

LEGAL WARNING

*"The following English translation of the
PRODUCTIVE FINANCING LAW No. 27,440 has been prepared to facilitate the
approach of potential future investors and any person interested in the legal
framework that regulates the capital market of Argentina.*

Notwithstanding, only the Spanish version of this law is binding. "

AVISO LEGAL

*"La siguiente traducción al idioma inglés de la Ley de Financiamiento Productivo
N°27.440 ha sido preparada para facilitar el acercamiento de posibles futuros
inversores y toda persona interesada en el marco legal que regula el mercado de
capitales de la República Argentina.*

Sin perjuicio de ello, sólo la versión en español de esta ley es vinculante."

PRODUCTIVE FINANCING LAW

Law No. 27,440

Promoting the Financing of SMEs

The Upper and Lower Houses of the Argentine National
Congress, duly assembled, hereby pass the following Law:

Productive Financing Law

Title I

Promoting the Financing of SMEs

Section 1.- In all commercial operations in which a Micro, Small or Medium-Sized Enterprise is bound to issue original electronic vouchers (invoices or receipts) to a large company, pursuant to the regulations issued by the Federal Administration of Public Revenues (AFIP), a self-sufficient entity under the Ministry of Treasury and Public Finance, "MSMEs Electronic Credit Notes" shall be issued, under the terms set forth in the following sections, to replace the aforementioned vouchers.

Regulations approved herein shall be optional in commercial operations among Micro, Small or Medium-Sized Enterprises.

The Federal Administration of Public Revenues shall regulate the use of delivery notes for transferring merchandise, and shall be in charge of setting a maximum

term for the issuance and delivery of the "MSMEs Electronic Credit Note", which shall not exceed the last business day of the month in which the delivery note is issued.

Section 2.- The enforcement authority jointly with the Federal Administration of Public Revenues shall be entitled to implement regulations similar to the ones set forth herein for the purpose of authorizing companies not included therein to issue instruments similar to the "MSMEs Electronic Credit Note".

Section 3.- A "Registry of MSMEs Electronic Credit Notes" shall be created under the scope of the Federal Administration of Public Revenues in which the information set forth in Section 5, Subsections a) to f), hereof regarding "MSMEs Electronic Credit Notes" shall be recorded as well as their cancellation, rejection, acceptance and relevant notes. The Federal Administration of Public Revenues shall establish the manners and conditions in which said registration shall be made.

The prohibitions set forth in Law No.11.683, Section 101, shall not be applied to transactions made by individuals referred to herein with the scope set forth therein.

Regulations may provide for (i) the obligation to record all "MSMEs Electronic Credit Notes" in a registry specially created for such purposes; and (ii) the creation of informative regime of "MSMEs Electronic Credit Notes" so that all parties may have access to payment information of the regime created by this Title.

Section 4.- The "MSMEs Electronic Credit Note" shall become an executory instrument and a value not of record, pursuant to the Argentine Civil and Commercial Code, Section 1850, provided that all requirements set forth below are met:

a) Said notes are issued within the framework of an agreement for the sale of goods or lease of personal property, services or works.

b) Both contracting parties are domiciled in Argentina.

c) The parties agree to set a term to pay the price of not less than fifteen (15) calendar days after the payor receives the "MSMEs Electronic Credit Notes" in their electronic domicile for tax purposes.

d) The purchaser or lessee acquires, stores, uses or consume the goods, services or works to include them, directly or indirectly, in a process of production, transformation, trade or provision to third parties, either in a generic or specific manner.

Moreover, if a term to pay the price is shorter than the term set forth in Subsection c) hereof, and upon its expiration the express payment or acceptance thereof is not registered with the "Registry of MSMEs Electronic Credit Notes", the duly issued "MSMEs Electronic Credit Note" shall become "an executory instrument and a value not of record" upon expiration of the term of fifteen (15) days after the payor receives it in their electronic domicile for tax purposes, and a new expiration date of fifteen (15) calendar days as from that moment shall be applied in order to negotiate the corresponding note.

Debit and credit notes related to said transaction and, therefore, to the "MSMEs Electronic Credit Note" issued shall be issued within fifteen (15) calendar days from the moment the payor receives it in their electronic domicile for tax purposes, until

express acceptance thereof, whichever occurs first.

Section 5.- The minimum requirements invoices shall meet in order to become "MSMEs Electronic Credit Notes" shall be the following:

- a) Place and date of issue.
- b) Consecutive and sequential numbering.
- c) Actual payment expiration date.
- d) The corresponding Uniform Banking Code (CBU) or "Alias".
- e) Identification of the parties and determination of their Individual Taxpayer Identification Number (CUIT).
- f) The amount payable stated in numbers and letters. If debit and/or credit notes amend the original amount to be paid, the total amount to be negotiated shall be recorded in the "Registry of MSMEs Electronic Credit Notes".
- g) Issuance through billing systems authorized by the Federal Administration of Public Revenues by users validated in its computer system.
- h) Identification of the corresponding delivery note of merchandise, if any.
- i) The "MSMEs Electronic Credit Note" shall state that it shall be considered accepted if, upon expiration of the term of fifteen (15) calendar days after the purchaser or lessee receives it in their electronic domicile for tax purposes, its complete rejection is not registered; and that if, upon expiration of the aforementioned term, payment is not registered, it shall be deemed an executory instrument, under the terms set forth in Section 523 of the Argentine Code of Civil and Commercial Procedure *et seq.*

In addition, the "MSMEs Electronic Credit Note" shall state that its express or implied acceptance shall be deemed an authorization to transfer any information included in the document from the "Registry of MSMEs Electronic Credit Notes" to third parties if the seller or lessor choose to assign, transfer or negotiate it.

The Federal Administration of Public Revenues shall set forth the procedures to be used to meet all requirements for the issue of "MSMEs Electronic Credit Notes"; and shall issue the supplementary regulations deemed necessary to implement regulations on "MSMEs Electronic Credit Notes".

Individuals referred to herein must have an electronic domicile for tax purposes.

Failure to meet any of the requirements results in the ineffectiveness of the "MSMEs Electronic Credit Note" as an executory instrument, as value not of record, and as a commercial document.

Section 6.- All "MSMEs Electronic Credit Notes" that are not paid or accepted and that are not registered with the "Registry of MSMEs Electronic Credit Notes" within a maximum term of fifteen (15) calendar days after the purchaser or lessee receives it in their electronic domicile for tax purposes shall be deemed impliedly accepted for the total amount to be paid, and shall be deemed executory instruments and values not of record for said amount.

Section 7.- "Large companies" shall mean all companies whose annual total sales stated in Argentine pesos exceed the maximum amounts set forth in Resolution

No. 340 dated August 11, 2017, of the Secretariat of Entrepreneurs of Small and Medium-Sized Enterprise under the Ministry of Production, as amended, under the terms set forth in Title I, Section 1, of Law No. 25,300.

Section 8.- The purchaser or lessee shall be bound to accept the MSMEs Electronic Credit Notes, except in the following cases:

- a) Damage to merchandise, provided that they are not issued or delivered at their own risk.
- b) Duly checked defects, faults and differences in quality or quantity.
- c) Differences in terms or prices set forth.
- d) Lack of consistency with the services or works actually hired.
- e) Formal defects resulting in the ineffectiveness of the "MSMEs Electronic Credit Note" as an executory instrument, as value not of record, and as a commercial document.
- f) Failure to deliver the merchandise or provide services.
- g) Payment in full of MSMEs Electronic Credit Notes.

Rejection of MSMEs Electronic Credit Notes based on the grounds set forth in Subsections a) to f) hereof shall take place within the period set forth in Section 1,145 of the Argentine Civil and Commercial Code and shall be registered with the Registry of MSMEs Electronic Credit Notes.

Section 9.- Acceptance of MSMEs Electronic Credit Notes shall be unconditional and irrevocable, and no protest shall be accepted.

Furthermore, neither the issuer of a MSMEs Electronic Credit Note nor their subsequent purchasers shall be guarantors of said issuer's payment.

Section 10.- For the purpose of paying MSMEs Electronic Credit Notes, prior to expiration of the term set forth in Section 4, Subsection c), hereof, any of the forms of payment authorized by the Central Bank of the Argentine Republic shall be used, and limiting their negotiability by any means shall be expressly prohibited.

Payments made before acceptance of "MSMEs Electronic Credit Notes" shall be opposable provided that they have been notified by the payor to the "Registry of MSMEs Electronic Credit Notes".

Section 11.- "MSMEs Electronic Credit Notes" that are expressly or impliedly accepted and that have not been credited to a Collective Deposit Intermediary may only be paid through the forms of payment authorized by the Central Bank of the Argentine Republic. After the "MSMEs Electronic Credit Notes" have been credited to a Collective Deposit Intermediary they may only be paid in full through wire transfer to the bank account identified by a Uniform Banking Code (CBU) or "Alias" of the Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force. For the purposes of making the payment provided for in the

foregoing paragraph, the Federal Administration of Public Revenues shall notify the payor at their electronic domicile for tax purposes the Uniform Banking Code (CBU) or "Alias" of the Collective Deposit Intermediary, as well as the Payment Code or Reference Number related to "MSMEs Electronic Credit Notes" owed, which shall become, for all legal purposes, the new payment address.

Section 12.- "MSMEs Electronic Credit Notes" may be negotiated in the Markets authorized by the Securities and Exchange Commission in accordance with the regulations issued by said body in its capacity as enforcement authority. They shall be subject to public offering under the terms of Law No. 26,831, as amended, and the tax treatment related to marketable securities with public offering shall be applied.

Section 13.- "MSMEs Electronic Credit Notes" may also be negotiated through tools or computer systems that make the factoring, assignment, discount and/or negotiation of invoices easier. Said tools or computer systems shall not be deemed "Markets" pursuant to the terms set forth in Law No. 26,831, Section 2, nor shall they need prior authorization and/or authorization to operate by the Securities and Exchange Commission (Comisión Nacional de Valores), provided that only financial entities subject to Law No. 21,526, as amended, and authorized by the Central Bank of the Argentine Republic, as well as non-financial credit providers participate as purchasers, acquirers, assignees or endorsees.

For the purposes of the foregoing paragraph, non-financial credit providers shall mean all legal entities that, despite not being financial entities in accordance with the Financial Entities Act, offer (as their main or accessory activity) credit to the general public, granting the financing regular basis. Mutual associations, cooperatives and non-financial companies issuing credit and/or purchase cards, regardless of their legal nature are also included in said concept.

Section 14.- All "MSMEs Electronic Credit Notes", once expressly or impliedly accepted and credited to a Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force, shall be in circulation as independent and autonomous securities and they shall be transferable in the manner and under the conditions set forth by the Securities and Exchange Commission.

Section 15.- The enforcement authority and the Securities and Exchange Commission shall establish the procedures for the negotiation and transfer of "MSMEs Electronic Credit Notes" and shall be entitled to limit them to electronic means.

"MSMEs Electronic Credit Notes" issued by virtue of the provisions set forth in the second to last paragraph of Section 4 shall only be transferred after they have been expressly or impliedly accepted.

Section 16.- Once the "MSMEs Electronic Credit Note" has been expressly or impliedly accepted, the seller or lessor may request the Federal Administration of Public Revenues to report it to a Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force, authorized according to Law No. 26,831, as amended.

For such purposes, the seller or lessor shall state their intention before the "Registry of MSMEs Electronic Credit Notes".

The credit of the "MSMEs Electronic Credit Notes" does not transfer the property or use thereof to the Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force. The Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force shall not be responsible for the formal defects nor for the authenticity or validation of the signatures appearing in the "MSMEs Electronic Credit Note" and shall only undertake the duty to keep them and protect them as well as carry out operations and accounting registrations arising from their transactions.

In no case shall the Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force be bound to pay the "MSMEs Electronic Credit Notes".

Any "MSMEs Electronic Credit Note" that has been transferred to a Collective Deposit Intermediary or intermediaries with similar duties as set forth in the regulations in force for the purpose of their negotiation shall not be registered again with the "Registry of MSMEs Electronic Credit Notes".

Section 17.- Any prohibition of endorsing, assigning, negotiating and/or transferring "MSMEs Electronic Credit Notes", either by the person accepting them or by any of their subsequent purchasers, shall be null and void.

Section 18.- Transfers of the "MSMEs Electronic Credit Notes" accepted within the three (3) banking business days prior to their expiration date shall not be made.

Section 19.- Failure to pay a "MSMEs Electronic Credit Note" upon expiration shall entitle the issuer or subsequent purchaser to file a direct collection action against the payor and its sureties for all amounts that may be collected under the provisions of Decree-Law No. 5,965, Sections 52 and 53, dated July 19, 1963, ratified by Law No. 16,478, notwithstanding any other action to which they may be entitled under specific regulations.

They may file said action against sureties, even before expiration, if the payor undergoes reorganization proceedings or goes bankrupt or if an order to seize their property is unsuccessful.

For an early collection action to take place, the following shall be submitted:

- a) If the payor undergoes reorganization proceedings or goes bankrupt, the order to start the corresponding reorganization proceedings.
- b) If an order to seize the payor's property is unsuccessful, the corresponding judicial record proving said circumstance.

Section 20.- Any personal defense that could have been enforced against the issuer or assignors of the "MSMEs Electronic Credit Note" shall be unenforceable against the creditor thereof.

Section 21.- The Financial Information Unit and the Central Bank of the Argentine Republic shall, within the scope of their jurisdiction, determine the corresponding directives for the purposes of implementing these regulations.

Section 22.- All invoices issued by providers of public services, invoices issued to final consumers and commercial transactions performed through consignees and/or

commission intermediaries are exempted from the regulations on the "MSMEs Electronic Credit Note".

Furthermore, all invoices issued to national, provincial and municipal states and state public bodies shall be exempted from these regulations, unless the former have become corporations.

Section 23.- The enforcement authority is hereby empowered to establish general exceptions and exclusions in regulations on "MSMEs Electronic Credit Notes", to amend the terms set forth therein and/or implement an equivalent system empowering companies not included therein to issue instruments similar to the "MSMEs Electronic Credit Note".

The enforcement authority shall order all regulatory and constructive measures that may be deemed necessary to implement these regulations and shall thus adopt all actions leading to their compliance with suitable commercial practices and customs in force, including commercial transactions through consignees and/or commission intermediaries, payments in installments and contracts set forth in Title IV, Chapter 15, of the third book of the Argentine Civil and Commercial Code.

Section 24.- The Argentine Executive Power shall appoint the enforcement authority of these regulations and shall authorize delegations of specific duties to bodies with a rank not inferior to Under-secretariat.

The enforcement authority, together with the Federal Administration of Public Revenues, may authorize the express or implied acceptance of the "MSMEs Electronic Credit Note" for an amount less than the total amount stated in accordance with Section 5, Subsection f), hereof. Said reduction shall comply with the rates set forth by the corresponding regulations on withholdings and/or collection.

Section 25.- After the corresponding withholdings and/or collections, balances between issuers and acceptors of the "MSMEs Electronic Credit Note" shall be returned.

For the purposes hereof, withholdings and/or tax collections and/or social security benefits shall be the responsibility of the debtor of the "MSMEs Electronic Credit Note", not of the assignee or purchaser thereof. Pursuant to all regulations in force, the debtor of a "MSMEs Electronic Credit Note" shall be deemed a withholding intermediary and, where appropriate, shall be subject to collection at source.

The provisions set forth in Law No. 24,760 and in Decree-Law No. 5,965/63, ratified by Law No. 16,478, are applicable to the "MSMEs Electronic Credit Note" provided that they do not conflict with the provisions hereof.

Section 26.- Section 284 of Argentine Companies Law shall be replaced by the following:

Appointment of Receivers

Section 284: It is undertaken by one or more receivers appointed by shareholders at a meeting. The same number of substitute receivers shall be elected.

If the company is included in the provisions set forth in Section 299, except for the cases provided for in Subsections 2 and 7 and if SMEs fall under specific regulations on

SMEs governed by the Securities and Exchange Commission, the receivership shall have an odd number of members.

In all cases, each action shall grant rights to one vote for the election and removal of receivers, notwithstanding the provisions set forth in Section 288. Any provision to the contrary shall be null and void.

Resolution to Dispense with Appointment of receivers

Companies that are not included in any of the cases referred to in Section 299 and those making public offering of guaranteed debt securities, pursuant to the regulations set forth by the Securities and Exchange Commission, may dispense with appointment of receivers provided that it is set forth in the bylaws. In this case, partners have the right to supervise set forth in Section 55. If due to a capital increase the amount set forth is exceeded, shareholders at the meeting deciding on the matter shall appoint a receiver, without amending the bylaws.

Title II

Promotion of Mortgage Financing and Savings

Section 27- Section 39 of Law No. 24,441, as amended, shall be replaced by the following:

Section 39: Mortgage bonds are issued by the debtor, and reviewed by the Real Estate Registry corresponding to the jurisdiction where the mortgaged property is located, in a document drawn in unalterable paper and bearing the signatures of the debtor, the civil law notary, and an authorized registry officer; the mortgage record shall state the issuance thereof. Mortgage bonds shall include the following information:

- a) Name of debtor and, if applicable, name of the owner of the mortgaged property.
- b) Name of creditor.
- c) Amount of the obligation included in the mortgage bond, specified in domestic or foreign currency. In the event that the mortgage loan was constituted within the framework of any exception to the provisions of Sections 7 and 10 of Law No. 23,928, as amended and supplemented, mortgage bonds shall state that the amount of the obligation is subject to the relevant escalation clause.
- d) Terms and other provisions regarding payment, with the respective coupons, except for the provisions of Section 41 regarding mortgage bonds subject to variable repayment.
- e) Place where payments shall be made.
- f) Compensation and penalty interest rates.
- g) Location of the mortgaged property and registry and real estate survey information thereof.
- h) The record of any payments of capital or income or partial payment.
- i) The express statement that the holding of capital and interest coupons shall evidence payment thereof, and that the creditor shall grant them and the debtor shall request them.
- j) Any other requirements as may be set forth by any future regulation.

Any agreed change regarding the loan shall also be recorded in the mortgage bonds. Mortgage bonds may also be book-entry bonds.

Section 28.- Section 49 of Law No. 24,441, as amended, shall be replaced by the following:

Section 49: The parties authorized to make public offering as trustees or to manage mutual funds may issue debt securities and/or share certificates secured by mortgage bonds or may establish mutual funds on them, in accordance with all regulatory provisions in force.

Section 29.- Section 70 of Law No. 24,441, as amended, shall be replaced by the following:

Section 70: The provisions of this Section and those of Sections 71 and 72 shall apply when rights are assigned as part of a present or future credit portfolio for the purposes of:

- a) Guaranteeing the issue of securities through public offering or any other financing mean.
- b) Constituting the assets of a company, so that it may issue securities for public offering, whose amortization and interest services are guaranteed by such assets.
- c) Constituting the estate of a financial trust or a mutual credit fund.

Section 30.- Section 72 of Law No. 24,441, as amended, shall be replaced by the following:

In the cases set forth in Section 70:

- a) No notice to the assigned debtor shall be necessary whenever there is a contract provision in that sense. The assignment shall be effective as of the date thereof.
- b) Only the exception based on the nullity of the credit relationship or the documented payment prior to the assignment date shall remain effective against the assignee.
- c) In the event of a financial institution issuing securities backed by a portfolio having bearer securities still deposited in it, the institution shall be the trust owner of the assets. However, under no circumstance shall the credits be part of the estate.

In the absence of contractual provisions in accordance with the provisions set forth in Subsection a), publication thereof on the website of the Securities and Exchange Commission shall be accepted as a reliable means of notice to the assigned debtor in accordance with the regulations issued by said agency for such purpose.

Section 31.- Section 24, Subsection 2, of Law No. 20,091, shall be replaced by the following:

The following are prohibited:

- 1) Plans related to tontines, extraordinary tax and drawings.
- 2) Covering risks arising from operations related only to financial credit, except for financial credit operations related to mortgage, which may be covered provided that it does not lead to an increase in cost to borrowers of said credit, and under the terms of the regulations set forth for said purpose by the Argentine Superintendencia of Insurance (Superintendencia de Seguros de la Nación).

Section 32.- Death insurance policies, whether or not they include capitalization methods, and retirement insurance in all its types may be updated by the Reference Stabilization Coefficient as set forth in Decree No. 905/2002, Section 27, ratified by Law No. 25,827, Section 71, and by other rates approved by regulations in force, and in said cases Law No. 23,928, Sections 7 and 10, and Section 765 of the Argentine Civil and Commercial Code shall not be applied.

Title III

Amendments to Law No. 26.831

Section 33.- Section 1 of Law No. 26,831 shall be replaced by the following:

Section 1: Purpose. Principles.

This law is aimed at developing the capital market and setting the rules to govern capital market players and marketable securities traded therein.

These regulations, any of their supplementary provisions and regulations, as well as the construction hereof and thereof shall be guided by the following goals and principles:

- a) Promoting the participation of investors, union associations, business associations and industry groups, professional associations and all public savings entities in the capital market, particularly encouraging mechanisms designed to promote domestic savings and channel such funds towards production development.
- b) Strengthening mechanisms for the protection and prevention of abuses against investors for the protection of consumers' rights.
- c) Promoting access of small and medium-sized enterprises to the capital market.
- d) Promoting the creation of a federally integrated capital market, through access and connection mechanisms, with standardized communication protocols, of computer systems from different trading markets, with the use of state-of-the-art technology.
- e) Encouraging simpler trading procedures available to users to attain greater liquidity and competitiveness in order to provide the most favorable conditions at the time of carrying out transactions.
- f) Reducing systemic risk in capital markets through actions and resolutions aimed at having safer markets in accordance with international best practices.
- g) Promoting the integrity and transparency of capital markets.
- h) Promoting financial inclusion.

Section 34.- Section 2 of Law No. 26,831 shall be replaced by the following:

Section 2: Definitions. Under this law and regulations hereof, the following terms shall have the meanings set forth below:

Concerted action: The coordinated action of two (2) or more individuals under a formal or informal agreement for the purpose of cooperating actively to purchase, hold or dispose of any shares or other convertible securities or interests in an entity whose marketable securities have been authorized for public offering, whether acting through any such individuals, any companies or other associations in general, or through other persons related to or controlled by such entity, or individuals holding voting rights on behalf thereof. Managers of collective investment products:

Management companies under Law No. 24,083, as amended, financial trustees under Title IV, Chapter 30, of the third book of the Argentine Civil and Commercial Code, as amended, and other entities providing similar services which, at the discretion of the Securities and Exchange Commission, must be registered as such to be able to act in connection with collective investment products.

