



Dear all,

We are pleased to send you this brief report with a summary of the contents of Decree 27/2018 published in the Official Gazette on January 11, 2018.

Using the measures in question of the abovementioned regulation, the Government of the Argentine Republic intends to reduce the number of procedures that companies must implement in order to operate in the country, seeking to be more efficient, and consequently saving time: in other words, eliminating state bureaucracy and streamlining the procedures that a person must implement in the State.

Implementing this set of regulations will not require a law passed by the Congress of the Nation, since an emergency decree (Decreto de Necesidad y Urgencia, DNU) was directly published in the Official Gazette repealing by the National Industrial Registry (Registro Industrial de la Nación, RIN). The DNU encompasses 170 measures included in 22 chapters in the administration areas of eight ministries: the ministries of Modernization, Production, Labor, Finance, Transport, Culture, Agro-Industry and Energy. It also comprises two decentralized authorities, the Agency for the Administration of State Assets (Agencia de Administración de Bienes del Estado, AABE) and the National Social Security Administration (Administración Nacional de la Seguridad Social, ANSES), as well as the Central Bank.

Moreover, it includes several regulations regarding the broadening of the scope of the digital signature, the authorization of ports, the creation of a Trust Fund for the development of venture capital, and the regulation of the circulation of works of art. The National Civil Aviation Administration (Administración Nacional de Aviación Civil, ANAC) would become a State-owned company to deregulate the market of air navigation, and it will report to the Argentine Air Navigation Company (Empresa Argentina de Navegación Aérea, EANA), a company of the Ministry of Transport (of Argentina) in charge of providing air navigation services in the Argentine Republic and its territorial waters.

All of these changes reflect the intention of the Government to become a member of the Organization for Economic Co-operation and Development (OECD).

The fact is that the Government published a decree which reduces the procedures to be implemented by companies to operate in the country, while allowing for new practices in the finance and transport industries, aimed at reducing costs and gaining competitiveness.

The initiative also intends for motor companies not to request authorization to settle in the country, while simplifying and speeding up the process of obtaining trademarks and patents, allowing for the submission of digital photographs and drawings. In addition, disputes may be settled in 60 days



without attending the Court, something that used to take between three to five years.

All of the above is within the framework of what has been called a “Plan for the De-bureaucratization and Reform of the State”.

In short, the measures published are as follows:

CHAPTER I
NATIONAL SERVICE OF AGRIFOOD HEALTH AND QUALITY (SENASA)

- The laws intended to preserve animal health and the protection of species of vegetable origin not compatible with the principles of the Policy of regulatory simplification, which matters have been subject to superior regulations, have been repealed.

CHAPTER II
CORPORATIONS

- The National Registry of Joint-stock Companies shall be regulated by the Ministry of Justice and Human Rights of the Nation.

- Corporate activities of the quasi-partner or nominal partner and the silent partner are hereby forbidden; infringement of what is stipulated herein shall create unlimited, subsidiary, joint and several liability for said parties.

- Corporate and accounting records must be kept through the Digital Databases.

- National Records shall be publicly available for consultation in electronic formats.

- The limitation of subsection 1 of Section 299 of the General Law of Corporations (regarding corporations that launch an initial public offering of stock or debentures) for the incorporation of Simplified Joint-Stock Companies.

CHAPTER III
TRUST FUND FOR THE DEVELOPMENT OF VENTURE CAPITAL

- A single definition of Micro-, Small-, and Medium-sized Enterprises (MSMEs) is established to simplify the process of access to various procedures.

CHAPTER IV
PORT ACTIVITIES

- The authorization requirements of all commercial or industrial ports are hereby established.



- The disciplinary regime to which breaches of the legal or regulatory provisions are committed by the holders of port administrations is amended.

CHAPTER V CIVIL AVIATION

- It is established that the Argentine Air Navigation Company, State-owned company (EANA S.E.) shall be the sole public service provider of air navigation, and the coordination and monitoring of the operation of air traffic control, thereby dissolving the National Directorate of Air Traffic Control.

CHAPTER VI TRANSIT AND ROAD SAFETY

- The broadening of the powers of the National Road Safety Agency is hereby established, enabling said authority to verify traffic violations.
- The powers, objectives and functions of the Agency for the Control of Public Thoroughfare Concessions is transferred to the National Directory of Roads, thereby dissolving the former.
- The National Directory of Roads shall be the Competent Authority for thoroughfare concession contracts in force and those awarded in the future.
- The circulation of public motor vehicles for passenger transportation non-compliant with the requirements set forth by the national competent authorities is hereby forbidden for traffic circulation in the national jurisdiction across the entire National Territory.
- The use of the configuration of road train vehicles (formation comprised of a truck and two trailers) is hereby regulated.

CHAPTER VII LEGAL METRIC SYSTEM

- The definition of the Argentine Legal Metric System (Sistema Métrico Legal Argentino, SIMELA) is adapted in order to include the recommendations made by the General Conference on Weights and Measures after its Fourteenth Assembly.

The competencies are established in the Secretariat of Commerce to set the periodicity of the comparison of measurement instruments, and to dictate the regulation of specifications and tolerances for measurement instruments and law enforcement. These powers were previously attributed to the national Executive Branch.

- The record of measurement instruments is subsumed to the existing National Registry of the Ministry of Production (Registro Único del Ministerio de Producción, RUMP).

CHAPTER VIII
TRADEMARKS AND PATENTS

- The requirements for the procedures included in the laws under the jurisdiction of the National Institute of Industrial Property, Law 24,481 on “Patents for Inventions and Utility Models”, Law 22,362 on “Trademarks and Designations” and Decree-Law 6673/1963 on “Industrial Models and Designs” are hereby modified to promote the de-bureaucratization of procedures and the adaptation to the submission of documents in digital platforms.

