

A brief summary of the

Régimen de Incentivo a las Grandes Inversiones (RIGI)

New Resolution No. 1020 (CNV)



**Ministerio
de Economía**
República Argentina

**Secretaría
de Minería**

Introduction

- The large investments incentive regime (RIGI) applies to large-scale projects involving an investment of over USD 200 million.
- Investments over USD 2 billion qualify as Long-Term Strategic Export Projects. In these cases, certain additional benefits under the FX regime apply.
- Companies can participate in the RIGI through Investment Project Vehicles (VPU in Spanish), which must own one or more phases of a Project qualifying as a Large Investment.



Introduction

- In years 1 and 2 following the plan's date of approval, an investment in eligible assets of no less than 40% of the total value of the Project must be made.
- The RIGI provides a 2-year period for companies to join, with the possibility of a 1-year extension, ensuring 30 years of stability under the regime from the date of accession.



Benefits of the RIGI

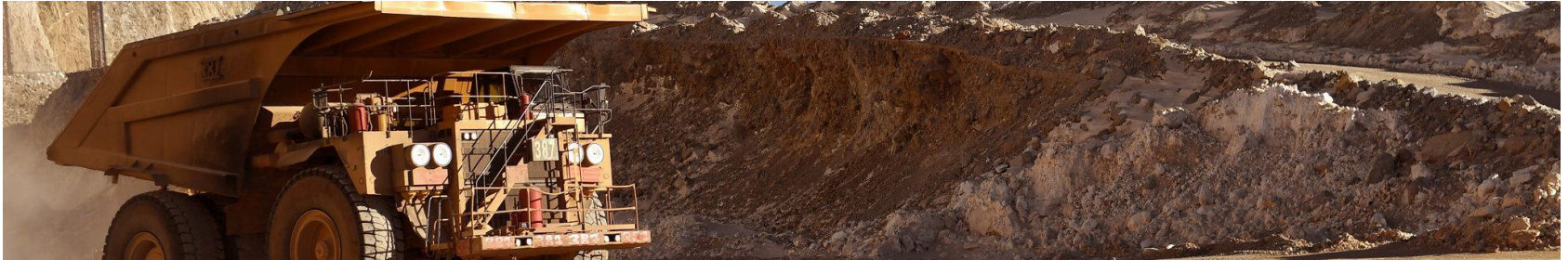
The RIGI guarantees that the rights, protections, and incentives provided under the regime will remain stable for 30 years. Investors will have a secured right, akin to ownership, over tax and customs incentives, foreign exchange regulations, jurisdiction and arbitration, which cannot be altered by future regulations. This means that any newly imposed taxes or increases in existing ones will not apply to VPUs, while these will still benefit from any tax incentives or reductions.

III. Income tax benefits

- Income tax rate of 25% (compared to a general rate of 35%)
- Net profits from dividends and earnings will be taxed at a rate of 7%. For foreign beneficiaries, this percentage will be withheld as a single and final payment.
- 7 years after joining the RIGI, taxes on dividends and earnings will be halved to 3.5%.



IV. VAT incentives for RIGI investments



Companies can utilize tax credit certificates to pay VAT on supplier invoices or directly to the Federal Administration of Public Revenue (AFIP) when importing goods. These certificates can be put toward the purchase, construction, manufacturing, production, or definitive import of goods for use, as well as for investments in infrastructure projects and services essential to their development and construction.

Tax credit certificates for suppliers receiving these will be treated as a tax balance in favor of the taxpayer arising from direct income. These means that they can be freely offset against other taxes or even refunded by the AFIP.

V. Foreign exchange and foreign trade benefits

Payment collection for exports of products from the Project covered by the RIGI, conducted by the VPU, are exempt from the obligation of entry and/or negotiation and settlement in the foreign exchange market, according to the following percentages:

- Twenty percent (20%) after two (2) years have elapsed from the date of implementation of the VPU;
- Forty percent (40%) after three (3) years have elapsed from the date of implementation of the VPU;
- One hundred percent (100%) after four (4) years have elapsed from the date of implementation of the VPU.

The funds will be freely available in the percentages referred to above.

In the case of Strategic, Long Term Investments these terms are shorten in 1 one year each.

V. Foreign exchange and foreign trade benefits



Foreign currency obtained from local or external financing by VPUs under the RIGI, disbursed after the law's enactment, will not be subject to restrictions on its availability, either domestically or abroad. These funds will be freely available to the VPU and/or the Project under the RIGI and may be used for any purpose without limitation.

VI. Accounting benefits

VPU's adhering to the RIGI may choose to keep their accounting records and financial statements in USD according to International Financial Reporting Standards (IFRS).



VII. Dispute resolution

All disputes will be resolved first through friendly consultation and negotiation within 60 days. If this is not successful, the dispute will be submitted to arbitration at the discretion of the VPU, who may choose among the following options:

- a) PCA Arbitration Rules 2012;
- b) The Rules of Arbitration of the International Chamber of Commerce (except the Rules of Expedited Procedure), or;
- c) The International Convention on the Settlement of Investment Disputes (ICSID) between States and nationals of other States of March 18, 1965 or, where applicable, the ICSID Arbitration (Additional Facility) Rules.

Argentina has made easier the dual listing

To simplify and make faster the dual listing approval, Argentina's securities commission removed the requirement for foreign companies to register with the Public Registry under Article 118 of the General Companies Law if they only wish to list their shares under the double listing regime in Argentina. Article 118 requires foreign companies to establish a branch or set up a representative in Argentina.

This change could be particularly beneficial for mining companies (as well as technological and other companies), as it simplifies the process for foreign issuers interested in double listing their shares in Argentina, making the market more accessible for international investment.

New Resolution No. 1020 was passed in September 30, 2024.

Thank you



**Ministerio
de Economía**
República Argentina

**Secretaría
de Minería**