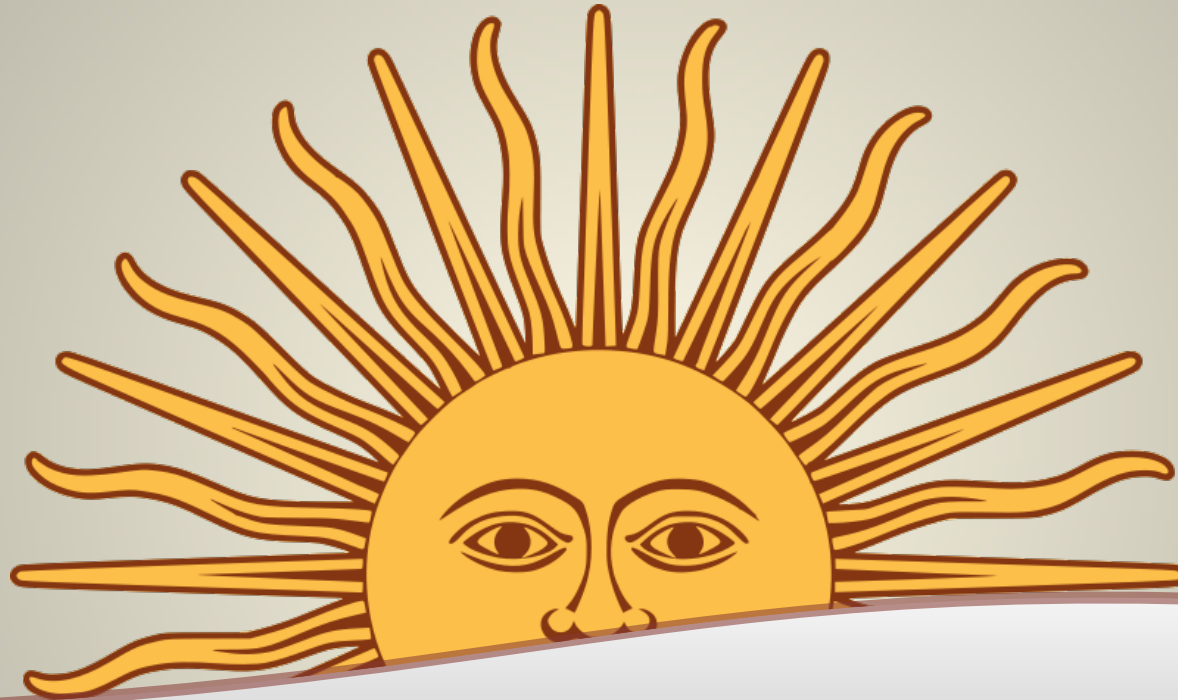


DOING BUSINESS IN ARGENTINA



BERETTA GODOY

Sarmiento 580 - Recepción Piso 4° - C1041AAL - Buenos Aires – Argentina

Tel: (54-11) 4326-7386 - Fax: (54-11) 4326 7396

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ARGENTINA – QUICK FACTS

Population: 42 million

Land mass: 2,795,677 km²

Language: Spanish

Capital: Buenos Aires

Time zone: GMT + 3 hours

Currency: Argentine Peso

2013GDP: USD 475.5 billion

2013 Foreign Debt/GDP: 18.8%



Industrial production growth rate: 0.2% p.a.

Oil reserves: 2,805 MMbbl

Third largest shale oil and gas reserves in the world

Mining and metals: gold, silver, copper, lithium

Over 50 million tons of soy exports

Over 80 billion tons of meat exports

Worldwide wine production



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ROADMAP TO INVESTING IN ARGENTINA