Risk rating agencies: Entities registered with the Securities and Exchange Commission to provide risk rating services for marketable securities and other risks, any activities related and supplementary thereto and capable of furthering this purpose also being under the jurisdiction of said body.

Placement and distribution intermediaries: Individuals and/or legal entities registered with the Securities and Exchange Commission to develop placement and distribution channels for marketable securities, in accordance with the regulations issued by the aforementioned body for these purposes.

Brokers: Legal entities registered with the Securities and Exchange Commission to put in contact two (2) or more parties for the performance of business transactions involving marketable securities, such entities having no relationship whatsoever, whether as assistants, subordinates or representatives, with any of the parties involved (Section 34, Subsection a), first part, of Annex I to Law No. 25,028).

Custodians of collective investment products: Depositary companies under Law No. 24,083, as amended, registered with the Securities and Exchange Commission to perform any duties assigned by the applicable laws or any other duties as determined by said body.

Settlement and clearing intermediaries: Legal entities registered with the Securities and Exchange Commission to participate in the settlement and clearing of transactions involving marketable securities registered within the markets, including any other activities conducted by them also being under the jurisdiction of the Securities and Exchange Commission.

Trading intermediaries: Legal entities authorized to act as intermediaries of marketable securities in markets under the jurisdiction of the Securities and Exchange Commission, the performance of any related or supplementary activities also being under the jurisdiction of said body.

Central securities depository intermediary: Legal entities registered with the Securities and Exchange Commission to receive collective and regular deposits of marketable securities, provide custody, settlement and payment of credits of marketable securities deposited and in custody and those other activities set forth in the regulations of the Securities and Exchange Commission, under the terms set forth in Law No. 20,643, as amended, and herein.

Producers: Individuals and/or legal entities registered with the Securities and Exchange Commission to develop advertising and promotion activities of marketable securities under the responsibility of a registered intermediary, in accordance with regulations set forth for such purpose by the aforementioned body.

Registered intermediaries: Individuals and/or legal entities authorized by the Securities and Exchange Commission to be registered with the corresponding registries created by said body for the purposes of performing trading, placement,

distribution, brokerage, settlement and clearing, custody and collective deposit of marketable securities, management and custody of collective investment products, risk rating and any other activities that, at the discretion of the Securities and Exchange Commission, must be registered for the purposes of developing the capital market.

Clearing Houses: Corporations authorized by the Securities and Exchange Commission, in accordance with the regulations set forth by said body for such purpose, whose corporate purpose is the settlement and clearing of transactions authorized by the Securities and Exchange Commission, fulfilling the role of central counterparty, being able to carry out activities related and supplementary thereto.

Controlling entity, controlling group or controlling person: An individual or legal entity holding, whether directly or indirectly, and individually or collectively, as the case may be, under any title, an equity interest or voting securities conferring such holder, legally or de facto, and if de facto on a permanent basis, the right to cast the number of votes required to establish corporate policy at regular shareholders' meetings or to appoint or revoke the appointment of a majority of directors or members of the supervisory board.

Registration entities of derivatives transactions: Corporations whose main purpose is to fulfill the duties set forth in the applicable regulations and authorized by the Securities and Exchange Commission for such purposes.

Insider or non-public information: Any specific information referring to one (1) or more marketable securities, or to one (1) or more issuers of marketable securities, which has not been made known to the public or which, if being or having been made public, might materially influence or have influenced the placement conditions or price or any course of dealings involving said marketable securities.

Markets: Corporations authorized by the Securities and Exchange Commission to act for the organization of transactions involving marketable securities authorized for public offering, any activities related and supplementary thereto and capable of furthering such purpose also being under the jurisdiction of said body.

Capital market: A market where marketable securities or other previously authorized instruments are publicly offered so that members of the public may perform legal acts through the trading activities of authorized intermediaries, all subject to monitoring by the Securities and Exchange Commission.

Public Offering: A solicitation for the performance of legal acts involving marketable securities that is addressed to the general public or to specific sectors or groups by issuers, holders or sole proprietorships or companies engaging solely or partially in securities trading by means of personal offers, newspaper announcements, radiotelephone, telephone or television broadcasting, film projections, posters, signs, programs, electronic media, circulars and printed communications or any other procedure for advertising.

Collective investment products: Mutual Funds under Law No. 24,083, as amended, financial trusts under Title IV, Chapter 30, of the third book of the Argentine Civil and Commercial Code, as amended, and any other capital market vehicles for which the authorization to issue public offering is requested from the Securities and Exchange Commission. The Securities and Exchange Commission shall have

exclusive jurisdiction in relation to financial trusts that are authorized by said body to perform public offering of their marketable securities and with respect to financial trustees that participate in such capacity in the aforementioned trusts.

Derivatives transaction registration: The registration of derivatives contracts entered into bilaterally outside markets authorized by the Securities and Exchange Commission, pursuant to the regulations issued by the said body for such purposes. Said registration must be kept by registration entities of derivatives transactions, as defined herein. If no registration entities exist, said registration may be carried by the markets and/or clearing houses.

Marketable securities: Of record and book-entry securities, particularly including any negotiable instruments or instruments evidencing claims, shares, mutual funds, debt securities or share certificates in financial trusts or other collective investment vehicles, and in general any homogeneous and exchangeable securities or investment agreements or receivable instruments issued or grouped in series and which may be traded in the same manner as and with effects similar to securities; and which on account of their nature and transfer requirement may be traded on a general and impersonal basis in financial markets.

Also, "securities" shall refer to futures, options and derivatives contracts in general registered pursuant to the Securities and Exchange Commission, and deferred payment checks, admissible time deposit certificates, credit notes, certificates of deposit and warrants, promissory notes, bills of exchange, mortgage bonds and any other securities admitted to secondary trading in markets.

Section 35.- Section 3 of Law No. 26,831 shall be replaced by the following:

Section 3: Creation of marketable securities: A legal entity may create and issue marketable securities to be traded in any market of the kind and pursuant to terms of its own election, including all rights conferred to holders thereof and all other terms and conditions set forth upon the issuance thereof, provided that no confusion arises regarding the kind, denomination and conditions of marketable securities especially provided for in the applicable law. The scope of the rights arising from any marketable securities so created shall be governed by the instrument of creation, instrument of issuance and registration thereof with competent supervisory authorities.

Section 36.- Section 4 of Law No. 26,831 shall be replaced by the following:

Section 4: Conflicts of Interest. Any persons taking part in the process of placing an issue of marketable securities shall solely be able to purchase or offer to purchase, whether directly or indirectly, those marketable securities or other securities of the same class or series, or the right to purchase any of them, in the events and subject to the conditions set forth by the Securities and Exchange Commission.

Regulations shall establish the conditions for the parties referred to in the previous paragraph to be able to directly or indirectly sell any marketable securities or selling rights related to the issuer involved in the corresponding placement process of said marketable securities, for so long as they continue taking part in said process, for the purposes of preventing the artificial setting of prices or any other practices prohibited hereunder.

Section 37.- Section 9 of Law No. 26,831 shall be replaced and shall read as follows:

Section 9: Incompatibilities. The following individuals shall in no event be members of the Board of Directors of the Securities and Exchange Commission:

a) Shareholders or members of the governing, managing or supervisory bodies of or individuals having provided services of any kind to entities subject to regulation and inspection by the Securities and Exchange Commission at the time of their appointment and during twelve (12) months before such time.

b) Individuals falling within the scope of any of the events of lack of legal ability set forth in Section 264, Subsections 1, 2 and 3, of Companies Law No. 19,550, revised text 1984, as amended.

c) Employees or officials of any division of the national Government and those who have other positions or paid positions in any form that depend on the national, provincial, or municipal governments or the government of Autonomous City of Buenos Aires, including their legislative and judicial powers at the time of their appointment. Career civil servants may keep their positions in which case they shall request a leave. Those who practice teaching are not included in the provisions of this subsection.

d) Those who prove not to have met the requirements of suitability and professional experience in the matter as set forth in the regulations. The fulfillment of these requirements in the process of appointing each director shall be approved by Argentina's Senate. The Argentine Executive Power may make appointments in commission for the term of treatment by the Senate of the Nation.

Section 38.- Section 11 of Law No. 26,831 shall be replaced by the following:

Section 11: Quorum and majorities. The board of directors of the Securities and Exchange Commission shall meet with the majority of members, without it being necessary for them to be in the same place provided that they are communicated by means of simultaneous transmission of sound, images and words, according to the regulations that the body may order for such purpose. The president or, as the case may be, the vice president in the absence of the president, has the deciding vote in case of a tie, provided that the board of directors is fully met.

Section 39.- Section 12 of Law No. 26,831 shall be replaced by the following:

Section 12: Exceptional circumstances. In the event that the board of directors of the Securities and Exchange Commission, under exceptional circumstances, is prevented from validly holding meetings due to the absence of quorum or whenever any decisions must be urgently adopted, the Chairman together with at least two (2) directors then present at the Securities and Exchange Commission headquarters and/or at a meeting in accordance with the mechanisms set forth in Section 11 may adopt such decisions in their own name and under the board's *ad referendum* liability, which they shall ratify at its first subsequent meeting.

Section 40.- Section 14 of Law No. 26,831 shall be replaced and shall read as follows:

Section 14: Sources. Assignment and redistribution of funds. I. Sources. For its operation, the Securities and Exchange Commission shall have access to the following resources:

a) Any resources assigned thereto under the Argentine Government's General Budget for the current fiscal year.

b) Any resources received for one (1) inspection and control rate and two (2) authorization fees for the public offering of marketable securities and registration of the different intermediaries, markets, clearing houses and derivatives registry entities that are under the control of the Securities and Exchange Commission and three (3) of other services provided by the body to parties under its control. The amounts of said resources shall be set by the Ministry of Finance, at the proposal of the Securities and Exchange Commission.

c) Any gifts or legacies conferred to the Securities and Exchange Commission and any income arising from the assets of the Securities and Exchange Commission.

II. Assignment and redistribution of funds. The aforementioned body shall have broad powers to assign and redistribute the funds that correspond to it pursuant to his Section.

Section 41.- Section 16 of Law No. 26,831 shall be replaced and shall read as follows:

Section 16: Exemption. The Securities and Exchange Commission is hereby authorized to grant a reduction of or exemption from any inspection and monitoring fees and authorization fees applicable to security issuances by small and medium-sized enterprises, including cooperatives under the terms applicable to said companies.

Section 42.- Section 18 of Law No. 26,831 shall be replaced and shall read as follows:

Section 18: Staff The appointment, hiring, suspension and removal of employees shall be responsibilities of the board of directors of the Securities and Exchange Commission.

Section 43.- Section 19 of Law No. 26,831 shall be replaced and shall read as follows:

Section 19: Responsibilities. The Securities and Exchange Commission shall be the enforcement and supervisory authority under this law and for such purpose shall perform the following duties:

a) Directly and closely monitor, regulate, inspect, supervise and impose penalties on any individual and/or legal entities that for any reason

or cause or under any circumstances perform activities in relation to the public offering of marketable securities, other instruments, transactions and activities within the

scope of this law and other applicable regulations, and which on account of their business are subject to the jurisdiction of the Securities and Exchange Commission. The body may require the markets and clearing houses to exercise supervisory and inspection duties over their participating members. Said requirement shall not imply a delegation of powers to the markets and clearing houses by the Securities and Exchange Commission.

b) Keep the registry, grant, suspend and revoke the authorization of public offering of marketable securities and other instruments and transactions.

c) Keep the register of all individuals that have been authorized to publicly offer and trade in marketable securities, and establish any rules to be observed by them and any persons acting on behalf thereof.

d) Keep the relevant register and grant, suspend and revoke any authorizations to operate granted to markets, clearing houses, registered intermediaries and other individuals and/or legal entities falling within the scope of the said body's competent jurisdiction on account of their capital-market related business and based on the judgment of the Securities and Exchange Commission. The register shall be public and shall be responsibility of the aforementioned body; it shall record all the markets, clearing houses, intermediaries and other individuals and/or legal entities that, by virtue of their capital-market related business and at the discretion of Securities and Exchange Commission, fall within the scope of the jurisdiction thereof.

e) Approve the bylaws, regulations and any other general rules issued by the markets and clearing houses and review their decisions, on its own initiative or at a party's request, as regards measures related to the regulated services provided by those markets or that may affect their provision.

f) Perform any duties delegated to it under Law No. 22,169, as amended, in relation to legal entities registered pursuant thereto in matters of corporate control.

g) Issue regulations to be complied with by individuals and/or legal entities and other entities authorized under Subsection (d) above as from registration to deregistration thereof in the respective register.

h) Issue regulations to be complied with in order to obtain authorization for marketable securities, instruments traded and transactions performed in the capital market until the deregistration thereof, and the Securities and Exchange Commission shall have powers to establish any necessary supplementary regulations to rules established under the various laws and decrees applicable thereto, settle any issues not contemplated therein and interpret any rules included therein in the context of the prevailing economic circumstances, for the promotion of capital market development.

i) Declare, without any preliminary investigation, that any acts submitted to the Securities and Exchange Commission for inspection are irregular and without effect for administrative purposes whenever they are in conflict with this law, other applicable laws, any regulations issued by the Securities and Exchange Commission or bylaws and resolutions issued by other entities and approved by said body.

j) Promote and protect the interests of investors.

- k) Establish minimum training, accreditation and registration requirements applicable to the employees of registered intermediaries or to individuals and/or legal entities performing tasks in relation to the provision of advisory services to investors.
- l) Determine the minimum requirements to be satisfied by providers of auditing services to parties subject to supervision by the Securities and Exchange Commission.
- m) Encourage the development and strengthening of the capital market by creating or, if applicable, promoting the creation of products deemed necessary for such purpose.
- n) Organize and manage any files and background data related to the activities of the Securities and Exchange Commission or data arising from the exercise of Securities and Exchange Commission's duties for the recovery of information related to its mission. Said body may enter into agreements with national, international and foreign agencies in order to become a part of information networks of this kind, and to this effect, reciprocity under Sections 25 and 26 hereof shall be considered a necessary and effective condition.
- o) Establish the patrimonial requirements that must be accredited by individuals and legal entities subject to its inspection.
- p) Issue supplementary regulations for the prevention of money laundering and terrorist financing in accordance with the rules established by the Financial Intelligence Unit (Unidad de Información Financiera), a self-sufficient entity under the Ministry of Finance, applicable to the capital market, and monitor compliance therewith. This shall apply notwithstanding the duty of the Securities and Exchange Commission to inform the Financial Intelligence Unit and allow said unit to act within its competent jurisdiction for the imposition of penalties and provide such Unit the assistance prescribed under Argentine Law 25,246, as amended. The Securities and Exchange Commission shall regulate the way in which penalties applied by the Financial Information Unit in terms of prevention of money laundering and the financing of terrorism, in relation to individuals acting under the jurisdiction of said body.
- q) Regulate the manner in which the information and inspection required herein shall be carried out, being empowered to require the entities subject to its jurisdiction to implement those mechanisms it deems appropriate for a more effective control of the duties described herein.
- r) Establish different information reporting systems and public offering requirements.
- s) Determine the conditions pursuant to which any registered intermediaries that are legal entities may be authorized to carry out more than one activity under the jurisdiction of the Securities and Exchange Commission, after those activities have been included in the respective entity's corporate purpose for registration thereof in the respective registers kept by said body.
- t) Monitor objective and subjective compliance with any statutory regulations and bylaws provisions within the scope of the enforcement hereof.
- u) Perform any other duties assigned thereto under any applicable laws, decrees and regulations.

v) Establish the suitability, moral integrity, probity and solvency requirements to be met by those who intend to obtain authorization from the Securities and Exchange Commission to act as markets, clearing houses and registered intermediaries as well as the administrative and supervisory bodies, as appropriate.

w) Create new categories of registered intermediaries and modify existing ones, as well as eliminate those that are created by its own regulations.

x) Set maximum tariffs that may be received by the markets, clearing houses, registration entities of derivatives transactions and registered intermediaries taking into account, among other aspects, the competitiveness of the capital market in the region in relation to tariffs set in other countries. This power shall be exercised in cases in which, at its discretion, special situations so require.

y) Issue rules aimed at promoting the transparency and integrity of capital markets and avoiding conflicts of interest therein.

z) Evaluate and issue regulations in order to mitigate systemic risk situations.

Section 44.- Section 20 of Law No. 26,831 shall be replaced and shall read as follows:

Section 20: Related Powers. Within the scope of its jurisdiction under the preceding section and always taking into consideration the protection of the interests of minority shareholders and holders of debt securities, the Securities and Exchange Commission shall be able to:

a) Request reports and documents, conduct investigations and inspections on individuals and legal entities subject to monitoring, issue summons to give statements, take informative and witnesses' statements, conduct preliminary investigation proceedings and set penalties under the terms hereof.

b) Request an order from a court of competent jurisdiction for the assistance of law enforcement officers.

c) Request an order from a court of competent jurisdiction to conduct a search of private premises in order to obtain all necessary evidence and information for the performance of its auditing and investigation duties.

d) Start legal actions and claim the performance of their decisions in court.

e) Report any crimes or assume the role of accuser.

f) Request any kind of information from governmental bodies and from individuals or legal entities as deemed necessary for the performance of its duties, and such bodies, individuals and legal entities shall provide the information requested within the period set forth under penalty of law. This provision shall not be applicable in relation to the Financial Intelligence Unit.

Section 45.- Section 23 of Law No. 26,831 shall be replaced and shall read as follows:

Section 23: Delegation. The board of directors of the Securities and Exchange Commission may delegate the powers conferred in each case to the heads of any of its regional offices.

As regards the imposition of penalties, regional offices may conduct investigation proceedings of any kind, but penalties consisting in fines shall be solely imposed by the board of directors of the Securities and Exchange Commission.

Section 46. - The name of chapter I under Title II of Law No. 26,831 shall be replaced by the following:

Chapter I

Markets. Guarantees. Settlement and Clearing Intermediaries.

Clearing Houses. Arbitration Courts.

Section 47.- Section 29 of Law No. 26,831 shall be replaced by the following:

Section 29: Requirements. The Securities and Exchange Commission shall establish the requirements to be satisfied by markets and clearing houses in order to obtain authorization to operate and be registered with the corresponding registry.

Section 48.- Section 30 of Law No. 26,831 shall be replaced and shall read as follows:

Section 30: Registration. Any markets and clearing houses authorized by the Securities and Exchange Commission to be registered shall comply with all the requirements established by said body for the term of their respective registration. Markets and clearing houses shall refrain from operating as such if they fail to comply with any requirements, conditions and obligations set forth by the Securities and Exchange Commission, without prior notice.

Failure to comply with any of the requirements, conditions and obligations set forth by the Securities and Exchange Commission shall result in said market and clearing house being preventively suspended, where appropriate, until as a result of subsequent events a review of such suspension is deemed advisable, notwithstanding any penalties to which offenders may be subject to under Section 132 hereof.

Section 49.- Section 31 of Law No. 26,831 shall be replaced and shall read as follows:

Section 31: Legal Form. Markets shall be incorporated as corporations subject to regulations governing the public offering of shares and shall list their shares in an authorized market. Regulations of the Securities and Exchange Commission shall set forth the maximum holdings admitted per shareholder, the nominal value and the number of votes that each share confers. A shareholder shall not hold, whether directly or indirectly, and individually or jointly, as the case may be, under any title, an equity interest or voting securities conferring such holder, legally or de facto, the right to cast the number of votes required to establish corporate policy at meetings or to appoint or revoke the appointment of most of the members of the administrative and/or auditing bodies. These restrictions shall not apply if the shareholder is another market, and the Securities and Exchange Commission shall grant authorization for each specific situation.

Section 50.- Section 32 of Law No. 26,831 shall be replaced and shall read as follows:

Section 32: Markets.

I. Duties.

Markets shall have the following basic duties, based on the nature of their specific business and those others determined by the regulations of the Securities and Exchange Commission:

a) Issue regulations for the purposes of granting authorization to intermediaries authorized by the Securities and Exchange Commission to act in the market; and no evidence that these intermediaries are market shareholders shall be required for such purposes, thus allowing all participants to have open and equal access.

b) Authorize, suspend or revoke the authorization for the listing and/or trading of marketable securities as provided by their own regulations.

c) Issue regulations to ensure that prices and trading transactions recorded are true.

d) Issue any necessary rules and provisions to ensure that any trades carried out by their intermediaries are effectively carried out.

e) Issue regulations containing best practices measures to guarantee regular trading operations and the fulfillment of obligations and charges undertaken by the registered intermediaries, which shall be submitted for approval to the Securities and Exchange Commission.

f) Establish arbitration courts as provided by Section 46 hereof.

g) Issue newsletters.

h) Manage trading systems for marketable securities existing thereof.

i) Register derivatives agreements executed outside the markets authorized by the Securities and Exchange Commission.

j) Manage by themselves or through third parties' transactions settlement and/or clearing systems based on the different trading segments authorized by the Securities and Exchange Commission. In the cases of administration of the

settlement and clearing of the guaranteed trading segments, the markets shall perform the duties assigned to clearing houses as provided for in Section 35 hereof or sign agreements with entities authorized for such purpose.

k) Perform the supervision, inspection and auditing of all the participating intermediaries and the operations carried out within their scope.

II. Total or Partial Delegation of Duties.

The powers set forth in Subsections b), f) and g) above may be exercised by the market or partially or totally delegated to a qualified entity based on their expertise for the purpose of carrying out said activities, which shall be authorized by the Securities and Exchange Commission.

Section 51.- Section 35 of Law No. 26,831 shall be replaced and shall read as follows:

Section 35: Clearing Houses.

I. Duties.

In accordance with the terms of the regulations of the Securities and Exchange Commission, clearing houses shall have the following duties, notwithstanding those set forth by said body:

- a) Administer settlement and clearing systems for marketable securities operations.
- b) Require all participating intermediaries the initial margins, their replacement, the assets to be used as guarantee and the currency to guarantee their transactions.
- c) Receive and administer the guarantees given by the participating intermediaries.
- d) Establish participation requirements of intermediaries.
- e) Keep and administer guarantee funds to be used against defaults incurred by participating intermediaries.
- f) Register derivatives agreements executed outside the markets authorized by the Securities and Exchange Commission.
- g) Issue regulations containing best practices measures to guarantee regular settlement and clearing operations and fulfillment of obligations and charges undertaken by the participating intermediaries, which shall be submitted for approval to the Securities and Exchange Commission.
- h) Perform the supervision, inspection and auditing of all the participating intermediaries and of the transactions carried out within their scope.

