

State's De-bureaucratization

Laws No. 27,444, 27,445 and 27,446

On June 18th, Law No. 27,444 (Simplification and De-bureaucratization for the Productive Development of the Nation), Law No. 27,445 (Simplification and De-bureaucratization for the Development of Infrastructure) and Law No. 27,446 (Simplification and De-bureaucratization of the National Public Administration), hereafter "De-bureaucratization Laws", were enacted and published in the National Official Gazette.

These regulations abrogate the Decree No. 27/2018 (hereafter, the "Decree") -that was questioned on its formal validity- issued on January 11th, 2018. Nevertheless, the De-bureaucratization Laws reproduce substantially certain dispositions that simplify, expedite and increase the efficiency of procedures before the Public Administration.

Below, the most relevant regulations of the De-bureaucratization Laws and specific modifications of those measures, will be described briefly:

- **ART TREASURES:** the import and export of art treasures procedure is simplified. The Ministry of Culture is appointed as enforcement authority. Nonetheless, the Law No. 27,444 derogates the exclusion of The Customs Administration to check and examine the art treasures included in Section 1 of Law No. 24,633.
- **SENASA:** regarding zoophytosanitary health, the abrogation of numerous laws on the import of animals with contagious diseases, the transportation of animals and the National Program "Lucha contra la Fiebre Aftosa" are maintained. The regulations that establish the national interest of the health of animals and plants, the Pest Control Regime and the powers of the President of SENASA, remain fully in force.
- **CORPORATIONS:** the main amendments of the current legal regime contemplated by the Argentinean General Corporations Law No. 19,550 (hereinafter "AGCL") are preserved: (i) Implementation of the National Registry of Corporations (hereinafter "NRC"): although it was already foreseen in Law No. 26,047, Section 8 of the AGCL was amended, foreseeing that the organization and operation of the NRC will be under the responsibility of the Ministry of Justice and Human Rights or of the body that the latter shall designate for that purpose. The procedure for the submission of data from the local public registers to the NRC will be regulated in due time. The NRC will be of public consultations by paying a fee; (ii) Prohibition of the figure of the apparent partner, hidden partner and the accidental or participation company: the new wording establishes: (a) the prohibition of the apparent partner or the hidden partner is prohibited (Section 34 AGCL); and (b) that its infringement shall make the apparent partner and the hidden partner, liable in a subsidiary, joint and several manner in accordance with the provisions of Section 125 of the AGCL (Section 35 AGCL); (iii) Corporate and accounting books by Digital Registries: the new wording of Section 61 AGCL eliminates this existing inequality between the different current legal regimes for each type of legal forms, allowing all legal entities to have their corporate and accounting books by Digital Registries through digital means in the same way as simplified corporations (SAS); and (iv) The possibility that listed

companies hold participation in SAS: the limitation of the Section 299, article 1 LGS – regarding to listed companies - for the constitution of Companies for Simplified Shares is deleted. The restrictions of articles 3, 4 and 5 of Section 299 still in force.

- **FIDUCIARY FUND FOR THE DEVELOPMENT OF ENTREPRENEURSHIP CAPITAL ("FONDCE")**: Micro, Small, and Midsize Enterprises ("MiPyMEs") are still considered as beneficiaries of FONDCE, and the regulation of its definition remains pending.
- **LEGAL METRIC SYSTEM**: the Secretariat of Commerce continue empowered to dictate the regulations related to the measuring instruments.
- **TRADEMARKS AND PATENTS**: the registration procedure for trademarks, patents, models and industrial designs is maintained. The administrative procedure implemented to analyze and solve oppositions to the requests for registration of trademarks is preserved. The National Institute of Industrial Property, as enforcement authority, is allowed to clarify or modify the applicable regulation.
- **ARGENTINIAN ESCROW FUND ("FOGAR")**: the Escrow Fund for Micro, Small, and Midsize Enterprises ("FOGAPYME") replacement by the Argentinian Escrow Fund ("FOGAR") is preserved, extending its benefits to more companies.
- **ENERGY**: The Ministry of Energy and Mining ("MINEM") appointment as enforcement authority of Hydrocarbons Law No. 17,319 is standing. The National Executive Power ("PEN") is allowed to delegate faculties to the MINEM in order to grant, extend, cancel or declare the expiration of concessions and permits, authorize its cessions, set the compensations to be paid to landowners, among others. The ENARGAS jurisdictional decisions can be challenged before the National Court of Appeals in Administrative Federal Matters in the City of Buenos Aires or before the Federal Court of Appeals of the location where the service subject matter of the dispute is provided. .
- **LABOR PROMOTION**: the Public Registry of Employers with Labor Penalties ("REPSAL") remains in force for every employer that has to regularize its registration or work relation, for the term of 30 days after the payment of the fine and/or the date of regularization.
- **INDUSTRIES**: the National Registry of Industry ("RIN") is dissolved and the requirement of the PEN's authorization either to install new terminal producers companies of motor vehicles or to change the ownership of the existing ones, is abrogated.
- **INSURANCE**: digital media as proof of the insurance contract is preserved, and Law No. 13,003 regulating collective life insurance for state employees, is abrogated. The National Superintendence of Insurance is still entitled to regulate the contracting of death cases insurance, by employees of the National Public Sector, which will be optional.
- **STOCK CAPITAL FIDUCIARY FUND ("FONCAP")**: the ratification of the consolidated text of the fiduciary agreement celebrated between the National State and the FONCAP (Decree No. 675/97) is maintained. The Secretariat of Financial Services, dependent on the Ministry of Finance, is entitled to approve a new consolidated text of the fiduciary agreement.