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Foreign investors may



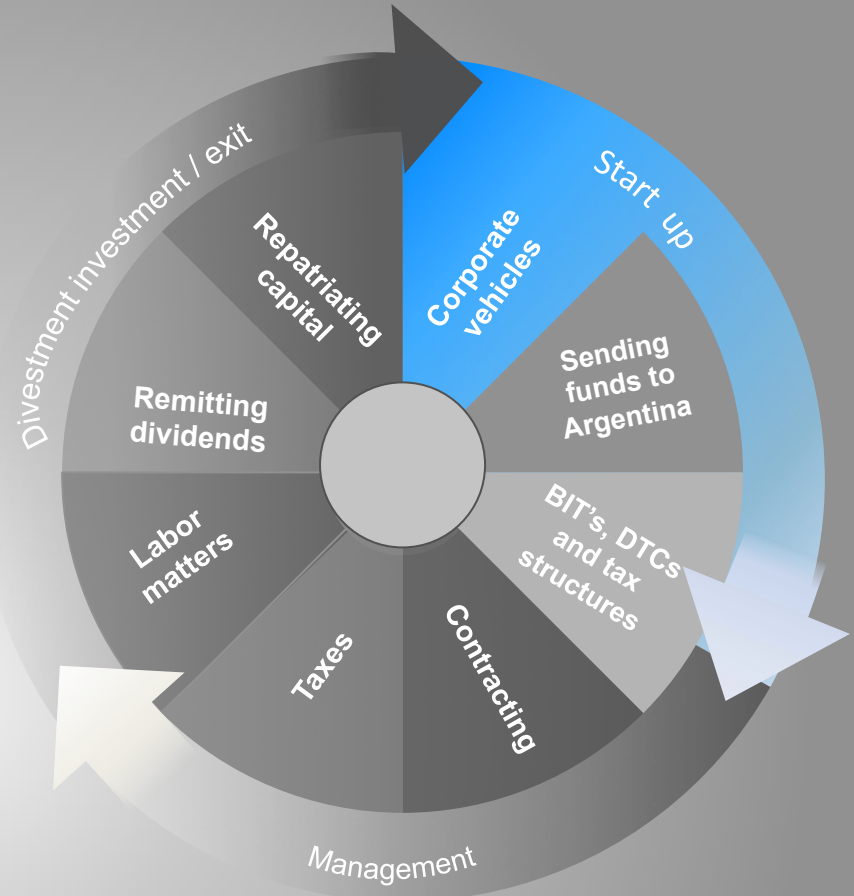
Register local branch

or

Incorporate local subsidiary (except for isolated acts)



Both shareholders and subsidiary must be registered



All funds sent into Argentina must be converted to Argentine pesos at official exchange rate

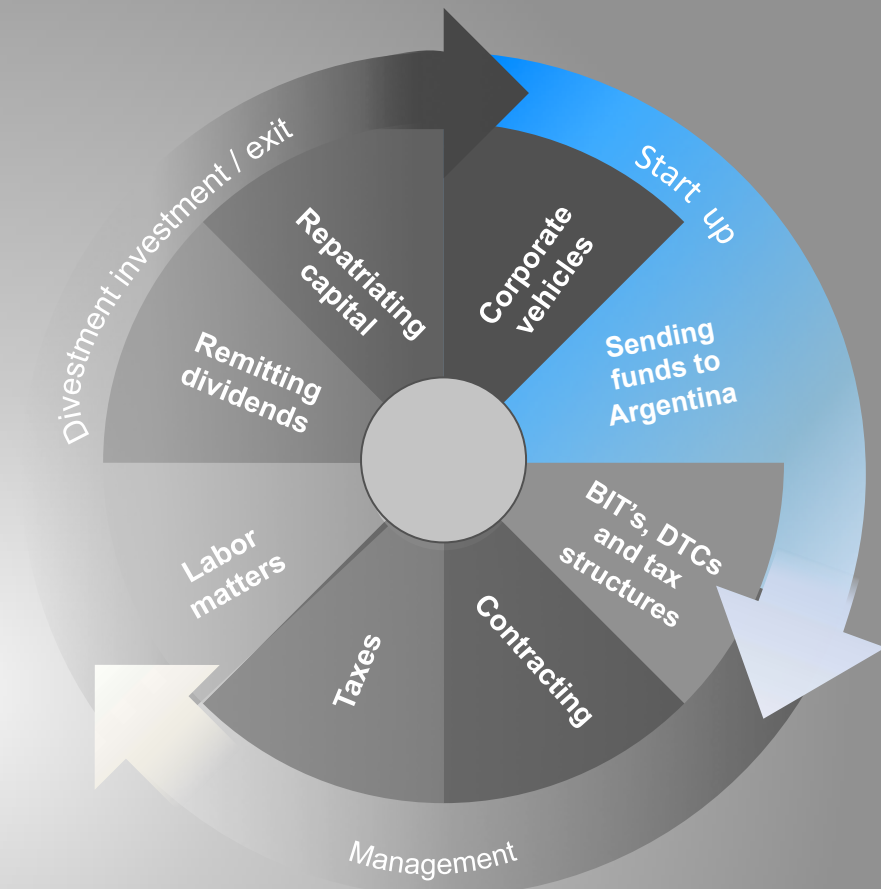


Free use of funds for most purposes, including:

- ✔ Capitalizing the company
- ✔ Inter-company loans
- ✔ Capital contributions valuing at least 10% of the total capital of the local company



Funds sent for purposes other than capital expenditure or foreign direct investments are subject to a 30% withholding, returned in 12 months, to avoid speculative investments



Double Taxation Conventions



Generally based on the OECD model

With over 20 countries: Australia, Brazil, Canada, Germany...

