination.
- Sworn statement concerning the destination of the funds, as well as the amount of the funds brought in subsequent to the date of the balance statement destined to cover losses if any.
- Within 90 days following the date of bringing in the funds, the investor must present to the banking entity involved the accounting certification regarding the effective use of the funds to compensate for losses, otherwise demonstrate that the deposit of 30% has been made.

In all the cases mentioned so far, if the appropriate documentation is not presented accordingly, the deposit of 30% must be made, to be released 365 days afterwards or upon the presentation of the appropriate documentation.

d) External financial liabilities at an average life of no less than two years and used to invest in nonfinancial assets:

Private sector financial liabilities with foreign entities if used for investing in non-financial assets is exempt from the deposit of 30%, as-and-when these debts are taken out and paid off during an average period of no less than two years, including the calculation of both interest and capital repayments in this term.

In this sense, non-financial assets include:

- Investments included in the balance sheet under "fixed assets", and/or
- "Intangible assets per mine costs", and/or
- "Research, prospecting and exploration costs", and/or
- Acquisition of "exploitation rights" included in the balance sheet under "intangible assets", and/or
- Investments in assets comparable to intellectual property rights which are traded by transferring exploitation rights and should be included in the balance sheet under "intangible assets", and/or
- Purchases of goods and services to be recorded under the heading "inventories" in the balance as long as these
 are not financial assets.

Communication "A" 4672 established the terms and requirements to submit documentary evidence of the operation being an exception.

When funds are destined for purchasing capital goods for production, the client has 30 days following the foreign exchange negotiation to present the documentation proving the effective application of the funds for this purpose as an exception.

When the destination of the financial liabilities described in this section is altered, the investor must make the non-remunerated deposit of 30% within 10 days following any change.

4.2. Tax system

In Argentina, tax revenue is collected by the Argentine national government, the provinces and municipal authorities. The tax system is structured based on dues levied on income, assets and consumption.

At a national level, the Federal Administration of Public Revenues (AFIP, for its acronym in Spanish), an independent entity that answers to the Ministry of Economy and Public Finance, is responsible for taxation.

The main taxes levied at national level include: Income Tax, Value Added Tax, Minimum Presumed Income Tax, Excise Tax, Personal Assets Tax, and Taxes on Debits and Credits in Bank Accounts and Other Operations.

At the provincial level, taxation is collected and administered by the provincial duties departments, entities subordinate to the respective ministries of economy in the provinces. The main provincial taxes are Gross Income Tax (or Turnover Tax), Stamp Tax and Real Estate Tax.

Municipalities collect a number of taxes and duties.

4.2.1. Federal taxes

INCOME TAX

All income, including capital gains, is subject to taxation. Companies residing in Argentina pay taxes on their world income. However, they may submit as payment the amount spent on similar taxes on their activities abroad up to the limits established on the increase in tax obligations arising from the incorporation of the earnings gained abroad.

For taxation purposes, those considered residents are: Argentines and nationalized foreigners, foreigners with permanent residence in Argentina or those who have legally resided in the country for 12 months; the undivided estate of deceased taxpayers who were Argentine residents on the date of their death; incorporated businesses (SAs) and other business forms (one-person companies, civil associations, foundations, etc.) established in the country. Local subsidiaries of companies established abroad are considered resident entities and thus subject to taxation.

The tax rate applicable to resident companies and branches set up in this country belonging to non-resident companies is 35% of total earnings.

Non-resident companies that do not own branches or any other permanent establishments in Argentina are only subject to taxes on income earned locally. The tax is withheld by a withholding agent in Argentina according to a tax scale dependent on the type of income. These rates arise from the application of a 35% levy on presumed earnings as established by the law on income tax.

As in many countries, the taxpayer files an income tax report once a year. The tax result (profit or loss) is determined according to rules set by the corresponding legislation on taxable income as regards costs and deductible expenses, exemptions and personal deductions, inventory and credit valuation methods, loss carry forwards, etc.

DOUBLE TAXATION AGREEMENTS (DTA)

Argentina has signed ample agreements with different countries in order to avoid double taxation for companies or individuals in regard to income, capital and/or assets.

Double taxation agreements signed by Argentina

| Country | Agreement signed on (day/month/year) | Law | Effective date (day/month/year) |
|-----------|--------------------------------------|---------------|------------------------------------|
| AUSTRALIA | 27/08/1999 | 25,238 | 30/12/1999 |
| | | O.B. 31/12/99 | |
| BELGIUM | 12/06/1996 | 24,850 | 22/07/1999 |
| | | O.B. 22/07/97 | |
| BOLIVIA | 30/10/1976 | 21,780 | 04/06/1979 |
| | | O.B. 25/04/78 | |
| BRAZIL | 17/05/1980 | 22,675 | 07/12/1982 |
| | | O.B. 17/11/82 | |
| CANADA | 29/04/1993 | 24,398 | 30/12/1994 |
| | | O.B. 13/12/94 | |
| CHILE | 13/11/1976 | 23,228 | 19/12/1985 |
| | | O.B. 01/10/85 | |

| Country | Agreement signed on (day/month/year) | Law | Effective date (day/month/year) |
|---------------------------|--------------------------------------|---------------|------------------------------------|
| Protocol* | 23/02/2003 | 26,232 | |
| | | O.B. 26/02/07 | |
| DENMARK | 12/12/1995 | 24,838 | 03/09/1997 |
| | | O.B. 24/07/97 | |
| FINLAND | 13/12/1994 | 24,654 | 05/12/1996 |
| | | O.B. 10/07/96 | |
| FRANCE | 04/04/1979 | 22,357 | 01/03/1981 |
| | | O.B. 30/12/80 | |
| Protocol** | 15/08/2001 | 26,276 | 01/10/2007 |
| | | O.B.13/08/07 | |
| GERMANY | 13/07/1978 | 22,025 | 25/11/1979 |
| | | O.B. 23/07/79 | |
| | | 25,332 | |
| Protocol | 16/09/1996 | O.B. 14/11/00 | 30/6/2001 |
| ITALY | 15/11/1979 | 22,747 | 15/12/1983 |
| | | O.B. 24/02/83 | |
| Protocol | 03/12/1997 | 25,396 | 14/03/2001 |
| | | O.B. 15/01/01 | |
| NORWAY | 08/10/1997 | 25,461 | 30/12/2001 |
| | | O.B. 13/09/01 | |
| SPAIN | 21/07/1992 | 24,258 | 28/07/1994 |
| | | O.B. 19/11/93 | |
| SWEDEN | 31/05/1995 | 24,795 | 10/05/1997 |
| | | O.B. 14/04/97 | |
| SWITZERLAND*** | 23/04/1997 | | 01/01/2001 |
| | | | |
| Protocol of | 23/11/2000 | | 01/01/2001 |
| Amendments and Additions. | | | |
| THE | 27/12/1996 | 24,933 | 11/02/1998 |
| NETHERLANDS | | O.B. 15/01/98 | |
| UNITED | 03/01/1996 | 24,727 | 01/08/1997 |
| KINGDOM | | O.B. 04/12/96 | |

^{*} Retroactive provisional application: 12/31/2002.

VALUE ADDED TAX (VAT)

VAT is a tax applied on the price of the sales of goods and services at each stage of the commercialization process, taking as payment on account the amounts paid of this tax during earlier stages in the process.

 $[\]hbox{\ensuremath{^{**}} Source: Directory of Treaties. Ministry of Foreign Affairs, International Trade and Worship}\\$

^{***} The double taxation agreement with Switzerland is only provisionally in force and is currently being renegotiated and awaiting approval.

General VAT is 21% while the differential VAT rate is 10.5%. The latter is applied to various goods and services: the sale of capital goods, transport (except for international travel), the sale of newspapers, magazines, brochures and periodicals, prepaid health coverage and interest on foreign and domestic bank loans. Finally, a 27% VAT rate is applicable to the sale of metered natural gas, electric power and water and telecommunications. Imports are also subject to this tax at the same rates as domestic goods or services.

Exports are not subject to tax. Exporters may obtain a refund on the tax credit for VAT billed to them for the goods purchased. Services developed in the country whose economic use is carried out abroad are not subject to tax.

VAT payments must be made monthly; the amount due is the difference between fiscal credit resulting from purchases and fiscal debit resulting from sales operations.

MINIMUM PRESUMED INCOME TAX

This annual tax of 1% applies to all assets (located both in Argentina and abroad) of Argentine companies. It is also applied to goods located in Argentina which are the property of permanently established foreign individuals or entities.

The amount to be paid as Income Tax is considered as payment for this particular tax. If the Income Tax to be paid is greater than the Minimum Presumed Income Tax, only the former is to be paid. If, however, the Minimum Presumed Income Tax is greater than the Income Tax due, the excess may be used for a maximum period of 10 years to compensate for the potential over-charge of Income Tax defined concerning the allowance mentioned in the first instance.

The calculation of tax credits for parallel taxes paid abroad for goods located outside Argentine territory is admitted. Similarly, advances received on account of the taxes to be levied in each tax period should be recorded.

PERSONAL ASSETS TAX

The Personal Assets tax is applied to personal wealth, levied on assets owned by individuals and undivided estates at the close of each fiscal year (December 31).

Residents are obliged to pay the equivalent to 0.5% of their personal estate if valued between AR\$ 305,000; 0.75% if their personal estate is valued between AR\$ 750,000 and AR\$ 2 million; 1% if valued between AR\$ 2 million and AR\$ 5 million; and 1.25% if valued over AR\$ 5 million. It should be noted that individuals established in Argentina are liable for taxes on goods located both in Argentina and abroad.

Individuals whose permanent domicile is outside Argentina are taxed on their assets in Argentina. The applicable regime is that of liable proxy subject with a tax rate of 1.25%.

Nonetheless, since fiscal year 2002, there is a presumption in force which does not admit evidence to the contrary, according to which, individuals domiciled abroad or undivided estates established there may indirectly own stock and/or shares in the capital of Argentine companies whose owners are companies or any other kind of legally valid entity, companies, stable establishments, appropriation of wealth or exploitations, domiciled or established abroad. Likewise, as from then, Argentine companies are obliged to calculate and pay taxes on the stock and/or shares in the capital of Argentine companies as liable proxy, calculating the rate on the basis of a 0.50% charge on the value assigned to the stock/shares (net assets of the Argentine company as of December 31 of each year, excepting certain circumstances).

EXCISE TAX

These are applied to the consumption of certain products at different rates and according to different payment and declaration regimes. In general, these taxes are applied to manufacturers or importers at the moment of selling their product (spirits, tobacco, luxury goods, etc.).

TAX ON DEBIT AND CREDIT BANK TRANSACTIONS AND OTHER OPERATIONS

This tax is applied to credits and debits in bank accounts in entities governed by the Law of Financial Entities. The general rate applied is 6% (six per thousand) for debits and 6% (six per thousand) for credits.

In addition, all money transactions are taxed 12‰ (twelve per thousand) if carried out using payment systems that replace the use of banking current accounts. It should be noted that there are certain differential rates and exemptions which may be applied to specific operations.

4.2.2. Provincial taxes

GROSS INCOME TAX

All the provinces and the City of Buenos Aires apply this tax to the gross income of every company carrying out any commercial, industrial, agricultural, financial or professional activity.

The tax is levied on each commercial transaction and no fiscal credits are awarded for taxes paid during the preceding periods. The taxes levied vary for different industries and sectors, ranging between 1.5% and 4%. The taxes are paid throughout the year with payments made monthly or every two months, varying from province to province. Primary and industrial activities are mostly exempt.

STAMP TAX

The Stamp Tax is levied by each province on public or private deeds, contracts and other transactional documents of any value.

In general, the tax rate charged is 1% although it may vary according to the deeds as well as the current legislation in different provinces. In the City of Buenos Aires, this tax is only applied to transfers of property ownership and commercial lease contracts or property sublets. The rate applicable to the transfer of property ownership is 2.5% and 0.5% on leases or sublets.

REAL ESTATE TAX

Properties in every jurisdiction are liable for annual taxes which are calculated by applying the rates fixed by the law on the taxation of the property's fiscal valuation of land free of improvements, and on improvements.

Real Estate Tax is applied to the value of the land and buildings without taking into account the taxpayer's financial situation. The amount is set by the corresponding application body and is calculated according to the tax laws of each fiscal period which establish the valuation and rate scales to be applied on taxable income according to the system foreseen for each kind of property.

4.2.3. Municipal taxes

Municipalities collect a number of fees and contributions for providing services such as industrial safety, public hygiene and lighting calculated on the basis of income or other fixed parameters such as personnel figures, driving force capacity/horse power, etc.

4.3. Hiring personnel

4.3.1. Types of hiring contracts

The Law of Employment Contracts No. 20,744 (Ley de Contrato de Trabajo, LCT for its acronym in Spanish) establishes the framework for hiring personnel.

NON-FIXED-TERM CONTRACTS

Typical employment contracts in Argentina are non-fixed term, which implies that the working relationship may continue indefinitely until a specific cause makes it impossible to continue. Possible scenarios include an employee's resignation, dismissal with or without cause decided by the employer, retirement (meeting the legal requirements) or the employee's death.

The law establishes a trial period of three months before the end of which the employer must register the labor relationship. During these three months, both parties are subject to the rights and obligations inherent to an employment relationship, with the exception that both employer and employee may terminate the relationship without need for justification and without the employee receiving severance. The party seeking termination must give 15 days' notice to the other party.

A non-fixed-term contract generally contemplates a full-time commitment, which is to say eight hours per day, or 48 hours a week maximum, as established in the sector or in the company's collective agreement. However, the employer may require a worker's services part-time for a specific number of hours per day or week or month, representing less than two thirds of the normal working day (as described in Article 2 of the LCT). In this case, remuneration may not be less than the proportional amount which would correspond to a full-time employee established either by law or by collective agreement for the same category or job position. Part-time workers may not work overtime.

In a non-fixed term contract, the employer may decide to terminate the relationship without giving any reason. After the trial period has finished, the employer must give an employee who has been with the company for less than five years a month's notice and two months' notice if the employee has worked with the company for more than five years. The employer must pay the employee severance based on a month's salary for each year of service, or fraction of a year over three months based on the employee's historically highest regular monthly wage (Article 245 of the LCT). Employees must give two weeks' notice irrespective of years of service when terminating a work contract.

SPECIAL WORK CONTRACTS

In order to provide an appropriate legal framework to suit the specific needs of both companies and employees, the LCT contemplates a number of different contract forms: the fixed-term contract (Articles 90 and 93 to 95); the temporary work contract (Articles 99 and 100) and the crew or team work contract (Article 101).

FIXED-TERM CONTRACTS

This form of contract has a fixed term that cannot exceed a five-year period. It may be used when duly justified, for example, to cover a non-permanent post within a company or the post of a worker on leave of absence.

The contract should be provided in writing and explicitly state its duration. The employer is obliged to give the worker due notice (via telegram or certified letter) of the contract's termination with no less than one month and no more than two month's notice, except when the contract's duration is less than a month.

If an employer does not provide the worker with due notice of the termination of the contract 30 days before its expiry date or if the tasks to be performed do not merit a fixed-term contract, the law establishes that the fixed-term contract should be considered a non-fixed-term contract.

If the working relationship under a fixed-term contract after a period of at least one year comes to an end as foreseen by the term of the contractual agreement or the completion of the tasks and due notice has been given, the worker has the right to receive a severance payment. The amount to be paid is calculated as half of the sum foreseen by Article 245 of the LCT.

In the case of unfair dismissal before the expiry date of the contractual agreement, the worker has the right to receive the severance payment foreseen for non-fixed-term work contracts (Article 245 of the LCT) in addition to damages suffered by the worker due to the breaking of the contract. In general, judges' rulings award payment of a sum equivalent to the wages calculated from the date of termination up until the end of the contract's original term. This payment replaces the one required when the corresponding notice period has not been given by the employer.

SEASONAL / TEMPORARY WORK CONTRACTS

Article 96 of the LCT establishes that seasonal or temporary work contracts may be used for hiring workers to cover certain tasks corresponding to the company's seasonal activity and whose very nature means that they are only required during certain times of the year and are repeated on a cyclical basis according to the type of activity involved.

