

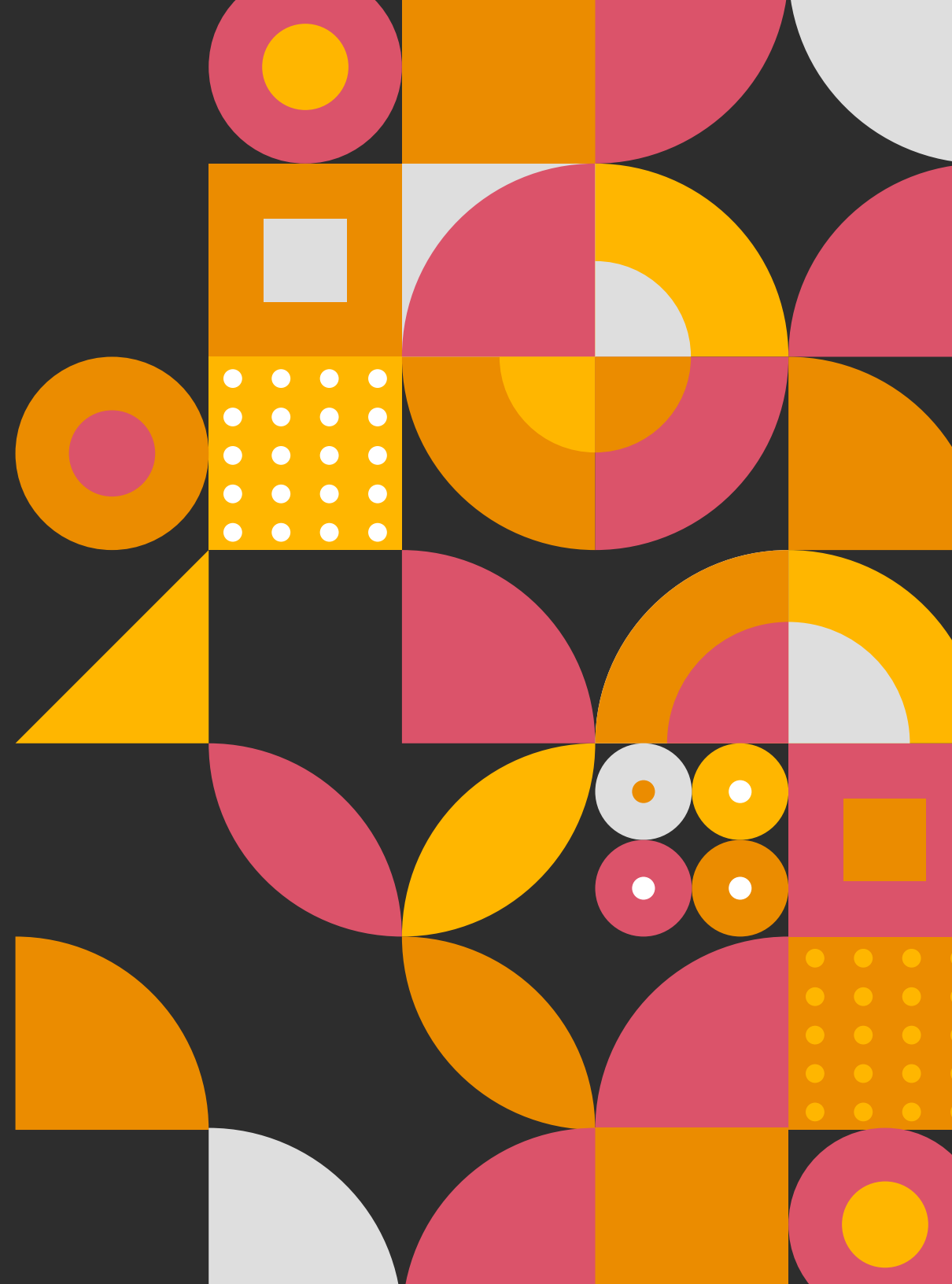


# Doing Business in Argentina

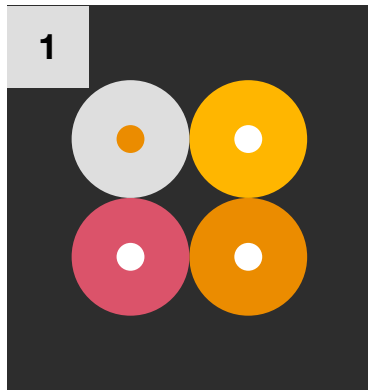
2023 onwards



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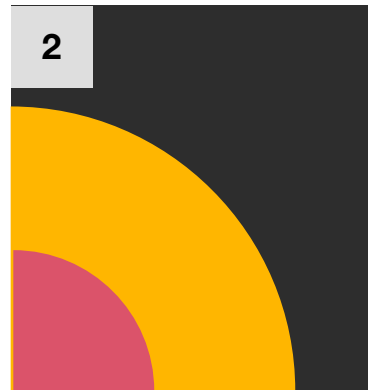


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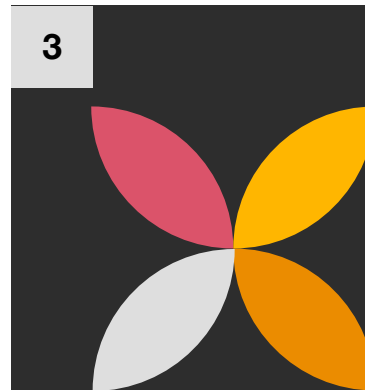
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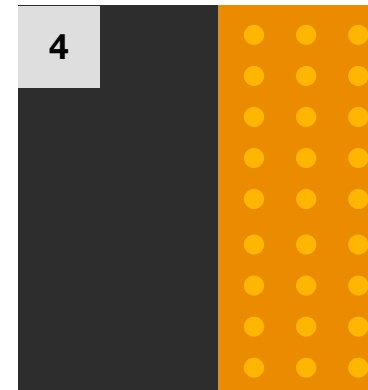
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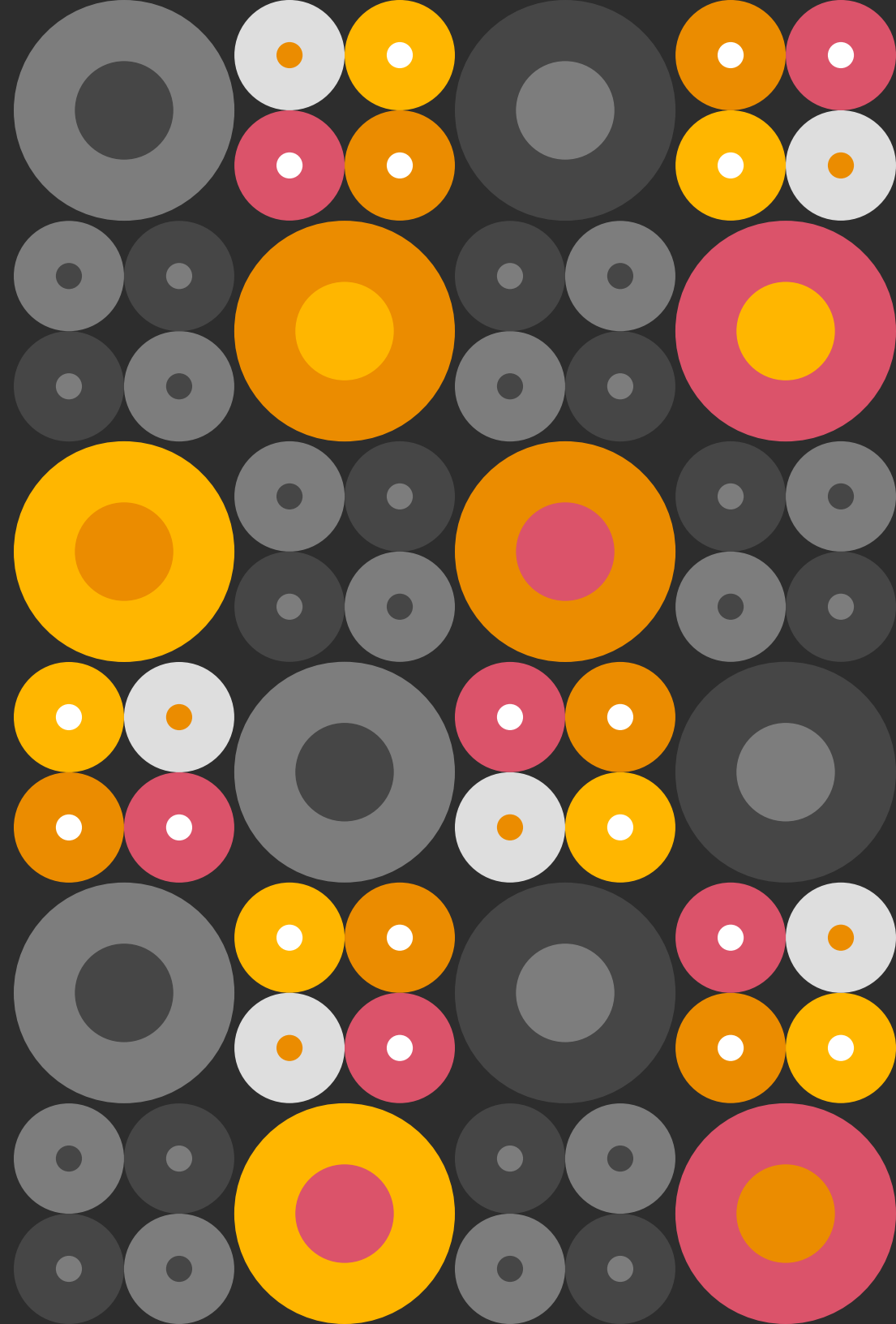
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# Geographical and Demographical Background





## Location

The Republic of Argentina is located in South America, between latitudes 23°S (Tropic of Capricorn) and 55°S (Cape Horn). The Andes separates the country from Chile to the west and Bolivia to the northwest; Paraguay lies directly to the north, with Brazil, Uruguay, and the South Atlantic Ocean to the east.



<sup>1</sup> Argentina has six major regions: Northwestern, Northeastern, Western (Cuyo), Central (Pampeana), Southern (Patagonia), and the Greater Buenos Aires metropolitan areas.



## Brief History of the Country

The history of Argentina began in 1776, with the creation of the Viceroyalty of the Río de la Plata, the name given to the colonial territories of Spain. In 1810, Argentina initiated a process that led to independence in 1816, although for over sixty years, there were internal battles for control of income from Customs, monopolized by the Province of Buenos Aires. After this period of civil war, the country began a process of modernization in 1880, with the creation of new public institutions and efforts to build a foundation to incorporate the country into the international system of division of labor as an agricultural commodity producer. At the beginning of the twentieth century, Argentina followed an agro-export economic model which turned it into a leader in the world economy. This model was based on three pillars: a) high prices of commodities, b) the incorporation of extensive croplands to the production process, and c) the incorporation of hundreds of thousands of relatively highly skilled immigrants to the labor market. Between 1930 and 1983, there was a period of institutional instability, characterized by rotating civilian and military governments.

In the thirties, the effects of the Great Depression severely affected the country, essentially due to a drop in trade and export volumes. From the beginning of the fifties into the seventies, Argentina changed its economic model to substitute imports, in an attempt to create an industrialized economy. In the seventies, under a new military regime, the country adopted an open economic model, eliminating mechanisms to protect industry. Once democracy returned in the early eighties, the country faltered in finding a clear path to growth. GDP was stagnant, as in most Latin American countries, with episodes of hyperinflation toward the end of the decade. At the beginning of the nineties, Argentina adopted a convertibility plan with a pegged exchange rate. Many of the country's public utility companies were privatized during this decade. After the 2001-2002 economic and social crisis, convertibility and the pegged exchange rate were abandoned and replaced with a controlled floating rate system. During the first decade of the twenty-first century, Argentina experienced rapid growth driven mainly by commodity exports. During the period 2003-2011, the country's GDP grew at an average rate of almost 8%. As from 2012, the economy

recorded a strong deceleration, with a 2012-2016 compound annual growth rate (CAGR) of 0.08%, always at constant prices. This drop was mainly caused by the growing imbalances in both the internal and external sectors.

