

LEGAL WARNING

"The following English translation of the TAX RELIEF. Regime for the Purchase of Private Securities. Law No. 20,643 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 del Régimen para la compra de títulos valores privados Ley N° 20.643 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".

TAX RELIEF

Regime for the Purchase of Private Securities.

Law No. 20,643

Passed: January 25, 197.

Enacted: February 5, 1974.

WHEREAS:

THE UPPER AND LOWER HOUSES OF THE ARGENTINE NATIONAL CONGRESS, DULY ASSEMBLED, HEREBY PASS THE FOLLOWING LAW:

TITLE I

Tax Relief Regime for the Purchase of Private Securities.

SOLE CHAPTER

Section 1. — Individuals, undivided estates and stock corporations included in Section 63 of the Income Tax Act may calculate as down payment of tax for fiscal years 1974, 1975 and 1976A, pursuant to the tax bracket scale and percentage set forth below, the amounts deposited for the purchase of:

a) Common and preferred non-redeemable shares.

b) Debentures and bonds issued or guaranteed by the Corporation of Small and Medium-Sized Enterprises, the Argentine Development Bank (Banco Nacional de Desarrollo), Official Banks of Argentine Provinces and Investment Banks aimed at financing investments whose purpose is to decentralize the economy and promote regions and whose redemption term, as from the date of acquisition, is at least THREE (3) years.

c) Shares in mutual funds (Law No. 15,885). The acquisition of said securities shall be subject to the provisions set forth in the following sections.

During the first effective year of this law, the following shall be applied:

1. For individuals and undivided estates, the following scale shall be applied:

— Tax of up to ARS 150: on 100%.

— Tax from ARS 151 up to ARS 300: ARS 150 plus 20% on the surplus of ARS 150.

— Tax from ARS 301 up to ARS 1,000: ARS 180 plus 15% on the surplus of ARS 300.

— Tax from ARS 1,001 up to ARS 2,500: ARS 285 plus 10% on the surplus of ARS 1,000.

— Tax of more than ARS 2,501: ARS 435 plus 8% on the surplus of ARS 2,500.

2. For joint stock companies, regardless of the tax amount, three percent (3%).

Amounts resulting from applying the scale set forth in item 1 above and the percentage set forth in item 2 shall be reduced by one third for 1975 and by two thirds for the following year.

In no case shall the special deposits set forth herein be paid with documents or certificates of debt repayment or tax refund.

Section 2. — The deposits referred to in Section 1 above shall be made by calculating the authorized percentage on one of the following:

a) The total amount of the tax duty for the corresponding year, upon income resulting from the annual affidavit.

b) Each of the payments made during the fiscal year at the time they are made. For such purposes, payment shall only refer to:

1. Bank deposits, documents and certificates of debt repayment and of tax refunds related to payment of tax duties with respect to income tax.

2. Withholdings made to the taxpayers included in Section 78, Subsections a), b), c) and d) of the Income Tax Act.

In the case of items 1 and 2 above and even if the option to deposit has not been exercised in relation to the total amount of payments made in the fiscal year, taxpayers may, upon payment of tax resulting from their annual affidavit, invoke

the regime for the balance arising from taking the payment or payments for which said option had already been exercised from the total amount of the tax duty of the corresponding year.

If the balance payable resulting from the affidavit is less than the amount to be deposited arising from applying the foregoing regulations, the right to exercise the option on the difference between those amounts may be transferred to future fiscal years within the effective period set forth in Section 11.

Section 3. — The use of said deposit shall be subject to the following conditions:

a) At least fifty percent (50%) of each deposit plus any amount necessary to round off the amount of the transaction shall be allocated to the purchase of one of the following:

1. New issues of the securities set forth in Section 1 hereof to be allocated to investments in fixed assets and working capital related to said investment of Argentine capital companies making public offering of their securities under the terms of the Foreign Investment Act.

2. Shares in mutual funds specifically allocated to the subscription of new issues of securities set forth in the previous section and listed on the Stock Exchange.

3. Securities referred to in Section 1, Subsection b).

b) The remaining balance of each deposit may be allocated to one of the following:

1. The purchase of the outstanding securities set forth in Section 1 issued by Argentine capital companies listed on an Argentine Stock Exchange under the terms of the Foreign Investment Act.