II. Equity and Liquidity Requirements for Clearing Houses.

The Securities and Exchange Commission shall set forth equity and liquidity requirements for clearing houses as well as their risk management systems, which shall include, at least, the credit, counterparty, market, liquidity, operational and legal risks.

Section 52.- Section 36 of Law No. 26,831 shall be replaced and shall read as follows:

Section 36. Fees. Fees and charges to be paid to markets and clearing houses and other registered intermediaries for their services shall be freely determined, subject to any maximum amounts set forth by the Securities and Exchange Commission, which may differ according to the kind of instruments and whether the issuers are a small and medium-sized enterprises or small investors or not.

Section 53.- Section 39 of Law No. 26,831 shall be replaced and shall read as follows:

Section 39. Trading Systems. Marketable securities trading systems under public

offering regulations carried out in markets shall ensure the full effectiveness of principles for the protection of investors, equity, efficiency, transparency, absence of fragmentation and reduction of systemic risks. Markets shall establish their respective regulations, which shall be approved by the Securities and Exchange Commission.

The Securities and Exchange Commission may require that markets on which marketable securities are listed and/or traded and clearing houses establish access and connection mechanisms, with standardized communication protocols of the computer systems of the different areas of trading and/or settlement and clearing and/or custody. Also, the Securities and Exchange Commission may require the creation of marketable securities trading systems aimed at giving prevalence to trading with interference of offerings according to the principle of price and time priority.

Section 54.- Section 40 of Law No. 26,831 shall be replaced and shall read as follows:

Section 40: Guarantee of Trades. Pursuant to the regulations of the Securities and Exchange Commission, markets shall identify with utmost clarity in their respective bylaws and regulations the circumstances and conditions under which they shall guarantee the performance of their transactions or of transactions registered therewith.

If transactions are guaranteed, the market or the clearing house, where appropriate, shall act as central counterparty, in accordance with the regulations issued by the Securities and Exchange Commission for such purposes. The market or the clearing house shall be required to settle any outstanding operations of an intermediary that is subject to reorganization proceedings or has been declared bankrupt. If as a result of said settlement a balance amount is payable to the insolvent or bankrupt debtor, said amount shall be deposited by the market by virtue of the corresponding proceedings.

Section 55.- Section 42 of Law No. 26,831 is hereby repealed.

Section 56.- Section 44 of Law No. 26,831 shall be replaced and shall read as follows:

Section 44. Regulations. The Securities and Exchange Commission shall approve all regulations set forth by markets, clearing houses and registration entities before their effective date. Markets and clearing houses shall, at all times, ensure that their regulations comply with the regulations issued by the Securities and Exchange Commission.

Section 57.- Section 45 of Law No. 26,831 shall be replaced by and shall read as follows:

Section 45. Guarantee Fund. Markets and/or clearing houses shall establish, in accordance with the regulations of the Securities and Exchange Commission, guarantee funds aimed to address the default incurred by their participating intermediaries and arising from guaranteed operations. These funds shall be organized under a trust or any other figure approved by the Securities and Exchange Commission and shall comply with the best international practices in the matter. Any amounts accumulated therein shall be invested in the manner and shall be subject to

the conditions established by the Securities and Exchange Commission, which shall determine the proper security, profitability and liquidity criteria to be applied.

Any amounts allocated to the guarantee funds hereof and the latter, as well as their profits, shall be exempt from any taxes, duties or other fiscal charges, including the Value Added Tax, the tax referred to in the first Section added after Title VI, Section 25, of Law No. 23,966 and the Tax on Credit and Debit in bank accounts and other transactions, and in this case, the provisions of Section 2, second paragraph, of Law No. 25,413, as amended, shall not be applied. The provinces and the Autonomous City of Buenos Aires are invited to adhere with their corresponding exemption from taxes.

Section 58.- Section 47 of Law No. 26,831 shall be replaced and shall read as follows:

Section 47: Registration. Authorization by and registration with the Securities and Exchange Commission is required for an intermediary to act as such. Intermediaries shall be required to comply with any formalities and other requirements set forth by the Securities and Exchange Commission for each category.

Section 59.- Section 52 of Law No. 26,831 shall be replaced and shall read as follows:

Section 52: Registration Publication. The Securities and Exchange Commission shall publish the registration of intermediaries, detailing the different categories under which intermediaries have been registered.

Section 60.- Section 53 of Law No. 26,831 shall be replaced and shall read as follows:

Section 53: Confidentiality. Registered intermediaries shall keep any trading transactions made by them on behalf of third parties and the names thereof confidential. They shall be released from said responsibility by a judicial order issued by competent courts hearing proceedings related to such operations or to third parties involved therein, and at the request of the Securities and Exchange Commission, the Central Bank of the Argentine Republic, the Financial Intelligence Unit or the Argentine Superintendence of Insurance within the framework of investigation proceedings related to their own duties. Notice of such requirement shall be given by the aforementioned three (3) entities to the Securities and Exchange Commission at the time of exercising the power herein granted thereto.

Also, the confidentiality duty shall not apply to the information requested in the performance of its duties by the Federal Administration of Public Revenues, a self-sufficient entity under the Ministry of Finance, whether in relation to specific or general matters or with reference to one (1) or more specific individuals, including individuals not subject to auditing proceedings. However, any information required on stock exchange issues shall not make reference to ongoing transactions or transactions pending settlement.

Section 61.- Section 55 of Law No. 26,831 shall be replaced and shall read as follows:

Section 55: Liability. A registered intermediary, as appropriate by virtue of the activities they carry out, shall be liable to the market for any amount paid by such

entity on their behalf.

Provided that the above circumstance has not been remedied and evidence of the occurrence of acts of god or force majeure events has not been submitted by the intermediary, the latter shall be disqualified to perform their duties.

Section 62.- Section 56 of Law No. 26,831 shall be replaced and shall read as follows:

Section 56: Disciplinary Jurisdiction. Registered intermediaries shall be

subject to the sole disciplinary jurisdiction of the Securities and Exchange Commission, to which markets and clearing houses shall report any failures incurred by their member intermediaries resulting from audits and supervisory, auditing and control duties performed by said markets and clearing houses over them in the terms of the regulations issued by the Securities and Exchange Commission for such purposes. The deliberate omission or lack of due diligence in the control of authorized intermediaries by markets, clearing houses and registry entities of derivatives transactions shall be sanctioned by said body.

Section 63.- Section 57 of Law No. 26,831 shall be replaced and shall read as follows:

Section 57: Risk Rating Agencies. The Securities and Exchange Commission shall establish any formalities and other requirements to be satisfied by entities that request to be registered as risk rating agencies, including the regulation of the provisions hereunder, and specifying the type of organizations that may conduct such business.

The Securities and Exchange Commission shall be authorized to admit into its register any public universities authorized to act as such and establish any requirements to be complied with by them in such respect based on their respective nature.

The risk rating agencies may not provide auditing, consulting, and/or advisory services to the contracting entities or to entities belonging to their control group.

Section 64.- Section 62 bis is hereby added to Law No. 26,831 and it shall read as follows:

Section 62bis:

I. In the case of a share capital increase or convertible marketable securities offered through public offering under the terms hereof and subject to compliance with the two (2) conditions set forth in this section, second paragraph, the preemptive right provided for in Section 194 of Companies Law No. 19,550, revised text 1984, as amended, and in Section 11 of Law No. 23,576, as amended, shall be exercised exclusively through the placement procedure determined in the corresponding public offering prospectus and the term provided therein shall not be applied, thus giving shareholders and holders of convertible corporate bonds, beneficiaries of the preemptive right, awarding priority up to the amount of their shares based on their share-holding percentage. This shall occur provided that purchase orders submitted by shareholders or holders of convertible marketable securities beneficiaries of the preemptive right (i) are issued at the price resulting from the placement procedure or

at a set price that is equal to or greater than the subscription price set in the public offering; and/or (ii) shareholders or holders of convertible corporate Bonds, beneficiaries of the preemptive right express their intention to subscribe shares at the placement price set in accordance with the placement procedure used.

The two (2) conditions referred to hereinabove shall be: (i) the inclusion of an express provision in the bylaws; and (ii) the decision of stockholders at a meeting approving each issuance of capital stock and convertible marketable securities.

Unless otherwise set forth in the companies' bylaws, in no case shall the oversubscription right be applied.

II. Legal entities incorporated abroad may participate in all Stockholders' meetings, including, but not limited to, those set forth herein of companies authorized to make a public offering of their shares through duly authorized intermediaries, with no further registration requirement.

Section 65.- Section 79 of Law No. 26,831 shall be replaced and shall read as follows:

Section 79: Statutory Auditors' Committee. In the case of companies falling within the scope of public offering regulations regarding shares or debt securities, the Statutory Auditors' Committee shall consist of independent members only.

Companies making public offering of shares and having an Audit Committee may dispense with a Statutory Auditors' Committee. In this case, members of said committee shall have the powers and duties conferred under Section 294 of Companies Law No. 19,550, revised text 1984, as amended.

The resolution to dispense with the Statutory Auditors' Committee shall be adopted by stockholders at a Special Meeting, whether on first or second call, with the attendance of shareholders representing at least seventy-five percent (75%) of voting shares. Resolutions shall be adopted with the affirmative vote of seventy-five percent (75%) of all voting shares, and no plurality of votes shall be applied.

In the event that the Statutory Auditors' Committee is dispensed with, all members of the Audit Committee shall meet all suitability and experience requirements, and shall be subject to regulations on disqualifications and incompatibilities regarding receivers contained in Sections 285 and 286, et seq., of Companies Law No. 19,550, revised text, 1984, as amended, and shall thus be subject to all liabilities set forth in Section 294 thereof.

Section 66.- Section 82 of Law No. 26,831 shall be replaced and shall read as follows:

Section 82: Purpose and Parties of the Public Offering. Marketable securities issued or grouped in series that, by virtue of having the same characteristics and granting the same rights in their class, are offered in generic form and are individualized at the time of execution of the corresponding agreement and any financial instrument authorized by the Securities and Exchange Commission may be subject to a public offering.

The public offering of marketable securities or other financial instruments shall be performed by the corresponding entities or registered intermediaries authorized by

the Securities and Exchange Commission for such purposes.

The aforementioned body may issue rules setting forth and regulating specific cases according to which an offering of marketable securities would not be deemed a public offering but a private one, for which it may take into consideration the means and mechanisms of promotion, offer and distribution and the number and type of investors at whom the offer is aimed.

Section 67.- Section 83 of Law No. 26,831 shall be replaced and shall read as follows:

Section 83: Securities Issued by Public Entities. Public offering of marketable securities issued by the National Government, the provinces, the Autonomous City of Buenos Aires, municipalities or self-sufficient entities, as well as by multilateral credit agencies of which the Argentine Republic is a member are not covered by this law.

Trading of the aforementioned marketable securities shall be deemed a public offering and shall be subject to the provisions hereof if said trading is carried out by a private individual or legal entity, under the terms set forth in Section 2 hereof.

The public offering of marketable securities issued by foreign States, their political subdivisions and other foreign state-owned entities within the Argentine territory shall be authorized by the Argentine Executive Power, with the exception of issues of national States of countries members of the Southern Common Market (Mercosur), which shall be automatically deemed a public offering under condition of reciprocity.

Section 68.- Section 84 of Law No. 26,831 shall be replaced and shall read as follows:

Section 84: Authorization Procedure. The Securities and Exchange Commission shall issue a resolution on the authorization for public offering within thirty (30) business days from the time all documentation is collected to the satisfaction of said body, provided that no other applications are submitted or notes are made.

If said resolution is not issued within said term, the applicant may request for expedite procedure. If the Securities and Exchange Commission does not issue a resolution within fifteen (15) business days as from said request, the authorization shall be deemed granted unless the term is extended by the Securities and Exchange Commission based on a well-founded decision. Such extension shall not exceed fifteen (15) business days as from the date when extension is provided. Upon expiration of said new term, the authorization shall be deemed granted.

The authorization to make a public offering of a certain amount of marketable securities, forward contracts, futures or options of any kind or other financial instruments shall not be deemed an authorization to offer other marketable securities issued by the same issuer, even if they have the same characteristics.

Denial shall not be based on reasons of opportunity, merit or convenience.

Section 69.- Section 85 of Law No. 26,831, as amended, is hereby repealed.

Section 70.- Section 86 of Law No. 26,831 shall be replaced and shall read as follows:

Section 86: Scope of Application and Procedure. Any public tender offer of voting shares of a company whose shares fall within the public offering system, either of a voluntary or mandatory character under the provisions of the sections below, shall be carried out pursuant to the provisions hereof and any other regulations that the Securities and Exchange Commission may issue for such purposes; transparency rules and principles on the protection of investors in public offerings shall also be applied.

Mandatory public tender offers set forth in Sections 87, 91 and 98 hereof shall (i) also include holders of subscription rights or share options, convertible debt securities or other similar marketable securities that, directly or indirectly, may entitle the holder to a subscription right, purchase or to a conversion into voting shares; and (ii) be carried out for the total number of voting shares and other marketable securities issued entitling holders to voting shares, and they shall not be subject to any condition whatsoever.

The procedure to be established by the Securities and Exchange Commission shall ensure and set forth:

- a) An equal treatment of shareholders both in terms of economic and financial conditions and in terms of any other condition for the purchase of all shares, securities or rights of the same class or kind.
- b) Compliance with the provisions on the equitable price, pursuant to Section 88 hereof.
- c) Reasonable and sufficient terms for recipients of the offer to have sufficient time to make a decision thereon, and also the method to calculate said terms.
- d) The obligation to supply detailed information to investors to enable them to make a decision relying on the necessary data and information, with full knowledge of the facts.
- e) The terms under which the offer is irrevocable.
- f) The creation of any guarantee for the fulfillment of obligations resulting from the offer.
- g) Regulations of the duties of the administrative body, in office at the time of the announcement of the offer, to provide, in the interest of the company and all holders of marketable securities subject matter of the offer, its opinion on the offer and on offer prices or the considerations offered, which shall be substantiated and be submitted together with one (1) or more independent valuation reports.
- h) The system of possible competing offers.
- i) Regulations on withdrawal or review of the offer, apportionment, revocation of acceptance, regulations on the best price offered and a minimum offering period, among others.
- j) The information to be submitted, which shall include a request for offer, and a notice and prospectus thereof.
- k) Regulations on the advertising of the offer and related documents issued by the

offeror and the administrators of the company.

l) In the case of swap offers of marketable securities, regulations on the financial and accounting information of the issuer of the marketable securities offered in said swap that shall be included in the offer prospectus.

m) The validity of the principle that the administrative body of the company shall not hinder the regular development of the offer, unless it refers to the search for alternative offers or has received prior authorization for such purposes from shareholders at a special meeting during the term of the offer.

n) That the company's business shall not be hindered based on the fact that its marketable securities are the subject matter of an offer for longer than is reasonable.

o) The exemptions that are applicable to such procedure.

Section 71.- Section 87 of Law No. 26,831 shall be replaced and shall read as follows:

Section 87: Takeover and Controlling Interest.

I. Takeover. Anyone who, individually or through concerted action pursuant to the definition set forth herein, has effectively taken a controlling interest in a company whose shares are admitted to public offering shall make a public tender offer at an equitable price, which shall be set pursuant to the provisions set forth in Section 88 hereof.

II. Controlling Interest. For the purposes of this chapter, an individual shall be deemed as having, individually or through concerted action with other individuals, a controlling interest if said individual:

i) has reached, directly or indirectly, a percentage of voting rights equal to or greater than fifty percent (50%) of the company, without counting the shares that, directly or indirectly, belong to said company; or

ii) has reached an interest of less than fifty percent (50%) of voting rights of a company but acts as controlling party, pursuant to the definition set forth herein.

III. Submission Deadline.

The offer shall be submitted to the Securities and Exchange Commission as soon as possible and within one (1) month as from the closing of the controlling interest at the latest.

Section 72.- Section 88 of Law No. 26,831 shall be replaced and shall read as follows: Section 88:

I. Equitable Price in Offers for Takeover. The equitable price of mandatory public tender offers for takeover shall be the highest of the following:

a) The highest price that the offeror or individuals acting through concerted action with the former would have paid or agreed upon for the marketable securities subject matter of the offer during the twelve (12) months prior to the effective date of the period during which the public tender offer is to be made.

b) The mean price of the marketable securities subject matter of the offer during the semester immediately prior to the date of announcement of the transaction by which the change in the controlling interest is agreed, regardless of the number of negotiation sessions held.

In relation to Subsection a) above, takeovers of a relatively non-significant amount shall not be considered, provided that they have been made at the quoted price, in which case the highest price or the price paid for the remaining takeovers within the reference period shall be considered.

In the case of mandatory public tender offers for takeover, the price referred to in Subsection b) hereof shall not apply when the percentage of shares listed in a market authorized by the Securities and Exchange Commission represents at least twenty-five percent (25%) of the issuer's share capital and the liquidity conditions determined by said body in its regulations are met.

II. Equitable Price in Other Cases of Mandatory Offers. In the case of mandatory public tender offers under Sections 91 and 98, the following price criteria shall be considered:

a) The highest price that the offeror, or individuals acting through concerted action with the former, would have paid or agreed upon for the marketable securities subject matter of the offer during the twelve (12) months prior to the notification set forth in Section 91, Subsection a), or the unilateral statement set forth in Section 91, Subsection b), or withdrawal request agreement in the case of Section 98 hereof.

b) The mean price of the marketable securities subject matter of the offer during the semester immediately prior to the notification set forth in Section 91, Subsection a), or the unilateral statement set forth in Section 91, Subsection b), or withdrawal request agreement in the case of Section 98 hereof, or as from the date on which the offer is to be made.

c) The equity value of shares, where a special balance sheet of withdrawal of listing shall be considered for the purposes of Section 98 hereof.

d) The value of the company valued according to criteria of discounted cash flows and/or indicators applicable to similar companies or businesses. e) The liquidation value of the company.

In no case shall the equitable price be lower than the highest of those set forth in Subsections a) and b) hereof.

In cases in which the mandatory public tender offer is to be made without the offeror having made the acquisition, the equitable price shall not be less than the one calculated according to the valuation methods set forth in Subsection b) hereof, the preceding regulations on price adjustment shall apply where appropriate.

III. Paying Up the Equitable Price. For the purposes of determining the equitable price, the offeror shall include the full amount of the consideration that in each case said offeror has paid or agreed to pay, and the following provisions shall apply, among others:

a) In the event that the purchase is the exercise of a sale or purchase option of other derivatives, the premium paid under said options and derivatives shall be

added to the purchase price, and the highest price resulting therefrom shall be applied.

b) If securities are acquired through swap or conversion, the price shall be calculated as the weighted average of the market prices of said securities on the date of acquisition.

c) If the acquisition includes an additional compensation to the price paid or agreed upon or if a deferred payment has been agreed upon, the price of the offer shall not be less than the highest amount resulting from including the corresponding amount of said compensation or said deferred payment.

IV. Valuation Report. Pursuant to the regulations of the Securities and Exchange Commission, the offeror shall submit a report on the methods and criteria used to determine the equitable price.

These criteria shall be taken into account jointly or separately together with the reasons for their respective relevance at the time of making the offer and shall be duly substantiated in the offer prospectus. The approval of the administrative and supervisory bodies and of the Audit Committee of the offeror, where appropriate, and the opinion of the selling shareholders in relation to Subsection III, Paragraph c) shall be required for all cases. Paying Up the Equitable Price.

V. Challenging the Price. The Securities and Exchange Commission may, within the period set forth in the regulations issued by said body, challenge the price offered pursuant to the provisions of the foregoing subsections if one of the following takes place:

a) The negotiation of marketable securities of the company affected within the reference period is affected by the payment of a dividend, a corporate transaction or an extraordinary event that allows for an objective correction of the price.

b) The negotiation of marketable securities of the company affected within the reference period reasonably indicates manipulation, thus resulting in investigation and/or summary proceedings by the Securities and Exchange Commission.

c) The acquisitions of the reference period include an additional compensation to the price paid or agreed upon, in which case the price of the offer shall not be less than the highest price resulting from including the amount of said compensation.

If the conditions set forth in the regulations of the Securities and Exchange Commission are met and at the well-founded request of the offeror, said body may not apply Paragraph b) of Subsections I) and II) hereof to mandatory public tender offers when the affected company is evidently undergoing serious financial difficulties according to reliable evaluation methods arising from the regulations issued by said body for such purposes.

The Securities and Exchange Commission shall especially take into account the decision process determining the price of the offer, in particular, prior information and grounds for said decision, as well as the fact that for such decision the opinion of an independent specialized evaluator has been requested and the favorable opinion of the Audit Committee and the administrative and supervisory bodies of the company issuing the marketable securities subject matter of the offer has been granted. The Securities and Exchange Commission shall determine a procedure to be

applied to cases in which said body challenges the price, which shall include the manner in which the offeror may contest the challenge of said body.

Mandatory public tender offers may not be issued until the challenges that the Securities and Exchange Commission may have regarding the price offered under the terms hereof as well as other aspects of the documentation submitted are solved.

If the Securities and Exchange Commission does not challenge the price offered within the term set forth in the corresponding regulations, shareholders shall still have the right to challenge said price in court or in arbitration proceedings. Shareholders may challenge said price pursuant to the provisions set forth in Section 96 hereof.

VI. Price in Voluntary Public Tender Offers. In voluntary public tender offers, the offeror may set the price at their discretion without applying the regulations set forth herein and in Section 98 hereof regarding the equitable price. Notwithstanding the foregoing, the offeror shall comply with all other obligations set forth herein and in the regulations issued by the Securities and Exchange Commission.

Section 73.- Section 89 of Law No. 26,831 shall be replaced and shall read as follows:

Section 89: Non-compliance. In the event of failure to make a mandatory public tender offer, the Securities and Exchange Commission shall, upon notice to those bound to comply with the provisions hereof, order the auction of the acquired interest, notwithstanding any other penalties that may be imposed, and the Securities and Exchange Commission may decide that those failing to make a public tender offer are not entitled to exercise any of the political rights arising from the company's shares to which they may be entitled to under any title whatsoever, and thus all acts adopted in the exercise of said rights shall be null and void.

