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SWITZERLAND GLOBAL ENTERPRISE

ARGENTINA

Legal Provisions

By: Swiss Argentine Chamber of Commerce and its members

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GENERAL REMARKS

The purpose of this document is to give an overview of trade-related legal provisions and regulations, particularly those relevant for small and medium sized Swiss companies operating from outside the target country. It outlines the current state of legislation and, to the extent possible, its practical application.

CUSTOMS LAW AND DUTIES

By Marval, O Farrell & Mairal

Juan Pablo Rothschild, Pablo Gayol and Juan Martín Sanz

Pursuant to the Argentine Customs Code (Law 22,415), import and export operations are carried out before the Argentine Customs (DGA), which is integrated within the Federal Tax Authority (ARCA).

In Argentina, imports are defined as the entry of goods into a general or special customs territory. Please bear in mind that the customs territory differs from the Argentine sovereign territory, as it excludes free trade zones and the maritime territory. In Argentina there are two customs territories: a general customs territory that comprises continental Argentina and the special customs territory of the Tierra del Fuego, with special rules and exemptions.

Argentina is a full member of the WTO, and it is also a member of the Mercosur Common Market, a regional trade agreement currently composed of Argentina, Brazil, Paraguay, Uruguay, Bolivia (who has not yet achieved full member status), and Venezuela (whose membership is currently suspended due to human rights violations). This bloc aims to progressively eliminate tariff barriers among its members and establish a common external tariff for trade with non-member countries.

Import duties range from 0%-35% ad valorem according to the commitments made by the country to the WTO. An additional 3% fee (statistical fee) is levied upon imports. Import VAT, excise taxes and other advanced payments on internal taxes, when applicable, are usually recoverable costs for the importer.

The customs nomenclature in Argentina is based on the Mercosur Common Nomenclature which, in turn, is based on the Harmonized System.

IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

By Marval, O Farrell & Mairal

Juan Pablo Rothschild, Pablo Gayol and Juan Martín Sanz[1]

Customs regulation only allows for registered importers to carry out operations before the Argentine Customs. Even though registration is quite simple, it does require the importer/exporter to be an Argentine registered taxpayer.

[1] Juan Pablo Rothschild and Pablo Gayol are partners at Marval O'Farrell Mairal, where they co-lead the Foreign Trade and Customs Law practice. Juan Martín Sanz is a senior associate from said practice team.

The Argentine regime allows for definitive imports, as well as temporary imports with or without transformation, transit imports, warehouse imports, among others. Argentina´s new administration is reviewing and eliminating many non-tariff barriers to imports.

Argentina has recently derogated import licensing regimes as well as other regulatory requirements anticipating information on imports. There is no current general regime in which prior authorizations for imports are required; said prior authorizations or certifications are only required for specific groups of goods.

Argentina has enacted the Single Portal for Foreign Trade (VUCE), which is gradually integrating Customs' electronic systems and communications with other governmental authorities that are involved in imports/exports.

Argentina has recently released Customs of the control of applicable technical standards or regulations for products sold in the domestic market. Compliance with such technical standards would now be only overseen by the corresponding authority only once the goods are offered to the general public.

PRODUCT REGISTRATION AND TECHNICAL STANDARDS

By Marval, O Farrell y Mairal

In the Argentine Republic, the registration, technical standards, marketing authorizations, and labelling requirements applicable to products are governed by a comprehensive regulatory framework that combines national legislation, administrative regulations issued by specialized agencies, and international commitments.

The main legal and regulatory instruments include:

- Law No. 16,463 on medicines, food products, and other regulated specialties;
- Law No. 18,284 (Argentine Food Code - AFC), applicable to the production, commercialization, and labelling of food products;
- Law No. 22,415 (Argentine Customs Code), which regulates import and export operations;
- Decree No. 150/1992, regulatory of the Medicines Law;
- Provisions and Resolutions issued by ANMAT (National Administration of Medicines, Food and Medical Technology), the national authority for the sanitary oversight of medicines, medical devices, cosmetics, dietary supplements, and industrialized food products;
- MERCOSUR technical regulations, including the adoption of the MERCOSUR Common Nomenclature (NCM) and the recognition of foreign certifications under specific circumstances;
- The VUCE system (Single Window for Foreign Trade), which progressively integrates the customs clearance process with the electronic systems of other relevant authorities;
- Mandatory labelling and packaging regulations, which vary according to the nature, origin, and risk profile of the product.

The specific requirements regarding sanitary authorizations, facility licenses, certificates of free sale, import documentation, and product labelling depend on the product type, its origin, intended use, and potential public health impact.

The following section outlines the applicable registration, regulatory, technical, and customs provisions governing pharmaceutical and food products that are manufactured, imported, or marketed in Argentina, in accordance with the regulations issued by ANMAT, INAL, the Argentine Food Code, and the competent provincial health authorities.

Martín J. Mosteirin, Camila Leone and Carolina A. Ramirez[2]

PHARMACEUTICAL PRODUCTS

Any pharmaceutical company that intends to directly commercialize and market medicines in Argentina must first be duly licensed as a pharmaceutical company by National Agency of Medicines, Food and Medical Technology (ANMAT) to manufacture or import/export medicines. Once the company is licensed as a pharmaceutical company, it will be allowed to obtain the marketing authorization certificates for manufacturing or importing products for sale in the Argentine market.

To register a medicine or pharmaceutical specialty product, ANMAT requires that the applicant submits the product's technical information, labels, pamphlets, information regarding the efficacy and safety, among others. ANMAT shall have a 120-calendar day period to grant or reject the submission, as from the date the registration request was submitted. The marketing authorization certificate is valid for five years since the approval was granted and may be extended for additional periods of the same length. The rejection of a marketing authorization request entitles the applicant to file a request for reconsideration or to file a judicial appeal before the Argentine Courts.

Furthermore, depending on the type of medicine to be authorized, the following must be considered:

- Synthetic Medicines: Local regulations provide that as long as the product whose marketing approval is sought has been approved in any of the countries included in Annex I of the Decree 150/1992 (including Switzerland), any company may apply for marketing approval by submitting minimum information (bioavailability data and a project of label, leaflet and prospect).
- Biologics products: The registration with ANMAT requires the submission of a dossier which must include details of the manufacturer and the holder of the marketing authorization certificate, physicochemical-pharmaceutical and biological quality information, pre-clinical and clinical information, and a plan for post-marketing surveillance.
- Biosimilars: The registration proceeding is provided by ANMAT Regulation 7,729/2011, as complemented by ANMAT Regulation 1,741/2025, which requires the submission of evidence showing that it has similar identity, strength, and purity profiles to the comparator drug.
- Orphan Drugs: ANMAT Regulation 4,622/2012 sets forth the regulatory framework applicable to the registration of orphan drugs/medicines registered "under special conditions" (medicinal specialties intended to prevent, diagnose, and/or treat rare diseases). ANMAT will set forth the validity term of the marketing authorization certificate on a case-by-case basis, considering—among others—the specific features of the drug, the complexity of the disease to be treated, and the information presented on the stages of its development.

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Finally, in all the abovementioned cases, after obtaining the marketing authorization certificate, and prior launching the product to the market, the company must obtain the authorization for commercialization (known as “first batch technical inspection approval”), although for the case of synthetics it may be waived for specific cases.

FOOD PRODUCTS

Food products are regulated under the Argentine Food Code Law 18,284 (AFC), as amended and complemented. Any activity concerning food products manufacture, import, export, registration, commercialization and distribution is under the authorization and surveillance of National Food Institute (INAL), an agency within ANMAT, and the sanitary authority in the jurisdiction in which the company manufactures the food products.

In general terms, any company that wants to engage in any activity related to the registration of food products must be previously licensed before INAL or the corresponding local authority and must:

- Register the company in the RNE (National Registry of Facilities); and
- Obtain a marketing authorization certificate for each product known as RNPA certificate (National Registry of Food Products).

Given that food regulation is a federal matter in Argentina, each province has its own food authority, which may impose additional requirements for product registration beyond those set forth in the AFC. In this regard, the authority responsible for food product registration depends on the type of activity carried out by the individual or company. INAL is the competent authority for food products manufactured within the city of Buenos Aires and is responsible for issuing marketing authorizations for all imported and exported food products. Food products not regulated by INAL fall within the jurisdiction of local food authorities.

Food products that have obtained their marketing authorization in certain high sanitary vigilance country (including Switzerland) are exempted from obtaining the RNE and RNPA certificates. In these cases, submitting the “marketing authorization certificate,” the “certificate of free sale,” or any equivalent document approved by the foreign health authority (i.e., country of origin) will suffice.

CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

By Mitrani Caballero Ruiz Moreno

Beginning in September 2019, the Argentine government has imposed and continues to impose significant restrictions on foreign exchange transactions. Since the new administration took office in Argentina in December 2023, certain restrictions were eased and other changes to such regulations are expected. To this date the application of existing foreign exchange regulations remains uncertain, and the scope and timing of upcoming changes remain unknown. The main currently applicable measures are described below: ***Exports of goods***: foreign currency proceeds derived from exports of goods must be sold into the Argentine foreign exchange market and converted into Argentine pesos within 60 days (if made to related parties) or 180 days (if made to unrelated parties) from shipment date, or, if collected earlier, within twenty days of collection. As from December 13, 2023, up to 20% of export of goods proceeds can be sold for Argentine pesos through securities transactions.

- ***Exports of services***: Foreign currency proceeds from exports of services must be sold into the Argentine foreign exchange market and converted into Argentine pesos within twenty business days of collection. As from December 13, 2023, up to 20% of export of goods proceeds can be sold for Argentine pesos through securities transactions.
- ***Imports of services***: Access to the Argentine foreign exchange market to pay for imports of services rendered by related and non-related parties (including royalties) on or before December 12, 2023, is subject to Argentine Central Bank approval. Currently, these approvals are rarely, if ever, granted. Access to the Argentine foreign exchange market to pay for imports of services that were rendered or accrued as from December 13, 2023, does not require prior Argentine Central Bank approval, but payment is deferred to 30 calendar days as from the date of supply or accrual of the service if the service was rendered by a non-related party, or 180 calendar days if rendered by a related party.
- ***Imports of goods***: Restrictions on access to the Argentine foreign exchange market to pay for imports of goods have been gradually made more flexible. Access to the Argentine foreign exchange market to pay for imports that have obtained customs clearance on or before December 12, 2023, requires prior Argentine Central Bank approval. The payment of imports of certain goods such as petroleum products, electricity, uranium, heavy water, and zirconium for energy production, among others, can be paid immediately upon customs clearance of such goods. Imports of other goods with customs clearance from December 13, 2024, can be paid in full on the 30th day counted from the customs clearance of the imported goods.
- ***Foreign Financial Indebtedness***: Access to the Argentine foreign exchange market for the payment of principal and interest under foreign financial indebtedness disbursed after September 1, 2019, at scheduled maturity is subject to the prior transfer into Argentina and conversion into pesos of the proceeds of such indebtedness.