2. The acquisition of shares in mutual funds, subject to the provisions set forth in Section 5.

The options stated in the paragraphs of each subsection may be exercised in part.

The Ministry of Finance shall be authorized to change, within the four-month periods referred to in Section 7, the percentage set forth in Subsection a) hereof, under the appropriate circumstances.

Notwithstanding the provisions of Section 1, Subsection b), the deposit shall not be used for acquiring shares of companies whose main activity is financial.

The total amount deposited for the purchase of securities included herein or shares in mutual funds may be used to pay, in addition to the price thereof, all expenses related to the regime authorized by the Tax Administration Department.

Section 4. — Stock corporations referred to in Section 1 may use the tax exemptions provided that the amount of investment in shares subject to this regime does not exceed ten percent (10%) of its capital, reserves and balances of accounting revaluations authorized by law, according to the last fiscal year closed on the date each payment subject to this regime is made.

Furthermore, in no case shall investments entailing possession by the company purchasing shares of said nature representing more than two percent (2%) of the capital of the issuing company be calculated for such purposes. In no case shall the company acquire its own shares.

Section 5. — Mutual funds receiving subscriptions of shares with funds resulting from the investments referred to in Section 1 shall govern their acquisitions with the aforementioned resources, in securities of the companies set forth in Section 3 listed on the stock exchange.

SECTION 6. — For the purposes set forth in Section 1, the interested parties shall deposit the amount allocated to the acquisition of securities or shares in mutual funds subject to the regime hereof in the accounts of the Argentine Development Bank, National Savings and Insurance Bank (Caja Nacional de Ahorro y Seguro) or commercial banks authorized for such purpose.

The authorized entities shall provide the Tax Administration Department (Dirección General Impositiva) and the Securities and Exchange Commission (Comisión Nacional de Valores) with information at their request.

The Central Bank of the Argentine Republic shall timely issue the corresponding supplementary regulations. The amounts deposited in accordance with this regime shall not accrue interest.

Section 7. — The entities authorized to receive the aforementioned deposits shall issue, within TWO (2) business days following the request by the interested parties, nominative and non-transferable payment orders, stating the type of investment to be made under the conditions set forth in Section 3 according to the option exercised by the depositor in this regard.

In order to fulfil this requirement, the calendar year shall be divided into four-month periods.

Deposits of four-month periods shall be used within the corresponding four-month period or the next four-month period.

The Ministry of Finance, based on the opinion of the Securities and Exchange Commission, may change the term set forth for the use of deposits, by virtue of the appropriate market situation.

Ninety percent (90%) of the amount corresponding to the tax privileges hereof not used within the last period set forth above shall be deposited in the Central Bank of the Argentine Republic, so that said bank allocates them to financing through advances to investment banks, financial companies and from these to the Corporation of Small and Medium-Sized Companies for the pre-financing and placement of issues of securities of those set forth in Section 1, Subsections a) and b).

The remaining ten percent (10%) shall be used to promote the system and as guarantee fund aimed specifically at backing stock brokers liability against their principals. The distribution of said ten percent (10%) shall be determined by the Securities and Exchange Commission and amended when said body deems it appropriate.

The Securities and Exchange Commission shall schedule the promotion of the system. The guarantee fund shall be managed by the securities markets under the supervision of the aforementioned body.

Section 8. — Securities and shares in mutual funds that are acquired for the purposes of enjoying tax relief shall remain deposited in the Argentine Development Bank, the National Savings and Insurance Bank or the commercial banks authorized for such purpose, for THREE (3) years as from the date of acquisition, without the right to an advance sale.

Securities shall be deposited in the same entity where the tax relief deposit was made.

Depositors may transfer in full the amounts or securities deposited to another entity authorized hereunder to receive deposits or, in relation to securities, to the Caja de Valores (Collective Deposit Agent) created by this law. The original date on which deposits were made shall be recorded when making the transfer.

The deposit shall not prevent the exercise of the right to vote, the collection of dividends, the subscription of new issues or the free disposal of securities resulting from such acts.

Taxpayers may order the total or partial sell-off of the securities deposited, under the condition to simultaneously order the investment of the total net proceeds arising in the purchase or subscription of securities set forth in Section 1, and the original term on unavailability shall govern.

Purchase and sale operations shall be completed within the four-month period in which they are ordered. Funds not reinvested within said term shall be allocated as set forth in Section 7.