Enable companies to avoid paying taxes for the same income in two countries

Bilateral Investment Treaties



With over 50 countries: China, USA, UK, Australia, Canada and Mexico

Protect investments when things go wrong

Provide a number of guarantees



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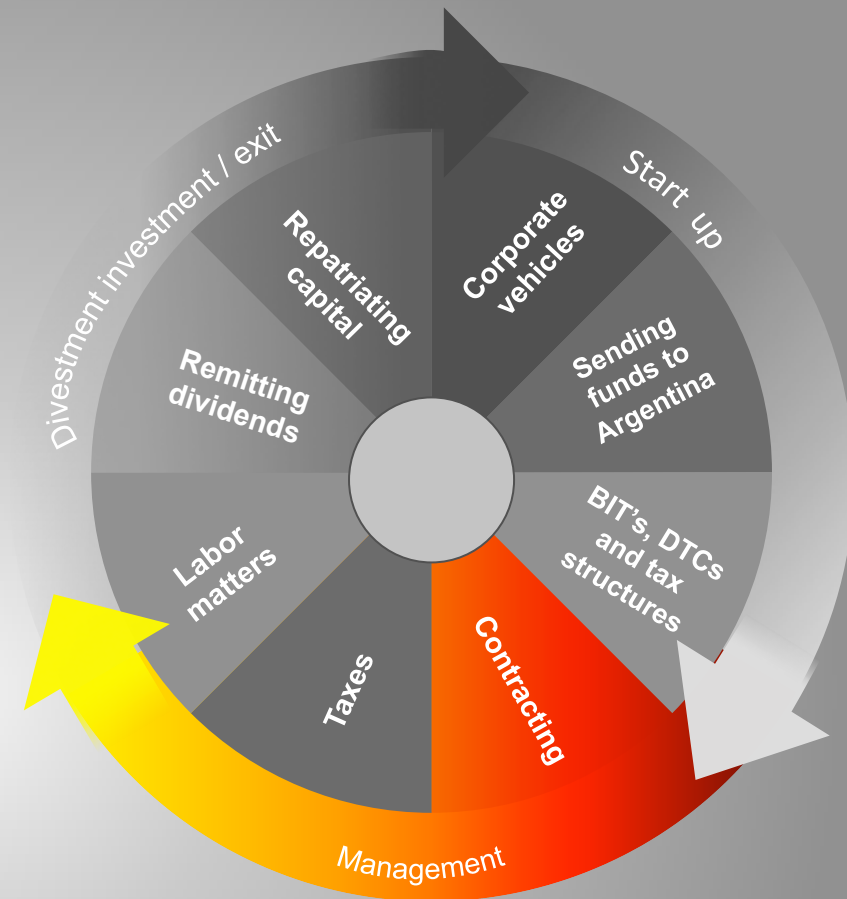
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Freedom of contracting
in relation to form and
content