During Mauricio Macri's presidency, the country returned to the international stage, and in 2018 Argentina chaired the G20, which is a key international forum with other countries for discussing and decision-making on adopting concrete solutions for the chief challenges of the global agenda. However, in the last two years of his administration (2018-2019), the country went into a recession. In December 2019, Alberto Fernández took office as Argentina's new president. Thus, after the sharp decline in the world's economy in 2020, 2021 was expected to be a year of recovery. Although the economy expanded in 2022, a number of macroeconomic imbalances continued to have an impact on the country. In 2023, there will be presidential elections, and the incoming administration will need to resolve them.





## The Climate

The climate varies from subtropical in the north to sub-Antarctic in the south, featuring a wide temperate belt between these two extremes. The city of Buenos Aires and most of the other main cities and industrialized areas are situated in this temperate region, where maximum summer temperatures average between 27° C (81° F) and 32° C (90° F), with temperatures occasionally exceeding 38° C (100° F). Winters are relatively mild, with occasional frost. Snow and prolonged frost are rare, except in the western mountainous areas and in the south.



## Mineral and Energy Resources

Energy resources: oil & gas, holding the world's fourth and second largest nonconventional reserves, respectively, and electricity, including generation from renewable resources, gold, copper, lithium, lead, zinc, natural borates, bentonite, clays, and construction stone.



## Education in Argentina

Public education in Argentina is free; however, to encourage high rates of school attendance, it is mandatory from the age of 4 to 18. Over twelve million students attend public and private schools and universities.



## Prominent Industrial Sectors in the Major Cities

Petrochemicals, steel, foodstuffs, textiles, metalworking, cement, other construction materials, printing and publishing, glass, pharmaceuticals, industrial gases, agrichemicals, tires for vehicles, basic chemical products, and sugar. Though Agriculture is the productive sector with the main and most dynamic assets, the knowledge-based economy is also a strong and promising area Argentina is focused on.

<b>Area<sup>2</sup></b>	2.78 million km <sup>2</sup>
<b>Population</b>	46.04 million (estimated 2022)
<b>Population per km<sup>2</sup></b>	16.6
<b>Population growth per year</b>	0,52%
<b>Urban population</b>	91%
<b>Form of government</b>	Republican, Representative and Federal
<b>Language</b>	Spanish
<b>Currency</b>	Argentine peso (\$)
<b>Political division</b>	24 autonomous provinces with their own political, administrative and economic administrations (23 provinces and the City of Buenos Aires)
<b>Capital city</b>	City of Buenos Aires

<sup>2</sup> Argentina is the second largest country in Latin America and the eighth largest in the world.

### Source:

INDEC. Estimates and projections made based on the results of the National Population, Households and Dwellings Censuses of 2010 and 2022.

Official website of the Argentine State, 2023 (Argentina.gob.ar)

Argentine Ministry of Education, yearbook of education, 2019.





## Political and Legal System

### Major government authorities since December 10, 2019:

<b>President<sup>3</sup></b>	Alberto Fernández
<b>Vice President</b>	Cristina Fernández de Kirchner
<b>Cabinet</b>	Cabinet appointed by the President

## Brief Description of the Legal Framework

Argentina has a federal, republican form of government. The federal government consists of an Executive Branch, headed by the President; a Legislative Branch in the form of a Congress, which is divided into two chambers: the Senate and the Chamber of Deputies; and a Judicial Branch. Provincial governments are generally organized along similar lines.

## Legislative Branch

The National Congress is made up of 72 seats in the Senate and 257 seats in the Chamber of Deputies. All members are elected by direct vote.<sup>4</sup>

<sup>3</sup> The President is both the Chief of State and Head of Government

<sup>4</sup> One-third of the members are elected every two years for a six- year term to the Senate, and one half of the members are elected every two years for a four-year term to the Chamber of Deputies.



## Economy

The outlook at the start of 2022 was uncertain and even more complex than that of 2021, both at a local and international scale. Reaching an agreement on debt refinancing with the IMF played a key role in the national sphere; meanwhile, in the global context, the invasion of Ukraine by Russia in February had unforeseen consequences.

By the end of March, the IMF Executive Board approved a new arrangement under the Extended Fund Facility, which allowed Argentina to obtain a new credit facility. With a 10-year repayment term and a four-and-a-half-year period, Argentina will start repaying the debt from 2026 until 2034. The disbursements under this agreement are tied to quarterly reviews of compliance with certain fiscal and monetary objectives. For 2022, those objectives included a primary fiscal deficit at 2.5% of GDP, funding through monetary issuance from the BCRA to the National Treasury of only 1% of GDP (later reduced to 0.8%), and accumulation of reserves for USD 5.8 billion (also reduced to USD 5.0 billion).

The state of affairs became even more complex in the second quarter of the year. In

addition to the BCRA's difficulty in increasing reserves, there was also the lack of energy, the import of which not only required dollars but also put higher pressure on the fiscal accounts, due to the subsidies granted. Moreover, in the first days of June, a massive sale of Argentine bonds in the secondary market triggered negative expectations and disturbed the fragile balance of the local financial market. With the fall in bond prices, the BCRA and other public agencies went out to buy public securities to maintain their price. However, this was not altogether harmless. The flip side was the BCRA issuing pesos that — although they were sterilized by LELIQs and swaps — increased the bulky liabilities, both interest-bearing and not.

The Minister of Economy's exit in the early days of July sped up uncertainty and mistrust. In the weeks to follow, the various changes of government officers were of little use for soothing the rough economic situation. By the end of July, new replacements in the Ministry of Economy managed to mitigate the uncertainty in financial markets, curbing to some extent the surge in the unofficial price of dollars

and the country risk, and improving the price of Argentine companies' shares in the stock market. Further, in August, a swap was achieved of the debt in pesos due in August, September and October 2022 for instruments maturing in June and September 2023. Adhesion was high, even at the cost of a better yield, given that the new instruments are adjusted by inflation or the exchange rate, whichever is higher.

During September, to achieve the reserve accumulation goal established with the IMF, the Government offered to soy producers a temporary, exceptional amelioration in the foreign exchange rate, as an incentive to promote the settlement of stocks exported. Once again, this measure was not free of monetary side effects, given that the BCRA resorted to issuance due to the net effect of purchasing dollars at the rate of ARS 200 – the one offered to the soy-producing sector – and selling them at the official exchange rate, which was lower.

Greater monetary issuance would result in accelerated inflation, which in July reached 7.4% per month. A monthly variation of this magnitude has not been recorded since 1991. In addition, the year ended with a year-on-year inflation of 94.8% in December, compared to the initial expectations of 55%.

As from September 2019, Argentina implemented an exchange control system, after the BCRA had faced the highest reduction in reserves in a month (August) since the foreign currency exchange balance started to be recorded in 2003. As to foreign exchange matters, the monetary authority decided to implement a crawling exchange rate policy in 2022 that lagged behind inflation for much of the year. Between December 2021 and December 2022, the official exchange rate devalued by 69.7% while prices rose by 94.8%.

The National Public Sector ended 2022 with a primary deficit of ARS 1.95 trillion (2.4% of GDP). The financial deficit amounted to ARS 3.45 trillion (4.2% of GDP). Thus, the fiscal objective agreed with the IMF for the year has been achieved (2.5% of GDP). As for the main results of tax revenues, we can mention increases of 106.3% in income tax, 80.8% in VAT net of drawbacks, 79.4% in social security contributions, and 62% in export duties. Furthermore, the main primary expenditure items recorded increases of 72.1% in social security and welfare payments, 69.6% in operating expenses and sundry expenses, and 54.9% in economic subsidies. As a result, total revenue grew by 70.6% during the year, hardly above the 70.5% increase in primary expenditure.



With regard to economic activity, the Monthly Economic Activity Estimator (EMAE) recorded an average increase of 5.2% in 2022, compared to 2021. Likewise, when analyzing sectoral behavior, it may be noted that 15 out of the 16 economic sectors showed surges in 2022 compared with the previous year. The sectors that recorded the highest increases are hotels and restaurants (34.6%), mine and quarry exploitation (13.5%), and other social and personal community services (8.9%). The only activities showing a negative year-on-year variation were agriculture, livestock, hunting and forestry (3.9%).

As regards international trade, exports of goods totaled USD 88.45 billion in 2022, which accounted for a 13.5% increase in US dollars compared with 2021. They benefited from the rise in prices (16.2%), while the amounts exported recorded a contraction (2.3%). Imports reached USD 81.52 billion, up 29% as against the previous year, recording an increase in terms of prices (16.3%) and quantities (11%). This resulted in a trade surplus of USD 6.92 billion.

Argentina reached the goals set with the IMF throughout the year, which allowed the disbursement of the funds agreed upon. However, warning signs are starting to show this year.

Since 2023 is an election year, greater uncertainty is expected and, therefore, more volatility. Moreover, the climatic phenomenon known as La Niña has caused droughts that negatively impact production levels for the third consecutive year. This situation is critical for the inflow of foreign currency in an economy that depends on exports of the oilseed and cereal crops sectors.

In this scenario of uncertainty, if the national macroeconomic results deviate from the objectives set for 2023 with the IMF, a renegotiation or readjustment could be proposed, as happened in February in connection with the reserve accumulation goal.





Year	Real GDP in pesos	GDP growth
2014	702.306	-2,5%
2015	721.487	2,7%
2016	706.478	-2,1%
2017	726.390	2,8%
2018	707.377	-2,6%
2019	693.046	-2,0%
2020	624.468	-9,9%
2021	688.561	10,3%
2022	725,346	5,2%

Balance of payments estimates		2014	2015	2016	2017	2018	2019	2020	2021	2022
Current account	<b>Total</b>	-9.179	-17.622	-15.105	-31.151	-27.084	-3.710	3.313	6.800	-3.788
	<b>Goods</b>	5.541	-785	4.416	-5.447	-743	18.228	14.631	18.696	12.353
	<b>Services</b>	-4.641	-5.815	-8.452	-9.695	-8.935	-4.865	-2.240	-3.476	-6.833
	<b>Interests</b>	-11.614	-12.105	-12.192	-16.380	-18.650	-17.892	-10.197	-9.927	-11.321
	<b>Current transfers</b>	1.535	1.083	1.123	371	1.245	819	1.119	1.508	2.013
Financial account	<b>Total</b>	-9.321	-18.498	-13.964	-31.273	-28.036	-5.069	3.667	5.078	-6.396
	<b>Net errors and omissions</b>	-198	-928	775	-295	-1.063	-1.542	177	-1.955	-2.785
	<b>Variation in international reserves</b>	1.195	-4.906	14.311	14.556	11.277	-21.375	-7.727	-106	6.920

Source: Based on data from the INDEC



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# Investment and Challenges in Argentina





## Investment Climate

Following the impact of the COVID pandemic on economic activity, the Argentine economy has recovered over the last two years. GDP growth of 10.3% in 2021 and 5.2% in 2022 helped achieve pre-pandemic levels. In 2023, a significant slowdown is expected due to the poor macroeconomic performance –high inflation, lack of investment, among others – and the severe impact of the dry weather over agribusiness production, combined with presidential elections. However, a rebound is projected in 2024 (analysts estimate growth between 1% to 2%).

