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Emergency Decree Nº 70/2023
"Basis for the Reconstruction of the Argentine Economy"

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Content

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INITIAL CONSIDERATIONS ON THE OBJECTIVES PURSUED BY EMERGENCY DECREE Nº 70/2023

On December 21, 2023, the Emergency Decree Nº 70/2023 was published in the Official Gazette, characterized as "BASIS FOR THE RECONSTRUCTION OF THE ARGENTINE ECONOMY" ("ED 70"), which begins a process of deep deregulation of Argentine economy.

Although it is a norm emanating from the National Executive Power, it has a hierarchy equivalent to the laws since article 99, paragraph 3 of the NATIONAL CONSTITUTION grants the NATIONAL EXECUTIVE POWER the power to issue legislative provisions in cases of necessity and urgency when it is impossible to follow the normal procedure of formation and sanction of laws.

In addition to declaring a public emergency in economic, financial, fiscal, administrative, social security, tariff, health and social matters up to December 31, 2025, the ED 70 derogates numerous laws of state intervention in the economy, such as Gondolas, Supply, Observatory of Prices, Leases, Buy National *(Compre Argentino)* and State-Owned Companies with the purpose of liberalizing trade, services and industry, and eliminating restrictions on the supply of goods and services that distort market prices. In the same way, the ED 70 lays the basis for a deep reform of the State, which includes the privatization of numerous state-owned companies.

Among others, the ED 70 modifies the following regulatory bodies:

- the Civil and Commercial Code, reinforcing freedom of contract, the principle of free will and the legality and enforceability of contracts in foreign currency;
- the Customs Code, liberalizing foreign trade;

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- the Employment Contract Law, making individual and collective labor relationships more flexible;
- the health system, making the hiring of union health plans and prepaid medical services more flexible; and
- the Credit Card regime, eliminating commissions and interest caps.

While ED 70 came into force last December 29, 2023.The ED 70 must be reviewed by a permanent bicameral commission of Congress and can only be revoked if both Houses of Congress expressly reject it (that is, if either House approves it or remains silent, the ED 70 will continue in force). The eventual repeal of the ED 70 due to the rejection of both Chambers will not have retroactive effect, so that all legal relationships born during the time of validity of the ED will be valid.

To this must be added the existence of numerous judicial actions, both of individual and collective nature, brought before different judicial jurisdictions in the country, requiring the declaration of nullity of the ED 70 and suspension of its effects through the issuance of precautionary measures. Consequently, the application – total or partial – of the ED may be impacted by the outcome of the ongoing judicial processes.

This report aims to make known the content and scope of the various legislative modifications and repeals made by the DNU, as well as their eventual impact on the businesses and interests of our clients.

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Title I- BASIS FOR THE RECONSTRUCTION OF ARGENTINE ECONOMY (Arts. 1-3)

- Declares a public emergency in economic, financial, fiscal, administrative, social security, tariff, health and social matters up to December 31, 2025.
- Deregulation: provides for the broadest deregulation of commerce, services and industry throughout the national territory and all restrictions on the supply of goods and services, as well as any regulatory requirement that distorts market prices, will be void.
- The Executive Branch of the Nation will prepare and/or issue all the necessary regulations to adopt international regulations regarding trade in goods and services, seeking to harmonize the internal regime, to the extent possible, with the other Mercosur countries or other international organizations. (WTO) and (OECD).

Title II – ECONOMIC DEREGULATION (Arts. 4 - 35) MEASURES FOR THE FREE OPERATION OF THE MARKET

With the aim of easing economic operations, through Emergency Decree Nº 70/23, the National Government derogated a set of regulations that imposed strong limitations and regulations on businesses with regard to the provision of goods and services:

- **Supply Law Nº 20,680:**

The Supply Law governed the purchase, exchange and rental of chattels, works and services - their direct or indirect raw materials and their supplies - and the services intended for production, construction, processing, commercialization, health, food, clothing, health, housing, sports, culture, transportation and logistics, recreation, as well as any other personal property or service that satisfies basic or essential needs aimed at the general well-being of the population.

The repealed rule allowed the State, among other issues, to determine profit margins, reference prices, maximum and minimum price levels, at any stage of the economic process, agree on subsidies, and require all documentation related to the line of business of the company or economic agent and require information on the sales prices of the goods or services produced and provided, as well as their availability for sale and dictate regulatory regulations that govern commercialization, intermediation, distribution and/or production.

The derogation of the Supply Law implies the eradication of the pricing programs that were systematically established, under different names and characteristics, since 2014.

- **Law Nº 27,545 on Supermarkets Shelves Law *(Ley de Gondolas)*.**

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This law established a series of product display rules that had to be complied with on the shelves of establishments with in-person sales rooms to the public with a marketing area equal to or greater than eight hundred (800 m2) square meters.

- **Law No. 18,425 on Commercial Promotion**

This regulation, issued in 1974, classified businesses into Total Supermarkets, Supermarkets, Superstores, Self-service Food Products, Self-service Non-Food Products, Retail Business Chains, Wholesale Supply Organizations, Sorters-packers of perishable products, and Buying Centers, according to the parameters established for each case, the most relevant parameters being the range of food or non-food products marketed, the area of the establishment intended for sale and the area intended for storage, the existence or not of its own warehouse and the management of business by one or more companies or owners.

Likewise, it established the obligation to register in a registry, after evidence of compliance with the requirements set forth for the category and the obligation to always maintain the minimum number of premises and sales areas established by that law and relevant regulations.

Finally, in order to promote investments and commercial establishments and generate employment, the following are repealed:

- Law No. 19,227 -which limits the location of wholesale markets- and
- Law No. 20,657, which established the Regime for the Commercial Activity of Supermarkets, granting more freedom for private decisions in trade/commerce.

- **Buy National Law (*Ley de Compre Nacional*) and Buy Argentine Law (*Ley de Compre Argentino*).**

Among the various legal aspects subject to regulation and/or modification is also the regulatory framework related to the regimes of Laws No. 18,875 of Buy National and Nº 27,437 of Buy Argentine, based on the need to ease economic operations by eliminating the obstacles that various laws have introduced in the free operation of markets.

The national government has decided to implement a very wide-ranging deregulation plan, with the aim of rebuilding the economy through the immediate elimination of state barriers and restrictions that prevent its normal development, while promoting greater insertion into world trade.

In this sense, the most relevant aspects of the articles derogated by ED 70 in both Laws are indicated below:

- **Law No. 27,437 of Buy Argentine:**

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Through Law Nº 27,437, the **Buy Argentine and Supplier Development Regime** was established with the purpose of granting preference to the acquisition, rental or leasing of goods of national origin with respect to contracts whose amount is equal to or greater than a certain threshold.

To this end, it was required that the bidders present an affidavit referring to the origin of the goods to be supplied.

Among the most relevant aspects of the almost entirely repealed regime were:

i. Preference in the acquisition of goods of national origin

Firstly, it imposed on the affected subjects the obligation to grant preference in the acquisition of goods of national origin.

ii. Subjects reached.

The obligation reached:

- the entire National Public Sector.
- persons to whom the National Government has granted licenses, concessions, permits or authorizations for the provision of public works and services.
  - but only within the framework of the licenses, concessions, permits or authorizations for the provision of public works and services that have been granted to them by the National Government.
- direct contractors of the people included in the previous point.

iii. Goods that received preference.

According to Law Nº 27,437, a good was considered of "national origin" when it had been produced or extracted in the territory of the Argentine Republic, provided that the cost of raw materials, supplies or nationalized imported materials did not exceed forty percent (40%) of its gross production value.

iv. Margin of price difference that forced giving preference

The Law imposed the granting of preference for the acquisition of goods of national origin, establishing an equalization system to favor local companies despite the fact that their quotes were higher than those of foreign bidders.

- **Law No. 18,875 on Buy National:**

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The Buy National Regime set forth by Law Nº 18,875 contained regulations regarding the use of the purchasing power that the State concentrates in its jurisdiction.

The National Public Administration, its dependencies, departments and autonomous or decentralized entities, State-owned companies and public service concessionaire companies, were obligated to:

a) acquire materials, goods and products of **national origin**, within the regulations of Decree-Law Nº 5,340/63 and the supplementary provisions herein set forth;

b) contract with **local** construction companies or suppliers of **local** works and services, except for the exceptions provided for in this law. Also compensate for inequalities in access to credit and guarantees that could occur between local companies with internal capital and local companies with external capital;

c) contract with **local** professionals and consulting firms, except for the exceptions provided for in this law.

In the case of the construction of works and the provision of services, except in cases in which valid reasons for bidding or international contracting were proved, this Law set forth that **exclusively local companies should be contracted**.

In the event that it was necessary to proceed to an international bid, conditions that could explicitly or implicitly discriminate against local companies could not be included. In addition, foreign companies that participated had to associate with local companies and, whenever possible, with local companies with internal capital.

In cases where it was deemed justified, the Executive Branch could order or authorize the bidding documents to include preference clauses in favor of **local companies with internal capital**, sufficient to compensate them for the higher cost of financing derived from their lower access to guarantees. and to external credits, compared to what foreign companies and local companies had with external capital.

Title II - Chapter I – *Banco de la Nación Argentina* (Law Nº 21,799) (Art. 13):

DNU 70 in its article 13 repeals **article 2 of Law No. 21,799** Banco de la Nación Argentina, which established the requirement that judicial deposits from national courts be made exclusively through the Banco de la Nación Argentina.

This circumstance also applies to **deposits in foreign currency** of National State agencies or entities or companies that belong wholly or majority to it.