This kind of contract covers the services provided by workers working in sectors such as tourism and agriculture, specifically in harvesting and other rural activities linked to fruit growing (citrus fruit, soft fruits, etc.). This latter activity is not included under the National Agricultural Working Regime (Law No. 22,248).

A seasonal work contract is active and valid during the period of activity; outside the period specified in the contract, all obligations cease, meaning that the worker neither provides services nor receives payment from the employer.

The law considers temporary work contracts to be non-fixed-term contracts which do not include a trial period. If the worker carries out the tasks as required during one season, the worker has the right to be re-hired for the following one. In order to make these rights effective, the employer must invite the worker to take up the job in writing at least 30 days before the start of the new season. The worker must accordingly issue written acceptance or make a physical appearance at the employer's address within five days of being notified. If the employer does not extend the invitation, the worker may consider him/herself unfairly dismissed and has the right to receive a severance payment, equivalent to the time worked, added to damages suffered, particularly if the season is under way.

Severance payment is subject to Article 245 of the LCT, not taking into account off-season periods. Severance for damages is calculated just as it is in the situation of an unfair dismissal under a fixed-term contract.

Labor relations in the agricultural sector, excluding the tasks involved in fruit harvesting and/or packing, are governed by Law No. 22,248, which provides for different types of contracts, and in the case of cyclic or seasonal services, the hiring of personnel must be specified in the framework of a non-fixed-term work contract, the regulations for which can be verified in Article 77 and others of the afore-mentioned law.

CASUAL WORK CONTRACT

A casual work contract is used for those tasks required by an employer that are not contemplated within the sphere of the company's current activity. A causal work contract can be used for any number of tasks, from the refurbishing of an industrial establishment to the presentation of products at a corporate event. It is also appropriate for covering tasks which are usually undertaken within the company but have grown in volume or quality (for example, replacing a worker on leave or meeting higher work demands).

The employer may decide to hire the worker directly or through a temporary work agency (ESE, for its acronym in Spanish) with the appropriate authorization provided by the Ministry of Labor, Employment and Social Security. These agencies specialize in providing their corporate customers with personnel services to cover the needs described above.

Should the employer decide to hire the workers directly, the contract should be drawn up in writing with copies for the worker and the union within the 30 days after its signing.

If this contract is for the temporary replacement of another worker, the salaried employee must be named in the contract, and if the aim is to meet extraordinary working requirements, these should be described in detail, outlining the reasons for the situation.

A casual work contract may not be used to hire a worker in order to replace another that has abstained from work to take legitimate strike action, or if the employer has suspended or made redundant other workers as a result of a reduction in the number of tasks to be performed over the last six months.

As the term of these contracts cannot be defined beforehand because their duration is contingent on the task or activity to be performed, the working relationship begins and ends with the provision of the service or performance of the tasks.

However, in accordance with the dispositions of National Employment Law No. 24,013, if the contract has the purpose of meeting extraordinary market requirements, such cause may not last more than six months per year or more than one year every three years (Article 72).

If these terms are exceeded, the contract is considered to be a non-fixed-term contract featuring the provision of services on an interrupted basis (seasonal or temporary work contract) or a non-fixed-term contract featuring the ongoing provision of services as appropriate.

The employer is not under any obligation to give the worker any type of severance payment when the contract finalizes upon the conclusion of the tasks, work or services contemplated. However, if before the contract's term is complete, the worker is unfairly dismissed, the worker has the right to receive a severance payment as foreseen in Article 245 of the LCT.

CREW OR TEAM WORK CONTRACT

Crew or team or group work contracts are drawn up between an employee and a group of workers to undertake an activity or tasks which are common to the team or group.

The working relationship exists between the employer and each one of the workers making up the team. Once they have been hired, each one has the rights and obligations pertaining to any work contract.

By law a contract in which a company, association, community or group of people are obliged to provide services, work or carry out tasks typical of a working relationship for a third party, in a permanent or exclusive form, is considered to be a team work contract and each one of its members is taken to be a worker dependent on the third party to whom the services have been rendered.

4.3.2. Work experience contracts for training purposes

The legal system in Argentina contemplates a number of specific labor and non-labor contractual forms designed to encourage young people with no job experience to enter the labor market to work for companies and acquire necessary experience. These include internships and apprentice contracts.

APPRENTICE CONTRACTS

The aim of this type of work contract is to provide theoretical and practical training. It is regulated by Article 1 of Law No. 25,013 and amended by Law No. 26,390.

It is drawn up between an employer and young unemployed person of between 16 and 28 years of age, as-and-when no prior working arrangement has existed between them. It has a minimum duration of three months and a maximum period of one year. Working hours may not exceed 40 hours per week.

Once the working relationship has finalized as stipulated by the contract, the employer is not obliged to pay the worker any form of severance, provided the employer gives the worker 30 days' notice before the expiry of the contract; if proper notice is not given, the employer is liable for half a month's salary.

However, if the working relationship terminates before the end of the period stipulated and without due cause given by the employer, the worker is entitled to receive the severance payment foreseen in the law applicable to workers governed by the non-fixed term contract mode.

In all cases, the worker or apprentice has the right to demand that the employer supply a certificate stating the experience or skill acquired.

Non-compliance by the employer with the obligations foreseen in the framework of this contract transforms this working relationship into one of a non-fixed-term contract, granting the worker the corresponding legal rights.

As well as these norms, the employer must know that if the apprentice contract is drawn up with a minor between 16 and 18 years old, the work rules and regulations for minors detailed in Articles 187 to 185 of the LCT apply. Furthermore, it should be noted that under no circumstances may an apprentice contract be drawn up if the employer is a cooperative or temporary work agency.

EDUCATIONAL INTERNSHIPS

A legally constituted company in the private sector may draw up internship working contracts with students from higher education institutes, permanent adult education and professional training establishments for people over 18, when an agreement has previously been drawn up with these educational organizations under the terms of Law No. 26,247 which regulates the educational internship system (Sistema de Pasantías Educativas).

An internship is not considered to be a labor relationship as its objective is to promote learning experiences in public or private organizations which are related to the course material studied at the educational establishment.

The key features of the internship contract are the following:

- Drawn up in writing and specifying the contents of the educational internship program, as well as duration, working hours, place where it is to be carried out and a detailed description of the tasks assigned to the intern.
- According to the terms defined in the agreement, the contract should have a minimum duration of two months and a maximum of 12 months. It may be renewed for an additional six months by means of a new agreement.
- The intern has the right to receive a specific sum of money which is not however considered to be remuneration. The value of this sum is calculated based on the collective agreement basic salary corresponding to the company and is proportional to the number of hours worked by the intern. For those activities not contemplated by the collective agreement, the sum is determined by calculating the minimum living wage proportionately to the hours worked by the intern.
- The number of hours worked a week must not exceed 20.
- The intern has the right to study, sickness and accident leave as well as other standard benefits granted to company personnel under the terms specified in the regulations.

The company must provide the intern with the appropriate health coverage as foreseen in Medical Care Insurance Law No. 23,660 (Ley de Obras Sociales) and must take out insurance for accident or sickness as foreseen in the Occupational Hazards Law No. 24,557 (Ley de Riesgos del Trabajo) to cover eventualities of this kind arising in the context of the tasks performed by the intern and /or in the establishment where the intern works.

The regulations define the maximum number of interns that each company may hire, which is proportional to the size of the same and the number of mentors assigned for this purpose.

4.3.3. Remuneration

Remuneration is defined as retribution received by the worker as a consequence of the work contract (Article 103 of the LCT). This may consist of a sum of money, or part in money and up to 20% of the total value in kind, accommodation or food.

The amount due as remuneration must be equal in value to that defined for the category of worker's post on the salary scale of the collective agreement applicable to the activity or company in which the employee works.

As regards remuneration, the employer has the following duties:

- To pay the salary in money by means of a bank deposit in an account in the worker's name. This account must be opened in authorized banking entities with automatic telling machines in a radius of no more than two kilometers from the place of work in urban areas, and ten kilometers in non-urban or rural areas. Account administration shall not be subject to bank charges.
- Provide a paycheck receipt in duplicate.
- Comply with the payment terms as foreseen by the LCT: for salaried workers, this should be paid at the end of the month, while daily workers paid wages should be paid weekly or fortnightly; workers paid in parts should be paid weekly or fortnightly for the total amount of work provided during that period. Once these periods have expired, the employer has four working days to pay workers paid on a monthly or fortnightly basis, and three days for those receiving weekly wages.

MINIMUM LIVING WAGE

Under no circumstances may the total remuneration received monthly by an employee working a full working day be less than the minimum living wage foreseen in Article 14 bis of the Argentine Constitution and foreseen by Article 116 of the LCT.

As detailed in Article 139 of Law No. 24,013, this is defined by the National Council for Employment, Productivity and an Adjustable Minimum Living Wage (Consejo Nacional del Empleo, la Productividad y el Salario Mínimo, Vital y Móvil) made up of representatives from the private sector, unions and the executive branch of the national government.

ANNUAL COMPLEMENTARY SALARY PAYMENT

All workers are entitled to a thirteenth month of salary, known as the "aguinaldo" in Spanish. Law No. 23,041 and its Regulatory Decree No. 1,078/84 establish that the payment should be calculated on the basis of 50% of the highest monthly salary paid in the last six months, once in June and again in December. The aguinaldo is paid annually in two installments: the first on June 31 and second on December 31.

SOCIAL SECURITY

Companies make employer contributions to cover the social security services of their employees. These contributions cover family allowances, medical services, pension plans and unemployment funds. The rates are 27% of the gross salary paid for employers whose main activity is the provision and lease of services, and 23% for other employers.

REMUNERATION ON HOLIDAYS AND NON-WORKING DAYS

On national holidays and non-working days, workers should be paid as usual. If required to work during these days, they should be paid their normal salary plus an extra 100%.

National holidays and non-working days are listed below:

NATIONAL HOLIDAYS

| Date* | Occasion | |
|-----------|------------------------------------|--|
| January 1 | New Year's Day | |
| Variable | Monday and Tuesday of Carnival | |
| March 24 | Memorial Day for Truth and Justice | |
| April 2 | Malvinas´ Veterans Day | |
| Variable | Holy Friday | |
| May 1 | Labor Day | |
| May 25 | May Revolution Day | |
| June 20 | General Belgrano Memorial Day | |

| Date* | Occasion | |
|---------------|---------------------------------|--|
| July 9 | Independence Day | |
| August 17** | General San Martin Memorial Day | |
| October 12** | Cultural Diversity Day | |
| November 20** | National Sovereignty Day | |
| December 8 | Immaculate Conception | |
| December 25 | Christmas Day | |

^{*} Decree 1,584/2010.

Decree 1,584/2010 sets national holidays and establishes that when a holiday falls on a Tuesday or a Thursday the Executive Power will set two additional holidays per year coinciding with the Monday or Friday immediately after or before the holiday with the objective of fostering tourism. Such days should be remunerated under the same conditions as national holidays. These must be established for a three-year period with a 50 days' notice prior to the end of the calendar year. Indeed, Decree 1,585/2010 establishes as holidays with tourism purposes March 25 and December 9 of 2011; April 30 and December 24 of 2012; and April 1 and June 25 of 2013.

Non-working days for religious observance

| Date | Occasion | |
|----------|--|--|
| Variable | Holy Thursday (Christian religious festival) | |
| Variable | Jewish Easter* | |
| Variable | Jewish New Year* | |
| Variable | Yom Kippur* | |
| Variable | Eid al-Adha** | |
| Variable | Muslim New Year** | |
| Variable | Eid al-Fitr ** | |

^{*} Decree 1,584/2010 establishes two days for Jewish New Year and Yom Kippur, and the first two days and the last two days of Jewish Easter as non-working days for those professing the Jewish faith.

4.3.4. Occupational hazards

The employer is obliged by law to take out risk insurance to cover occupational hazards either with a work risk insurance company (ART, for its acronym in Spanish) or another insurance provider in order to cover all employees in case of work-related accidents or illness.

An accident is considered to be work related if it occurs in the work place or during the journey between work and an employee's home, as-and-when the injured party has not interrupted his/her route for reasons unrelated

^{**} The national holiday corresponding to August 17 will fall on the third Monday of that month; the holiday of October 12, on the second Monday of that month; and the holiday of November 20, on the fourth Monday of that month.

^{**} Decree 1,584/2010 establishes one day for Muslim New Year, one day for Eid al-Adha, and the day after Eid al-Fitr as non-working days for those professing the Islamic faith.

to work. The worker may provide written evidence to the employer, who must in turn present this documentation to the insurance company within 72 days, that the itinerary was modified for reasons of study, going to work at another location, or attending a sick close relative not sharing the same dwelling. This certificate should be presented to the employer within three working days.

OBLIGATORY LIFE INSURANCE

The employer must take out a life insurance policy within 30 days of hiring an employee, which will be is in effect from the beginning of the employee's activity with the company. This life insurance does not cover total, absolute, permanent and irreversible disability as it is limited to the worker's death.

4.3.5. Vacations and leave

VACATION

Ordinary annual leave (vacation) is the amount of paid leave given by the employer to employees. The number of days depends on seniority: 14 consecutive days for less than five years and more than six months; 21 consecutive days for over five and less than 10 years; 28 consecutive days for over ten and less than twenty years and 35 consecutive days for over twenty years.

The worker must have provided services at least during half the working days in the calendar year. If this is not the case, the worker is entitled to one day's leave for every twenty days worked.

The employer must allow workers to take leave from October 1 to April 30 of the following year. A vacation period may be extended by a third of the period immediately prior to it, if this was not used up. This situation should be agreed by both parties. Leave begins on a Monday or the following working day if this is a holiday.

PAID MATERNITY LEAVE

All women have the right to employment stability during pregnancy. The LCT establishes paid maternity leave as up to 45 days before birth and up to 45 days after. However, the party concerned may opt to have the period of leave before birth reduced to a minimum of 30 days and transfer days to the postnatal period. In the case of premature birth, maternity leave is taken after the birth in order to comply with the 90-day period of leave established.

Once her leave has finished, the mother may either:

- a) Return to work as before.
- b) Resign from her job and receive a severance payment including 25% of the remuneration calculated on the basis of the average set in Article 245 for each year of service or fraction over three months. This resignation may be tacit (if the decision is not communicated up to 48 hours before the leave period finishes) or explicit.
- c) Request an extension of her leave for an additional period of between three and six months, known as "extended leave", which is not paid.

The mother has the right to two 30-minute breaks per day for breast-feeding purposes for up to one year following the birth of a child.

OTHER FORMS OF LEAVE

The worker is entitled to the following special paid leave:

- Birth of child: two consecutive days (paternity leave)
- Marriage: ten consecutive days.
- Death of wife, partner, children or parents: three consecutive days.
- Death of sibling: one day.
- Exams in university or high school: two consecutive days per exam with a maximum of ten days per calendar year.

ILLNESS

Article 208 of the LCT establishes that each and every blameless accident or illness which prevents the worker from providing services shall not affect the worker's entitlement to receive remuneration for up to a period of three months if he/she has a seniority of less than five years and up to six months if seniority is over five years.

In those cases where the worker is responsible for maintaining a family, and due to illness is prevented from working, the periods during which he/she is entitled to receive remuneration may be extended to six or twelve months, respectively, depending on whether his/her seniority is less or more than five years.

WORK-RELATED ACCIDENTS AND ILLNESS

There is compensation destined to cover contingencies in the case of injury or illness arising in a work-related context. These benefits also include invalidity pensions or compensation in the case of death.

Companies should provide medical care and treatment for rehabilitation if necessary. Employers are thus obliged to take out policies with work-risk insurance companies to cover these kinds of situations.

4.3.6. Minimum working age

Law No. 26,390 prohibiting child labor and adolescent labor increased the minimum age of employment to 16 years of age as of May 25, 2010. Family companies can obtain a permit from the labor administration authorities in order to employ a child over 14 years old and under 15 in companies as long as the owner is the child's father, mother or guardian. Children may work three hours a day and up to fifteen hours a week, as long as the tasks required are not painful, dangerous or unhealthy, and they are able to meet their school attendance requirements. This authorization may not be granted if the company is economically dependent, a subcontractor or supplier of another company.