  Payment of principal and interest under foreign financial debt prior to the third business day preceding the maturity date thereof requires prior BCRA approval, subject to certain exceptions. Access to the Argentine foreign exchange market to pay for principal under financial debts with related parties requires prior Argentine Central Bank approval. However, the Argentine Central Bank resolved to eliminate the requirement of its prior approval for accessing the Argentine foreign exchange market for the payment at maturity of the compensatory interest accrued as from January 1, 2025, on the outstanding original value of financial debts with related parties abroad. Notwithstanding this, the access to the foreign exchange market for the payment of the interest due as of December 31, 2024, and/or the punitive interest or any equivalent accrued as from January 1, 2025 will continue to be subject to the requirement of prior Argentine Central Bank approval.
- ***Payment of profits and dividends****:* Access to the Argentine foreign exchange market by Argentine companies for the payment of profits and dividends to non-Argentine shareholders is subject to prior BCRA approval; except to the extent that the following conditions are met:

  (i) the profits or dividends correspond to closed and audited financial statements;

(ii) the aggregate amount to be transferred abroad does not exceed 30% of the equity contributions made as foreign direct investment in the local company (contributions for a participation exceeding 10% of a company's capital are considered foreign direct investment) that were actually transferred into Argentina and converted into pesos through the MLC after January 17, 2020;

(iii) a minimum period of 30 consecutive days must have elapsed since the date of conversion into pesos of the last contribution being considered for the purposes of the condition referred to in (ii) above; and

(iv) capitalization of the new contributions referred to in (ii) above must have been duly registered with the Public Registry of Commerce or, alternatively, registration proceedings must have been filed and must be completed within 365 days from the date of the registration filing. When required, Argentine Central Bank approvals are rarely, if ever, granted.

COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION

By Mitrani Caballero Ruiz Moreno

CORPORATE MATTERS

A foreign company wishing to do business in Argentina may elect to (i) set up a branch, (ii) acquire a participation in a local company or (iii) incorporate a new subsidiary in the country.

Set up a branch. A branch does not constitute a separate legal entity from the foreign company and, therefore, the foreign company will respond for any liabilities in which the domestic branch may incur. Pursuant to Section 118, third paragraph of the Argentine Companies Act No. 19,550 (Ley General de Sociedades, or "LGS"); in order to establish a branch or any other kind of permanent representation in Argentina, the company must register with the Public Registry of Commerce ("PRC") corresponding to its domicile in Argentina and appoint a local legal representative. The branch is required to keep separate accounts and to file a copy of its annual financial statements with the PCR.

Acquire a participation or incorporate a domestic company. Foreign investors seeking to purchase a participation in an existing local company or planning to incorporate a new local company (hereinafter, the "Argentine Subsidiary"), must register as foreign shareholder or partner, as applicable, with the relevant local PRC, appoint one or more legal representatives and establish an address in Argentina. As a separate entity, the Argentine Subsidiary (and not its parent) will be liable to the extent of the capital contribution to the domestic company.

- **Main requirements and timing**

The registration process of a foreign entity for purposes of incorporating or acquiring a participation in a local company or establishing a branch may regularly take between 20 to 30 business days since the filing of the complete documents. Among other requirements, the foreign company must file its documents of incorporation, by-laws and any of its amendments, issue and file a resolution approving the company's registration and must provide evidence of its good standing and disclose information on ultimate beneficial ownership. Pursuant to current regulations, a foreign company may apply for registration in Argentina for the sole purpose of being an investment vehicle of other foreign

company directly or indirectly controlling the applicant company. All documents issued abroad must be translated (if applicable) and bear the "apostille" as provided in The Hague Convention of October 1961 or shall be legalized by the nearest Argentine Consulate.

- **Incorporation of a domestic company**

The incorporation of a domestic company is a straightforward process that takes on average between 10 to 30 business days, depending on the corporate type and proceeding. The shareholder(s) or partners (as applicable) must execute a public deed or private instrument (as applicable), set a domicile in the relevant jurisdiction and register the company with the local PRC and the federal (ARCA) and local tax authorities.

- **Corporate types**

	Corporation (S.A.)	**Single Shareholder Corporation (S.A.U.)**	**Limited Liability Company (S.R.L.)**	**Simplified share Company (S.A.S)**	**Branch of foreign company (section 118 companies law)**
Incorporation	• Public deed. • Documents shall be physically filed before the Public Registry of Commerce of the Autonomous City of Buenos Aires (the "IGJ").		• Public deed or private document with signatures certified by notary public. • Documents shall be physically filed before the IGJ.	• Public deed, private document with certified signatures or private document with digital signature. • The documents must be presented in digital format at the IGJ.	• Pursuant to section 118 paragraph 3, of the Argentine Companies Act a foreign company that seeks to conduct business in Argentina on a continuing basis must register before the IGJ (if stablishing the local domicile in the Autonomous City of Buenos Aires) and appoint a local representative. • The branch is required to keep separate accounts and be managed by a resident legal representative. • Registration requires the filing of certain documentation produced abroad including a certificate of good standing and a resolution approving the company´s registration

Timimg	• 15 to 30 business days as of the date in which complete documentation is filed before the IGJ. The Company will thereafter need to apply for and obtain a tax I.D. • A special urgent incorporation procedure is available, in which case incorporation will take three to seven days. In this case, upon incorporation the company will be granted a tax I.D.			• If the SAS is incorporated with the IGJ´s by-laws template, the process shall take approximately ten business days as of the date in which complete documentation is filed before the IGJ. • Otherwise, from fifteen to thirty business days from the date on which all the complete documentation is filed with the IGJ. • Upon incorporation, the company will receive a tax identification number.	• 20 to 30 business days as of the date on which complete documentation is filed before the IGJ.
Books and Records	• Corporate and accounting records may be kept in physical books. • Some accounting books shall be kept in electronic, digital or optic records if a specific authorization is obtained from the IGJ.			• Corporate and accounting books must be kept in digital format by uploading the identification (hash) of the relevant documents to a digital platform.	• The branch is required to maintain accounting records of its assets and activities in Argentina in compliance with Argentine laws and regulations. • Corporate and accounting records kept in physical books.
Equityholders	• Minimum 2. • No maximum.	• Sole shareholder. • The sole shareholder of the SAU cannot be another SAU or an SAS with only one shareholder.	• Mínimun 2. • Maximun 50.	• Mínimum 1. • No maximun. • A SAS with a single shareholder may not hold	• Not applicable.

				participation in another SAS. . Certain companies subject to certain permanent control regimes cannot control a SAS[1]. • A SAS may not hold participation exceeding 30% of certain entities subject to permanent surveillance.	
Capital	• Minimum capital of AR$30,000,000. • Represented by shares denominated in Argentine Pesos with an equal value. • 25% must be paid upon incorporation or increase (75% within two years).	• Minimun capital of AR$30,000,000. • Represented by shares denominated in Argentine Pesos with an equal value. • 100% must be paid upon incorporation or increase.	• No minimum capital is required. • Represented by quotas denominated in Argentine Pesos with an equal value of AR$10 or multiples of 10. • 25% must be integrated at the time of incorporation or increase (75% within two years).	• Minimum capital equivalent to two minimum wages (currently AR$593.664). • Represented by shares denominated in Argentine Pesos with an equal value. • 25% must be integrated at the time of incorporation or increase (75% within two years)	• In principle, it is not necessary to allocate capital to the Argentine branch. • If any capital is allocated to the local branch, it would be necessary to evidence that such capital has been duly paid in.
Transfer of Quotas/ Shares	• Transfers of shares do not require either the amendment of the bylaws nor registration with the IGJ, however, the transfer must be duly notified to the Board of Directors, which shall record such transfer in the company's share ledger and issue a new share certificate (if applicable).		• Transfers of quotas require by-law amendment, registration before the IGJ and notice to management.	• Transfers of shares do not require either the amendment of the bylaws nor registration with the IGJ, however, the transfer must be duly notified to the Management, which shall record such transfer in the company's share ledger and issue a new share	• Not applicable.

			certificate (if applicable).	
	• Limitations to the transfer of shares are allowed, provided they do not entail a prohibition to the free transfer of shares.	• Limitations to the transfer of quotas are allowed, provided they do not entail a prohibition to the free transfer of quotas.	• Limitations on the transfer of shares are permitted. The prohibition to transfer shares for a term not exceeding ten years is expressly permitted.	
Corporate Purpose	• Corporate purpose must be precise and determined. • Multiple corporate purpose is allowed.	• Corporate purpose must be precise and determined. • SRLs would not be allowed to carry out certain regulated activities. • Multiple corporate purpose is allowed.	• Corporate purpose must be precise and determined. • The following companies may not be SAS: (i) public companies (*sociedades de economía mixta* or companies in which public entities hold a majority stake), (ii) companies carrying out activities concerning capitalization or savings operations or any other activities that entails collecting money or securities from the public under promises of benefits or future benefits; (ii) companies that have been awarded concessions or provide public services. • SAS would not be allowed to carry out certain regulated activities. • Multiple corporate purpose is allowed.	• Not applicable.

