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# Decree 749/2024
# Regulation of the Incentive Regime for Large Investments (RIGI).

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On 23 August 2024, the Decree approving the Regulation of the Incentive Regime for Large Investments (RIGI) was published in the Official Gazette.

## Chapter I
## Establishment and Scope of Application

The Registry of Unique Project Vehicles (VPU), the Registry of Long-Term Strategic Export Projects, and the Registry of Suppliers for the Incentive Regime for Large Investments are hereby established.

## Chapter II
## Term and Eligible Entities

### Section I – Definitions

For the purposes of the RIGI, the following definitions apply:

Expansion.
A set of investments in qualifying assets to be carried out according to a certain schedule, resulting in the increase of the productive capacity of a RIGI Project or an Existing Project.

Stage.
The temporal division of the development of a Unique Project, as proposed by the VPU in the application for adherence.

Phases.
The various activities corresponding to the industries included in the Unique Project (forestry industry, tourism, infrastructure, mining, technology, steel industry, energy, oil, and gas industries).

Date of adherence to RIGI.
Upon the issuance of the administrative act approving the adherence application, for the purpose of:

- The rights granted by the RIGI to a Unique Project, the date of submission of the adherence application by the VPU, or the later date when the VPU completed its application, shall be considered.
- And for the assumption of obligations by the VPU, the date of notification of the administrative act approving the adherence application.

<u>Large Investments.</u>
Investments equal to or exceeding the minimum amount.

<u>Local Suppliers.</u>
Individuals with a tax domicile in the country and/or legal entities that:

- Are incorporated and domiciled in the country.
- Hold at least 51% of the share capital.
- Provide services or supply goods intended for one or more VPUs adhering to the RIGI.

<u>Long-Term Strategic Export Project.</u>
A RIGI Project approved by the competent authority that could become a long-term supplier in markets with minimum investments per stage of USD 1,000,000,000 or more.

<u>Existing Project.</u>
A project not adhering to the RIGI subject to an expansion.

<u>RIGI Project.</u>
A Unique Project managed by a VPU.

<u>Unique Project.</u>
A planned development exclusively dedicated to one or more activities within the definition of industries requiring Large Investments.

<u>Commencement of the Stages of a Long-Term Strategic Export Project.</u>
The date of commercial operation commencement for each Stage.

<u>VPU Start-Up.</u>
Whichever occurs first between the date of the first export of the product (the main object of the VPU) and the date when 40% of the minimum investment amount is completed.

<u>RIGI.</u>
Incentive Regime for Large Investments.

<u>Industries.</u>
The industries included are:

- <u>Forestry:</u> Activities whose main input for product acquisition is wood and include forest plantation.
- <u>Tourism</u>: Activities aimed at providing lodging and accommodation services.
- <u>Infrastructure</u>: Activities aimed at constructing:
    a. Physical structures, networks, and/or public or private systems necessary for the proper functioning of logistics and road, land, sea, river, port, or rail and airport transportation;
    b. Physical structures, networks, and/or systems, public or private, intended for the development of recreational projects;

c. Physical structures, networks, and/or systems, public and/or private, necessary for the proper functioning of public services, as well as services declared of interest such as healthcare, education, telecommunications, and defence and security.

- Mining: Activities of prospecting, exploration, development, preparation, extraction, and exploitation of mineral substances.
- Steel: Activities of industrialization and/or processing of iron ore, steel, and/or its alloys to obtain products in primary forms and/or finished products.
- Energy: Activities related to the generation, storage, transportation, and/or distribution of electric energy from renewable and non-renewable sources; the production of other low-carbon energies; bioenergy; and the capture, transportation, and storage of carbon dioxide.
- Oil and gas: Activities related to:
  a. The construction of treatment plants, natural gas liquids separation plants, oil pipelines, gas pipelines, multi-product pipelines, and storage facilities;
  b. The transportation and storage of liquid and gaseous hydrocarbons;
  c. Petrochemicals, including the production of fertilizers and refining;
  d. The production, capture, treatment, processing, fractionation, liquefaction of natural gas, and transportation of natural gas for the export of liquefied natural gas, as well as the infrastructure necessary for the development of the aforementioned industry;
  e. The exploration and exploitation of offshore liquid and gaseous hydrocarbons.

Dedicated or Special Branch.

A branch of a public limited company, a limited liability company, or a foreign company adhering to the RIGI with the sole purpose of developing a Unique Project.

VPU.

The vehicles under Article 169 of Law 27.742[1], responsible for a single Unique Project.

**Section II - Eligible Entities. Unique Project Vehicles (VPU)**

Existing Vehicles.

To apply for adherence to the RIGI, existing companies, branches, temporary joint ventures, and other associative contracts as of the enactment date of Law

[1] The following entities shall be considered VPUs:
a) Public limited companies, including single-member public limited companies and limited liability companies;
b) Branches established by companies incorporated abroad in accordance with Article 118 of the General Companies Law;
c) Dedicated Branches as provided in Article 170 of this law; and
d) Join Ventures and other associative contracts.

No. 27.742 may be utilised, provided they make the necessary adjustments to comply with the provisions of Article 169 of Law No. 27.742. This article stipulates that the sole and exclusive purpose must be to carry out one or more phases of a single investment project admitted under the RIGI. Consequently, VPUs must not engage in activities or hold assets unrelated to the said project, except for the temporary investments of their working capital necessary for the prudent management of the company's funds.