The country and the investment climate continue to be affected by macroeconomic imbalances. In 2022, inflation was 94.8% and it is expected to exceed 100% in 2023. In addition, the Argentine peso (ARS) devalued close to 69,7% during 2022, and the gap between the official FX rate and the blue chip swap exchange rate has been in the range of 100%.

Foreign currency exchange controls combined with the recovered activity have led to a situation in which many companies in Argentina have excess liquidity in local

currency. In the short term, this situation is expected to continue to be an important driver for M&A transactions and real economy investments, as companies look to invest their trapped liquidity as a hedge against increasing inflation rates and currency devaluation.

The presidential election, which will take place in October, are one of the major events of the year 2023. It will most likely shape the investment agenda for the year (and for the short and medium term), as the possibility of a change in government (following the victory by the opposition party in the 2021 midterm legislative elections) is generating optimism and a change in expectations among the investor and business community.

It is also important to mention that the debt restructuring between Argentina and the IMF has continued to go forward. The circa USD 45 billion facility that had been approved in 2018 was refinanced at the beginning of 2022 (to be repaid in the 2026 – 2034 period). Currently, the Argentine government and the IMF are working closely in the monitoring of the different economic and fiscal targets they had agreed – during the first quarter of 2023 Argentina is expected to receive a new US\$ +5 billion disbursement from the IMF following targets being met, that will help strengthen currency reserves.

Despite the complex political and economic local context, Argentina is one of the largest economies in Latin America (second largest in South America and third largest in Latin America) and will continue to be a strategic market for investments in the region. The country has abundant natural resources, including in the food, agriculture, mining and energy (including renewable energy and oil & gas) sectors. It also has a well-developed industrial sector, a strong domestic consumption market, and has positioned itself as a regional hub for IT development and investment. Argentina also has a rich talent base, with a well-educated middle class, and an active entrepreneurial business community. Many investors today

are prioritizing access to these resources, despite challenging local economic conditions.

M&A activity also saw an increase in 2022. Transaction volumes and values for the year were the highest since 2019 and 2018, respectively – driven by economic recovery, high levels of liquidity in the local market, among other factors. Technology, Energy & Resources, and Agribusiness are among the most dynamic sectors. Some of the main transactions included:



- SoFi Technologies Inc. acquired the Argentine software developer Technisys for USD 1.1 billion (Technology).
- Chinese lithium producer Gangfeng acquired two advanced stage lithium projects from Lithea, part of the Pluspetrol group, for approximately USD 962 million (Mining).
- Argentine family group Bartolomé acquired Liag Argentina, farmland operator of more than 60,000 hectares (Agribusiness).

Due to the challenging macroeconomic and political context, local asset valuations are at historical lows and at levels significantly below regional peers, making 2023 an attractive moment to invest in Argentina.

A potential change in government coupled with normalization of economic conditions, including the loosening of foreign exchange rate restrictions, could trigger a new wave of investors' interest in the country. This could have a positive impact on valuations and generate attractive returns for those who take positions at the right time.

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Consumer Price Index, December 2022 – INDEC

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Market Expectations Survey – BCRA

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## Consumption

Consumption is an important component of the Argentine economy. This variable managed to recover in 2021 and 2022, particularly in the sectors most harshly affected by the COVID-19 pandemic, such as retail, restaurants and tourism – considering that in a context of high inflation, consumption levels tend to increase. Towards the end of 2022 / beginning of 2023 consumption levels have begun to weaken, mainly due to economic anti-inflation measures implemented by the government, such as the increase of interest rates and less monetary emission.

The labor market has also experienced improvements, with unemployment rates at historical lows – the unemployment rate at

the end of Q4 2022 was 6.3% (compared with 9.1% and 8.9% at the end of 2018 and 2019, respectively). GDP per capita is also one of the highest in the region.

As it happens in every presidential election year, the domestic consumption market will play a key role in 2023, as the government as the government will have to balance maintaining purchasing power/consumption levels with reducing inflation. In March 2023, annual inflation reached 104,3%, the highest in over 30 years. As a result, the government is expected to implement measures to protect lower-income families, such as expanding price caps agreements (“Precios Justos” program) in retail and other industries and continuing to cap utility price increases.

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**Sources:**

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# Industry

## Highlights



### Energy & Resources

#### Oil & Gas

Argentina is self-sufficient in crude oil but relies on imports to satisfy its domestic demand for natural gas and oil derivatives. The Oil & Gas sector's future growth will be supported mainly by the development of unconventional hydrocarbon reserves in the Vaca Muerta formation - located mainly in the province of Neuquén.

It is important to mention that Argentina has the second largest reserves of shale gas and the fourth largest of shale oil, as per the latest available data from the US Energy Information Administration (EIA).

The year 2022 was positive for hydrocarbon production – there was a +12% increase in the output of oil and 1% in natural gas. As a result of this increased output, gas imports (that come mainly from Bolivia and LNG imports) have also been decreasing, putting

less pressure on the outflow of international currency reserves.

The sector needs to continue upgrading its transport infrastructure to reach export markets. In this regard, the government announced the construction of the Nestor Kirchner Gas Pipeline, which will transport gas from Vaca Muerta to port terminals. The first stage will have an initial public investment of US\$ 2 billion and it is expected for the pipeline to be operational in 2023.

The government is also planning to further open offshore exploration and production.

More than 30 foreign oil and gas companies operate in Argentina, including ExxonMobil, Chevron, Petronas, Tecpetrol, Vista Oil & Gas, and Shell, among others which is another indication of the sector's potential. The main local player is the state-owned company, YPF.

Challenges for the O&G sector include creating stable regulatory and economic conditions to promote investments (typically, long-term investments), which will also depend on the general macroeconomic stability of the country.

#### Renewable Energy

Argentina has the conditions and resources needed to be a leader in the world of renewable energies. There are large extensions of land with abundant wind,

solar radiation and water, and an energy grid that can advance the transition to a more sustainable future.

In 2022, almost 14% of the total electricity demand was supplied from renewable sources (up from around 2% in 2013). Currently, Argentina has more than 190 operational projects that add close to 5 GW of power to the energy grid, allowing it to supply the electricity demand of more than 5 million homes. Wind power is the main source of renewable energy (more than 3.3 GW), followed by solar, hydropower and biomass.

Renewable energy projects operate mainly via power purchase agreements from past RenovAR programs (government programs) and/or through the MATER program, consisting of private agreements between generation companies and users.

The sector also has transport challenges, as there is a need to expand transmission capacity to absorb a large pipeline of renewable generation projects.

#### Mining

Mining has been a fast-growing sector in Argentina over the last few years.

The National Government approved the “Strategic Plan for Mining Development in Argentina” in 2020, setting long-term objectives for the mining industry. In 2022, total mining exports amounted to

USD 3,9 billion, up 19% from 2021 and the main export destinations included Switzerland, USA, Canada and Japan.

Driven by its geological potential, Argentina is rich in deposits of metallic minerals, such as gold, silver and copper, and also holds large lithium and potassium deposits. In general, there is a huge opportunity to develop the mining sector, based on the vast availability of natural resources and the yet limited investment in modern scalable production facilities.

Today, lithium is one of the subsectors with the greatest potential and has been a recent focus of foreign investments. Argentina holds the second-largest lithium resources worldwide (~22 million tons) and is the fourth largest producer. Argentina together with Bolivia and Chile sit atop the so-called “lithium triangle,” a region containing more than 65% of the world’s lithium reserves.

Currently, there are more than 30 lithium projects in the pipeline at an advanced stage. The projects are located mainly in the Salta, Catamarca and Jujuy provinces in the northwest of Argentina. This subsector has attracted more than USD 4 billion in investments over the last two years and is generating a lot of M&A activity.

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**Sources:**

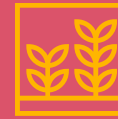
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## Agribusiness

Argentina is a top global grain and food player, ranking among the world’s largest producers of soybean, maize, wheat, sunflower, beef, and poultry meat. The Agribusiness sector plays a significant role in the Argentine economy, as it is the country’s main exporter and generator of foreign currency.

As a reference, the agriculture complex exported more than 100 million tons of grain, oils and subproducts in 2022 for USD +40 billion (close to 60% coming from the soybean complex alone).

In addition, Argentina has highly developed regional economies that are recognized as world leaders in the production of a variety of goods, including wine, oil and lemon juice, beans, peanuts, dairy products, apples & pears, shrimp, prawns, and wool.

Even though the sector has been enjoying relatively high commodity prices (post-COVID effect), margins have been under pressure because the peso-dollar devaluation in 2022 was below inflation. In addition, many of the country’s main agribusiness export products have to pay export duties.

The government has responded by giving the sector preferential foreign exchange rates for specific periods. However, medium and long-term growth potential depends on having a competitive exchange rate equation, among other macroeconomic, fiscal and regulatory factors.

The year 2023 will be challenging for the sector due to a historic drought affecting primary production. According to estimates from the Rosario Stock Exchange, soybean, wheat and corn production will show an annual drop of more than 35%.

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## Technology

Driven by increasing levels of digital transformation, Argentina has become a regional technology hub. Among the country's main advantages is its well-prepared workforce: professionals in the sector usually have well developed technological skills, are English speakers, and many start working before graduation. On top of this, the society has high levels of entrepreneurship and, in general, population is open to adopting new technologies and solutions – which is why Argentina is often considered an innovation testing ground for products that are later rolled out internationally.

The sector also enjoys certain fiscal, regulatory and exchange rate benefits.

## E-commerce

With an estimated total of more than 21 million online buyers in 2022, this sector has made great progress in recent years. It has focused on developing greater technological, operational and organizational capabilities, allowing it to provide better service levels, with shorter and more accurate delivery times and digital payment methods. The challenge will be to satisfy ever more demanding and experienced users in the future.

## Fintech

Despite the country's economic difficulties, the Fintech ecosystem in Argentina is one of the best developed and fastest growing in the region, – with more than 300 companies operating in the sector. Until 2020, Argentina's fintech ecosystem was dominated by loan providers; however, this trend has changed and digital payments – such as MercadoPago – are currently the main development focus. There has been a significant growth in cryptocurrencies as well.

## IT and Software

Argentina has positioned itself as a country that can offer high quality software and IT solutions. It has a well-developed consulting and outsourcing market that has continued to grow, with many businesses and independent professionals providing services abroad from Argentina. The Argentine time zone is another advantage, since it is only an hour ahead of New York, allowing schedules to be adjusted more easily. One of the success cases is Globant, a global technology company listed in NASDAQ that has over 27,000 employees and is present in more than 25 countries.

### Sources:

<https://camarafintech.org/>

<https://cace.org.ar/archivo-de-informes/>





## Real Estate

Despite macroeconomic difficulties, Real Estate continues to be an industry with a lot of potential in Argentina, mainly because it is perceived as a value reserve for local investors.

The epidemic brought about significant changes in consumer tastes, as in many other countries. Now, consumers prefer green and open spaces, and sustainability and technology are in the spotlight. In addition, city centers are being altered to accommodate mixed-use projects (for example, the “microcentro” area of the city of Buenos Aires).

The main real estate market in the country is Buenos Aires but other cities/provinces have grown as well, such as Neuquén (due to the development of the Oil & Gas boom in that region).

Real estate prices have dropped dramatically (in some areas by as much as 40%–50% compared to 2018–19 prices) as a result of the peso depreciation over the last 5 years and a general credit contraction (in Argentina, mortgage loans represented only 0.4% of GDP in 2021). This presents an opportunity to acquire properties at historically low prices.

At the same time, the excess of pesos in the market has promoted new private residential construction, whereby consumers acquire properties paying monthly installments as they are being built (which is the main credit-financing alternative available in the market) – in many cases at lower prices than buying a finished property.