4.3.7. Dismissal

A work contract may not be dissolved by either party without prior notice. If it is dissolved by the employer, he/she must pay severance. The LCT regulates the notice period (Article 231) and establishes that unless the parties fix a longer period, this should be as follows:

- a) by the employee, 15 days;
- b) by the employer, 15 days when the worker is still in the phase of trial period, and one month when the worker has a seniority of less than five years, and two months when it is more. (Law No. 25,877).

The party that omits to give notice or does not give sufficient notice must pay the other a substitute indemnity equivalent to the remuneration which corresponds to the worker during the terms given in Article 231 of the LCT.

The worker has two years in which to instigate legal proceedings for the purposes of collecting payment.

4.3.8. Registering the work relationship

Whichever the contractual form chosen by the employer and agreed to by the worker as a way of defining the provision of services, the employer is obliged to register the work relationship, even during the trial period in the case of a non-fixed-term contract.

The employer must have a Tax Registration Number (CUIT, for its acronym in Spanish) and be registered as an employer. Both these procedures may be carried out at the offices of the AFIP. If the worker does not have a Labor Registration Number (CUIL, for its acronym in Spanish), this must be requested at the National Social Security Administration (ANSES, for its acronym in Spanish).

Using a registration system known as "Mi Simplificación", the employer may in a single-step procedure communicate the statement of employment to the corresponding health insurance company and work-risk insurance company contracted to cover him/her for occupational hazards. The employer should also state the collective agreement applicable, data concerning the worker's family and other significant information about the working relationship.

The employer is obliged to report every new employee and has up until the day immediately prior to the effective commencement of his/her tasks, whichever the contractual form chosen, even when these are interns. The procedure can be carried out on the Internet by accessing the website of AFIP (www.afip.gov.ar) or in person at the local AFIP office where the employer is registered.

In addition, the employer must register the worker, with the relevant data pertaining to the labor relationship, in a legal register (Libro Especial de Sueldos y Jornales) foreseen in Article 52 of the LCT. The register should be endorsed by the local labor entity and treated as the accounting books.

During the duration of the working relationship, the employer must submit to the AFIP a monthly sworn statement (AFIP Form 931) with the information regarding the workers currently employed and the salaries or wages paid, calculating and making the corresponding social security contributions.

Employers employing five workers or less must meet their obligations to provide a sworn monthly statement by using the application on the website called "Su Declaración" (www.afip.gov.ar) which helps to draw up the corresponding form using the data already entered by the employer in "Mi Simplificación" and in the Argentine integrated retirement system (SIPA, for its acronym in Spanish). This system is currently optional for those employers with a staff of six to ten employees.

Should the working relationship come to an end for whatever reason, the employer should communicate the termination of employment at the Registry of Social Security (Registro de Altas y Bajas en Materia de Seguridad Social) within five days of terminating the labor contract.

Registering the work relationship allows the worker to enjoy all the benefits of social security recognized by law, including:

- Health coverage for the worker and his/her family.
- Insurance for work-related accidents and illness with an ART
- Family allowances.

- Pension or invalidity pension as relevant in the case of an illness which prevents the worker from performing his/her allotted tasks.
- If the working relationship is ended against his/her will, the worker is entitled to collect unemployment benefit

4.3.9. Incentives for contracting personnel

For a detailed description of the incentives and benefits for hiring workers, please see Chapter 6, Section 6.5 on Employment incentives.

4.4. Intellectual property

4.4.1. Copyright

Law No. 11,273 protects the copyright of scientific, literary and artistic works, including written works of all kinds and lengths. Copyright protection is extended to source and object computer programs; data or other kinds of compilations; plays, musical and dramatic musical compositions; film, choreography and pantomime; drawings, paintings, sculpture, architecture; art and science models and pieces applied to trade or industry; engravings, maps and blue prints; plastic works, photographs, engravings and phonograms.

A copyright represents the exclusive rights granted the author or creator to use, publish, execute, represent and exhibit in public, transfer, translate or authorize a translation, adapt and reproduce in any form his/her scientific, literary or artistic work.

Copyright protection applies to authors or creators during their lifetime and is transferred to their heirs or successors for seventy years as from January 1 following the author's death. In regard to film, copyright protection is extended to fifty years from the death of the last person involved in the film's making (writer, producer or director). Should an author die without a testament and be declared intestate, the copyright on his/her work passes into the hands of the state for the duration of the protection period.

Copyright protection for anonymous works produced by institutes, corporations or legal entities lasts fifty years from the date of publication.

Copyright is not considered to have been infringed as long as the work was used for non-commercial purposes, specifically for educational or research purposes.

4.4.2. Industrial property

BRANDS

Law No. 22,362 establishes that the following may be registered as brands in order to distinguish products and services: one or more words with or without conceptual content; engravings, prints, seals, images, bands, combinations of colors applied in a specific place on the products or packaging; packaging, combinations of letters and numbers, letters and numbers drawn in a specific way, publicity phrases, relief work of a distinctive nature and any other symbol with this capability.

The following may not be registered: a) the names, works and symbols which constitute a product or service's habitual designation; b) those which have passed into general usage before the application for registration; c) the

form given to a product; d) the natural or intrinsic color of a product; d) the denominations of national or foreign origin; f) letters, words, names, emblems or symbols used by national authorities including government, provinces, municipalities and religious and health organizations as well as foreign nations and the international organizations recognized by the Argentine government; g) names or brands which are misleading; h) advertising slogans which are not original; i) names, pseudonyms or representations of a person without their express consent or that of their heirs to the fourth degree.

Brand ownership and exclusive use are obtained by means of registration. A registered brand name is valid for ten years. It may be renewed repeatedly for equal periods if the same has been used to market a product, render services or as part of a specific activity within the five years preceding the conclusion of the validity period.

GUARANTEE OF ORIGIN

Law No. 25,380 provides protection for an unlimited period of time for geographical information and guarantees of origin used for marketing agricultural and food products either in their natural state, prepared or processed, which must be registered.

Those who have registered geographical information, and/or guarantees of origin have the right to: a) use the geographical information; b) use the guarantees of origin to label agricultural and food products and the name identifying these; the exclusive rights to use emblems, badges, initials, logotypes, labels, etc. authorized by the competent body; c) the quality control and guarantees specified in the guarantee of origin registered with the competent bodies.

ARGENTINE GEOGRAPHICAL NAMES

Law No. 25,163 establishes a system which recognizes, protects and registers Argentine geographical names to designate the origin of wines and grape spirits.

PATENTS

The Patents Law No. 24,481 (Ley de Patentes) enacted by Decree 260/96 establishes that the ownership of an invention may only be proven by the provision of the following industrial property deeds: a) invention patents; and b) utility model certificates.

New products or procedures that involve creative invention and can be used for industrial application purposes are patentable.

The following items cannot be patented: plants, animals, naturally existing biological and genetic material or its replica used in the biological processes involved in animal, plant or human reproduction, including processes; nor those inventions whose commercial exploitation constitutes a threat to public order, morality, human or animal life and good health, or those which should be forbidden in order to protect plant life and the environment.

The following are not considered inventions: discoveries, surgical, therapeutic or diagnostic treatment methods applied to humans or animals, as well as any living substance or naturally pre-existing substance.

The National Institute for Industrial Property (INPI, for its acronym in Spanish)—the authority which enforces patent regulations—researches existing patents upon receiving an application, in order to determine whether the patent applied for infringes on a registered patent. Objections may be made known within a period of 30 days following the publication of the application.

Patents are granted for a term of 20 years from the date of application. This term may not be extended.

All new applications presented for tools, work instruments, utensils, devices, equipment or other known objects to improve functionality, as-and-when they are new and have an industrial application, are protected by a utility model certificate for a period of ten years from the date of application. This period cannot be extended.

PROTECTION OF NEW VARIETIES OF PLANT SPECIES

The protection of new plant varieties through the grant of a breeder's certificate is covered by Law No. 24,376, adopting the International Convention for the Protection of New Varieties of Plants and in Law No. 20,247 and the Regulatory Decree 2,183/91. The certificate is valid for 15 to 20 years, depending on the particular plant species.

PROTECTION OF INDUSTRIAL DESIGNS AND MODELS

Decrees 6,673/63 and 5,682/65 protect registered industrial designs and models. This refers to the incorporation or application of specific features to an industrial product which enhance its ornamental value.

This protection is granted for five years from the date of the registration application and may be extended for two additional consecutive periods of the same duration at the request of the owner.

This regime does not apply to the following industrial designs or models: a) those which have been publicly exploited or published in the country or abroad before the deposit date and those industrial designs or models exhibited at fairs or shows held in Argentina or abroad, on condition that the respective deposit be made within six months as from the inauguration of the exhibition or fair; b) those lacking either a different configuration or original physiognomy which is new and different to previous industrial models and designs; c) those whose elements are required due to the function of the product itself; d) when the only change is one of color in a pre-existing model or design; and e) it constitutes a threat to public morality and good habits.

TRANSFER, ASSIGNMENT OR LICENSE FOR TECHNOLOGY OR BRANDS

Law No. 22,426 regulates the transfer, assignment or license of technology and brands by persons domiciled abroad in the favor of legal entities or individuals of either a public or private nature domiciled in Argentina, as-and-when such actions have effect in Argentina.

Operations conducted between a local company of foreign capital and the company which owns it either directly or indirectly, or another subsidiary, are subject to prior approval by the National Institute of Industrial Technology (INTI, for its acronym in Spanish).

Lack of approval does not affect the validity of the corresponding legal acts, but any use thereof by the provider may not be deducted for tax purposes as expenses by the receiving party, and the total amount paid as a consequence of the transfer, assignment or license will be considered net income for the provider.

GENERIC DRUGS

Law No. 24,766 protects the information presented to local health authorities for the approval of new chemical entities from disloyal commercial use, and hence such information may not be made public. In practice, this law favors the sale of generic drugs as it allows for the offer of "similar" products. Law No. 25,649 thus helps to

promote the use of generic drugs by establishing that doctors are obliged to prescribe generic drugs, although they may also indicate their commercial name.

INTERNATIONAL CONVENTIONS

Argentina is a signatory of the following international agreements: the Washington Inter-American Convention (1946), the Universal Copyright Convention (Geneva 1952), the Berne Convention (1886) and their subsequent amendments, including the Paris Union Convention for the Protection of Industrial Property.

Law No. 26,229 adopted the Strasbourg Agreement Concerning the International Patent Classification on March 24, 1971, while Law No. 26,230 adopted the 1957 Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

4.5. Environmental laws

Environmental legislation applicable throughout Argentina is enshrined by the general provisions given in the Environmental Law No. 25,675 and the Law on Integrated Management of Industrial Waste and Services Activities No. 25,612.

There are other standards which regulate specific environmental protection issues, either covering the kinds of waste whose generation, treatment and disposal are regulated by law, or referent to the natural resources which the law aspires to protect, or specifying the kind of industry which generates the waste, as in the case of mining and hydrocarbons.

4.5.1. Environmental Law

The Environmental Law establishes the conservation and protection of biodiversity and the implementation of sustainable development policies to ensure sustainable and appropriate environmental management. It provides guidelines for environmental impact assessment procedures to be used prior to undertaking any kind of work or activity likely to harm the environment or one of its component parts, or which may significantly affect the quality of life of the population.

All inhabitants may obtain unclassified environmental information from the authorities. The inhabitants have the right to express their opinion concerning the administrative procedures related to the protection and conservation of the environment

All persons and legal entities of either public or private origin that undertake activities presenting a threat to the environment must take out an insurance policy with the appropriate entity in order to guarantee the financing of the work required to repair the damage which may arise as a result of their activities. The law also establishes responsibilities for those people causing environmental damage.

4.5.2. Law of Integrated Management on Industrial Waste and Services Activities

This law establishes the minimum thresholds of environmental protection in regard to the integrated management of waste generated throughout the country as well as waste derived from industrial processes or from service-related activities.

This legislation forbids the import, introduction and transport into Argentina of all kind of waste originating in other countries. Only those waste products previously included on a list issued by the application authorities are exempt, as they are intended for use as supplies for industrial processes. Another exception is the transit of waste as foreseen in international agreements.

Authorities from the provinces and the City of Buenos Aires must keep a record of all those persons or legal entities responsible for generating, handling, transporting, storing, treating and disposing of industrial waste.

The nature and quantity of waste, as well as its origin and transfer from the point of generation, during transportation to the treatment plant or final disposal must also be documented, as well as any treatment or reduction processes to which the waste is subject, and any other operation or process undertaken.

Finally, the law foresees responsibilities for those in charge of generating or transporting industrial waste as well as the owners of industrial waste storage, treatment and final disposal facilities.

4.5.3. Other specific environmental norms

The Law of Hazardous Waste No. 24,051 created a regime covering the generation, handling, transport, treatment and final disposal of hazardous waste generated or located in those places subject to national jurisdiction or destined for transport outside provincial territory. All waste that may affect either people or the environment or requires special safety or health measures is considered hazardous waste.

There are other environmental protection norms in Argentina such as Law No. 23,922 which adopts the Basel Convention governing the trans-frontier movements of hazardous waste; Law No. 25,018 on radioactive waste; Law No. 25,670 on the management of PCBs: Law No. 25,916 on household waste, and Law No. 26,011 which adopted the Stockholm Convention on persistent organic pollutants.

The Environmental Water Management Regime outlined in Law No. 25,688 covers the rational use, exploitation and conservation of water. The competent bodies must authorize its use, fix the maximum limits of acceptable contamination; define guidelines for the refill and conservation of aquifers, set the parameters and water quality environmental standards and draw up and update the national plan for the rational use, exploitation and conservation of water.

The Law of Atmospheric Contamination No. 20,284 sets the standards for the conservation of air resources. Law No. 23,724 ratifies the Vienna Convention for the protection of the ozone layer and Laws No. 23,778, 24,040, and 24,167 ratify the Montreal Protocol on substances that deplete the ozone layer.

Furthermore, Law No. 24,292 adopted the International Convention on Oil Pollution Preparedness, Response and Co-Operation, while Laws No. 24,498 and 24,585 establish that the exploitation of nuclear minerals requires that the natural areas affected be restored and the necessary measures be taken to protect the environment as well as the country's natural and cultural heritage in the context of mining activity.

5



Foreign trade regulations

How to export from and import to Argentina

5.1. Legal framework for international trade

Argentina is a member of the World Trade Organization (WTO) and abides by its principles, norms and guidelines. The country also subscribes to the WTO's Multilateral Agreements on Trade in Goods as well as the General Agreement on Trade in Services (GATS) and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

Argentina is a founding member of the Southern Common Market, MERCOSUR, formed with Brazil, Paraguay and Uruguay on March 26, 1991 when the four countries signed the Treaty of Asunción. In addition to the free circulation of goods, services and production factors throughout the customs union, the member countries exercise a common external tariff (CET); negotiate and share common trade policies with third-party states or groups; coordinate policy positions taken at regional and international trade and economic forums; and reconcile legislation to strengthen the process of integration.

MERCOSUR has a common nomenclature (NCM, for its acronym in Spanish) to classify products by assigning each one an individual tariff line. The tariff line refers to a code made up of the following digits (adding up to a total of 11 digits):

- Chapter (2 digits)
- Heading (4 digits)
- Subheadings of Harmonized System (6 digits, which are commonly used in the framework of the Harmonized Commodity Description and Coding System of the World Customs Organization)
- NCM tariff line (8 digits, commonly used within MERCOSUR)
- SIM Code (11 digits, María Computer System used in Argentina, SIM for its acronym in Spanish)

The NCM is available on the Internet on the website of the Federal Administration of Public Revenues (AFIP, for its acronym in Spanish): www.afip.gov.ar.

Argentine customs legislation is mainly comprised of the Customs Code (Law No. 22,415) regulated by Decree 1001/1982 and its amendments. The Customs Code establishes the specific policies and procedures governing foreign trade, including the entrance, departure, transport and control of goods. The AFIP is the competent body in charge of foreign trade and is responsible for the administration and application of the Customs Code. The Customs Office (DGA, for its acronym in Spanish), under the umbrella of the AFIP, is in charge of applying the relevant legislation to the export, import and control of the flow of merchandise entering or leaving domestic customs areas.