Contracts signed by
both parties are
subject to stamp tax

Agreements typically
entered into by an offer
letter accepted by a
positive act



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THREE
levels of taxation



Federal
Provincial
Municipal

Federal level

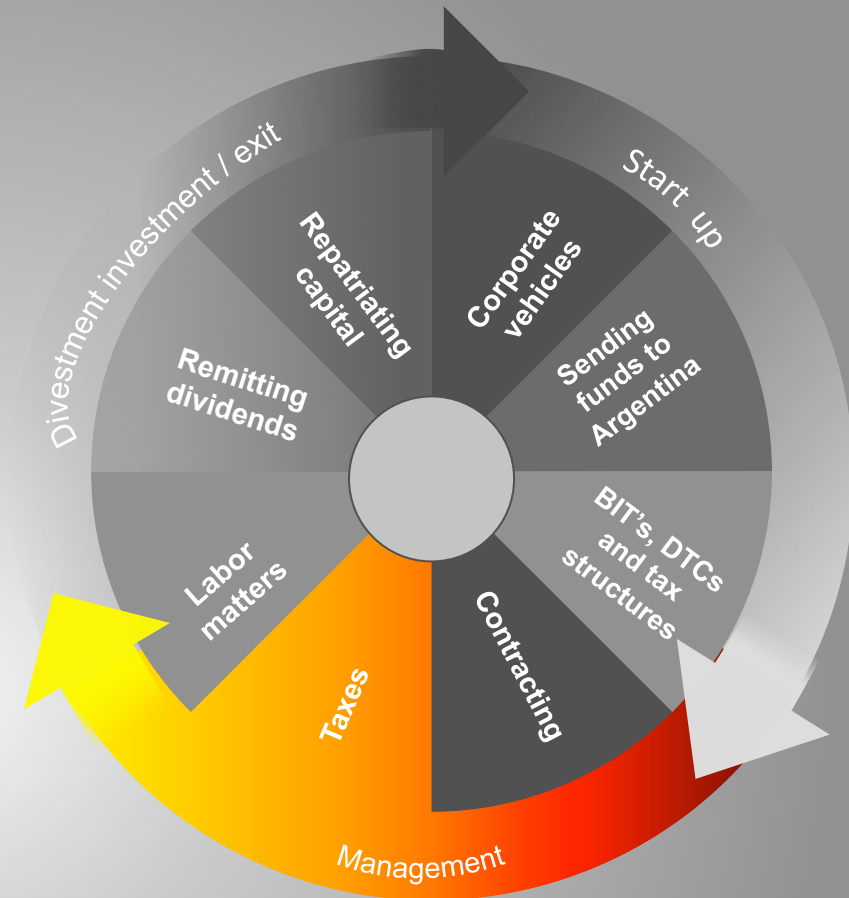
TAX	RATE
Income tax	35% over net income
VAT	21%
Tax on bank debits and credits	0.6%
Minimum presumed income tax	1% over value of assets in excess of AR\$ 200,000

Provincial level

TAX	RATE
Stamp tax	0.5% to 3%, if it cannot be legally avoided
Gross receipts Tax	1.5% to 3.5% of gross income from primary activities

Municipal level

TAX	RATE
Public lighting, cleaning and road maintenance Fee	0.5 to 1.5%
Health and Safety Fee	0.4%-1.5%
Advertising Fee	Depends on the size and other characteristics



Argentine law provides a strong protection for employees

Factors to consider when determining if a person is an employee include:

Whether they work on an exclusive basis

Whether they have a regular time schedule

- How they receive instructions
- Whether they work in a facility and with elements supplied by the employer
- Whether their salary is their main source of income; and/or receive similar benefits to those of an employee
-



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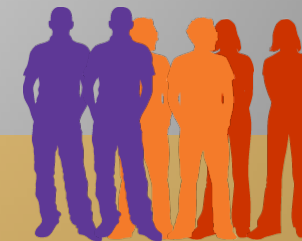
Companies must register with labor and social security authorities

Substantial penalties, measured against the employee's salary, for non-compliance by the employer with its registration obligations

Dismissal without cause requires compensation, among other things, equivalent to 1 month of salary for year of service or fraction higher than 3 months.

Contribution above salary payment

ITEM	EMPLOYEE'S CONTRIBUTION	EMPLOYER'S PAYMENT
Retirement	11%	10.17%
Health medical service for retired people	3%	1.50%
Family allowances	---	4.44%
Unemployment fund	---	0.89%
Health medical services	3%	6%
Total	17%	23%



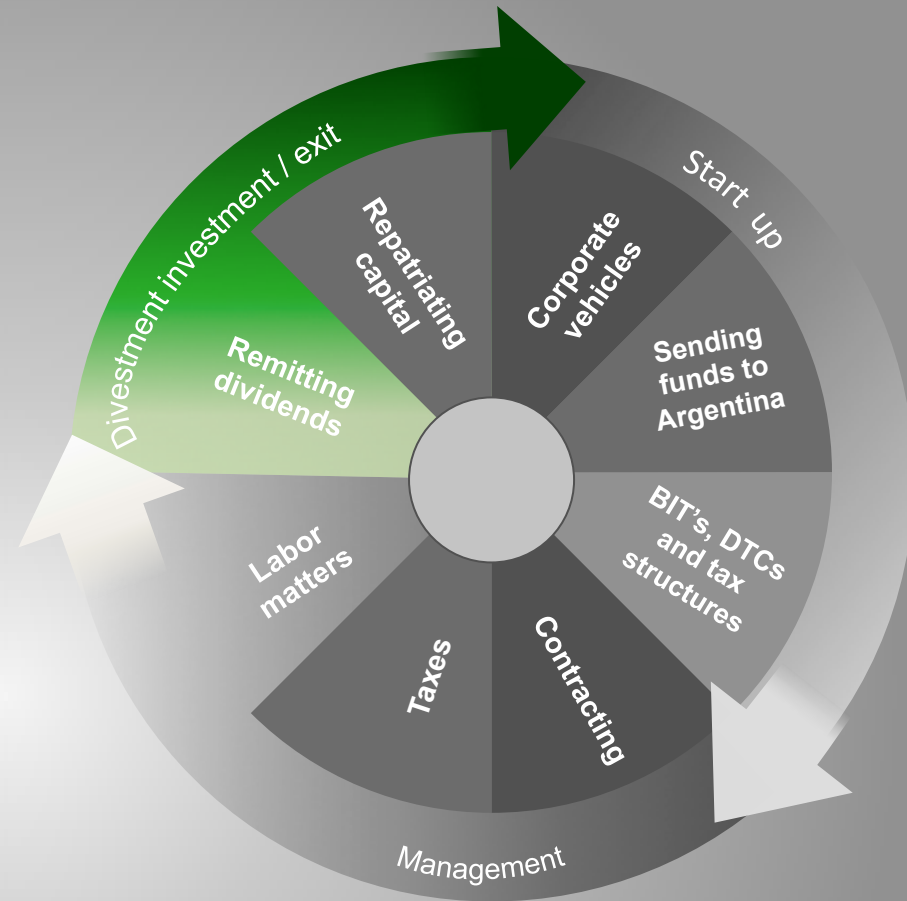
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Dividends can be remitted if they derive from closed and audited financial statements