CHAPTER IX
ARGENTINE GUARANTEE FUND

- The Guarantee Fund for Micro-, Small- and, Medium-sized Enterprises (Fondo de Garantía para la Micro, Pequeña y Mediana Empresa, FOGAPYME), created by Law 25,300, is amended so that it may expand its market and award guarantees not only to Micro-, Small-, and Medium-sized Enterprises, but also to every company in the Argentine economy.

CHAPTER X
MUTUAL GUARANTEE CORPORATIONS

- The modernization, simplification and expansion of the scope of application for Mutual Guarantee Corporations is enabled, to award guarantees not only to all micro-, small-, and medium-sized enterprises of the economy, but also to companies and third parties in general.

- Equal conditions are established between private and public banking in relation to the operational limits of the system.

CHAPTER XI
DIGITAL SIGNATURE

- Responses to official letters from the court shall be made exclusively through the Electronic Document Management System (Gestión Documental Electrónica, GDE).

- The scope of the digital signature is hereby expanded.

CHAPTER XII
ENERGY

- Judicial decisions of the National Gas Regulatory Authority (Ente Nacional Regulador de Gas, ENARGAS) may be appealed before the Federal Court of Appeals of the location where the service, which is the subject matter of the dispute, is provided. It was previously established that the decisions were appealable only before the National Court of Appeals in Administrative Federal Matters of the Autonomous City of Buenos Aires.

CHAPTER XIII
WORKS OF ART

- Works of art may be exported as accompanying luggage, with no further procedure than submitting a Notice of Export before the Ministry of Culture or a special license, in the case of works of art from artists deceased for over fifty years, without the need for authorization from Customs.

CHAPTER XIV
PROMOTION OF LABOR

- The permanence periods in the Public Registry of Employers with Labor Sanctions (Registro Público de Empleadores con Sanciones Laborales, REPSAL) is amended.

CHAPTER XV
ADMINISTRATION OF STATE ASSETS

- In case of “lack of specific taxation, improper use, underuse or unnecessary nature” of plots of land belonging to the Argentine Army, the Agency for the Administration of State Assets (AABE) may manage or dispose of said land pursuant to its competencies.

CHAPTER XVI
SUSTAINABILITY GUARANTEE FUND

- The ANSES is hereby authorized, in its capacity as Administrator of the Sustainability Guarantee Fund (Fondo de Garantía de Sustentabilidad, FGS) of ANSES, to create and/or restructure trust funds, financial or other, lease or lend titles and shares and, in general, perform any other activity characteristic of the financial and stock markets as permitted by the regulatory authorities.

CHAPTER XVII
TENDERS FOR PUBLIC WORKS

- The means of dissemination of public tenders are hereby amended. The call for tenders, in addition to being announced in the Official Gazette of the Argentine Republic, shall be made via the official website of the agency acting as principal.

CHAPTER XVIII
INDUSTRY

- Law 19,971 for the creation of the National Industrial Registry is repealed.

CHAPTER XIX
INSURANCE

- Section 11 of the Law on Insurances No. 17,418 is amended, in order to contribute to the digitalization of the insurance industry.
- Law 13,003, regulating the collective life insurance for staff working for the State, is hereby repealed, granting the National Superintendence of Insurance the power to issue the regulations needed to award the staff working for the National State coverage in accordance with the current parameters governing such matters.

CHAPTER XX
FINANCIAL INTELLIGENCE UNIT

- Regarding the prevention of asset laundering and the financing of terrorism, amendments are promoted to simplify and streamline judicial proceedings, adapting the regulations in force to the operational reality of the Financial Intelligence Unit.

CHAPTER XXI
TRUST FUND OF SHARE CAPITAL

- Section 1 of Resolution 35/2015 of the Secretariat of Economic Policies and Development Planning, wherein the “Annual Income” is defined, indicating the income received by the trustee, is hereby amended, for having failed to consider extraordinary income.
- The means necessary to guarantee the development of micro-enterprises are awarded through the Trust Fund of Share Capital, adapting the terms of the Trust Contract.

CHAPTER XXII
ACCESS TO CREDIT - FINANCIAL INCLUSION

- The Consumer Protection Act is amended, establishing that the information provided to the consumer shall be made in the means determined by the vendor, except when the consumer chooses to receive information through physical means. If the means of communication cannot be ascertained, it must be electronic.
- Non-seizable amounts in remuneration accounts are set, and an amount above which the deposited amounts may be seized is established.
- The legal frameworks regarding checks, bills of exchange, promissory notes and credit/purchasing cards is hereby adjusted, to enable the admission, in addition to the digital signature, of other electronic means ensuring the authorship and integrity of the instruments signed by their holders and/or bearers beyond any doubt.



- A new funding mechanism for housing under construction is incorporated, consisting of financing the balance of purchase and sale agreement prices for sites, lots, plots of land or other real estate property already built, in compliance with the requirements set forth in Section 1170 of the Civil and Commercial Code of Argentina.

- In order to enable the foreign exchange market to have greater freedom for development, Sections 1 and 5 of Law 18,924 are amended, and Sections 2, 3, 4, 6 and 7 of Law 18,924 are repealed, with the purpose of providing greater flexibility to the system and increasing competition, allowing for the entry of new operators into the foreign exchange market, reducing the costs generated by the current system for the Central Bank of the Argentine Republic (Banco Central de la República Argentina, BCRA).

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