Cross-Border Joint Venture and Strategic Alliance Guide (Argentina)

A Practical Guidance® Practice Note by Javier Canosa, Canosa Abogados

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This Cross-Border Joint Venture and Strategic Alliance Guide (Argentina) discusses relevant law and practice related to the formation and operation of cross-border joint ventures, including corporate and contractual joint ventures, in Argentina. For other jurisdictions see the Cross-Border Joint Venture and Strategic Alliance Resource Kit.

Structures

What are the standard forms of joint ventures / strategic alliances and common features of each?

The Argentine Civil and Commercial Code (CCC) has an entire chapter dealing with "collaborative, organization or participation contracts with a community of ends that is not a company." The CCC clarifies that these agreements are not companies or subjects of law.

The CCC provides four different kinds of standard agreements to create joint ventures (JV). Parties to these agreements are generally free to agree on the clauses contained in the contracts governing their relationship.

When drafting these agreements, there are certain clauses that are mandatory and that are defined in the CCC. Other limitations to the parties' free will are: public order (mandatory provisions) and good faith and its derivations (morality and good customs, and abuse of law).

The four standard forms of JV agreements included in the CCC are the following:

- **Business in Participation (BP).** The principal aim of the BP is to perform one or more specified operations to be accomplished by common contributions made by the participants, and then operated and implemented through a manager. There are basically two parties, the participants and the manager. The manager is responsible for developing the business and allocating the accounts of the business' operations to the participants. The loss of any of the participants cannot be greater than its participation, effectively rendering the manager liable for such losses in excess of the aggregate amount of participation of the partners. It is not necessary to register BPs before the Public Registry of Commerce (PRC).
- **Collaborative Groups (CG).** A CG must not pursue profit directly. It does so indirectly through its members by improving their productive or service procedures. The aim of these agreements is to facilitate or develop specific phases of the entrepreneur members' activities or to perfect or increase the outcome of these activities. The CG agreement must be registered before the PRC. The CG must have a common operating fund and the parties must appoint directors who carry out the activities of the CG. The parties are jointly and severally liable on an unlimited basis vis–à–vis third parties for the obligations of the CG. Because of its structure and its liability (unlimited) CGs are not very popular in Argentina.
- **Transitory Unions (TU).** The parties join to develop or execute specific work, services, or supplies, within or outside Argentina, and also to develop or execute work that is complementary or ancillary to the main specific work, services, or supplies. The TU agreement

must be registered before the PRC and the agreement must also appoint a representative to act on behalf of the TU and carry out the activities contemplated in the TU agreement. Unless otherwise agreed to in the TU agreement, the parties are not jointly and severally liable on an unlimited basis vis–à–vis third parties for the obligations of the TU. TUs are normally used in the mining industry for specific projects between various partnering companies. TUs are also used in government bids for public works because of its flexibility, although normally the government requires that members agree in the TU agreement that, vis–à–vis the government, the members of the TU shall be jointly and severally liable on an unlimited basis. TUs provide a structure to participate in the bid and allow for quick incorporation. If the bid is not successful, a TU is simple to dismantle. Governments also like TUs because its members can be jointly and severally liable on an unlimited basis.

- **Cooperative Consortiums (CC).** The purpose of the CC is to enable the parties to set up a common organization to facilitate, develop, increase, or execute transactions related to the economic activities of their members (whether specified or not at the moment of their creation) with the purpose of improving or increasing their results. It is very similar to the CG, but in this case the result is attributed directly to the parties—while in the case of the CG, the profit is attributed through the improvement of the procedures or services of its members. The CC agreement must be registered before the PRC. The CC must have a common operating fund and the parties must appoint directors who carry out the activities of the CC. The parties can agree that liability is attributed pro rata—proportionately—between the parties, but if not otherwise agreed to, parties are jointly and severally liable on an unlimited basis vis–à–vis third parties for the obligations of the CC. CCs are very common between medium and small companies that decide to export; for example fruit producers organize under a CC and market and export together as a CC; it is a means of reducing their costs.

Other than these four typical agreements, two or more parties may incorporate a local entity to develop the JV. The entity would then be a "special purpose vehicle" (SPV) incorporated in Argentina to carry out the JV operations. Standard documents include a shareholders´ agreement with standard clauses (rights of first refusal, preemptive rights, tag along rights, drag along rights, etc.). The most commonly used corporate structures in Argentina are the corporation or *sociedad anónima*, the limited liability company or *sociedad de responsabilidad limitada* and the newly entity incorporated, simplified corporations or *sociedad por acciones simplificada* (incorporated by Law 27,349). The *de facto* partnership is also a company—albeit irregular—as we do not recommend it because of the risks it entails (joint and several liability on an unlimited basis), and the fact that any member can represent and bind the *de facto* partnership.