Management	• Management is vested on a board of directors formed by one or more members.	• Management is vested on one or more individuals called *gerentes* (managers) appointed by quotaholders. • There is flexibility in organizing management.	• Management may be vested on managers or directors, appointed by the shareholders' meeting. • There is flexibility to structure management.	• A local representative must be appointed and registered with the IGJ. who must have sufficient powers to act on behalf of the branch in Argentina. • In order to act on behalf the branch with the tax authorities it would be required that the local representative has a local tax identification number (CUIT) and tax pin number (clave fiscal nivel 3). • It is possible to: (i) establish a term for the power of attorney granted to the local representative; (ii) include certain limitations to his/her authority; or (iii) appoint several local representatives.
	• May be appointed for a term not exceeding three fiscal years.	• May be appointed for an indefinite term.	• May be appointed for an indefinite term.	
	• A board meeting must be held at least once every three months.	• There is no obligation to hold managers' meetings with a given periodicity.	• There is no obligation to hold managers' meetings with a given periodicity.	
	• There is no express legal provision governing the summon of directors' meetings.	• There is no express legal provision governing the summons of managers' meetings.	• Managers' meetings shall be previously summoned; summons may be made by means of electronic message, provided there is evidence of receipt. Summons may	

			be excused if all managers attend the relevant meeting and the agenda is unanimously approved.	
	Board of directors and managers´ meetings may be held by videoconference.			
	• A majority of directors must have actual domicile in Argentina.	• A majority of managers must have actual domicile in Argentina.	• Only one of the members of the management body needs must have actual domicile in Argentina.	
	• Although in theory minutes of the board or managers meeting shall be promptly recorded, in practice it is not unusual for minutes to be recorded at a later date.		• Minutes of managers' meetings shall be digitally recorded with an online platform within 10 days of the date of the meeting or written decision. The platform issues a cryptogram (hash) that must be filed in any registration proceeding before the IGJ. Minutes may not be modified once they are recorded with the online platform.	
	• Resolutions shall be approved at a shareholders meeting; written vote is not allowed.	• Resolutions shall be valid if approved (i) in a meeting or (ii) by written vote.		• Not applicable
	• There is a requirement to hold at least one annual shareholders' meeting.	• There is no requirement to hold an annual mandatory meeting of quotaholders, except when the company's capital exceeds ARS2 Billion. However at least one annual meeting is usually held to	• There is no requirement to hold an annual mandatory meeting of shareholders. However at least one annual meeting is usually held to consider the financial statements.	

			consider the financial statements.		
Equityholders´ Meetings And Decision-Making	Shareholders' meetings may be held by videoconference.				
	• Minutes of shareholders' meetings/members' meetings must be recorded within 5 days of the relevant meeting or decision. However, in practice, minutes are often recorded at a later date.			• Minutes of shareholders' meetings shall be digitally recorded with a digital platform within 10 days from the date of the meeting or written decision. The platform will issue a cryptogram (hash) that must be submitted in any registration procedure before the IGJ.	
Statutory Controller	· Not required except for companies subject to permanent surveillance[2].	• Required.	• Required only if capital exceeds ARS2 Billion	• Not required.	• Not required .
Annual Financial Statements	• Financial Statements shall be filed before the IGJ		• No requirement to file financial statements before IGJ (except if capital exceeds ARS2 Billion in which case such filing is required).	• No requirement to file financial statements before IGJ.	• Once registered, the branch will be required to file a copy of its audited financial statements before the IGJ every year within 120 days, as of the date on which its financial year ends.

The most common corporate types for Argentine companies are the Corporation (*Sociedad Anónima*, or S.A.) and the Limited Liability Company (*Sociedad de Responsabilidad Limitada*, or S.R.L) and the Simplified Share Company (*Sociedad por Acciones Simplificada,* or S.A.S.).

Please find below a description of the main differences between the aforementioned corporate types in comparison with the requirements for stablishing a branch, assuming that the local company or the branch would be registered in the Autonomous City of Buenos Aires and subject to the regulations of IGJ.

LEGAL FORMS OF COMPANIES

Joint Ventures. Argentine Corporate Law

By Estudio Lisdero Abogados

Partnerships

S.A. (*Sociedades Anónimas*)

S.R.L. (*Sociedades de Responsabilidad Limitada)*

S.A.S. (*Sociedad anónima simplificada*)

Branches (*Sucursales*)

1. Any foreign company: wishing to incorporate or participate in an Argentine partnership must previously be filed with the Public Commercial Registry ("RPC"), establish a domicile in Argentina, appoint a legal representative, filing documentation to prove some of its legal and economic characteristics and to prove that its activity does not run, directly or indirectly, mainly in Argentina; inform its owners, the owner of the owner, etc. up to a natural person (in some jurisdictions you must update this information every year) and get a fiscal identification number.
   1.1. Notice that if a holding company, offshore or not, has participation only in Argentine partnerships, must move its domicile to Argentina.
2. Any Argentine partnership
   2.1. It may be fully (100%) owned by foreign partnerships or natural person.
   2.2. The Board must have the majority of members domiciled in Argentina.
   2.3. It must have at least two members except for S.A.U. and for S.A.S.
   2.4. It must get a fiscal identification number and, if applies, get a Custom identification number.
   2.5. The members of the board must get a fiscal identification number.
   2.6. Notice that you can run de partnership not only through the Board but with a net of power of attorneys.
3. Main characteristics of the S.A.
   3.1. Capital.
      3.1.1. Minimum of ARG$300,000,000.
      3.1.2. If it exceeds ARG$2,000,000,000 or when the object is for some specific activity (banks, insurance, listed companies, etc.) the Board must be at least formed by three persons.
   3.2. Shares:
      3.2.1. The propriety is settled in the books.
      3.2.2. They have freely transmission; it is possible to establish some limitations.
      3.2.3. They may have one to five votes.
      3.2.4. If it is established some preference, they do not have vote.
      3.2.5. You can establish many categories of shares with different rights, for example, a certain number of members of the Board for each category, etc.
   3.3. Shareholding Meeting.
      3.3.1. It may be called by the Board.
      3.3.2. If it is unanimous, is not necessary to publish the calling but decisions must be taken unanimously by all the shareholders.

3.3.3. It may meet spontaneously.

3.4. Board of Directors:

3.4.1. It may be formed by one or more permanent members and by equal, more or fewer number of substitute Directors (they substitute, on a temporary basis, cover the vacancy of permanent Directors).

3.4.1.1. The appointment of substitute Directors is mandatory when the Statutory Auditors (syndics) are not appointed.

3.4.2. It must have meetings at least every three months, also through videoconferences if it is established in the Articles of Association.

3.4.3. The members of the Board:

3.4.3.1. May last one to three years.

3.4.3.2. May be reelected.

3.4.3.3. Must have a fiscal identification number.

3.4.3.4. Must sign a PEP statement (Politically Exposed –public charge, Ambassadors, politician, etc.).

3.4.3.5. Their charges are freely (no explanation required) revocable by de shareholding meeting.

3.4.4. Statutory Auditors (Syndics).

3.4.4.1. In principle are not mandatory.

3.4.4.2. In principle, the number of syndics may be one permanent member and one substitute.

3.4.4.3. Is mandatory to be formed by an odd number of members superior to two e. g. when the capital is more than ARG$10.000.000, for public companies, companies with State participation, or public utilities, savings, etc. and for the companies controlling or controlled by them.

3.4.4.4. All the members must be lawyers or accountants graduated in Argentina and domiciled in Argentina.

3.5. They must pay an annual tax to the RPC.

3.6. They must file to the RPC any new Board, new Statutory Auditors, new shareholding meeting, modification of the Article of Association, annual balance sheet.

4. S.A.U.

4.1. One partner S.A. is allowed with the following characteristics:

4.1.1. The entire capital must be contributed at the time of the company's incorporation.

4.1.2. Is mandatory to have statutory auditors (Syndics).

4.1.2.1. In principle, the number of syndics may be one permanent member and one substitute.

4.1.3. The name must be followed by “Sociedad Anónima Unipersonal” or “S.A.U.”.

5. S. A. S.

5.1. It has a mixed regime between S.A. and S.R.L.

5.2. You should be able to register with the PRC within 24 hours.

5.3. Some characteristics:

5.3.1. Can be established by a digitally signed form.

5.3.2. It can be formed by a single partner.

5.4. The minimum capital must be in some proportion to a certain minimum wage; today the minimum capital would be about ARG$ 616,400.

6. Main characteristics of the S.R.L. different to the S.A.

6.1. Are usually for less structured projects.

6.2. Partners: no less than two and no more than 50.

6.2.1. To modify the Article of Association is required the vote of at least two partners.

6.3. No minimum capital.

6.4. Shares.

6.4.1. Not properly named shares but “cuotas”.

6.4.2. The propriety must be registered in the PRC.

6.4.3. Therefore, it is necessary to file in the PRC any transfer of property.

6.4.4. Only one vote.

6.4.5. No preference.

6.4.6. No categories.

6.5. For partners’ decisions, is not mandatory a meeting: decisions may be sent by mail.

6.6. Board.

6.6.1. The office may have no time limit.

6.6.2. The appointment of substitute Directors is not mandatory also when the statutory auditors (syndics) are not appointed.

6.6.3. Is not mandatory to the Board to meet every three months.

6.6.4. The meeting of the board may be through videoconferences if it is established in the Articles of Association.

6.7. Statutory Auditors are not mandatory except when the capital exceeds ARG$2,000.000.000.

6.8. The filing of the Balance Sheet with the RPC is not mandatory.

6.9. It must not pay annual tax to the PRC.

7. Main characteristics of Branches of foreign companies

7.1. The Head Company is responsible for all debts and obligations undertaken by the Argentine branch.

7.1.1. In some cases, banks, for granting credits, take also into consideration the assets of the Head Company.

7.2. In principle, they do not require a minimum corporate capital, except for the banking or insurance and other special activities.

7.3. It is required to hold accounting books separately from those of the Head Company.

7.4. It is required to file their Balance Sheet with the PRC.

7.5. They don’t have members meetings or any administrative committee meetings.

Special taxation benefits for small and medium-sized enterprises

8. Benefits:
    8.1. Quarterly pay VAT (value added tax, now 21%).
        8.1.1. Simplified procedures for exemptions.
        8.1.2. Delay in payments.
        8.1.3. Changes in the calculating system.
    8.2. Incoming tax.
        8.2.1. Increasing in minimum amounts for its retention.
        8.2.2. Changes in the calculating system.
    8.3. Increasing of the minimum amounts for tax advances of national taxes.
    8.4. Tax subsidies to debits and credit in bank's accounts.
    8.5. Possibility to issue bonds.
    8.6. Listing of promissory notes.
9. Notice that, in the case of companies controlled by another, to be classified as a SMEs (PYMES) it will be considered the group's consolidated balance sheet.

REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES

By Mitrani, Caballero y Ruiz Moreno

1.1 Contractual Frameworks Available

A company can enter into different commercial contracts to distribute its products and/or services in the local market, such as licensing, distribution, dealership, agency, franchising, and supply contracts.

Regulation of Distribution, Agency, Franchising, and Supply Contracts by the Civil and Commercial Code: The Civil and Commercial Code (hereinafter "CCC") regulates the contracts discussed in this chapter (except for the licensing contract). The following sections summarize these commercial contracts and the most relevant aspects to be considered in light of the CCC.

1.2 Licensing

Definition: A licensing contract allows the owner of intellectual property – the licensor – to authorize another person – the licensee – to use it exclusively and as agreed upon in a specific territory without relinquishing ownership rights. The licensee pays the licensor a licensing fee, which can be a fixed amount or a percentage of sales. This contract is not regulated by the CCC.