<u>Reorganisation of Existing Vehicles with More than One Project.</u>

Public limited companies, including single-member public limited companies; limited liability companies; branches established by companies incorporated abroad that conduct regular activities in the country in accordance with Article 118 of the General Companies Law; and temporary joint ventures and other associative contracts involved in more than one project and intending to adhere to the RIGI, must:

- Take all necessary measures to ensure that, at the time of application to the Competent Authority, the vehicle:
    a. Carries out a Unique Project; and
    b. Does not engage in activities or hold assets unrelated to the said Unique Project, except for the temporary investments of its working capital necessary for the prudent management of its funds, or when exclusive allocation cannot be fulfilled due to regulatory requirements; or
- Alternatively, in the case of a public limited company, a limited liability company, or a branch of a company incorporated abroad, establish a Dedicated Branch and transfer, assign, or make available without restriction the assets corresponding to the Unique Project to be developed.

Existing vehicles with more than one project and intending to adhere to the RIGI must:

- Carry out a Unique Project.
- Not engage in activities or hold assets unrelated to the said Unique Project, except for the temporary investments of their working capital necessary for the prudent management of their funds, or when exclusive allocation cannot be fulfilled due to regulatory requirements.
- Alternatively, in the case of a public limited company, a limited liability company, or a branch of a company incorporated abroad, establish a Dedicated Branch.

<u>Dedicated Branches must also:</u>

- Be registered in the Public Registry of their domicile.
- Obtain a CUIT (Unique Tax Identification Code) and pay taxes independently.
- Verify their capital.
- Designate the sole purpose of developing a Unique Project for which inclusion in the RIGI is requested.

- Provide evidence of the identification and valuation of the assets allocated to the Unique Project from the start of the RIGI registration process.
- Maintain separate accounting from the company domiciled in the country or the foreign company to which they belong.

## Chapter III
## Requirements and Conditions for Inclusion in the RIGI. Investment Plan. Procedures and Effects

### Section I - Minimum Amount. Qualifying Assets. Long-Term Investment

The minimum investment amounts in qualifying assets per industry or productive subindustry, net of VAT, are as follows:

| Industry | Sub-industry | Minimum Investment Amount (USD) |
|---|---|---|
| Forestry Industry | | 200,000,000 |
| Tourism | | 200,000,000 |
| Infrastructure | | 200,000,000 |
| Mining | Exploration | 200,000,000 |
| | Minerals of 1st and 2nd Category under the National Mining Code (excluding Potassium and Lithium) | 200,000,000 |
| | Potassium and Lithium | 200,000,000 |
| | Mining of 3rd Category under the National Mining Code | 200,000,000 |
| Technology | | 200,000,000 |
| Steel Industry | | 200,000,000 |
| Energy | | 200,000,000 |
| Oil and Gas | Offshore Exploration and Production | 600,000,000 |
| | Gas Exploration and Production for Export | 600,000,000 |
| | Transportation and Storage | 300,000,000 |
| | Processing, Fractionation, Compression, and Liquefaction | 200,000,000 |
| | Refining | 200,000,000 |
| | Petrochemicals and Fertilizers | 200,000,000 |

Minimum amount for Unique Projects involving multiple industries.

The verification of compliance with the Minimum Investment Amount in qualifying assets must be based on the amounts actually disbursed by the VPU. The minimum amount for the expansion of existing projects is as specified in the table above, according to the relevant industry and sub-industry.
In cases where a Unique Project involves multiple industries, the minimum investment amount will be determined based on the industry to which the primary objective of the project pertains.

Minimum investment amount for Long-Term Strategic Export Projects.
The minimum investment amount for Long-Term Strategic Export Projects will be USD 2,000,000,000.

Long-term or long-duration investments.
To determine whether the investments qualify as long-term, the Competent Authority must analyse whether the information provided by the VPU in its application is reasonable for the development of the Unique Project, taking into account, where possible, other projects of similar characteristics.

**Section II - Long-Term Strategic Exports**

Long-Term Strategic Export Project.
To qualify as a Long-Term Strategic Export Project, in addition to meeting all the requirements for adherence to the RIGI, the applicant must, at the time of submitting the application for adherence:

- International Positioning. Demonstrate that the Unique Project has the potential to position Argentina as a new long-term supplier in a global market where the country currently has no significant presence. This will be considered demonstrated if, at the time the law comes into force:
  a. There is no record of exports of the products in question from Argentina;
  b. Even if such exports exist, the Unique Project would enable exports to new countries that constitute new export destinations for that product; or
  c. Argentina holds a market share of less than 10% of the global market for those products.
- Stages. Detail the timeline for each Stage of the Unique Project and the minimum investment amount committed for each stage, which must not be less than USD 1,000,000,000 and must be met before the completion of each Stage. If the qualifying investments in one Stage exceed USD 1,000,000,000, the excess amount will be credited towards the fulfilment of the minimum amount applicable to the next Stage. If the minimum investment amount of USD 1,000,000,000 is met for each of the first two Stages, it will not be necessary to prove minimum investments in subsequent Stages.
- Percentage of the Minimum Amount to be Completed in the First Two Years. Plan for the first and second year, starting from the Date of Adherence, to meet a minimum investment in qualifying assets equal to

or greater than 20% of USD 2,000,000,000, which is the minimum investment amount applicable to Long-Term Strategic Export Projects.

- Multiple VPUs**.** The following must be provided:
    a. The corporate information of each VPU responsible for the Long-Term Strategic Export Project, and
    b. A commitment to joint and several liability for all obligations that, under the RIGI, are applicable and enforceable against each VPU participating in the Unique Project with multiple VPUs.