Pursuant to Decree No. 575/2018 current faculties of the Ministry of Finance will be centralized by the Treasury Ministry.

- **CREDIT ACCESS – FINANCIAL INCLUSION:** the possibility of generating instruments by electronic means in some cases of the regulations referred to credit cards, check, bills of exchange and promissory note, persists.
- **PORT ACTIVITIES:** reproduces the disposition which determines that final authorizations will be given for ports currently working with a poor authorization granted at the time of the promulgation of Law No. 24,093 of Port Activities. This will also be applicable to those ports in which the National State or the Provinces were holders, administrators or exploit the establishment themselves or through others before Law No. 24,093. The Law No. 27,445 adds the obligation to inform quarterly to the Congress every poor authorization exceptionally granted to foreign vessels, when national vessels are not capable of supplying basic items due to circumstances of force majeure.
- **CIVIL AVIATION:** maintains the disposition that creates the company “Empresa Argentina de Navegación Aérea Sociedad del Estado” (“EANA S.E.”). By that regulation, the EANA S.E. is appointed as the only provider of the public service of aerial navigation, receiving all the faculties of the dissolved National Direction of Aerial Transit Control, including military airfields. The National Administration of Civil Aviation (“ANAC”) will provide ancillary and coaching services to EANA S.E., and supervises the activity. The Law No. 27,445 modifies the Customs Code and imposes, to the customs service, the obligation to inform quarterly to the Congress the authorizations granted for special deposits of spare plane parts.
- **TRAFFIC AND ROAD SAFETY:** the dissolution of the Agency for the Control of Public Road Concessions (“OCCOVP”) is reaffirmed. Its faculties are transferred to the National Roads Direction (“DNI”), which is appointed as the enforcement authority for the current roadways concession contracts and for those that will be celebrated in the future. New technical regulations are established for the vehicles associated to the service of passengers and load transport. Law No. 27,445 determines that, for security purposes, the transit of “bitrains” (trucks with semi-trailers biarticulated) will be limited to the corridors specified by the application authority.
- **PUBLIC WORK TENDERS:** the obligation to publish public tenders on the official website of the entity working as principal is abrogated.
- **DIGITAL SIGNATURE – ELECTRONIC DOCUMENTARY MANAGEMENT (“GDE”):** the Ministry of Modernization appointment as enforcement authority and the evidential value of all official electronic documents signed digitally in the platforms of long distance procedures and GDE, is maintained. The obligation of jurisdictions and entities from the National Public Sector to sign and send the answers to court orders exclusively through GDE, persists.
- **FINANCIAL INFORMATION UNIT (“UIF”):** the UIF is still entitled to report suspicious transactions related to facts under investigation in a criminal case, directly to the intervening Judge and the reporting parties are authorized to share the files of their clients- with the consent of the latter- that contain information related to the identification of said

persons, the origin and the legality of the funds. The concept of “client” is preserved and the obligations of the reporting parties are developed.

Measures related to **The Agency of Administration of State’s Assets (AABE)** and **Sustainability Guarantee Fund (FGS)**, mentioned in the Decree, had been removed by the De-bureaucratization Laws.

For further information related to the various amendments introduced by the legislation aforementioned, please contact:

Ignacio Sanz

Ignacio.Sanz@bfmyl.com

Ignacio Minorini Lima

Ignacio.Minorini.Lima@bfmyl.com