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Title II - Chapter II – Credit cards (Law No. 25,065) (Arts. 14-23)

Below are the main modifications made to Law No. 25,065 on Credit Cards:

- Repeals the provisions on: (i) the identification data that the card must include (article 5), (ii) the conditions that contracts must meet and the moment in which the contract is perfected (articles 7, 8 and 9), (iii) the nullity of the clauses that impose a fixed amount for late payment of the statement of account and those that impose costs for reporting the loss, theft, expiration or contractual termination (article 14, paragraphs c) and d), (iv) the imposition of penalties for entities that do not comply with the provisions or do not comply with the obligation to report the level of interest rates (art. 17), (v) the information obligation of credit card issuers to suppliers and to have electronic consultation terminals (articles 31° and 35°), (vi) the prohibition of informing to the credit information companies, the holders in default or who have refinanced their debts (article 53°) and, (vii) the obligation to inform the Ministry of Commerce the monthly information on their offers (article 55).

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- Modifies the concept of Credit Card Issuer provided for in article 16, subsection a), allowing any entity to issue credit cards as long as it is provided for in its corporate purpose.

- Modifies the concept of Credit Card provided for in article 17, incorporating the possibility that the card can be physical or virtual.

- Eliminates the cap on the difference in commissions between businesses provided for in Article 15 and replaces it with the obligation of issuers to make known to the public the financing rate applicable to the Credit Card system.

- Eliminates the cap on penalty interest provided for in Article 18 at 50% of the compensatory interest, maintaining only the prohibition of capitalizing interest.

- Eliminates the obligation for the standard contract between credit card issuer and provider to be approved by the enforcement authority.

Title II- Chapter III - Personal credit operations carried out through certificates of deposit and warrants. (Law Nº 9,643):

As expressed in the recitals of DNU 70, the purpose pursued is to liberalize agricultural activity, and for this it is essential to make modifications to Law No. 9,643 that regulates deposit certificates and warrants.

In general terms, the use of the aforementioned documents allows obtaining financing through various means for immobilized merchandise.

The purpose of DNU 70 is to facilitate the operation of these documents, through:

- Allowing the manufactures to be stored whether they are national and international.

- Eliminating the request for authorization from the Executive Branch for the purposes of being able to establish a deposit a warehouse with the possibility of granting certificates of deposit and warrants. Instead, it is established that any company that wants to establish a warehouse may (optional) register in a registry of the National Executive Branch, complying with a series of requirements. In other words, it is no longer necessary to have authorization from the Executive Branch to grant certificates of deposits and warrants, and registration in the registry of the Executive Branch is also optional

- Eliminating the prohibition for warehouses to carry out purchase and sale operations of fruits or products of the same nature as those referred to in the certificates of

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deposit/warrants; as well as the prohibition to store in the same premises, or in contiguous premises, merchandise susceptible to reciprocal alteration.

- The digitization of certificates of deposit and warrants is allowed, with all their effects and subsequent uses in digital form.

- It is allowed to obtain several certificates of deposit and warrants on the same goods, as long as the deposit is recorded in different packages or separate lots.

- Finally, it was established that the Executive Branch will only inspect the companies/warehouses included in the registry of companies issuing warrants.

Title III – STATE REFORM (Art. 36 - 40)

Title III – Chapter I – State Reform (Law No. 23,696) (Art. 41 - 47):

Among the various legal aspects subject to regulation and/or modification is the regulatory framework related to **Law No. 23,696 on "State Reform"** of 1989, which made possible the intervention and privatization of state-owned companies and the deregulation and opening of the economy under the paradigm of the "minimal" State.

These amendments introduced by DNU 70 are made under the justification of facilitating the transfer of the shares of the currently state-owned companies to their employees, and thus starting a privatization process of certain public companies with the purpose of concentrating the State's activity only in its essential functions.

To this end, Decree 70 makes changes to Law 23,696, focusing primarily on the **Participated Ownership Program** to streamline the transfer of shares from state-owned companies to employees and expedite privatization processes.

Among the main measures taken by Decree 70 in this regard are:

- Inclusion of the *Banco de la Nación Argentina* among the entities subject to privatization.
- Elimination of the obligation to issue profit-sharing bonds for employees in dependent relationships.
- Granting powers to the Executive Power to:

i. Transfer ownership, exercise of corporate rights, or administration of companies declared "subject to privatization."
ii. The establishment of companies, transformation, splitting, or merging of entities mentioned in the previous clause.

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iii. Amend the corporate bylaws of the entities mentioned in section 1 of this article.

iv. Dissolve pre-existing legal entities in cases where it is appropriate due to transformation, spin-off, merger or liquidation.

v. Negotiate retrocessions and agree on the termination or modification of contracts and concessions, formulating the necessary arrangements for this.

vi. Carry out the disposals even when they refer to goods, assets or productive estates in dispute, in which case the acquirer will subrogate the National State in the issues, litigation and obligations.

vii. Grant permits, licenses or concessions for the operation of public services or services of public interest to which the assets, companies or establishments that are privatized are affected, as long as the acquirers meet the conditions required by the respective legal regimes, as well as those that ensure the efficient provision of the service and for the term that is convenient to facilitate the operation. In the granting of concessions, when there are reasons of national defense or internal security, at the discretion of the Enforcement Authority, preference shall be given to national capital. In all cases, an adequate equivalence between the investment actually made and the profitability will be required.

viii. Grant the company that is privatized tax benefits that in no case may exceed those provided for in the industrial, regional or sectoral promotion regimes in force at the time of privatization for the type of activity it carries out or for the region where it is located.

ix. Authorize deferrals, write-offs, delays, or remissions in the collection of credits from official agencies against entities that are privatized by application of this law. The aforementioned deferrals will cover all credits, whatever their nature, held by the centralized or decentralized bodies of the National State. The amounts whose collection is deferred will be included in the updating regime corresponding to each credit according to its nature and origin and, in the absence of the applicable regime, to the one determined by the National Executive Power. In all cases, the reductions, remissions or deferrals to be granted, as well as their updating regime, must be part of the bidding documents and basis, regardless of the alternatives used for this purpose.

x. Establish mechanisms through which creditors of the State and/or the entities mentioned in Article 2 hereof can capitalize their claims.

xi. Annul statutory or conventional provisions that provide for special deadlines, procedures or conditions for the sale of shares or capital quotas, by reason of the fact that they are owned by the State or its agencies.

xii. Provide for each case of privatization and/or concession of public works and services that the National State assumes the total or partial liabilities of the company to be privatized, in order to facilitate or improve the conditions of contracting.

xiii. Carry out any type of legal act or procedure necessary or convenient to comply with the objectives of this law.

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In addition, Decree 70 grants a new power to the Executive Power, which may, at its discretion, consider that the transfer may be free of charge when made to employees of the entity to be privatized at all hierarchical levels who have an employment relationship.

Title III - Chapter II - Transformation of State-owned companies into Corporations (Arts. 48 - 52)

By way of introduction, within the recitals of the ED 70, the Executive Branch states - in relation to the modification of the corporate regime - that there is a prevailing need to modify the legal status of state-owned companies, converting them into Corporations, pointing out that the purpose of this change is to improve the transparency and corporate governance of these companies, while facilitating the transfer of shares to employees, in cases where progress is made in this regard, using the prerogatives of Law No. 23,696.

It is also mentioned that with this change the legal figures of the State-owned Companies, regulated by Law No. 20,705, the State-owned Companies provided for in Law No. 13,653 and the Mixed Economy Companies contemplated in the Decree - Law will disappear. No. 15,349/46.

Transformation of state-owned companies into corporations

With regard to state-owned enterprises or companies, art. 48 provides that, whatever type or corporate form they have adopted, they will be transformed into **corporations**.

Along these same lines, **Decree Law No. 15,349/1946 on Mixed Economy Companies is repealed,** that is, those companies formed by the Government (whether national or provincial, municipalities or autonomous administrative entities together with private capital) for the exploitation of companies which purpose is the satisfaction of collective needs or the promotion of economic activities; **Law No. 13,653 on State-owned Companie**s (ordered by Decree No. 4053/55) which allowed the Government, for public interest reasons, to carry out activities of an industrial, commercial nature or exploitation of public utilities of the same nature through entities called generically "State-owned Companies"; and **Law No. 20,705 on State-owned Companies**, which prohibited the transformation of these into majority state-owned Corporations and the incorporation of private capital.

The ED 70 also establishes, in line with the guidelines set forth in the recitals, that the transformed Corporations will be subject to all the effects of the General Companies Law and amendments thereof **on equal terms with companies without state participation and without any public prerogative**, without advantages of contracting or purchasing goods and services, and without enjoying benefits of any type, scope or character in any legal relationship in which they intervene.

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In this same line, through art. 49, the ED 70 provides for the modification of paragraph 3 of art. 299 of Law 19,550, in order to adapt it to the new provisions of the ED 70, consequently suppressing mixed economy companies and majority state-owned corporations, and incorporating in said section state-owned corporations in general.

Finally, the ED 70 established that Law 24,156 on Financial Administration and Control Systems of the National Public Sector and other public-sector control regulations will be applicable only when the Government has a majority shareholding in the Corporations resulting from the aforementioned transformation.

Title IV – WORK (Arts. 53 -97)

The ED 70 modifies numerous and sensitive legal provisions on the matter, which is why we consider this first review and clarification useful, notwithstanding other considerations that we will make in successive days, including the news that occur in regulatory matters, since different articles require additional work of the Competent Authority.