There have also been challenges in the residential rental market. A new law was passed in 2020 (Law No. 27551), which modified several key aspects of how rental contracts can be structured. Even though the law brought certain benefits to tenants, in general it has generated more difficulties than solutions, and available rental properties have dropped significantly (as lessors opt for short-term – Airbnb-type – rentals, rather than long-term, traditional contracts). This law is expected to be amended in the short term. The next government should also work on reactivating the mortgage loan market and granting tax incentives for new construction projects (such as tax rebates).

Another segment that will continue growing is warehouse development for e-commerce and logistics. Multi-client industrial parks are one of the most demanded formats for this type of development – closed complexes in which several companies operate with their own warehouse-industrial spaces.

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## Tourism

The tourism sector has rebounded after the crisis it suffered due to the COVID-19 pandemic. The government’s “PreViaje” plan, which refunds part of the value of trips/reservations paid in advance, has played a significant role in the recovery of the domestic tourism market. In its three editions, the program has benefited more than 6 million tourists. This program is expected to continue and expand, with the launch of the fourth edition planned for the first half of 2023.

Regarding international tourism, the devaluation of the Argentine peso has also been a driver for the inflow of foreign tourists, because in many areas prices/costs in dollars in Argentina are lower than in other countries. The government also launched a mechanism whereby tourists can access foreign currency conversion rates similar to the blue chip swap exchange rate when making credit card purchases (when converting US dollars to pesos, it is significantly more favorable than the official dollar-peso exchange rate). It is important to note that the country received almost 10x more foreign visitors in 2022 than in 2021; however, volumes continue to be lower than pre-pandemic levels.

### Sources:

<https://www.argentina.gob.ar/noticias/un-millon-de-turistas-disfrutaran-previaje>

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## M&A

During 2022, 84 M&A transactions were registered in the country for a value of USD 3.7 billion. Despite a challenging international context for transactions, deal flow was the highest in terms of volume since 2019 and in terms of value since 2018 – it is important to highlight that during 2020 and 2021 investment levels had decreased.

The most active and dynamic sectors for M&A were TMT (Technology, Media and Telecommunications), Energy & Resources, Food & Agribusiness and Financial Services. Buyers have been mainly local players; however, there has been an increase of foreign buyers focused on the technology and natural resources sectors.

Since 2020 there has been a trend of multinational groups divesting a part or all of their operations in the country via M&A – more than 40 deals of this type have been registered since 2020, and it is expected for them to continue, at least in the short term. Drivers for these exits include reorganization of global corporate portfolios and a greater perception of risk in the Argentine market – industries have been varied. The buyers of these assets have been mainly local strategic groups, more accustomed to local market cycles and risks.

## Private Equity

Unlike many developed countries in which Private Equity (PE) plays a significant role in the investment/M&A landscape, in Argentina PE continues to be a small, rather niche segment. This is mainly due to the economic uncertainty in Argentina, as financial investors generally require medium- and long-term stability for their investments. As a reference, in 2022 financial investors participated in less than 10% of deals, when in countries like the United States this figure is closer to 50%.

## Fundraising and Venture Capital

Despite the financial instability that Argentina has experienced in recent years, the development of the startup and entrepreneurial ecosystem has continued undeterred.

In terms of fundraising, during 2022, at least 40 capital raising operations were registered for a total value of approximately USD 250 million. The average ticket value was in the range of USD 10 million. The rounds were mainly linked to the technology category in subsectors such as Fintech, Logistics/ Mobility, e-Commerce, among others.

There are several Venture Capital funds (VC's) active in Argentina, such as NXTP Ventures, Kaszek, Magma Partners, Alaya Capital, Draper Cygnus, among many others.

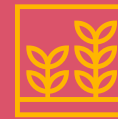
From the Corporate Venture side, groups such as MercadoLibre, Globant, Supervielle and Telefónica also have their own funds.

Even though 2023 is expected to be a tough year for Venture Capital activity in general, this segment will continue to be active in the country, as Argentina has positioned itself as a regional hub for developing and growing technology companies.

### Sources:

M&A Argentina – Summary of 2022 and Outlook for 2023.- PwC Argentina report.

M&A report- August 2022- PwC Argentina report.



## ESG

Driven by factors such as climate crisis, resource scarcity, social disparity, inequality, and accelerating technological development, organizations have taken on greater responsibilities related to sustainability; that is, the capacity to create long-term value through a comprehensive approach to environmental, social and governance (ESG) factors.

Important players in the global sphere have assumed commitments to reduce CO2 emissions by 2030 and 2050, in line with the

objectives of the Paris Agreement to limit global warming to 1.5 °C, and to achieve Sustainable Development Goals. As a result, more than 110 countries committed to a net zero emissions target by 2050 and China, the largest emitter, by 2060. In this regard, the main stakeholders demand immediate responses from corporations, which include the management of environmental and social impacts.

In Argentina there are many business groups, including both multinational and local groups, that are looking to adapt ESG principles into their business models. There are recent examples in the renewable energy and forestry areas that have been attracting investments in relation to ESG initiatives.

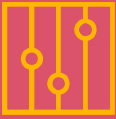
The local capital market also has a segment for “Green Bonds”, in which generally the issuer that complies with certain requirements can access better financial conditions in its issuance. Since the Social, Green and Sustainable Bonds panel was launched by the Argentine National Securities Commission in 2019, 42 bonds have been issued for a total of more than USD 1.3 billion.

### Sources:

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## Form of Foreign Investment /Structuring the Deal

In Argentina, both local and foreign investors enjoy extensive legal protection guaranteed by a range of national and international regulations to avoid double taxation and establish reciprocity. In fact, foreign investors follow the same procedures as domestic entities.

Foreign and domestic commercial entities in Argentina are regulated by Law No. 19550, which establishes the different types of business organizations, the Argentine Civil and Commercial Code, and rules issued by the regulatory agencies. In addition, foreign investments are regulated by Law No. 21382 and entrepreneurs can benefit from Law No. 27349 as amended.

According to the latest report issued by ECLAC (United Nations Economic Commission for Latin America and the Caribbean), in 2021 foreign direct investment inflows into Argentina were almost 45% higher than in 2020, totaling USD 6.8 billion. However, this value is lower than historical averages that are in the range of USD 8.8 billion.

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[http://www.infoleg.gob.ar/basehome/actos\\_gobierno/actosdegobierno25-1-2010-2.htm](http://www.infoleg.gob.ar/basehome/actos_gobierno/actosdegobierno25-1-2010-2.htm)

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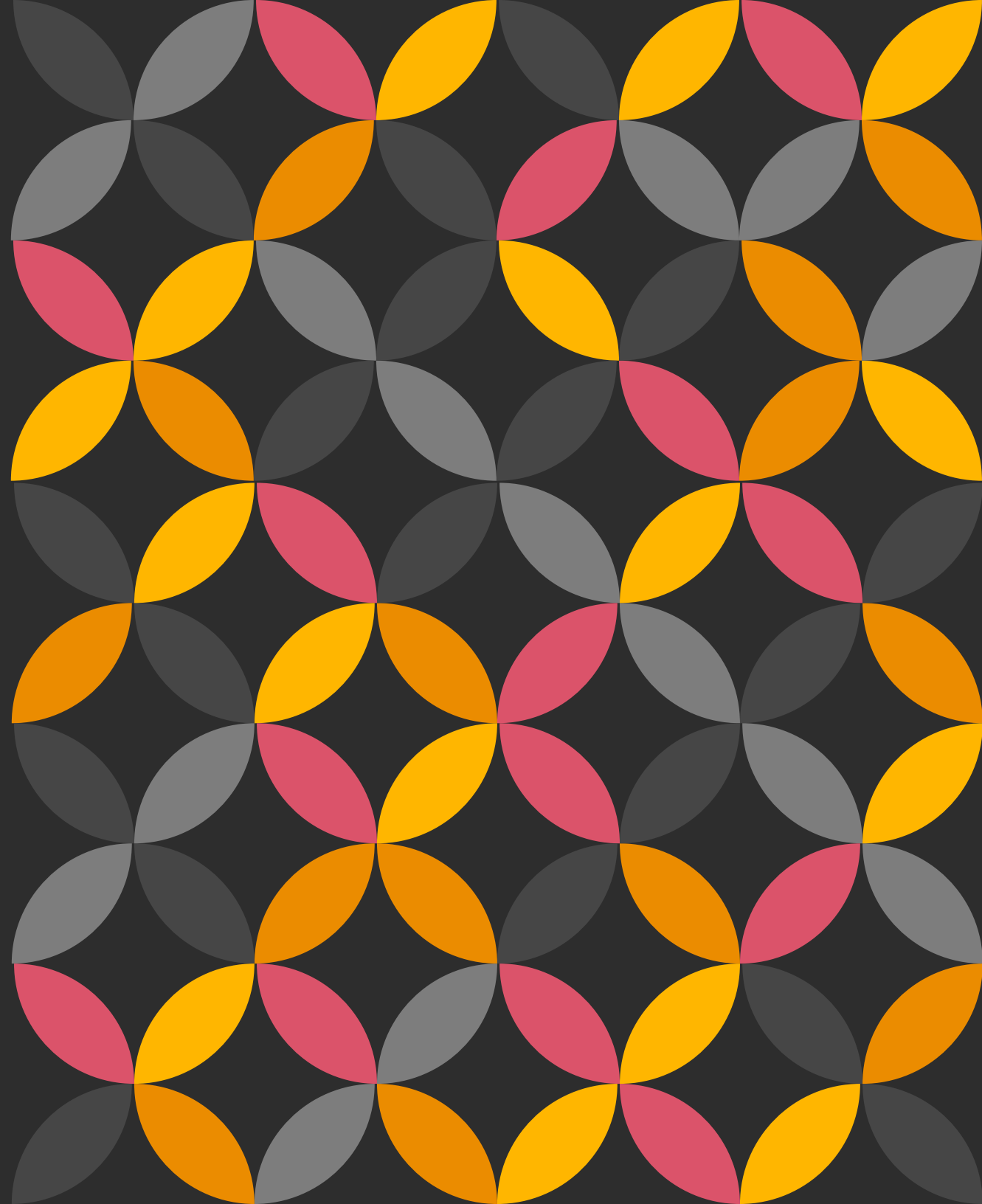
Foreign Direct Investment in Latin America and the Caribbean – ECLAC Report

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3

# Foreign Trade and Customs Regulations



## ► Introduction

Since the restoration of the Foreign Exchange Control System in 2019, the Argentine Central Bank (“BCRA”, for its Spanish acronym) has continued to regulate all transactions carried out in the Foreign Exchange Market (“FX Market”), with the regulations in force placing a special focus on those transactions that imply an outflow of foreign currency.

In this sense, as from October 6, 2021, financial institutions must notify the BCRA of all details regarding any transaction involving an outflow of foreign currency exceeding USD 10,000 (ten thousand US dollars) two days before it takes place.

It is noteworthy that for those transactions that imply an outflow of foreign currency and need prior formal approval from the BCRA, the possibility of obtaining it is almost null.

From a customs point of view, duties are levied on the export and import of goods. In terms of services, Decree No. 99/2019 had imposed a duty of 5% (five percent) on the export of services; however, as from January 1, 2022, this rule ceased to be in force and therefore these duties no longer apply.

Besides, the rules establish that any non-compliance with current foreign exchange regulations or evidence of a foreign exchange fraud could lead to the application of sanctions under the Criminal Foreign Exchange System (“RPC”, for its Spanish acronym) implemented through Law No. 19359.

## Regulations for all Outflows of Funds through the FX Market

Financial institutions may give access to the FX Market to individuals or legal entities (“Client”) after verifying compliance with the general and specific provisions established for the relevant type of transaction.