Section 9. — Underwriters of securities who qualify for the benefits granted by the general or special regimes for the promotion of economic activity may choose to use the tax relief set forth herein in relation to such securities provided that they waive the benefits granted by said regimes regarding such securities.

Companies benefiting from these regimes may only enjoy the tax relief hereof, in relation to tax payments corresponding to profits not arising from the promoted activity.

Section 10. — No deposits shall be made for the purchase of securities under the regime hereof for less than ten pesos (ARS 10), notwithstanding the provisions of Section 2, last paragraph.

Balances of less than ten pesos (ARS 10) not used at the end of each expiration date shall remain until the end of the first four-month period of the following year and, if not used, they shall be allocated as set forth in Section 7.

The Tax Administration Department shall govern the procedure in the case of withholdings made to the taxpayers included in Section 78, Subsections a), b), c) and d) of the Income Tax Act.

Section 11. — This regime shall be applied to individuals and undivided estates for fiscal years 1974, 1975 and 1976 inclusive and, to the companies included in

Section 63 of the Income Tax Act, for fiscal years closed between January 1, 1974, and December 31, 1976, with the deductions set forth in Section 1 hereof.

In no event shall the tax relief be invoked for payments made, for any reason, after ONE (1) year as from the general expiration date corresponding to the last fiscal year included herein.

SECTION 12. — The Ministry of Finance shall issue a resolution listing the companies whose securities may be acquired with deposited funds, and shall be entitled to provide the instructions that it deems appropriate.

Companies shall prove that all requirements are met to qualify as Argentine capital companies under the terms of the Foreign Investment Act after the term for the conversion of bearer shares into registered ones has expired, in accordance with the provisions hereof and within the term set forth by the Ministry of Finance.

Provided that the aforementioned takes place, companies included as of the enactment date hereof under the regime of Decree-Law No. 19,061/71 shall be added to the list, excluding those in relation to which there was evidence of the participation of foreign investors representing twenty percent (20%) of their capital or a higher percentage. If companies become aware of the participation of foreign investors representing said percentage, they shall immediately notify it.

Section 13. — Mutual funds whose shares may be acquired with funds from the system shall be managed by Argentine capital management companies, under the terms of the Foreign Investment Act.

Within the term set forth in Section 12, management companies shall prove before the Ministry of Finance that all requirements referred to in the previous paragraph have been met.

Within the same period, management of said funds may be transferred to management companies that prove to have met such requirements.

Section 14. — The companies included herein may absorb funds hereof through underwritings up to a maximum amount of their capital, per calendar year, pursuant to the following scale:

Up to ARS 2,000,000	50%
From ARS 2,000,001 Up to ARS 10,000,000	ARS 1,000,000 plus 45% on the surplus of ARS 2,000,001.
From ARS 10,000,001 Up to ARS 20,000,000	ARS 4,600,000 plus 40% on the surplus of ARS 10,000,001.

From ARS 20,000,001 Up to ARS 40,000,000	ARS 8,600,000 plus 30% on the surplus of ARS 20,000,001.
From ARS 40,000,001 Up to ARS 80,000,000	ARS 14,600,000 plus 20% on the surplus of ARS 40,000,001.
From ARS 80,000,001 Up to ARS 160,000,000	ARS 22,600,000 plus 15% on the surplus of ARS 80,000,001.
More than ARS 160,000,001	ARS 34,000,000 plus 10% on the surplus of ARS 160,000,001.

In specific cases, the Ministry of Finance may extend the maximum amount to be absorbed from the tax relief funds based on the issuing entity, compliance of the investment project with the general policies on promotion, the general conditions of the market and the system's funds available.

Section 15. — The companies referred to in the provisions hereof shall offer the subscription of new issues of shares for a nominal value equivalent to at least five percent (5%) of their paid capital stock per calendar year, as from January 1, 1974.

Otherwise, they shall be suspended from the list of qualified companies by resolution of the Securities and Exchange Commission.

Suspension shall be rendered ineffective if an issue is made to subscribe the aforementioned minimum amount whose public offering is authorized. This provision shall be regulated by the Securities and Exchange Commission.

Section 16. — In new issues, funds arising from the application of the system shall only be used under the following conditions:

- a) If the company's share price is ten percent (10%) or more below par, pursuant to Decree-Law No. 19,060/71.
- b) If the share price is twenty percent (20%) or more above par, with a premium.