With the purpose of having a first global vision of the important changes produced, and without pretending to exhaust the analysis nor to provide specific advice that will be necessary in each case, we list them below, not without mentioning that the entry into force and effective validity of these amendments depends on the fate of DNU 70 in the Congress of the Nation, and in the judicial sphere in view of the challenges to its constitutionality that have already been the object of judicial filings.

1-Elimination of fines: The ED 70 eliminates the fines provided for in laws 24,013, 25,323, 26,844 that punished with serious compensation aggravations all cases of employment poorly recorded in terms of date of entry or total salary. In the same way, the fine is eliminated for failure to timely deliver work certificates, for failure to pay withheld contributions - law 25,345 -, and for recklessness and malice - law 25,013 -. In this way, the worker will no longer have monetary incentives to request his own dismissal, which in many cases is up to this date, a central element in deciding to initiate legal actions.

2-Complaint of labor relationships without registration: Workers will see a channel enabled in order to report such a situation to the Federal Administration of Public Revenues *(AFIP)*. Likewise, judges must report the data of every case in which they appreciate the existence of an unregistered employment relationship.

3-Elimination of the notion of the interposed employer: Every employee is considered to be dependent on the natural or legal person who registers them as such. It will not be possible to argue that there is a disagreement between the "formal" employer and the "real" one – arg. art. 29 of the LCT now modified -. In the case of employees hired with a view to being provided to third parties, the latter, as a user of the worker's services, becomes jointly and severally liable

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for labor and social security debts, jointly with the "formal/real" employer. For their part, it is clarified that employees of contractors can demand that the main employer pay the salaries and compensation owed to them, and said main employers may retain the salary and social security concepts owed by their contractors, paying them to their beneficiaries. or entering them in a simple way to the tax authorities.

4-Reinforcement of the idea of non-labor contracts excluded from the CEL regime: The ED 70 states that the Employment Contract Law is not applicable to services contracts, work, agency, professional services and trades, and all contractual modalities regulated in the Civil and Commercial Code, as long as they are documented in legal form with invoices. In the same sense, in the cases of these contracts there will be no presumption of the existence of an employment contract, and if it is judicially determined that the figure was misused and that in fact it was a labor contract, compensation will be ordered to be paid without fines. with interest reduction and payment facilities in relation to omitted social security contributions, also corresponding to consider the social security components already paid. In a similar sense, the presumptions in favor of the worker are moderated in relation to the evaluation of the evidence and the interpretation of the law.

5-Irrenounceability. Possibility of dismissive agreements for the worker: Returning to the wording in force until 2009, “individual contracts” have been eliminated as a source of non-derogable minimum amounts in negotiations with workers. In this way, agreements will be possible that reduce labor rights or alter essential conditions of employment contracts based on more valuable considerations, as long as public order and legal, statutory and conventional minimums are respected.

6-Work certificates: Eliminated the fine of three salaries according to art. 80 LCT, the ED 70 establishes that a virtual platform will be implemented for the simple delivery of the certificates, as well as the certificates will be deemed delivered whenever it is possible to consult the information on the National Administration of Social Security (ANSES) page.

7-Trial period: It extends to eight months – until today it was three months.

8-Form of remuneration payment: The list of accounts in which it will be valid to pay salaries is expanded, pending the regulations that detail which are considered “Suitable, safe, interoperable and competitive.”

9-Discount on membership fees, mutual assistance associations, and solidarity quotas: It is established that this type of salary deduction will only be authorized with the explicit consent of the employee authorizing it.

10-Salary receipts: Electronic receipts are implemented, which may be kept in digital format, and in which, in addition to the data traditionally included therein, the value of employer contributions must be recorded.

11-Maternity leave: The possibility for workers to postpone the start of pregnancy is consolidated at a legal level, with only the 10 days immediately preceding the probable date of

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delivery being mandatory - previously 30 days -, and the entire balance can be accumulated up to 90 days after the birth.

12-Dismissal with fair cause: Added to the traditional notion of injury that does not allow the continuation of the employment relationship are the specific cases of: i-violation of the freedom to work of those who do not adhere to a forceful measure; b-total or partial obstruction of the entry or exit of people or things to the establishment during forceful measures; iii-damage to people, things or third parties located in the establishment during forceful measures. These cases will merit direct dismissal with cause.

13-Dismissal without fair cause: The traditional compensation formula consisting of the payment of one month of the best, normal and customary monthly remuneration for each year of service or fraction greater than three months, is supplemented by the following points:

- Neither the Thirteenth Salary *(Sueldo Annual Complementario)*, nor the semi-annual or annual payment concepts, are considered in the calculation base.
- The traditional cap governs equivalent to three times the average remuneration of the applicable collective bargaining agreement, or the most favorable one.
- The doctrine of the "Vizzoti" ruling is consolidated, clarifying that the limit mentioned in the previous section can never determine a calculation base lower than 67% of the best real monthly, normal and usual remuneration.
- The parties to the collective bargaining are invited to establish alternative compensation regimes based on the one in force for construction employees.

14-Discriminatory dismissal: The possibility of reinstatement proposals is eliminated, and in its place, it is ruled that in the case of discriminatory dismissals the compensation rate will be increased between 50% and an additional 100%. This increase cannot be accumulated with other compensation aggravation regimes.

15-Reentry of workers: In the case of dismissal of workers rejoining to the company, the amounts originally paid for equal compensation will be discounted adjusted by applying the consumer price index, plus 3% annual pure interest.

16-Interest rate in court: It is established that the power of the judges to establish the capital adjustment modality applies fully, but with a maximum limit throughout the country equivalent to the adjustment of the historical capital by application of the consumer price index plus 3% pure annual interest.
16-Payment of court judgments: Human persons and legal entities included in Law 24,467 may pay the judgments in up to twelve monthly installments adjusted with the adjustment referred to above.

17-Ultraactivity of collective bargaining agreements: It is limited to clauses that establish working conditions, excluding obligatory clauses, unless agreed upon by the parties or as a result of an administrative decision

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18-Meetings in workplaces. Prohibited conducts: They must be held without affecting the normal activity of the company or third parties. They are considered very serious infractions subject to correlative penalties to trade unions, occupations, blockades, violations of the freedom of entry, exit, things or members of the work community to the establishment.
19-Work schemes: It is established that the parties to the collective bargaining may establish innovations in the overtime regime, bank of hours, compensatory leaves, and other institutes related to the working day, always respecting the 12-hour rest between days.

20-Travelling salesmen: Law 14,546 is repealed, notwithstanding the rights of employees currently included in it. The parties to collective bargaining are invited to establish additional rules as necessary.

21-Agricultural work. Job boards. Labor outsourcing: Employers will not have the obligation to limit themselves to the applicants registered therein, claiming full freedom of contract. Likewise, in the field of agricultural work, the prohibition on going to temporary service companies, or any company that provides workers, is void.

22- Remote working: Various regulations of the recent remote working law are modified. In fact, it is pointed out that breaks during the day of workers with dependents and subsequent care work do not govern if the employer grants aid or compensation for such a situation.
Likewise, the possible reversibility of this work modality is no longer discretionary and unilateral on the part of the workers who have accepted such modification. On the contrary, the eventual request to revert to in-person attendance will only be accepted with the agreement of the employer, as long as there are adequate facilities and conditions for this. Likewise, the employer may decide to reverse the modality and return to presence based on the needs of each job or when the activity requires it. In the case of teleworkers who work from abroad, only the law of the workplace will apply to them, and not that of the employer's domicile.

23-Independent workers with collaborators: The implementation of a special and simplified regime is planned to govern the relationship between an independent worker and his collaborators, setting the maximum number of them at five. The aim is to regulate the reality of trade workers who make up small work groups, to whom an attempt will be made to provide regularity and simplicity in the fulfillment of social security obligations, without resorting to the notion of a traditional employed-earner relationship.

24-Essential services: A series of essential activities of transcendental importance are identified, with respect to which minimum services are established that cannot be affected by collective conflicts.

Having thus synthesized the points of the labor reform, we understand that it is highly auspicious since it will avoid a large number of conflicts and will lay the grounds for the creation and maintenance of employment in sustainable conditions.

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Title V - FOREIGN TRADE (Arts. 98 - 153)

Regarding the modifications made to the Customs Code, they are part of a plan to ease international trade and simplify customs processes, the effects of which will translate into benefits for the different foreign trade operators.

In this sense, new figures have been introduced that aim to streamline procedures, providing a halo of transparency and efficiency to what is done before Customs.

The modifications introduced must be subsequently regulated for the purposes of their implementation.

Import Operations

Cargo manifests and other mandatory documentation upon arrival of the goods to the country may be presented prior to the arrival of the means of transportation.

This goes hand in hand with the possibility that the importer will have to request the import destination ***in advance*** of the arrival of the means of transport.

In this sense, the "advance declaration of arrival of the goods" has been created, understood as the procedure through which the request for destination can be submitted prior to the arrival of the means of transport to the customs territory".

We estimate that this measure may impact the reduction of storage costs in the goods arrival terminals.

Introduction of the figure "Early Resolution"

Prior to an import and/or export operation, the interested party may request an "early resolution" from the customs service, through which the customs treatment that must be granted to the goods is established. This resolution must be duly founded by Customs.

Early resolution is an extremely novel figure, which - in practical terms - can avoid contingencies regarding customs infringements for foreign trade operators.