Regarding the controls performed over outflows of funds in the FX Market, in addition to complying with the requirements in force for each specific transaction, prior formal approval from the BCRA will be required, unless the Client submits a sworn statement evidencing that at the time of access to the FX Market:

- all the Client’s foreign currency holdings in the country are deposited in accounts opened with financial institutions;
- the Client’s foreign liquid assets and holdings of Argentine Deposit Certificates that represent foreign stocks (“CEDEARs”, for its Spanish acronym) do not exceed an amount equivalent to USD 100,000 (one hundred thousand US dollars). This includes demand deposits in foreign financial institutions and other investments, such as investments in external public securities, crypto assets, etc.;

- the Client undertakes to bring into the country and settle through the FX Market all funds received abroad from the collection of loans granted to third parties, the collection of a term deposit, or the proceeds from the sale of any type of asset, and to convert them to local currency in the FX Market, within 5 (five) business days of their availability. This requirement is applicable if the asset has been acquired, the deposit created, or the loan granted after May 28, 2020.

The Client must file another sworn statement on the day requesting access to the FX Market, stating that on the day access to the FX market is requested and in the 90 (ninety) calendar days before, the Client has not carried out the following operations with securities and will not carry them out in the 90 calendar days after accessing the FX Market:

1. sale in the country of securities issued by residents with settlement in foreign currency;
2. exchange of securities issued by residents for external assets;
3. transfer of securities issued by residents to foreign depository entities;
4. acquisition in the country of securities issued by non-residents with settlement in pesos;
5. acquisition of CEDEARs;
6. acquisition of securities representing



- private debt in foreign jurisdiction;
7. delivery of funds in local currency or other local assets — except funds in foreign currency deposited in local financial entities — to any individual or legal entity, resident or non-resident, related or not, as a prior or subsequent, direct or indirect consideration for foreign assets, crypto assets or securities deposited abroad (which are received either by the local company or by a related, controlled or controlling entity).

In addition, if the Client is a legal entity, it must report a detail of the individuals or legal entities who hold direct control over it. Additionally, another sworn statement must be filed indicating that on the day access to the FX market is requested and in the 90 (ninety) calendar days before, no funds in local currency or other liquid local assets — except for funds in foreign currency deposited in local financial institutions — have been delivered in the country to any individual or legal entity that exercises a relationship of direct control over the Client, except for those directly associated with regular transactions between residents for the acquisition of goods and/or services.

In the event that there was a local payment to direct parent companies in the 90 (ninety) calendar days before accessing the FX Market, a sworn statement issued by the

parent must be filed in replacement of that mentioned in the previous paragraph, in which it is indicated that said parent companies did not carry out the operations from i) to vii) listed above during the 90 calendar days prior to accessing the FX Market and they will not carry out said operations in the 90 calendar days following the Client's access to the FX Market. This requirement will not apply to the repayment of loans in foreign currency granted by local financial institutions, including payments for expenses in foreign currency made with credit or purchase cards.



## Financial Debts

Foreign currency derived from financial loans granted by non-residents does not create the obligation to be brought in and settled through the FX Market, unless the Argentine resident intends to access the FX Market in the future to repay principal and/or interest.

In the case of payment of principal maturities and interest, the Client must prove that the amount of foreign currency that was brought in and settled through the FX Market is equivalent to the nominal value of the indebtedness, except for those cases

expressly provided for in the regulations (i.e., indebtedness disbursed before September 1, 2019). Likewise, it must be demonstrated that the operation has been declared, if applicable, in the latest due presentation of the “Review of Foreign Assets and Liabilities”. Additionally, the access to the FX Market must occur a maximum of 3 (three) business days prior to the expiration date of the principal or interest to be paid.

For the payment of financial debts of loans granted by non-related parties abroad and with principal maturities scheduled between October 15, 2020 and December 31, 2023 it will be necessary to present a refinancing plan in which the 40% of such debt can be paid through the FX Market and the remaining 60% is refinanced, as a minimum, with a new debt of an average life of 2 years that complies with the requirements of the BCRA's rule.

For those companies with loans granted by foreign related parties, access to the FX Market is not allowed to repay principal of financial loans abroad until December 31, 2023. While this restriction is in force, local companies can repay the principal of financial loans granted by related parties if:

1. the funds of the loan have been brought in and settled through the FX Market as from October 2, 2020 and the debt has an average life of not less than 2 (two) years;
2. the destination of the funds has been the financing of projects framed in the “Plan for the Promotion of Argentine Natural Gas Production”, and the other conditions provided for in the regulation are met;
3. the Client has a “Certificate of increased exports of goods” or a “Certificate for Access to Foreign Currency for Oil and/or Natural Gas Incremental Production”, for the equivalent of the amount of principal being paid;
4. the FX market is accessed through an exchange and/or arbitration operation deposited in a “Special account for the Promotion of Knowledge Economy” and the Client has a “Certificate of direct investment contributions within the Promotion Regime of Knowledge Economy”, for the equivalent of the amount being paid;

5. the amount of principal and interest of financial indebtedness abroad could be paid at maturity by applying the amounts collected from the export of goods or services, if the requirements set forth in the regulation are met.

Finally, Payment of interest can be made through the FX Market regardless of whether the loan has been granted by a related party or not, provided that the loan funds have been brought in and settled through the FX Market; the operation has been declared in “Review of Foreign Assets and Liabilities”; and access to the FX Market for payment occurs no later than 3 business days before the due date.

### Refinancing of commercial debts

The BCRA’s norms, specifically Communication “A” 7626, introduce a new mechanism related to access to the FX Market to perform payments of principal of foreign financial loans, based on the refinancing of commercial debts. That is, if a resident registers a commercial debt with a non-resident, they can refinance said debt (turning it now into a financial debt) and later access the FX Market to cancel the principal of that financial debt.

In this sense, the Communication establishes the conditions that must be met to use this mechanism:

1. The financial loan has its origin in a refinancing agreement concluded as of August 27, 2021 with the original creditor of the commercial debts for the imports of goods and services, including debt with related counterparties;

a) the import of goods debts has its origin in imports of goods whose customs entry registration took place at least 180 (one hundred and eighty) calendar days before the refinancing;

b) for the debt of import of services, these must have been rendered at least 180 (one hundred and eighty) calendar days before the refinancing, or the debt must derive from a contract concluded with an equivalent advance;

2. the new foreign financial indebtedness has an average life of not less than 2 (two) years, and does not register principal maturities for at least 3 (three) months after the refinancing has been performed;

3. the company must submit a sworn statement in which it undertakes not to access the FX market for more than USD 20,000,000 (twenty million US dollars) in the current calendar year due to the implementation of this mechanism jointly with the implementation of the

mechanism of certification of a new foreign financial indebtedness (section 3.19 of the rule).

It should be noted that compliance with the remaining general and specific requirements applicable to the operation must also be proven.



### Direct Investment System

There is no obligation for direct investment funds to be brought in and settled through the FX Market. According to the foreign exchange regulation, the interested party will only be able to access the FX Market for the repatriation of direct investments to non-residents when the capital contribution has been brought in and settled in the FX Market as from October 2, 2020, and the repatriation occurs at least 2 (two) years after the settlement of the capital contribution.

Additionally, all supporting documentation must be available to demonstrate that the legal mechanisms provided have been complied with. Likewise, evidence must be provided that the operation has been declared, if applicable, in the last “Review of Foreign Assets and Liabilities” filed.

If these conditions are not met, prior formal approval from the BCRA will be required.



### Dividend Payments

Financial institutions may allow access to the FX Market for the payment of profits and dividends to non-resident shareholders to the extent that the following conditions set out in the foreign exchange regulations are met:

- The debt has been reported in the “Review of Foreign Assets and Liabilities”, if applicable.
- The Client meets any of the following conditions and fulfils all applicable requirements:
  - a) It registers direct investment contributions settled since January 17th, 2020 and complies with the other requirements of the rule. In this case, only an amount equivalent to 30% (thirty percent) of that contribution can be paid.
  - b) Profits are generated in projects related to the “Plan for the Promotion of Argentine Natural Gas Production”.

c) The company has a “Certificate of increased exports of goods”.

d) The Client has a “Certificate for Access to Foreign Currency for Oil and/or Natural Gas Incremental Production”.

e) The Client has a “Certificate of direct investment contributions within the Promotion Regime of Knowledge Economy”.

If the conditions set in the foreign exchange regulations are not met, prior formal approval from the BCRA will be required to access the FX Market to distribute profits and dividends.

- Profits and dividends correspond to closed periods, audited financial statements.
- The total amount paid to non-resident shareholders, including the amount being transferred, does not exceed the amount in local currency determined by the shareholders’ meeting.



## Import of Goods

Current foreign exchange regulations set out the guidelines and requirements to be met to access the FX Market to pay for the import of goods. Before giving the importer access to the FX Market to pay debts arising from the import of goods, the financial institution must verify that the importer has complied with the Customs declaration requirement for the goods to be paid, and that this information is consistent with the related commercial invoice and the shipping document, among other requirements.

From a Customs point of view, as a rule applicable to all transactions involving final imports of goods, importers must register the information relating to the goods to be imported in the Import System of the Argentine Republic (“SIRA”) – which supersedes the Integral Import Monitoring System (“SIMI”, for its Spanish acronym) – applicable to importers who conduct definitive import transactions for consumption.

The SIRA sworn statement is required as a previous step to complete the import of goods and it will include the term from

which the importer will be able to access the FX market to pay the amount owed to the supplier.

Through this system, the Federal Administration of Public Revenue (“AFIP”) analyzes the economic and financial capacity of the importer (“CEF”) and shares the information provided by said importers to other agencies involved. The agencies must approve these transactions within a prescribed term counted from the SIRA registration (maximum 60 days).

The Single Current Account for Foreign Trade (“CCUCE”, for its Spanish acronym) was created for financial entities to consult and register, in Argentine pesos (ARS), the

amount of the foreign exchange operations at the time such operations are carried out. In this way, the financial entity must validate the transactions through the CCUCE at the time of giving importers access to the FX Market.

In principle, current foreign exchange regulations set forth that those debts arising from the import of goods can only be paid upon expiration, and in the event advance payment is required, prior formal approval from the BCRA must be requested, except for certain situations or tariff positions that the regulation allows to pay before the term reported in the SIRA expires (among which are capital assets).





## Import of Services

Debts originated from the import of services can only be paid at maturity. In October 2022, a new system to control payments abroad was implemented, the “System for Imports of the Argentine Republic and Payments of Services Abroad (“SIRASE”). The SIRASE replaces the Integral Monitoring System for Payments of Services Abroad (“SIMPES”).

The SIRASE sworn statement is necessary as a previous step to make payments abroad for services received. In this sense, Clients must file certain information regarding the payment to be made. After the pertinent AFIP intervention, the Secretariat of Commerce will analyze the information. To be approved, the tax authorities will analyze the information and the economic financial capacity (“CEF”) of the Client. Once approved, the sworn statement must be presented to the financial institution.

Finally, in the same way as in SIRA, the financial entity must validate the transactions through the CCUCE. Payment in advance will be subject to prior formal approval from the BCRA. Payments to foreign related companies for the import of services will also be subject to prior formal approval from the BCRA, with some exceptions



## Exports of Goods

Amounts in foreign currency corresponding to transactions of export of goods must be brought in and settled through the FX Market within the terms stipulated in the regulation according to their tariff position, which range from 15 to 365 days.

Foreign currency from exports to related companies must be brought in and settled in the FX Market within 60 (sixty) business days from the date of issue of the shipping permit. In addition, a 365-day period from said shipping permit date is set for transactions by courier under the “Simplified Export” system.

Notwithstanding the foregoing, amounts in foreign currency relating to the export of goods should be brought in and settled through the FX Market within 5 (five) business days from the date of collection.