What are some of the key corporate governance, tax, regulatory, and timing considerations that could impact the choice of structure?

There are basically five structures for setting up a JV: the four typical agreements and the establishment of a company. The corporate governance, timing, and regulatory factors to consider when choosing one of the five options are:

- **Liability.** Unlimited and joint and several in some cases (CG, CC, and TU if agreed) and limited in the case of a company JV, TU, and BP.
- **Time of incorporation.** The incorporation and registration of a company before the PRC requires much more time than either a BP, TU, CG, or CC.
- **Registration before the PRC.** Needed in the case of a company and a TU, CG, and CC.

Tax-wise we will only consider the three major and more important taxes: income tax (25% for undertakings with net profits of up to AR$7,600,000; 30% for undertakings with net profits between AR$7,600,000 and AR$76,000,000; and 35% for undertakings with net profits of more than AR$76,000,000), dividends tax (13%) and VAT (21%). The company will be liable for VAT, dividends and income tax directly, whereas in the case of any of the four agreements regulated by the CCC, each of the members or participants of the JV will be liable for their own income tax and the TU, CG, or CC will be liable for VAT.

It is important to determine the purpose of the JV. When participating in a bid, a structure to participate is needed; in this case the TU is the most suitable structure to use. TUs are normally formed for a specific public work or service. Therefore, its duration is limited. On the other hand, CC, CG, and companies are commonly used to develop businesses on a more permanent basis.

Can a joint venture or strategic alliance be formed for any purpose?

A JV can be formed for any purpose, and the umbrella provided by the CCC is quite large with four types of different standard agreements. Of course, the limits are the CCC and, of course, the principles contained in the CCC and generally in Argentine legislation, public order: good faith, morality, good customs, and abuse of law.

Are there any industries that would not permit or would not be conducive to a joint venture or strategic alliance?

There are no industries that would not permit or would not be conducive to a JV.

How is a joint venture or strategic alliance structured to minimize potential liability? Are there instances where parties to a venture or alliance may knowingly choose a vehicle without limited liability and, if so, why would such party make that choice?

In order to minimize potential liability, the best choice is to structure the JV with a company as an SPV or as a TU. Parties may also use flexible structures like a CC or TU where all parties can agree as to the amount of liability of each member.

Statutory Framework

What is the applicable statutory framework for each structure discussed above?

The main statutory framework is the CCC and, for SPVs, the Argentine Companies Law (ACL). Agreements executed in Argentina between Argentine members will be subject to Argentine law.

Are there statutory or other limits on the duration of a joint venture or strategic alliance?

The duration of a joint venture is governed by the free will of the parties. They are free to either designate a term, or not provide for one. Whenever a term is not designated, the agreement is characterized as a contract with an indefinite duration term with the implication that certain provisions would apply to its termination(for example, an obligation to give prior notice of a defined length of time to legally terminate the agreement).

The CCC provides some exceptions to this principle, regulating the duration of the term for the following contracts:

- **TU.** The CCC provides that the term of the TU must be equal to:
  - The duration of the work to be performed
  - The service to be rendered
  - The supply to be performed
- **CG.** The CCC provides for a maximum term of 10 years for the CG. However, the term can be extended before the 10-year term elapses for another 10-year period and subsequently for each 10-year period.
- **CC.** In this case, the CCC only requires the CC to have a specified term without fixing a maximum.
- **BP.** It has no limit on its duration.
- In the case of companies (corporations, limited liability companies and simplified corporations), the maximum term is 99 years but upon expiration such term can be renewed for another 99-year period.

Do joint ventures or strategic alliances have to be registered with any federal or local body other than the PRC?

In general, JVs do not have to be registered with any federal or local body other than the PRC (bear in mind that BP need not register with the PRC). In the case of a CG, a copy of its registration must be filed with the agency responsible for the preservation of fair competition in its territory.

For tax purposes, these agreements or companies must be registered before the federal tax authorities (AFIP) and the relevant local tax authorities.

Regulatory Environment

Are joint ventures or strategic relationships specifically regulated?

The CCC provides for four types of standard JV agreements. In addition, a JV SPV can be incorporated according to the ACL.