Connection with Intellectual Property Rights: Licensing contracts are often used in connection with intellectual property rights. For example, a license can be granted for a specific invention patent or a trademark owned by the licensor. The distinction between the various rights that can be licensed is important regarding their validity period. For instance, trademark rights can be of unlimited duration if timely renewed and actual use is proven, while patent rights are limited to 20 years, after which they become public domain. Therefore, it is necessary to verify the validity of the relevant rights before granting a license.

1.3 Distribution and Dealership Agreements

Definition: A distribution contract allows an individual or legal entity, referred to as the "distributor," to purchase products from a manufacturer or wholesaler in its own name to sell them to third parties, making a profit from the difference between the purchase and sale prices. This contract provides the manufacturer or service provider with indirect market access for its products.

Regulation: The CCC addresses distribution contracts within the chapter on dealership contracts, stating that the provisions governing dealership contracts also apply to distribution contracts where relevant.

Exclusivity: Exclusivity is usually granted to the distributor for a specific territory. The CCC stipulates that the dealership contract, which also applies to distribution contracts, is exclusive for both parties within the defined geographic area unless otherwise agreed.

Duration: The duration of a dealership and/or distribution contract must not be less than four years. If a shorter or indefinite duration is agreed upon, a four-year term is presumed.

Early Termination and Notice: The CCC requires a one-month notice per year of the contract's validity for indefinite-term contracts. Failure to provide notice entitles the other party to compensation for lost profits during the notice period. Specific grounds for early termination include significant or repeated non-compliance with obligations and substantial reduction in the agent's or distributor's business volume. However, in the case of contracts with an extensive duration, it is up to the analysis of the courts on a case-by-case basis whether the notice period should be less than the one contemplated literally in the CCC.

1.4 Agency

Definition: An agency contract involves an individual or a legal entity – the agent – committing to promote and/or conclude commercial transactions on behalf of another – the principal – on a continuous, ongoing, and independent basis without an employment relationship. The agent receives compensation without assuming business risk.

Representation of the Agent: The CCC specifies that the agent does not represent the principal in contract execution and requires a special power of attorney to collect payments resulting from their activities.

Agent's Guarantee: The agent can only act as a guarantor for the buyer's payment up to the amount of the commission received in advance or earned from the principal's business.

Compensation: Compensation can be a fixed amount, a commission, or a combination of both. If not explicitly agreed otherwise, the CCC provides that compensation consists of a variable commission based on the volume or value of transactions promoted or concluded by the agent.

Exclusivity: The agent has the right to exclusivity for the business area, territory, and a group of persons, which should be explicitly clarified in the contract.

Duration and Termination: No minimum duration is required for the validity of this contract, but the duration should not undermine usual economic expectations. If the contract is extended, it becomes indefinite. The CCC requires a one-month notice per year of the contract's validity for unilateral termination without cause.

Compensation for Customer Portfolio: Upon contract termination, the agent is entitled to compensation if its activities significantly improved the principal's business, provided the principal continues to benefit from the agent's previous efforts. This compensation cannot exceed one year's revenues, calculated on the average compensation received by the agent over the last five years or the entire contract duration if shorter.

1.5 Franchising

Definition: A franchising contract allows one party – the franchisor – to grant another party – the franchisee – the right to use a proven system to market certain products or services under the franchisor's trade name, trademark, or brand, providing technical knowledge and ongoing support in exchange for compensation. The franchisee is prohibited from holding shares in the franchisor's business. The parties are legally and financially independent, with no employment relationship between them.

Information: The CCC requires the franchisor to provide economic and financial information about the development of comparable units over two years before the contract is signed.

Liability: The CCC specifies that the franchisor is not liable to the franchisee for the profitability of the franchised system but is liable for design defects causing damage to the franchisee unless due to the franchisee's gross negligence or intent.

Term and Termination: The minimum term for a franchising contract is three years. The contract can also be indefinite, requiring a one-month notice per year of validity, up to a maximum of six months.

Non-Compete Clause: The non-compete clause after contract termination is valid for up to one year within a reasonable territory.

1.6 Supply Agreements

Definition: A supply contract obligates the supplier to regularly or continuously deliver goods and services, and the recipient agrees to pay a price for each delivery or set of deliveries. Regularity generally means repeating individual deliveries within equal and predetermined intervals, while continuity means uninterrupted delivery during the contract term.

Duration: The CCC regulates the duration, continuity, and regularity of performance. The maximum term is ten years, except for the supply of certain products of the soil and/or agricultural products, which can be up to 20 years.

Right of First Refusal: The CCC provides for the right of first refusal, where one party agrees to give the other party preference for renewing the supply contract under the same or similar terms. This right can be included in the supply contract or a separate agreement and is usually in favor of the supplier. The maximum duration for the right of first refusal is three years.

Termination: For indefinite-term contracts, the CCC allows either party to terminate at any time with a minimum notice period of 60 days. Termination is only possible if non-compliance is of "particular significance," casting doubt on the potential fulfillment of the contract.

Requirements and Procedures for obtaining a Work Visa in Argentina

This report provides information on the requirements and procedures for obtaining a work visa in Argentina. The work visas can only be processed at the Consular Representation of the Argentine Republic corresponding to the foreigner's place of residence. The process is personal and requires the submission of specific documentation.

General Guidelines:

Applicants are advised to:

1. Consult the specific requirements of their designated Consulate, as these may vary.
2. Allow sufficient time to gather the required documentation and complete the visa application process.
3. Ensure that all foreign documents are apostilled or legalized, depending on the country of origin.

Steps to Obtain a Work Visa:

Initiating the visa process: To initiate the visa process, the applicant should contact the corresponding Consular Representation to schedule an appointment and coordinate the submission of the required documentation.

Requirements: To apply for a work visa, the applicant must submit the following documentation (in original and copy) to the corresponding Consulate:

- **Valid passport:** The passport must have a minimum validity of 6 months from the date of entry into the country, with at least one blank page (two sides) available.
- **Two recent color photographs**: The applicant must provide two current 4x4cm photographs taken facing forward against a white background.
- **Completed visa application form**: The applicant must fill out the visa application form (preferably electronically) and sign it.
- **Proof of residency:** The applicant must provide proof of their habitual residence within the jurisdiction of the Consulate. This can be demonstrated through the submission of utility bills or other supporting documents.
- **Criminal record certificate:** The applicant must provide an apostilled or legalized criminal record certificate issued by the competent authority of the countries where they have resided for more than 1 year during the last 3 years.
- **Affidavit of criminal record**: The applicant must provide a sworn statement before the consul, either declaring the truthfulness of their criminal record or stating that they have no criminal record in other countries.
- **Employment contract:** The applicant must submit a signed employment contract issued by the employer. The contract should include the registration number in RENURE (National Registry of Foreign Workers) of the hiring entity. The employer's representative's signature must be certified by an Argentine notary public and legalized by the corresponding local Notary Association. The visa applicant must also sign the contract before the consul. If the inviting

party is not registered in RENURE, they should contact the Consulate at (54-11) 4317-0200/0303/0337 to complete the registration process.

- **Payment of fees**:
  - **Consular fee:** The applicant must pay a consular fee of $250 (US dollars or Euros, depending on the Consular Representation) in the local currency where the Consulate is located.
  - **Migration fee**: Citizens of MERCOSUR countries are required to pay a migration fee of $300, while citizens from outside the MERCOSUR region must pay $600. The payment of the migration fee should be made according to the instructions provided by the consular authority.
- **Permission to Enter (PIM)**: In some cases, the employer must obtain a PIM (Permission to Enter) from the National Directorate of Migration, authorizing the applicant's entry to work in Argentina. The PIM is not required in all cases. Its necessity depends on the employer's specific situation and the type of contract involved. Employers should verify with the National Directorate of Migration whether this step applies to their case (www.migraciones.gov.ar).
- **Academic Degree Certification (if required)**: For positions requiring specific professional qualifications, applicants may need to present legalized and apostilled academic credentials, along with an official translation into Spanish.
- **Labor Identification Code (CDI)**: The CDI is an identification code issued by the Federal Administration of Public Revenues (AFIP) for foreigners who do not yet have a DNI (National Identity Document). It is required to perform any formal activity, such as signing a work contract or opening a bank account in Argentina.
- **Consular interview:** The applicant will be required to attend a consular interview as part of the visa application process.
- **Additional Requirements for Families:** if the applicant plans to travel with family members, additional documentation and steps will be required for their accompanying visas: marriage certificate, birth certificate for children, proof of financial support and individual visa applications.

Importance of Apostille and Legalization:

The Apostille of The Hague is an international certification that authenticates the origin of public documents issued in one country to be recognized in another. This process ensures that the documents are valid and can be legally used in Argentina. Countries that are part of The Hague Apostille Convention can use this simplified procedure.

For countries not part of the convention, documents must be legalized through the appropriate diplomatic channels (e.g., Consulate or Embassy of Argentina). Failure to apostille or legalize documents will render them invalid for visa applications.

The list of requirements provided above is not exhaustive, and the consular authority may request additional documentation as deemed necessary.

It is important to note that meeting the mentioned requirements does not guarantee the issuance of the visa, as the decision to grant a visa is an exclusive prerogative of the Argentine State.

PROTECTION OF INTELLECTUAL PROPERTY

By Mariano Municoy, IP Lawyers at Moeller IP Advisors

International Treaties governing IP law

Argentina is a member of the following IP Treaties, which prevail over local laws according to the Argentinean National Constitution:

- Paris Convention for the Protection of Industrial Property (1883)
- Berne Convention for the Protection of Literary and Artistic Work (1886)
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961)
- TRIPs, Trade-Related aspects of Intellectual Property Rights, (1995)
- WIPO Copyright Treaty (1996)
- WIPO Performances and Phonograms Treaty (1996)
- UPOV (International Convention for the Protection of New Varieties of Plants Protection, as its version of 1978)
- Argentina is not a member of the Patent Cooperation Treaty (PCT)
- Argentina is not a member of the Madrid System to file Trademarks.

Argentina has not formally adhered to the Uniform Dispute Resolution Policy issued by ICANN and administered by WIPO in order to set disputes over local (ccTLDs) domain names. Argentina adopted the Locarno Agreement in May 2009, which sets forth the International Classification for Industrial Designs.

Trademarks, Geographical Indications and Industrial Model & Designs

In general terms, Argentine trademark law and practice has been one of the most advanced in Latin America and considered similar to those of most European local systems. Almost any sign having distinctiveness can be registered as a trademark including sounds, wrappings, packaging, advertising slogans, etc.