Failure to make a public tender offer shall mean (1) not submitting it within the maximum term set forth, (2) submitting it with evident irregularities according to the criteria set forth in the regulations of said body, (3) submitting it after the maximum term set forth, and/or (4) not making it within the term set forth in the regulations issued by the Securities and Exchange Commission as from the time the public tender offer was mandatory.

Section 74.- Section 90 of Law No. 26,831 shall be replaced and shall read as follows:

Section 90: Universal Scope. The provisions on public tender offers set forth herein shall include all companies authorized by the Securities and Exchange Commission as issuers in public offerings.

Section 75.- Section 91 of Law No. 26,831 shall be replaced and shall read as follows:

Section 91: Cases. The provisions set forth herein shall apply to all corporations whose shares are subject to public offerings as authorized by the Securities and Exchange Commission.

If a corporation is subject to quasi-total control:

a) Any minority shareholder may at any time make a formal request to the controlling party for the latter to make a purchase offer to all minority shareholders at an equitable price pursuant to the provisions set forth in Section 88, Subsection II), hereof.

b) Within six (6) months as from the date on which quasi-total control by another party took place, the controlling party may issue a unilateral statement of said party's intent to purchase the total amount of the remaining share capital held by third parties.

Section 76.- Section 93 of Law No. 26,831 shall be replaced and shall read as follows:

Section 93: Rights of Minority Shareholders. After the controlling party has been formally requested to make a purchase offer to all minority shareholders, if the controlling party agrees to make said offer, said party may choose to make a public tender offer or use the statement of acquisition method regulated herein.

If the controlling party is a corporation whose shares are listed and said shares are subject to public offering in local or foreign markets authorized by the Securities and Exchange Commission, the controlling company, additionally to the cash offer, may offer to all minority shareholders of the company under quasi-total control to choose to swap their shares for shares of the parent company. The controlling company shall propose the swap ratio based on the financial statements prepared pursuant to merger balance sheets. The swap ratio shall also be supported by the opinion of one (1) or more independent specialized evaluators. The requirements for minority shareholders to exercise their option shall be regulated by the Securities and Exchange Commission.

If the controlling party fails to make a public tender offer or a statement of acquisition within sixty (60) business days as from receiving the corresponding notice, the shareholder may request that their shares be declared acquired by the controlling party, and that the equitable price in cash of their shares be set by the competent court or arbitration court pursuant to the provisions set forth in Section 88, Subsection II), hereof and that the controlling party be ordered to pay said price.

In any of the cases set forth herein, including for all purposes set forth hereinabove, or for the purpose of challenging the price or the swap ratio, the procedural rules provided under Section 96 hereof shall apply, regardless of whether the case is treated in court or in an arbitration court.

Section 77.- Section 94 of Law No. 26,831 shall be replaced and shall read as follows:

Section 94: Statement of Intent to Purchase the Total Amount of the Remaining Share Capital. The unilateral statement of intent to purchase the total amount of the remaining share capital held by third parties provided for in Section 91, Subsection b), hereof, called statement of acquisition, shall

be decided by the administrative body of the controlling legal entity or executed in a public deed or instrument in the case of individuals. Said statement shall be valid provided that the acquisition includes all the outstanding stock, as well as all other securities convertible into shares that are held by third parties.

The statement of acquisition shall include the equitable price to be paid by the controlling party for each remaining share held by third parties pursuant to Section 88, Subsection II), hereof. Where appropriate, the statement of acquisition shall also include the equitable price to be paid for each security convertible into shares. Said equitable price shall be determined pursuant to the provisions set forth in Section 98, Subsection d), hereof. If the controlling party is a corporation and its shares are subject to trading, and if other conditions set forth in Section 93, second paragraph, hereof are met, it may offer minority shareholders the share swap option set forth therein, under the same conditions set forth therein.

Within five (5) business days as from the issuance of the statement, the controlling party shall notify the quasi-total controlled company of the statement of acquisition and shall submit the application for withdrawal of the public offer to the Securities and Exchange Commission and to the markets where its shares are listed.

The statement of acquisition, the value set and other conditions, including the name and address of the financial entity referred to in the following paragraph shall be advertised for three (3) days in the Official Gazette of the market where the shares are listed, in the Official Gazette of the Argentine Republic, and in one (1) newspaper with the largest circulation in the Argentine Republic. Advertisements shall be immediate in accordance with the frequency of each media.

Within five (5) business days as from the authorization granted by the Securities and Exchange Commission, the controlling party shall deposit the total amount of the shares and other convertible securities included in the statement of acquisition in an account specifically open for such purposes in a financial entity in which the Sustainability Guarantee Fund of the Argentine Integrated Social Security System is allowed to invest under fixed-term deposits. In the case of swap offers, securities representing the shares accepted in swaps by minority shareholders who had expressed their intent to that effect shall be deposited in the accounts of entities approved by the Securities and Exchange Commission. The deposit shall be made together with a list of minority shareholders and, where appropriate, a list of holders of other convertible securities indicating their personal data and the number of shares and amounts and, if applicable, the corresponding swap shares for each one. The Securities and Exchange Commission shall devise ways and means to keep the list of

financial entities authorized for the purposes of the aforementioned deposit updated and available to the public.

Section 78.- Section 96 of Law No. 26,831 shall be replaced and shall read as follows:

Section 96: Challenge of the Equitable Price. Within three (3) months as from the date of the last publication referred to under the second to last paragraph of Section 94 hereof, any minority shareholder and, where appropriate, any holder of any other convertible security may challenge the price assigned to the shares or convertible securities or, where applicable, the swap ratio proposed, arguing that the price assigned by the controlling party is not an equitable price.

In the case of mandatory public tender offers set forth in Sections 87, 91 and 98 hereof, minority shareholders may challenge the price as from the announcement of the offer and submission of the withdrawal request and until expiration of the challenging period set by the Securities and Exchange Commission pursuant to the regulations issued by this body for such purposes.

After said period expires, the valuation advertised in relation to minority shareholders who have not challenged the price shall be deemed final. This shall also be applied to holders of convertible securities who do not challenge said price.

The challenging proceeding does not change the full transfer of shares and convertible securities to the controlling entity, except in the case of offers set forth in Sections 87, 91 and 98 hereof, for which prior authorization by the Securities and Exchange Commission shall be obtained. During the challenging proceeding, all rights appertaining to the shares and convertible securities, whether equity and non-equity, belong to the controlling party.

Challenges may be made before the arbitration court of the market where the company has traded or before the ordinary commercial courts with jurisdiction in the company's principal place of business. All challenges made by minority shareholders and, where appropriate, by holders of other convertible securities, shall be made before the same court. The challenging proceeding shall be suspended until expiration of the period referred to in the first paragraph hereof or until an action for challenge is brought by all legitimate parties.

For such purposes, all shareholders or holders of other convertible securities that had not voluntarily withdrawn fund from the account mentioned in the last paragraph of Section 95 hereof shall be deemed legitimate.

The challenge, which shall only refer to the share price and, where appropriate, to other convertible securities, as well as to the swap ratio, where appropriate, shall be notified to the controlling party for a term of ten (10) business days. Evidence shall be provided with the foregoing notice and the answer thereto. The arbitration court or judge, where appropriate, shall appoint the number of expert appraisers it may deem appropriate, and after this has been notified for five (5) business days, the court shall issue judgment setting the final equitable price within fifteen (15) business days. Said judgment shall be subject to appeal within ten (10) business days, and the appeal shall be duly substantiated. Notice shall be served for the same term, and the court of appeal shall issue judgment within twenty (20) business days.

Attorneys' and expert witnesses' fees shall be determined by the court or arbitration court, where appropriate, in accordance with the scale applicable to incidental proceedings. The fees of attorneys and expert witnesses for each party or technical consultants shall be borne by the parties, respectively. The fees of the expert witnesses appointed by the court or arbitration court shall always be borne by the controlling party except when the equitable price sought by the appellant exceeds the price offered by the controlling party by thirty percent (30%), in which case the provisions set forth in Section 154, first paragraph, of Companies Law No. 19,550, revised text 1984, as amended, shall apply.

If applicable and within five (5) business days after judgment has been rendered final, the controlling party shall deposit in the account specified in the last paragraph of Section 95 hereof the amount of any price gaps identified. Delinquency thereof shall result in the controlling party being ordered to pay an interest as penalty equal to one and a half times the rate in force in commercial courts with jurisdiction in the company's principal place of business. If delinquency exceeds thirty (30) calendar days, all shareholders shall be entitled to declare that the sale of their securities has expired. In this case, the controlling party shall return the ownership of said shares and other rights to shareholders, and shall be liable for damages.

Minority shareholders and, where appropriate, holders of other convertible securities may withdraw the funds related to their shares or convertible securities as from the date said deposit has been made, plus any interest accrued.

Section 79.- Section 97 of Law No. 26,831 shall be replaced and shall read as follows:

Section 97: Voluntary Withdrawal from the Public Offering System. If a company whose shares are admitted to public offering systems voluntarily withdraws from the latter, it shall follow the procedure established by the Securities and Exchange Commission and also carry out a public tender offer of its shares, subscription rights, bonds convertible into shares or options on shares under the terms set forth in the following section.

The acquisition of shares shall be made with net and earned profits or with unrestricted reserves, if fully paid-in, for their amortization or sale within the term provided under Section 221 of Companies Law No. 19,550, revised text 1984, as amended. The company shall prove to the Securities and Exchange Commission that it is solvent, and that the payment of shares does not affect its solvency. Failure to prove the above, and in the case of corporate control, the controlling company shall provide prove of such requirements being fulfilled pursuant to the obligation set forth herein.

Section 80.- Section 98 of Law No. 26,831 shall be replaced and shall read as follows:

Section 98: Conditions. The mandatory public tender offer referred to hereinabove shall be subject to the following conditions:

- a) It shall extend to all bonds convertible into shares and other marketable securities entitling to a subscription or acquisition right.
- b) It shall not be necessary to extend the offer to those who voted in the meeting in

favor of withdrawal, who shall tie-up their securities until the acceptance term determined by the corresponding regulations expires.

c) Such circumstance shall be clearly stated in the public tender offer prospectus, and both tied-up marketable securities and the identity of their holders shall be detailed.

d) To comply with all regulations on defining, notifying and challenging the equitable price and with all other provisions on the equitable price pursuant to Section 88 and other applicable sections hereof.

Section 81.- Section 99 of Law No. 26,831 shall be replaced and shall read as follows:

Section 99: General Reporting System.

I. General Reporting System. The parties mentioned hereinbelow shall directly, accurately, sufficiently and timely inform the Securities and Exchange Commission, in the manner and pursuant to the terms set forth by said body, of all the following events and circumstances, notwithstanding any other set forth by the corresponding regulations:

a) Administrators of registered entities performing public offering of marketable securities and the members of their supervisory body, the latter in terms of their competence, shall inform of any event or circumstance that, due to its importance, may materially affect the placement of marketable securities or their trading. This obligation shall exist as from the time the request for public offering of marketable securities is filed and shall be immediately notified to the Securities and Exchange Commission. The administrative body, with the intervention of the supervisory body, shall appoint one (1) person to act as a market relations officer in order to disclose the information referred to herein, and shall inform of such appointment to the Securities and Exchange Commission and the respective market. Said appointment shall not release the parties mentioned hereinabove from their obligations as set forth herein.

b) Intermediaries authorized to carry out public offerings shall inform of any unusual event or circumstance that, due to its importance, may affect their business activities, their responsibility or their investment decisions.

c) Directors, administrators, receivers, managers appointed in accordance with Section 270 of Companies Law No. 19,550, revised text, 1984, as amended, and members of the supervisory board, regular and alternates, as well as controlling shareholders of issuing entities making public offerings of their marketable securities, shall inform of the number and class of shares, debt securities convertible into shares and purchase or sale options on both kinds of marketable securities owned from the entity to which they are linked.

d) The qualification board members, directors, administrators, managers, receivers or members of the supervisory board, regular and substitutes, and of risk rating agencies, on the amount and class of shares, debt securities or purchase or sale options on shares owned from companies authorized to make public offerings of their marketable securities.

e) Directors and officers of the Securities and Exchange Commission, of markets, clearing houses, registries and other registered intermediaries shall inform on the

number and class of shares, debt securities and purchase or sale options on shares owned from companies authorized to make public offerings of their marketable securities.

f) All individuals or legal entities that, directly or through other individuals or legal entities, or all parties of any group that, through concerted action, acquire or sell shares of a company making public offerings of marketable securities in quantities involving a change in holdings that make up control groups and affecting their creation, shall inform of said transaction or series of transactions made through concerted action, notwithstanding, where applicable, the enforcement of the procedure provided for in Chapter II hereof.

g) All individuals or legal entities not covered by the transaction set forth in the previous subsection that, directly or through other individuals or legal entities, or all parties of any group that, through concerted action, acquire or sell by any means shares of an issuer whose share capital is covered under the public offering system granting at least five percent (5%) of votes that may be cast for the purpose of expressing the corporate will at the General Shareholders' Meetings shall inform of such transactions when the abovementioned limit is exceeded.

h) Any individual or legal entity entering into shareholders' agreements for the purposes of exercising voting rights in a company whose shares are admitted to public offering, or the controlling company thereof, regardless of its type, including, without limitation, agreements creating the obligation of obtaining prior authorization to vote, restricting the transfer of the corresponding shares or marketable securities, granting purchase or subscription rights therefor, or providing for the purchase of such marketable securities, generally for the purpose of jointly exercising control in such companies, or significant changes in the structure or in power relations in the administration of said companies, shall inform of such agreements or changes. Directors, administrators, receivers and members of the supervisory board, as well as controlling shareholders of said companies shall be equally liable to inform of the execution of said agreements if they are parties thereto, or if they become aware of such agreements. Said agreements shall be submitted to the Securities and Exchange Commission. Compliance with the reporting and submission of these agreements to the Securities and Exchange Commission does not mean acknowledging the validity thereof. Failure to comply with the reporting obligation shall render said agreements invalid.

II. Scope of the Reporting Obligation. In the events referred to in Subsections c), d) and e) hereof, the scope of the reporting obligation shall include both holdings owned by said parties as well as any holdings directly or indirectly managed of said companies, its controlling companies, controlled companies or any companies related thereto.

The reporting obligation shall be valid during the term for which they were appointed and, in the case of the parties referred to in Subsections c), d) and e) hereof, for six (6) months after effective termination of their duties.

For the purposes hereof, any statement made by said parties to the Securities and Exchange Commission shall be deemed an affidavit.

Section 82.- Section 105 of Law No. 26,831 shall be replaced and shall read as follows:

Section 105: Appointment of External Auditors. Shareholders at the General Meeting, upon approval of financial statements, shall appoint independent certified public accountants pursuant to the regulations set forth by the Securities and Exchange Commission in order to perform as external auditors in the new fiscal year. The meeting shall revoke the proposed appointment upon an adequately substantiated reason. The appointment or the revocation thereof shall take place at the proposal of the administrative body, prior opinion of the Audit Committee.

In the case of Small and Medium-Sized Enterprises, as defined herein pursuant to the regulations of the Securities and Exchange Commission, with no Audit Committee, prior opinion of the supervisory body shall be required.

Section 83.- Section 106 of Law No. 26,831 shall be replaced and shall read as follows:

Section 106: Control over External Auditors. The Securities and Exchange Commission shall control the activity and independence of external auditors and of professional associations of external auditors that supervise companies making public offerings of their marketable securities and of any other party of the capital market subject to its control, notwithstanding the competence of professional councils regarding supervision of the professional performance of its members.

Section 84.- Section 107 of Law No. 26,831 shall be replaced and shall read as follows:

Section 107: System to Report Penalties. Professional Councils of Economic Sciences shall immediately inform to the Securities and Exchange Commission of the penalties imposed on certified public accountants performing auditing duties in relation to financial statements of parties subject to control of the Securities and Exchange Commission.

Section 85.- Section 108 of Law No. 26,831 shall be replaced and shall read as follows:

Section 108: Powers to the Supervisor of the External Auditors. For the purposes of carrying out its duties, the Securities and Exchange Commission shall have the following powers:

- a) Keep a record of external auditors and professional associations of auditors that audit the financial statements of the entities subject to their control.
- b) Set forth regulations on auditing and requests for review to be complied with by external auditors.
- c) Set forth the quality control standards and independence criteria to be followed by external auditors and professional associations of external auditors.
- d) Organize a system to supervise the quality control of external audits of entities making public offering of their marketable securities.
- e) Request external auditors of all entities subject to control by the Securities and Exchange Commission, professional associations of auditors and professional councils to communicate, regularly or occasionally, all data and information relating to acts or

events regarding their performance in said audits, to conduct inspections and to request clarifications.

f) In cases where the rights of minority shareholders may be affected and upon an adequately substantiated request by shareholders representing a percentage of at least five percent (5%) of the share capital of a company making public offerings of its shares, the Securities and Exchange Commission may, upon the opinion of the company's supervisory body and audit committee and provided that there is likelihood of the alleged damage to shareholders, request the appointment of one (1) external auditor proposed by said bodies to carry out one (1) or several specific tasks or tasks within a specific time period, at the expense of those requesting it.

g) Impose penalties on external auditors pursuant to the provisions of Sections 132 *et seq.* hereof.

Section 86.- Section 109 of Law No. 26,831 shall be replaced and shall read as follows:

Section 109: Composition. Companies making public offering of their shares shall establish an Audit Committee consisting of three (3) or more members of the board of directors to work jointly, and the majority thereof shall necessarily be independent, according to the criteria set forth by the Securities and Exchange Commission. These criteria shall determine that, in order to be qualified as independent, directors shall be independent towards the company and towards controlling shareholders, and shall not perform executive duties in the company.

The Audit Committee may operate with members present or by holding remote meetings with the use of equipment allowing for simultaneous transmission of sound, images and words when so provided in the bylaws. Only the committee's members present shall be counted for the purposes of quorum unless otherwise provided in the bylaws. The bylaws shall set forth the manner in which participation of remote members shall be recorded in the minutes. In the case of remote meetings of the Audit Committee, the minutes shall be prepared and signed by the members present and the representative of the supervisory body within five (5) business days after the date on which the meeting was held.

Section 87.- Section 111 of Law No. 26,831 shall be replaced and shall read as follows:

Section 111: Transactions. Markets shall, on a daily basis, make the record of each transaction publicly available, including the type of transaction, the identity of the marketable security and the amount, price and time of record of each transaction. Markets shall have this same information available in real time. The Securities and Exchange Commission shall issue regulations for the purposes provided for herein.

Section 88.- Section 132 of Law No. 26,831 shall be replaced and shall read as follows:

Section 132: Penalties.

I. Applicable Penalties. If individuals or legal entities of any nature violate the provisions hereunder and the corresponding regulations, notwithstanding any criminal or civil liability in which they may incur, they shall be subject to the following

penalties:

a) Warning, which may be accompanied by the obligation to publish the provisions of said resolution in the Official Gazette of the Argentine Republic, and in up to two (2) national newspapers at the expense of the punished party.

b) A fine from one hundred thousand Argentine pesos (ARS 100,000) to one hundred million Argentine pesos (ARS 100,000,000), which could be raised to five times the profit gained or damage caused as a result of illegal actions, whichever is greater.

c) Disqualification up to five (5) years to perform duties as director, administrator, receiver, member of the supervisory board, auditor or external auditor or manager of authorized markets and of registered intermediaries or of any other entity under the control of the Securities and Exchange Commission.

d) Suspension up to two (2) years to make a public offering or, where appropriate, of the authorization to participate in public offerings. As regards mutual funds, only regular administrative acts and requests for redemption of shares may be performed, for which purpose, they may sell the portfolio assets under control of the Securities and Exchange Commission.

e) Prohibition to make public offerings of marketable securities or, where appropriate, of the authorization to participate in public offerings of marketable securities.

II. Earnings from Fines.

Fines shall be paid by the corresponding parties within five (5) days after the date on which the decision imposing them is rendered final in the administrative and/or judicial proceeding, as appropriate. Earnings coming from fines applied by the Securities and Exchange Commission shall be transferred to the Argentine Treasury.

Section 89.- Section 133 of Law No. 26,831 shall be replaced and shall read as follows:

Section 133: Criteria for Setting Penalties. For the purposes of setting the aforementioned penalties, the Securities and Exchange Commission shall take into special account the following criteria: the extent of the infringement, the benefits obtained or damages caused by the offender, the offender's operating volume, the individual performance of the members of the administrative and supervisory bodies, and their relation to the control group, especially, the independent or external nature of the members of said bodies. In the case of legal entities, directors, administrators, receivers or members of the Supervisory Board and, where appropriate, managers and members of the Qualification Board shall be jointly and severally liable regarding those who have been individually liable for committing said punishable offences.

Section 90.- Section 134 of Law No. 26,831 shall be replaced and shall read as follows:

Section 134: Interest on Fines. Unpaid fines shall accrue interest at the rate set by the Ministry of Finance, which shall not exceed one and a half times the interest imposed by Banco de la Nación Argentina, a self-sufficient entity acting under the scope of said Ministry, in commercial documents discount operations.

Section 91.- Section 135 of Law No. 26,831 shall be replaced and shall read as follows:

Section 135: Prescription. Actions resulting from infringements to the provisions hereof and of Law No. 24,083 shall prescribe six (6) years after the offence has been committed. This term shall be suspended by decision of the Board of Directors of the Securities and Exchange Commission ordering that administrative proceedings be initiated and by the acts and proceedings related to the hearing, such as the opening and closing of discovery proceedings and the call for pleadings with their respective notices. Fines shall prescribe three (3) years after said penalty has been notified or after said penalty has become final, if challenged.

Section 92.- Section 138 of Law No. 26,831 shall be replaced and shall read as follows:

Section 138: Proceedings. The case shall be heard by another office of the Securities and Exchange Commission, separate and independent from the one bringing the charges. After the examining office has heard the case, it shall submit it to the board of directors together with its recommendations for treating it and issuing a resolution thereon. Resolutions issued by the Securities and Exchange Commission ordering administrative proceedings and those issued during the hearings shall not be appealable, but they may be challenged in the event of appealing the final decision.