Are there any anti-trust matters to be considered in forming a joint venture or strategic alliance?

There are no general statutory constraints on the use of non-competition or anti-trust clauses in a JV agreement. However, the National Antitrust Authority (NAA), the governmental entity in charge of the investigation of anti-competitive practices and merger reviews, may have to be involved in cases where a joint venture reaches the criteria set out in the new Law No. 27,442 of May 2018 (Antitrust Law) — (e.g., 100,000,000 of "mobile units" which are a measure of unit for economic concentration cases).

The Antitrust Law does not prohibit economic concentration as such, however, it does prohibit acts restricting and distorting competition, which could harm the general economic interest (a term interpreted as closely related to that of "consumer welfare"), as well as abuses of a dominant position and concentrations. The NAA generally takes the approach that non-competition or anti-trust clauses may, in certain cases, restrict competition. Non-competition and anti-trust clauses have been carefully scrutinized by the NAA. In principle, whenever there is an extended relationship (as in

most JV) the term of the non-compete should be reduced or even eliminated to avoid harming competition.

JVs can potentially fall under the Antitrust Law and the NAA regulations. Generally, the NAA controls transactions (mergers and acquisitions) that produce a transfer of control (or a substantial influence on) of a business or assets meeting the criteria indicated in the Antitrust Law.

Notification to the NAA is required for transactions (acquirer and target companies or merging parties, but not sellers) involving turnovers in excess of 100 million of mobile units. These mobile units began with an initial value of AR$20 in May 2018 (bear in mind, that in 2018 Argentina had 47% inflation; in 2019 53.5%; in 2020 42.02%; in 2021 50.9%, and in 2022, inflation is expected at a 76.6% rate). The value of each mobile unit has been set at AR$83.45 for 2022. These mobile units are updated in accordance with the inflation rate of Argentina.

Exemptions from merger control relevant for JVs are:

- Acquisition of companies where the buyer already owned 50% of the equity of the relevant target company.
- Purchase of bonds or shares without voting rights of the relevant target company.
- Acquisition of a single enterprise by a foreign investor that has not owned shares or assets in Argentina.
- Situations where the amount of the transaction and the value of the assets located in Argentina being acquired, transferred, or controlled do not exceed 20 million mobile units, unless recent transactions in the same market exceed certain thresholds.

Formation

What are the procedures in forming a joint venture or strategic alliance?

Except for a BP, all the other JV structures (TU, CG, CC, and SPVs) must be registered before the PRC. The registration is quite comprehensive, as it includes the registration of the relevant agreement and must include at least the purpose, term, name, and other particular information on the members, their liabilities, financial contributions, and other legal implications.

What documentation/agreements are required to form a joint venture or strategic alliance?

There must be an agreement in writing. When registration before the PRC is required, such registration must take place and the agreement must be executed as a notarial deed, or a public notary must certify the signatures of the parties in the private document.

What other steps are required to form a joint venture or strategic alliance?

A notice to the NAA is required where the joint venture may fall under the Antitrust Law or does not fall under one of the exceptions established under such Antitrust Law. The parties must give notice to the NAA in advance of the relevant transaction, as the NAA must review the transaction.

Failure to comply with this notice requirement leads to the transaction being deemed ineffective among the parties to the agreement and to third parties. It could also trigger the imposition of fines by the NAA as set out in the Antitrust Law.

If there is no documentation forming the joint venture or strategic alliance, is there a standard form that exists by default? Are there any attendant risks of falling within that category?

The only form of JV that could be formed without a written document is the *de facto* partnership, which entails the risk of joint and several liability of the partners and the effect that any of the partners can legally represent the partnership and legally bind it to any obligation.

What filings with governmental authorities (if any) are required to form the joint venture or strategic alliance?

In addition to registration with the PRC (except the BP) filings are required with the federal and local tax authorities. Certain regulated activities such as media, banking, or insurance, require additional filings with the relevant regulatory agencies.

Becoming a Member/Partner

What are the different levels of equity and voting participation in the various forms of joint ventures and strategic alliances? How flexible is each of the structures?

For an SPV, it will depend if the SPV is a corporation (*sociedad anónima*) or a limited liability company (*sociedad de responsabilidad limitada*) or a simplified corporation (*sociedad por acciones simplificada*). The simplified corporation is the most flexible entity, as it allows one-member participations, flexible shareholder's meetings, flexible equity representation and flexible management (board of directors).

For other types of JVs—BP, TU, CG, and CC—the parties are free to agree to any form of participation, as well contributions of their members, which can be made either in cash or in-kind.