The Securities and Exchange Commission shall regulate the application of this section in such a way that the subscription price equals at least eighty percent (80%) of the market price.

Section 17. — The provisions set forth in the previous section shall only be applied to the issues of securities of the companies included herein, decided by shareholders at meetings held after the enactment hereof.

Section 18. — The Tax Administration Department shall be in charge of the application and auditing of the regime set forth under this Title, which shall be governed by the provisions of Law No. 11,683, text ordered in 1968, as amended.

Reversion of the funds deposited before their investment in shares shall only take place upon prior certification by said body.

SECTION 19. — Deposits arising from the tax relief set forth in Decree-Law 19,061/71, as amended, may be used pursuant to the provisions hereof.

TITLE II

Issues Below Par and Convertible Bonds. Amendments.

Section 20. — Section 3, Section 6, Subsection 2, Section 11 and Section 17, first paragraph, of Decree Law No. 19,061/71 shall be replaced by the following:

Section 3. — The issue, timing, manner, characteristics and payment conditions shall be proposed by the board of directors and decided by shareholders at a Special Meeting. Each share, regardless of their class, shall represent one vote for said decision.

Section 6, Subsection 2. — The Securities and Exchange Commission shall approve the aforementioned issues, provided that they are consistent based on the examination of the documents submitted and any clarifications required.

Section 11. — The issue shall be decided by shareholders at a Special Meeting. Each share, regardless of their class, shall represent one vote for said decision.

The decision shall be published for one day in the legal newsletter of the company's headquarters. All shareholders shall have the preemptive right to subscribe the issue, which shall be exercised within thirty days as from publication.

Section 17, first paragraph. — After shareholders at a meeting decide to issue bonds and until conversion occurs, the company shall not amortize its capital. All aspects related to the amendment of the nominal value of shares, the allocation or capitalization of reserves or the amendment of the system for the allocation of profits shall be regulated by the Executive Power for the purpose of protecting the rights of bondholders.

Section 21. — Section 3 of Decree-Law No. 19,060/71, which shortens the term to exercise the preemptive right to thirty (30) days, is hereby amended.

TITLE III

Registration of Private Securities.

Chapter I

Applicable Regime.

Section 22. — All private securities issued in series in Argentina and all provisional certificates representing them shall be registered and non-endorsable. Book-entry shares may also be issued pursuant to the provisions set forth in Companies Law No. 19,550 (revised text, Decree No. 841/84).

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

(Section replaced by Section 1 of [Law No. 23,299](#), O.G. 11/8/1985)

Section 23. The transfer of the securities referred to in the foregoing section and all real property rights thereon shall be included in the securities, provided that these exist, shall be filed with the corresponding registry and the issuer shall be notified.

The foregoing actions shall only produce effects against the issuer and third parties as from the registration date.

Regulations shall provide all certificates that must appear in the title, if applicable, and in the registry about the methods of each transaction and data of the parties involved. Notwithstanding the foregoing, the provisions on book-entry shares set forth in Companies Law No. 19,550 shall be applied.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

(Section replaced by Section 1 of [Law No. 23,299](#), O.G. 11/8/1985)

Section 24. — Precautionary measures on securities referred to herein shall become effective after the issuer is notified and they are registered with the corresponding registry.

Said precautionary measures shall not affect the negotiations that may have actually taken place in securities markets on listed securities if by the date such operations take place they have not been notified also to the corresponding market.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 25. — Registered securities may include bearer coupons, which shall state the number of the security to which they belong.

It is presumed without admitting evidence to the contrary, and for all purposes, that coupons belong to the individual under whose name the corresponding security is registered. Notwithstanding the foregoing, the bearer of coupons entitling the subscription of new shares may require that these be issued directly under their name.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 26. — Public or private bearer securities issued abroad and authorized to be included in a public offering in Argentina shall be deposited in a financial entity, which shall provide in exchange registered certificates representing such securities.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

CHAPTER II

Conversion.

Section 27. — Bearer securities outstanding as of the effective date hereof shall be submitted for conversion into non-endorsable registered securities or book-entry shares provided that this is set forth in the bylaws. Endorsable securities shall be converted into non-endorsable securities by operation of law at the expiration of the conversion term.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

(Section replaced by Section 1 of [Law No. 23,299](#), O.G. 11/8/1985)

Section 28. — Private bearer securities that have not been submitted for conversion shall not be transferred or encumbered and the rights related thereto shall not be exercised.