After charges have been brought and prior to the opening of administrative proceedings, a preliminary hearing shall be held to hear the parties charged and for the purposes of determining the facts, and to all effects related to the concentration, procedural economy and immediacy principles.

Section 93.- Section 139 of Law No. 26,831 shall be replaced and shall read as follows:

Section 139: Complainant. If proceedings are initiated by complaint before the Securities and Exchange Commission, the complainant shall not be deemed part of the procedure, and may not have access to the proceedings.

Complaints shall be made pursuant to the procedures set forth by the Securities and Exchange Commission.

The aforementioned board of directors may, prior resolution by the corresponding bodies, dismiss said complaint if, as a result of the complaint filed or the preliminary proceedings carried out, the facts do not fall within the infringements set forth herein or in the applicable regulations.

Section 94.- Section 140 of Law No. 26,831 shall be replaced and shall read as follows:

Section 140: Abbreviated Proceedings. At the time of ordering the start of administrative proceedings, the Securities and Exchange Commission may order that all parties involved in the corresponding case personally appear in the preliminary hearing set forth in Section 138 hereof to require all explanations it may deem necessary, and even to discuss any conflicts arising from the facts. Said preliminary hearing shall be recorded in a minute. The notice of summons shall specifically state the purpose of the appearance. If facts were admitted and all parties involved in said unlawful behavior and their liability were expressly acknowledged, the Securities and

Exchange Commission may order the termination of the proceedings and the application of the corresponding penalties without further action.

Section 95.- Section 143 of Law No. 26,831 shall be replaced and shall read as follows:

Section 143: Appeals. Jurisdiction.

I. Direct Appeals. Commercial Federal Court of Appeals shall:

a) Review all penalties imposed by the Securities and Exchange Commission, as well as all statements of irregularity and inefficiency for administrative purposes and the suspension or revocation of registrations or authorizations.

b) Review the denial of registrations and authorizations.

Section 96.- Section 144 of Law No. 26,831 shall be replaced and shall read as follows:

Section 144: Courts. Jurisdiction.

I. Courts. Commercial federal courts of first instance shall hear and decide on:

a) The enforcement of audit fees, licensing fees and fines imposed by the Securities and Exchange Commission.

b) Requests for search warrants by the Securities and Exchange Commission to perform its supervisory duties.

c) All other requests for judicial assistance for the enforcement of its decisions.

d) Requests for appointment of receivers made by the Securities and Exchange Commission, which shall comply with the provisions set forth by Companies Law No. 19,550, revised text 1984, as amended.

Section 97.- Section 145 of Law No. 26,831 shall be replaced and shall read as follows:

Section 145: Appeal of Penalties. Direct actions set forth in Subsection I), Paragraph a), of Section 143 shall be filed and substantiated before the Securities and Exchange Commission within ten (10) business days after notice of the appealed decision has been served.

The appeal shall be filed and substantiated in writing before the Securities and Exchange Commission within ten (10) business days after notice of the decision has been served and said appeal shall be granted without a stay of execution, except for the appeal against the fine imposed which shall be with a stay of execution. The Securities and Exchange Commission shall forward the proceedings to the appropriate commercial federal court of appeals, which in turn shall follow the procedure set forth in the Argentine Code of Civil and Commercial Procedure for appeals freely granted.

The Securities and Exchange Commission shall be the opposing party in the appeal and the Attorney General's Office shall act as prosecutor.

Section 98.- Section 153 of Law No. 26,831 shall be replaced and shall read as

follows:

Section 153: Advance payments for legal defense. In civil or criminal proceedings against officers of the Securities and Exchange Commission for acts or omissions in the exercise of their duties, said body or the national State shall advance all reasonable costs related to the legal defense of the officer subject to the final judgment on the legal action. Whenever an officer is deemed responsible under final judgment, said officer shall refund all advance payments received plus all corresponding interest thereon. The Securities and Exchange Commission shall regulate the proceeding set forth herein.

"Officer" shall mean board members and other staff of the Securities and Exchange Commission.

Title IV

Amendments to Law 24,083.

Section 99.- Section 1 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Definitions and Main Characteristics.

Section 1: A mutual fund is the estate made up of shares belonging to several individuals, who have joint ownership rights, represented by of record and book-entry shares. These funds do not constitute corporations nor partnerships and are not legal entities. Open mutual funds may be created and shall consist of i) marketable securities subject to public offering and government bonds issued by the City of Buenos Aires or the national, provincial, and municipal governments that are traded in markets authorized by the Securities and Exchange Commission, ii) precious metals or certificates representing the latter, iii) national and foreign currency, iv) derivatives, v) instruments issued by financial institutions authorized by the Central Bank of the Argentine Republic, including bank deposits, vi) asset portfolio replicating stock and/or financial indexes or of a basket of assets, and vii) all other assets, contracts and investments of a financial nature provided for by the regulations of the Securities and Exchange Commission. The amount of shares of open mutual funds may constantly increase, due to their subscription, or decrease, due to their redemption, under the terms hereof and the regulations of the Securities and Exchange Commission.

Closed mutual funds may also be created and their estate shall comprise i) the assets authorized for open mutual funds, ii) personal or real property, iii) securities not subject to public offering, iv) credit rights of any nature and v) all other assets, contracts and investments provided for by the regulations of the Securities and Exchange Commission. These funds shall consist of a maximum amount of shares, which may increase as set forth herein and in the regulations of the Securities and Exchange Commission and shall have a specific effective term, which may be extended pursuant to the provisions hereof and the aforementioned regulations. The shares of said funds shall not be redeemed, except by virtue of the exceptions set forth herein and in the aforementioned regulations and shall be subject to a public offering authorized by the Securities and Exchange Commission and their trading shall be admitted in a market authorized by said body.

Either closed or open mutual funds may be created so that they replicate the behavior of a specific stock or financial index or a basket of assets. The shares of this kind of funds shall be subject to a public offering and be listed in markets authorized by the Securities and Exchange Commission. The characteristics and requirements for the creation of said funds, the offer, placement, subscription, trading and reimbursement of shares, as well as the conditions for their operation, limits and restrictions on investments shall be determined by the regulations of the Securities and Exchange Commission.

In addition, open or closed mutual funds for the purpose of the investment of voluntary savings aimed at the shareholders' withdrawal may be created under the conditions and characteristics provided for by the regulations of the Securities and Exchange Commission.

Mutual funds may have a broad or specific purpose of investment under the terms hereof and of the regulations of the Securities and Exchange Commission.

Mutual funds that have one (1) or more specific investment purposes shall use a name that would allow them to identify said characteristic and shall invest in assets related to said purpose according to the minimum percentages set forth by the regulations of the Securities and Exchange Commission.

Mutual funds may issue several share classes having different rights.

Shares may grant joint ownership rights, pursuant to the provisions of Paragraph 1 hereof; and said entities may also issue income shares with a specific nominal value and an income based on such nominal value, the payment of which shall be subject to the return of the fund assets pursuant to the terms and conditions of the regulations issued by the Securities and Exchange Commission.

Furthermore, in no case shall shareholders be held liable or bound for an amount higher than that of fund's assets.

The assets that are part of the mutual funds are property separate from the property of the management company, that of the depository company and that of shareholders. In no case shall shareholders, the management company and the depository company be held personally liable for the obligations of the Mutual Fund, or the creditors of shareholders, the management company or the depository company enforce rights on the Fund's estate.

Mutual funds shall be governed by a regulation called Management Rules of Procedure which shall include the content set forth herein and in the regulations of the Securities and Exchange Commission.

Shares of closed mutual funds shall be offered through a public offering prospectus under the terms hereof, of Law 26,831, as amended, and the regulations of the Securities and Exchange Commission. The public offering prospectus shall include the content provided for by the regulations of the aforementioned body. The use of the public offering prospectus for open mutual funds shall not be mandatory unless required by the regulations of the Securities and Exchange Commission. Pursuant to the aforementioned regulations, the funds' bodies shall not begin to act as such, nor shall they make efforts to place shares of mutual funds until they have submitted the Management Rules of Procedure before said body according to the terms set forth in

Section 11 hereof.

The shares of mutual funds may be placed by the management company, the depository company and/or through intermediaries authorized by the regulations of the Securities and Exchange Commission.

Section 100.- Section 2 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 2: The name open or closed mutual fund, respectively, as well as any analogous name as the regulations of the Securities and Exchange Commission may set forth, shall only apply to those funds created pursuant to the provisions hereof, in addition to a name allowing the differentiation thereof.

Section 101.- Section 3 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Direction and Management. Custody.

Section 3: The direction and management of mutual funds shall be the responsibility of a stock corporation authorized for said purpose, which shall act under the name of management company, or of a financial institution authorized to manage the portfolio of marketable securities by Financial Institutions Law No. 21,526, as amended and supplemented.

Assets of mutual funds shall be under the custody of a financial institution governed by Financial Institutions Law No. 21,526, as amended and supplemented, and said institution shall act under the name of depository company, pursuant to the specific provisions set forth in Section 14 hereof.

I. The management company of mutual funds shall:

a) Represent all joint owners in relation to their interests and against third parties, pursuant to the agreed contractual regulations and the applicable regulatory framework.

b) Manage funds professionally with the due diligence of a good businessman, in the interest of all shareholders and prioritizing such interest in all cases.

c) Have a minimum estate and comply with all other requirements provided for by the regulations of the Securities and Exchange Commission.

II. Self-sufficient Management Company. In no case shall the management company have the same offices as the depository company, which shall be completely independent. The management company shall be completely independent from other companies, whether or not they carry out the same activity, and shall be able to prove said self-sufficiency.

III. Duties of the Management Company. Management companies may perform the following duties, as well as all other duties set forth by the Securities and Exchange Commission: a) mutual funds' management; b) investment management; and c) placement and distribution of shares of mutual funds under its management and/or under the management of other management companies in accordance with the provisions hereof, of Law No. 26,831, as amended, and the regulations issued by the

Securities and Exchange Commission for such purposes.

IV. Notwithstanding the regulations issued by the Securities and Exchange Commission for such purposes, the following provisions shall apply to investment management by management companies:

a) Investments managed by a management company shall be registered and counted separately from mutual funds transactions. The internal registry shall identify instruments, goods and contracts, without ordering any attachments or precautionary measures on all or part of those owned by clients, except for their personal obligations and only on those owned by them. b) Investments shall be managed only as may be most suitable for each client.

V. Mutual funds shall be audited annually by independent external auditors according to the regulations issued by the Securities and Exchange Commission for such purposes. Notwithstanding other tasks assigned by said regulations, external auditors shall annually issue a report on internal control mechanisms and information systems.

Section 102.- Section 4 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 4: The management company and the depository company are individually liable for all damages that may be caused to shareholders for breach of their obligations arising from the applicable regulations, the management rules of procedure and the public offering prospectus, and, in no case, shall each of said intermediaries be liable for the fulfillment of the obligations of the other.

Notwithstanding the obligations applicable to them by virtue of Companies Law No. 19,550, revised text 1,984, as amended, and this law, directors, managers and members of the supervisory body of the management company shall ensure that:

a) The management company complies with all provisions set forth in the Management Rules of Procedure of each fund.

b) Information for shareholders is true, sufficient and timely provided.

c) Funds' investments, valuations and transactions are carried out in accordance with the law, the resolutions issued by the Securities and Exchange Commission and the provisions of the Management Rules of procedure.

d) Transactions are made only in the best interest of the corresponding fund and for the sole benefit of its shareholders.

Directors, managers and members of the supervisory bodies of the management company and the depository company shall be liable for their performance as such pursuant to Companies Law No. 19,550, revised text 1,984, as amended.

By virtue of the regulations issued by the Securities and Exchange Commission for such purposes, the management company may hire investment advisors for its mutual funds.

Directors, managers, proxies, and members of the supervisory bodies of management companies shall not hold positions in the governing or supervisory

bodies of depository companies and vice versa. Directors, managers, employees and members of the supervisory bodies of management companies and depository companies as well as their controlling shareholders and their directors, managers, employees and members of the supervisory bodies shall provide all information required in this regard by the Securities and Exchange Commission, as well as comply with all restrictions set by said body on transactions directly or indirectly carried out with assets that are the same as those that are part of the equity of the mutual fund or those transactions carried out with the mutual fund or its shares.

Pursuant to the exceptions set forth herein and in the regulations of the Securities and Exchange Commission, management companies shall not carry out transactions for mutual funds managed by them with i) its subsidiaries, controlling companies, companies under common control, and affiliates or other related companies; and ii) the depository company and its controlled, controlling companies, companies under common control, and affiliates or other related companies.

Section 103. - Section 4 bis of Law No. 24,083, as amended, is hereby added and it shall read as follows:

Section 4 bis: The Securities and Exchange Commission may provide that management companies have an independent director under the regulations of said body.

Section 104.- Section 5 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 5: The management company may manage several mutual funds, in which case it shall:

- a) Adopt all measures leading to their complete self-sufficiency, which shall be set forth in the management rules of procedure.
- b) Increase the minimum net worth by the percentage provided for by the regulations of the Securities and Exchange Commission for each additional fund managed.

Section 105.- Section 6 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 6: The management of the Mutual Fund's assets shall follow the investment objectives defined in the Management Rules of Procedure and, where appropriate, the provisions set forth in the public offering prospectus.

In the event that the Open Mutual Fund's assets consist of marketable securities, these shall be subject to a public offering in Argentina or abroad.

Open mutual funds shall invest at least seventy-five percent (75%) in assets issued and traded in Argentina. For the purposes of the provisions hereof, the Argentine Certificates of Deposit (CEDEARs) shall not be considered marketable securities issued and traded in the country, except for those CEDEARs whose underlying assets are not considered foreign assets according to the regulations of the Securities and Exchange Commission.

The investment of closed mutual funds in assets in which open mutual funds may

invest shall be governed by the foregoing provisions.

Regarding the investment in assets in which only closed mutual funds may invest, said assets shall be located, be created, originate, be issued and/or be registered in the country as set forth in the regulations of the Securities and Exchange Commission. If Argentina participates in international economic integration treaties that provide for the integration of the corresponding capital markets and/or the Securities and Exchange Commission enters into agreements in this regard with the corresponding authorities of the countries participating in said treaties, the aforementioned body may provide that all marketable securities issued in any of the member countries be considered assets issued and traded in the Argentina for the purposes set forth herein, provided that said marketable securities are traded in the issuer's country of origin in markets authorized by the corresponding securities and exchange commissions or similar bodies.

Section 106.- Section 7 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 7: Prohibitions.

I. Prohibitions to the Management of Mutual Funds' assets. Management of Mutual Funds' assets shall not:

a) Invest in marketable securities issued by the management company and/or the depository company, or in shares of other mutual funds in such cases, with the exceptions provided for by the regulations of the

Securities and Exchange Commission, which shall especially ensure that shareholders' interests are protected regarding commissions and expenses as well as transactions with companies related to the management company and the depository company.

b) Acquire marketable securities issued by the controlling entity of the management company and the affiliates of the former, in a proportion greater than two percent (2%) of the capital or of the controlling party's liability, where appropriate, according to the accounting information that shall be submitted pursuant to the regulations of the Securities and Exchange Commission. All shares acquired in the above-mentioned manner shall not have any voting rights while they are the property of the fund.

c) Create the portfolio with marketable securities representing a higher percentage than the one set forth in the regulations of the Securities and Exchange Commission of the capital, estate and total liabilities of a same issuer or financial trust, where appropriate, according to the accounting information that shall be submitted according to the regulations of said body. d) Invest in only one government bond with the same issuance conditions in a higher percentage than the one set forth in the regulations of the Securities and Exchange Commission. For such purposes, the different series of the same security in which only the date of issue changes shall be considered government bonds with the same issuance conditions.

II. Exceptions. In the cases set forth in Subsection I, Paragraphs a) and b), hereof, the marketable securities corresponding to financial trusts in which the depository company acts as trustee shall be excepted from such prohibition. The Securities and Exchange Commission shall set forth in its regulations the guidelines on

diversification and valuation of assets, liquidity and minimum dispersion to be met by open mutual funds.

Section 107. - Section 7 of Law No. 24,083 as amended, is hereby added and it shall read as follows:

Section 7 bis: Mutual funds exclusively for qualified investors may be created under the regulations of the Securities and Exchange Commission, which shall consider the international standards in the matter. In particular, said body shall take into account equity requirements and annual income. The aforementioned mutual funds shall be exempt from the investment limits and restrictions set forth herein pursuant to the provisions provided for by the Securities and Exchange Commission.

Section 108.- Section 8 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 8: The limitations set forth in Section 7 hereof may be temporary exceeded when subscription or conversion rights are exercised or dividends are paid in shares, and such limits shall be reestablished within the term set forth in the regulations of the Securities and Exchange Commission.

Section 109.- Section 9 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 9: The following individuals shall not be members of the administrative and supervisory bodies of management and depository companies of the funds: individuals judicially deprived of their civil rights, bankrupt or insolvent individuals who have not been discharged, minors or disabled, individuals sentenced to penalties that lead to disqualification for the exercise of public office, or for infamous offenses and offenders referred to in Section 132, Subsections c) and d), of Law No. 26,831, as amended.

Section 110.- Section 10 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Receivership

Section 10: Members of the Statutory Auditors' Committee of the management company shall:

- a) Certify the financial statements of the fund within the terms set forth in the regulations of the Securities and Exchange Commission for such purposes.
- b) Permanently monitor the status of the portfolio.
- c) Report to the Securities and Exchange Commission all breaches that, in their opinion, the management company may have incurred.

These duties are established notwithstanding the duties assigned to receivers pursuant to Companies Law No. 19,550, revised text, 1984, as amended.

Section 111- Section 11 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Management Rules of Procedure

Section 11: The Management Rules of Procedure shall be executed by public deed or private instrument with signatures certified before a civil law notary between the management company and the depository company, before the mutual fund starts operating, and shall provide for the contractual rules that shall govern the relations between the foregoing companies and joint owners. Where applicable, the public offering prospectus shall be submitted along with the Management Rules of Procedure. The Management Rules of Procedure and, where appropriate, the public offering prospectus, as well as any amendments thereto, shall come into force once the procedure established by the Securities and Exchange Commission for such purposes has been complied with, and they shall be published pursuant to the regulations of the Securities and Exchange Commission.

Section 112.- Section 12 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 12: The subscription of shares of the mutual fund shall mean, by operation of law, compliance with the Management Rules of Procedure and the public offering prospectus, where appropriate. Both documents shall be available for investors pursuant to the regulations of the Securities and Exchange Commission.

Section 113.- Section 13 of Law No. 24,083, as amended, shall be replaced and read as follows:

Section 13: The Management Rules of Procedure shall specify the aspects stated below and any other aspect that may be provided for by the Securities and Exchange Commission for such purposes:

a) Policies and plans adopted to invest the estate of the mutual fund, specifying objectives sought, investment limits by kind of asset and, if any credit is involved, nature thereof and the existence or non-existence of coverage against risk of default.

b) Rules and deadlines for the reception of subscriptions and requests for share redemption and the procedure for the corresponding calculations.

c) Limits on management expenses and commissions and fees that shall be charged in each case by the management company and the depository company as well as those arising from the placement and distribution of shares, with a maximum annual percentage limit established for every item, the twelfth part of which is applied to the net worth of the mutual fund at the end of each month, except when the Management Rules of Procedure of closed mutual funds establish success fees. Expenses, commissions, fees and any other amount charged to mutual funds shall not exceed the aforementioned limit, excluding only i) tax, legal and notary costs, arising in a direct, reasonable and justified manner from the joint representation of shareholders of the mutual fund, pursuant to Section 3, Subsection a), hereof; and ii) tariffs, duties, and taxes related to the trading of assets of the fund or to the transactions related to the acquisition, sale, creation of liens and other acts of disposition and management of the fund assets.

d) Conditions for the exercise of the voting right corresponding to the shares and other marketable securities granting voting rights which are part of the fund's assets.

- e) Procedure for the amendment of the Management Rules of Procedure;
- f) Term of duration of the undivided ownership of the fund or the certificate showing that said term is indefinite.
- g) Causes and rules for the liquidation of the fund and bases for the distribution of the estate between the joint owners and requirements for publicity of said liquidation; h) Regime of distribution to the joint owners of the benefits produced by the fund's operations, if this arises from the objectives and investment policy determined.
- i) Provisions that shall be adopted if the management company or the depository company are not in a position to continue the functions conferred to them by this law or those provided in the Management Rules of Procedure; j) Determination of maximum amounts to be charged for subscription and redemption expenses.

Likewise, in the particular case of closed mutual funds, the Management Rules of Procedure shall also include covenants relating to the provisions established in Section 24 bis hereof.

Section 114.- Section 14 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Deposit - Assets - undivided interest

Section 14: Should the financial entity be management company; it shall refrain from acting as Depository Company of the assets which are part of the Mutual fund's credits administered by said financial entity in such capacity.

The Depository Company shall have the following responsibilities:

- a) Collection of the subscription sums and the payment of the redemptions that are required pursuant to the provisions hereof, the regulations of the Securities and Exchange Commission and the Management Rules of Procedure.
- b) Monitoring compliance by the Management Company of the provisions set forth in the Management Rules of Procedure related to the procedures for the acquisition and negotiation of the Fund's assets.
- c) The custody and deposit of marketable securities and other instruments representing investment, payment and collection of benefits accrued, as well as the proceeds from the sale and purchase of securities and any other transaction related to these activities.

The marketable securities and other instruments representative of the investments may be deposited in a collective deposit intermediary or intermediaries performing similar functions as established in the rules in accordance with the provisions of laws No. 26,831 and No. 20,643, as amended.

- d) Registering book-entry or registered shares, by itself or through a collective deposit intermediary or intermediaries that perform similar functions as established in the rules, and, where appropriate, issuing the certificates requested by the shareholders.
- e) In the cases of Closed Mutual Funds, in addition to the functions established in the

preceding Subsections hereof, the Depositary Company shall:

Act, as the case may be, as owner and registered owner of the assets, as appropriate, for the benefit of the shareholders and in accordance with the instructions of the Management company. The latter must expressly consent to any purchase or sale of the abovementioned assets or any lien thereon.

Administration.

II. Carry out all the acts of administration and disposition regarding the Mutual fund's assets necessary for the maintenance, sale, exchange or barter thereof, as appropriate; it shall also acquire debts and give securities or sureties, including mortgage and pledge, lease agreements and / or leasing, pursuant to the instructions issued by the Management company. The Management Rules of Procedure may directly assign said task to the Management Company without need of any additional instrument.