The Argentine customs service has 56 customs offices located throughout the country and is organized into six customs regions.

5.2. Requirements for international trade operations

5.2.1. Registering with the Exporters and Importers Register

The first requirement for carrying out an export or import operation is to register with Argentina's exporter and importer register (Registro de Exportadores e Importadores). This is mandatory and is done through the DGA. It is a one-time procedure and is valid for export and import operations. The registration number allows traders to carry out operations at any customs office in the country. Both individuals and legal entities may register, and foreign trade procedures may be carried out by a customs broker.

Applicants must meet the following requirements and present the following documentation in order to register:

- Prove domicile (or corporate headquarters in the case of companies), and constitute domicile in Argentina;
- Be registered with the Argentine Public Registry of Commerce (PRC) either as a trader or company;
- Provide a Tax Registration Number (CUIT, for its acronym in Spanish) as proof of the trader or company's registration with the AFIP;
- Supply evidence of solvency and provide the DGA with a guarantee for the faithful compliance of obligations if deemed necessary.

Registering with the Register of Exporters and Importers

| Steps | | Requirements | |
|-------|--|---|--|
| 1 | Application for registration with the Register of Exporters and Importers | Applicants should visit the division of the Registry of the General Subdepartment of Legal and Technical Customs Affairs, for the customs offices in Buenos Aires and Ezeiza, or the registration section of the customs offices in the provinces, corresponding to their legal domicile, with the following documentation: Two copies of Form OM 1228/F. Certified copy of the company statutes. Copy of the notarized minutes of the last shareholders' meeting detailing the names of the company authorities, certified and legalized by the corresponding Public Notaries College. Proof of registration in the taxpayers registry (Padrón Único de Contribuyentes y Responsables). CUIT certificate. | |
| 2 | Certificate of good conduct prior to registration | Once the application for registration has been received, the registration division sends a certified copy of form OM-1228/F to the division of prevention records (División Sumarios de Prevención Sección Registro de Infractores) to run a background check on the individuals listed on the form. Once the certificate of good conduct has been issued, the registration process is authorized. If any complications arise, the application will be rejected. | |
| 3 | Control, Authorization and Registration | The registration division ensures that the afore-mentioned requirements are met, and then forwards the applications to the investigations office and the risk control office. The applications must be returned with the input of both offices so that the registration division may complete its task. The registration division intervenes in form OM-1228/F in order to authorize the registration and then enters the data for the applicant and other authorized parties if relevant into the registration system. | |

5.2.2. Registration as a non-frequent exporter

Registering as a non-frequent exporter is the option for individuals or companies who want to carry out a specific foreign trade operation; once the trade operation is completed, the individual or company is removed from the register. Before the operation takes place, the SIM is consulted to check that the entity has been given exporter status.

Once the exporter permit has been authorized, the non-frequent exporter status is valid for 60 days; if no operations are carried out during that period, it is automatically delisted.

Those companies wanting to undertake a single operation should present the following documentation to register:

- Copy of form OM 1752-C (blue form), certified by a customs agent or public notary;
- Photocopy of identity document;
- Photocopy of CUIT;
- A document describing key positions within the company (Acta de Distribución de Cargos), which must only be certified by a public notary (in the case of a company)

5.3. Exports: relevant steps and information

The Customs Code defines the concept of exports as the withdrawal of any merchandise from a national customs territory. Upon withdrawing merchandise from a customs territory, it is assigned a destination or enduse. This destination may be definitive (for consumption purposes) or non-definitive, which includes temporary exports and merchandise in transit.

The export of a specific product requires the exporter to be familiar with the customs procedures to be undertaken, the refund regime provided for by the government for each product and the current regime of export duties applicable, among others. The basic information required to export from Argentina is given below.

5.3.1. Customs procedures

When exporting, the first requirement involves identifying the tariff line in the NCM of the product to be exported. This will indicate which export refunds correspond to the product as well as export duties, government incentives and the tariff and non-tariff barriers the product will face at its destination.

It is also necessary to establish the destination of the merchandise to be exported. Normally, the destination is a definitive export for consumption purposes. In order to assign a destination to the merchandise, the exporter must fill out a destination application, usually denominated shipping permit. The document must be completed and entered in SIM, the information system connecting all the customs offices, the customs agents and public booths.

The shipping permit must be accompanied by a declaration of customs valuation (Hoja de Valor), which is a sworn statement detailing the features of the operation and the different elements which have a bearing on the make-up of the merchandise's value for customs purposes. The aim is to define the taxable base used to apply export duties, as well as the exchange rate and export refunds if applicable.

If the results of the controls carried out are positive, Customs records the export destination and the information system automatically determines the type of controls Customs needs to apply to the merchandise to be exported, known as the "selection channel".

There are three export selection channels:

- Green Channel: there is no need to check either the documentation or the actual merchandise.
- Orange Channel: Customs needs to review the documentation.
- Red Channel: in this case, both the export documents and merchandise need to be examined by Customs.

With the presentation of the destination application form and the documentation required for the operation, the legal and regulatory conditions are considered to be met and thus the merchandise may be released. This means that it may leave the national customs territory either by air, land or sea. The release is conditional upon the payment or guarantee of the relevant duties.

SHIPPING DOCUMENTATION TO BE PRESENTED AT CUSTOMS

When exporting, a business person must be represented at the DGA by a customs broker, who acts as an intermediary in exchange for a fee and processes the merchandise and the corresponding administrative documentation so that the goods may leave the country and be sent to the destination indicated by the exporter.

Depending on the type of payment and sales conditions, the documentation required is typically the following:

- Commercial invoice, known as Invoice E, which complies with the standards required by the AFIP;
- Packing list;
- Certificate of origin;
- Bill of lading / Air waybill / Waybill (Carta de Porte). This documentation refers to the means of transport chosen to deliver the merchandise. The first document applies to seagoing transport, the second to air transport and the third to land transport (road or rail).
- Health certificates if required;
- Pre-shipping inspection certificate if required by the importing country.

Some countries or purchases may require different and/or additional documentation.

AUTHORIZED ECONOMIC OPERATOR (AEO)

Argentina adheres to the Authorized Economic Operator (AEO) system within the Framework of Standards to Secure and Facilitate Global Trade (SAFE), a program of the World Customs Organization (WCO). This system allows foreign trade operators to access major benefits which allow them to speed up their operations, optimizing costs and helping customs authorities to perform their tasks in the area of safety as required by the WCO.

The system is a mutual agreement between customs authorities and foreign trade operators to guarantee the security and smooth running of customs operations, making operators more competitive while improving customs' resource management.

5.3.2. Regime of export refunds

The export refund system consists of the total or partial refund of domestic taxes (Gross Income, VAT and municipal taxes) paid during the different phases of production and marketing of the merchandise to be exported. Said merchandise must be new, never been used and manufactured in Argentina. The objective of this regime is to deduct domestic taxes already paid from the export value.

If the merchandise was manufactured using inputs directly imported by the exporter, the refund is made on value added in Argentina, which means that the duty is levied on the FOB value once the CIF value has been deducted from the supplies imported.

The exporter is reimbursed once the documentation certifying the shipping of the merchandise has been presented to the DGA's refund department.

For further information, see Chapter 6, Section 6.7 (Export promotion) in this guide.

5.3.3. Export duties

In Argentina, some merchandise is subject to export duties which may be 5%, 10% or 20% on the FOB value of the product (in some specific cases, the corresponding export tariff may exceed this value).

The duties may be specific or ad valorem (export duties calculated based on a percentage of the taxable value of the merchandise or official FOB prices if relevant). Specific export duties are a set amount, representing a fixed sum of money per measurement unit.

5.3.4. Regime of VAT exemptions

Current legislation allows for VAT to be refunded on exported goods and services.

VAT may be refunded in any of the following manners:

- Compensation: debits as a result of previous operations on the domestic market.
- Credit: against tax obligations owed by the exporter to the AFIP, other than VAT.
- Transfer: the transfer of VAT credit to another taxpayer.
- Return: to the holder of the tax credit either in cash or bonds.

Exporters may use as fiscal credit those taxes for goods, services or rental destined for export, or those charged during the process, as-and-when these are linked to exports and have not been used.

If the VAT is not fully refunded, or only in partial form, the balance will be credited against other taxes or refunded to the exporters. In order to benefit from a credit, refund or transfer, exporters must be registered in the Register of Exporters and Importers.

5.3.5. Other aspects

PRODUCT CERTIFICATION

Some international markets offer preferential market access for a range of products from Argentina. Products must comply with a series of regulations in order to be eligible for these preferential tariffs. Compliance is proven with a certificate of origin and/or certification of adherence to required technical or quality standards. These certificates are issued by the corresponding government organization.

CERTIFICATE OF ORIGIN

For merchandise to be granted preferential treatment as foreseen in a trade agreement, the exporter must prove that the merchandise was effectively produced in one of the countries adhered to the agreement. A certificate of origin provides this official proof. Some countries, for example every country in the European Union, require all imports to carry certificates of origin, whether or not a preferential tariff applies.

In order for a good to be granted a certificate of origin, usually a percentage of the total aggregate value corresponding to the production processes must be undertaken in the country to be dominated as the product's country of origin. In some cases, the denomination of origin may also be obtained as a result of changes in tariff lines if the product undergoes a certain number of transformations in the exporting country.

In Argentina, the afore-mentioned certificates are issued by private institutions supervised by the Ministry of Industry, including: the Association of Importers and Exporters of Argentina (AIERA, for its acronym in Spanish); the Argentine Chamber of Exporters (CERA, for its acronym in Spanish); the Chamber of Commerce, Industry and Production of the Argentine Republic (CACIPRA, for its acronym in Spanish), and the Argentine Chamber of Commerce (CAC, for its acronym in Spanish).

TECHNICAL, SANITARY AND PHYTOSANITARY CERTIFICATIONS

The process of technical, sanitary and phytosanitary certifications involves verifying compliance with aspects such as the content, composition, manufacturing process, packaging, labeling, quality, sanitary and shipping conditions of the merchandise. The certification of these norms makes it possible to export products that must comply with standards in the domestic market in addition to those in force in their destination markets.

Some products require the intervention of official organizations to vouch for their quality and authorize their sale abroad. Depending on the type of merchandise to be exported, the following organizations may intervene:

- Food products for human consumption: National Food Institute (INAL, for its acronym in Spanish).
- Non-food products of animal origin, including sub-products and by-products: National Service for Agri-food Health and Quality (SENASA, for its acronym in Spanish).
- Vegetables and non-food vegetable by-products, agrochemicals and biological products: Argentine Animal Health and Quality Institute (IASCAV, for its acronym in Spanish).
- Nuclear elements and materials: National Atomic Energy Commission (CNEA, for its acronym in Spanish).
- Drugs or products for human health: National Secretary of Public Health.
- Drugs and psychotropic substances: Secretary for the Prevention of Drug Addiction and the Campaign against Drug Trafficking.
- Flora and fauna: National Secretary of the Environment and Sustainable Development.
- Books and other printed or illustrated material containing maps: National Geographical Institute (IGN, for its acronym in Spanish).

GENERALIZED SYSTEM OF PREFERENCES (GSP)

The Generalized System of Preferences (GSP) covers the partial or total waiver of import duties granted by some developed countries on certain products exported by developing countries. In Argentina, a special certificate issued by the Ministry of Industry is necessary in order to be eligible for GSP benefits.

Some of the countries which grant this waiver are: the United States, Switzerland, Norway, Canada, Japan, New Zealand, Australia, Belarus and the Russian Federation, as well as member countries of the European Union.

The products which benefit from GSP are included on the positive lists (products with the right to preferences) drawn up by the countries issuing the preferences. These products must meet certain criteria of origin set by each country.

BRINGING IN CURRENCY

Resolution No. 13/2002 issued by the Ministry of Economy establishes that exporters must deposit the funds from their export operations in the local financial system, meeting specific terms established in the resolution and other complementary and amending legislation, according to the product. The income must be deposited in a checking account or savings account in Argentine pesos in a financial entity.

The Central Bank of the Argentine Republic governs operations through the Single Free Exchange Market and regulates how foreign currency from exports may enter the country as well as how imports payments with banking intervention (according to certain requirements) are made.

5.4. Imports: relevant steps and information

The Customs Code defines the concept of imports as the entry of any merchandise into the general national customs territory from a destination which is outside said territory.

As far as the code is concerned, the hire and provision of services abroad are treated on the same basis as merchandise, as-and-when they are used or exploited in the country (this does not include those services provided in commercial conditions which compete with one or more services providers). This also applies to copyright and intellectual property.

5.4.1. Types of imports

There are two types of imports according to destination: definitive and non-definitive. Definitive imports are destined for consumption and as such, the merchandise may remain in customs territory indefinitely, ensuring that it may be valued for the purposes of establishing the corresponding tax and duties to be levied.

Non-definitive imports include temporary imports, those in transit and those for warehousing. Temporary imports are those where the merchandise imported may remain for a specific purpose and fixed term within the customs territory, subject, from the moment of its release, to the obligation of re-export for consumption before the expiry of the said term. The merchandise may remain in the same state as it was imported temporarily, or it may be subject to transformation, elaboration, combination, blend, repair or any other improvements or benefits. The import of merchandise under this regime is not subject to any duties other than a retributive service tax.

Imports in-transit are not granted free circulation in the customs territory, however they can be transported from the customs point of entry to another customs point within Argentina in order to be shipped to another customs destination. Merchandise imported under this regime is not subject to any duties other than a retributive service tax.

Finally, import of items for warehousing involves the import of merchandise which is then stored under customs control for a fixed period before leaving for another authorized destination.

5.4.2. Import licenses

Imports to Argentina require a license, which importers can apply for by providing the documentation required by the pertinent administrative body. This is a pre-condition before importing goods.

Argentine legislation incorporated the Agreement on Import Licensing Procedures passed by the WTO. There are two kinds of import licenses: automatic and non-automatic.

Automatic import licenses are those which are always approved as long as the information requested is correctly presented and complete. In general, the procedure takes no more than 10 working days. The automatic licenses may either be automatic licenses prior to import (Licencias Automáticas Previas de Importación) or a sworn statement of product composition (Declaración Jurada de Composición del Producto) according to the merchandise.

Non-automatic import licenses require the presentation of an import certificate provided by the Secretary of Trade and Commerce of the Ministry of Industry prior to import. The list of products which require non-automatic licenses may be consulted online: www.comercio.gov.ar.

5.4.3. Tariffs and duties

COMMON EXTERNAL TARIFF (CET)

MERCOSUR member countries established a common external tariff to be applied to imports throughout their territories, replacing tariffs set by each member country for third-party countries.

CET levels range from 0% to 35%, which is the WTO's consolidated rate for MERCOSUR countries. In 2009, Argentina applied an average rate of 12.6% to all imported goods as a whole, an average rate of 10.3% for agricultural goods and 13.0% for manufactured goods.

As a general principle, products with greater added value have a higher CET, although other aspects are taken into account in order to define tariffs, such as the possibility of establishing regional supply sources.

There are exceptions to the CET where member countries may set differential rates for certain products.

STATISTICS TAX

Statistics Tax is an ad valorem tax of 0.5%—up to US\$ 500—applied to the customs valuation of merchandise. There are some exceptions to the payment of this rate: for instance, merchandise from the member states of MERCOSUR as well as new and unused merchandise included in the tariff lines capital goods and IT and telecommunications, among others (Decree No. 690/02).

VERIFICATION OF DESTINATION CHARGES (TASA DE COMPROBACIÓN DE DESTINO)

Verification of destination tax is applied in those cases where customs provides on-site control to check that the obligations conditioning the tariff benefits granted to a given product are met. This is an ad valorem tax which may not exceed 2% of the value of the merchandise. The tax base used to settle the verification of destination tax is the one on which import duties are applied.