Bearer of securities not converted after the term set forth shall pay the equivalent of twenty percent (20%) of their book value, as penalty, and the same duty shall correspond for each subsequent year.

In the case of securities approved for listing, the closing price considered shall be the one existing on the day before expiration of each of said terms, if it is higher than their book value.

After four years, unconverted bearer securities shall be paid and the issuer shall issue other securities and temporarily place them under the Tax Administration Department. This body shall auction said securities by means of the public procedure set forth in the corresponding regulations. After expenses have been paid, the amount of unpaid penalties and their interest shall be paid and the balance shall be credited to the individual who proves to have been the holder of the unconverted share.

Proceeds accrued from replaced securities shall be collected by the Tax Administration Department, against which no motion to dismiss based on statute of limitation that may have been applied as from the date on which the conversion

had taken place shall be filed. Such amounts shall be allocated similarly as set forth in the previous paragraph.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 29. — Issuers who admit having exercised the rights set forth in the foregoing section arising from unconverted securities within the terms set forth herein or from coupons related to them shall be subject to a fine equivalent to double the amount of payments illegally made or to the one provided for in the previous section if non-proprietary rights were exercised. The foregoing shall also be applied to financial entities and stock brokers and over-the-counter brokers who participate in the negotiation of unconverted securities within the term set forth.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

CHAPTER III

Caja de Valores (Collective Deposit Agent)

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 Caja de Valores (Collective Deposit Agent) 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) Caja de Valores (Collective Deposit Agent). 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 Caja de Valores (Collective Deposit Agent).

(Section replaced by Section 156 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 31. — The Caja de Valores (Collective Deposit Agent) 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. Including, without limitation, 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 replaced by Section 157 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) shall have adequate proceedings and management control systems in order to fulfill their duties.

(Section added by Section 158 of [Law No. 27,440](#) O.G. 5/11/2018)

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 replaced by Section 159 of [Law No. 27,440](#) O.G. 5/11/2018)

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 replaced by Section 160 of [Law No. 27,440](#) O.G. 5/11/2018)

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 replaced by Section 161 of [Law No. 27,440](#) O.G. 5/11/2018)

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 replaced by Section 162 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 36. — In the case of marketable security issued of record, they shall not be damaged or subject to objection. The Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) shall notify the depositor within the term stated. Depositors shall be liable to the Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) having served the corresponding notice. The deposit shall not mean transferring the ownership of marketable securities to the Caja de Valores (Collective Deposit Agent) and shall only have the effects acknowledged herein. Upon execution of the contract, in the case of marketable securities, the Caja de Valores (Collective Deposit Agent) shall notify the issuer the deposit thereof for the purposes of recording them in the register book.

(Section replaced by Section 163 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 37. — Registered marketable securities shall be endorsable for the sole purpose of deposit and withdrawal thereof by the Caja de Valores (Collective Deposit Agent).

(Section replaced by Section 164 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 38. — The Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) shall replace similar records in the registries of issuers, with the same effect on said issuers and third parties.

(Section replaced by Section 165 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 166 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 167 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 41. — Collective deposits shall not transfer the ownership or use of the securities deposited to the Caja de Valores (Collective Deposit Agent), 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 replaced by Section 168 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 42. — The Caja de Valores (Collective Deposit Agent) 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 deposited respectively.

(Section replaced by Section 169 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 43. — The Caja de Valores (Collective Deposit Agent) shall always undertake liability arising from its duties.

(Section replaced by Section 170 of [Law No. 27,440](#) O.G. 5/11/2018)

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

(Section replaced by Section 171 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 45. — *(Section repealed by Section 172 of [Law No. 27,440](#) O.G. 5/11/2018)*

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

(Section replaced by Section 173 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 174 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 48. — When issuing certificates, the Caja de Valores (Collective Deposit Agent) 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 replaced by Section 175 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 49. —By virtue of the collective deposit, the Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent).

(Section replaced by Section 176 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 177 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 51. — In the event of redemption by drawing, the resulting amount shall be apportioned based on the value of the securities of each principal.

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 Caja de Valores (Collective Deposit Agent) where they shall keep sufficient funds.