What forms of contributions (e.g., cash versus in-kind) may be made by members/partners?

The partners may contribute either in cash or in-kind. An in-kind contribution, for instance, may consist of financial resources, facilities, staff, copyrights, trademarks, and patents, know-how, etc. The contribution of each member should be negotiated, and the agreement should specify the consequences in case one of the parties does not contribute in the manner agreed to.

Should contributions to the joint venture or strategic alliance be documented? If so, what is the typical form of documentation?

Contributions to the JV should be specified in the primary agreement, which can be executed as a public document or as a private document, in which case, the signatures must be certified by a public notary.

In the case of contributions in-kind, an accounting certification of the value of the contribution is required and some ancillary agreements may be executed. For example, if one of the members contributes trademarks and patents, the parties would generally execute an agreement regarding the proper use and distribution of rights. This ancillary agreement should also state terms in relation to the use of the trademarks and patents after the termination of the joint venture.

Are there any statutory or other requirements regarding the number (i.e., minimum or maximum) or type of members (as in age requirements or legal status; individual or juridical person) in the joint venture or strategic alliance?

Both individuals and companies can be part of a JV. The agreement must be executed by at least two parties; there is no maximum number of members. In the case of individuals, they should be at least 18 years old. Companies in general require a "plurality of members" meaning that at least two members are needed in order for the "company" to exist.

However, recently two new entities were created that allow for single member participation, the one-person corporation (*sociedad anónima unipersonal*) and the simplified corporation (*sociedad por acciones simplificada*). Because the one-person corporation has higher compliance standards (it is subject to permanent governmental control and requires a mandatory statutory audit committee) it is only used for large holding companies.

What documentation would typically govern the relationship between partners/members?

The relationship between partners would generally be governed by the JV agreement or the bylaws of the relevant company. In addition, it is customary to have a separate members' agreement setting forth the terms and conditions governing the relevant JV (right of first refusal, preemption rights, drag-along, tag-along, etc.).

They may also execute documents prior to the execution of the main agreement in order to keep a record of the previous negotiations. The main agreement may also include ancillary agreements setting forth, for example, issues regarding the administration and direction of the JV, the distribution of the products and/or services, etc.

Can a public sector body be a member/partner in the joint venture or strategic alliance?

In principle, all relationships between the public and the private sector are regulated by public laws, which require mandatory compliance (public order legislation). The public tender process includes specific rules governing contracting between the public and the private sector. These rules apply, subject to specific conditions as set out in Decree No. 1023/2001, to concerns such as:

- Urgency
- Emergency
- Sole vendor
- Secrecy of the transaction under grounds of national safety or national defense

However, Decrees No. 966/2005 and 967/2005 establish national regimes of "Private Initiative" and "Public-Private Association," respectively, to foster public-private associations. The Private Initiative regime allows entrepreneurs from the private sector to present projects to the public sector "to develop activities of general interest," such as:

- Infrastructure works
- Concessions
- Public services
- Licenses

If the government considers the project to be of public interest, it launches a call for tenders. The private entrepreneurs that originally presented the project to the government have priority in the public tender process.

The Public-Private Association's regime regulates the vehicles that can be used to undertake the public-private association, with a very broad definition, which is "corporations, trusts, or any other kind of vehicle that may be eligible to be funded by the public offer regime set forth in Law No. 26,831". It also sets out the possible contributions that the public sector can make to the project, including:

- Cash
- Tax benefits
- Rights to certain public assets owned by the state

In addition, in March 2018 a "Corporate Criminal Liability Law" (Law 27,401) was enacted that provides for mandatory compliance programs for private companies with contracts with the public sector.

What restrictions, other than contractual ones, are there on a member/partner transferring its interest in the joint venture or strategic alliance?

The CCC does not establish any restriction for a member to transfer its interest in the joint venture. The parties ought to include in the contract the percentages of each participation and the proportion that they each agree to contribute. Except for a BP, the parties have to create a common operational fund in which they are going to deposit the contributions. In the case of SPVs, the ACL provides that notice must be given to the president of the corporation advising of the transfer of the interest in the corporation, and in the case of a limited liability company, the transfer must also be registered before the PRC.

Restrictive Covenants

What restrictive covenants can apply to members/partners relating to corporate opportunity, non-competition, and non-solicitation?

The CCC does not address covenants regarding corporate opportunity, non-competition, and non-solicitation. The parties can provide for any restrictive covenants, as agreed to. However, it is common practice in some of the regulated JV to include a non-compete clause, in order to protect the business.