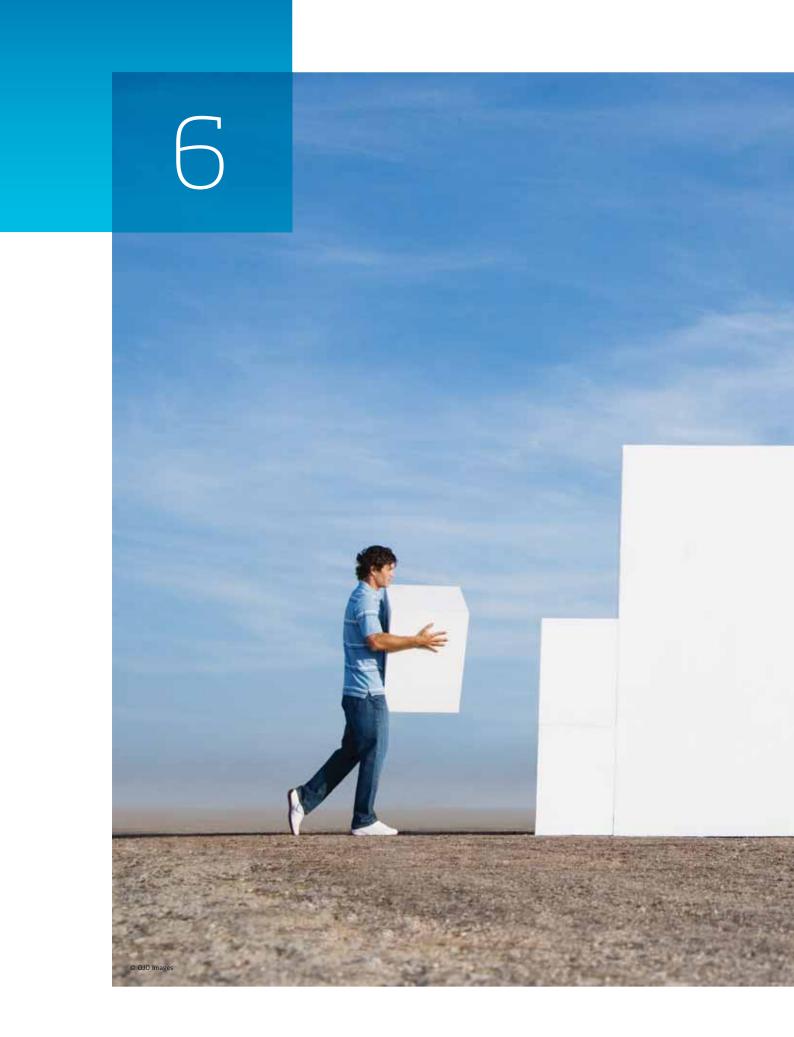
TARIFF FOR THE USE OF THE SIM

The AFIP adopted a general resolution providing for a single fixed tariff of US\$ 10 to be paid for each detailed destination and/or operation for import documented using the SIM. The cost of this operation is to be paid for by the user.

5.4.4. Other aspects

There are numerous incentive regimes designed to promote the import of capital goods, the temporary import of capital goods and the import of used production lines, whose principal objective is to encourage the incorporation and use of machinery and new technology in the country's productive industries.

For further information, see Chapter 6, Section 6.1 (Incentives for investment in capital goods and infrastructure) in this guide.





Chapter 6. Investment incentives Public sector support to foster investment

Argentina has numerous incentive programs in place which have been designed to facilitate domestic and foreign investment in the country. The national, provincial and municipal authorities have several incentive regimes currently being implemented. These include horizontal and sector incentives as well as relocation, innovation, technological development, employment, investment financing and export promotion incentives. The characteristics and benefits of the available programs are described below.

6.1. Investment incentives for capital goods and infrastructure

6.1.1. Law to promote investments in capital goods and infrastructure works

Norm: Law No. 26,360.

Benefits: A regime of incentives for investment in capital goods and infrastructure which establishes an accelerated depreciation for Income Tax purposes and/or the early refund of VAT.

Eligibility: Legal entities or individuals with an investment project dedicated to industrial activities or infrastructure projects.

Requirements:

- Beneficiaries must prove the creation of genuine jobs in compliance with current labor legislation in the project's sector.
- The activities promoted must be related to investments in new capital goods which are classified as depreciable
 assets for Income Tax purposes (except for motor vehicles) and are destined for industrial activity and
 infrastructure projects.

For more information: www.infoleg.gov.ar

6.1.2. Exemption from import duties on capital goods

Norms: Resolution No. 8/2001 and amendments, Decree No. 509/2007, Resolution No. 15/2007 (Ministry of Economy and Public Finance).

Benefits: An extra-MERCOSUR import duty of 0% is established for the import of new capital goods whose tariff lines are included in Decree 509/2007 and its amendments. These goods are also exempt from the Statistics Tax.

Eligibility: Importers of new capital goods.

Application authority: Customs Office (DGA, for its acronym in Spanish).

For further information: www.afip.gov.ar

6.1.3. Reduction in Value-Added Tax (VAT)

Norms: Decree No. 493/2001, Decree No. 496/2001, Decree No. 615/2001, Decree No. 733/2001, Decree No. 959/2001.

Benefits: A reduced tax rate of 10.5% (the standard rate is 21%) is applied to the purchase and import of finished capital goods and IT and telecommunications finished products and parts. Additional VAT applied to the import of personal property is also reduced, generally to half the amount applicable.

Eligibility: Buyers and importers of finished capital goods, IT and telecommunications finished products and parts.

Application authority: Federal Administration of Public Revenues (AFIP, for its acronym in Spanish).

For further information: www.infoleg.gov.ar

6.1.4. Incentives for national production of capital goods, IT, telecommunications and agricultural machinery

Norms: Decree No. 379/2001 and amendments. Decree No. 917/2010.

Benefits: Designed to encourage domestic investment in and production of capital goods, IT, telecommunications and agricultural machinery, the incentive provides local manufacturers with a tax refund, equivalent to 14% of the value of the goods produced. This refund is made in the form of a fiscal bond and can be used to offset VAT, Income Tax, and Excise Taxes as well as Minimum Presumed Income Tax.

Eligibility: Manufacturers of capital goods, IT, telecommunications and agricultural machinery.

Application authority: Ministry of Industry.

For further information: www.industria.gov.ar

6.1.5. Import regime for large industrial investment projects

Norms: Resolution No. 256/2000 and amendments.

Benefits: The regime allows investment costs to be offset by reducing tariffs to zero on imported capital goods that make up a complete and autonomous production line. The program also allows for replacement parts to be imported up to a value of 5% FOB of the production line. It should be noted that, aside from capital goods, there are many other elements which make up a production line and are subject to tariffs, as is the case with pumps and mechanical equipment, for instance. Thus, the savings represented by the tariff reductions on the one hand should be weighed up against other duties and the consignment of replacement parts itself, which would be subject to tariffs in any other situation.

Eligibility: Importers of capital goods for large investment projects.

Application authority: Secretary of Trade and Commerce, Ministry of Industry.

For further information: www.comercio.gov.ar

6.1.6. Imports of Complete and Autonomous Used Production Lines

Norms: Resolution No. 511/2000 and amendments. Decree No. 2,259/2009.

Benefits: Equipment and capital goods may be purchased abroad as long as they are part of an autonomous production line which is an integral part of an investment project for the industrial production of fixed assets. Goods imported under this regime are subject to an import duty of 6% and are exempt from Statistics Tax and destination confirmation tax (Tasa de Comprobación de Destino). This is a significant reduction considering that import duties on capital goods are 28% (twice the common external tariff).

Eligibility: Domestic and foreign companies established in the country that produce tangible assets and financial entities and/or companies offering leasing contracts.

Application authority: Ministry of Industry.

For further information: www.comercio.gov.ar

6.1.7. Temporary import of capital goods

Norms: Law No. 22,415, Decree No. 1001/1982 and Disposition of the Customs Office No. 34/1998.

Benefits: Temporary import means that the capital goods imported may only remain for a specific purpose and period of time within the customs zone, and must be re-exported before the period of time stipulated expires upon their release from customs. Depending on the operational characteristics of the company, it may be necessary to have access to capital goods for a specific period and then return them abroad. This temporary admission regime allows the capital goods to enter the country without paying import duties and to remain for a maximum of three years, with the possibility of obtaining a further extension equal to no more than the original term.

Eligibility: Operators registered in the Register of Exporters and Importers.

Application authority: Customs Office.

For further information: www.infoleg.gov.ar

6.2. Industry-specific incentives

6.2.1. Regime to promote the automotive and auto parts industries

Norms: Law No. 26,393 Development and Consolidation of the national auto-parts industry and Economic Complementary Agreements No. 35, 55 and 57.

Description: The regime to promote the automotive industry establishes a set of incentives to stimulate domestic automotive and auto parts production.

International agreements for automotive and auto-part industry:

- Automotive Agreement between Argentina and Brazil signed in June 2008 and valid until June 30, 2014. It
 establishes thresholds for imports from third countries and conditions relating to country of origin. It also
 sets out a bilateral trade administration model through an export divergence measure (also known as FLEX).
 This mechanism establishes that for each US\$ 1 exported by one of the two countries, the other may export
 up to US\$ 1.95.
- Economic Complementary Agreement with Uruguay that establishes a trade administration arrangement between the two countries.

- Economic Complementary Agreement with Mexico to eliminate external tariffs on automotives and auto parts.
- Economic Complementary Agreement with Chile for free trade.
- Regime to strengthen Argentina's auto parts industry, offering a cash reimbursement for the value of the
 purchases of locally manufactured auto parts acquired by automotive manufacturers for the purposes of
 producing new models, including utility vehicles, trucks, buses, die cast molds, and differential shafts. The
 benefits provided on the ex-works value are equivalent to a percentage between 8% and 6% which decreases
 over a period of three years.
- Regime to consolidate the domestic production of engines and gearboxes: The measure consists of a cash reimbursement for the purchase of local auto parts used in the manufacturing of engines and gearboxes for automotives, utility vehicles, buses, trucks, tractors, self-propelled agricultural and road machinery. The reimbursement on the ex-works value is equivalent to a percentage between 10% and 6% which decreases over a period of five years.

For further information:

www.industria.gov.ar

www.sub-industria.gob.ar/regimen_automotriz/about/acuerdos-internacionales/

6.2.2. Software industry promotion regime

Norms: Law No. 25,922 Promotion of the Software Industry, and Law No. 25,856 Software Production as an Industry.

Description: The regime aims to promote the creation, design, development, production, implementation and fine-tuning of software systems developed as well as their technical documentation, in terms of basic aspects and applications, and including the development necessary to integrate it into different processors (in-house development is excluded).

Benefits:

- Software design, development, and production are considered to be industrial activities for tax or credit
 purposes and the activities benefit from any other incentives offered by the Argentine government to industrial
 companies.
- Fiscal stability covering all national taxes, duties and direct contributions for 10 years.
- Non-refundable and non-transferable fiscal credit (except corporate Income Tax) for up to 70% of employer social security contributions which may be used to offset federal tax liabilities.
- 60% reduction in corporate Income Tax during each fiscal period if the company is able to prove that it has incurred expenses related to R&D and/or quality certification processes and/or software exports according to specific terms.

For further information: www.industria.gov.ar

6.2.3. Promotion of state-of-the-art biotechnology development and production

Norm: Law No. 26,270 Promotion of State-of-the-art Biotechnology Development and Production.

Description: The law defines state-of-the-art biotechnology as all technological applications based on rational knowledge and scientific principles from the fields of biology, biochemistry, micro-biology, bio-informatics, molecular biology and genetic engineering that use live organisms or parts of these to obtain goods and services, or for the substantial improvement of productive processes and/or products. The use of the word "substantial" means that it includes innovative content suitable for industrial application, resulting in a social and economic impact, in addition to cost reductions and productivity increases.

Benefits:

- Accelerated depreciation for Income Tax purposes on capital goods, special equipment or parts of these goods, which are new and acquired specifically for the project benefiting from the promotion.
- Early refund of VAT paid on the purchase of capital goods, special equipment, or parts of these goods, which are new and acquired specifically for the project benefiting from the promotion incentive.
- 50% of the amount invested in the outsourcing of research and development services from national public science, technology and innovation institutions exclusively for research /development projects may be converted to fiscal credit bonds.
- 50% of the amount of paid-up employer's social security contributions may be transferred as fiscal credit bonds.
- Capital goods, special equipment and parts of these goods, which are new and acquired specifically for the
 project are not included in the taxable base for the purposes of Minimum Presumed Income Tax, nor any tax
 that might complement, amend or replace it in the future.

For further information: www.infoleg.gov.ar

6.2.4. Biofuels promotion regime

Norms: Law No. 26,093, Regulatory and Promotion Regime for the Sustainable Production and Use of Biofuels and Decree No. 109/2007 Biofuels. These include bioethanol, biodiesel and biogas, which are produced from raw materials of agricultural or agro-industrial origin or from organic waste matter.

Benefits:

- VAT and Income Tax: the acquisition of capital goods or the undertaking of the corresponding infrastructure
 works benefit from accelerated depreciation for on Income Tax purposes and /or the early refund of VAT (the
 same treatment as Law No. 25,924).
- The goods involved in projects to sustainably produce, blend, market, distribute, consume and use biofuels are exempt from Minimum Presumed Income Tax during the first three years.
- Biodiesel and bioethanol produced to meet the levels set for blending biofuels with fossil fuels are exempt from the Water Infrastructure Tax, the Liquid Fuels and Natural Gas Tax, and the specific tax on gasoil.

For further information: www.minplan.gov.ar

6.2.5. Regime to promote the motorcycle and motorcycle parts industries

Norm: Law No. 26,457 Incentive Regime for Local Investment for the Manufacture of Motorcycles and Motorcycle Parts.

Description: This measure establishes the national and progressive integration of motorbike spare parts into the domestic motorcycle manufacturing industry. The regime foresees a lowering of the ceiling on import duties, set at 50% in the first year and reaching 30% by the fifth year of application. Furthermore, it also establishes fiscal and tariff benefits for companies developing production projects with a minimum duration of five years.

Benefits:

Tariff treatment: according to the production project, companies may enjoy the following benefits for up to five years:

- Reduction of 60% in extra-MERCOSUR import duties of motorcycle parts.
- Reduction of 40% in extra-MERCOSUR import duties for CKD (completely knocked down) and SKD (semi knocked down).
- Reduction of up to 20% in extra-MERCOSUR import duties for CBU (completely built up).

Fiscal benefits: a fiscal bond for the purchase of locally manufactured motorcycle parts which may be offset against national taxes for a percentage of the ex-works value net of taxes (25% for 2009 and decreasing on an annual basis thereafter).

For further information: www.sub-industria.gob.ar/blog/2010/03/10/regimen-de-incentivo-a-la-inversion-local-para-la-fabricacion-de-motocicletas-y-motopartes

6.2.6. Mining industry promotion regime

Norms: Law No. 24,196 Mining Activity, Laws No. 25,429 and No. 25,161 and amendments. Law No. 1,919 Mining Code, Decree No. 456/1997 Mining Code, and Law No. 25,225 Mining Code.

Description: The regime defines a set of incentives aimed at promoting investment in exploratory activities.

Benefits:

- Double deduction of exploration expenses for the purposes of calculating Income Tax.
- Deduction of up to 100% of the amount invested in determining the viability of the project for the purposes of calculating Income Tax.
- VAT refund on exploration costs after a 12-month period.
- A 30-year period of fiscal stability will be granted once the feasibility study presented to the national mining authorities has been approved.
- Accelerated depreciation mechanisms for Income Tax purposes.
- Exemption from import tariffs on capital goods. Beneficiaries may be mining companies or companies providing mining services.
- Early refund and financing of VAT for the definitive import or purchase of new capital goods and investment in infrastructure for the productive project of new exploitation projects or those expanding current productive capacity.
- Exemption from Minimum Presumed Income Tax, elimination of duties on exports, provincial and municipal taxes, a ceiling on royalty payments and capitalization of reserves.
- During the first five years of the concession, the ownership of the mine will be exempt from all taxes or duties applicable to the production and marketing of mining activity.

For further information: www.mineria.gov.ar

6.2.7. Forestry regime

Norms: Law No. 25,080 Investments for Planted Forests and Law No. 25,509 Forestry.

Description: Regulation of planting and exploitation processes and forestry industrialization.

Benefits:

- A 30-year period of fiscal stability will be granted, which may be extended to a maximum of 50 years.
- Special depreciation regime for Income Tax.
- Early VAT refund, tax exemptions and non-refundable subsidies/grants for planted forests.