Import and Export Destination Controls

Rules have been introduced inviting the customs service, within its control faculties, to try to preserve the activity and continuity of the operations that are in progress; with the purpose of speeding up the operative procedures before Customs, limiting the cases in which the release of goods to the market may be prevented, notwithstanding the continuity of the corresponding procedures.

With the entry into force of the amendments proposed for the inspection of goods, the processes will be faster and more efficient, thus avoiding extra costs to operators.

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Other relevant modifications

• It has been established that the National Executive Branch may not establish prohibitions or restrictions on exports or imports for economic reasons, which may only be established by law issued by the National Congress.

• The figure of the "customs broker" as an actor in foreign trade is no longer mandatory, and importers/exporters (both natural and legal persons) may choose to use their services to manage the clearance and destination of the goods.

• Elimination of the Registry of Importers/Exporters for the purposes of carrying out foreign trade operations.

• Provides that all procedures before Customs must be carried out through the use of electronic computer services, including import and export destinations.

• Establishes that all regulations on the matter must be published in an official and electronic medium, and must provide sufficient period for the entry into force of the adopted measures.

• Repeal of the power of the Executive Branch to grant exemptions from the payment of export duties.

Title VI - BIOECONOMY (Art. 154 - 168)

Among the various legal aspects subject to regulation and/or modification is the regulatory framework related to Bioeconomy, based on the fact that, to reverse the situation of stagnation and impoverishment of the country, it is imperative to eliminate regulations that stifle the productive forces of the Republic. That in this sense, to facilitate economic operations, it is necessary to eliminate those laws that hinder the free operation of markets through undue interference by the Government.

Likewise, ED 70 70/23 establishes that it is imperative to increase productive activities that allow expanding production and reducing product prices, promoting the development of regional economies, to make the Federal plan a reality.

That to achieve this, it is necessary to modernize the National Institute of Yerba Mate (Instituto Nacional de la Yerba Mate), equating it with the National Institute of Viticulture (Instituto Nacional de Vitivinicultura), focusing its activities on quality verifications, with less interference in said competitive market.

Consequently, ED 70/2023 repeals various regulatory norms for activities related to the bioeconomy, related to sheep farming, viticulture, oviliculture, yerba mate, sugar, cotton, livestock; among others.

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- **Art 154 of the ED: Law No. 26,737 is repealed - Regime for the protection of the National Domain on the ownership, possession or tenancy of rural lands**

This law was applicable to all those people who own rural land, whether for agricultural, forestry, tourist or other uses or productions. Said law provided a definition regarding what was meant by rural land, defining it as any property located outside the urban ejido.

The objectives of the law were to determine the status of ownership or possession of rural lands, determine the obligations that arise over rural lands according to their ownership or possession, and establish the limits on the possession of rural lands by foreign natural persons and legal persons.

Through the repeal of this law, the possibility of greater acquisition of rural land by foreigners would be opened without any type of limitation or control, generating a possible impact on Argentine territorial sovereignty, making it possible to generate foreignization. of our territory.

- **Art 158 of the ED 70: Law No. 21,608 - Industrial Promotion is repealed**

The law was intended to promote the country's industrial growth and strengthen the participation of private companies. To this end, it established that there should be a tendency to encourage the development of industries in the interior of the country, promote improvement in the efficiency of the industry, promote new industrial activities in border areas and zones, promote the development of industries for security and national defense and facilitate the transfer of industrial goods located in areas of high urban concentration.
To carry out all these objectives, the law established that it would grant promotional benefits especially to those industries that manufactured basic or strategic products, contributed to import substitution or ensured exports under conditions beneficial to the country, those that were dedicated to the transformation of raw materials, those that will settle in areas with high unemployment rates, use advanced technology and promote applied research, manufacture products according to international standards or quality levels and provide additional benefits to their employees and workers.

As indicated in the recitals of ED 70/2023, the repeal of this law seeks to promote the liberalization of the market and reduce the obstacles to its free operation, minimizing state intervention.

Title VII - MINING (Arts. 169-170)

Article 169 repeals Law 24523, which is related to a certain National Mining Trade System, and which depends on the Ministry of Mining. The purpose of this system is to create a database and become an information and consultation center.

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Article 170, on the other hand, repeals Law 24695, which creates the Mining Information Bank on equipment and human resources. This body also depends on the Ministry of Mining.

The purpose of these modifications is to reduce the costs of the Government, therefore these tasks, if the industry considers them essential, must be implemented by the companies themselves, contract them to third parties or place them in charge of the relevant unions.

Title VIII -ENERGY (Art. 171 - 177)

ED 70/23 provides for the repeal of the following regulations regarding Energy:

- **Decree 1060/00** which, regarding fuels, had established - among other issues - the maximum duration periods for exclusive fuel supply contracts that were executed between oil companies and/or fuel suppliers and those who operated service stations. at the same time as establishing the maximum percentages interests and/or fuel suppliers as owners and/or operators of the total network of service stations that commercialize the trademarks that they own.
- Repeals **Decree 1491/02** that, in matters of electric power it had excluded from the provisions of Law No. 25,561 (Law of Public Emergency and Reform of the Exchange Regime) and Decree No. 214/2002 (Reorganization of the Financial System) export contracts by Firm Power and Associated Electrical Energy and the Generation Marketing Agreements related to certain exports, since 01/06/2002.

  In essence, the rule in question had excluded electrical energy export contracts from the pesification regime since there were no reasons why the foreign buyer should benefit from the pesification of such contracts.

- Repeals **Decree No. 634/03** relating to Expansions of High Voltage Electric Power Transmission and Trunk Distribution, which provided - in summary – that the Secretariat of Energy could re-determine the fee or price corresponding to the missing part of the execution of an expansion of high voltage electric power transmission or trunk distribution only when the cost of the main items that compose it have reached such a value. that results in an average variation in the prices of the expansion contract of more than ten percent, a redetermination that could only be carried out until the commercial authorization of the Expansion.

  If this were applied, the Ministry of Energy had to keep ten percent of the fee or price for the expansion of high voltage electric power transportation or through trunk distribution fixed and immovable during the stage in which the application of the redetermination is authorized; and

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When a non-existing electric power transportation system is expanded, said transportation is remunerated during the first 15 years with a fee, after which the normal ordinary rate is applied. The transportation system is suffering from a generic saturation phenomenon. Beyond the savings that a new scheme may produce, it is possible that a new transportation system is being rethought, considering new demands and the supply of energy from non-renewable sources, and hence the repeal.

- Repeals **Law 25,822** relating to the Federal Electric Transportation Plan, which – in short –:

a) ratified and established as a priority implementation the Federal Electric Transportation Plan, implemented by Resolutions 174/2000; 175/2000; 178/2000 and 182/2000 of the Ministry of Energy of the Nation, included in article 49 and annexes of Law 25,565 and its financing sources, which should be provided with the necessary instruments to maintain its purchasing value, and eventually increase it, until ensuring the completion of the works contained therein;

b) provided that all of the funds in the "Surpluses due to Restrictions on Transportation Capacity" account provided for in point 4.2 of the Resolution of the Ministry of Energy of the Nation 274/94 and its supplements, individualized as "SALEX" funds ", would be used solely as a source of financing for the expansion of the Argentine electric transportation system;

c) determined that the resources corresponding to the National Electric Power Fund received and to be received through the Administration Company of the Wholesale Electricity Market, intended for the Federal Electric Transportation Plan, and those that Law 24,065 placed under the administration of the CFEE would be deposited, immediately upon receipt, in accordance with the instructions issued by the Federal Electric Power Council, in the corresponding accounts of the Trust Fund for Federal Electric Transportation and to the order of the Administrative Committee of the CAF Trust Fund and in the collection accounts provided by the CFEE, respectively, and cannot be applied to the same discounts or deductions of any nature whatsoever;

d) Instructed the Ministry of Energy of the Nation to make all the necessary adjustments to the regulatory regime in order to achieve the implementation of the works that made up the Federal Electric Transportation Plan; and

e) established that the regulations referring to the export of electric power to neighboring countries should expressly contemplate that the interests of users in neighboring provinces were not affected, either by the modification of the node factor or by any other element that distorts the local electric power market. In the same sense, energy purchase and sale operations to neighboring countries would be subject to the national tax regime.

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The Federal Electric Transportation Plan was financed with surpluses in the accounts of certain surplus corridors, that is, lines that go from one point to another in the system with positive balances (called SALEX or Export Balances).

This article is subject to the same comments as the Decree mentioned in the previous item, regarding the need to redesign the transportation system.

- It repealed **Decree 311/06** which, in the area of electrical energy, established - among other issues - the granting of repayable loans from the National Treasury to the Unified Fund created by Law 24,065 and administered by the Ministry of Energy, intended for the payment of the obligations required of said Fund for compliance of its specific functions and to the maintenance without distortions of the price stabilization system in the Wholesale Electricity Market.

  The system had (until the derogations provided by DNU 70) a Stabilization Fund that ensures that a certain balance is produced between the amount of money paid for demand and that collected for supply. When this balance is broken, the Stabilization Fund covers the difference. Now, if the Stabilization Fund also becomes unbalanced, you can ask for money from the Unified Fund, which is made up of contributions from the National Treasury. By repealing the possibility of the latter, an inverse effect is produced in the chain described, which will ultimately lead to the rate paid by the demand being sufficient to pay the charges to which the offer is entitled.

In relation to **Law 27,424** on the Promotion Regime for the Generation of Renewable Energy Integrated into the Public Electricity Grid, it decided to repeal articles 16 to 37, which includes:

a) from article 16 to 24 the Trust Fund for the Development of Distributed Generation;
b) from articles 25 to 31 the Promotional Benefits for the distributed generation of electric power from renewable sources; and
c) of articles 32 to 37 related to the Regime for the Promotion of National Industry.