The Securities and Exchange Commission shall set regulations for the liquid balances of money that the Caja de Valores (Collective Deposit Agent) administers in compliance with its duties.

(Section replaced by Section 178 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent). 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 replaced by Section 179 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 54. — The Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent), 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 Caja de Valores (Collective Deposit Agent) 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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 180 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent) 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 replaced by Section 181 of [Law No. 27,440](#) O.G. 5/11/2018)

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 Caja de Valores (Collective Deposit Agent), 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 replaced by Section 182 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 57. — *(Section repealed by Section 183 of [Law No. 27,440](#) O.G. 5/11/2018)*

Section 58. — The Argentine Executive Power may create an entity to perform the duties of the Caja de Valores (Collective Deposit Agent).

(Section replaced by Section 184 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 59. — The Securities and Exchange Commission is in charge of auditing, supervising and registering the Caja de Valores (Collective Deposit Agent) 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 replaced by Section 185 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 60. — Fees received by the Caja de Valores (Collective Deposit Agent) and the depositors for rendering of services shall be exempted, pursuant to the maximum amounts set forth by the Securities and Exchange Commission.

(Section replaced by Section 186 of [Law No. 27,440](#) O.G. 5/11/2018)

CHAPTER IV

General and Temporary Provisions.

Section 61. — Members of the administrative and supervising bodies of the Caja de Valores (Collective Deposit Agent) 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 26,831, as amended.
- b) The Securities and Exchange Commission when performing its duties.

The bodies in charge of collecting national taxes and other public entities under Law 26,831, as amended, pursuant to the requirements established therein.

(Section added by Section 187 of [Law No. 27,440](#) O.G. 5/11/2018)

Section 62. — Liens, penalties and fines set forth herein shall be governed by the provisions of Law No. 11,683 and their application, collection and auditing shall be in charge of the Tax Administration Department.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 63. — Conversion operations provided for herein shall be exempt from all taxes.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 64. — Provided that the Caja de Valores (Collective Deposit Agent) is not qualified, for technical reasons, to keep the books and manage the principals' sub-accounts, the Securities and Exchange Commission may authorize Banks and Argentine financial companies included in Decree-Law No. 18,061/69 and the National Savings and Insurance Bank to perform such duties. Accounting entries made in said cases shall have the effects set forth in Section 39.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 65. — National banks and Argentine financial companies and the National Savings and Insurance Bank, in the case set forth in the previous section, shall perform the same duties and shall have the same obligations as the Caja de Valores (Collective Deposit Agent) regarding their principals' sub-accounts and shall not invoke the confidentiality set forth in the Financial Institutions Law.

(Section repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security".)

Section 66. — Sections of the Commercial Code and any other regulation shall not be applied if a conflict arises between them and this law. The provisions set forth herein are applicable by operation of law to regular companies incorporated at its effective date, without need to amend their agreements, bylaws, registration or advertising.

TITLE IV

Tax on the Sale of Securities Repealed.

SOLE CHAPTER

Section 67. — Tax on the sale of securities created by Decree-Law No. 11,452/62, ratified by Law No. 16,478, is hereby repealed.

Section 68. — Be thus notified to the Executive Power.

(Infoleg Note: Section 218 of [Law No. 27,440](#), O.G. 5/11/2018, sets forth that wherever reference is made herein to the term "visible person" or "physical person" it should read "individual" and wherever it reads "Ministry of Economy", "Ministry of Economy and Production" or "Ministry of Economy and Public Finance" it should read "Ministry of Finance".)

Passed at the House of the Argentine Congress, in Buenos Aires, on this twenty-fifth day of the month of January of the year one thousand nine hundred and seventy four.

J. A. ALLENDE	R. LASTIRI
Aldo H. I. Cantoni	Ludovico Lavia.

— Registered under No. 20,643 —

Previous Regulations

- Section 61 repealed by Section 39 of [Law No. 23,697](#), O.G. 9/25/1989, with the following: "Regulations set forth in the first paragraph hereof shall remain valid in relation to the categories of legal entities whose purpose or activity affects, in the opinion of the Argentine Executive Power, public interest, defense or security."

- Section 61 replaced by Section 1 of [Law No. 23,299](#), O.G. 11/8/1985.

- Section 61, paragraph added by Section 29 of [Law No. 20,954](#) O.G. 1/13/1975.