Export duties can vary from 0% (zero percent) to 33% (thirty-three percent), – depending on the tariff position of the goods – with a significant temporary reduction applicable to certain commodities.



## Exports of Services

Amounts in foreign currency collected from export of services must be brought in and settled through the FX Market within 5 (five) business days from the date of collection abroad or in the country, or from the date of crediting to foreign bank accounts.

Charges for expenses abroad of credit and debit cards, for any kind of touristic transport services and transport services for non-resident for entrance into the country, are exempted from the aforementioned requirement.





## Build-Up of Foreign Assets

Legal entities, local governments, mutual funds, and trusts established in the country must obtain prior formal approval from the BCRA to access the FX Market to acquire foreign currency, as well as to provide all types of guarantees relating to the coordination of derivative transactions.

Resident individuals may access the FX Market to acquire foreign currency, send remittances abroad for family assistance, and provide guarantees relating to the coordination of derivative transactions for an amount of up to USD 200 (two hundred US dollars) per month, through all financial institutions authorized to operate in the foreign exchange market. To access the FX Market for higher amounts, prior formal approval from the BCRA is required.

Expenses abroad with debit cards in pesos and expenses in foreign currency with credit cards since September 2020 will be deducted from the individual's quota of USD 200. If the amount of these transactions is higher than the monthly limit of USD 200, the deduction will be transferred to the quotas

of subsequent months until completing the amount spent (it is to note that there are no limits as regards expenses abroad with debit or credit cards linked to a bank account in pesos).

This monthly quota is not allowed for individuals who are beneficiaries of special financing of credit cards and/or have had a freezing of mortgage loan installments while the financing or the benefit remains. These individuals are also prevented from selling securities in the country to be settled in foreign currency (MEP dollar) or transferring them abroad (Blue Chip swap). Additionally, it must be taken into account that there are certain taxes that apply to both foreign currency acquisitions and foreign currency consumption.



## Report of Foreign Assets and Liabilities

Before granting access to the FX Market to settle all commercial or financial debts in foreign currency, financial institutions shall first verify that the operation has been reported, if applicable, in the latest "Review of Foreign Assets and Liabilities" to be filed with the BCRA.

This report must be filed on a quarterly basis and must be completed by all legal entities or individuals holding liabilities in foreign currency at the end of any calendar quarter, or by those who have settled them during that quarter. The due date to file the quarterly report is 45 (forty-five) calendar days after the end of the calendar quarter.

Those individuals/legal entities for whom the balance of foreign assets and liabilities at the end of each year reaches or exceeds an amount equivalent to USD 50,000,000 (fifty million US dollars), must submit, in addition to the quarterly filings, an annual statement (which will supplement, ratify and/or rectify the quarterly filings). This annual statement is optional for any legal entity or individual below that threshold. The due date to file this

annual statement is 180 (one hundred and eighty) calendar days after the end of the calendar year.

Although the certificate stating that the Review has been updated is a requirement that must be met by all those who want to pay a commercial or financial debt, such updated certificate is mandatory for all entities with liabilities in foreign currency, regardless of whether they intend to access the FX Market.







## Certificate of Increased Exports of Goods

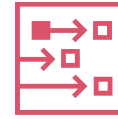
Companies with a “Certificate of Increased Exports of Goods in 2021” or “Certificate of Increased Exports of Goods in 2022” (hereinafter, the “Certificate”) will be exempted from the requirement of prior BCRA formal approval to access the FX Market in those operations in which such requirement is needed. This will also be applicable for those with an increase in fiscal year 2023 compared to 2022.

To obtain this Certificate, the company must prove that it complies with the requirements comprised in the regulations.

In fact, if the Clients have a Certificate, they will be able to access the FX Market for the payment of the following debts (for the amount stated in the Certificate):

- debts of imports of services provided by related foreign companies;
- principal amount of loans granted by third parties. The Certificate allows the Company to access the FX Market for a higher percentage than 40% (forty percent);

- principal maturities of loans granted by foreign related companies;
- debts of profits and dividends;
- debts of imports of goods that were imported prior to July 1, 2020. The Certificate allows the Company to obtain a higher balance to make these payments.



## Certificate of New Financial Indebtedness Abroad to enter the FX Market

Clients who register settlements of new foreign financial indebtedness and have a certificate issued by an entity regarding compliance with the requirements stated by the regulations may access the exchange market to pay for:

1. imports of goods, without requiring any prior consent; and
2. services to related counterparties, without the prior approval of the BCRA, to the extent that the payment is made on maturity of an obligation for services rendered at least 180 (one hundred and eighty) calendar days before accessing the FX Market or derived from a contract signed with a similar advance period.

In all cases, compliance with the remaining general and specific requirements to operate under current exchange regulations must be proven.



## Investment Promotion Regime for Exports

Decree No. 234/21 allows for the possibility that residents and non-residents may submit an “Investment Project for Exports” for certain productive sectors (forest, mining, hydrocarbon, manufacturing, and agro-industrial activities), which represents a direct investment in foreign currency for a minimum amount equivalent to USD 100,000,000 (one hundred million US dollars).

The beneficiaries of this Regime may apply up to 20% (twenty percent) of the foreign currency obtained from the exports linked to the projects under the Regime to the payment of:

- principal and interest on debts for the import of goods and services.
- principal and interest on foreign financial indebtedness.
- profits and dividends of closed and audited financial statements.
- repatriation of non-residents’ direct investments.

To perform the above-mentioned operations, certain requirements laid down in the regulation must be met.



## “RADPIP” and “RADPIGN” Regimens

The Foreign Exchange Access Regime for the Incremental Production of Oil”, for its Spanish acronym) and the Foreign Exchange Access Regime for the Incremental Natural Gas Production (“RADPIGN”, for its Spanish acronym) were created by means of Decree No. 277/2022.

The BCRA determined that the beneficiaries of RADPIP and/or RADPIGN, who will be granted a “Certificate of incremental production of oil and/or natural gas to access foreign currency”, will be able to access to the FX market for an amount not greater than that stated in said certificate for the payment of:

- Principal of commercial debts incurred for the import of goods and/or services.
- Principal of foreign financial debts that have been refinanced, when the creditor is not a related entity.
- Profits and dividends to non-resident shareholders.
- Repatriation of non-residents’ direct investments.

In every case, beneficiaries must comply with other regulatory requirements.



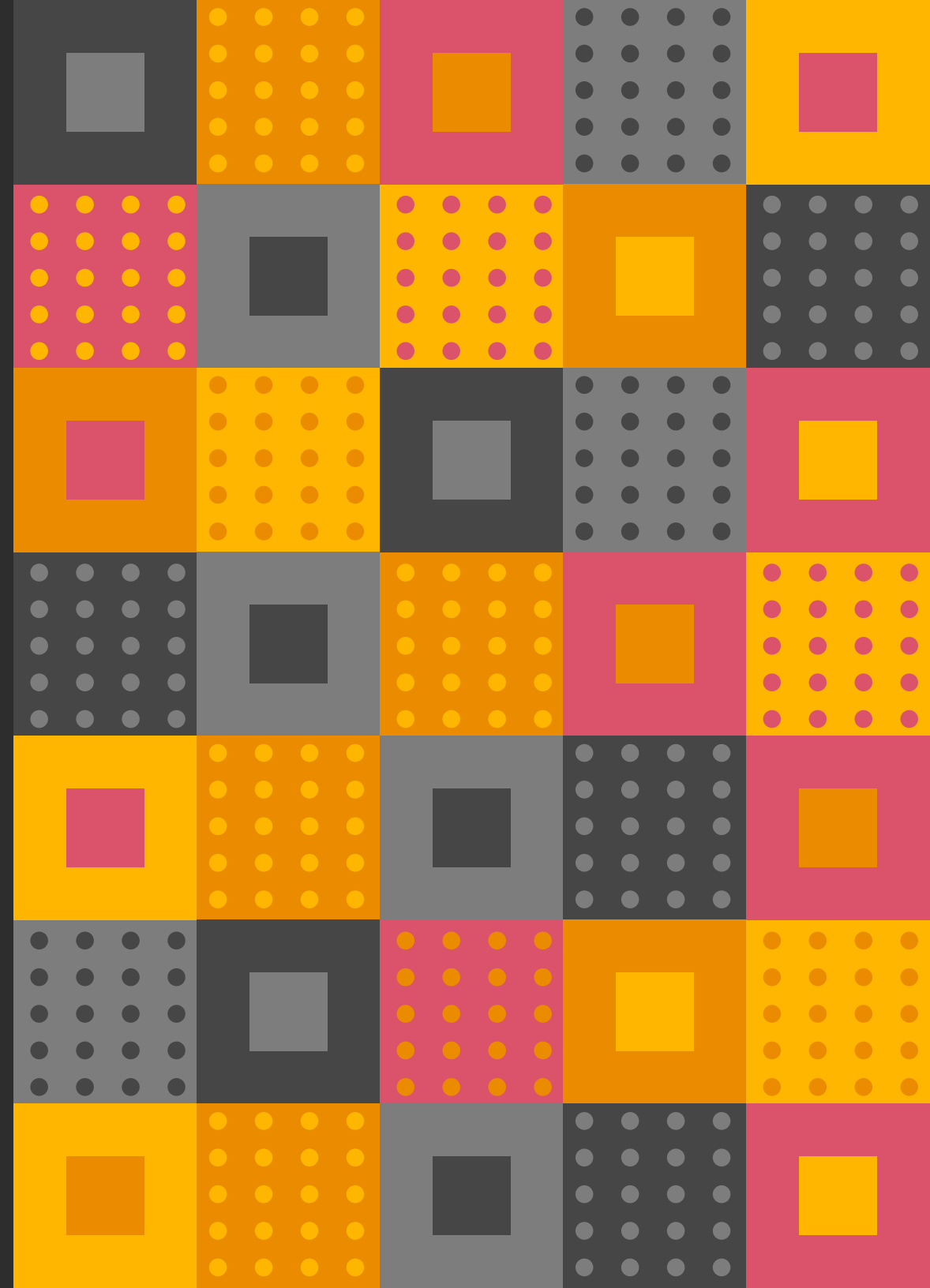
## Investment Promotion Regime for the Knowledge-based Economy

Beneficiaries of this new Regime may submit to the enforcement authority, one or more investment projects to increase exports of those activities related to the knowledge-based economy, when the direct investment is of at least USD 3,000,000 (three million US dollars). Said beneficiaries can adhere to this Regime until June 30, 2023 and are granted 24 (twenty-four) months to fulfill the investment projects. They are also exempted from the requirement of settling in the FX market an amount of up to 20% of the foreign currency brought into the country.



5

# Tax System





## Taxes on Corporate Income

### Corporate Income Tax

As from FYs starting on or after January 1, 2021, a marginal 35% Corporate Income tax rate is applicable to net taxable business profits. Legal entities. Legal entities residing in Argentina are subject to tax on Argentine and foreign-source income and are able to claim any similar taxes actually paid abroad on foreign-source income as a tax credit.

The same rate applies to net taxable Argentine-source business profits and to profits from business activities performed abroad by branches of foreign entities. See additional comments below.

### Corporate Residence

Corporate residence is primarily determined by the place of incorporation, although the centers of activities or place of management approach may prevail in case of companies set up abroad who develop their activities/functions in Argentina. Centers of activity in Argentina of non-Argentine corporations are treated as permanent establishments (PE).

As part of the 2017 tax reform, a PE definition has been introduced into the Income Tax Law. Such a definition is generally aligned with the one included in the OECD Model Tax Convention for the Elimination of Double Taxation, although it is broader, as it includes the performance of services by a nonresident provider, including services rendered by consultants within the Argentine Territory for a total period greater than six months within any 12-month period.