Unique Project with More than One VPU.
Long-Term Strategic Export Projects may be managed by more than one VPU provided that compliance with the necessary requirements to be classified as a Unique Project is demonstrated. Additionally, the following rules shall apply to these projects:

- Physical Integration**.** If the project components are located beyond a 200 km radius, they must be physically integrated.
- Compliance with Obligations. Compliance with the obligations required of the VPU will be calculated based on the total of what has been fulfilled by the holders with respect to the Unique Project.
- Joint and Several Liability**.** VPUs responsible for a Long-Term Strategic Export Project will enjoy the rights conferred by the RIGI individually. However, they will be jointly and severally liable for the fulfilment of the obligations applicable to the other VPUs participating in the Unique Project under the RIGI.
- Effect of a VPU's Non-Compliance on the Others. Non-compliance or violation by one of the VPUs responsible for the Long-Term Strategic Export Project will be attributable to the other VPUs participating in the Unique Project.

Qualifying Assets.
Investments related to usage rights that must be recorded as right-of-use assets may be considered as qualifying assets for the purpose of meeting the minimum investment amounts for Long-Term Strategic Export Projects.

Extension of Stability Term.
For the purpose of extending the stability term, the Competent Authority may only grant such an extension for those Stages that have reached the USD 1,000,000,000 amount.

**Section III - Adherence Procedure**

Application and Plan.
The application for adherence to the RIGI, including the investment plan, must be submitted to the Competent Authority and signed by the legal representative of the VPU. The identity and authority of the legal representative must be certified by a notary.

Requirements.

The application for adherence must include:

- Description of the Unique Project. A description of the Unique Project under the responsibility of the VPU, including the detailed investment plan, its location, and the corresponding industry
- Corporate Information of the VPU. The submission must be accompanied by:
  a. Certificate of Validity and Corporate Documentation. Documentation proving the establishment and validity of the entity and its articles of association or associative contract, as applicable, indicating the purpose of the VPU. The documentation must be certified by a public notary or the relevant corporate oversight authority.
  b. Unique Project Under the VPU's Responsibility. Documentation demonstrating that the Unique Project to be developed is under the responsibility of the VPU.
  c. Sworn Statement. A sworn statement signed by the legal representative of the VPU stating that the entity will not undertake activities or hold assets unrelated to the Unique Project, except for:
     i. Temporary investments associated with working capital;
     ii. Cases where the ownership of assets related to the Unique Project is legally impossible;
     iii. Cases involving usage rights in Long-Term Strategic Export Projects.

Address and Representative.
Establishment of a physical and electronic address, through an email, where all notifications will be valid, and the designation of a representative before the Competent Authority, along with their contact information.

Total Amount.
The total investment amount for the Unique Project in qualifying assets.

Main Categories.
Details of the main categories to which the investment in qualifying assets will be allocated, including capital and operating costs, and a breakdown of the planned assets.

Schedule.
The estimated schedule of the total investment for the Unique Project, including a description of the construction period, the estimated start date of operations, and the useful life of the Unique Project.

Report.
A report demonstrating the long-term or long-maturation nature of the investment must be included.

Initial Amount.

The amount of investment in qualifying assets to be made during the first and second year from the Date of Adherence.

Declaration of No Distortion to the Local Market.
A sworn statement must be included, indicating that the development of the RIGI Project will not distort the local market. This statement must be supported by:

- A technical study conducted by a lawyer or economist with specific expertise in competition law, which must include at a minimum:
    a. A description of the product or service to be offered;
    b. A definition and projection of the likely evolution of the relevant market;
    c. Identification of the market participants who may be affected by the Unique Project;
    d. An analysis of the potential positive and negative impacts of the projected investment on the relevant market participants; and
- Information provided that ensures there will be no distortion of the local foreign exchange market.

Deadline.
The deadline by which the VPU commits to achieving and meeting the minimum investment amount in qualifying assets. The deadline must align with the practices of the relevant Industry for the reasonable development of the Unique Project. For Long-Term Strategic Export Projects, it will be the last day of each of the first two Stages.

Financing.
A description of the source and/or method of financing the investment, specifying the amount, schedule, whether the source is external or local, and, in the case of external sources, whether it will be entered through the foreign exchange market or not. In all cases, the financing will be at the sole risk of the VPU.

Employment.
The application must detail the total number of direct and indirect employees by stage of the Unique Project and the estimated percentage of employees to be hired who reside or have a real address in the country.

Local Suppliers.
A supplier development plan, as provided for in the following sections, must be included:

- A commitment to contracting local suppliers for the development of the Unique Project for the supply of goods and works amounting to at least 20% of the total investment allocated to the payment of suppliers of goods and works for the Unique Project. This is provided that local suppliers' offers are available and meet market conditions in terms of price and quality. The commitment must expressly state that the specified percentage will be maintained during both the construction and operation stages.

- An indication of the total amount of investment allocated to the hiring of both local and foreign suppliers for the supply of goods and works for the development of the Unique Project.

Production and Export.
An estimate of production and, where applicable, the estimated amount of exports, with a projected schedule until the end of the useful life.

Balance and Currency Flow.
The estimated commercial balance and currency flow of the Unique Project for the first three years from the date of approval of the investment plan for the Unique Project.

Feasibility.
A statement regarding the technical, economic, and financial feasibility of the Unique Project, providing reasonable evidence of its feasibility, including a risk matrix, mitigation plan, and a report from an independent economic-financial evaluator. The Competent Authority will assess whether the commercial balance and currency flow of the project align with the priority objectives.
The statement must indicate whether the feasibility of the Unique Project anticipates the use of the incentives provided and, if so, the estimated date on which such incentives will begin to be used.