Currently it is taking around 8 months to register a trademark, counted from its filing date, as long as no opposition is lodged by a third party or official action served by the local Trademark and Patent Office (INPI). In order to file an application, an address within the city of Buenos Aires must be provided, which usually is the one of the agents handling the filing. The classification of goods and services used by INPI is the Nice Classification Agreement handled by WIPO (Word Trade Organization).

A registered trademark confers certain rights nationwide for 10 years. It can be unlimited renewed if the trademark has been used within the last 5 years prior to its expiration. Among the rights conferred it is worth noting: filing administrative oppositions; commencing criminal protection against infringers, civil actions to cease in the use of a trademark including the recovery of damages; recordation at the local Customs (“Alert System”); as well as requiring “ex part” and “inter part” preliminary injunctions to stop infringing activities or to secure elements to be used at trial. Following some particular local judicial decisions, well-known and famous marks are protected in our country.

Local legislation establishing the registration of Geographical Indications and Denominations of Origin “IG&DOs”) was fully implemented in 2009 with the enactment of National Decree 556/2009. It is

worth mentioning the rise in the number of administrative and judicial decisions tackling different issues related to the registrability of IG&DOs as well as the coexistence between them and trademark rights.

Industrial Models and Designs are granted for 5 years from the filing date, which can be extended twice at the request of the title-holder over non-technical ornamental features of industrial product, which comply with certain requirements such as novelty. The main advantage of this instrument over trademarks is that the registration process is less time consuming given that only the deposit of an application is required so no major substantive examination (other than the fulfillment of formal requirements) is conducted.

Patents, Utility Models and Plant Varieties Rights

Patents confer certain rights to exclude others from using, making, selling, offering to sale and importing a patented invention subject to limited exceptions such as their use for non-commercial research, international exhaustion of rights, among others.

Since the enactment of the current patent law, it has been discussed whether Argentina has already fully implemented the minimum standards established at TRIPs and the negative opinions have soared after May 8, 2012, when a joint resolution issued by the Ministry of Industry, the Ministry of Health and the National Institute for Industrial Property was published in the Official Bulletin. This Inter-Ministerial Resolution approved a new set of guidelines for the examination of patent applications related to chemical-pharmaceutical inventions. These new guidelines have restricted the patentable subject matter in that industry and been applied to biotechnological pharmaceutical inventions as well.

According to most legal and technical experts in the field, these guidelines present many problems.Regarding all other technical fields, it is commonly recognized that the local patent system follows most of the trends seen in Europe, particularly regarding the exclusion of certain subject matter from patentability in areas like biotechnology, “business methods”, inventions implemented by computers and the like.

In Argentina, plants (protected through right to plant varieties), animals and genetic material existing in nature, as well as mere pieces of software (that are protected by copyrights) are all subject matter, in principle, excluded from patentability. Yet, it is advisable to consult with a local expert in order to confirm that a particular exclusion applies.

Unfortunately, the prosecution of patents has been suffering expanding backlogs due to multiple reasons. Argentina is one of the few Latin American countries not members of the Patent Cooperation Treaty (“PCT”). The existing delay in conducting substantive examination of patent applications (especially in the fields of pharmaceuticals and biotechnology), extends the prosecution period up to 6-10 years. Therefore, the time to benefit from legal protection set forth in the Patent Law (20 years from the filing date) could be shortened almost in half in extreme complex cases. Neither there are other legal alternative protections available such as provisional rights extending from the publication of the application up to the granting date that could be used against certain third parties that knew they were infringing the patent rights. From time to time the INPI has implemented administrative procedures to speed up the prosecution of applications if certain conditions apply so it is worth checking with patent experts.

Another hot issue has been the restriction of fast and efficient legal actions to enforce patent rights through ex-part preliminary injunctions in order to stop infringing activities, as established in article 50 and others of TRIPs. Such remedies have become more difficult to obtain after the amendment of the patent law in 2003 and the caselaw that followed afterwards. The main issue is that in order for "ex part" preliminary injunctions to be granted and except for "exceptional circumstances", a neutral technical expert must be appointed by the court to inform whether there is a reasonable probability that the patent of the plaintiff is infringed and that, in case of being challenged by the defendant, it may be declared invalid. Other requirements to be met by the party requesting an ex-parte preliminary injunction is proving that any delay in the grant of such measure may cause irreparable harm to the owner of the patent, which must be greater than the eventual harm caused to the defendant.

Argentine patent law provides particular criminal and civil actions to enforce patent rights and also sets forth compulsory licenses in certain cases. They are when a patent has not been worked or any preliminary, effective and serious acts have been made in order to exploit the patent invention, except force majeure, within 3 years since the date it was granted; within 4 years since its filing date; when the exploitation of it has been interrupted during 1 year; as well as to stop the effect of anticompetitive conducts. Yet, no compulsory license has been granted up to date.

Utility models (also called "little patents") are granted for 10 years from the filing date over new arrangements or shapes obtained or introduced in known objects for improving their use or their functionality.

The administrative procedure to prosecute their application is almost equal to that of patents, which means high complexity and costs; therefore, the number of utility model being filed has been relatively low.

Transfer of Technology (registration of licensing contracts for tax purposes)

The registration of contracts establishing licenses of trademarks, patents and other industrial rights as well as transferring technology, confers very important benefits in regard to the local taxation of royalties paid to foreign right holders.

Said registration is subject to an official fee of 0.025% over the whole economic value of the contract and the main benefit obtained from registration is that the local and foreign parties may be able to pay lower local taxes as well as deduct higher expenses from their local presumed income. It should be noted that Argentina has entered into Bilateral Treaties to Avoid the Double Application of Income Tax with more than 15 countries including Switzerland, Germany, Austria and Spain among others, which affords even greater tax benefits if said contracts are registered with the local Trademark and Patent Office (INPI).

Copyrights or authorial and related rights

They protect intellectual creations in the following areas: literary, scientific and artistic, software and layout designs of integrated circuits as well as the rights of performers, interpreters, producers of phonograms and broadcasting organizations.

Authorial rights lapse after certain number of years depending on the particular area, being the general copyright term for life extended for 70 years as from the first of January of the year following

the death of the author. Registration is not required for purposes of recognizing the particular rights but it is advisable to do so, which is not expensive, having in mind the goal of enforcing them in the most efficient and effective way, as well as to constitute proof in the country, avoid the suspension of patrimonial rights,etc.

Yet, certain activities of third parties are considered as non-infringing including those having academic, experimental for citing purposes, which must comply with the requirements established by the law.

Anti-Counterfeiting

Since April 2007 a system to record trademarks at the Local Customs has entered in force allowing its owners to be informed of any import/export/transit of goods declaring the use of the corresponding mark, authorial or related rights.

Upon the recordation of a trademark within the “Alert System”, digital notifications on the movement of goods across borders are delivered to the representative of a trademark owner so that the latter can exercise his rights of conducting a physical examination of the goods before they are released from the Customs.

It is worth noting that in almost all cases, once fake products are detected they are abandoned so that most of the legal costs involved in large administrative and judicial actions are ultimately avoided. This system also gives trademark owners the opportunity of exercising greater control over the different contractual obligations set forth in their agreements with their foreign commercial representatives, although parallel imports are allowed by local trademark law in Argentina.

PROCEDURES FOR COLLECTING PAYMENTS

By Wilson-Rae | Micheli | Lagos Mármol

Understanding payment collection procedures in Argentina is crucial for businesses operating in or planning to enter this market. These paragraphs provide an introductory practical guide to navigating the essential aspects of payment collection, covering common practices and regulatory requirements.

Common Payment Procedures

In Argentina, payment practices vary depending on whether the transactions are business-to-business (B2B) or business-to-consumer (B2C). Establishing clear payment terms, including due dates and accepted methods, is crucial to avoid misunderstandings. Due to the high inflation rates of the Argentinian economy, it is recommended to include interest rates for overdue amounts in contracts.

Electronic invoicing (“*factura electrónica*") is mandatory for most transactions in Argentina. Invoices must include tax identification numbers (CUIT/CUIL), the issuance date, a description of goods or services, quantities, unit prices, and the VAT amount, typically 21%. Each invoice requires an Electronic Authorization Code (CAE) from the local tax authority (ARCA) and must be reported accordingly. Although the Argentine Peso (ARS) is the official currency, invoices can also be issued in foreign currencies like USD or EUR.

Invoicing from Switzerland: Specific Considerations

When Argentine companies receive invoices from Switzerland, they must navigate specific regulations. While electronic invoicing is mandatory for domestic transactions, invoices from foreign entities are governed by cross-border transactions regulations. Argentina allows businesses to issue VAT invoices in foreign currencies and, by extension, to receive them. Typically, transactions are performed in widely accepted currencies like the US dollar (USD) or the Euro (EUR).

Cross-border transactions are subject to Argentina's strict foreign currency exchange regulations, which include:

- **Authorized Financial Institutions:** All foreign currency transactions must be processed through authorized banks or exchange agents registered before the Central Bank of Argentina (BCRA). These entities ensure compliance with currency regulations and monitor capital flows.
- **Documentation Requirements:** Argentine companies must provide comprehensive documentation to justify foreign currency payments related to invoices from Switzerland. This may include contracts, invoices, evidence of the origin of funds and any other document and/or information required by the authorities.
- **Transaction Approvals:** Transactions exceeding specific thresholds may require additional approvals from the BCRA or ARCA.
- **Exchange Rate Application:** When invoicing in foreign currencies the seller's exchange rate published by the Argentine National Bank (BNA) is the applicable exchange rate, and must be clearly recorded on the invoice.
- **VAT Implications:** Goods and/or services provided by Swiss companies to Argentine entities are generally subject to the Value Added Tax (VAT) on a 21% basis. The Argentine recipient often handles VAT remittance through a reverse-charge mechanism, especially if the services are performed within Argentina.

Currency Landscape and Exchange Regulations

The Argentine Peso (ARS) is the official currency for transactions. Therefore, businesses generally need special authorization to conduct transactions in foreign currencies. However, due to recent modifications on foreign exchange laws and regulations, some businesses are allowed to display prices in USD, and local debit cards will soon process payments in both USD and pesos.

The BCRA strictly regulates currency exchange, requiring comprehensive documentation and processing through authorized financial institutions. Official exchange rates are set by the BCRA, and currency controls are in place to manage fluctuations and prevent unauthorized trading.

Diverse Payment Methods

Argentina offers various payment methods for domestic and international transactions:

- **Checks:** Historically used in B2B transactions, often post-dated. Electronic checks (“e-checks”) are increasingly popular, with clearance times of about 48 hours.
- **Credit and Debit Cards:** Widely accepted for both local and international transactions. Installment payments with credit cards are common, although international cards may face additional taxes.