## Other Taxes

### Value Added Tax (VAT)

The current general rate of 21% is applied to the sales value of products and services (including professional services), with a few specific exceptions. This tax is applicable to the import of goods and services.

Certain goods are taxed at a reduced rate of 10.5%, while some services, at a rate of 27%. The export of goods and services is taxed at a rate of 0%. Nevertheless, input VAT relating to exports may either be used as a credit against output VAT or refunded pursuant to a special procedure. VAT paid on purchases, final imports and rental of automobiles, not considered inventory, may not be computed by the purchaser as a credit. The same tax treatment applies to other services, such as those provided by restaurants, hotels and parking garages. The above-mentioned restrictions do not apply when these services are hired for a conference, congress, convention or any other similar event directly associated with the specific activity of the contracting party.

As a result of the 2017 tax reform, VAT legislation currently includes as a taxable event “digital transactions” (e.g. digital services, hosting, on-line technical support, software services, Internet services) provided from abroad. Hence, these types of services are now subject to VAT at a 21% rate if they are provided by a nonresident entity to an Argentine customer, on condition that they are actually used in Argentina.

### Turnover Tax

Each of the 24 jurisdictions into which Argentina is divided imposes a tax on gross revenues from the sale of goods and services. The export of goods is exempt from this tax. Rates, rules and assessment procedures are determined locally. On average, rates for trade and services range from 3% to 5%. In case of industrial activities, rates are generally lower (ranging from 0% to 2%).

### Wealth Tax

Wealth Tax is payable by Argentine companies on all shares/units issued by them and owned either by individuals, regardless of residence, or by companies residing abroad. It shall be assessed and paid directly by the local company as a full and final payment on behalf of the shareholders/members (the issuing company has the right to recover the tax paid from the shareholder/member).

The applicable tax rate is currently 0.50% of the value of the ownership interest, which is generally calculated as the difference between assets and liabilities arising from the financial statements at December 31 of each year, or during the fiscal year at issue. Note that a Supreme Court decision has ruled on the non-applicability of this tax to Argentine branches of foreign companies.

### Excise Taxes

A wide variety of items, such as automotive and diesel motors, tobacco, alcoholic beverages (including wine, champagne and beer), insurance, cellular and satellite telephone services, recreational or sport boats, aircraft, luxury goods, and nonalcoholic beverages with caffeine and taurine, among others, are taxed at varying rates.

### Tax on Financial Transactions

This tax is levied at a rate of 0.6% on the amounts credited to or debited from the taxpayer’s bank accounts.

Bank transactions without using a bank account and any disposition of one’s own funds or the funds of a third party are subject to a tax rate of 1.2%.

One third (33%) of the Tax on Financial Transactions actually paid on bank account transactions (0.6%) and movements of funds (1.2%) is creditable against Income Tax and/or the related tax prepayments.

### Stamp Duty

This local tax is levied on documents or agreements that evidence acts or transactions for valuable consideration (usually referred to as taxable documents). The average tax rate is 1% and is applicable to the economic value of the agreement.

### Import & Export duties

Import duties currently range from 0% to 35%, except in cases where a specific minimum duty is applied, or which involve goods subject to a specific treatment. In general, goods from LAIA and MERCOSUR countries are entitled to a preferential duty treatment.

Export duties rates can vary from 0% to 35% (depending on the tariff position of the goods), with a significant temporary reduction applicable to certain commodities as well as to the mining industry. It is important to mention that export transactions with any country are taxed with export duties.

## Social Security Taxes

Social Security Taxes Law No. 24241 (Argentine Integrated Pension Fund System Law) establishes the territoriality principle, under which Argentina's Social Security System covers all persons providing services under a permanent or temporary employment contract within the national territory. Each month, local employers must pay employer contributions jointly with employee withholdings to the National Social Security System and the National Health Care System.

Social Security Tax is payable by employer on the employee's total monthly salary and is not subject to any cap amount. The total employer contribution rate is 26.4% for companies mainly engaged in the provision of services or trade, provided their annual sales exceed the amount established by the regulation that is updated annually (as from April 1, 2022: ARS 1,438,900,000 for services and ARS 5,495,450,000 for trade), and 24% for the rest of companies.

Argentine employers are exempt from paying social security contributions on the first ARS 7,003.68 paid per employee per month- for some activities, the non-taxable amount increases to ARS 17,509.20.

Employee social security withholdings, which include pension fund, health care and social services, are payable on monthly salaries, up to a monthly cap of ARS 642,142.18 (as from March 2023), except for June and December, when the cap increases by 50% due to the 13th month salary. This salary cap is index-adjusted in March, June, September and December of each year.

The total employee Social Security Tax rate is 17%, which consists of contributions of 11 % to the pension fund, 3% to health care and 3% to social services.

Should any employee serve as Director of their employer company, the social security liability shall be limited to the contributions made as a self-employed individual for the management duties performed. The employee's enrollment in the Social Security System will be voluntary regarding their salary as an employee. Thus, if the Director opts not to pay these contributions, the company is under no obligation to pay any employer contributions.

## Significant Developments

### Amendments to the Corporate Income Tax rate

On June 16, 2021, Law No. 27630, which introduced amendments to the Corporate Income Tax law, entered into force.

The most relevant changes introduced by Law No. 27630 are the following:

#### Corporate Income Tax rate

Under prior law, the Corporate Income Tax (CIT) rate was 25%. As per the new law applicable to fiscal years starting on or after January 1, 2021, corporate income will be subject to tax at progressive rates ranging from 25% to 35% as follows (amounts stated in Argentine Pesos):

Taxable Income		Fixed CIT		On the surplus of	
On the surplus of AR\$	Up to AR\$	AR\$	Plus		
0	7.604.949	-	25%	-	
7.604.949	76.049.486	1.901.237	30%	7.604.949	
76.049.486	onwards	22.434.598	35%	76.049.486	

Amounts to be adjusted annually, considering the annual variation of the Inflation Index (IPC – Consumer Price Index).

#### Withholding on dividend distributions

Under prior law, distribution of earnings attributable to FY 2021 were subject to withholding tax (WHT) at a 13% rate. The WHT rate was tied to the prior CIT rate (25%). Law No. 27630 reduced the WHT rate on dividend distributions to non-residents from earnings obtained as from FY 2021 to 7%.

## Income Determination

### Inventory Valuation

Inventory valuation is based on the latest purchase. Thus, LIFO may not be chosen for tax purposes. Conformity between book and tax reporting is not required.

### Capital Gains

Capital gains and losses attract normal profit tax treatment, except for those losses from the sale of shares, units, bonds and other securities that may be offset only against the same type of income.

### Intercompany Dividends

These dividends are not included in the tax base of an Argentine entity (the recipient) if distributed by another Argentine company. However, tax is levied if the dividends are distributed by a foreign company.

### Foreign Income

Foreign income earned by resident entities is subject to tax. Note that an Argentine taxpayer is immediately taxed on passive income generated by a “Controlled Foreign Corporation” (CFC) that is directly or indirectly held by the Argentine taxpayer, to

the extent that more than 50% of that CFC’s income is passive and is actually subject to tax at a rate that is lower than 75% of the applicable Argentine Income Tax rate. Tax losses from a foreign source may only be offset against income from a foreign source.

### Transfer Pricing Rules

The transfer pricing regulations governing intercompany transactions, which were introduced into the Income Tax Law by Law No. 25063, as amended by Laws Nos. 25239 and 25784, adopt principles similar to those of the Organization for Economic Cooperation and Development (OECD), pursuant to which companies must comply with the arm’s length principle to determine the value of goods and services in their transactions with foreign-related companies.

## Deductions

### Depreciation and Depletion

Depreciation is generally computed on a straight-line basis over the technically estimated useful life of the assets or, alternatively, over their standard useful lives (e.g., machinery and equipment, ten years; furniture, ten years). Depreciation of buildings and other construction on real estate is 2% per annum on cost (on a straight-line basis),

unless it can be proven that useful life is less than 50 years.

Depreciation of automobiles with an original cost in excess of ARS 20,000 is not deductible. Related expenses (gasoline vouchers, insurance, rentals, repairs and maintenance, etc.) are deductible for up to ARS 7,200 per car per year. Conformity between book and tax depreciation is not required.

Percentage depletion is available for natural resources (mines, quarries, forests).

### Net Operating Losses

Income Tax losses may be deducted over a five-year term.

### Payments to Foreign Affiliates

Transactions between related parties should comply with the arm’s length principle. This principle was included in the transfer pricing rules and was extended to transactions with companies located in non-cooperative jurisdictions or low or zero tax jurisdictions. The tax authorities will determine income by applying one of six methodologies:

comparable uncontrolled price, resale price, cost plus, profit split, residual profit split, and transactional net margin. Payments to foreign affiliates or related parties and companies located in low or zero tax jurisdictions that represent Argentine-source income are tax deductible, provided they are paid before the due date for filing the tax return and the related withholding is paid to the tax authorities.

## Other Significant Items

1. Donations: when made to companies and associations expressly exempt from assessment of Income Tax, donations up to a maximum of 5% of the donor’s net taxable income are admissible deductions, provided certain requirements are met.
2. Representation expenses: if adequately documented, representation expenses are admissible deductions up to 1.5% of the amount of salaries accrued during the fiscal year.
3. Directors’ fees: amounts equivalent to 25% of after-tax income or ARS 12,500 per individual, increased by 40% to 60% when paid to women or trans people, whichever is higher, are deductible in the fiscal year to which they apply, provided they are approved and available for the

director before the tax return is due, or in a later year of payment.

- Thin capitalization: except for financial institutions governed by Law No. 21526 and leasing companies, interest and foreign exchange losses incurred by an Argentine resident on loans granted by a related party - whether local or foreign - would be deductible up to a limit equivalent to the higher between ARS 1,000,000 or 30% of the taxpayer's taxable income before deducting interest, foreign exchange losses and depreciation. The portion of nondeductible interest will be carried forward for up to five years. Any deductibility capacity can also be carried forward for up to three years.

Certain exemptions to thin capitalization rules may be available (i.e., interest that was subject to tax - WHT - at the recipient's hands or FX losses in years where, following tax rules, inflation recognition is allowed may not be subject to this limitation).

## Tax Incentives

### Mining Activity

Law No. 24196 created an investment scheme for the mining activity that is applicable to individuals and legal entities.

Mining ventures included within this scheme enjoy fiscal stability (i.e., tax rates will remain basically the same) for a term of 30 years, except for VAT, which will adjust to the general scheme. Furthermore, the scheme grants incentives for Income Tax, Tax on Assets, Import Duties, and any other tax on the introduction of certain assets. Additionally, among other benefits, the possibility to obtain a VAT reimbursement during the exploration stage, as indicated in Law No. 24196, has been regulated by General Resolution No. 1641/2004.

### Forestry

Law No. 25080 established an investment scheme for forests plantation, protection and maintenance, and granted tax incentives similar to those offered to the mining industry.

### Knowledge-Based Activities

By virtue of Law No. 27506 (as amended by Law No. 27570), the Government created new tax incentives intended to promote certain knowledge-based activities through the end of 2029. Taxpayers that comply with all requirements must apply and register in order to benefit from the new law.

The new system aims at encouraging the creation, design, production, and implementation or adaptation of products and services (and the associated technical documentation) relating to, among others, the following 'Promotional Activities':

- software
- computing and digital services
- audio-visual production and post-production activities

- certain scientific and engineering activities
- geological and prospecting services
- activities related to the industrial sector using '4.0 technologies,' and
- the export of professional services.

### Incentives under the new system include:

Corporate Income Tax rate reductions depending on the taxpayer's size. Large taxpayers would benefit from a 20% cut; while micro and small businesses, and medium-sized enterprises would enjoy a 60% and 40% cut, respectively. This reduction would apply to both Argentine- and foreign-source income.