Permits and Authorisations.
A description of the permits and authorisations obtained by the VPU that are necessary for the development of the investment plan and those pending, in accordance with the applicable substantive law depending on the VPU's industry. The following must be provided:
- The type of permit or authorisation in question;
- The jurisdiction and competent authority responsible for its evaluation and issuance; and
- Where applicable, proof of submission, the status of the process, and the approximate date of obtaining it.

Project Benefits.
A technical analysis demonstrating that, according to the investment plan, the Unique Project aligns with the priority objectives of the RIGI, in accordance with Article 166 of Law No. 27.742[2].

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[2] The primary objectives of the RIGI are as follows:
a) To incentivise large national and foreign investments in the Argentine Republic to ensure the country's prosperity;
b) To promote economic development;
c) To develop and strengthen the competitiveness of various economic sectors;
d) To increase exports of goods and services abroad within the activities covered by the RIGI;
e) To encourage job creation;
f) To immediately create conditions of predictability and stability for the large investments envisaged under the RIGI and to establish competitive conditions in Argentina to attract investments, ensuring their materialisation through the temporary advancement of macroeconomic investment solutions without which certain industries could not develop;

Effects of Submission.
The submission of the application for adherence to the regime will imply:

- Knowledge, agreement, and acceptance of all the RIGI regulations by the VPU; and
- A commitment by the VPU not to abuse the incentives provided in the RIGI and to diligently comply with all the obligations stipulated.

Local Supplier Development Plan.
The hiring of local suppliers for the supply of goods and/or works related to the Unique Project, whether or not they are registered in the RIGI, will be eligible to meet the minimum 20% threshold provided for in paragraph l, Article 176 of Law No. 27.742[3]. Goods or works provided by companies linked to the acquiring VPU cannot be included within the mentioned percentage unless these companies are the only ones capable of meeting the demand for the required good or service.

Consultation with Other Bodies or Organisations.
The Competent Authority may request a non-binding opinion from other public, private, or mixed bodies or organisations, to provide their input based on their expertise and competence according to the Industry in which the Unique Project and its suppliers will be developed.

Act of Acceptance or Rejection.
The Competent Authority must issue a decision regarding the application for adherence and the investment plan within a maximum of 45 business days.

Withdrawal.
If the administrative act approving the application for adherence includes any imposition or condition, the VPU may withdraw from it by providing written and reliable notification within 5 business days of being notified. Such withdrawal will be retroactive to the date of submission of the application.

Rejection.
The reasons justifying the rejection of the application for adherence must be adequately expressed to allow the applicant to understand them and, if necessary, submit a revised investment plan.

Deadline for Submitting a New Plan.

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g) To establish a regime for large investments that meet the RIGI requirements, providing certainty, legal security, and special protection in the event of potential deviations and/or non-compliance by the public administration and the state with the RIGI;
h) To promote coordinated development of competencies between the National Government, the provinces, and the respective regulatory authorities regarding natural resources; and
i) To foster the development of local production chains associated with investment projects covered by the RIGI.

[3] The hiring of local suppliers for the provision of goods and/or works for the development of the Project must amount to at least twenty percent (20%) of the total investment allocated to the payment of suppliers related to the Project. This is conditional upon the availability of local suppliers and their compliance with market conditions regarding price and quality. This minimum percentage must be maintained throughout the construction and operation stages.

In the event of rejection of the application, a revised investment plan may be submitted up to two times within the same calendar year in which the notification of the first rejection of the application was received.

Lack of Response.
The lack of a decision by the Competent Authority within the 45-business-day period cannot be interpreted as approval. However, the applicant may, through the appropriate legal remedies, request a decision from the Competent Authority.

**Section IV - Expansion of Projects**

Expansion of a Pre-existing Project not admitted to RIGI. In cases where admission to RIGI is sought for the execution of a Unique Project aimed at the Expansion of a Pre-existing Project not admitted to RIGI, the Expansion project may qualify as a Unique Project eligible for RIGI when, in the opinion of the Competent Authority:

- The Expansion of the Pre-existing Project complies with all the requirements stipulated in RIGI and meets or exceeds the minimum investment amount required for the relevant Industry.
- The applicant provides a plan demonstrating and committing that the RIGI incentives will be applied exclusively to the Expansion of the Pre-existing Project. Under no circumstances shall the admission under RIGI of a Unique Project consisting of the Expansion of the Pre-existing Project allow for the application of RIGI incentives in favour of the Pre-existing Project.

Expansion of RIGI Projects.
The Expansion of a RIGI Project, to be valid, must not alter the status of the Unique Project or the conditions set forth in these regulations. In such cases, prior authorisation from the Competent Authority shall not be required, and additional investments shall enjoy RIGI incentives under the same terms and conditions as the RIGI Project being expanded, regardless of the amount of investment involved in the Expansion.

## Chapter IV
## Tax and Customs Incentives

**Section I - Corporate Income Tax Rate**

Tax Rate.
The 25% rate provided for in Article 183 of Law 27.742 shall apply to the net taxable income generated by VPUs admitted to the RIGI during a fiscal year. This rate will be applicable to all income generated from the date of admission onwards.

Special Amortisation Regime.
The following provisions apply to the special amortisation regime:

- The regime is optional for the VPU.

- If the VPU opts for the regime, it must annually declare the useful life of all its depreciable assets, following the guidelines of the AFIP.
- Depreciable assets must remain within the VPU's ownership until the end of the activity that justified their acquisition or until the end of their useful life. If this is not complied with, the VPU must reimburse the special amortisation deducted, along with the corresponding interest, additional charges, and penalties.
- Beneficiaries may choose to apply either the amortisation method according to the Income Tax Law or the accelerated regime. The choice must be communicated to the Competent Authority and the AFIP and must be applied to all investments throughout the life of the VPU.
- For assets enabled in fiscal years prior to the approval of the application, the exemption will only apply to the residual value of the assets allocated to the RIGI Project.

