

NEW CORPORATE REGULATIONS FOR COMPANIES INCORPORATED IN THE CITY OF BUENOS AIRES

This timeline includes a detail of the main resolutions enacted by the Public Registry of Commerce (“IGJ”) since January 1st, 2020 as of the date of this report.

February 19
2020

February 21
2020

February 26
2020

March 11
2020

March 12
2020

Resolution No. 01/2020

INCORPORATION OF CIVIL ASSOCIATIONS

- Sets forth a simplified procedure for the incorporation of civil associations whose mission is to promote and protect social, economic and cultural rights of vulnerable and/or impoverished communities, gender issues or acting as cooperators of educational, health or other institutions providing services to the community.
- Such associations shall be exempt from paying incorporation costs and fees to the IGJ.

Resolution No. 02/20

FOREIGN ENTITIES REGIME

- Modifies the requirements for the registration of foreign companies with the IGJ.
- Reinstates the regulatory regime in force until August 2018, pursuant to which, any foreign entity wishing to register with the IGJ must demonstrate: (i) that the activities conducted by the company are not restricted or forbidden in the country of incorporation; (ii) that the company carries out significant economic activity abroad; (iii) that the main administration of the company is carried out abroad; and (iv) the identification of its shareholders when applying for registration.
- Requires any foreign company registered with the IGJ to demonstrate annually the maintenance of substantial economic activity outside of Argentina and to identify its shareholders.
- Reinstates the prohibition on registering off-shore companies.
- Legal representatives of foreign companies registered before the IGJ must purchase a guarantee for an amount equivalent to AR\$500,000.

Resolution No. 03/2020

NEW REQUIREMENTS FOR PUBLICATIONS IN THE OFFICIAL GAZETTE

- Modifies the requirements for the publication of notices in the Official Gazette that corporations (“S.A.”), simplified stock companies (“S.A.S”) and limited liability companies (“S.R.L.”) must comply with, in relation to their capital stock and the distribution among its members.
- Any notice to be published in the Official Gazette in connection to the incorporation or any variation of said companies' capital stock must specify the number of shares subscribed by each shareholder and the characteristic of the subscription (e.g. capitalization of reserves, capital increase in cash, etc.).
- Forbids the registration of companies and subsequent variations in the capital stock (e.g. capital increase, capital reduction, etc.) that fail to comply with these requirements.

Resolution No. 05/20

MULTIPLE-PURPOSE COMPANIES

- Abrogates IGJ's General Resolution No. 08/2016, which allowed the companies to include multiple activities in their corporate purposes, without the need for such activities to be directly related.
- Prohibits multiple purpose companies and establishes the obligation for all companies to hold a unique, precise and determined corporate purpose, as well as a description of all specific activities that will lead to its accomplishment.
- Establishes the obligation for every company to hold a direct relation between the specific activities described in its corporate purpose, and its capital stock. Based on this obligation, the IGJ may require a higher capital stock than that stipulated under the General Companies Law No. 19,550 as amended (AR\$ 100,000 for corporations “sociedades anónimas”).
- Empowers the IGJ to determine the amount needed as social capital by any company according to its corporate purpose and activities, establishing no limit to the amount that could be required.
- Companies registered with the IGJ prior to 23 August 2005 are exempt from the obligations set forth in this resolution.

Resolution No. 07/2020

EXTENSION OF SIMPLIFIED INCORPORATION PROCEDURE FOR CIVIL ASSOCIATIONS

- Authorizes the access to various entities working for the promotion and protection of economic, social, and cultural rights of vulnerable groups to the simplified procedure established for the incorporation of civil associations mentioned in IGJ's General Resolution No. 01/2020
- The entities that may access the simplified procedure are: (i) organizations working for the protection and promotion of Human Rights, (ii) Community Clubs (“clubes de barrio”), (iii) Independent Cultural Centers, (iv) Retirement Centers, and (v) Public Libraries.

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March 13
2020

March 16
2020

March 18
2020

March 27
2020

April 2
2020



Resolution No. 08/2020

IGJ IN YOUR NEIGHBORHOOD

• Creates a permanent capacity-building program called "The IGJ in your neighborhood" destined for representatives and members of civil associations.

• Authorizes various entities to benefit from such program, including: (i) community associations and clubs, (ii) public libraries, (iii) retirement centers, (iv) independent cultural centers, and (v) other educational, health or sports associations.

Resolution No. 09/20

NEW REGULATIONS FOR SIMPLIFIED STOCK COMPANIES (S.A.S)

• Empowers the IGJ to analyze SAS' registered capital stock, following the guidelines of IGJ's General Resolution No. 05/2020 and to request the companies to increase their capital stock in case it is considered to be insufficient for the development of the companies' corporate purpose.

• As a defense, these companies are entitled to submit an accounting report evidencing the achievement of at least one of the activities set out in their corporate purpose with the amount of their capital stock.