III. To safe keep the Mutual Fund's assets.

The accounts corresponding to the Mutual Funds shall be identified under the name of the Depositary Company and shall include the capacity thereof within the Fund.

Section 115.- Section 15 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 15: The undivided interest on the estate of a Mutual Fund does not cease at the request of one (1) or several of the joint owners thereof, their heirs, right-holders or creditors, who cannot request the dissolution thereof during the term established for its existence in the Management Rules of Procedure or where the term is set for an indefinite period in the case of open mutual funds.

Mutual Funds may merge and/or split, subject to the prior authorization of the Securities and Exchange Commission governed by the guidelines, conditions and procedures established by the aforementioned body for such purposes.

Section 116.- Section 16 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 16: Dissociation of joint owners of a jointly owned Mutual Fund occurs exclusively by means of redemption and reimbursement of shares in the terms hereof and those of the regulations issued by the Securities and Exchange Commission.

Section 117.- Section 17 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 17: All sums of money which are not invested in national or foreign currency and which belong to the Fund shall be deposited in financial entities authorized by the Central Bank of the Argentine Republic, different from the depositary company of said Mutual Fund and/or in international depositary companies meeting the conditions determined by the regulations of the Securities and Exchange Commission. Notwithstanding the foregoing, deposits may be made in financial entities acting as Depositary Companies solely for transactions aimed at compliance with the functions appertaining to the Fund's bodies, and in the terms set forth by

the regulation. Additionally, the sums of money in foreign currency which are not invested and that are available abroad and those applied to transactions in foreign currency which are necessary for the transactions of the Mutual Funds in foreign markets shall be deposited in the aforementioned international financial entities with the limits and precautions established by the Securities and Exchange Commission.

Section 118.- Section 18 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Certificates

Section 18 The shares issued by the Mutual fund shall be represented by registered certificates of joint ownership and shall be signed by the representatives of both bodies of the Fund following the procedures that the regulations of the Securities and Exchange Commission may establish. Book-entry shares may also be issued, and the depository company shall be in charge of registering shareholders. The same certificate may represent one (1) or more shares.

Closed mutual funds shall be entitled to issue global certificates to be deposited in collective deposit regimes.

Section 119.- Section 19 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 19: In the event of theft, loss or destruction of one (1) or more certificates, the provisions of the Management Rules of Procedure shall apply, or, where appropriate, the regulations of the Argentine Civil and Commercial Code.

Section 120.- Section 20 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Subscription and Redemption of Open Mutual Funds

Section 20: Subscriptions and redemptions of open mutual funds shall be made by calculating the Fund's net worth through the prices recorded at closure of the day on which they are requested and in accordance with the procedure established by the regulations of the Securities and Exchange Commission. In cases where subscriptions or redemptions are requested during days when Fund's securities are not traded, the price shall be estimated according to the Fund's estate value calculated on the prices recorded at closure on the day when tradings resume. Where marketable securities and rights or obligations arising from futures transactions are traded in markets authorized by said body, the price shall be that of the day, or otherwise, the price of the last day listed on the markets which traded the greatest volume of such class of securities and obligations in the terms set forth by the Securities and Exchange Commission. The shares may be subscribed in kind pursuant to the regulations that the Securities and Exchange Commission may issue to this end.

Section 121.- Section 21 of Law No. 24,083, as amended, shall be repealed.

Section 122.- Section 22 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 22: The shareholders of the open mutual fund have, at any moment, the

right to demand redemption, which shall be carried out by the bodies of the mutual fund within three (3) business days as from such demand and upon return of the pertaining certificate. Notwithstanding the foregoing, the Management Rules of Procedure shall establish periods to ask for such redemption or set longer payment terms pursuant to the regulations of the Securities and Exchange Commission.

Such longer terms to ask for redemption and to effectively pay therefor shall be related to the subject matter of the fund and to the impossibility of obtaining more liquidity in shorter terms, thus being the responsibility of the Securities and Exchange Commission to prevent the share from lacking liquidity due to excessive terms and timely redemption from being precluded by means of setting minimum holding terms.

In exceptional cases the redemption may be paid in kind in the terms set forth by the regulations of the Securities and Exchange Commission.

Section 123.- Section 23 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 23: The management company is empowered to include in the Management Rules of Procedure a provision stating that the redemption shall be suspended as a preventive measure to protect the fund if the value of the share cannot be established due to war, domestic turmoil, market or banking holidays or any other serious event affecting the markets authorized by the Securities and Exchange Commission and/or the financial markets. Any suspension of redemptions exceeding three (3) days shall be the result of a decision taken by said body.

Section 124.- Section 24 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Section 24: Shareholders shall have the right of allocation of the Mutual Fund's profits in the cases set forth in the Management Rules of Procedure.

Section 125. - Section 24 bis of Law No. 24,083 as amended, shall be added and shall read as follows:

Public offering, Subscription and other Provisions regarding Closed Mutual Funds.

Section 24 bis: The shares corresponding to the closed mutual funds shall be placed by public offering in accordance with the regulations of the Securities and Exchange Commission and listed in markets authorized by said body. The Securities and Exchange Commission shall establish the requirements and procedures for the purpose of granting the respective public offering authorization for the shares of this type of funds.

In the terms set forth by the Securities and Exchange Commission the Management Rules of Procedure may establish:

- a) The redemption of the shares before the expiration of the Fund's term.
- b) The payment of the shares redemption in kind.
- c) An increase in the number of shares issued.
- d) The deferral of payment of the shares.

e) The extension of the Fund's term

Closed mutual funds may create liens and take on indebtedness in accordance with the terms and conditions established by the regulations of the Securities and Exchange Commission.

The aforementioned body shall establish regulations on the criteria of diversification, valuation and appraisal, liquidity and minimum dispersion that shall be met by closed mutual funds.

Section 126. - Section 24 of Law No. 24,083 as amended, shall be added and shall read as follows:

Meetings

Section 24 ter: The management companies shall submit the matters provided herein to general or special shareholders meetings of each Mutual Fund under their administration. General meetings shall be held once (1) a year within the first four (4) months following the closing date of each fiscal year. Special meetings may be held at any time, when the Fund's needs so require, to rule on matters that are established by law, the regulations of the Securities and Exchange Commission and the Management Rules of Procedure of the Closed Mutual Fund.

The general shareholders' meeting shall be responsible for any matter set forth in the Fund's Management Rules of Procedure which is not specific to a special meeting.

All the matters that are not within the competence of the general meeting are subject to special shareholders' meetings, and especially the following: a) The extension of the Fund's term. The meeting discussing the extension of the Fund must be held at least one (1) year before the expiration of the term. Shareholders who disagree with the decision to extend the term may request the redemption of their shares, and they shall be refunded the value of their interest on the due date of the term or within a maximum period of one (1) year as from the date on which the meeting is held, whichever is longer.

b) The amendment of the main covenants of the Fund's Management Rules of Procedure, in the terms proposed by the management company, and other modifications as established in the Management Rules of Procedure.

c) Early liquidation of the Fund.

d) The replacement of the management and/or depository companies;

e) The increase in the number of shares issued provided that such number is not regulated otherwise in the Management Rules of Procedure.

Companies Law No. 19,550 revised text 1,984, as amended, shall apply as regards call, attendance, representation, voting, validity and other issues appertaining to the meetings.

Section 127.- Section 25 of Law No. 24,083, as amended, shall be replaced and shall read as follows:

Tax Regulations

Section 25: The tax regulations applicable to Mutual Funds governed by this law and the investments made in such funds shall be those established by the corresponding tax laws, and there shall be no special conditions with respect to the general tax regulations to which the same activities or investments are subject.

Joint ownership shares and income shares of Mutual Funds shall be subject to the following taxes:

a) Financial profits that may be involved in the issuance, subscription, placement, transfer and income thereof shall be exempted from value added tax.

The tax system established by the previous paragraph shall apply whenever the securities referred to are placed for public offering.

Likewise, for the purposes of the value added tax, the incorporation of credits to a Mutual Fund shall not be a taxable financial service or placement. Whenever the incorporated credit includes a financing interest, the assignor shall remain the tax payer of the services corresponding to such financing, unless the payment were to be made to the assignee or to the person appointed by the latter, in which case the recipient shall be the tax payer.

The provinces and the Autonomous City of Buenos Aires are invited to adopt measures similar to the ones established herein within the scope of their respective competence and jurisdiction.

Section 128.- Section 26 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Liquidation.

Section 26: For Open Mutual Funds liquidation may be decided at any time by both of its bodies, provided that there are well-founded reasons for this and the interests of the shareholders are secured.

The simultaneous replacement of both bodies of the Fund shall be deemed an early liquidation thereof, and, in such case, the corresponding measures shall be adopted.

The liquidation shall not be executed until the decision is approved by the Securities and Exchange Commission.

Section 129.- Section 27 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Public advertising

Section 27: Mutual Funds shall comply with the information regime established by the Securities and Exchange Commission.

Section 130.- Section 28 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Section 28: Advertising of the information established in the preceding section shall be performed in the terms set forth herein, in Law No. 26,831, as amended, and in the regulations of the Securities and Exchange Commission.

Section 131.- Section 29 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Section 29: The publications and announcements made by Mutual Funds with the purpose of making public advertising shall abide by the provisions hereof, as well as those of Law No. 26,831, as amended, and the regulations of the Securities and Exchange Commission, and shall not contain false statements or deceptive promises.

Section 132.- Section 30 of Law No. 24,083, as amended, shall be repealed.

Section 133.- Section 31 of Law No. 24,083, as amended, shall be repealed.

Section 134.- Section 32 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Auditing, Supervising and Registration

Section 32: The Securities and Exchange Commission is in charge of auditing, supervising and registering the management company and the depository company of mutual funds, as well as supervising any person related thereto and all operations, transactions, and relations thereof, regardless of their nature, pursuant to the provisions hereof and those contained in Law No. 26,831, as amended, as well as the rules established in compliance with such laws by the Securities and Exchange Commission. Said body shall also be empowered to issue the regulations necessary to supplement the regulations hereof, as well as the rules applicable to these activities, and to decide on the cases not provided herein.

Section 135.- Section 33 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Section 33: Should one of the bodies of the Mutual Fund no longer meet the requirements established herein, the Securities and Exchange Commission shall demand regularization of said circumstance within an unpostponable term established for such purpose. In the event that said body fails to meet the demand, administrative proceedings shall be initiated and the activities of the observed company shall be suspended. While the suspension is in force, only those activities related to the Fund which are necessary to give answer to redemption requests shall be permitted. Should one of the bodies of the Fund unexpectedly cease its activity by decision of the respective control body or by another duly proven cause, the other body shall, at the request of the Securities and Exchange Commission, propose a substitute, undertaking the redemptions that might be requested in the meantime, in accordance with the provisions of the Management Rules of Procedure; and if the replacement is not performed within the period established by the Securities and Exchange Commission, the latter may take the measures deemed necessary to safeguard the shareholders' interests, including the withdrawal of the authorization to operate. In the event of simultaneous insolvency of the two (2) bodies of the Fund, the Securities and Exchange Commission shall adopt the necessary measures to ensure that the liquidity of the shares is maintained, and it may appoint a financial institution authorized by The Central Bank of the Argentine Republic to perform both the functions of a depository company of a Fund and liquidator, appointment that shall not be rejected. No replacement shall take effect until it is approved by the Securities

and Exchange Commission and the formalities established are complied with.

Section 136.- Section 34 of Law No. 24,083 shall be replaced and shall read as follows:

Section 34: Notwithstanding the specific control attributed by this law to the Securities and Exchange Commission, the Management and Depositary Companies shall be subject, as regards their legal capacity, to the competent national and provincial bodies. The management companies that are not financial entities shall be deemed included in the provisions of section 299 of the Companies Law No. 19,550, revised text 1,984, as amended.

Section 137.- Section 35 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Penalties.

Section 35: Infringements to the provisions hereof, as well as to the provisions that the supervisory body may establish are subject to the penalties set forth in Law No. 26,831, as amended.

Such penalties shall be executed by the Securities and Exchange Commission, prior application of the summary proceedings set forth in Law No.26,831, as amended.

Section 138.- Section 36 of Law No. 24,083, as amended, shall be repealed.

Section 139.- Section 37 of Law No. 24,083, as amended, shall be repealed.

Section 140.- Section 38 of Law No. 24,083, as amended, shall be replaced and shall read as follows.

Section 38: Term. The Securities and Exchange Commission shall establish the terms within which the functioning Mutual Funds and the registered management and depositary companies shall comply with the provisions hereof and the regulations that said body may issue for such purpose.

Section 141.- Section 39 of Law No. 24,083, as amended, shall be repealed.

Title V

Guarantee intermediaries for collective financing

Section 142.-

I. Guarantee intermediary in financing agreements with two (2) or more creditors, the parties may agree to create mortgages and pledges in favor of one (1) guarantee intermediary, who shall act for the benefit of the creditors and pro rata of their credits, in accordance with the powers and modalities established in the financing documents and pursuant to the instructions given by the beneficiaries of the guarantee. In such case, the credits secured by the guarantee may be transferred to third parties, who shall be beneficiaries of the guarantee in the same terms as the assignor, and the provisions of Section 2,186 of the Argentine Civil and Commercial Code shall not apply.

II. Enforceability. In the case of pledges or other guarantees, whether fiduciary or not, on present and future credits of the business line of the debtor or a guarantor, for the purposes of the enforceability against third parties under the terms of Section 1,620 of the Argentine Civil and Commercial Code, the publication by the pledgor of a notice of assignment in the newspaper of legal publications of the jurisdiction of the company and in one of the newspapers of greater general circulation at national level informing of the guarantee having been granted or the assignment in pledge to the guarantee intermediary of the present and future credits shall be sufficient, without any specific notification to the assigned debtor being necessary for such purposes.

Title VI

Amendments to Law No.23.576, as amended.

Section 143.- Section 1 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 1: Joint stock companies and limited liability partnerships, cooperatives and civil associations incorporated in Argentina, as well as branches of joint stock companies incorporated abroad under the terms of Section 118 of Companies Law No. 19,550 revised text 1,984, as amended, may contract borrowings by means of issuing corporate bonds, pursuant to the provisions hereof.

The provisions hereof are applied, in the way the Argentine Executive Power regulates, to national, provincial and municipal agencies governed by Law No. 13,653 revised text decree 4.053/55, as amended, Companies Law No.19,550 revised text 1.984, as amended, (Sections 308 to 314), Law No.20,705 and by laws based on agreements.

Section 144.- Section 3 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 3: The obligations referred to in Section 1 hereof may be granted with a floating, special or common guarantee. The guarantees are established by the representations made by the issuer in the resolutions stating the issue and shall be registered, when appropriate according to their nature, in the corresponding registries. In the case of pledges granted in relation to current and future credits, notice to assigned debtors, the enforceability of said pledge and assignment as regards third parties pursuant to Section 1,620 of the Argentine Civil and Commercial Code shall be considered served through the publication in the Official Gazette of the Argentine Republic of the notice set forth in Section 10 hereof. This provision shall also apply to pledges and fiduciary assignments as guarantee of current and future credits that secure marketable securities issued by the national State, the provinces, the Autonomous City of Buenos Aires, the municipalities and self-sufficient entities.

Registration with said registries or the publication of the notice describing the pledged credits shall be performed before the supervisory body before the placement period. The pledge or mortgage shall be established and settled by the issuer's unilateral declaration provided that no trustee appears pursuant to the terms of Section 13 hereof and shall not require the approval by creditors. The foregoing shall only be settled by means of an accounting certification related to the depreciation or redemption of secured corporate bonds or by unanimous consent by bondholders. In the case of corporate bonds with public offering, the approval of the Securities and Exchange Commission shall also be required.

They may also be secured or guaranteed by any other means, including Mutual Guarantee Companies (SGR), guarantee funds and/or unilateral guarantees according to the terms of Section 1,810 of the Argentine Civil and Commercial Code and by any other type of guarantee included in the legislation in force. They may also be guaranteed by financial entities included in the applicable law.

Corporate bonds may be issued with limited resources only for certain assets of the issuer but not for their entire estate, thus guarantees on said assets may or may not be granted. If the issuer fails to comply with the corresponding provisions, creditors shall have resources only as regards said assets.

Section 145.- Section 4 of Law No. 23,576 as amended, shall be replaced and shall read as follows:

Section 4: The issue of corporate bonds in foreign currency is allowed and said bonds may be underwritten in national or foreign currency or in kind. If the conditions of the issue establish that the profit and depreciation are exclusively payable in foreign currency, the provisions of Section 765 of the Argentine Civil and Commercial Code shall not be applied.

Section 146.- Section 7 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 7: Bonds shall state:

a) The issuer's name and domicile, the date and place of issue, the term and its registration data with the Public Registry of Commerce or corresponding bodies, where applicable.

- b) The serial and order number of each bond, and the nominal value it represents.
- c) The amount of the borrowing and the currency in which it is issued.
- d) The nature of the guarantee.
- e) The conditions of its conversion as the case may be.
- f) The depreciation conditions, including the subordination mechanisms that may be agreed upon at the time of issue.
- g) The capital updating formula, where applicable; the type and time of interest payment.
- h) The underwriter's name and last name or corporate name, if registered.
- i) Any other requirement set forth by the Securities and Exchange Commission.

They shall be signed pursuant to Section 212 of Companies Law No. 19,550, revised text, 1984, as amended, Section 26 of Law No. 20,337, in the case of joint stock companies or cooperatives or depository companies for closed mutual funds under their custody, respectively, and by the legal representative and a member of the administrative body appointed for such purpose in the case of civil associations or branches of companies incorporated abroad, or, if they are limited liability companies, by a manager and the receiver, if any. In the case of book-entry bonds, data set forth in Subsections a) and h) hereof shall be transcribed in opening vouchers and balance records, except in the case of corporate bonds authorized for public offering.

Section 147.- Section 9 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 9: In joint stock companies, limited liability companies and cooperatives, the issue of corporate bonds does not need to be stated in the bylaws and may be decided by shareholders at a General Meeting or by the company's administrative body, if set forth in the bylaws. Notwithstanding the above, the issuer may join the public offering regime of marketable securities if so decided at said meeting.

In the case of bonds convertible into shares, their issue shall be decided by shareholders at a Special Meeting, except for companies authorized to make a public offering of their shares, which may be decided at a general meeting.

In civil associations, the issue shall be expressly authorized in the bylaws and decided by its members at a meeting.

In the event said issue is decided at a meeting, the administrative body may be in charge of the following:

- a) For simple bonds: it shall set all or some of their issue conditions within the authorized amount, including the time, price, methods and conditions of payment.
- b) For convertible bonds: it shall determine de time of issue, placement price, methods and conditions of payment, interest rate and conversion value, stating the guidelines and limits to that effect.

The powers conferred shall be exercised within five (5) years after holding the meeting. Upon expiration of said term, the decision made at a meeting shall be null and void in relation to the amount not issued.

Section 148.- Section 10 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 10: In the case of issue of corporate bonds with public offering, the issuer shall prepare a notice to be published on the website of the Securities and Exchange Commission and shall include all data established by the regulations issued by said body. In the case of issue of corporate bonds privately placed, the issuer shall prepare a notice to be published in the Official Gazette of the Argentine Republic for one (1) day. Said notice shall be registered with the corresponding control body, and with the corresponding Registry and shall include the following information:

- a) Dates of meeting and meeting of the administrative body where applicable, where the borrowing and its issue conditions have been decided.
- a) The issuer's name and domicile, the date and place of issue, the term and its registration data with the Public Registry of Commerce or corresponding bodies.
- c) The corporate purpose and the main activity developed at the time of issue.
- d) The issuer's capital stock and net worth.
- e) The amount of the borrowing and the currency in which it is issued.
- f) The amount of corporate bonds or debentures issued previously as well as the amount of debts with privileges or guarantees that the issuer has at the time of issue.
- g) The nature of the guarantee.
- h) The depreciation conditions.
- i) The capital updating formula, where applicable; the type and time of interest payment.
- j) If they are convertible into shares, the conversion formula, as well as the readjustment one in the cases set forth in Section 23, Subsection b), 25 and 26 hereof and the corresponding part of the decisions made by the governing and management bodies, where applicable, related to the issue set forth herein.

Section 149.- Section 11 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 11: Shareholders with preemptive and oversubscription rights in the subscription of new shares may exercise them in the subscription of convertible shares and sections 194 to 196 of Companies Law No. 19,550, revised text, 1984, as amended, and Section 62 bis of Law No. 26,831, as amended, shall be applied.

Shareholders who are not satisfied with the issue of convertible shares may exercise the appraisal right pursuant to Section 245 of

Companies Law No. 19,550, revised text, 1984, as amended, except in the case of

companies authorized for public offering of their shares and in the cases set forth in the following section.

Section 150.- Section 13 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 13: The issuer may enter into agreements with an entity or a registered intermediary with the Securities and Exchange Commission pursuant to which said Commission takes responsibility for defending the rights and interests that jointly correspond to bondholders during the term of the borrowing and up to its total settlement.

The agreement may be executed in a public or private instrument.

It shall include:

- a) The references mentioned in Section 10.
- b) The powers and duties of the representative party.
- c) Their representation of having verified the accuracy of the data mentioned in the issue act.
- d) Their revenues, which shall correspond to the issuer.
- e) Other terms and conditions agreed upon by the parties.

Section 151.- Section 14 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 14: The bondholders meeting shall be called by the administrative body or, otherwise, by the company's receivership or supervisory board when deemed necessary or required by the bondholders' representative, or by a number of them representing at least five percent (5%) of the amount of the issue.

In this last case, the request shall indicate the items to be discussed and the meeting shall be called to be held within forty (40) days as of the reception of the bondholders' request.

The call shall be made pursuant to the provisions of Section 237 of Companies Law No. 19,550, revised text 1984, as amended.

If the administrative body, receivership or supervisory board fails to do so, the call may be made by the control authority or by the judge.

The meeting shall be chaired by the bondholders' representative. If no representative is appointed or no representative is present at the meeting or due to any other reason, the meeting shall be chaired by the person appointed by a majority of bondholders present at said meeting based on the nominal value of corporate bonds represented at the meeting.