<u>Dividends or Profits.</u>
The rate applies to any dividend or profit distributed by the VPU as a result of the Unique Project, after seven years have elapsed from the end of the fiscal year of admission to the RIGI, regardless of the period in which the profit was generated. If the dividends and profits distributed are not computable for the beneficiary, the rate will only apply to the dividends or profits that the beneficiary distributes to its individual shareholders or undivided estates, up to an amount equivalent to the dividends or profits previously distributed by the VPU. For this purpose, amounts distributed by the VPU shall be considered as distributed first.

<u>Payments.</u>
Payments made by VPUs of Strategic Long-Term Export Projects to foreign beneficiaries shall be exempt from Income Tax for the following services:

- Maritime leases or charters.
- International transport services for exports from Argentina.
- Services under engineering, procurement, and construction management contracts.

<u>Other Payments.</u>
Payments made by holders of Strategic Long-Term Export Projects to foreign beneficiaries are considered Argentine-sourced income at a rate of 30%, unless a more favourable tax treatment applies.

<u>Subsidiary Application.</u>
The Income Tax Law and its regulatory decree shall apply subsidiarily to aspects not specifically regulated concerning benefits, exemptions, rights, or obligations related to income tax.

**Section II - Value Added Tax (VAT)**

<u>Tax Credit Certificates.</u>
VAT invoiced or due by the holder of a VPU for the purchase, definitive importation of goods, leasing of works, or provision of services may be settled

by means of a tax credit certificate, without the need for prior authorisation from the AFIP.
The AFIP shall establish the rules regarding the format, automation, and procedure for issuing these certificates.

Non-compliance.
Failure to comply with the regulations concerning the use of Tax Credit Certificates for the acquisition of goods and services will oblige the VPU to pay the AFIP the amount corresponding to the tax settled through these certificates, along with the applicable interest and penalties.

Subsidiary Application.
The VAT Law and its regulatory provisions shall apply subsidiarily to aspects not specifically regulated, concerning benefits, rights, or obligations related to VAT.

**Section III - Tax Treatment of Temporary Joint Ventures or Other Associative Contracts**

Temporary joint ventures and other associative contracts that join the RIGI as VPUs shall be considered subject to income tax.

**Section IV – Imports**

The incentive provided for in Article 190 of Law No. 27.742[4].
Upon approval of a VPU's admission to the RIGI, a list of goods eligible for the specified incentives and rights shall be defined. This list may be subsequently adjusted based on the progress of the RIGI Project.
To utilise these incentives, the VPU must submit the following information to the Competent Authority as a sworn statement, along with the import documentation:

- Details of the goods for which the incentive is being requested.
- Identification of the VPU and the RIGI Project to which the goods will be allocated.
- A sworn statement confirming that the goods will be allocated to the RIGI Project.
- Provision of the required guarantee.

This submission may be made with each import or in advance for a set of operations through a customs window. Compliance with these requirements will allow the importation of goods with the established incentives.

Exemption for Import Duties and Others.
The exemption provided for VPUs admitted to the RIGI (including import duties, statistical fees, destination verification fees, and any collection, withholding, advance payment, or retention of national and/or local taxes) applies to the importation of new capital goods, spare parts, components, and parts directly related to the approved Investment Plan. Additionally, the VPU may request the

[4] Exemption from import duties, statistical fees, destination verification fees, and any collection, withholding, advance payment, or retention of national and/or local taxes.

importation of other goods, provided they are essential for the fulfilment of the RIGI Project and have been exceptionally authorised by the Competent Authority. This tariff benefit does not apply to consumables.

Destination Verification.
Goods imported by a VPU under the aforementioned exemption will be subject to destination verification.

Non-compliance with the Destination.
In the event of non-compliance with the designated use of imported goods that received the aforementioned incentives, the offender will be required to pay the applicable duties, taxes, fees, or other charges.

Decommissioning.
Decommissioning of imported goods with incentives occurs automatically upon payment of the relevant duties and taxes, allowing for unrestricted availability of the goods. The importer must notify the AFIP within 5 days following payment. If decommissioning is due to re-exportation, it must be verified that the goods are the same as those imported with the exemption. During an infringement proceeding, re-exportation is prohibited until a definitive acquittal is obtained.

Supplementary Application.
In matters not in contravention of the regulations and which facilitate the verification of destination, the provisions of AFIP General Resolution 2193 of January 9, 2007, and its supplementary and amending regulations, shall apply.

## Chapter V
## Exchange Rate Incentives

Commencement.

For the purposes of Article 198 of Law No. N° 27.742[5], the "commencement date" of the VPU shall be the earlier of either the date of the first export of the product that is the primary object of the Unique Project or the date on which FORTY PERCENT (40%) of the minimum investment amount in computable assets is completed, net of:

- Any investments made by the VPU in computable assets that can only be counted up to FIFTEEN PERCENT (15%) of the minimum investment amount according to items a)[6] and b)[7] of Article 38 of these regulations;

[5] The proceeds from the export of products from the Project Adhered to the RIGI received by the VPUs are exempt from the obligation to enter and/or negotiate and settle in the foreign exchange market according to the following percentages:
a) Twenty percent (20%) after two (2) years from the commencement date of the VPU;
b) Forty percent (40%) after three (3) years from the commencement date of the VPU;
c) One hundred percent (100%) after four (4) years from the commencement date of the VPU.
[6] Investments described in the second and third paragraphs of Article 174 of Law No. 27.742;
[7] Real estate, including properties by accession, according to the definition provided in Article 226 of the Civil and Commercial Code of the Nation.