• Forbids the payment of incorporation taxes to be included as part of the initial capital stock or as part of a subsequent capital increase.

• Administrators of SAS companies are obliged to purchase a guarantee.

• SAS companies with a capital stock exceeding AR\$50,000,000 must appoint a surveillance committee.

• SAS companies must submit their financial statements to the IGJ within 15 days as of their approval by the Shareholders' Meeting.

Resolution No. 10/2020

SUSPENSION OF DEADLINES

• Suspends all deadlines for the submission of documentation related to ongoing filings with the IGJ and compliance with the annual informative regime for foreign entities, among others until March 30, 2020.

Resolution No. 11/20

REMOTE MEETINGS

• Incorporates the possibility for the managing and governing bodies of commercial companies, civil associations and foundations registered with the IGJ to hold their meetings remotely through the use of digital means.

• Remote meetings must comply with the following requirements in order to be valid: (i) the free accessibility of all participants to the meetings; (ii) the simultaneous transmission of audio and video; (iii) the participation of all members with voice and vote, including the surveillance committee, if any; (iv) that the meeting be recorded in digital format and a copy is kept for a period of five (5) years; (v) that the meeting be transcribed in the corresponding corporate book, identifying its participants, and (vi) that the summons to such meeting includes a mention to the means of communication chosen and the method of access.

• During the lockdown period, commercial companies, civil associations and foundations may hold their meetings remotely without the need to amend their by-laws. After this period, the possibility to hold remote meetings shall only be valid if the by-laws of these entities expressly provide for such possibility.

Resolution No. 13/2020

EXTENSION OF SUSPENSION TERM

• Extends the suspension of all deadlines provided in IGJ's General Resolution No. 10/2020 until April 12, 2020.

NEW CORPORATE REGULATIONS FOR COMPANIES INCORPORATED IN THE CITY OF BUENOS AIRES

April 10
2020

April 12
2020

April 20
2020

April 22
2020



Resolution No. 14/2020

INSTALLMENT DEFERRAL FOR ENTITIES MANAGING SAVINGS PLANS

- Compels entities managing closed savings plans to offer their subscribers an installment deferral option for up to a maximum of 12 consecutive quotas.
- The option is only applicable to subscribers who have executed their respective contracts prior to September 30, 2019.
- The commencement of pledge executions is suspended until 30 September 2020.
- These entities must waive punitive interests until 31 December 2020.

Resolution No. 15/2020

EXTENSION OF SUSPENSION TERM

- Extends the suspension of all deadlines provided in IGJ's General Resolution No. 10/2020 until April 26, 2020.

Resolution No. 16/2020

NEW MECHANISMS FOR CAPITALIZATION COMPANIES

- Authorizes capitalization companies that operate plans, general conditions and securities to carry out the guaranteed monthly contests by means of any mechanical or virtual mechanism without the IGJ's prior approval.
- This mechanism shall only be valid during the lockdown period and as long as the national and provincial lottery is suspended.
- These companies may alternatively use, as a result of these contests, the results published by the official lottery from Montevideo, Uruguay.
- These companies must inform the mechanisms adopted for the contests in their respective websites as long as the epidemiological emergency situation and restrictions laid down persist.

Resolution 17/2020

SIMPLIFIED STOCK CORPORATIONS - ELECTRONIC SIGNATURE

- Abrogates Article 2 of IGJ's General Resolution 8/2017 which allowed for the incorporation of simplified stock corporations by means of a private instrument with a digital or electronic signature.
- As of April 22, 2020, simplified stock corporations may only be incorporated by means of a public instrument or a private instrument with digital signature/s.
- Simplified stock corporations incorporated by means of private instruments with electronic signature must rectify their incorporation documents within ninety (90) days as of April 22, 2020.
- The rectification must be registered with the IGJ.
- Failure to rectify the incorporation documents entails the impossibility to register any acts with the IGJ (designation of authorities, merger, change of domicile, by-laws' amendment, wind-up, capital increase, etc.)

Internal Resolution

OPENING HOURS DURING THE LOCKDOWN PERIOD

- As of April 22, 2020, the IGJ will provide reduced services to the public for the submission and consultation of certain files
- The IGJ will be open from Monday to Friday (10 a.m - 3 p.m.) and a prior appointment shall be required to appear before the entity.
- A maximum amount of three (3) files may be consulted/submitted daily.
- The authorized procedures are:
 - For commercial companies, foundations and civil associations: change of legal domicile and renewal of corporate authorities.
 - For companies providing essential services during the pandemic: incorporation, change of legal domicile, renewal of corporate authorities and by-laws' amendment.
 - For foreign companies: registration of branches and subsidiaries, appointment and dismissal of legal representatives.
 - Complaints related to capitalization and savings.
 - Submission of legal opinions answering the observation of the IGJ regarding the authorized procedures.
 - Withdrawal of approved filings.
 - Submission of urgent requests.
- Urgent procedures are still suspended.