Likewise, through its article 177 of ED 70/2023, the Ministry of Energy was empowered to re-determine the structure of current subsidies in order to ensure end users access to basic and essential consumption of:

a) electric power under Laws 15,336 and 24,065, their supplementary, amending and regulatory provisions; and
b) natural gas according to Laws 17,319 and 24,076, their supplementary, amending and regulatory provisions, respectively.

It indicates that the benefit must mainly consider a percentage of the income of the cohabiting group, individually or jointly for electric power and natural gas, to be established by the regulations. For the purposes of calculating the cost of basic consumption, the current rates at each supply point will be considered.

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In addition, it postulates that the Ministry of Energy will have the power to define the specific mechanisms that materialize the allocation and effective perception of subsidies by users, determining the roles and tasks that will be compulsorily performed by the different public actors, concessionaire companies, and other actors or agents that make up the public service systems in question, in their capacity as primary responsible parties.

Finally, Art. 177 of DNU 70 empowers the Ministry of Energy to "redetermine the current subsidy structure," entrusting it to establish a system that directs subsidies directly to users, as opposed to the current system in which subsidies are directed to energy production activity.

Title IX - AEROCOMERCIAL MATTERS (Arts. 178 - 248)

Title IX - Chapter I - Aeronautical Code (Law No. 17,285)

Among the different areas that DNU 70 regulates, modifies or repeals is aviation legislation, with the rationale of "providing the market with a competitive environment that provides sufficient flexibility to reach all Argentine cities."

ED 70 modifies several articles of the Aeronautical Code ("AC") within which those related to Aircrafts will be discussed here. Below are the most relevant aspects applicable to the activity:

- Essential activity and applicable regulations (Art. 2 of the AC): civil and commercial air transport is declared an **essential service**. In turn, civil aviation is defined as the set of activities linked to the use of private and public aircrafts that involve air navigation activities and all legal relationships derived from trade. This article adds that civil aviation in the ARGENTINE REPUBLIC is governed by International Treaties and Instruments ratified by the Argentine Nation, this law and its regulatory standards, the Civil Aviation Aeronautical Regulations and regulatory standards. If an issue is not provided for in this Law or in the international treaties to which the Argentine Republic is a party or in the supplementary laws and regulations, it will be resolved by the general principles of aeronautical law and by the uses and customs of air activity; and if the solution is still doubtful, by analogous laws or by the general principles of ordinary law.

- Provisional registration of the Aircrafts (Art. 42 of the AC): Any aircraft acquired through any type of contract entered into in the country or abroad may be provisionally registered in the name of buyer, by which the seller retains ownership of the aircraft until full payment of the sale price, compliance with the term or until the fulfillment of the respective conditions. This requires that: 1) The contract complies with the legislation of the country of origin of the aircraft and is registered in the National Aircraft Registry. 2) The contract is formalized while the aircraft does not have an Argentine registration; 3) The requirements of this Code to be the owner of an Argentine aircraft are completed.

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Note: The condition that the aircraft must be more than 6 tons of maximum weight authorized by airworthiness certificate is repealed. Likewise, the reference that the aircraft had to be acquired only through a sales contract and always concluded abroad is eliminated.

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- Mortgage on aircraft (Art. 52 of the AC): It is added to the previous article 52 that aircrafts can be "guaranteed" and not only mortgaged in whole or in its undivided parts and even when they are under construction. The reason for this addition is not clear, since it does not specify under what other guarantees an aircraft could be taxed. At this point you must wait for the regulations, if applicable.

- Privileges on aircraft (Art. 60 of the AC): The following privileges are established: 1) Credits for legal costs that benefit the mortgagee. 2) Credits derived from fees and taxes related to civil aviation, limited to the period of two years prior to the date of claim of the privilege. 3) Credits from the search, assistance or rescue of the aircraft. 4) Credits for extraordinary repairs made outside the destination point, to continue the trip. 5) The crew's salaries for the last month of work. In short, credits for rights to use aerodromes or accessory or supplementary services of air navigation are eliminated, limited to the period of one year prior to the date of claim of the privilege, and the previous point on supply credits is modified. and repairs made outside the destination point, to continue the trip, for credits only for extraordinary repairs.

- Extinction of privileges (Art. 63 of the AC): The term is extended to two years from the registration of the privilege if it is not renewed, as a cause for extinction.

- Contracts on aircraft (Art. 68 of the AC): The application of the rule is extended to any form and type of aircraft contracts - not just leasing agreements - which may have the form and clauses that the parties themselves determine, giving priority to the principle of contractual freedom. It is maintained that, when the parties expressly agree to transfer the capacity of operator, they do it in writing and registered in the National Aircraft Registry, to release the owner from the responsibilities inherent to the operator, which will be the exclusive responsibility of the other contracting party.

- Aerial work (Art. 131 of the AC): To carry out aerial work in any of its specialties and obtain prior authorization from the aeronautical authority subject to the following requirements, people or companies may now operate with foreign-registered aircraft, subject to double operational safety surveillance agreements, in addition to do it with Argentine-registered aircraft.

- Supervision of commercial activities (Art. 133 of the AC): Commercial aeronautical activities will be subject to supervision by the competent authority, eliminating the reference to "aeronautical authority." And it is added as an additional power of this authority to actively seek to detect and subject to control the clandestine users o operators, understood as those who operate outside the current aeronautical regulations.

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To this end, own resources may be affected or assistance may be required from the federal or provincial Security Forces, which in all cases must provide it.

Title IX - Chapter II Rescue of Aerolíneas Argentinas and Austral Linea Aéreas by the National Government (Law No. 26,466) (Art. 246 - 247) and Chapter III - Public Utility of Aerolíneas Argentinas (Law No. 26,466) (Art 248):

The airline is a public limited company and the national government's intention is to transfer the shares either to employees or to a private operator. To this end, DNU 70 establishes:

- Authorization for the transfer of the total or partial stock of Aerolíneas Argentinas (Art. 246 of ED 70): The airline is a corporation and the national government's intention is to transfer the shares either to employees or to a private operator. At this point, article 246 of ED 70 indicates the following: "*The transfer, partial or total, of the stock of Aerolíneas Argentinas SA and Austral Líneas Aéreas - Cielos del Sur SA and their controlled companies, to the employees of the respective companies in accordance with the Employee Stock Ownership Plan (PPP) is authorized.*"

Note: The Employee Stock Ownership Plan (PPP) is an instrument for workers to participate in company profits and was born in our country with the privatizations implemented in the 90s. With the issuance of Law 23,696 on the "State Reform" it was established that companies subject to privatization had to be formed as corporations and allocate a percentage of their shares so that they can be acquired by workers. Those workers who wanted to participate in the program had to express their willingness to do so and purchase the shares. (In fact, it was expected that the shares would be paid with the dividends that they themselves should generate, and that was the case).

- Elimination of the power of the National Government to retain a majority shareholding, strategic decision or right of veto (Art. 247 of ED 70): Article 9 of Law No. 26,412 is repealed, which provided: *"In no case will the national Government assign the majority shareholding of the company, the strategic decision-making capacity and the right to veto its decisions."* Therefore, there is no longer a limit on the transfer of the company's share package, with the National State not reserving any attribution or strategic decision-making power.

- Elimination of the limit authorized to transfer the shares of Aerolíneas Argentinas (Art. 248 of ED 70): Article 5 of Law No. 26,466 is replaced by the following: *"ARTICLE 5.- The total or partial transfer of the shares representing the capital stock to the workers of the companies Aerolíneas Argentinas Sociedad Anónima and Austral Líneas Aéreas is authorized. - Cielos del Sur Sociedad Anónima and its controlled companies (Optar SA, Jet Paq SA, Aerohandling SA)* ***in accordance with the Employee Stock Ownership Plan.*** *The transfer of the new rights will be prorated among the employees who decide to participate in said expansion program. Employees who participate in more than one of these companies must choose to participate in one of them."* The old Article 5 of Law No. 26,466 did not distinguish between total or partial transfer and

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limited it to a maximum of ten percent (10%) of the share packages of each of the companies.

Title X - JUSTICE (Arts. 249 - 263)

Title X - Chapter I - Civil and Commercial Code of the Nation (Law No. 26,994) (Art. 250 - 263)

Modifications to the National Civil and Commercial Code (Obligations to turn over a certain sum of money – Foreign currency - / FREE WILL – Powers of judges / Location of Property).

- **Introduction**

Among the various legal aspects subject to regulation is the modification of certain figures provided for in the Civil and Commercial Code of the Nation (law 26,994) –("CCCN")

Thus, through its Title X, "Justice", articles 249 to 263, ED 70 makes relevant modifications to the text of the CCCN, which could be classified into three groups:

- A first group of rules, composed of two articles of the CCCN, relating to the regulation of Obligations to turn over a sum certain of money, through which modifications ED 70 changes the regulatory framework applicable to obligations agreed upon in foreign currency.

- A second group of rules, composed of three articles of the CCCN, related to the regulation of Contracts in General, through whose modifications in ED 70 aims at expanding the free will of the parties in the execution thereof, as well as limit the ex officio intervention of judges to modify or integrate contractual stipulations.

- Finally, a third group of rules, all of them corresponding to the regulation of the Real Estate Lease Contract by the CCCN, through whose modifications and repeals ED 70 aims to eliminate obstacles to the free will of the parties, mainly linked to the enactment of the Rental Law (27,551), which repeal was also proposed by ED 70.