Management

How is the joint venture or strategic alliance managed in the different structures? Are there statutorily mandated supermajority provisions?

- In the BP, the operations are managed by a manager. Third parties negotiate directly with the manager.
- In the CG, the administrator/s and director/s are appointed in the JV agreement or subsequently, by resolution of the parties. The relationship between the administrators and the joint venture will be governed by the general rules of a legal mandate as established by the CCC.
- In the TU, the representative of the JV must be appointed in the JV agreement. This is the only case in which the CCC provides rules in order to remove the manager of a JV: its appointment can only be revoked without cause by unanimous resolution of the members. If there is a cause to revoke a manager's appointment, the decision can be made by absolute majority.
- The representative of the CC is appointed in the JV agreement. In the event that a representative resigns or otherwise no longer assumes such position, regardless of the cause, and the agreement does not provide for the appointment of a successive representative, then the new representative must be appointed by absolute majority.
- In an SPV (corporation or limited liability company) the ACL does not provide for supermajority. A simple majority would suffice to change any member of the board of directors or manager, as the case may be.

What mechanisms are there for resolving deadlocks on major decisions?

- **BP.** The manager is the one who will make the majority of the decisions. Any conflict will be solved pursuant to the terms of the initial arrangement.
- **CG.** Section 1456 of the CCC establishes that decisions regarding the main subject of the business must be made by absolute majority of the members. Decisions can be overturned in court only if they are in violation of contractual or legal regulations. Decisions regarding an amendment to the initial JV agreement must be adopted unanimously.
- **TU.** Decisions must be made unanimously, except if the parties agree to a different mechanism. This is set forth in Section 1468 of the CCC.
- **CC.** The contract typically would include clauses regarding the mechanism for resolving conflicts. If nothing is established, decisions must be made by absolute majority of the members and unanimously in the case of contract modification.
- **SPV.** The ACL does not provide for a specific solution for resolving deadlocks.

If there is a tie, decisions have to be made according to the proportion of each member's participation. In any case, if deadlocks are not resolved by the mechanisms established in the contract or the CCC, the matter may ultimately be litigated in court.

What procedures apply for electing and removing managers in joint ventures and strategic alliances?

The election and removal of managers is generally governed by the JV agreement or the ancillary contracts. As JVs are

expressly regulated in the CCC, the law applies where the agreement by the parties is silent.

The only mandatory rules contained in the CCC regarding the removal of the managers is provided in the TU, providing that the appointment of the representative of a TU can be revoked without cause only by the unanimous resolution of the members. If there is cause, the decision can be made by absolute majority.

Allocating Profits, Losses, and Distributions

How are profits, losses, and distributions allocated among partners/members? Are there legal or regulatory restrictions that may limit the ability of the partners/members to make such allocations on their own?

- **BP.** The parties bear the losses up to the amount of their respective contributions, then the manager is liable. In relation to the profits, the members are free to choose the terms that will govern their relationship.
- **CG.** The members are free to agree to the terms of the allocation of the profits and losses.
- **TU.** The members are able to decide how they will participate in the losses and profits of the business.
- **CC.** In the event that the parties do not include in the operative documents any provisions governing the allocation of profits, they will be distributed in equal parts between all members, as provided by the CCC. In relation to losses, the members of the joint venture can decide in which proportion they will participate.

Indemnification

What indemnification provisions would apply in a joint venture or strategic alliance?

Indemnification provisions are freely agreed by the relevant parties as addressed in the CCC.

Exit or Termination

How does a partner/member exit a joint venture or strategic alliance?

A member cannot independently decide to exit the joint venture before its termination without liability, as it will be considered a breach of the contract. However, different terms can be included in the JV agreement. A member can also be excluded by other members of the joint venture. The mechanism for making this decision must be governed by the terms of the contract. In the case of a CG, the CCC establishes in section 1468 that any member can be excluded by unanimity of the other partners if the member has breached its obligations.

How is a joint venture or strategic alliance terminated?

The parties are free to agree to the terms and events that would trigger the termination of the joint venture. As with any contractual relationship, JV can generally be terminated for just cause.