- **E-Shop Payments and Digital Wallets:** Platforms like *Mercado Pago* and *TodoPago* dominate the market, while cash-based online payment options like *Pago Fácil* and *Rapipago* are also popular.
- **Mobile Payment Apps:** Apps like *MODO*, *Mercado Pago* and *Ualá* are gaining popularity, especially with the BCRA's *Transferencias 3.0* system that promotes QR code payments.
- **Bank Transfers:** Widely utilized method for both domestic and international transactions in Argentina. The Central Bank of Argentina has introduced the "*Transferencias 3.0*" system, a modern payment method that facilitates instant, secure, and efficient bank transfers. Another system, Instant Debit (DEBIN), allows online transfers initiated by the recipient, requiring authorization from the payer.

Handling Advance Payments

Advance payments are common in several Argentine industries, including construction, subscription services, and large-scale orders. In international trade, down payments are frequently used and recommended as a way to reduce risk. Practices vary by sector, transaction type, and the relationship between the parties involved.

From a regulatory standpoint, advance payments in Argentina —especially in import transactions— must comply with specific rules. Payments should be made to the foreign supplier, a foreign financial institution, or the official credit agency financing the transaction. Approval from the Central Bank of Argentina (BCRA) is required, supported by detailed documentation. Generally, importers have up to 365 days from the payment date to prove the goods were received.

Recent regulatory updates have eased restrictions, notably improving access to foreign currency for small and medium-sized companies importing capital goods. New rules also allow advance payments for goods and services using foreign currency held in local bank accounts, signaling a move to facilitate international trade.

ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES

By Wilson-Rae | Micheli | Lagos Mármol

1. Introduction

Argentina offers a structured legal framework for the enforcement of commercial contracts and the resolution of business disputes. The judiciary operates under principles of good faith, binding contractual obligations, and the protection of subjective rights. Parties engaged in commerce in Argentina –including foreign investors– have access to both judicial and alternative dispute resolution mechanisms, each with distinct procedural features and strategic advantages.

2. Judicial Dispute Resolution: Procedural Pathways

a) Procedural Modalities

- Executive Proceeding ("Juicio Ejecutivo"): These is an expedited process designed for the enforcement of debts evidenced by liquid, enforceable instruments such as promissory notes,

checks, or certified invoices. Debtors are granted a brief period to comply or file a limited opposition on strictly legal grounds.

- Ordinary Declarative Proceeding ("Juicio Ordinario"): Appropriate for complex disputes or when no executive title exists, this process includes formal stages such as filing, response, production of evidence, and a reasoned judgment following a full hearing of the case.

b) Key Procedural Stages

- Filing and Acceptance: The claimant submits the initial complaint, which the court reviews for formal admissibility.
- Notification and Response: The defendant is served and must respond or settle within a short timeframe.
- Precautionary Measures: Creditors may request provisional attachments or injunctions by demonstrating a prima facie right and urgency due to the risk caused by delay.
- Auction or Judgment Execution: In executive cases, assets may be auctioned; in declarative proceedings, enforcement follows a final judicial ruling.
- Final Enforcement: The final court order becomes an enforceable instrument for debt recovery.

c) Duration of Judicial Proceedings

Judicial proceedings in Argentina typically last between eighteen (18) and thirty-six (36) months, depending on the complexity of the case and the volume of evidence required. Matters involving expert opinions, extensive documentation, or multiple parties can extend beyond the average timeframe.

3. International Cooperation between Switzerland and Argentina

Switzerland and Argentina are parties to various international treaties that facilitate cross-border legal cooperation:

- New York Convention (1958): Both countries are signatories, enabling the recognition and enforcement of foreign arbitral awards in each jurisdiction.
- Bilateral Investment Treaty (BIT): The 1991 Argentina-Switzerland BIT offers mechanisms for dispute resolution between investors and the host state, including recourse to international arbitration (e.g., ICSID).

These agreements strengthen legal certainty and offer Swiss investors robust options for contract enforcement in Argentina.

4. Arbitration Options in the City of Buenos Aires

The City of Buenos Aires is a recognized regional hub for commercial arbitration, with institutions offering procedures aligned with international standards:

- CEMARC – Center for Mediation and Commercial Arbitration (Cámara Argentina de Comercio)
- CEMA – Business Center for Mediation and Arbitration
- Buenos Aires Stock Exchange Arbitration Tribunal
- CACI – Center for International Arbitration of the Argentine Chamber of Commerce

These institutions provide expedited and confidential proceedings, specialized arbitrators, and enforceable awards.

5. Arbitration Clauses in the Argentine Civil and Commercial Code (CCCN)

The Argentine Civil and Commercial Code (CCCN) explicitly upholds the validity of arbitration agreements. Article 1649 affirms the autonomy of the parties to submit their disputes to arbitration, provided the matter is legally available for settlement.

Contracts may include clauses specifying:

- Type of arbitration (institutional or ad hoc)
- Seat and language of the proceedings
- Governing rules (e.g., UNCITRAL, institutional rules)
- Number and method of appointing arbitrators

Properly drafted arbitration clauses are key to minimizing procedural uncertainty and ensuring enforceability.

6. Legal Foundations for Contract Enforcement

- Binding Nature of Contracts: Contracts constitute enforceable obligations under Argentine law.
- Good Faith Principle: A mandatory rule governing contract performance and judicial interpretation.
- Liability for Breach: Debtors are responsible for actual damages and lost profits unless exempted by force majeure or legal excuse.
- Remedies: Creditors may seek specific performance, or if impracticable, financial compensation.
- Summary Enforcement: Executive titles permit rapid proceedings with limited grounds for defense.
- Provisional Relief: Available to secure rights during litigation based on urgency and prima facie evidence.

7. Conclusion

Companies operating in Argentina, including Swiss investors, benefit from a combination of judicial safeguards, international treaties, and reputable arbitration venues. While court proceedings can be lengthy, arbitration and summary processes offer efficient alternatives. With appropriate legal strategies and contract drafting, parties can ensure effective dispute resolution aligned with international standards.

INSOLVENCY: REORGANIZATION AND BANKRUPCY PROCEEDINGS

By Negri & Pueyrredón Abogados

There are fundamental differences between reorganization and bankruptcy. Reorganization allows the debtor to continue operating and to maintain its existence while attempting to rehabilitate its financial situation. Bankruptcy, on the other hand, refers to the liquidation of assets. In a bankruptcy context, the insolvent debtor must liquidate and distribute company assets to satisfy creditors' claims. Another significant distinction is that only the debtor (either a legal or natural person) may request reorganization, while a bankruptcy case may be opened upon request of either a debtor or its creditors.

Both “direct” and “indirect” bankruptcies are available to debtors. A “direct” bankruptcy refers to the debtor’s or creditor’s immediate request for a declaration of bankruptcy. “Indirect” bankruptcy means a liquidation proceeding declared only after a failed attempt to reorganize following the adoption of a reorganization plan.

Reorganization proceedings (concurso preventivo)

The Argentine Bankruptcy Act (Law 24.522, or the “ABA”) provides procedural guidelines for composition proceedings that permit an insolvent debtor under court protection and supervision to craft restructure and repayment agreements with creditors. To initiate the proceeding, an individual or company must file information with the court demonstrating its inability to pay debts as they come due.

The intervening court decides whether to open a composition proceeding. In the petition, the debtor must identify the commercial cause for his/its insolvency and the factual situation demonstrating the payment default (*cesación de pagos*). Additionally, the debtor should present a detailed description of its assets, credits and debts, the last three balance sheets, a list of existing credits, creditors, and commercial books. Among the debts that must be declared, those with the social security systems must be certified by a public accountant. Shareholders must ratify the composition proceeding request at a formal meeting within 30 days of the presentation.

Opening a composition proceeding places a debtor under the supervision of a trustee (Syndic). The debtor remains in control of the business, subject to restrictions imposed by law. For example, a debtor may not gratuitously assign or change its estate, nor may it encumber or sell it (*inhibition general de bienes*). The debtor, partners of limited liability partnerships and members of the Board of Directors of insolvent entities must inform the court before travelling abroad, and trips exceeding 40 days require court authorization. Lastly, commercial transactions related to registered assets, the transfer of going concerns, the issue of debentures and debt bonds, and the granting of mortgages or pledges also require court authorization.

The court will also appoint a “controlling committee” formed by the largest creditors and a representative of the debtor’s employees.

Despite their restrictive character, composition proceedings are largely designed to benefit the debtor. Filing a composition proceeding stays accrued interest on unsecured claims as of the time of filing the petition with the court. Pursuant to a recent amendment, interest on labor credits is not stayed. In addition, the insolvent party may request that the court terminate or continue executory contracts. Where no notice of continuation is issued, parties operating under these contracts may terminate them. Reorganization proceedings also ensure the continuation of public services provided to the insolvent party as such services cannot be terminated based on debts existing prior to the commencement of said proceeding.

During high-inflation periods, composition proceedings provide an additional advantage to the debtor, as normally escalator clauses will not be applied.

For the allowance of claims (*verification of credits*), all creditors must submit to the trustee proofs of claims stating their credits and preferences. In the case of creditors domiciled out of Argentina it is advisable that their proofs of claim state that in the event of a composition in their country of origin, an Argentine creditor would be treated *Pari passu* with domestic creditors. The court will subsequently

determine the admissibility of each claim. Within 10 days following the court's resolution, the debtor must submit to the trustee a proposal for classifying creditors. Factors influencing a creditor's classification include amount, securities and type of claim. The debtor must submit payment proposals to the creditors in each category for approval within a 90-day period from the date creditors were classified, known as "period of exclusive".(*exclusivity period*) The court may extend this term for an additional 30 days. Court approval requires an absolute majority of creditors, representing at least 2/3 of the claims admitted in each class.

The Negotiable Obligations Act (Law 23.576), a body of statutes governing debt securities, requires unanimous approval to modify "essential" terms like maturity, principal or interest. Thus, the Negotiable Obligations Act protects bondholders from nonconsensual changes to essential terms. Reorganization arrangements, which allow for majority approval (a majority being all creditors representing at least 2/3 of unsecured claims), undermine this statutory guarantee. Both the ABA and the Negotiable Obligations Act are silent as to statutory conflict and both are federal laws of equal hierarchy. Nonetheless, the Argentine courts have determined that ABA provisions will prevail over those of the Negotiable Obligations Act. Within three days of the filing of the acceptance, the court must rule that a reorganization arrangement exists.