We will refer specifically to each group of standards in the points that follow.

- **Obligations to turn over a certain sum of money - Foreign currency -**

- The CCCN, in its Third Book "Personal Rights", Title I "Obligations in general", Chapter 3 "Types of obligations", Section 1 "Obligations to turn over", Paragraph 6, regulates the "Obligations to turn over a sum certain of money"

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Through its arts. 250 and 251, ED 70 replaces the articles of the CCCN: 765 "Concept"[1]and 766 "Obligation of the debtor"[2]

The new text of art. 765 changes the regulation of the obligation to give money that is not the legal currency in Argentina, no longer being considered as an "Obligation to turn over things", to also be considered as "Obligation to turn over a sum certain of money".

As of this reform, any payment commitment in certain and specified currency, whether or not the legal currency in Argentina, is treated and considered by the CCCN as an "obligation to turn over a sum certain of money."

In this way, we return to the legal situation prevailing before August 1, 2015, the date on which the CCCN came into force.

This legislative change, which in principle may be merely theoretical, will have practical consequences: (i) on the one hand (and this is directly linked to the new text that ED 70 has given to the other article in question, art. 766), as regards the conduct that the debtor must follow to comply with his commitment, which cannot be other than delivering to the creditor the undertaken amount of foreign currency, and may not, unless otherwise agreed upon, be released by the delivery of a value equivalent to that in legal currency. (ii) On the other hand, the modification in question will affect the powers of the judge, who will no longer be able to modify with his ruling the payment terms agreed upon by the parties regarding compliance with the obligation in foreign currency, nor create alternative forms of payment compliance.

On the other hand, by expressly establishing that even that currency that is not legal currency in Argentina will be considered "money", any possibility of success is eliminated for a possible claim of invalidity of those contracts entered into in foreign currency and with respect to the which the CCCN only establishes as viable a "monetary benefit", a benefit that, according to the regime prior to this reform of ED 70, could only be applied - in principle - to the delivery of a sum of money of legal currency in Argentina, and not so to the delivery of foreign currency.

Specifically, the validity of a purchase agreed upon in foreign currency (Art. 1123 Definition. "…to pay price in money…") of a lease could no longer be attacked (Art. 1187 "…in exchange for payment of the price in money…"), of a Factoring Agreement (Art. 1421 "…for a price in money…") or an Assignment of rights for Consideration (Art. 1614 "…with the provision of a price in money…"

The same criterion applies to repel a possible nullity proposal in matters of collateral rights (mortgage, pledge and antichresis), when those were created to guarantee an obligation in foreign currency, given the express provision of the CCCN, which establishes that the guaranteed amount must be estimated in "Money" (Art 2189 CCCN. Security Interest).

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- **Free Will – Powers of judges**

- The CCCN, in its Third Book "Personal Rights", Title II "Contracts in general", Chapter 1, regulates the "General provisions" applicable to contracts between individuals.

Through its articles 252 and 253, ED 70 replaces chapter 1 of articles 958 "Freedom of contract"[3]and 960 "Powers of judges"[4]of the CCCN.

According to the new text of art. 958 of the CCCN, freedom of contract is only limited by the "law" or "public order", eliminating the reference to "morality" and "good customs" as a limitation of that contractual freedom.

This new text also adds the requirement that the "imperative" nature of the law must arise "expressly" from its text. Consequently, any legal rule regulating the contract will always be supplementary to the will of the parties, except for the existence of a rule of public order whose imperativeness arises expressly from its text.

In other words, any regulatory rule on contractual matters will be presumed to be supplementary, unless any of them in particular are imperative, for which there must be an express mention of said nature by that rule.

Regarding the replacement of the text of art. 960 of the CCCN, regarding the powers of judges to modify contractual stipulations, ED 70 has reduced this power only to the case in which there is a request from a party authorized by law, eliminating any possibility of ex officio action by the judge in this regard, even when a contractual stipulation manifestly affects public order.

- On the other hand, the Third Book "Personal Rights", Title II "Contracts in general", Chapter 3 "Formation of consent", Section 2nd, the CCCN regulates "Contracts executed by adhering to predisposed general clauses".
Continuing with the limitation of judicial powers in contractual matters, ED 70, through its art. 254, also replaced article 989 "Judicial control of abusive clauses" of the CCCN[5], member of that 2nd Section.

According to the new wording and although ED 70 maintains judicial control regarding abusive clauses in contracts concluded by adhering to predisposed clauses, the truth is that ED 70 has eliminated the power granted to the judge by the CCCN to "integrate" the text of such predisposed clauses, even after declaring their partial nullity.

- **Lease of Property**

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Finally, the CCCN, in its Third Book "Personal Rights", Title IV "Contracts in particular", Chapter 4, regulates the "Lease Agreement", with respect to which ED 70 makes important modifications.

Being that arts. 14 and 17 of the National Constitution grant constitutional status to the property right, the ED will only apply to lease agreements that are entered into after the validity of ED 70, without affecting contracts executed previously.
ED 70 provides for the repeal of Lease Law N 27,551 (the "LL").
As of the repeal of the LL, lease agreements will be governed by the provisions of the CCCN in its original wording (disregarding the provisions incorporated by the LL), **with the modifications resulting from Law 27,737 that was not repealed by the ED 70**.

The most relevant aspects applicable to lease agreements that are entered into after the validity of ED 70 are indicated below, according to the CCCN in its resulting wording after ED 70:

- Property lease period (freedom to set it by the parties). Article 1198. Period for the lease of property. The term of the leases for any purpose will be the one that the parties have established.

  In the event that no deadline has been established, (i) in cases of temporary location, it will be the one established by the uses and customs of the place where the leased property is located, (ii) in lease agreements for permanent housing, with or without furniture, it will be two (2) years and (iii) for the remaining purposes it will be three (3) years."

- Payment currency and adjustment (freedom of contract and enforceability of what is agreed upon). **Article 1199 of the CCCN** establishes that rents may be established in legal tender **or in foreign currency**, at the parties' free discretion. The lessee may not demand that payment be accepted in a currency other than that established in the agreement.

  Regarding the **adjustment**, it is expected that the parties will be able to agree on the adjustment of the lease value. The use of any index agreed upon by the parties, either public or private, expressed in the same currency in which the rents were agreed upon will be valid. If the chosen index stops being published during the term of the contract, an official index with similar characteristics published by the National Institute of Statistics and Censuses *(Instituto Nacional de Estadísticas y Censos)* will be used if the price is set in national currency, or one that fulfills the same functions in the country that issues the agreed payment currency.

  Article 10 of Law No. 23,928 will not apply to the contracts included in this Chapter.[6]

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Note: this article must be read in accordance with arts. 765 and 766 of the CCCN, according to the wording resulting from ED 70 **that validates contracting in foreign currency** as discussed above.

- Guarantees that may be required from the Lessee. **Article 1196 of the CCCN** provides that the parties can freely determine the amounts and currency delivered as a bond or security deposit, and the manner in which they will be returned upon completion of the lease.

- Necessary improvements paid for by the lessee: art. 1202 of the CCCN, which provided that the lessor must pay for the necessary improvements made by the lessee to the leased property, even if it was not agreed upon, if the contract is terminated without fault of the lessee, except when it is due to destruction of the thing.

- Loss of luminosity of the property. By virtue of the **repeal of art. 1204 of the CCCN**, the restriction that prevented the lessee from requesting the termination of the contract or reduction of the rent was eliminated.

- Compensation in favor of the lessee. Due to the **repeal of art. 1204 bis of the CCCN,** the lessee will not be able to compensate by operation of law the expenses and debts that are the responsibility of the landlord, with the rental fees.

- Grounds for resolution due to causes attributable to the lessee (freedom to establish grounds). According to a new subsection d) added to **article 1219 of the CCCN**, it can be agreed that the resolution occurs "for any reason established in the agreement"

- Termination of the contract for reasons attributable to the lessor (termination is excluded when the damage is caused by the lessee). In accordance with **article 1220 of the CCCN**, the lessee may terminate the contract if the lessor fails to comply:

  a) the obligation to keep the thing fit for the agreed upon use and enjoyment, **except when the damage has been caused directly or indirectly by the lessee**[7]
  b) the guarantee of eviction or that of hidden defects."

- Early termination by the lessee (at any time, by paying 10% of the outstanding rent until the end of the agreement). **Article 1221 of the CCCN** establishes that the lessee may, at any time, terminate the contract by paying the equivalent of ten percent (10%) of the balance of the future rental fee, calculated from the date of notification of termination until the date of termination agreed upon in the contract.[8]

- Renewal of the contract (elimination of the lessee's right to terminate the agreement early without payment of compensation in the last three months of the contract). By **repealing article 1221 bis of the CCCN**, the lessee's right to terminate the contract

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without payment of compensation is void if an agreement is not reached on the contractual renewal within the last 3 months of the rental relationship.

[1]TEXT MODIFIED BY ED 70: ARTICLE 765.- *Concept. The obligation is to turn over a sum certain of money if the debtor owes a certain amount of currency, determined or determinable, at the time of creation of the obligation, whether or not it is legal currency in the country. The debtor is only released if he delivers the committed amounts in the agreed currency. Judges cannot modify the payment terms or currency agreed upon by the parties.*
TEXT ACCORDING TO CCCN: ARTICLE 765.- Concept. The obligation is to turn over a sum certain of money if the debtor owes a certain amount of currency, determined or determinable, at the time of creation of the obligation. If by the act by which the obligation was established, it was stipulated to turn over currency that is not legal currency in the Republic, the obligation must be considered as turning over quantities of things and the debtor can be released by turning over the equivalent in legal cur0rency.