Reduction of export duty applicable to exports of promoted services to 0% (currently not applicable to general taxpayers).

Non-transferable tax credit certificate of up to 70% of social security contributions paid by the employer with respect to employees engaged in Promotional Activities, which can be applied to the payment of certain taxes, such as VAT (excluding CIT). This bonus





certificate will increase to up to 80% of the social security contributions of new hires included in special interest groups (including women, LGBT, people with disabilities, and residents in unfavorable areas). Exporters may request the use of the certificate to offset CIT liabilities.

Tax stability with respect to the new system's benefits (available until December 31, 2029). The incentives will become effective for Income Tax purposes starting in the fiscal year following that in which taxpayers receive approval. However, they become effective for all other tax purposes as of the date the relevant governmental institution approves the registration. Furthermore, incentives apply retrospectively to January 1, 2020 for taxpayers that benefited under the software incentive system, which expired on December 31, 2019.

### — **Tierra del Fuego**

Although subject to certain limitations in the case of new projects, companies established in this province enjoy a general tax exemption as well as important customs-related benefits, based on the system established by Law No. 19640 and supplementary regulations.

### — **Renewable Energy**

Companies engaged in the production of energy through renewable sources are entitled to certain tax benefits, such as early refund of VAT or accelerated depreciation of capital goods for Income Tax purposes, among others.

### — **Biotechnology**

Law No. 26270 established a promotion system for the development and production of biotechnology, and grants 29 benefits for tax and social security contributions that may be claimed if specific requirements are met.

### — **Small and Medium-sized Enterprises (Law No. 27264)**

Law No. 27264 (passed in August 2016) established a special tax system for small and medium-sized enterprises (SMEs) and for Infrastructure Investments conducted by SMEs. The most relevant benefits include:

- Full exemption from Minimum Notional Income Tax starting January 2017 (this tax was abolished for fiscal years starting on or after January 1, 2019).
- Full credit (against Income Tax and its prepayments) on Tax on Financial Transactions paid by micro- and small-sized enterprises. A 50% credit on the tax paid by medium-sized manufacturing entities.
- Deferral of due date for VAT balance payable.
- Fiscal stability (from July 2016 to December 2018) for SMEs that invest in Infrastructure projects and/or capital goods.
- Income Tax credit for an amount equivalent to 10% of the amounts invested in infrastructure projects and the regulatory authority would be in charge of keeping a registry of companies that are considered SMEs and are, therefore, entitled to the benefit.

### — **Export Incentives**

The export of goods and services is exempt from Value Added and Excise Taxes. The temporary import of raw materials and intermediate and packaging goods for the

manufacturing of export products is duty-free, with the obligation to offer sufficient guarantees for the import. A reimbursement system is in place for VAT credits paid to suppliers in relation to export activity. Furthermore, in the case of nonresidents, gains on the sale of non-listed shares, share certificates and units of Argentine entities would be subject to a 13.5% tax on gross profits or, alternatively, 15% on actual profits (duly supported).

Similar rates would apply in the case of transfers of bonds, digital currency and other Argentine securities denominated in foreign currency.

### — **Withholding Taxes**

Dividend distributions and branch profit remittances paid out of profits generated in fiscal years beginning on or after January 1, 2018 are subject to a 7% Withholding Tax in Argentina. Although the Equalization Tax is no longer in force due to the amendment introduced by Law No. 27430, it still remains applicable to dividend and branch profit distributions made out of profits accumulated in FYs starting prior to January 1, 2018, and which were in excess of tax profits as of the year-end prior to the relevant distribution.



## Other Payments to Residents and Nonresidents

Recipient	WHT (%)	
	Interest (1)	Royalties (1, 2)
Resident legal entities	6/28 (3)	6 (4)
Resident individuals	6/28 (3)	6 (4)
<b>Nonresident legal entities and individuals:</b>		
Non-treaty:	15.05/35	21/28
<b>Treaty:</b>		
Austria (10)	12	3/5/10/15
Australia	12	10/15
Belgium	0/12 (5)	3/5/10/15
Bolivia	15.05/35	21/28
Brazil	15	10/15
Canada	12.5	3/5/10/15
Chile	4/12/15	3/10/15
China (14)	12	3/5/7/10
Denmark	12 (5)	3/5/10/15
Finland	15	3/5/10/15
France (13)	15.05/20 (6)	18
Germany	10/15 (7)	15
Italy	15.05/20 (5)	10/18
Japan (11)	12	3/5/10
Luxembourg (12)	12	3/5/10
Mexico	12	10/15
Netherlands	12	3/5/10/15
Norway	12.5 (8)	3/5/10/15
Qatar	12	10
Russia	15	15
Spain	12	3/5/10/15
Sweden	12.5	3/5/10/15
Switzerland	12	3/5/10/15
Turkey (9))	12	3/5/10
United Arab Emirates	12	10
United Kingdom	12 (5)	3/5/10/15

### Notes

(1) Withholdings from payments of interest and royalties to non-residents are based on a flat rate of 35% applied to an assumed percentage gross profit margin. This margin is not contestable, but the resultant rate may be limited by bilateral treaty. Under the 1998 tax reform, the general margin for interest paid on credits obtained abroad is 100%. However, a margin of 43% is applicable: (i) if the debtor is a local bank; (ii) if the creditor is a foreign financial institution located in a country not considered as a low or zero tax jurisdiction, or in countries that have signed an agreement with Argentina for exchange of information and have no bank secrecy laws, which are under the supervision of the respective central bank; (iii) if the interest is paid on a loan for the purchase of tangible assets other than cars; (iv) if the interest is paid on debt certificates (private bonds) issued by local companies and registered in certain countries that have signed an agreement with Argentina for the protection of investments; and (v) on interest paid on time deposits with local banks.

Royalties include a variety of concepts. All rates disclosed in this column relate specifically to services derived from agreements ruled by the Foreign Technology Law, as follows:

- Technical assistance, technology, and engineering not obtainable in Argentina: 21% (35% on assumed profit of 60%).
- Cessation of rights or licenses for invention patents exploitation and technical assistance obtainable in Argentina: 28% (35% on assumed profit of 80%). In case of nonregistered agreements, the rate is 31.5% (profit of 90% is assumed) or 35% (profit of 100% is assumed), depending on the case.

Several other concepts of 'royalties' are subject to rates that, in turn, may be limited by treaty. A broad sample of these concepts and the non-treaty effective rates are set forth in Note 2.

(2) Payments to non-residents (only) for 'royalties', rentals, fees, commissions, and so on, in respect of the following, are subject to withholding at the rates indicated below on the basis of assumed gross profit margins (Note 1) unless limited by treaty. The treaty concerned should be consulted to determine any limitation in each case.

Payment	WHT (%)
Freight and passenger bookings (other than those covered by special treaties), news and feature services, insurance underwriting	3.50
Containers	7.00
Copyright	12.25
Rental of movable assets	14.00
Motion picture, video, and sound tape rentals and royalties; radio, television, telex and telefax transmissions; any other means for projection, reproduction, transmission, or diffusion of image or sound; sale of assets located in Argentina	17.50
Rental of real estate	21.00
Any other Argentine-source income (unless the nonresident is or was temporarily resident)	31.50

(3) The higher tax rate is applicable on non-registered taxpayers. In case of interest paid to corporations by financial entities or stock exchange/open market brokers, Income Tax must be withheld at 3% (10% if not registered); individuals are tax exempt.

(4) Resident corporations and individuals who are registered for tax purposes are subject to 6% withholding (28% if not registered).

(5) Interest is exempt if paid on credit sales of machinery or other equipment, specific bank loans at preferential rates or loans by public entities.

(6) The current wording of the treaty limits taxation of interest to 20% (registered). See #13

(7) A 10% rate is applicable to interest on credit sales of capital equipment, any bank loan, or any financing of public works; otherwise, 15%.

(8) Interest paid on loans with guarantee of the Norwegian Institute for Credit Guarantees or paid in relation to imports of industrial equipment is tax exempt.

(9) Treaty signed in April 2018. Still pending ratification by Argentina.

(10) Treaty signed in December 2019. Still pending ratification by both countries.

(11) Treaty signed in June 2019. Still pending ratification by both countries.

(12) Treaty signed in April 2019. Still pending ratification by both countries.

(13) An amending Protocol has been signed in December 2019 that is still pending ratification by Argentina. Once in force, it will introduce a reduction on interest WHT (12%) and on royalty WHT (3/5/10%).

(14) Treaty signed in December 2018, still pending ratification by Argentina.

# Reference Information



## Reference Information

**General statistics on cost/expense, i.e., average labor costs, office rental and utilities necessary for doing business locally.**

- Ministry of Economy:  
[www.argentina.gob.ar/economia](http://www.argentina.gob.ar/economia)
- National Institute of Statistics and Censuses:  
[www.indec.gob.ar](http://www.indec.gob.ar)

### Local Government Agencies

- Ministry of Environment and Sustainable Development:  
[www.argentina.gob.ar/ambiente](http://www.argentina.gob.ar/ambiente)
- Federal Administration of Public Revenue:  
[www.afip.gob.ar](http://www.afip.gob.ar)
- National Social Security Administration:  
[www.anses.gob.ar](http://www.anses.gob.ar)
- Ministry of Foreign Affairs and Worship:  
<https://www.argentina.gob.ar/cancilleria>
- Ministry of Public Works:  
[www.argentina.gob.ar/obras-publicas](http://www.argentina.gob.ar/obras-publicas)
- Ministry of Tourism and Sports:  
[www.argentina.gob.ar/turismoydeportes](http://www.argentina.gob.ar/turismoydeportes)

### Tips for Business Visitors

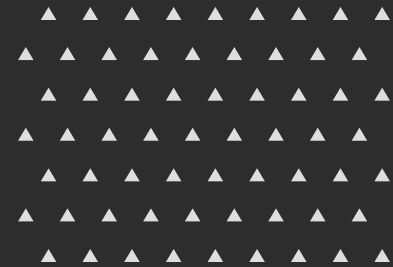
- Requirements for visitors' visas
- Argentine time zone is GMT -03 Source:  
<https://www.argentina.gob.ar/organismos>

## Normal Business Hours

- **Banks and exchange houses:**  
Monday through Friday, from 10 a.m. to 3 p.m.
- **Business offices:**  
Generally, from 9 a.m. to 6 p.m.
- **Stores:**  
In large cities, from 9 a.m. to 8 p.m., although in the interior, they usually close at mid-day. On Saturday, many stores open from 9 a.m. to 1 p.m. only.
- **Cafés, bars and pizza parlors:**  
Open almost around the clock, some closing between 2 a.m. and 6 a.m.
- **Restaurants:**  
Lunch is served from 12.30 p.m. and dinner from 8.30 p.m. Many establishments offer fast food at all times.
- **Trading currency in the country:**  
Argentina's legal tender is the peso. Although the US dollar and the euro are widely accepted, exchange for local currency is performed at banks and authorized exchange houses. The most commonly accepted credit cards are American Express, VISA, Diners and MasterCard. It may be difficult to exchange travelers' checks outside of Buenos Aires.
- **Climate:**  
Argentina enjoys a wide range of climates: temperate and humid on the plains of the Pampas; cold and humid in the extreme west of Patagonia; subtropical in the north of Mesopotamia; and warm in the north east of the country. From November to March, the average temperature is 23° C, and from June to September, 12° C.
- **Weights and measures:**  
Weight: kilo (k); Measurement: meters (m)
- **Format of dates:**  
DD/MM/YY (date/month/year)
- **Numbers:**  
Thousands are separated by a point, decimals, by a comma.

### Covid-19 epidemiological update in Argentina

<https://www.argentina.gob.ar/salud/coronavirus-COVID-19>



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