Section 50 of the ABA permits creditors to challenge reorganization arrangements. Typical creditor challenges include a lack of requisite majority, fraudulent increase of debtor's liabilities or lack of class representation. A challenging creditor must file the challenge within five days of notice of the existence of a composition arrangement. If the court accepts the challenge, it will notify the debtor and trustee, each of whom must respond within five days of notice. The court may reject the challenge and confirm the composition arrangement, or it may accept it and declare bankruptcy. Judicial confirmation of the reorganization arrangement notwithstanding, a party may still bring a nullity action based on fraud. The action must be filed within six months of the confirmation of the agreement.

Out of Court Restructuring (Acuerdo Preventivo Extrajudicial)

Sections 69 to 76 of the ABA offer parties a means to restructure without judicial involvement. These sections, amended in May 2002, allow a debtor to agree with the majority of its creditors on a "prepackaged" out-of-court reorganization plan (*accrued preventive extrajudicial*, or "APE") which, upon judicial confirmation, becomes binding on creditors. Despite their appeal to debtors, as well as major creditors looking to efficiently restructure without a bankruptcy proceeding, APEs leave bondholders in a much more tenuous position.

APEs are structured by private agreement to rehabilitate the debtor without the need for an insolvency proceeding. Preventive in nature, the plan is wholly determined by the parties, subject to certain legal limitations. APEs are presented in two phases, one out-of-court and one in court consistent with explicitly outlined procedures. Additionally, the content of the agreement may be specific to each creditor class.

APEs are negotiated between the debtor and its unsecured creditors, subject to judicial endorsement. Once endorsed, the APE is enforceable against all unsecured creditors, including those refusing to be party to the agreement.

Creditors acknowledged by the debtor and those summarily evidencing the debtor's failure to include them in the statement that the debtor must file are entitled to challenge an APE within 10 days following the last of notice—through the official gazette—of the announcement that the APE was filed for confirmation. A debtor's challenge at this time may only be made on the basis of omission or overstatement of the assets or liabilities or the lack of requisite majority.

APEs differ from a judicially-supervised *concurs preventive* because:

- APEs do not require as a condition *sine qua non* that the debtor is failing to pay debts as they become due (*cessation of payment*). Instead, it allows the debtor to restructure debt at the beginning of financial difficulties, prior to reaching actual insolvency;
- the APE process is not entirely judicial, and is negotiated out of court;
- different covenants can be agreed to with different creditors;
- the debtor is not subject to limitations in the administration of his property;
- the debtor is not prevented from travelling abroad;
- interest on claims is not automatically stayed; and
- judicial authorization is not required to agree to all aspects of the agreement.

The APE is favorable to reorganization because it affords the parties more flexibility in resolving disputes. Likewise, it presents far less limitations to the debtor. However, it does present certain disadvantages as the debtor has a smaller negotiating voice when contrasted against its creditors. Furthermore, interest and tax obligations are not suspended as a result of the agreement.

"Cramdown" Procedure

Argentine insolvency law also provides a process (referred to by statute as "cramdown") by which dissenting creditors, a so-called "labor cooperative" cooperative entity (even in the formation stage) constituted by workers of the insolvent company, or other third parties may acquire control of a debtor that fails to obtain approval for a restructuring plan. If the required majority does not approve a reorganization proposal furnished by a debtor (in this case, a legal person), within 48 hours of termination of the exclusivity period, the respective judge shall, for five days, allow creditors and third parties to register with the intent to acquire the insolvent company. The judge must also determine the company's net worth, appoint an appraiser to value creditors' claims and order a hearing. In the case of a labor cooperative, their members' updated credits can be used to set off against the relevant acquisition price. If no parties register during the 5-day period, the company will be declared bankrupt.

Registered parties, as well as the debtor, must present a reorganization plan to creditors. The plan may or may not alter creditor classifications and its contents are not restricted. The reorganization must be approved by an absolute majority of creditors representing at least 2/3 of the claims allowed in each class.

The first registered party to obtain written acceptance and file it along with the reorganization plan to the respective court acquires the right to purchase the totality of the insolvent's shares. The respective party must deposit 25% of the offered value as a guarantee. The purchase price must be a value higher than that initially decided determined by the judge. If such value is negative, the acquiring

party is under no obligation to pay for the shares. Within three days of the filing of the acceptance, the court must rule that a reorganization arrangement exists.

Regarding the challenge to the reorganization, the same principles apply as described for the *concurso preventivo* (reorganization). The judicial confirmation of the reorganization arrangement notwithstanding, a party may still bring a nullity action based on fraud. The action must be filed within six months of the confirmation of the agreement.

Bankruptcy

Debtors must be insolvent before bankruptcy becomes a viable option for a company in financial distress. A bankruptcy proceeding is available after the failure of a reorganization proceeding or if a debtor voluntarily seeks bankruptcy, or upon request of at least one creditor. The request by the creditor requires evidence that the debtor failed to pay debts as they matured. The debtor has five days to challenge the creditor's petition.

Declaring bankruptcy immediately imposes obligations and restrictions on the debtor, its representatives and its administrators, including:

- the obligation to cooperate with the court judge and the receiver to identify assets and claims;
- the prohibition of travelling abroad without prior authorization by the court;
- transfer, sale or other disposition of any right to corporate assets existing at the time of the declaration of bankruptcy;
- the administration by the receiver of the debtor's assets and the receiver's participation in their disposal in the manner prescribed by law; and
- the loss of the right to use divested assets to cancel adverse claims or judgments.

Within 24 hours of the bankruptcy declaration, notice of the case must be published in the Official Gazette and in a local newspaper for five days. This notice and publication is required in each jurisdiction in which the insolvent maintains a business presence, in addition to the place where the responsible partners live. A debtor who satisfies section 5 of the ABA may, within 10 days of the last publication, convert the liquidation proceeding into a reorganization proceeding.

Ascertaining the date of insolvency is critical in a bankruptcy proceeding. Depending on the date of insolvency, the bankruptcy court may grant a retroactive reach-back period (*período de sospecha*) not exceeding two years prior to the declaration of bankruptcy or the filing of a reorganization plan. The resolution establishing the date of insolvency may be appealed by intervening parties or by the debtor.

The court will also appoint a "controlling committee" formed by the largest creditors and a representative of the debtor's employees.

In bankruptcy, creditors may only enforce rights in divested assets in the manner prescribed in the ABA. All creditors must file proofs of claims, requesting their judicial approval (*verificación de créditos*) of respective credits and preferences. In the case of creditors domiciled out of Argentina it is advisable that their proofs of claim state that in the event of a bankruptcy in their country of origin, an Argentine creditor would be treated *pari passu* with domestic creditors. Creditors who have issued non-monetary loans contracted in foreign currency or whose monetary value is tied to other assets, must convert the value of such loans into legal Argentine currency (Argentine pesos) in the event of

bankruptcy. The creditor may opt to value the loans at the date of declaration of bankruptcy or, if earlier, at the date of maturity of the obligation.

Some creditors may enjoy a preference with respect to the distribution of the debtor's assets (priority creditors). One special case refers to specific assets over which the creditor holds a preferential right. These preferences include (1) construction, improvement and maintenance expenses of assets possessed by the debtor, over those assets, (2) salaries and other remuneration due for workers' compensation, seniority, termination and lack of prior notice, over merchandise, raw materials and machinery of the debtor's premises, (3) specific taxes and duties; and (4) mortgages and other security interests. A general preference typically refers to a class of claims (e.g., wages, social security and taxes) payable first out of the debtor's estate.

In most cases, the majority of creditors have no preferential status, either by line or priority (general creditors).

Labor cooperatives can request the continuation of a company's operations.

Regardless of a labor cooperative request, within 20 calendar days of accepting the charge, the receiver must inform the court of the practicability of maintaining the company as an on-going concern. The receiver's report must specifically consider a labor cooperative request, and include:

- the possibility of continuing operations without incurring new liabilities;
- the benefit creditors and third parties of maintaining the company;
- a carefully supported plan of development and resources;
- current agreements that must be maintained;
- the reorganization and modifications necessary to make the development of the company economically feasible;
- the collaborators needed to supervise the development; and
- a detail of the manner in which pre-existing debt will be serviced.

In the event that the bankrupt business is continued by a labor cooperative, they shall receive governmental technical support. In this case, foreclosure of assets is conditioned upon: i) the credit being due and unpaid, and ii) the existence of a final judicial acknowledgment of the credit. Even if these conditions are met, the bankruptcy court can still stay foreclosures for up to two years, at the labor cooperative's request.

The receiver also possesses the right to liquidate the company. There are three methods of liquidation available to the receiver: (1) sell the entire company as an on-going concern, (2) sell company assets in bulk; or (3) sell company assets gradually.

Proceeds from these sales will be applied to administrative costs, with any surplus being distributed to creditors, according to their preferences.

Pursuant to a recent amendment, labor cooperatives can acquire the assets of the bankrupt company. They are thus entitled to compensate their credits against the relevant price.

OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

By Marval O'Farrell Mairal

Labor and Immigration Laws

Labor Laws

Employer-employee relations in Argentina are mainly governed by Argentine Constitution and international treaties and conventions, as well as Labor Contract Law No. 20,744, as subsequently amended ("LCL"), collective bargaining agreements and the individual terms of labor contracts between employers and their employees.

Salaries: Salaries may be paid upon a monthly, daily or hourly basis, depending on the type of work performed by the employee. There is a mandatory minimum wage. The only exceptions to this rule are wages paid to interns (non-employment relationship) and part-time employees, who may be paid less than the minimum wage. For full-time employees with monthly salaries, the minimum wage effective from March 1, 2025, is ARS 296,832 per month and ARS 1,484 per hour for daily workers. Both minimum wages increased as described in the following chart (they are regularly updated by the government):

Date as from which increase is effective	Minimum wage for full-time workers	Minimum wage per hour for daily workers
December 1, 2024	ARS 279,718	ARS 1,399
January 1, 2025	ARS 286,711	ARS 1,434
February 1, 2025	ARS 292,446	ARS 1,462
March 1, 2025	ARS 296,832	ARS 1,484

Additionally, by law, employees are entitled to a "13th salary" (*aguinaldo*) paid in two installments, on June 30 and December 18 each year. Each installment is equivalent to 50% of the highest monthly wage received during the previous six-month period. Typically, the basic working day under LCL is 8 hours with a maximum of 48 hours per week. Workers earn overtime pay for work done in excess of the basic working day (generally 8 hours per day or 48 per week). Overtime payment rates are 50% surcharge on the normal base rate, and 100% surcharge on the normal base rate (double time) on Saturday after 1 PM, Sundays and official holidays. Directors and Managers are exempt from workday limitations; therefore, they are not entitled to overtime.