[2]TEXT MODIFIED BY ED 70: ARTICLE 766.- Obligation of the debtor. The debtor must deliver the corresponding amount of the designated species, whether the currency is legal tender in the Republic or not.
TEXT ACCORDING TO CCCN: ARTICLE 766.- Obligation of the debtor. The debtor must deliver the corresponding amount of the designated species

[3]TEXT MODIFIED BY ED 70: ARTICLE 958.- Freedom of contract. The parties are free to enter into a contract and determine its content, within the limits imposed by law or public policy. Legal norms are always of supplementary application to the will of the parties expressed in the contract, although the law does not expressly determine it for a specific contractual type, unless the norm is expressly imperative, and always with a restrictive interpretation.
TEXT ACCORDING TO CCCN: ARTICLE 958.- Freedom of contract. The parties are free to enter into a contract and determine its content, within the limits imposed by law, public order, morality and good customs.

[4]TEXT MODIFIED BY ED 70: ARTICLE 960.- Powers of judges. Judges do not have the power to modify the stipulations of contracts, except at the request of one of the parties when authorized by law.
TEXT ACCORDING TO CCCN: ARTICLE 960: Powers of judges. Judges do not have the power to modify the stipulations of contracts, except at the request of one of the parties when authorized by law, or ex officio when public order is manifestly affected.

[5]TEXT MODIFIED BY ED 70: ARTICLE 989.- Judicial control of abusive clauses. "The administrative approval of the general clauses does not prevent their judicial control."
TEXT ACCORDING TO CCCN: ARTICLE 989.- Judicial control of abusive clauses. The administrative approval of the general clauses does not prevent their judicial control. When the judge declares the partial nullity of the contract, he must simultaneously integrate it, if it cannot subsist without compromising its purpose.
[6]Art. 10 of Law 23,928 established the repeal of all legal or regulatory regulations that establish or authorize indexation by prices, monetary adjustment, variation of costs or any other form of debts, taxes, prices or rates of goods, works or services upsizing.
[7]The highlight reflects the modification with respect to art. 1220 in its original wording in the CCCN.
[8]The previous (replaced) wording of art. 1221 of the CCCN provided:
"Article 1,221: Advance resolution. The rental contract can be terminated in advance by the lessee:
a) If the thing leased is a property and six (6) months of the contract have elapsed, you must reliably notify your decision to the lessor at least one (1) month in advance. If you use the termination option in the first year of the lease relationship, you must pay the lessor, as compensation, the sum equivalent to one and a half (1½) months of rent at the time of vacating the property, and one (1) month if the option is exercised after said period, considering for its calculation the value equivalent to the rental month in which the property is delivered. In real estates contracts for housing, when notification to the lessor is made three (3) months or more in advance, and said notice

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takes effect after six (6) months after the contract has been completed, payment of any compensation for said item does not apply at all;
b) In the cases of article 1,199, the lessor must be paid the equivalent of two (2) months' rent, considering for its calculation the value equivalent to the rental month in which the real estate is delivered."

Title XI -HEALTH (Art. 264 -325)

The ED modifies numerous legal provisions on the matter (such as the regulatory framework for Prepaid Medical Services and Union Health Plans, the National Health Insurance System, the practice of medicine, dentistry, collaborative and pharmaceutical activities, among other issues) by which we understand this first review and clarifications useful.

The main modifications to consider are the following:

- **Pharmaceutical activity:** The ED repeals Law 27,113, which declared the activity of public production laboratories of national and strategic interest.

- **Liberalization of private medicine prices:** Likewise, it also repeals Decree 743/22, which regulated the mechanism of increases in the values of prepaid medicine fees.

- **Medication prescriptions by generic name:** It is established that every prescription or medical prescription must be issued, on a mandatory basis, with the generic name of the medication indicated.

- **Regulatory framework for Prepaid Medical Services:** The ED repeals articles 5, paragraphs g. and m., 18, 19, 25 paragraph a. and 27 of Law 26,882, which allowed the enforcement authority to authorize, set and/or review their fees. Likewise, the application of the Union Health Plans regime is established.

- **Union Health Plans:** The ED incorporates art. 1 of Law 23,660, a. "*All entities included in Article 1 of Law No. 26,682*" (Prepaid Medical Service Companies). It states that the Union Health Plans will operate as non-state-owned public law entities and will have the capacity of subjects of law. Likewise, it establishes that they must allocate their resources as a priority to health benefits, which will be part of the National Life Insurance System, and those who act as agents of Health Insurance must be registered in the registry that will operate within the scope of the Superintendency of Health Services.

- **National Health Insurance System:** National Union Health Plans are considered insurance agents, whatever their nature or name, union health plans from other jurisdictions, entities included in paragraph i) of article 1 of Law No. 23,660 (Prepaid Medical Services Companies) and others entities that adhere to the system, providing that they must adapt their health benefits to the regulations to be issued.

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- **Traceability regime and verification of technical suitability of active medical health products in use.** The ED establishes that the enforcement authority will determine the active medical products authorized for use within the national territory. Such authorization must be granted individually to each active medical product, when it is tested. Likewise, the determination of the procedure and requirements for the use of active medical products is established in the head of the enforcement authority.

- **Electronic or digital prescriptions:** The prescription and dispensing of medicines can only be prescribed and signed through electronic platforms enabled for this purpose. Likewise, it is established that telecare platforms in health can be used throughout the national territory, in accordance with Law No. 25,326 on the Protection of Personal Data and Law No. 26,529 on Patient's Rights. The deadline to achieve said digitization may not exceed July 1, 2024.

- **Practice of medicine, dentistry and collaborative activities:** It must be prescribed or certified in prescriptions uploaded in electronic or digital forms, which must include: name, surname, profession, registration number, address, telephone number and email when applicable. Only technical positions or titles that are registered with the competent authority and under the conditions that are regulated may be advertised. Prescriptions must be formulated in the national language, dated and signed and recorded only with the generic name of the medicine or international non-proprietary name.

- **Regulation of the right to change:** It is provided that workers who begin an employment relationship may exercise the right to choose an insurance agent under Law No. 23,661. Members who have changed their insurance agent must remain there for the minimum time determined by the Enforcement Authority, which may never exceed ONE (1) year, and once that period expires, they may exercise that option again.

Title XII -COMMUNICATION (Art. 326 -330)

Among the various legal aspects subject to regulation and/or modification is the regulatory framework related to the communications system, based on the need to grant it greater freedom for its development.

Consequently, ED 70, in its Title XII, introduces reforms to the Audiovisual Media Law No. 26,522 and amendments thereof; and to Law No. 27,078 "Argentina Digital".

- **Audiovisual Media Law No. 26,522**

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Regarding Law No. 26,522, art. 45 with the purpose of eliminating restrictions on the multiplicity of licenses at the national level; and also repeals art. 46 that established non-concurrence.
In relation to the modification of art. 45, it simplifies the licensing regime, leaving only some limitations on their concentration at the local level.

In that sense, the new art. 45 establishes that human or legal persons may be owners or have percentage interests in companies that hold audiovisual communication services licenses, subject to the following limits, at the local level:

a. One (1) amplitude modulation (AM) sound broadcasting license;
b. One (1) frequency modulation (FM) sound broadcasting license or up to two (2) licenses when there are more than eight (8) licenses in the primary service area;
c. One (1) open television broadcasting license.

Likewise, it establishes that in no case may the total sum of licenses granted in the same primary service area or set of them that overlap in a majority manner exceed the number of four (4) licenses.

- **Law No. 27,078 - Information and Communications Technologies (ICT) - "Argentina Digital"**

ED 70/2023 modifies articles 6, 10, and 34 of Law No. 27,078, in order to facilitate greater alternatives in the field of ICTs.
With regard to art. 6, its subsection a) was modified to include those providers of ICT services by satellite: "*a) Subscription broadcasting: Any form of primarily unidirectional communication intended for the transmission of signals to be received by a determinable public, through the use of the radio spectrum or through physical* ***or satellite link****, without distinction. "Includes the broadcasting service offered by an ICT service provider that uses audiovisual content transmission technology based on the IP protocol (IPTV), for access to live programs and/or linear television."*

In a manner consistent with the modification of art. 6, to art. 10, the satellite link is also included, with the article being worded as follows: *"It will be incorporated as a service that ICT providers may register, to the subscription Broadcasting service* ***through any link.*** *The subscription Broadcasting service will be governed by the requirements established by the following articles of this law and the others established by the regulations, the provisions of Law No. 26,522 not being applicable to it.*
The term for granting the use of radio spectrum frequencies to the holders of Subscription Broadcasting licenses conferred under Laws Nos. 22,285 and 26,522 will be that of its original title, or TEN (10) years as from January 1, 2016, always whichever is greater for those who had a valid license on said date."

Finally, art is modified. 34, establishing that the provision of satellite communications systems facilities will be free. In that sense, for the sole purpose of coordinating the use of radio frequencies and avoiding interference with other systems, the owners of such systems will be required to register for their operation.

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Title XIII- SPORTS LAW (LAW N° 20,655) (Art. 331-345)

DNU 70 amends the regulatory framework related to the Sports Law (Law No. 20,655), based on the need to include new corporate figures for the conformation of sports organizations that integrate the "Institutional System of Sports and Physical Activity", thus expanding the options to which such entities may resort, and imposing on sports organizations the modification of their bylaws.