For further information: www.minagri.gob.ar

6.2.8. Regime to promote the exploration and exploitation of hydrocarbons

Norm: Law No. 26,154 Hydrocarbons

Area of application: All those areas listed in Law No. 25,943 and those with geological potential over which there are currently no third-party rights as granted by Law No. 17,319. The regime establishes a 15-year period for the exploration and exploitation of the continental shelf; 12 years for areas in sedimentary basins with no production; and ten years for areas in sedimentary basins with production.

Benefits:

- Early VAT refund on the total amount of expenses and investments made in the exploration phase as well as on the investments made in the exploitation period.
- Income Tax: all expenses capitalized and investments made during both exploration and exploitation phases
 are depreciated in three equal, consecutive yearly amounts as from the year these expenses and investments
 were made.
- Assets belonging to parties owning the exploration permits and exploitation concessions granted under this
 law are not included in the calculations of the taxable base for Minimum Presumed Income Tax during a
 maximum of three years as from the contract award date.
- Exemption from the payment of import duties and any other tax, levy or duty as regards the import of capital goods not manufactured in Argentina which are necessary for exploration activities.

For further information: www.minplan.gov.ar

6.2.9. Public infrastructure works

Norms: Decree No. 966/2005 National Regime for Private Initiatives and Decree No. 967/2005 National Regime of Public-Private Associations

Description: To promote the involvement of the private sector in infrastructure works.

Benefits:

- National regime for private initiatives: to promote the participation of the private sector in public infrastructure
 works, concessions, public utilities or licenses. The submission of these projects should be spontaneous, and if
 the State considers it to be of public interest, the corresponding call for tender will be issued. The particular
 feature of this regime is that the developer of the project is given priority when the bids are being judged
 as part of the tendering process.
- Regime of public-private associations: this involves the State's participation as a partner in the project.
 The association structure can be any form permitted under Argentine legislation. The contribution made by the government may be made with a cash payment, tax benefits, rights to certain State-owned public and private assets, for instance. In this case, the presentation of the project is made at the request of a public organization and a public call for tenders is issued to select the private sector partner.

For further information: www.infoleg.gov.ar

6.3. Location incentives

6.3.1. Provincial regimes

Description: Most Argentine provinces offer specific regimes to promote productive investment in their territories.

Benefits: Although the incentives, the terms and the sectors promoted differ across provinces, most provincial promotional regimes include:

- Exemptions from provincial taxes for a specific period of time.
- Reduction in public utilities rates.
- Support for infrastructure works and acquisition of equipment.
- Facilities for the purchase and localization of assets from the province.
- Priority for award of contracts in bidding procedures carried out by the provincial government authorities.
- Reduction in the rates charged for the probate and deed of sale or transference from the provincial government.

In most provinces there are also industry-specific incentive programs which include exemptions from provincial taxes. In addition, many provinces have industrial parks which offer companies a complete service infrastructure among other advantages.

For further information: www.prosperar.gov.ar/es/red-federal.html

6.3.2. Free trade zones (FTZ)

Norms: Law No. 24,331 and amendments.

Benefits: Merchandise entering and leaving the free trade zone is not subject to normal customs controls, nor are any taxes levied (except for retributive services taxes). The objective of these zones is to encourage trade and the export of industrial activity by reducing costs and simplifying administrative procedures in addition to offering fiscal incentives.

There are currently nine free trade zones operating in Argentina in the following provinces: Buenos Aires (La Plata), Córdoba (Córdoba), Chubut (Comodoro Rivadavia), La Pampa (General Pico), Mendoza (Luján de Cuyo), Misiones (Puerto Iguazú), Salta (General Güemes), San Luis (Justo Daract) and Tucumán (Cruz Alta).

Application authority: Secretariat of Industry and Commerce, Ministry of Industry.

For further information: www.comercio.gov.ar / www.afip.gov.ar

6.4. Incentives for innovation and technological development

6.4.1. Argentine Technology Fund (FONTAR)

Description: It supports projects geared towards improving the productivity of the private sector through technological innovation. There are a number of financing instruments which are implemented by means of public calls for tenders or open submissions (no deadline).

Kinds of projects financed by FONTAR:

- Technological development
- Technological modernization
- Patent costs
- Technological services for institutions
- Technological services for SMEs
- Training
- Technical assistance
- Technological Departments Program
- Company incubators, industrial parks and technological centers.

For further information: www.agencia.mincyt.gov.ar

6.4.2. Software Industry Fiduciary Fund (FONSOFT)

Description: A fiduciary fund created when the Software Promotion Law (Law No. 25,922) was enacted.

Projects and programs financed by FONSOFT:

- R&D projects related to the activities included in the promotional regime: creation, design, development, production, implementation and fine-tuning of software systems.
- Higher education programs (graduate or post-graduate) for human resources training.
- Programs to improve quality in the processes used in software creation, design, development and production.
- Assistance programs to create new enterprises.

For further information: www.agencia.mincyt.gov.ar

6.4.3. Fund for Scientific and Technological Research (FONCYT)

Description: The fund supports research projects aimed at creating new scientific and technological knowledge. The fund offers different promotion and financing instruments awarded through public tender procedures.

Projects and programs financed by FONCYT:

- Technological and scientific research projects (Proyectos de investigación científica y tecnológica PICT)
- Specialized technological and scientific research projects (Proyectos de investigación científica y tecnológica orientados - PICTO)
- Research and development projects (Proyectos de investigación y desarrollo PID)
- Equipment modernization projects (Proyectos de modernización de equipamiento PME)
- Strategic areas program (Programa de áreas estratégicas PAE)
- Scientific meetings (Reuniones científicas RC)
- Qualification certificates (Certificados de calificación CC)
- Human resources program (Programa de recursos humanos PRH)
- Projects to adapt and/or upgrade infrastructure (Proyectos de adecuación y/o mejora de infraestructura - PRAMIN)
- Training program for managers and technological facilitators (Programa de formación de gerentes y vinculadores tecnológicos GTec)
- Technological equipment and infrastructure project (Infraestructura y Equipamiento Tecnológico PRIETEC)

More information: www.agencia.mincyt.gov.ar

6.4.4. National Science and Technology Council (COFECYT)

Description: The Council promotes the harmonious development of technological, innovative and scientific activities throughout the country.

Projects and programs financed by COFECYT:

- Institutional strengthening projects
- National Projects for Productive Innovation (Proyectos Federales de Innovación Productiva PFIP)
- National Projects for Productive Innovation—Productive Chains (Proyectos Federales de Innovación Productiva-Eslabonamientos Productivos - PFIP-ESPRO).

For further information: www.cofecyt.mincyt.gov.ar

6.4.5. Promotion and encouragement of technological innovation

Description: The program aims to improve productive and commercial activity by promoting and encouraging research and development, the transfer of technology, technical assistance and other innovative enterprises, which provide a social support structure for the tasks carried out by scientists, technologists and innovative entrepreneurs.

Benefits: The Executive Power sets an annual quota of fiscal credits which may be offset against the payment of national taxes (Income Tax) for an amount of no more than 50% of the total value of the project. This fiscal credit must be used in equal parts during a three-year period.

For further information: www.cofecyt.mincyt.gov.ar

6.5. Employment incentives

6.5.1. New hiring incentive programs

PROGRAM OF TAX REGULATION, PROMOTION AND PROTECTION OF REGISTERED EMPLOYMENT (LAW No. 26,476)

Benefits: Any company hiring new personnel may benefit from a reduction in employer contributions. For the first 12 months, the afore-mentioned contributions will be reduced by 50%, and reduced by 25% for an additional 12 months.

LABOR INSERTION PROGRAM

Benefits: Any company hiring a person who benefits from the training and employment insurance program (SCyE, for its acronym in Spanish) will be able to discount from the employee's net salary the sum that the employee receives from the program. Furthermore, the company 's social security contributions will be lower as they are calculated based on the portion of the salary for which the employer is responsible.

Deductible amounts:

Labor insertion of beneficiaries of the SCyE under 45 years of age
 Women: AR\$ 400 during the first three months and AR\$ 600 during the fourth, fifth and sixth months.
 Men: AR\$ 400 during the first six months.
 Total period: Six months.

2. Labor insertion of beneficiaries of the SCyE over 45 years of age

Women: AR\$ 400 during the first three months and AR\$ 600 during the fourth, fifth and sixth months and AR\$ 800 during the seventh, eighth and ninth months.

Men: AR\$ 400 during nine months.

Total period: Nine months.

YOUNG PEOPLE'S EMPLOYMENT PROGRAM (PROGRAMA DE JÓVENES "MÁS Y MEJOR TRABAJO")

Benefits: Any company hiring a beneficiary from the young people's employment program (PJMMT, for its acronym in Spanish) may deduct from the beneficiary's net monthly salary a non-remunerative sum of AR\$ 400 which will be reimbursed to the beneficiary by the Ministry of Labor, Employment and Social Security by means of direct payments during a period of up to six months.

Those companies which offer training internships to beneficiaries of the PJMMT program may co-finance with the Ministry of Labor a non-remunerative total sum to be paid to the beneficiaries (if this is an SME, the Ministry of Labor will cover up to AR\$ 400 of the AR\$ 550 established). The Ministry of Labor covers costs incurred in classroom training for up to an amount of AR\$ 60 per trainer /hour.

6.5.2. Training programs for employees

Benefits: Any company training an employee who benefits from the Training and Employment Insurance Program (SCyE) will be able to discount from the employee's net salary the sum of AR\$ 400 during six months, as the employee will be receiving this sum directly from the Ministry of Labor. Furthermore, the Ministry covers a trainer's fee of up to AR\$ 150 for four hours per month and AR\$ 225 for up to six hours per month throughout the training period.

Fiscal credit for companies strengthening the capabilities of their employees: companies may obtain a fiscal bond of up to AR\$ 300,000 for training programs that strengthen the capabilities of employed and unemployed workers. If the company in question is an SME, it is eligible for an equivalent of 8% in financing (a large company is eligible for 0.8%) for the total amount of salaries, wages and remunerations paid on an annual basis, as well as their respective employers' contributions and social security. The company receives fiscal credit certificates which allow it to offset taxes whose application, control and collection are the responsibility of the AFIP.

Lines of action eligible for financing:

- Professional training
- Basic IT training
- Certification of primary, secondary, tertiary or higher level education programs.
- Evaluation and certification of work skills.
- On-the-job training (qualifying internships or job training).

Industry-specific training: Any company wishing to design a customized training course may develop industry-specific agreements to carry out in-house professional training. The Ministry of Labor finances trainers, teaching material, equipment and travel costs, for instance. The amounts and duration of these courses are defined between the parties involved in the project.

6.6. Investment financing

6.6.1. Credit lines from the National Bank of Argentina (BNA)

Description: BNA provides credit lines to companies, which includes credits for working capital and investments (to cover production and sales costs), financing for imports and for the tourism sector (including the construction of new hotels, facilities and equipment). It also offers leasing and factoring services.

For further information: www.bna.com.ar

6.6.2. Bicentennial program for productive financing

Description: A large-scale credit program of AR\$ 8 billion that aims to provide all types of companies financing for productive investments in all sectors.

Benefits: Fixed annual interest rate of 9.9% for peso-denominated five-year loans.

For further information: www.mit.gob.ar/financiamiento_bicentenario.htm

6.6.3. Credit lines from the Investment and Foreign Trade Bank (BICE)

Description: The BICE offers a range of financing lines in both pesos and dollars.

Benefits:

- Reconversion and productive modernization projects aimed at financing the purchase of capital goods and investment projects.
- Export pre-financing: financing for the export of primary products, manufactured products of agricultural and industrial origin and the provision of services in general, aimed at foreign markets.
- Export post-financing: financing for the export of primary products, manufactured products of agricultural and industrial origin, durable and capital goods.
- SME Boost Program: fixed interest rate credit line in pesos subsidized by the Secretary of Small and Medium-size Enterprises, aimed at financing micro, small and medium-size companies.

For further information: www.bice.com.ar

6.6.4. Credit lines from the Federal Investment Council (CFI)

Description: The CFI runs a series of financial assistance programs for micro, small and medium-size enterprises in order to promote Argentine regions and provinces.

Benefits:

- Productive reactivation: credits are given for the purposes of financing working capital, fixed assets and pre-investment.
- Exportable regional production: credits are for pre-financing exports and supporting exportable production (working capital, fixed assets and pre-investment).

For further information: www.cfired.org.ar

6.6.5. Subsidized rates for loans to Micro, Small and Medium-Size Enterprises (MiSMEs)

Description: The national government put this regime into place to facilitate access by MiSMEs to credit and cover part of the financial costs of the loans granted by banks.

Benefits: These credits are aimed at:

- The acquisition of new capital goods via loans or leasing.
- Strengthening working capital.
- Pre-financing and financing exports of goods and services.
- Creation and development of new enterprises.
- Industrialization of goods and services developed through the use of technological innovation.
- Scientific and technological research activities, productive modernization and innovation.

For further information: www.sepyme.gov.ar

6.6.6. National Development Fund for MiSMEs (FONAPyME)

Description: FONAPyME makes capital contributions and provides financing to micro, small and medium-size enterprises to carry out projects focusing on the domestic market with an emphasis on import substitution, the generation of added value, employment and the promotion of regional development.

Benefits: Loans are offered to finance:

- Investments in fixed assets
- Working capital

For further information: www.sepyme.gov.ar

6.6.7. National Bank of Argentina Program to finance innovative enterprises

Description: This program supports innovative enterprises with growth potential, including those new enterprises which have not yet entered the market but which are planning to do so within the six months following the disbursement of the loan as well as young companies that have been operating less than two years since the first sales were reported for tax purposes.

For further information:www.empretec.org.ar

6.7. Export promotion

6.7.1. Drawback regime

Norms: Decrees Nos. 177/1985, 1012/1991 and 2182/1991, 313/2000 and Resolutions Nos. 177/1991, 288/1995 and 1041/1999.

Benefits: Drawback regime refunds exporters for taxes and import duties, including statistics tax and VAT, paid on imported supplies used to produce goods for export. The regime also covers packaging or the conditioning

necessary for the goods to be exported. As is the case with refunds, their settlement and payment is overseen by the Customs Office.

Eligibility: Registered importers and exporters.

Application authority: Customs Office.

For further information: www.afip.gov.ar

6.7.2. Export refunds

Norms: Decrees Nos. 1011/1991, 2275/1994 and 690/2002.

Benefits: The total or partial refund of excise taxes paid during the different stages of production and marketing of the merchandise manufactured in Argentina which is to be exported, new and unused. These rates currently range from 0% to 6%. Payment of this benefit is made by the Customs Office following the presentation of the shipping documentation. Furthermore, the exporter must have complied with the rules governing the entry of foreign currency related to the operation and must not have any pension or tax debts pending with the AFIP. As the benefits are applied to value added locally they are compatible with the drawback regime.

Eligibility: Exporters of fixed assets.

Application authority: Customs Office.

For further information: www.afip.gov.ar

6.7.3. Temporary imports for industrial improvements

Norms: Decree No. 1330/2004 and related norms

Benefits: Regulates the temporary import of merchandise entering the territory with the purpose of receiving subsequent industrial improvements to be exported in its new form within the period stipulated. The merchandise admitted under this regime is not liable for those taxes levied on goods imported for consumption, although retributive services taxes are applicable, except for the Statistics Levy and destination confirmation charges. Nonetheless, those operations undertaken within the framework of this regime are covered by the current system of guarantees.

Eligibility: Registered importers and exporters

Application authority: Secretary of Industry, Commerce and SMEs

For further information: www.comercio.gov.ar $\,$

6.7.4. Export of turnkey operations

Norms: Law No. 23,101, Decree No. 870/2003, Resolution No. 12/2004.

Benefits: The regime grants specific and additional refunds to exports made under the turnkey export contract system. Turnkey exports refer to the following: the construction of a plant or building and the provision and

installation of its respective furnishings or goods; management and supervision of assembly; provision of operational methods and start-up assistance. Also, training personnel to operate it correctly and providing any other services necessary for full compliance with the turnkey contract's final objective. Furthermore, an essential component of an export turnkey operation is the export of services which include the following as a minimum: the designs, plans and calculations for construction, installation and systems; supporting documentation for operational methods, procedures and control; technical assistance for implementation; and/or works supervision and site management.