If said appointment is not possible according to the previous paragraph, the meeting shall be chaired by one (1) member of the receivership or the supervisory board or, if said member is absent, by a representative of the control authority or by the

person appointed by the judge.

The rest shall be governed by Section 354 and 355 of Companies Law No. 19,550, revised text, 1984, as amended.

Issue conditions shall include provisions on quorum and majorities, thus setting forth, where appropriate, all amendments or exemptions to issue conditions that may be approved by the majorities provided for Special Meetings. The provisions of Section 354 of Companies Law No. 19,550, revised text, 1984, as amended, "Amendments to Issue", in relation to the requirement of unanimity shall not be applicable to this last case.

Issue conditions may establish a procedure to obtain the consent of the required majority of bondholders without the need for a meeting, through a reliable means to ensure that all bondholders have access to previous information and the right to express themselves. In such case, any reference hereof to the bondholders' meeting shall be construed as applicable to the alternative regime.

Section 152.- Section 29 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 29: Securities representing corporate bonds as well as evidence of their registration in book-entry accounts pursuant to Section 31 hereof shall grant their holders the right to directly claim capital, restatements and interests and to execute the guarantees granted.

In case of execution of bonds issued with special guarantee, the judge shall decide to call the holders of the same class and shall notify the Securities and Exchange Commission when securities are admitted to public offering and to stock exchanges where their quoting is authorized.

In case of reorganization or bankruptcy proceedings or out-of-court reorganization agreement, the provisions of Law No. 25,589 shall be applied.

Section 153.- Section 31 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 31: The issue conditions of corporate bonds may state that said bonds shall not be represented in securities. If this were the case, said bonds shall have to be registered in accounts in the name of their holders in a registry of book-entry corporate bonds kept by the issuer, commercial or investment banks or securities clearing houses.

The capacity of bondholders is presumed by the records of the accounts opened in the registry of book-entry corporate bonds. In all the cases, the issuer shall be liable against bondholders for the accounts' errors and irregularities, notwithstanding the liability of the entity keeping them before the issuer, as the case may be.

The issuer, bank or securities clearing house shall grant the bondholder a voucher of the account opening and of all the transactions registered therein. Bondholders shall also have the right to be given the receipt of the balance in their account at any time, at their expense.

For the purposes of trading through the securities clearing house system, the

provisions of Law No. 20,643, as amended, shall be applied.

The public offering of corporate bonds is ruled by the provisions of Law No. 26,831, as amended.

Section 154.- Section 33 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 33: Public offerings of corporate bonds made by cooperatives and civil associations shall be previously approved by the Securities and Exchange Commission and shall comply with the regulations issued by said body. Section 155.- Section 36 of Law No. 23,576, as amended, shall be replaced and shall read as follows:

Section 36: Corporate bonds provided herein shall be subject to the tax treatment set forth below as long as they fulfill the following conditions and duties:

1. That they be issues of corporate bonds placed for public offering with the corresponding authorization of the Securities and Exchange Commission.

2. That the issuer secures the application of funds to be obtained through the placement of corporate bonds to investments in physical assets and capital goods located in the country, acquisition of goodwill located in the country, integration of working capital in the country or refinancing of liabilities, to the integration of capital contributions in companies controlled or related to the issuing company, to the acquisition of owner interests and/or financing of the line of business, whose proceeds are applied exclusively to the abovementioned aims, as established in the resolution that provides the issue and made public through the prospectus.

3. The issuer shall prove before the Securities and Exchange Commission, in the time, form and conditions determined by the latter, that the funds obtained were invested pursuant to the approved plan.

Should the issuer be a financial entity governed by Law No. 21,526, as amended and supplemented, said funds may be aimed at granting loans to which borrowers shall give the destination referred to in Subsection 2) pursuant to the regulations that the Central Bank of the Argentine Republic issues for such purpose. In the same case, the financial entity shall be liable for proving the final destination of the funds in the form determined by the Securities and Exchange Commission.

Title VII

Amendments to Law No. 20.643, as amended.

Section 156.- Section 30 of Law No. 20, 643, as amended, shall be replaced and shall read as follows:

Section 30: For all purposes hereof, the following definitions shall be applied:

a) Marketable securities collective deposit agreement. It shall mean the agreement between a Central Securities Depository Intermediary and a depositor, according to

which the receipt of marketable securities by the latter shall only create an obligation to deliver equal amount of securities of the same kind, class and issuer to depositors, or individuals acting on their behalf, under the terms and conditions set forth herein or in other regulations. This agreement is governed by this law and the regulations of the Securities and Exchange Commission.

b) Depositor. It shall refer to legal entities authorized to make collective deposits to their order, on their own behalf or on behalf of others and it includes the entities mentioned in Section 32 hereof and those entities authorized by the regulations of the Securities and Exchange Commission.

c) Central Securities Depository Intermediary. It shall mean the entity defined in Law No. 26,831, as amended, and shall have the duties stated herein.

d) Principal. The owner of marketable securities deposited in a Central Securities Depository Intermediary.

Section 157.- Section 31 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 31: The Central Securities Depository Intermediary shall have the following duties notwithstanding any other duty set forth in the regulations of the Securities and Exchange Commission.

1. To receive collective and regular deposits of marketable securities to the order of depositors, on their own behalf or on behalf of others.
2. To open accounts in the name of each depositor, which shall be subdivided into accounts and subaccounts of principals pursuant to the provisions of Section 42 hereof.
3. To provide custody, maintenance and transfer services of marketable securities.
4. To render services for the collection and settlement of credits and payment of deposited marketable securities.
5. To provide registration services. This includes, but is not limited to, the following:
 - i) the initial registration, ii) the registration of holders and of transfers, iii) the registration, release and/or execution of measures affecting marketable securities and iv) the reconciliation of registries.
6. To issue certificates on behalf of holders of marketable securities to attend meetings and/or to exercise their corporate rights pursuant to the provisions hereof and the regulations of the Securities and Exchange Commission.
7. To provide settlement services of marketable securities pursuant to the regulations of the Securities and Exchange Commission.
8. To provide intermediary services of registration and payment of marketable securities on behalf and to the order of the issuers thereof, pursuant to the terms of Sections 208, 213 and 215 of Companies Law No. 19,550, revised text, 1984, as amended, and to any other regulation that may be applicable.

9. To provide transfer services and pay for transactions with marketable securities pursuant to the regulations of the Securities and Exchange Commission.

10. To provide all the other services related to the fulfillment of their duties and that are authorized by the Securities and Exchange Commission.

Section 158.- Section 31 bis of Law No. 20,643, as amended, shall be added and shall read as follows:

Section 31 bis: Notwithstanding the duties assigned pursuant to Section 31 hereof and in accordance with the regulations set forth by the Securities and Exchange Commission the Central Securities Depository Intermediary shall be entitled to:

1. Enter into cooperation agreements with foreign entities that have similar duties.
2. Open custody and monetary accounts abroad for the fulfillment of their duties.
3. Provide custody services (known as "escrow agent") in relation to the settlement and closing of marketable securities transactions that are carried out outside the markets and of securities that do not have public offering.

The Central Securities Depository Intermediary shall provide information to depositors, account holders and other participants who use the registration, custody and payment services regarding transactions, balances and allocations of registered marketable securities pursuant to the terms and conditions set forth in the regulations of the Securities and Exchange Commission.

The Central Securities Depository Intermediary shall have adequate proceedings and management control systems in order to fulfill their duties.

Section 159.- Section 32 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 32: The entities mentioned hereinbelow and those others determined by the regulations of the Securities and Exchange Commission shall be entitled to act as depositors.

- a) Settlement and clearing intermediaries.
- b) Markets and clearing houses authorized by the Securities and Exchange Commission.
- c) Public and private financial entities.
- d) Depository companies of mutual funds with respect to their marketable securities.
- e) The Ministry of Finance through the Secretariat of Finance.
- f) Foreign central depositories.

Section 160.- Section 33 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 33: Failure of the principal to expressly state otherwise leads to legally presume their authorization for the collective deposit of marketable securities delivered to the depositor.

Section 161.- Section 34 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 34: The collective deposit of marketable securities shall be made to the order of depositors and on behalf of principals. A single person may be both depositor and principal.

Section 162.- Section 35 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 35: All marketable securities whose public offering had been granted by the Securities and Exchange Commission and those issued by public legal entities may be subject to collective and regular deposits.

Public and private marketable securities issued abroad may also be subject to collective deposit provided that they are registered in collective deposit entities authorized abroad, and whose issuers do not belong to associated territories or states considered as non-cooperatives or high-risk for the Financial Action Task Force (FATF).

Section 163.- Section 36 of Law No. 20,643, as amended, shall be replaced and shall read as follows:

Section 36: In the case of marketable security issued of record, they shall not be damaged or subject to objection. The Central Securities Depository Intermediary shall have the term established by the Securities and Exchange Commission which shall be counted as from the moment in which the transfer is carried out, to verify if marketable securities are free from any objection and if they meet their issue conditions as well as if they correctly contain the rights incorporated to the document.

Should any of these conditions not be met, the Central Securities Depository Intermediary shall notify the depositor within the term stated. Depositors shall be liable to the Central Securities Depository Intermediary as regards the legitimacy of the marketable securities deposited therein, until the collective deposit is perfected, which shall take place once the transfer of marketable securities has been carried out and the deadline for doing so has elapsed without the Central Securities Depository Intermediary having served the corresponding notice. The deposit shall not mean transferring the ownership of marketable securities to the Central Securities Depository Intermediary and shall only have the effects acknowledged herein. Upon execution of the contract, in the case of marketable securities, the Central securities depository intermediary shall notify the issuer the deposit thereof for the purposes of recording them in the register book.

Section 164.- Section 37 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 37: Registered marketable securities shall be endorsable for the sole purpose of deposit and withdrawal thereof by the Central securities depository intermediary.

Section 165.- Section 38 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 38: The Central Securities Depository Intermediary and the depositor shall keep all necessary records so that the rights of each depositor and principal may be identified at any time, therefore, the legal condition of the marketable securities deposited shall be duly stated. For such purpose, the Central Securities Depository Intermediary shall record the transfers, pledges and withdrawals of marketable securities upon receiving from depositors the relevant orders in the corresponding forms. Registrations thus performed by the Central Securities Depository Intermediary shall replace similar records in the registries of issuers, with the same effect on said issuers and third parties.

Section 166.- Section 39 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 39: Depositors receiving marketable securities from principals for collective deposit shall be bound to return, at the request of the latter, an equal amount of marketable securities of the same issuer, kind and class received, duly endorsed by the Central Securities Depository Intermediary in their favor if registered, plus any other credit, where appropriate, but not the same marketable securities.

In addition to the receipt that the depositors shall give to the principals upon reception of the marketable securities, depositors shall also give them, within the following five (5) days, a document containing the terms and conditions established by the regulations of the Securities and Exchange Commission and stating that the collective deposit has been made.

Section 167.- Section 40 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 40: The marketable securities collective deposit sets forth an undivided co-ownership among principals over the total amount of said marketable securities of the same kind, class and issuer deposited in the Central Securities Depository Intermediary hereunder.

The nominal value of the marketable securities deposited shall be taken into account to determine the corresponding share of each joint owner.

The undivided ownership of marketable securities in collective deposit shall only terminate in the cases specially set forth herein.

Section 168.- Section 41 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 41:

Collective deposits shall not transfer the ownership or use of the securities deposited to the Central Securities Depository Intermediary, which shall only keep and safeguard them and carry out all operations and accounting registrations set forth in this law and in its regulations.

Section 169.- Section 42 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 42: The Central Securities Depository Intermediary shall open an account under the name of each depositor. Each of these accounts shall be subdivided, in

turn, into accounts and sub-accounts based on the number of principals reported and on the class, kind and issuer of marketable securities that are respectively deposited.

Section 170.- Section 43 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 43: The Central Securities Depository Intermediary shall always undertake liability arising from its duties.

Section 171.- Section 44 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 44: Book 3, Title V, Chapter 6 of the Argentine Civil and Commercial Code shall apply, where appropriate, to the regime established herein.

Section 172.- Section 45 of Law 20, 643, as amended, shall be repealed.

Section 173.- Section 46 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 46: Depositors shall not be entitled to exercise on their own the voting right of the marketable securities deposited to their order.

Section 174.- Section 47 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 47: For the purposes of attending meetings, exercising voting rights, collecting dividends, interest, partial redemptions, capitalizing reserves or revaluation balances or exercising subscription rights, the Central Securities Depository Intermediary shall issue, at the request of depositors, certificates to principals stating the amount, kind, class and issuer of marketable securities, as well as the name and domicile of principals. The number thereof may be omitted.

Section 175.- Section 48 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 48: When issuing certificates, the Central Securities Depository Intermediary shall keep a number of marketable securities equivalent to the corresponding share unavailable until the day following the date set for holding the corresponding meeting.

During this period, depositors shall not be entitled to make draws or withdrawals on behalf of those who have obtained a certificate of deposit for the meeting.

Section 176.- Section 49 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 49: By virtue of the collective deposit, the Central depository intermediary of marketable securities shall be authorized to receive dividends, interest or any other credit to which the marketable securities received shall entitle, and shall be bound to timely collection thereof.

For their collection, the Central Securities Depository Intermediary may issue certificates representing the respective coupons, to which issuers or paying intermediaries shall grant full faith.

The corresponding coupons shall be destroyed by the Central depository intermediary of marketable securities.

Section 177.- Section 50 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 50: Depositors shall timely and duly notify principals of new subscriptions on which the deposited marketable securities would grant them preemptive rights.

Principals shall decide on whether to exercise subscription rights and shall provide depositors with instructions on the matter and with all necessary amounts of money, where appropriate.

In this case, the Central Securities Depository Intermediary shall deliver the corresponding certificates to depositors in order for them to act according to the aforementioned instructions or, provided that depositors specifically instruct them and timely deliver the corresponding amounts, they shall exercise the subscription right, crediting the new securities in the account of the corresponding principal.

Section 178.- Section 52 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 52: For the purposes of the collection of dividends and interest, the exercise of subscription rights, the payment of expenses and commissions, as well as the payment of any other expense, depositors shall open a cash account with the Central Securities Depository Intermediary where they shall keep sufficient funds.

The Securities and Exchange Commission shall set regulations for the liquid balances of money that the Central depository intermediary of marketable securities administers in compliance with its duties.

Section 179.- Section 53 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 53: Principals may transfer, in whole or in part, their rights of co-ownership or create a right of pledge on their undivided part or a part thereof. For this purpose, they shall instruct depositors to issue the corresponding orders against the Central Securities Depository Intermediary. Said intermediary shall make the relevant entries within twenty-four (24) hours after the written order issued by depositors has been received. As from that moment, the transfer of rights or the creation of the pledge shall be deemed effective.

Section 180.- Section 54 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 54: The Central Securities Depository Intermediary shall be bound towards depositors, and principals shall not have any direct action against the former, unless depositors assign their rights to said principals. Pursuant to the provisions of the corresponding regulations of the Central Securities Depository Intermediary, principals may directly claim the latter to enforce their co-ownership rights in the cases where they may be harmed due to disability, reorganization proceedings, death, crime or any other legal event affecting the normal relationship between depositors and principals.

Under no circumstance shall the Central depository intermediary of marketable securities be liable against the principals for the instructions given to the Central Securities Depository Intermediary by the depositors, which shall be deemed validly given, nor for the damages that the depositor may cause to the principal by virtue of the business relation they may have.

The Central Securities Depository Intermediary shall only be liable for the obligations expressly set forth under the law, the regulations issued by the Securities and Exchange Commission, its rules and the contracts it may enter into.

Section 181.- Section 55 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 55: Depositors, at the request of principals, may withdraw marketable securities registered under the name of the latter, by means of a withdrawal order.

For registration purposes, the Central Securities Depository Intermediary shall notify issuers of the name and domicile of principals, their identity document number, as well as the amount, kind and class of shares delivered in the case of registered marketable securities.

Section 182.- Section 56 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 56: Garnishment of shares of one (1) or more principals may be ordered, in which case it shall be notified to depositors and to the Central Securities Depository Intermediary, which shall be bound to keep said shares unavailable.

After said order is issued, it shall become effective pursuant to the regulations on the transfer of ownership set forth herein and to the provisions in force. New principals may, after proving ownership of shares, hold securities or shares in accordance with the provisions of Section 53 hereof.

Section 183.- Section 57 of Law No. 20,643, as amended, is hereby repealed.

Section 184.- Section 58 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 58: The Argentine Executive Power may create an entity to perform the duties of the Central Securities Depository Intermediary.

Section 185.- Section 59 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 59: The Securities and Exchange Commission is in charge of auditing, supervising and registering the Central Securities Depository Intermediary as well as all operations, transactions, and relations thereof, regardless of their nature. It shall also be empowered to issue the regulations necessary to supplement the provisions hereof, as well as the rules applicable to these activities, and to decide on the cases not provided herein.

Section 186.- Section 60 of Law 20, 643, as amended, shall be replaced and shall read as follows:

Section 60: Fees received by the Central Securities Depository Intermediary and the depositors for rendering of services shall be exempted, pursuant to the maximum amounts set forth by the Securities and Exchange Commission.

Art. 187.- Section 61 of Law 20,643, as amended, shall read as follows:

Section 61: Members of the administrative and supervising bodies of the Central Securities Depository Intermediary and the staff thereof shall

keep all acts and documents related to the activities of the intermediary confidential. Only the reports required by the following individuals or entities shall be exempted:

- a) Judges hearing judicial cases pursuant to the requirements established by law No. 26,831, as amended.
- b) The Securities and Exchange Commission when performing its functions.

The bodies in charge of collecting national taxes and other public entities under Law No. 26,831, as amended, pursuant to the requirements established therein.

TITLE VIII

Regulation of derivatives

Section 188.- Definitions. For the purposes of this Title and Law 26,831, as amended, the following definitions shall apply:

I. Derivatives: contracts which: (i) are subject to Argentine or foreign Law and jurisdiction executed pursuant to framework Agreements, individual agreements and/or under the conditions set by the market in which they are entered into; (ii) have terms and conditions, including price, quantity, guarantees and term that derive from or depend on an underlying asset or product, including but not limited to: (a) financial assets, interest rates or financial indexes, (b) marketable securities and/or (c) non-financial assets (including, but not limited to, cereals, minerals, food, real estate); (iii) can be executed and/or negotiated within or outside markets authorized by the Securities and Exchange Commission; and (iv) include, but are not limited to, forwards contracts, futures contracts, options contracts, swaps contracts, and credit derivatives (including those known as "credit default swaps"), and / or a combination of all or some of them.

II. Repos: contracts which (i) are subject to Argentine or foreign Law and jurisdiction executed pursuant to framework Agreements, individual agreements and/or under the conditions set by the market in which they are entered into; ii) set forth simultaneously (a) the spot sale or purchase of marketable securities and/or any financial asset and (b) the obligation to repurchase or resell upon maturity; (iii) may be executed and/or negotiated within or outside markets authorized by the Securities and Exchange Commission; and (iv) include, but are not limited to, the repurchase agreements.

III. Margins and guarantees: contracts which (i) are subject to Argentine or foreign Law and jurisdiction executed pursuant to framework Agreements, individual

agreements and/or under the conditions set by the markets authorized by the Securities and Exchange Commission, by means of which the counterparties or third parties agree to the delivery of marketable securities, financial assets, money, currency other than Argentine legal tender and any other movable property, with the purpose of securing the fulfillment of any kind of payment and delivery obligations under the Derivatives and Repos.

Section 189.- This Title shall apply to the Derivatives and Repos:

a) executed and/or registered under the scope of markets authorized by the Securities and Exchange Commission, when the settlement of those transactions is carried out through a market, clearing house, central counterparty clearing house or institution that performs functions of a similar nature;

a) executed and/or registered under the scope of markets authorized by the Securities and Exchange Commission, when the settlement of those transactions is carried without the intervention of a market, clearing house, central counterparty clearing house or institution that performs functions of a similar nature;

c) executed between national and/or foreign counterparties outside the scope of negotiation of markets authorized by the Securities and Exchange Commission, in which case said body will require registration formalities for this type of Derivatives and Repos. For the purposes set forth herein, the contracts included in this Subsection shall be enforceable against third parties and shall be effective as from registration thereof.

Section 190.- I. No application of Reorganization proceedings and Bankruptcy Law. Should one of the counterparties of any of the Derivatives and Repos listed in Section 189 hereof be subject to any of the proceedings established by Law 24,522 on Reorganization proceedings and Bankruptcy, as amended, and Law 20,091 on Insurers, the following provisions shall expressly not apply: a) Sections 20, 130, 143, 144, 145 and 153 of the Reorganization proceedings and Bankruptcy Law No. 24,522 and Sections 50, 51 and 52 of Law on Insurance No. 20,091 with respect to the rights of the party not undergoing Reorganization proceedings or bankruptcy and the party hiring an Insurer subject to judicial liquidation to request early termination of the Derivatives and Repos, to clear all credits and debits agreed upon by virtue of the contract, to determine a net balance and to enforce the corresponding margins and guarantees.

b) Section 118, Item 2) of Law 24,522 on Reorganization proceedings and Bankruptcy, as amended, regarding the effectiveness of the advance payments of debts under Derivatives and Repos for which the maturity, pursuant to the regulations of the markets and/or framework Agreements and/or individual contracts, is set on the date of bankruptcy or later;

c) Section 118, Item 3) of Law 24,522 on Reorganization proceedings and Bankruptcy, as amended, with respect to the effectiveness and enforcement of margins and guarantees constituted after the execution of the Derivatives and Repos, provided that the obligation to constitute such margins and guarantees has been agreed before or at the time of the execution of the framework Agreements or respective contracts.

d) Section 930, Subsection f), of the Argentine Civil and Commercial Code, regarding

clearing rights.

II. No application of Financial Institutions Law No. 21,526, as amended and supplemented and the Organic Charter of the Central Bank of the Argentine Republic. Sections 34, 35 bis and 46 of the Financial Institutions Law No. 21,526, as amended and supplemented, and Section 49 of Law 24,144, Organic Charter of the Central Bank of the Argentine Republic, regarding any restriction to enforce against the institutions affected by said sections the contractual mechanisms of early rescission, termination, liquidation, clearing and enforcement of guarantees contained in the Derivatives and Repos shall not apply, and in the event any of the Derivatives and Repos referred to herein was entered into by a financial entity subject to a resolution of the Central Bank of the Argentine Republic ordering (i) the restructuring pursuant to the provisions of Section 35 bis, Item II of Law No. 21,526 of Financial Institutions, as amended and supplemented, and (ii) the suspension of its activities pursuant to Section 49 of Law No. 24,441, Organic Charter of the Central Bank of the Argentine Republic, the counterparties and third party beneficiaries of said Derivatives and Repos shall be entitled to enforce the contractual mechanisms set forth herein as from the beginning of the third business day as of the date of the resolution issued by the Central Bank of the Argentine Republic ordering the restructuring or suspension of the affected financial entity, as the case may be.