The most relevant aspects of the reform introduced by DNU 70 are indicated below:

- Incorporate Corporations whose corporate purpose is the practice, development, maintenance, organization or representation of sport and physical activity, as sports organizations that are members of the "Institutional System of Sport and Physical Activity" (art. 333 ED 70).
- Prohibition of preventing, hindering, depriving or impairing any right of a sports organization, including its right of affiliation to a confederation, federation, association, league or union, based on its legal form, provided that it is recognized by law. 20,655 and supplementary regulations (art. 335 of ED 70 incorporates article 19 ter into law 20,655). This prohibition would be applicable from the effective date of ED 70.

Title XIV - GENERAL COMPANY LAW N° 19,550 AND ITS AMENDMENTS (Art. 346 - 347)

➢ Extension of the scope of participation of associations and non-profit entities (ED 70, art. 346)

ED 70 enables associations and non-profit entities to take corporate participation in any type of company, as well as to participate in associative contracts.

In this sense, article 346 of ED 70 establishes:

"*ARTICLE 346.- Article 30 of the General Companies Law No. 19,550, Revised Text 1984 and amendments thereof are replaced by the following:*

ARTICLE 30.- Corporations and "sociedades en comandita por acciones" (a subdivision of limited partnership, but its most distinctive feature is that the capital contributions of the limited partners are represented and divided into shares) can only form part of joint stock companies and limited liability companies. Associations and non-profit entities can only form part of corporations. They may be part of any associative contract."

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- **Facilitation of the transformation of civil associations into commercial companies (DNU Art. 347)**

Likewise, in order to facilitate the transformation of civil associations into commercial companies or to allow the participation of civil societies in corporations, DNU 70 amended Article 77 (1) of Law 19.550, allowing such operations with only a two-thirds vote of the members (and not with the unanimous vote as required by paragraph 1) of the aforementioned article before the reform).

Title XV - TOURISM (Arts. 348 - 350)

Among the various legal aspects subject to regulation and/or modification is the regulatory framework related to Travel Agents, based on the need to increase the supply of tourist developments, with the purpose of deregulating the activity in order to result in greater competition between companies in the sector.

ED 70 establishes that it is not possible to ignore the importance that the development of tourism has in the economic growth of the country, even more so when it has unmatched tourist attractions and in a context of growing globalization.

ED considers that the repeal of the regulations that regulate tourism activity is essential to increase the supply of tourist developments, leaving the activity fully deregulated, resulting in greater competition between companies in the sector and for the benefit of citizens.

Consequently, ED 70/2023 in its Title XV (articles 348 to 350) provides for the **repeal** of the laws referred to the activity of travel agents and of private tourist accommodations: Law Nº 18,828, Law Nº 18,829 and Law Nº 26,356

In this sense, the most relevant aspects of the laws repealed by ED 70 are indicated below:

- **Repeal of Law No. 18,829:**

The purpose of Law No. 18,829 was to regulate the **Activity of the Travel Agent**, establishing the obligation of the Government to ensure the basic requirements of suitability, training, good reputation and solvency of the same.

All natural or legal persons who carry out, in the national territory, with or without profit, permanently, temporarily or accidentally, some of the following activities were subject to its regulation:

a) Intermediation in the reservation or location of services in any means of transportation in the country or abroad;

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b) Intermediation in the contracting of hotel services in the country or abroad;
c) The organization of individual or collective trips, excursions, cruises or similar, with or without including all the services of so-called "ski pass" trips, in the country or abroad;
d) The reception or assistance of tourists during their trips and their stay in the country, the provision to them of the services of tourist guides and the clearance of their luggage;
e) The representation of other agencies, both national and foreign, in order to provide any of these services on their behalf;
f) The carrying out of activities similar or related to those mentioned above for the benefit of tourism, which will be specifically expressed in the respective license. It will be an unavoidable requirement for the exercise of these activities to previously obtain the respective license in the Registry of Travel Agents maintained by the enforcement agency established by the Executive Branch, which will determine the general and suitability standards and requirements to make it effective.

This Law contemplated the creation of a **"Registry of Travel Agents"**, in which all natural or legal persons had to register to obtain the corresponding license enabling this activity. Likewise, it established the prior creation of a guarantee fund in cash, Government securities, bank guarantees or substitute insurance which purpose was to ensure the proper operation of the companies and protect the tourist.

At the same time, it provided that the Executive Branch was responsible for establishing the requirements and standards to be met for the transfer or sale of travel agencies.

The enforcement agency was empowered to inspect and verify throughout the territory of the Republic, through its duly accredited officials, compliance with the laws, regulations and resolutions that govern tourism activity.

The repeal of Law No. 18,829 by **ED 70/2023** leaves the activity of the Travel Agent fully deregulated with the purpose of eliminating agency monopolies and resulting in greater competition between companies in the sector for the benefit of citizens.

- **Repeal of Law No. 18,828:**

Law No. 18,828 regulated the **Hotel Activity**, subject to its regulation the commercial establishments in tourist areas or included in national tourism promotion plans and those that, due to their characteristics, the implementing body declares of interest to the tourist, that offer normally lodging or lodging in furnished rooms, for periods of not less than one night's stay, for people who do not establish their permanent domicile there.

This law established its obligations, such as the obligation to register in the National Hotel Registry, to accurately and explicitly record the name, class, category and registration number in the national Hotel Registry, in advertising, correspondence, invoices and all other documentation or advertising material that they use and communicate within thirty (30) days of its production, any alteration or modification of its characteristics or services.

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It also granted certain benefits related to the fact that only establishments declared "tourist accommodations" would be able to enjoy the tax exemptions, credits and promotional regimes established or to be established and featured in the official tourist advertising promotion.

Likewise, in its article 6 the Law established prohibitions for hotel activity, among them the prohibition of the use of the name "international", "luxury" and its derivatives for all types of accommodation establishments, with the exception of those included in the Law No. 17,752, and **the prohibition of the use of the names "hotel", "tourism hotel", "motel" and "inn", for any establishment not registered in the National Hotel Registry**; as well as penalties in the event that a violation of the provisions of articles 2, 6 and 7 of the Law is incurred.

- **Repeal of Law No. 26,356:**

Law No. 26,356 regulated **Time-Sharing Tourist Systems (STTC)**, defining them as complexes made up of one or more properties, affected by their periodic use and in shifts for accommodation or lodging and to provide other benefits compatible with their destination.

This Law also established the obligation to register in the "Registry of Vacation Providers and Establishments affected by Time-sharing Tourist Systems", which operated within the scope of the Ministry of Tourism of the Presidency of the Nation, and provided that its form of organization was through a Deed of Incorporation of the STTC granted by the entrepreneur, and the consent must be given by the owner of the property, when he or she is not such.

Title XVI -AUTOMOTIVE REGISTRATION (Decree - Law No. 6582/58 and its modifications) (Arts. 351 - 366)

DNU 70 made numerous important changes to Decree-Law No. 6582/58, which regulates the transfer of motor vehicles and the operation of the Registry of Motor Vehicles and Pledged Registry (the "DL").

The purpose of the amendments is to streamline and simplify all the processes to be carried out before the National Directorate of the Registry of Automotive Property (DNRPA).

The most relevant changes are the following:

- Modified art. 6 of Decree Law 6582/58, establishing that at the time of registration of a vehicle, its owner will be granted a document identifying the vehicle, whether in physical or digital format. In other words, the ED allows obtaining the motor vehicle title deed in digital format, with the same validity as the physical one (prior to the reform by the ED, when purchasing a vehicle, the National Bureau for the Registration of Motor Vehicles only provided a card in physical format).

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- Modified from art. 7 of Decree-Law 6582, by establishing that vehicle registrations or annotations may be made directly before the National Bureau for the Registration of Motor Vehicles, through a remote service and not in person.

- Modified art. 9 of Decree Law 6582/58, enabling the transfer of vehicles even with the existence of traffic fines and/or license plate debt.

- Modified art. 10 Decree Law 6582/58, by which the Executive Branch eliminated the obligation to comply with the accreditation of compliance with the active and passive safety conditions for driving vehicles, becoming an optional act of the vehicle owner. In other words, it eliminates the mandatory nature of the VTV procedure. It is thus provided that to circulate, it will only be necessary to show the license, the green vehicle registration card and proof of payment of the license plate (today, up-to-date VTV and insurance are also required in a street check). Likewise, the ED established that the absence of the annotation of the active and passive safety conditions (VTV) will not be an impediment to the registration or transfer of the vehicle.

- Repealed art. 11 of Decree Law 6582/58, which established that the acquired vehicle would have as its place of residence, the domicile of the owner or his usual residence. In this way, the vehicle is allowed to have a place of residence other than that of the owner, also facilitating changes of residence.

- Modified art. 13 of decree-law 6582/58 allowing registration requests to be in electronic format.

- Modified art. 22 of Decree Law 6582/58, modifying the format of authorizations for the use of the vehicle (blue ID), granting the same validity to authorizations in physical and digital format.

- Modified art. 23 of the decree-law, since the automotive ownership certificates will not expire, and it is not necessary to renew them periodically. Obviously, as long as there are no changes in ownership.

- Modified art. 27 of the decree-law, indicating that, once the sale has been reported, the person obligated to pay the taxes, fines and liability is replaced, by operation of law from the date of the report. Likewise, the obligation to notify the sales report for each record to the different official, provincial and/or municipal departments was eliminated.