Eligibility: Companies established in Argentina.

For further information: www.comercio.gov.ar

6.7.5. In-company customs regime (RAF)

Norms: Decrees Nos. 688/2002, 2722/2002 and Joint Resolutions Nos. 14/2003-1424/2003 and 54/2003-1448/2003, and Resolution No. 1553/2003.

Benefits: The RAF enables the import of raw materials, supplies, auxiliary materials, packaging, packing or protective material or goods used directly in production processes and/or the transformation of goods for their subsequent and definitive export or import. The destination suspension contemplated by the regime ends when the merchandise is definitively exported after transformation, re-exported without being transformed or imported for consumption. The importer must apply for one of these definitive destinations at least one year before the merchandise enters the customs zone. Taxes, duties and other customs tariffs applicable to imports for consumption are charged by calendar month and may be collected as from the expiry date established for this purpose by the application authorities.

Eligibility: Individuals or legal entities owning industrial establishments based in the country which, having opted to abide by Argentine legislation, are able to provide proof of compliance with the requirements for its application.

Application authorities: AFIP and the Secretary of Industry, Commerce and SMEs.

For further information: www.afip.gov.ar

6.7.6. In-house customs regime

Norms: General Resolutions Nos. 596/1999 and 800/2000, and Resolution No. 14/2003.

Benefits: Imported merchandise may be directly taken to the importer's warehouses or deposits, while merchandise for export may leave directly from the exporter's own warehouse, without interim detention in fiscal enclosures. Independently of the location and sector, the regime requires the importer/exporter to account for a minimum volume of annual sales as well as provide tax records in order for the importer/exporter to manage their own bonded warehouse for their own merchandise as well as acting as a customs clearance agent.

Application authority: Customs Office.

For further information: www.afip.gov.ar

6.7.7. Reimbursements for exports from Patagonian seaports

Norms: Laws No. 23,018; 24,490; 25,454; and 25,731

Benefits: There are additional refunds available for exports originating from the ports located between San Antonio Este (Province of Río Negro) and Ushuaia (Province of Tierra del Fuego). Law No. 23,018 establishes the requirements to be met and includes a chart detailing the progressive reductions in benefits from their initial application until they expire.

Application authority: Federal Administration of Public Revenues.

For further information: www.afip.gov.ar

6.7.8. Secretary of Small and Medium-Size Enterprises and Regional Development

Description: The Secretary provides assistance for exports through several different programs to support alliances and partnerships between SMEs and encourage their internationalization, for instance:

- Support Program for exporter groups and consortia
- Support programs for first-time exporters
- Online portal Proargentina (www.proargentina.gov.ar)
- Technical training and assistance
- Commercial promotion actions

For further information: www.sepyme.gov.ar

6.7.9. Secretary of International Trade and International Economic Relations

Description: The Secretary of International Trade and International Economic Relations, together with the Export. ar Foundation, offers businesses assistance with their efforts to commercialize their products efficiently and competitively internationally with the purpose of accessing markets and broadening and diversifying their export offering. The following activities are worth mentioning:

- Participation in international trade fairs
- Industry-specific promotion missions
- International business round tables
- Product insertion programs
- Developing business meeting agendas
- Support for exporters' groups
- Training events

For further information: www.exportar.org.ar

6.7.10. Argentina Trade Net

Description: This is an Internet portal run by the Ministry of Foreign Affairs, International Trade and Worship designed to promote and encourage international trading operations between local companies and potential clients abroad.

For further information: www.argentinatradenet.gov.ar





Chapter 7 Living in Argentina A great place to live and work

7.1. Quality of life

The quality of life in Argentina stands out in the region and the world. The specialized publication International Living ranked Argentina fourth in its 2010 Quality of Life index, on the basis of factors such as cost of living, culture and leisure, the economy, the environment, healthcare services, infrastructure and climate. Argentina offers internationally competitive costs in areas including transport, telecommunications, entertainment, gastronomy and real estate services, among others.

The City of Buenos Aires, the capital, is rated by The Economist Intelligence Unit as the most livable city in Latin America, while the purchasing power of its inhabitants is the highest among Latin American capital cities, according to the most recent Prices and Earnings study carried out by the global financial firm UBS.

Prestigious local institutions offer educational and healthcare services comparable in quality to the top international referents. This is the case of the many bilingual schools specializing in English, German, French and Italian, as well as medical diagnostic centers and high-end healthcare facilities.

The wide range of cultural activities, sports attractions and the warmth of its people make Argentina a great place to live, work or visit.

7.2. Transport

Argentina is well served with modern forms of transport interconnecting numerous local and international destinations. Air transport is one of the favored options for medium to long-distance travel due to the country's sheer expanse.

The principal international airport of Ministro Pistarini is located in the Ezeiza district, 22 km west of the City of Buenos Aires. It offers direct flights to the main cities on the South American continent as well as most major world capitals. Most domestic flights fly in and out of Jorge Newbery Airport, located in the City of Buenos Aires.

A network of well-marked national and provincial roads efficiently connects the country's vast territory. Long-distance buses are an excellent transport option, offering quality services, including sleeper coaches and on board catering similar to an international flight. There are also many national and international car rental agencies.

Railway services are one of the main forms of passenger transport between the City of Buenos Aires and the surrounding suburbs in Greater Buenos Aires, as well as between the capital and other cities throughout the country. There are also short and medium-distance rail services covering touristic circuits, such as the famous Train of the Clouds in the province of Salta, and the Train of the End of the World in Tierra del Fuego.

Within the city limits of Buenos Aires, the subway and city buses are by far the most popular means of transport, however there is a plentiful fleet of metered taxis and private car services, which calculate the rate based on a trip's distance and time.

7.3. Culture

Argentina boasts a vibrant and diverse culture. Tango, considered an Intangible Cultural Heritage of Humanity since 2009, has achieved world recognition and today stands out as the country's chief cultural icon, illustrated by the rising tide of music sales, ticket sales for concerts and dance shows, tango classes, sales of shoes and

outfits and specialized publications. The World Tango Championship is held annually in Buenos Aires; its variety of shows, free classes and exhibitions attract over 200 thousand spectators.

Folk music is also increasingly popular, particularly in the provinces, featuring dances such as the carnavalito, malambo, pericón and chacarera, all part of Argentina's prolific and varied culture.

Argentina is internationally renowned for its literary wealth as reflected by its special guest status at the Frankfurt Book Fair 2010, the most important publishing event of the year. The ranks of legendary authors and poets include Jorge Luis Borges, its most famous exponent, as well as Ernesto Sábato, Adolfo Bioy Casares, Juan Gelman and Julio Cortázar, now followed by new generations of talented young writers.

With over 540 publishing houses, the local publishing industry is among the most prolific in the Spanish-speaking world. Argentina offers one of the broadest book selections in Latin America, on show every year at the International Book Fair in the City of Buenos Aires, the largest book fair in the Spanish-speaking world. Buenos Aires was also elected "World Book Capital 2011" by UNESCO.

The filmmaking industry enjoyed a recent growth spurt during the last decade with the emergence of a new generation of young directors, who gave birth to the so-called "new Argentine cinema". The local industry treasures its two Oscars for best foreign film, awarded to "El Secreto de sus Ojos" (2010) and "La Historia Oficial" (1986), as well as another five nominations to this coveted prize. Argentina ranks second in the region in terms of premieres of national films with some 80 new releases per year.

Undisputed local talent has thrust Argentine artists into the limelight to win several top international awards and prizes in different disciplines: the Miguel de Cervantes for literature, the Goya Awards, honorary mentions for film at the Berlin, Cannes and Venice film festivals, Latin Grammy and MTV music awards for music and numerous Clio and Cannes Lions awards for print and TV advertising.











7.4. Entertainment

The main Argentine cities have a well-deserved international reputation for their varied array of cultural, recreational and sports activities and events for all ages. There are 925 art, science and history museums, 2,829 theaters and 444 movie theaters, as well as exhibition, convention and trade fair centers; cultural centers and literary cafes; stadiums for sporting events and rock concerts; restaurants, bars and discos; as well as a busy schedule of musical concerts to suit all tastes.

Argentina is renowned for its theater and performing arts, comparable with only a handful of other countries in the world. From the newly renovated Colón Theater to open-air stages, a new generation of dancers offers breathtaking performances. On the weekends some 200 theatrical performances are staged, representing eight curtain calls per hour. Traditional settings and locations are complemented by underground or fringe-style performances featuring avant-garde directors and playwrights, while ground-breaking shows depart from convention altogether with such visionary Argentine troupes as De la Guarda and Fuerza Bruta which have triumphed in London and New York.

For tango lovers there is a vast array of shows and concerts, as well as nights of milonga dancing. Folk dancing is also very popular and has gained a new fame in recent years, among audiences of all ages. The folk melodies attract huge crowds at festivals which take place every year throughout the country.

Argentina also hosts cinematographic events, including important film festivals, such as the Mar del Plata Film Festival, the only one in Latin America recognized in 2010 by the Federation of International Federation of Film Producers Associations (FIAFP). The Buenos Aires International Independent Film Festival (BAFICI, for its acronym in Spanish) is another annual hit, attracting avant-garde filmmakers from all around the world.









Colón Theater

Over one hundred years old, the recently restored Colón Theater continues to be one of the finest opera houses in the world as much for its acoustics as for its architecture. Legendary figures have enraptured audiences throughout its history, from composers Richard Strauss and Igor Stravinsky to singers Enrico Caruso, Plácido Domingo, José Carreras, Luciano Pavarotti and María Callas as well as ballet dancers Anna Pavlova and Rudolf Nureyev. The theater has an impressive calendar of regular concerts featuring the Vienna and London Philharmonic Orchestras and the Philadelphia, New York and Berlin Symphony Orchestras, among many others.

In regard to professional sports, the country is a key force on a number of world circuits, excelling at soccer, polo, tennis, rugby, hockey, sailing and rally driving. Soccer is the most popular sport, and Argentine world-league names such as Diego Maradona and Lionel Messi have awed fans around the world. Argentina is the mecca of world polo with local tournaments drawing audiences from all over the world. The International Association of Golf Tour Operators elected Argentina as the top destination in the region for golf tourism.

Argentina enjoys a reputation for a lively and varied night life. There are bars, restaurants, discos, thematic bars and traditional cafes that cater to all ages and tastes.

7.5. Cuisine

A wide array of restaurants, bars and gourmet food shops represent a diverse and rich offering of local delicacies and international cuisine. The range of options is broad and tempting: Spanish restaurants, Italian trattorias, French bistros, Japanese sushi bars, Mexican taco bars, and dozens of signature cuisine restaurants featuring highly accomplished chefs, as well as delicatessen shops and bakeries.

Argentine beef, the undisputed must-try of local cuisine, in particular barbecued (asado criollo) is a culinary experience to be enjoyed again and again.

Sweets such as dulce de leche and the mouth-watering chocolate or fruit filled cookies known as alfajores, are some of the emblematic Argentine sweets now gaining popularity all over the world.

Another emblematic taste of Argentina is the local wine, which has grown into a world-class industry of world renown. Argentina produces an eclectic and celebrated range of outstanding white, red and rosé wines, such as Bonarda, Cabernet Franc, Cabernet Sauvignon, Malbec, Merlot, Tempranillo, Torrontés, Chardonnay, Pinot Noir, Petit Verdot, Syrah and Traminer. The Malbec is the country's signature grape, reaping international awards and recognition for the high quality wines produced locally. Another traditional beverage is the mate, a hot infusion similar to tea, an icon of the country's most traditional culture.

7.6. Tourism

Argentina attracts visitors from every corner of the globe, who come to experience the culture and enjoy the unique opportunities for sightseeing. Tourists can enjoy a diverse range of activities from adventure and ecotourism to historic and cultural tours, even the increasingly popular option of health tourism.



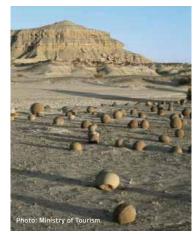


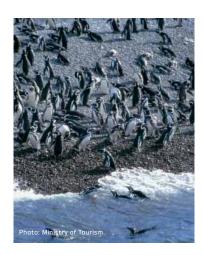


Among its natural treasures are the National Reserves of Ischigualasto and Talampaya, the National Park of Los Glaciares, Iguazú National Park and the Valdés Peninsula, all distinguished by UNESCO as World Heritage Sites.

Cultural and business tourists will find plenty to interest them in the country's main urban centers. The city of Buenos Aires was voted one of the top ten best cities to visit in the world by the trade magazine Travel & Leisure for five years in a row.







Wine tourism: the Wine Route

Over 160 wineries form part of the "Argentine Wine Routes", a wine tourism circuit which attracts some 2,800 visitors per day, a number that has grown by 25% a year since 2004. Wine tourism is currently concentrated in the province of Mendoza, but is already spreading into other wine-producing regions which have also identified the burgeoning tourism interests. This represents a new kind of integrated experience providing visitors with an opportunity to savor local wines and learn their history, while enjoying the stunning scenery of wine country extending out from the Andean mountain range.





8





Frequently asked questions

Answers to investors' queries

8.1. What is the legal framework that protects foreign investment?

Foreign Investment Law No. 21,382 (Ley de Inversiones Extranjeras No. 21.382) establishes the legal framework for foreign investment.

8.2. Are foreign investors treated differently from national investors?

No. In Argentina, foreign investors are not discriminated against; they enjoy the same treatment as Argentine nationals.

For further information, see Chapter 4, Section 4.1. (Legal framework for FDI) in this guide.

8.3. Is there a foreign investment registry?

No. Although legislation foresees the possibility of drawing up a foreign investment registry in the future, this has still not been legally instrumented.

8.4. What restrictions are there on companies remitting profits abroad?

None. Foreign investors may transfer profits and dividends from their investments to another country as well as repatriate their investment.

For further information, see Chapter 4, Section 4.1. (Legal framework for FDI) in this guide.

8.5. Are there any restrictions on specific sectors?

In general, there are no restrictions or preferences on foreign companies investing in specific economic sectors.

8.6. Does Argentina adhere to the Authorized Economic Operator (AEO) system?

Yes. This system allows foreign trade operators to access major benefits which help them to speed up their operations, optimizing costs and helping customs authorities to perform their tasks in the area of safety as required by the World Customs Organization (WCO) in the Framework of Standards to Secure and Facilitate Global Trade (SAFE).

8.7. What kinds of immigration permits are required to do business in Argentina?

To set up a business in Argentina, a permanent or temporary residency permit is required.

For further information, see Chapter 3, Section 3.2 (Settling in Argentina) in this guide.

8.8. What are the principal norms regulating the labor market?

The principal norms regulating the labor market in Argentina are: Law No. 20,744 (Ley de Contrato de Trabajo); Law No. 25,877 (Ordenamiento Laboral); Law No. 26,425 (Sistema Integrado Previsional Argentino); Law No. 24,557 (Riesgos del Trabajo); in addition to collective agreements. All of these laws establish the basic company requirements for hiring personnel.

For further information, see Chapter 4, Section 4.3 (Hiring personnel) in this guide.

8.9. How many hours is a working day?

A working day is eight hours a day or 48 hours a week. This may be extended with overtime, which is paid at a rate of an additional 50% on working days, while Saturdays after 1 pm, Sundays and public holidays are paid at a rate of an additional 100%. Night work is allowed, but may not exceed seven hours a day between the hours of 9 pm and 7 am.

8.10. How many vacation days are workers entitled to per year?

The number of days allotted to each employee for vacation depends on the number of years of service to the company: 14 days if the employee has been with the company between six months and five years; 21 days for five to ten years of employment; 28 days for ten to 20 years and 35 days if the employee worked for the company for more than 20 years.

8.11. Is there an extra or additional salary to be paid per year?

Yes. All salaried workers are entitled to a thirteenth month of salary—known as the "aguinaldo" in Spanish—which is paid in two installments, one in June and the other in December. Each payment is equal to 50% of the highest monthly salary paid during the prior six months.