In the event that the Central Bank of the Argentine Republic orders the transfer within that period, including through the mechanism of exclusion of assets and liabilities, of the Derivatives and Repos to a financial institution, trust or any other entity, such transfer shall include all the framework Agreements and individual contracts under which Derivatives and Repos have been executed with the same counterparty by the financial entity subject to suspension or restructuring, along with those of their subsidiaries, controlled, controlling and related entities, and those under common control, as well as all margins and guarantees of such transactions.

Additionally, during such term, no action or right shall be enforceable against the counterparty of the financial entity subject to restructuration or suspension of its activities.

Upon expiration of the abovementioned term and provided that no such transfer has been made the contractual mechanisms of early rescission, termination, liquidation, clearing and enforcement of margins and guarantees shall be fully exercised pursuant to the terms set forth in the Derivatives and Repos that have been executed, which shall be fully enforceable against the proceedings set forth under Law 21,526, as amended and supplemented, Law 24, 144, as amended and supplemented, and Law No. 24,522 of Reorganization proceedings and Bankruptcy, as the case may be. In the event that after the exercise thereof a net unsecured balance remains in favor of the counterparty of the affected financial institution, said balance shall be due pursuant to the provisions of Law 21,526, as amended and supplemented, Law 24,144, as amended and supplemented, or Law 24,522, as amended, as appropriate.

Section 191.- I. Exercise of contractual mechanisms. In accordance with the provisions of the foregoing section, it is established that both the counterparty of that party affected by any of the insolvency procedures governed by law 24,522, of Reorganization proceedings and Bankruptcy, as amended, as well as the third parties in favor of which margins and guarantees are constituted regarding Derivatives and

Repos and that are affected by the procedures referred to in Section 189 herein, shall be entitled to resort to early rescission, termination, settlement and clearing and to enforce the margins and guarantees for the net amount that is owed to them, pursuant to the terms of the regulations of markets authorized by the Securities and Exchange Commission and the framework Agreements and individual contracts, which shall be fully enforceable against the reorganization proceedings, bankruptcy, and the extrajudicial reorganization agreement, as the case may be, and without prejudice to their rights in their capacity of creditor with respect to the unpaid balance that may correspond. Section 994, second paragraph, of the Argentine Civil and Commercial Code with respect to derivatives and any other options contract for securities and marketable securities shall not apply. Nor shall apply Section 1,167 regarding Repos or any other agreement of resale to the original seller, resale, or preemptive rights regarding securities or marketable securities.

II. Balance. If the settlement of the contract results in a balance in favor of the party that is subject to the insolvency procedures governed by law No. 24,522 of Reorganization proceedings and Bankruptcy, as amended, and/or Law No. 21,526, as amended and supplemented, the other party must cancel the respective funds making them available to the intervening judge in the cases of reorganization proceedings or bankruptcies or of the counterparty that has executed an extrajudicial reorganization agreement, or of the affected financial institution or its assignees, as the case may be, in the terms established in the regulations set forth by the markets authorized by the Securities and Exchange Commission and/or the framework Agreements and in individual contracts of the Derivatives and Repos.

Section 192. - The following items shall not be subject to compliance with Section 138 of Law No. 24,522 on Reorganization proceedings and Bankruptcy: the assets administered by entities governed by the Securities and Exchange Commission and subject to its control that have been deposited or assigned as collateral by way of margins and guarantees of Derivatives and Repos executed and registered within the scope of their respective markets, those which are not part of the assets of the bankrupt. The abovementioned assets shall be governed, for all purposes and without the need for any prior declaration, by the provisions of Law No. 20,643, as amended.

Section. 193. - I. Individual transactions and framework Agreements. The rights under the Derivatives and Repos governed by this Title shall apply to individual transactions as well as any other transactions under a framework Agreement provided that the parties have executed such agreements.

II. Calculation of the amounts and balances. In all the cases governed by this Title the calculation of the amounts to be paid and the determination of the margins and guarantees and the balances of the Derivatives and Repos shall be made exclusively under the terms and conditions thereof.

III. Conflict. In the event of conflict, the provisions of this Title shall prevail over Law 24,522 on Reorganization proceedings and Bankruptcy, as amended, Section 930, Subsection f), of the Argentine Civil and Commercial Code, Law 21,526 of Financial Institutions, as amended and supplemented, Law 24,144 (Organic Charter of the Central Bank of the Argentine Republic), as amended, and Law 20,091, as amended.

Section 194.- The Securities and Exchange Commission shall be the supervisory and enforcement authority of the regime approved herein.

Title IX

Amendments to Law No. 27.264, as amended.

Section 195.- Section 51 of Law No. 27,264 amending Section 44 of Decree-law No. 5,965 dated July 19, 1963, ratified by Law No. 16,478, shall be replaced and shall read as follows:

Section 51: If the bill of exchange is payable in a currency that is not

legal tender in the place of payment, the amount may be paid in the national currency at the exchange rate of the maturity date. If the debtor is in arrears, the bearer may, at their choice, claim that the amount be paid at the exchange rate of the maturity date or of the payment date.

The value of the foreign currency shall be determined by common practices in the payment place. However, the drawer may provide that the amount payable be calculated pursuant to the exchange rate of the currency indicated in the Bill of Exchange.

The preceding regulations shall not apply in the case that the drawer had ordered that the payment be made in a certain currency (covenant on cash payment in foreign currency).

If the amount has been indicated in a currency that has the same name but different value in the country where the bill was drawn and in the country of payment, it shall be presumed that the indication refers to the currency of the place of payment.

The foregoing shall not apply if promissory notes are traded in markets registered with the Securities and Exchange Commission, in which case, if the applicable exchange rate is not mentioned, the quotation of the seller exchange rate of Banco de la Nación Argentina, a self-sufficient entity under the scope of the Ministry of Finance, at the closing of the day before the maturity of each installment or upon the maturity of the promissory note

Section 196.- Section 52 of Law No. 27,264 amending Section 101 of Decree-law No. 5,965 dated July 19, 1963, ratified by Law No.16,478, shall be replaced and shall read as follows:

Promissory note. Requirements.

Section 52: The voucher or promissory note shall include:

- a) The expression "to the order" or the name of the security included in the text thereof and in the language used for its drafting.
- b) The pure and simple promise to pay a certain amount.
- c) The payment term.
- d) The indication of the payment place.

e) The name to whom or to whose order the payment must be made, except in the case of a promissory note issued or endorsed for trading in market registered with the Securities and Exchange Commission, in which case this requirement shall not be enforceable.

f) The indication of the place and date on which the voucher or the promissory note have been signed.

g) The signature of the party creating the security (underwriter).

For the purpose of trading promissory notes in the securities markets registered with the Securities and Exchange Commission, said instruments may foresee a depreciation regime for the payment of capital with successive maturities in installments. Failure to pay one (1) or more installments of the capital shall entitle the holder/creditor to consider all the installments due and to claim payment of the total amount of the security. The Promissory Notes issued under these conditions shall not be subject to the nullity set forth in the last paragraph of Section 35 hereof.

Section 197.- Section 53 of Law No. 27,264 amending section 103 of Decree-law 5,965 dated July 19, 1963, ratified by Law No. 16,478, shall be replaced and shall read as follows:

Promissory note. Rules of Subsidiary Application.

Section 53: The provisions of the Bill of Exchange relating to the endorsement (Sections 12 to 22); to maturity (Sections 35 to 39); to payment (Sections 40 to 45); to appeals for non-acceptance and non-payment and to protests (Sections 46 to 54 and 56 to 73); to payment for intervention (Sections 74 and 78 to 82); to copies (Sections 86 and 87); to amendments (Sections 88); to the time-bar (Sections 96 and 97); to holidays; to the calculation of terms and to the prohibition to agree upon grace periods (Sections 98 to 100) shall apply to the voucher or promissory note. The provisions set forth for a bill of exchange payable in the domicile of a third party or in another place different from the domicile of the drawee (Sections 4 and 29); those related to the interests covenant (Section 5); to the different amounts to be paid (Section 6); for the purposes of the signatures in Section 7; to the signatures of the persons who invoke the representation of others without being empowered or acting in excess thereof (Section 8) and to the blank bill of exchange (Section 11) shall also apply to the voucher or promissory note. The provisions related to the surety (Sections 32 to 34) shall also apply to the voucher or promissory note. Should the surety, in the case of Section 33, last paragraph, fail to indicate for which of the debtors it is granted; it shall be deemed that it has been granted to secure the underwriter. The provisions related to the settlement of the bill of exchange (Sections 89 to 95) shall also apply to the voucher of promissory note.

The foregoing provisions shall apply to the promissory note to be traded in markets registered with the Securities and Exchange Commission insofar as they are not incompatible with the nature of this security and to the characteristics of its trading. The conditions hereunder shall also apply:

a) They shall bear the covenant "without protest", which shall take effect with respect to breach of any of the installments.

b) They shall bear the covenant "for trading in markets registered with the Securities

and Exchange Commission.”

c) Payments in installments shall be registered in the account statement issued by the intermediary acting in their capacity to guard, register and/or pay, pursuant to the regulations of the Securities and Exchange Commission against principal accounts administered within the framework of their duties.

d) The Securities and Exchange Commission, in its capacity as enforcement authority, shall determine the duties of collective deposit intermediaries in charge of the custody, registration and/or payment in relation to the validity of the information stated in the promissory note, as well as the verification of compliance of the formal thereof. In no case, shall the intermediary be bound to pay nor shall it give rise to exchange obligation, nor shall they be liable for their formal aspects, nor for the certification of subscribers or the authenticity of signatures in the promissory notes.

e) The promissory note issued pursuant to the terms hereof can be traded in markets registered with the Securities and Exchange Commission according to the rules enacted by the enforcement authority.

f) Promissory notes may be publicly offered pursuant to the rules of Law No. 26,831, as amended, and may be traded in markets registered with the Securities and Exchange Commission provided that they meet the requirements that are set forth in the regulations made by said Commission in its capacity as enforcement authority and tax exemptions corresponding to marketable securities with public offering.

g) Custody and/or registration of the promissory note does not transfer to the intermediary neither the ownership nor its use, therefore, said intermediary shall keep the note carrying out the operations and accounting registrations stated in Law No. 20,643, as amended, or pursuant to the provisions set forth by the Securities and Exchange Commission in its capacity as enforcement authority.

h) The domicile of the intermediary acting as custodian shall be the place of payment of the promissory note.

Section 198.- Section 54 of Law No. 27,264, as amended, shall be replaced and shall read as follows:

Enforcement Authority.

Section 54: The Securities and Exchange Commission is the enforcement authority of the trading regime of promissory notes in markets registered with the abovementioned body as set forth in Decree-law No. 5,965 dated July 19, 1963, ratified by Law No. 16,478, and amended by Law No. 27,264 and Law No. 26,831, as amended, and shall have the responsibility of issuing the corresponding regulations and supervising the trading within said regime.

Section 199.- Section 55 of Law No. 27,264, as amended, shall be replaced and shall read as follows:

Stock Market Promissory Note - Stamp Tax.

Section 55: The provinces that do not apply the stamp tax exemption on marketable securities with public offering are hereby invited to grant said exemptions within the scope of their jurisdiction.

Title X

Amendments to Law No. 25.246, as amended.

Section 200.- Section 20, Subsections 4) and 5), of Law No. 25,246, as amended, shall be replaced and shall read as follows:

4. Individuals and/or legal entities registered with the Securities and Exchange Commission to act as intermediaries in markets authorized by said Commission and those acting in the placement of Mutual Funds or other collective investment products authorized by said body.

5. Legal entities authorized by the Securities and Exchange Commission to act within the framework of the collective financing regime through the use of websites or other similar means and other legal entities registered with said body in charge of opening files and the client's profile identification to invest within the scope of capital markets.

Title XI

Amendments to Law No. 26.994

Section 201.- Section 1,673 of the Argentine Civil and

Commercial Code, Law No. 26,994, shall be replaced and shall read as follows:

Section 1,673: Trustee. Any individual or legal entity may be a trustee.

Only financial entities of those companies registered with the registry of financial trusts of the securities market supervisory body may act as trustees in financial trusts having authorization for public offering of their securities.

The trustee may be a beneficiary. In this case, the trustee shall avoid any conflict of interest and act in favor of other parties involved in the agreement.

Section 202.- Section 1,692 of the Argentine Civil and

Commercial Code, Law 26,994, shall be replaced and shall read as follows:

Section 1,692: Content of the Financial Trust Agreement. Manner. Term. In addition to the general content requirements set forth in Section 1,667, the financial trust agreement shall set forth the terms and conditions of the securities issue, the rules for beneficiaries to make decisions, including the provisions for the case of insufficiency or insolvency of the trust property, and the name or specific identification of the financial trust.

The duty to register with the registry stated in Section 1,669 shall be deemed fulfilled with the authorization of public offering in those financial trust agreements

entered into pursuant to the terms of Section 1,691, in accordance with the proceeding set forth by the securities market supervisory body.

The maximum effective term of the trust provided for in Section 1,668 shall not apply to financial trusts that have public offering of their securities for the purpose of securitization of mortgage loans and/or similar instruments, in accordance with the regulations of the securities market supervisory body.

Section 203.- Section 1,693 of the Argentine Civil and Commercial Code, Law No. 26,994, shall be replaced and shall read as follows:

Section 1,693: Issuance and Nature. Global Certificates. Notwithstanding the possibility of issue of atypical securities, under the terms of Section 1,820, share certificates shall be issued by the trustee. Debt securities secured by trust assets may be issued by the trustee, trustor or third parties. Share certificates and debt securities may be bearer, endorsable registered or non-endorsable registered, of record or book-entry instruments, pursuant to the applicable legislation.

Certificates shall be issued based on a prospectus stating the conditions of the issue, all provisions necessary to identify the trust to which they belong, and the description of the rights they grant.

Global certificates of share certificates and of the debt securities may be issued for registration in collective deposit regimes. For such purpose, they are considered definitive, negotiable and divisible.

Section 204.- Section 1,839 of the Argentine Civil and Commercial Code, Law No. 26,994, shall be replaced and shall read as follows:

Section 1,839: Endorsement. The endorsement shall be included in the security or in the extension sheet duly attached and identified and signed by the endorser. The endorsement shall be valid even without stating the endorsee or "to bearer".

The endorsement to bearer shall have the effects of a blank endorsement. The endorsement may be made to the creator of the security or to any other party bound, who may endorse again said security.

In financial trusts established pursuant to Section 1,690, with the authorization of public offering of their securities by the securities market supervisory body and whose underlying assets are made up of credits instrumented in executory instruments, a global endorsement may be used as an alternative mechanism, which shall be executed in a public instrument and shall include the identification of the endorsed securities.

Title XII

Promotion to issue shares and to the development of real estate and infrastructure projects.

Section 205.- In order to make the current tax regime more transparent, trusts and mutual funds referred to in Section 69, Subsection a), Items 6 and 7, of the Income

Tax Act shall pay the income tax to the extent that share certificates and/or debt securities or shares issued have not been placed by public offering with the authorization of the Securities and Exchange Commission. If such placement exists, they shall be taxed only in proportion to the investments not made in the Argentine Republic.

When the trusts and mutual funds referred to hereinabove do not have to pay said tax, the investor receiving the profits allocated by the former shall include said profits in their own affidavit, and the general provisions of the law shall apply according to the kind of profit, should said means had not been used. In case of foreign beneficiaries, the trustee or the management company, where appropriate, shall proceed to make the withholding referred to in, Title IV, Chapter II, or Title V hereof, where appropriate, to the extent of profits allocated by the trust or mutual fund, respectively, that are taxed for said beneficiaries.

The regime set forth herein shall become effective with respect to profits originated in the fiscal years beginning as of January 1, 2018.

Regulations shall establish the proceedings to be applied for the purpose of fulfilling the provisions set forth herein.

Section 206.- In order to encourage the development of housing building for low and middle income populations, in the specific case of Closed Mutual Funds or Financial Trusts, mentioned hereinabove, whose investment purpose is a) real estate developments for social housing and middle and low income sectors; and/or b) mortgage loans; and/or c) mortgage securities, with allocations arising from revenues or rents or proceeds arising from their sale shall be reached by a rate of fifteen percent (15%) (with the exception set forth in Subsection e) below, last paragraph) and shall be subject to the following conditions:

- a) Beneficiaries of said proceeds shall be individuals, undivided estates or foreign beneficiaries included in Section 91 of the Income Tax Act.
- b) Closed mutual funds or financial trusts placed by public offering with the authorization of the Securities and Exchange Commission shall have a term of at least five (5) years and shall be allocated to not less than twenty (20).
- c) Investors or shareholders shall hold an interest higher than twenty-five percent (25%) of the total issues.
- d) In case of sale proceeds, said sale shall take place in markets authorized by the Securities and Exchange Commission. If the issue is made in foreign currency or in local currency with escalation clauses, exchange gaps or escalations pursuant to issue covenants shall not be part of the taxed gross income. If the issue is made in national currency without escalation clauses, the cost of acquisition or underwriting may be escalated by applying the rate mentioned in Section 89, second paragraph, of the Income Tax Act.
- e) In the case of redemption by final liquidation, at least five (5) years shall have elapsed. If this period is not reached, the applicable rate shall be the general one applied to beneficiaries. In order to determine the final profit by redemption or liquidation, exchange gaps or escalations pursuant to issue covenants shall not be part of the taxed gross income. If the issue is made in national currency without

escalation clauses, the cost of acquisition or underwriting may be escalated by applying the rate mentioned in Section 89, second paragraph, of the Income Tax Act.

Allocations made by the funds on a date following the tenth anniversary of the underwriting related to their original issue shall be subject to a zero percent (0%) rate for the beneficiaries mentioned in Subsection a) hereof and also for institutional investors pursuant to the regulations issued for such purpose.

f) The mutual fund or the financial trust shall comply, as from their issue and during their effective term, with all requirements set forth by the Securities and Exchange Commission to access said regime.

Title XIII

Collective Financing Regime

Section 207.- The Securities and Exchange Commission shall act as the enforcement, controlling, supervisory and ruling authority of the collective financing regime and may, for such purposes, regulate businesses methods different to those included in Law No. 27,349.

Title XIV

Financial Inclusion

Section 208.- The Argentine Executive Power shall create a National Strategy for Financial Inclusion so as to promote an integral financial inclusion to improve people's living conditions and to promote that all Argentinians receive the corresponding benefits.

Section 209.- The Ministry of Finance, or whoever the Argentine Executive Power appoints in its place, shall act as the enforcement authority hereof.

Section 210.- A Coordination Board for Financial Inclusion shall be created by Resolution No. 121/17 dated July 27, 2017, as amended and supplemented.

Section 211.- The National Strategy for Financial Inclusion shall expressly state the national developments and background as regards financial inclusion, a suitable reason for said Strategy, the parties included therein, the commitments and terms agreed upon by the different parties, the working method and the action plan to be executed.

Likewise, it should also include the collection of data and diagnoses on variables and dimensions of access, use, quality and financial capacity of Argentinians based on the analysis of data from the demand; the drafting and definition of financial inclusion as well as general and specific objectives prioritized and ranked with their respective estimated terms of compliance; the priorities and responsibilities of the parties appointed or involved in its implementation; a monitoring and evaluation framework with performance indicators to periodically measure its progress and impact through the parties appointed; a mechanism to systematically collect the users' perspective on relevant implementation aspects and to assess progress towards the objectives of the Strategy by using well-defined and quantifiable indicators and objectives.

The drafting and creation of the Strategy shall also undoubtedly take into account the implementation of mandatory financial education programs in secondary schools, consumer protection plans and mechanisms and the gender perspective in its specific objectives and indicators.

Section 212.- The enforcement authority shall issue a report every six months describing the progress of the National Strategy for Financial Inclusion to the Finance Commission of the Argentine House of Representatives and to the National Economy and Investment Commission of the Argentine Senate.

Section 213.- The enforcement authority shall submit before the Argentine National Congress a plan for the integral implementation of the Strategy subject to the guidelines set forth herein, within a period of up to ninety (90) days as from the regulation hereof.

Section 214.- The Budget of the Argentine Public Administration shall include all allocations necessary for the development of the National Strategy for Financial Inclusion. For such purposes, the Head of the Ministers' Cabinet shall be empowered

to make all necessary budgetary changes to achieve said purpose.

Section 215.- The Argentine Executive Power shall regulate the provisions hereof within a period of up to one hundred and twenty (120) days as from the enactment hereof.

Title XV

Electronic Check

Section 216.- Within a period of up to ninety (90) days after the enactment hereof, the Argentine Executive Power shall take all necessary regulatory measures in order to make the electronic check system operative.

Title XVI

Public Works Certificates

Section 217.- Public work certificates may be traded in the markets authorized by the Securities and Exchange Commission, pursuant to the regulations set forth by said body in its capacity as enforcement authority. These certificates shall be subject to public offering pursuant to Law No. 26,831 as amended.

Title XVII

General Provisions

Section 218.- It is hereby established that in the text of Laws No. 26,831 as amended,

24,083 as amended, 20,643, as amended, 23,576, as amended, and 25,246, as amended, where reference is made to the term "individual" or "person" it should read "human being" and where reference is made to "Ministry of Economy", "Ministry of Economy and Production" or "Ministry of Economy and Public Finance" it should read "Ministry of Finance".

Section 219.- Be thus notified to the Argentine Executive Power.

PASSED AT THE HOUSE OF THE NATIONAL CONGRESS, IN BUENOS AIRES, ON THIS NINETH DAY OF THE MONTH OF MAY OF THE YEAR TWO THOUSAND AND EIGHTEEN.

— REGISTERED UNDER No. 27,440 —

MARTA G. MICHETTI. — EMILIO MONZO. — Eugenio Inchausti. — Juan P. Tunessi.

e. 05/11/2018 No. 32829/18 v. 05/11/2018