Certain approvals must first be obtained from local regulatory bodies before remitting dividends



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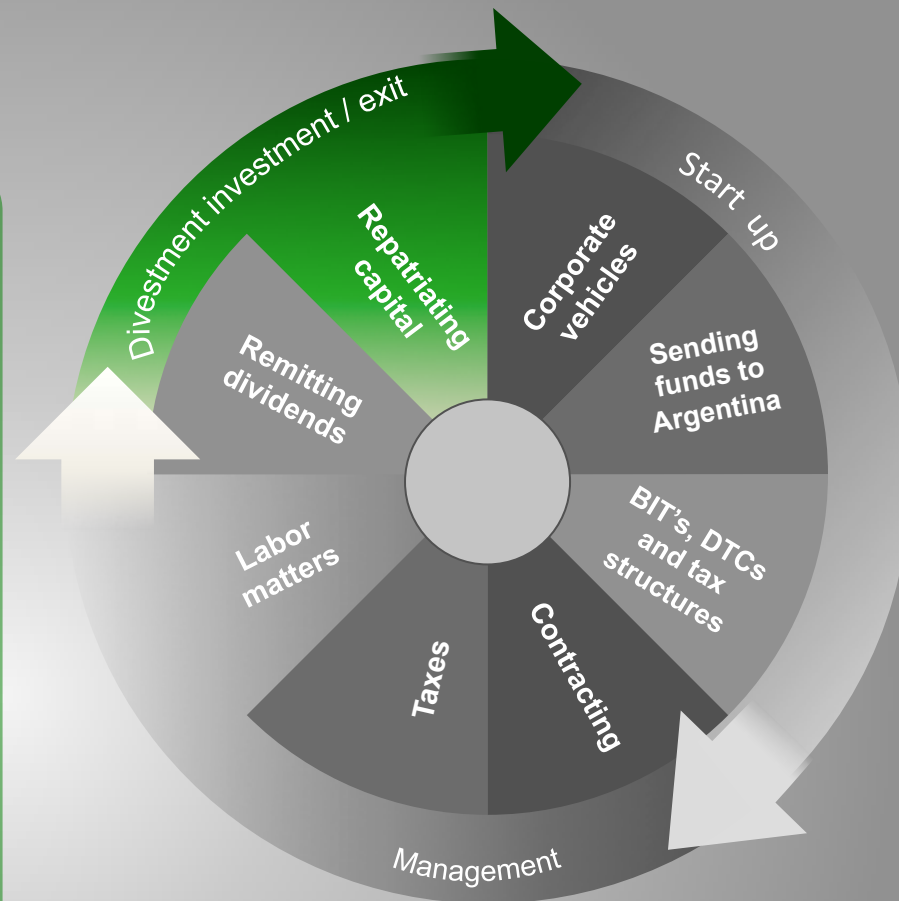
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Repatriation of direct investment is possible if funds:

- Entered the Argentine Foreign Exchange Market
- Have been in Argentina for not less than 365 consecutive days

Repatriation must be for one of the following reasons:

- Sale of direct investment
- Final liquidation of direct investment
- Capital reduction performed by local company



“If the beneficiary is resident abroad or constituted in one of the jurisdictions considered non-cooperating for the purpose of fiscal transparency [as determined by Decree 589/2013], repatriation will require prior Central Bank approval.

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**Assisting investors with
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