8.12. What are the terms of the different work contracts?

Work contract terms are generally non-fixed, unless there are specific provisions to the contrary. The law establishes a trial period of three months which may be extended to six months depending on the collective agreement in each sector. During this period, the employee may be dismissed without receiving severance payment.

The work contract is understood to be for a non-fixed term, unless its term is conditioned by the following circumstances: a fixed period expressly set and taken down in writing, or when the particular aspects of the tasks or activity involved justify a specific term.

A fixed-term work contract lasts until the period agreed to expires, and may not be longer than five years.

8.13. What are the regulations governing redundancy?

For any one party to terminate a work contract before it expires, the other party must receive official notice. The written notice must be issued by the employee to the employer 15 days in advance. The employer must give an employee a 15-day notice if the worker is under the trial period; one-month notice when the worker has been employed for up to five years and two months when this period is longer.

Severance pay is equivalent to one month's salary per year worked or the fraction greater than three months, based on the highest regular monthly salary.

If the employer fires the employee because the latter has committed a work-related offense of sufficient gravity hindering the relationship from continuing, the latter is not entitled to receive severance payment provided for by labor legislation.

8.14. How is the tax system structured?

In Argentina, tax revenue is collected by the Argentine government, the provinces and municipal authorities. The tax system is structured on the basis of dues levied on income, assets and consumption.

For further information, see Chapter 4, Section 4.2 (Tax system) in this guide.

8.15. What are the main taxes according to different levels of government?

The main taxes according to levels of government are as follows:

| Federal taxes | Levy |
|---|--------------------------|
| Income tax | 35% |
| Value Added Tax (VAT) | 21% |
| Minimum Presumed Income Tax | 1% |
| Personal Assets Tax | 0.5% - 1.25% |
| Taxes on Debits and Credits in Bank Accounts and Other Operations | 0.06% |
| Provincial taxes | |
| Gross Income Tax | 3%* |
| Real Estate Tax | 0.562% |
| Stamp Tax | 1% |
| Municipal taxes | |
| Remuneration rates for services | Set by each municipality |

For further information, see Chapter 4, Section 4.2 (Tax system) in this guide.

8.16. Are there any promotional and/or incentive programs in place to encourage investment?

Yes. Argentina offers a series of instruments designed to encourage investment, including horizontal, sector-based and regional incentives, among many others.

For further information, see Chapter 6 (Investment incentives) in this guide.

8.17. Are there any industry-specific incentives in place?

Yes. Those sectors benefiting from specific incentive programs are: automotive and auto parts, software, biotechnology, biofuels, motorcycles and motorcycle parts, mining, tourism, forestry, public infrastructure works and hydrocarbons exploration and exploitation.

For further information, see Chapter 6, Section 6.2 (Industry-specific incentives) in this guide.

8.18. Are investment incentives provided at a provincial level?

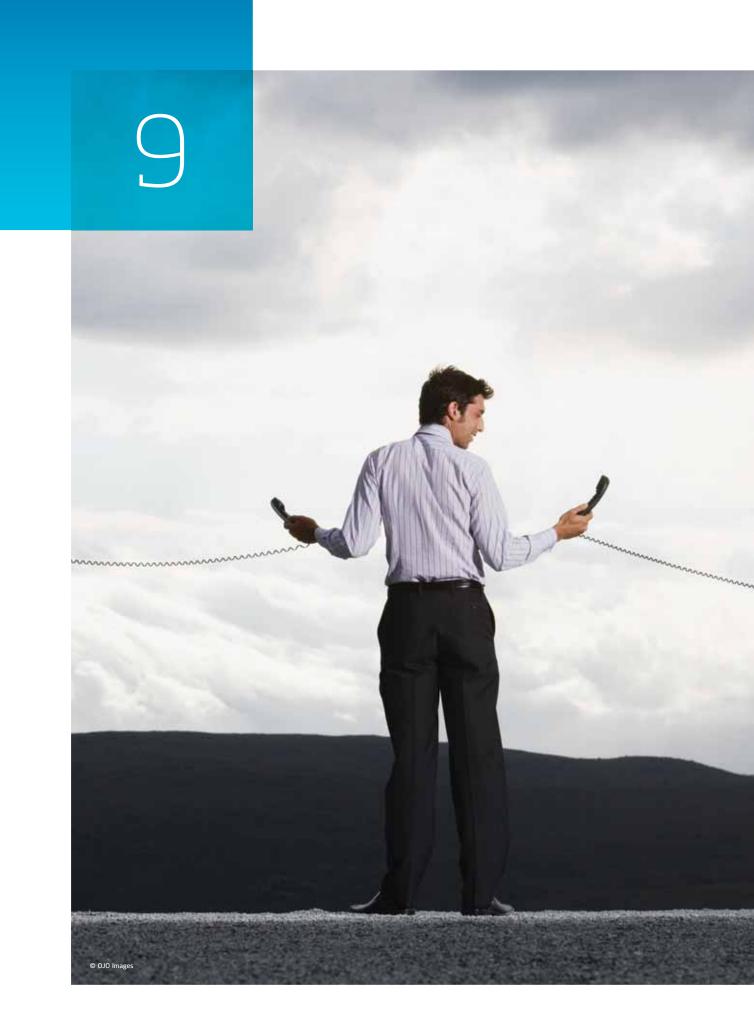
Yes, most Argentine provinces have specific programs in place to promote productive investment in their territories.

Provincial promotion programs include provincial tax exemptions for specific periods of time; reduced tariffs for public utilities; support for building public infrastructure and acquiring equipment; facilities for purchasing and localizing State-owned goods; priority in the award of provincial tenders; and reductions in the tax thresholds corresponding to formal records of the bills of sale or transfer from the provincial state authorities.

8.19. What options are available for structuring a company in Argentina?

The Law of Commercial Companies No. 19,550 (Ley de Sociedades Comerciales) establishes the different kinds of companies that can be constituted in Argentina. The most popular corporate forms among foreign investors in Argentina are the incorporated business company (SA, for its acronym in Spanish) and the limited liability company (LCC). Nonetheless, the law typifies another option which is the foreign branch.

For further information, see Chapter 3, Section 3.1 (How to establish your company) in this guide.





Chapter 9 Directory

Key public institutions for doing business in Argentina

9.1. National entities

OFFICE OF THE PRESIDENT

(+54-11) 4344-3600 www.presidencia.gov.ar

- National System of Public Media www.snmp.gov.ar
- Secretary of Culture (+54-11) 4129-2400 www.cultura.gov.ar
- National Institute of Cinema and Audiovisual Arts (INCAA) (+54-11) 6779 0900 www.incaa.gov.ar
- CAF (Argentine Film Commission) (+54-11) 4381-3091 www.caf.gov.ar

CHIEF OF CABINET OFFICE

(+54-11) 4331–1951 to 59 www.jgm.gov.ar

MINISTRY OF SCIENCE, TECHNOLOGY AND PRODUCTIVE INNOVATION (MINCYT)

(+54-11) 4891-8300 www.mincyt.gov.ar

- National Agency for Scientific and Technological Promotion (+54-11) 4891-8300 www.agencia.gov.ar
- FONTAR Argentine
 Technology Fund
 (+54-11) 4891-8700/03
 fontar@mincyt.gov.ar
- FONCYT Fund for Scientific and Technological Research (+54-11) 4891-8750/55 foncyt@mincyt.gov.ar

 FONSOFT – Software Industry Fiduciary Fund (+54-11) 4313-3808/5076 fonsoft@mincyt.gov.ar

MINISTRY OF DEFENCE

(+54-11) 4346-8800 www.mindef.gov.ar

MINISTRY OF SOCIAL DEVELOPMENT

(+54-11) 4379-3658 or 4379-3892 www.desarrollosocial.gov.ar

MINISTRY OF ECONOMY AND PUBLIC FINANCE

(+54-11) 4349-5000 www.mecon.gob.ar

- National Institute of Statistics and Censuses (INDEC) (+54-11) 4349-9609 www.indec.gov.ar
- Federal Administration of Public Revenues (AFIP) (+54) 810-999-2347 www.afip.gov.ar
- Customs Office (DGA) www.afip.gov.ar/ aduanaDefault.asp

CENTRAL BANK OF THE ARGENTINE REPUBLIC (BCRA)

(+54-11) 4348-3500 *www.bcra.gov.ar*

NATIONAL BANK OF ARGENTINA

(+54-11) 4347-6000 www.bna.com.ar

INVESTMENT AND FOREIGN TRADE BANK (BICE)

(+54-11) 4313-9508 www.bice.com.ar

MINISTRY OF EDUCATION

(+54-11) 4129-1000 www.me.gov.ar

 National Institute for Technological Education www.inet.edu.ar

MINISTRY OF DOMESTIC AFFAIRS

(+54-11) 4339-0800 www.mininterior.gov.ar

- National Inmigrations Office (+54-11) 4317-0234 www.migraciones.gov.ar
- Federal Investment Council (CFI) www.cfired.org.ar

MINISTRY OF JUSTICE, SECURITY AND HUMAN RIGHTS

(+54-11) 5300-4000 www.jus.gov.ar

MINISTRY OF AGRICULTURE, LIVESTOCK AND FISHERIES

(+54-11) 4349 2000 www.minagri.gob.ar

- Argentine Food (+54-11) 4349 2000 www.alimentosargentinos.gov.ar
- PROARGEX (Argentine Agrifood Promotion of Exports Project) (+54-11) 4349-4680 www.proargex.gov.ar
- INTA (National Institute for Agricultural Technology) (+54-11) 4381-5200 www.inta.gov.ar
- SENASA (National Service for Agri-food Health and Quality) (+54-11) 4121-5000 www.senasa.gov.ar

 National Institute of Vitiviniculture (INV) (+54-261) 521-6600 www.inv.gov.ar

MINISTRY OF FEDERAL PLANNING, PUBLIC INVESTMENT AND SERVICES

(+54-11) 4349-5000 www.minplan.gov.ar

- Secretary of Energy (+54-11) 4349-5000 www.energia.gov.ar
- Secretary of Mining (+54) 810-666-6463 www.mineria.gov.ar
- Secretary of Transport (+54-11) 4349-7254 www.transporte.gov.ar
- Secretary of Communications (+54-11) 4318-9407 www.secom.gov.ar

MINISTRY OF INDUSTRY

(+54-11) 4349-5861 www.mit.gob.ar

- INTI (National Institute of Industrial Technology) (+54) 800-444-4004 www.inti.gov.ar
- Production Studies Center (CEP) (+54-11) 4349-3442 www.cep.gov.ar
- Secretary of Small and Medium-Sized Enterprises and Regional Development (+54) 800-333-7963 www.sepyme.gob.ar

MINISTRY OF FOREIGN AFFAIRS, INTERNATIONAL TRADE AND WORSHIP

(+54-11) 4819-7000 www.mrecic.gov.ar

- Secretary of International Trade and International Economic Relations (+54-11) 4819-7227
- Undersecretary for Investment Development - ProsperAr (+54-11) 4328-9510 info@prosperar.gov.ar www.prosperar.gov.ar
- Argentina Trade Net www.argentinatradenet.gov.ar
- Export.ar Foundation (+54-11) 4114-7700 www.exportar.org.ar

MINISTRY OF HEALTH

(+54-11) 4379-9000 www.msal.gov.ar

MINISTRY OF LABOR, EMPLOYMENT AND SOCIAL SECURITY

(+54) 800-666-4100 www.trabajo.gob.ar

 National Social Security Administration (ANSES) www.anses.gov.ar

MINISTRY OF TOURISM

(+54–11) 4312–5611/15 www.turismo.gov.ar

9.2. Provincial entities

BUENOS AIRES

Undersecretary of International Economic Relations
Ministry of Production
(+54-11)4342-9040 / 0980
inversiones@mp.gba.gov.ar
www.mp.gba.gov.ar/srei

CATAMARCA

Undersecretary of Investment Promotion
Ministry of Production and Development
(+54-3833) 437-588 / 424343
asesoria@produccioncatamarca.
gov.ar
www.produccioncatamarca.gov.
ar

Снасо

Agency of Investment, Foreign Trade, International Relations and Provincial Promotion and Representation (AICER) (+54-3722) 448-087 / 440-887 aicer@chaco.gov.ar

Снивит

Undersecretary of Investment Promotion Ministry of Foreign Trade, Tourism and Investment (+54-2965) 482-603 to 607 www.chubutalmundo.gov.ar

CITY OF BUENOS AIRES

Investor Assistance Center (CAI) (+54-11) 4131-5900 - Ext. 1602/04

invertir@buenosaires.gob.ar www.invertir.buenosaires.gov.ar

Córdoba

Secretary of Industry (+54-351) 434-2475 / 81 www.cba.gov.ar

CORRIENTES

Institute of Business Development (IFE) (+54-3783) 476-044 / 474-051 info@ife.gov.ar www.ife.gov.ar

ENTRE RÍOS

Secretary of Production (+54- 343) 420-8433 / 8168 secretariaproduccion@entrerios.gov.ar www.entrerios.gov.ar/produccion/

FORMOSA

Business Development Agency
- ADE Formosa
(+54-3717) 421-448 / 436138
/ 9
info@adeformosa.org.ar
www.adeformosa.org.ar

JUJUY

Industrial and Commercial Development Office Ministry of Production (+54-388) 426-4014 direcciondeindustriajujuy@, argentina.com.ar www.mpyma.jujuy.gov.ar

La Рамра

Undersecretary of Industry, Trade and SMEs (+54-2954) 421-811 / 452-600 www.lapampa.gov.ar/subsecretaria-de-ind-comercio-y-pymes

La Rioja

Secretary of Industry and Investment Promotion Ministry of Production (+54-3822) 453-650 mdegaetano@larioja.gov.ar www.larioja.gov.ar Coordination of Domestic and Foreign Trade - Provincial representation in Buenos Aires (+54-11) 4813-3417 / 19 comextcasadelarioja@larioja.gov. ar

Mendoza

ProMendoza Foundation (+54- 261) 405-4700 inversiones@promendoza.com www.promendoza.com

MISIONES

Undersecretary of Industry, Economics, Geology & Mining Ministry of Agriculture and Production (+54- 3752) 447-536 www.agro.misiones.gov.ar

Neuquén

Investment Development Agency (ADI NQN) (+54-299) 449-5147 / 49 / 76 info@adinqn.gov.ar www.adinqn.gov.ar

Council for Planning and Developing Action – COPADE (+54-299) 442-4676 / 448-1559 invertir@neuquen.gov.ar www3.neuquen.gov.ar/copade

Río Negro

Provincial Agency CREAR (+54-2920) 428-306 / 43-0925 / 43-1964 merezuma@crear.rionegro.gov.ar www.crear.rionegro.gov.ar

SALTA

ProSalta Foundation (+54-387) 437-0596/97 prosalta@prosalta.org.ar www.prosalta.org.ar

SAN JUAN

San Juan Investment
Development Agency
(+54-264) 427-2566 / 4391 /
4191
info@inversionessanjuan.gov.ar
www.inversionessanjuan.gov.ar

SAN LUIS

Investment Development Subprogram Ministry of Transport, Industry & Trade (+54-2652) 451-460 pymes@sanluis.gov.ar

SANTA CRUZ

Investment Development Agency
– PROGRESAR
Ministry of Production
(+54-2966) 438-727
rafael.gilmartin@gmail.com

SANTA FE

Secretary of Development Support Services (+54-342) 450-5300 ext. 4100 oaudagna@santafe.gov.ar www.santafe.gov.ar/index.php/ web/content/view/full/57179

SANTIAGO DEL ESTERO

Ministry of Production, Natural Resources, Forestry and Land Use (+54-385) 450-5069 / 79 mprodsde@.mproduccion.gov.ar www.mproduccion.gov.ar/portal/

Industry and Trade Office (+54- 385) 422-4650 indycomsde@mproduccion.gov.ar

TIERRA DEL FUEGO

Secretary of Economic and Tax Promotion Ministry of the Economy (+54 - 2901) 423-440 coordinacionprogramastdf@, qmail.com

Tucumán

Production Development Institute (IDEP) (+54-381) 497-5155 / 497-5050 idep@idep.gov.ar www.idep.gov.ar

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Association of Importers and Exporters of Argentina

General Information
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ora.ar

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