The CCC establishes certain rules regarding the termination of some JV:

- **CG.** This kind of joint venture terminates (1) by decision of its members; (2) upon expiration of its term, (3) on the achievement of its objectives or the impossibility to achieve them; (4) if the number of members is reduced to one; (5) because of incapacity, death, dissolution, or bankruptcy of one of its members, except in those cases where the agreement provides for its continuation, or the remaining parties unanimously decide to continue with the joint venture, or (6) by resolution of the non-competition enforcement authority in the event that it determines that the CG is performing activities that restrict competition.
- **TU.** The CCC only provides rules regarding bankruptcy, death or inability of the parties, in which case the joint venture continues its activities if the remaining members agree as to the manner in which they will fulfill the obligations of the joint venture.
- **CC.** This joint venture terminates (1) it accomplishes its objective, or it becomes impossible to achieve; (2) the agreed-upon term expires; (3) the parties decide unanimously; or (4) if the number of members of the joint venture reduces to one.

Is the termination of a joint venture or strategic alliance subject to the approval of any governmental body?

In order to terminate a JV, the parties must register the termination before the PRC (where the PRC registration was originally filed upon formation (CG, CC, TU, and SPV)).

Joint Ventures with Foreign Members/Partners

What statutes or rules govern joint ventures or strategic alliances with foreign parties?

The ACL and the resolutions of the PRC regulate the activities of foreign companies in Argentina. Taking these

regulations into account, foreign parties can form JV or strategic alliances according to the CCC.

A foreign entity can either (1) set up a branch in accordance with Section 118 of the ACL (Branch), in which case the parent foreign entity will be jointly and severally liable for the activities of the branch in Argentina or (2) act as a partner of a local company (Foreign Partner), in which case Section 123 of the ACL shall be applicable. Both the Branch and the Foreign Partner must be duly registered before the PRC. All foreign documents must be notarized, apostilled (certified), and later translated into Spanish in Argentina by a translator registered with the Translators Association.

For a foreign entity to participate in a BP, TU, CG, or CC, it must be registered as a Branch and cannot be a Foreign Partner; while a foreign entity must be registered as a Foreign Partner or a Branch in order to participate as an SPV.

What are the material provisions of such statutes or rules?

The ACL provides that, as far as their existence and formalities are concerned, foreign companies are regulated by the legislation from the country in which they were incorporated. For their activities in Argentina, foreign entities are regulated by the ACL.

Under the ACL, a BP, TU, CG, or CC with ongoing activity in Argentina is required to set up legal residence in the country and appoint a legal representative, in addition to registering as a Branch before the PRC.

What constitutes a "foreign" member or partner of a joint venture or strategic alliance? If there is an attribution rule that traces the ultimate ownership of a local member/partner to a foreign entity, what are the equity-holding and voting-rights thresholds for deeming "control" at each ownership chain?

The term "foreign member" means either (1) a foreign entity incorporated in a country other than Argentina, or (2) an individual that is not resident in Argentina.

When a foreign entity is registered before the PRC, such foreign entity needs to prove that it does not have its principal place of business in Argentina.

According to Section 33 of the ACL, control is obtained either (1) by having a participation that grants the necessary votes to obtain the corporate will or (2) by exercising a dominant influence over the company by other means. Typically, control is deemed when holding 51% or more of the shares or voting rights (directly or indirectly) of a company.

Do such statutes or rules have any limitations regarding foreign members/partners in a joint venture or strategic alliance? [For instance, levels of participation, investments, management, et. al.]?

No.

What permits, consents or registrations are required by foreign members/partners of a joint venture or strategic alliance?

Section 118 of the ACL provides that, corporate foreign members have to be registered as a Branch before the PRC, justify the decision of developing an activity in Argentina, appoint a legal representative, and prove their existence in their originating country. The PRC requires "substance" of the foreign entity in its home jurisdiction, so the foreign entity must have real "activities" and assets in its home jurisdiction. In addition, the identification of shareholders of the foreign entity and a number of certifications of the foreign entity must be filed with before the PRC. Finally, the Branch must also obtain a tax id.

Individual foreign members need to be registered before the tax authorities and appoint a local representative before such tax authorities.

Are there any economic incentives for foreign direct investments in a joint venture or strategic alliance?

No.

Are there mandatory minimums or maximum equity investments or contributions for a foreign joint venture or strategic alliance member/partner?

No.

Are there any restrictions regarding distributions to, or repatriation of profits by, foreign partners/members?

Currently, no.

Are there any differences in any of the answers above in the case of joint ventures or strategic alliances with foreign members?

No.

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In addition, he is officer of the International Bar Association (IBA), American Bar Association (ABA) and the Society of Trust and Estate Practitioners (STEP) and is regularly engaged in conferences of issues of related to his practice of those institutions.

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