

LEGAL WARNING

"The following English translation of the Foreign Investment Law No. 21,382 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 Inversiones Extranjeras N° 21.382 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.

**LAW No. 21,382
Foreign Investment Law**

Official restated text as of September 1993

Article 1. Foreign investors that, utilizing any of the companies referred to in article 3, invest capital in the country promoting, supplementing or developing economic activity, will have the same rights and obligations that the Argentine Constitution and the laws grant to domestic investors, subject to the terms of this law and specially sanctioned promotional statutes.

Article 2. The following definitions will be used in this law:

1. Foreign capital investment:

a) All capital contributions owned by foreign investors applied to economic activities performed in the country.

b) The acquisition by foreign investors of a portion in the capital of an existing domestic company.

2. Foreign Investor: All natural and legal persons residing outside of Argentine territory, the holder of a foreign capital investment, and domestic companies of foreign capital as defined in the next section of this article when investing in other domestic companies.

3. Domestic company of foreign capital. All companies domiciled within the territory of the Republic, in which natural or legal persons domiciled outside of the Republic are direct or indirect owners of more than 49% of the capital or directly or indirectly control the number of votes necessary to prevail in stockholders or partners meetings.

4. Domestic company of domestic capital: All companies domiciled within the territory of the Republic, in which natural or legal persons also domiciled within the Republic are direct or indirect owners of not less than 51% of the capital and directly or indirectly control the number of votes necessary to prevail in stockholders or partners meetings.

5. Domicile: As defined in Articles 89 and 90 of the Civil Code.

Article 3. Foreign investments can be made in:

1. Freely exchangeable foreign currency.
2. Capital goods, their parts and accessories.
3. Earnings or capital in domestic currency owned by foreign investors, whenever lawfully transferable abroad.
4. External credits swaps in freely exchangeable foreign currency.
5. Intangible goods, in accordance with specific laws.
6. Other forms of contributions established in specially sanctioned promotional statutes.

Article 4. Regulations pursuant to this law will be approved by an administrative agency under the Ministry of Economy and Public Works and Services, with a rank not inferior to Undersecretariat, and that acting as the Administrative Authority will establish its structure, functions and faculties.

Article 5. Foreign investors are entitled to transfer abroad liquid earnings realized as a result of their investments, as well as repatriate their capital.

Article 6. Foreign investors are entitled to utilize any of the corporate structures recognized by national laws.

Article 7. Domestic companies of foreign capital may access domestic credit sources with the same rights and conditions as domestic companies of domestic capital.

Article 8. Temporary capital contributions made pursuant to contracts dealing with goods, works and services or others are not subject to this law but will be governed by the terms agreed in the respective contracts in accordance to applicable laws, notwithstanding which the owners of such contributions may choose to make their investments within the terms of this law.

Article 9. Binding agreements between a domestic company of foreign capital and the company that directly or indirectly controls it or another subsidiary of the latter will be considered, for all purposes, entered into by independent parties when their terms and conditions conform to common market practices among independent entities.

Article 10. Laws 20.557, 20.575, and 21.037; Decrees 413/74 and 414/74 and general rules issued pursuant to them are hereby abrogated. This law will be applicable to all pending proceedings under the aforementioned laws.

Decree N° 1853/93

Article 1. The official restatement of Law 21.382 on Foreign Investment as amended by Laws 23.697 and 23.760, is hereby approved as enclosed with this decree.

Article 2. Foreign investors are entitled to make investments without prior approval, under the same conditions as investors domiciled within the country.

Article 3. For purposes of article 2, sections 2 of Law 21.382, the definitions of foreign investor includes Argentine natural or legal persons domiciled outside of the national territory.

Article 4. For purposes of Laws 21.382 and 23.697, economic or productive activities include all industrial, mining, agricultural, commercial, financial, service, and other activities related to the productions or trade of goods and services.

Article 5. The right of foreign investors to repatriate their capital and transfer abroad their realized liquid earnings, can be exercised at any time.

Article 6. Except for the setaside mandated by law, the portion of voluntarily or statutorily constituted reserves owned by foreign investors in a domestic company, or those resulting from reappraisals or accounting updates, will not be considered reinvestment of foreign capital.

Article 7. Pursuant to article 15 of Law 23.697, the prior approval required by article 2 of Law 22.426 on Technology Transfers is no longer in effect.

Article 8. For purposes of article 3 of Law 22.426 on Technology Transfer, all agreements entered into by independent companies as well as those entered into by a domestic company of foreign capital and the company that directly or indirectly controls it, or other subsidiary of the latter, must be registered with the National Institute for Industrial Technology exclusively for statistical purposes.

Article 9. The Commerce and Investment Secretariat at the Ministry of Economy and Public Works and Services will be the enforcement authority of this law.

Article 10. The duties of the enforcement authority will be:

- a) To gather statistical information on foreign investments;
- b) To issue interpretive rules and to take other action necessary to enforce Law 21.382 (September 1993 Restatement) and the regulations approved herein.

Article 11. The enforcement authority will issue interpretive and implementing rules pursuant to this decree, and is expressly granted powers to determine the scope of the rules approved hereby.

Article 12. Decree 1225 of November 14, 1989 is hereby abrogated.

Article 13. To be communicated, published, given to the Official Register and archived. - MENEM - DOMINGO F. CAVALLO.

The English version of this brochure has been provided by the Commerce and Investment Secretariat at the Ministry of Economy and Public Works and Services for general information purposes.

The only legally valid text is the official version of the law, as published in Spanish in the Official Gazette of September 8, 1993.