- Any investments made by the VPU in computable assets that can only be counted up to TWENTY PERCENT (20%) of the minimum investment amount according to Article 39 of these regulations, related to the procurement of essential services approved by the Competent Authority.

The commencement date must be reported by the VPU to the Competent Authority as a sworn declaration, detailing the manner of compliance with one of the two previously stated conditions. The information will be forwarded by the Authority to the BCRA (Central Bank of Argentina).

Incentive Percentage.

The incentive percentage will be calculated based on the value received according to the agreed sales terms of the exports of goods, shipped after the commencement date has passed.

Receipts.

Receipts will be subject to the general regime regarding the obligation of entry and/or settlement in the foreign exchange market, unless more favourable provisions apply to the VPU.

Application of Incentives.

The incentives provided will apply to export advances, pre-financing, and post-financing of exports, both domestic and international, related to the VPU adhered to the Regime, in the same measure, terms, and conditions as the incentive applies to financed exports.

The unrestricted availability of foreign currency will not be subject to any restrictions or limitations. However, the amount of liquid external assets that VPUs maintain abroad under the RIGI incentives may be subject to regulations established by the CENTRAL BANK OF THE ARGENTINE REPUBLIC regarding the use of such assets.

Access to the Foreign Exchange Market.

- Local financing in foreign currencies will be understood as financial borrowings from local entities, issuance of locally registered securities or negotiable securities, and/or other instruments approved by the BCRA.
- Access to the foreign exchange market for the repayment of financial borrowings from abroad and repatriations of direct investments by non-residents can occur at any time before the maturity of the financial service in question, provided that they have been entered and settled, and without meeting the minimum stay requirement for direct investment.
- Regarding the obligation to enter and settle all or part of the proceeds from exports, the Central Bank of the Republic of Argentina may require that the adhered VPUs include the incentive provided in Article 198 of Law No. 27.742[8].

[8] Exception for entry and/or negotiation and settlement in the Foreign Exchange Market.

- Investments made through foreign contributions in kind of capital goods or the importation of financed capital goods will receive the same benefits as those entered and settled, provided they have been duly registered and comply with the procedures established by the Competent Authority and the BCRA.

In cases where VPUs have partially entered amounts corresponding to capital contributions or other investments, loans, or other financial borrowings from abroad destined for the RIGI, access to the foreign exchange market for the payment of profits, dividends, or interest to non-residents may not exceed the proportional share of the capital contributions, investments, and loans or other financial borrowings from abroad that have been entered and settled through the foreign exchange market.

Non-resident creditors of the VPU, including related parties, who have received pesos in the country as a result of a collection against the VPU due to a VPU default, as well as guarantors of VPU obligations whose guarantee is established in the borrowing agreements for the payment of such granted guarantee, will have access to the repayment of capital and interest on the same terms and conditions that would apply to the VPU.

The Central Bank of the Republic of Argentina may establish: (i) mechanisms for accessing the foreign exchange market to enable the VPU to establish guarantees within the country or abroad for the payment of capital and interest on borrowings from abroad that have been entered and settled in the foreign exchange market; and (ii) the possibility to accumulate export proceeds from goods and services in accounts within the country or abroad to ensure the repayment of such borrowings.

Additionally, the Central Bank must issue the necessary and supplementary regulations to implement these provisions in the foreign exchange regulations and related currency rules. These regulations will cover cases involving contributions of goods by foreign parties and mechanisms for addressing guarantees for local and foreign financing.

## Chapter VI
## Stability. Compatibility with Other Regimes. Transfers. Regulation of Articles 201 to 208

Tax and customs stability applies to all taxes, duties, fees, and contributions imposed on VPUs, as well as import and export duties or other levies.

The incentive ensures that even if Title VII of Law No. 27.742 (RIGI) is amended or repealed, adhered VPUs will have the right, for THIRTY (30) years from the Date of Adhesion, to pay only the taxes with the incentives derived from the RIGI and those not covered by the RIGI that were in effect at the time of adhesion to the regime, until their elimination.

This entitles the VPU to reject any imposition of additional taxes or higher rates. It also provides the right to automatically offset any tax charged in violation of Law No. 27.742 or its regulations, without prior authorization from any authority

The VPU will have the right to benefit from any elimination or exemption of taxes under the general regime, as well as from any potential reduction in rates. This benefit will extend to jurisdictions within the City of Buenos Aires, provinces, and municipalities that adhere to the RIGI.

The protection of property and the adhered project based on the provisions of the regime is not subject to a time limit and will continue throughout the project's lifespan.

The termination of the stability period will not imply the end of the RIGI or the incentives granted, unless otherwise specified by regulation.

## Chapter VII
## Termination of Incentives under the RIGI. Regulation of Articles 209 and 210

End of Project Life.

The VPU must notify the Competent Authority in a verifiable and written manner of the end of the Unique Project due to the conclusion of its useful life within 10 calendar days of its occurrence.

Bankruptcy.

The VPU must notify the Competent Authority in a verifiable and written manner of the bankruptcy ruling within 10 calendar days of its issuance. To effect the cessation of rights and incentives, the ruling must be final. The cessation will be retroactive to the date of the original bankruptcy ruling.

Voluntary Withdrawal.

