

Ladies and Gentlemen,

With our newsletter we would like to inform you of recent and significant legal developments in the field of corporate law in Argentina.

IN THIS ISSUE

- 1. The Public Registry of Commerce of the City of Buenos Aires (“PRC”) simplifies the registration requirements for foreign companies.**
- 2. These items were until now a cumbersome requirement to comply with for investment vehicles or SPVs, in particular, those used by private equity or venture capital firms, among others.**

THE PUBLIC REGISTRY OF COMMERCE OF THE CITY OF BUENOS AIRES (“PRC”) SIMPLIFIES THE REGISTRATION REQUIREMENTS FOR FOREIGN COMPANIES.

General Resolution No. 06/2018 (“Res. 06/18”) issued by the PRC simplifies the requirements to obtain the registration of non-Argentine companies under Articles 118 and 123 of the Argentine Companies Law (“ACL”).

Article 118 of the ACL refers to the creation of a branch or permanent representation in Argentina by a non-Argentine company; while Article 123 of the ACL relates to the requirements applicable to non-Argentine entities to own equity interests in companies incorporated in Argentina.

As a result of the changes introduced by Res. 06/18, **the registration of foreign companies is no longer subject to:**

- filing of evidence that the foreign entities (i) conduct relevant economic activity outside Argentina and (i) have their main activity outside Argentina; and
- full disclosure of their final shareholders and beneficial owners.

THESE ITEMS WERE UNTIL NOW A CUMBERSOME REQUIREMENT TO COMPLY WITH FOR INVESTMENT VEHICLES OR SPVS, IN PARTICULAR, THOSE USED BY PRIVATE EQUITY OR VENTURE CAPITAL FIRMS, AMONG OTHERS.

In addition, the Res. 06/18 eliminated the so called "Annual Information Regime" (*Régimen Informativo Anual*) which was mandatory for foreign companies registered with the PRC and pursuant to which the foreign entities had to submit annual information on their non-current assets outside Argentina.

Finally, the Res. 06/18 also (i) eliminated the prohibition to register off-shore companies (*i.e.*, companies incorporated outside Argentina which, pursuant to the laws of their place of incorporation, are restricted or forbidden to perform activities – or main activity - in the jurisdiction of incorporation), (ii) modified the requirements to register foreign companies incorporated in non-cooperative jurisdictions and (iii) introduced several changes to applicable procedure to wind-up and dissolve foreign companies registered with the PRC.

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