Contributions and Withholdings: Pursuant to Argentine law, employers and employees have certain obligations to make social security contributions for family allowances, medical services and pension and unemployment benefits. In addition, pursuant to many collective bargaining agreements (when applicable), union contributions of 1% to 2.5% may be withheld from employees´ salary.

The mandatory social security withholdings and contributions are calculated as a percentage of the employees' remuneration. The total percentage amount for employers' contributions is 24% or 26.4%, while the total percentage amount for employees' withholdings is 17%.

The basis for calculating employees' withholdings has a cap, which amounts to ARS 2,989,160 as of February 2025. The cap is updated every three months. Employers' contributions have no cap and, therefore, they must be calculated over the whole remuneration.

The 26.4% percentage is applicable to employers from the private sector within the “Services” or “Commerce” categories, according to Resolution No. 220/19 of the Secretary of Entrepreneurs and Small and Medium Sized Companies, as long as their total annual sales exceed the limits required to be classified as a medium-sized company. The contribution for the remaining private sector employers and public sector entities and organizations is 24%. The regulation allows deducing certain amounts from the tax base to calculate contributions.

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

Vacations and other Leaves of Absence: Employees are entitled to annual paid holidays, which vary from 14 to 35 calendar days each year depending on the employee’s length of service. In addition, employees are entitled to short leaves of absence in the event of marriage, birth of a child, death of a close relative and high school or university examinations.

Female employees have additional rights, including a special 90-day maternity leave of absence (45 days before and 45 days after childbirth). The employee may subtract up to 15 days from the time allowed before birth and add it to the remaining days of maternity leave after birth. During maternity leave, employees are entitled to certain family allowances.

If employees cannot work due to non-work-related illness or accidents, they are entitled to their full salaries for a period which may vary from 3 to 12 months, depending on the employee’s length of service and the existence of a dependent family.

Trial-Period Hiring: Employment contracts may be for an indefinite period or for a fixed term. In indefinite period contracts, the first three months are a trial period. During the trial period, either party may terminate the labor relationship at any time without the employer having an obligation to pay severance. However, they are obliged to give a 15-days prior notice (or payment in lieu of prior notice). Termination of Labor Contracts: An employee may resign at any time and must give the employer 15-days prior notice.

In indefinite term employment contracts, the employer may dismiss an employee without cause at any time upon giving the employee prior notice of: (a) fifteen days (if the employment contract is terminated during the trial period), (b) one month (if the period of service is greater than the trial period but less than five years), or (c) two months (if the period of service is greater than five years). This notice can be substituted with a salary payment equivalent to the period of prior notice. If no prior notice is given and the dismissal takes place on a day different to the last day of the month, the employee will also collect an amount equal to the salary corresponding to the remaining days of the month of dismissal.

The employer is also required to make severance payments to the employee based on the employee’s highest ordinary monthly salary earned during the previous year of employment or full term of service, if shorter than one year. With certain limitations resulting from statute and case law, the employer must pay to the employee one month’s salary for each year of employment or period worked in excess of three months for which the employee worked for such employer, although with a cap in the calculation basis equal to three times the average remunerations of the relevant collective bargaining agreement (if any applicable). This is the current statute, but for some cases, as described in the following paragraph, it has been considered unconstitutional.

According to Vizzoti case law, the Supreme Court of Justice has stated that, if the cap described in the preceding paragraph is lower than 67% of the best, monthly, normal and habitual remuneration, then the cap is unconstitutional (“Vizzoti, Carlos A. c/ AMSA S.A.” 09/14/2004). In such case, the applicable cap over the calculation basis is 67% of the best, monthly, normal and habitual remuneration.

In any event, the severance payment cannot be lower than once the ordinary highest monthly salary.

If an employee is dismissed for gross misconduct, no severance payment or prior notice is required. However, the employer must prove that gross misconduct occurred.

Work Risk Insurers ("ART"): In 1996, Argentine law established a system to reduce workplace risks and to compensate employees who become ill or injured at work. Pursuant to Law No. 24,557 (“LRT”), all workers employed in the private sector (as well as certain other employees) are generally protected by its provisions. Employers of workers included within the scope of the LRT must either self-insure against the obligations imposed by the LRT or must be insured by a Work Risk Insurer ("ART”). At present, very few companies provide self-insurance for their workers. When an ART provides coverage, it must compensate the injured worker in accordance with the requirements of the LRT, and must also provide medical and pharmaceutical attention, prosthesis and orthopedics, rehabilitation, occupational re-classification, and funeral service benefits.

The ART is financed by monthly payments made by the employers of insured persons.

The LRT had several modifications. In 2017, Law No. 27,348 introduced additional modifications to the LRT, which main aspects are: (i) the mandatory administrative stage of medical commissions (pre-judicial stage) for work-related accidents or illness; (ii) the modification of territorial jurisdiction, with the purpose of avoiding lawsuits mainly in jurisdictions outside the workplace or the worker’s domicile; (iii) the establishment of a new scheme of expert fees with fixed amounts; and (iv) a new mechanism for calculating the base income use in the payment of compensation established within the LRT system.

Once the mandatory administrative stage concludes (pre-judicial stage), the worker may file a judicial claim against the ART to seek compensation in accordance with the LRT system, or file a judicial claim against the employer, pursuant to the Civil Law, provided that the worker alleges the employer had breached the regulations, or that the activity carried out by the worker was risky.

Recent Developments in Labor Law

- **Nurseries**

Decree 144/2022 (published on March 23, 2022, in the Official Gazette) established that -as from March 23, 2023- establishments with 100 or more workers must provide nurseries and maternity rooms for the personnel’s children -between 45 days and 3 years old included-. Employers may outsource the incorporation of daycare centers or incorporate them together with other employers. Through collective bargaining agreements and/or when the relevant employee is under a Teleworking Regime, this obligation may be replaced by a non-remunerative payment.

The obligation had already been stated in the LCL since 1975. However, it had never been regulated until now. In 2021, the National Supreme Court of Justice had ordered the Executive Branch to issue the regulation.

- **Teleworking Regime**

Working from home is regulated by Law 27,555 and its Regulatory Decree No. 27/2021 (the "Teleworking Regime") in force since April 1, 2021.

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

The Teleworking Regime is not applicable if: (i) the tasks are performed in the facilities or branches of the clients to which the employer provides services on a continuous or regular basis, or (ii) the employee only works at their domicile occasionally and sporadically, either at the request of the employee or due to some exceptional circumstance.

Employees must provide express and written consent to telework. The execution of a teleworking agreement is the most conservative way to instrument it.

The main aspects regulated by the Teleworking Regime are: (i) employee's right to digital disconnection; (ii) employee's right to revoke their consent to switch to teleworking modality (except those employees who have agreed the teleworking modality from the beginning of the employment relationship); (iii) the employer's obligation to provide the necessary working tools and compensate the major expenses of connectivity and/or consumption of services that employees must face when teleworking, among others.

On the other hand, by means of Resolution No. 1921/ 2022, the Ministry of Labor created the "Registry of companies Using Teleworking". Registration is mandatory for all companies with total or partial teleworking employees.

- **Immigration Controls**

Foreign Employees: Foreigners who wish to work in Argentina must first obtain a transitory or temporary residency permit, depending upon the amount of time they plan to spend in the country. Some nationalities will need a consular visa before entering to Argentina. So the application should be done at the Argentine consulate according to the jurisdiction of the current residency of the foreign.
In any case, the visa to be applied must have the sponsorship of the local company that should be registered at the National Foreign Applicants called "RENURE" ("Registro Nacional de Requirentes Extranjeros").

In any event, the request for any form of residence permit can be preceded by the issue of an entrance permit ("Permiso de Ingreso") by the Immigration Department ("Dirección Nacional de Migraciones"). This request for an entry permit may be filed with the Immigration Department directly by a third party on behalf of the applicant with a power of attorney granted by the local company which is sponsoring the request (already registered in "RENURE").

The other option is to apply in Argentina by entering with a tourist exemption visa or for those nationalities that need a visa to enter, with a consular tourist visa or travel electronic authorization. By gathering all the documents and apply at the Argentine Immigration Department, they will have a provisory document and then, they will have the immigration provision confirming the approval of the residence applied.

Transitory Residency visa: A residence permit is required for a person who wishes to stay for a period of less than a year. The options of a transitory residency visa are: a business visa to be issued

at the Argentine consulate abroad where the foreigners live (for a stay of 60 days and renewable for the same period by applying in Argentina at the Immigration Department), a technical visa (for a stay of 30 days and also renewable for the same period in Argentina). There are transitory visas for artists, sports players, religious, scientist and digital nomads.

Temporary Residency for work permit visa: This type of residence permit is valid for a year and can be renewed upon 3 occasions to take its duration up to 3 years. The employment can be with the same employer or if the foreign employee changes the work, the new employer must be the new sponsor for his renewal application. The new employer must also be registered at the “RENURE” registration of the Immigration Department. After 3 years have been completed, the employee may apply for a permanent residency permit.

General Requirements for Temporary residency visa: The Immigration Department is responsible for issuing a temporary residency permit. Many documents from both the employer and employee must be submitted by the applicant at the Argentine Consulate located in the applicant’s country of origin. One of the key documents which must be presented is a written employment contract between the applicant and employer, who must be established in Argentina. And the local employer should be registered as sponsor at the “RENURE” from the Immigration Department. The applications for the temporary residency visas can be made out of Argentina (through the Argentine Consulate and with the previous entry permit approved) or in Argentina, through the nearest Immigration office where the foreign will reside.

The Immigration Office is quite strict about the formalities for obtaining any form of residency permit and the applicant must ensure that all the required documentation is translated into Spanish and legalized by an Argentine Consulate or by means of the Apostille of The Hague. If the document requires translation, it must be done by a public translator who is registered with the Argentine Consulate. Any necessary notarizations must also be carried out by an authorized notary.

In most cases a temporary residency permit will take up to approximately 3 or 4 months to obtain.

As there are frequent changes to the requirements and periods of residency permits, it is strongly recommended that before beginning any application process, contact is made with the Argentine Immigration Department or the Argentine Consulate in the applicant’s country.

Temporary Residency for Mercosur Natives: The Immigration Department stated a special program for foreign residents who are natives of the states of Mercosur and its associated states (Uruguay, Paraguay, Brazil, Colombia, Bolivia, Chile, Peru, Ecuador and Venezuela). This program simplified the proceedings to obtain a temporary residence, it can be requested in the Republic of Argentina and its validity is of two years. After these years of stay, the National Mercosur citizen has the possibility to request for the permanent residence in Argentina.

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