The VPU may request withdrawal at any time. Following the terms and conditions established by the regulations, the request must be accepted by the Competent Authority, which must issue a decision within 45 business days. Once approved, the requesting party will be released from obligations from the date of the withdrawal request. From that point forward, it will be considered that all rights, guarantees, and incentives under the RIGI have been forfeited, without retroactive effect and without affecting rights utilized prior to the withdrawal.

## Chapter VIII
## Infraction and Appeal Regime Applicable to the VPU. Regulation of Articles 211 to 217

Regulations establish various penalties in the event that an entity participating in the RIGI (VPU) commits any of the following breaches:

- Utilising and benefiting from incentives through wilful misconduct, fraud, or abuse of rights;
- Failing to meet the FORTY PERCENT (40%) minimum investment requirement within the first TWO (2) years, unless modified by the relevant authority;

- Failing to meet the long-term maturity condition as stipulated in the second paragraph of Article 172 of Law No. 27.742[9]; or
- Failing to meet ONE HUNDRED PERCENT (100%) of the minimum investment requirement by the declared deadline, unless authorised modifications have been made.

If a breach occurs, or at any time following the date on which a final and conclusive ruling determines that the breach has occurred, and the VPU has utilised or benefited from any of the RIGI incentives.

Failure to fulfil the commitment to hire local suppliers will be considered a breach as outlined in subsection g) of Article 211 of Law No. 27.742[10].

Penalties will be applied in accordance with the severity of the violation and may include the following, as provided under Article 213 of Law No. 27.742, without prejudice to any additional penalties under applicable tax, customs, social security, and/or criminal laws:

- Warning, for the cases outlined in subsections a)[11] and b)[12] of Article 211;
- A fine ranging from ten million pesos ($10,000,000) to thirty million pesos ($30,000,000) for the cases outlined in subsection a) of Article 211;
- A fine ranging from one hundred million pesos ($100,000,000) to four hundred million pesos ($400,000,000) for the cases outlined in subsections b), c)[13], and d)[14] of Article 211;
- A fine of one percent (1%) to three percent (3%) of the minimum investment required under subsection a) of Article 172 for the cases outlined in subsection e)[15] of Article 211;
- A fine of five percent (5%) to fifteen percent (15%) of the pending minimum investment required under subsection a) of Article 172[16] for the cases outlined in subsection f) of Article 211;

[9] To benefit from the guarantees under this regime, investments must have a long-term nature. Investments will be deemed long-term if the ratio between, on one hand, the present value of the expected net cash flow, excluding investments, during the first three years from the initial capital outlay, and, on the other hand, the net present value of the planned capital investments during the same period, does not exceed thirty percent (30%). The relevant authority may adjust this ratio concurrently across all involved sectors, provided that such adjustment ensures the regime continues to offer stability guarantees exclusively to long-term investments.

[10] Misuse of the tax, customs, and exchange franchises provided under this regime.

[11] Failing to submit or delaying the submission of information required by the competent authority or other relevant bodies under this law;

[12] Providing false or inaccurate information or sworn declarations to the competent authority or other relevant bodies under this law;

[13] Failing to obtain prior and explicit authorisation from the competent authority where required under the provisions of the RIGI;

[14] Removing (whether through sale or re-exportation) goods introduced under the franchises established by the RIGI or in fulfilment of the obligations set forth in subsections a) and b) of Article 172 before the expiration of the periods specified in the second paragraph of Article 179 and the third paragraph of Article 190;

[15] Engaging in activities that do not align with the sole purpose of the VPU, in violation of the obligation stated in the second paragraph of Article 169; or, in the case of suppliers, failing to meet the requirements and obligations set forth for them in paragraphs five to eight of Article 169;

[16] Involving an investment amount per project in computable assets equal to or greater than the minimum investment amount stipulated in the first paragraph of Article 173, with the requirement that this minimum investment amount be fully met by the deadline specified in the investment plan;

- Termination of the RIGI for the cases outlined in subsection f)[17] of Article 211, resulting in the complete cancellation of RIGI incentives from the date the breach of obligations is definitively and conclusively resolved by the competent court;
- Disqualification from applying for a new project under RIGI as an additional and accessory penalty to that provided in the previous subsection, depending on the severity of the conduct. This penalty will take effect from the date on which the ruling imposing the sanction is definitively and conclusively resolved by the competent court, which will constitute the effective date of termination; and
- Repayment of tax, customs, and exchange rate benefits for the cases outlined in subsection g) of Article 211, including compensatory interest.

In the event of any of the circumstances outlined in Article 211, the relevant authority may impose the penalties described in this article, either jointly or alternatively.

If the competent court issues a final and conclusive decision to lift and/or revoke the termination of the RIGI, and a precautionary suspension of the incentives has been ordered under the terms of Article 214 of Law No. 27.742[18], the VPU will be entitled to the corresponding incentives, provided that it complies with the obligations it would have fulfilled if the precautionary suspension had not been ordered.

## Chapter IX
## Competent Authority

The Competent Authority will be the Ministry of Economy.

A Project Evaluation Committee must be established, consisting of heads of National Executive Branch secretariats or officials of equal or higher rank, who will review the adhesion requests.

## Chapter X
## Jurisdiction and Arbitration

Definitions.

Dispute.

A controversy between the National State and a VPU.

Arbitration Rules (Complementary Mechanism) of ICSID.

The Arbitration Rules of the Complementary Mechanism of the International Centre for Settlement of Investment Disputes.

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[17] Unjustifiably failing to meet the obligations stipulated in subsections a) and b) of Article 172;

[18] In the same resolution in which the competent authority orders the initiation of the infringement proceedings, it may also instruct the commencement of appropriate actions so that the competent tribunal can provisionally order, as a precautionary measure and until a final and binding decision is made, the suspension of the incentives under the present RIGI. Additionally, during this period, compliance with other obligations under the RIGI will also be considered suspended.

Existence of Dispute.

The VPU adhered to the RIGI may establish with the Competent Authority the forms, procedures, and other requirements for communicating the existence of a dispute and notifying related documents. Notification of the existence of a dispute must be made to the Competent Authority with a copy to the National Treasury Attorney's Office.

Arbitration Agreement.

In the adhesion request, the VPU must express in writing its acceptance that both the VPU and its Partners or Shareholders will resolve Disputes (including those related to rights, benefits, and incentives obtained by its members, partners, or shareholders) through the mechanisms provided in Article 221 of Law No. 27.742[19] including the RIGI Panel.

The arbitral tribunal will be composed of three (3) arbitrators selected according to the applicable procedural rules. None of the arbitrators may be nationals of Argentina or of the state of origin of the VPU's majority shareholder.

Arbitration will be conducted in Spanish, except in cases of disputes under ICC or ICSID rules, where arbitration by foreign partners or shareholders may be conducted in either Spanish or English.

Once the adhesion to the RIGI is accepted, the arbitration agreement between the National State and the VPU adhered to the RIGI will be perfected and will only take effect from the date of the administrative act approving the adhesion request and the investment plan by the VPU adhered to, in accordance with Article 177 of Law No. 27.742.

Damages.

Impact on the Financial Equation: The calculation of compensation will include both the actual damage and lost profits in each case, as applicable, and the impact on the financial equation of the Unique Project, resulting from actions or omissions in violation of the RIGI.

Dispute Resolution.

If the Dispute cannot be resolved through consultations and amicable negotiations between the National State and the VPU adhered to the RIGI after the expiration of the SIXTY (60) calendar days period provided in Article 221 of

[19] a) The 2012 CPA Arbitration Rules;
b) The International Chamber of Commerce Arbitration Rules – excluding the Rules for Expedited Procedure; or
c) The Convention on the Settlement of Investment Disputes between States and Nationals of Other States, dated March 18, 1965, or, where applicable, the ICSID Arbitration Rules – Complementary Mechanism.
Unless the VPU opts for arbitration under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, dated March 18, 1965, the arbitral tribunal or the administering institution, as appropriate according to the applicable rules, will determine the seat of arbitration, which must be established outside Argentina and in a country that is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, dated June 10, 1958.

Law No. 27.742, the VPU adhered to the RIGI will submit the Dispute to arbitration. If the arbitration involves rights, benefits, or incentives obtained by the VPU for Foreign Partners or Shareholders, the VPU may only submit the Dispute to arbitration in accordance with paragraphs b)[20] y c)[21] of the second paragraph of Article 221 of Law No. 27.742.

The National State may file a counterclaim for breach of the RIGI and its regulatory provisions by the VPU adhered to the RIGI – or its partners or shareholders – and seek restitution.

Once the adhesion request and the investment plan are approved, explicit and written consent from the National State will be required to resolve the Dispute through expedited procedures, emergency arbitration mechanisms, or their equivalents.

Applicable Law.

The law applicable to any Dispute will be Argentine law.

Specific Dispute Resolution Mechanisms.

In exercising the authority provided in the last paragraph of Article 221 of Law No 27.742[22], the Application Authority may propose to the NATIONAL EXECUTIVE BRANCH, with the express consent of the VPU adhered to the RIGI, specific dispute resolution mechanisms for the RIGI project in question.

The RIGI Panel will be empowered to:

- Receive claims from the adhered VPUs, determining their validity and initial processing.
- Convene the parties for a conciliation hearing and, if a satisfactory agreement is reached, homologate it with the force of an arbitral award.
- Order any necessary evidentiary measures to resolve the disputes.
- Decide on issues brought before it within its jurisdiction.

The procedures and requirements that a VPU adhered to the RIGI must fulfill to submit a Dispute according to one of the mechanisms outlined in the second paragraph of Article 221 of Law No. 27.742 are also applicable and must be observed when submitting a Dispute to the RIGI Panel.

The RIGI Panel constituted to resolve a Dispute will consist of THREE (3) professionals from the following fields: engineering, economic sciences, and at least ONE (1) legal professional. These professionals must be included in the list of qualified professionals maintained by the Application Authority.

The appointed professionals of the RIGI Panel must resolve the disputes submitted to them within a period of SIXTY (60) calendar days from the date they

[20] The International Chamber of Commerce Arbitration Rules – excluding the Rules for Expedited Procedure.

[21] The Convention on the Settlement of Investment Disputes between States and Nationals of Other States, dated March 18, 1965, or, if applicable, the ICSID Arbitration Rules – Complementary Mechanism.

[22] The National Executive Branch is empowered to establish specific dispute resolution mechanisms for each project with the VPU in the administrative act that approves the adhesion request and the investment plan.

declare the process closed, extendable once for a maximum additional period of SIXTY (60) calendar days.

Protected Investment.

An investment will not be considered protected under reciprocal promotion and protection treaties until the adhesion request to the RIGI and the investment plan have been approved, and only to the extent and scope established in the applicable reciprocal promotion and protection treaty.

## Chapter XI
## Transitional Provisions of the RIGI

Imports of new capital goods, spare parts, components, and consumables, as well as temporary imports made by VPUs adhered to the RIGI, will be exempt from import duties, the statistical tax, destination verification fees, and any national and/or local tax collection, advance payments, or withholdings.

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