Argentine Plan for Implementation of the High-Level Principles on Beneficial Ownership Transparency

(Draft as of 7 September 2015)

I - Introduction:

The G20 considers financial transparency, in particular the transparency of beneficial ownership of legal persons and arrangements, to be a high priority. The Saint Petersburg G20 Leaders' Declaration states as follows: 'We encourage all countries to tackle the risks raised by the opacity of legal persons and legal arrangements'.

At their meeting in Sydney in 2014, the Finance Ministers and Central Bank Governors requested the G20 Anti-Corruption Working Group (ACWG) to provide them with updated information, before their April meeting, on concrete actions the G20 could take to lead by example on beneficial ownership transparency and the implementation of the relevant FATF standards. Following the ACWG meeting in Sydney, the co-chairs of that Group reported to the Finance Ministers and Central Bank Governors that the ACWG had agreed that G20 countries were to lead by example by developing G20 High-Level Principles on Beneficial Ownership Transparency that would set out concrete measures to be taken by member countries to prevent the misuse of and ensure the transparency of legal persons and legal arrangements.

The "High-Level Principles on Beneficial Ownership Transparency**"**, were subsequently adopted by the G20 Leaders at the Summit held in Brisbane, Australia (2014). The abovementioned principles on beneficial ownership transparency consist of ten standards, are based on the existing international instruments and standards, are incorporated into the various joint projects carried out within the framework of G20 and are directly related to the efforts made by Argentina in that context with a view to fighting against tax havens.

In Brisbane, Australia (December 2014) the G20 Leaders expressed their commitment to improving the transparency of the beneficial owner of legal persons through the adoption of the "High-Level Principles on Beneficial Ownership Transparency", which are the first step in the fight against tax havens, since they attack the opacity of legal persons that facilitate illegal capital flows and promote tax evasion, corruption and unlawful activities.

The Argentine Republic has a vast number of rules, provisions and federal government agencies dealing with the implementation of the abovementioned "High-Level Principles on Beneficial Ownership Transparency", as will be explained below.

II - Content:

The various provisions contained in Argentina's legal system and the legislation enacted in that respect will be summarized below, specifying, as appropriate, the federal government agencies that have adopted the relevant provisions in accordance with their respective functions:

PRINCIPLE 1: Countries should have a definition of 'beneficial owner' that captures the natural person(s) who ultimately own(s) or control(s) the legal person or legal arrangement.

The definition of "beneficial owner" contained in Argentine legislation meets the requirement set by the G20 as regards the identification of those who own or control legal or artificial persons. In this respect, the Resolutions adopted by the Financial Information Unit (FIU), regulating the AML/CTF (Anti-Money Laundering and Counter-Terrorist Financing) obligations incumbent upon the Responsible Parties[1] established in Law No. 25,246[2] as amended, define "Beneficial Owner" (*Propietario/Beneficiario*) as "any individual who owns at least twenty per cent (20%) of the capital stock of or the voting rights in a legal person, or who otherwise exercises final, direct or indirect control over a legal person or other similar entities" (Article 2(g) of the FIU Resolutions for the financial sector: Res. FIU 121/2011 –Financial and Currency Exchange Entities–; Res. FIU 229/2011 –Capital Market– and Res. FIU 202/2015 –Insurance Sector–.

The abovementioned resolutions provide that the responsible parties must "adopt reasonable additional measures in order to identify the beneficial owner and verify their identity".

Likewise, the Office of the Superintendent of Insurance (SSN in the Spanish acronym), within the framework of the procedures for obtaining the authorization/licence to operate as an insurance company, requires the identification of shareholders, individuals and legal persons, and, in the case of the latter, their shareholders as well.

Furthermore, Law No. 25,246, as amended, incorporates Chapter VIII into the Argentine Criminal Code, which contains the concept of "Cover-Up and Laundering of Assets of Criminal Origin" and provides that the responsible parties must obtain from their clients, applicants, contributors or representatives documents sufficiently proving their identity, legal personality, domicile and other information (Article 21).

It bears noting that the G20 Leaders endorsed the creation of the "Global Legal Entity Identifier" (LEI) to exclusively identify the parties to financial transactions.

In this context, the Central Bank of the Argentine Republic (BCRA in the Spanish acronym) created through Communication "A" 5642 the "Financial Entity Identification Registry" in line with the principles governing the Global LEI system, with a view de

[1] See Glossary below.
[2] (Argentine Official Gazette of 05/06/2000).

issuing LEI identification codes to financial entities regulated by the BCRA. Moreover, with respect to relationship data, the "Entity Identification Registry" of the BCRA identifies the shareholders of each financial entity by name and percentage of votes owned, regardless of whether they are natural or artificial persons.

In addition, Article 1671 of Argentina's new Civil and Commercial Code —which will enter into force on 1 August 2015— establishes, in order to identify the beneficiaries of trusts, that such beneficiaries may be natural or legal persons who may or may not exist at the date of the execution of the agreement and that, in the latter case, information enabling their future identification must be provided. The trustor and the trustee may be beneficiaries**.**

The Argentine Securities and Exchange Commission **(**CNV in the Spanish acronym) also has a series of regulations aimed at identifying the beneficial owner. In this regard Article 24 of CNV General Resolution No. 622/13[3] —Title II, Chapter II— (ALIEN COMPANIES AS SHAREHOLDERS. REQUIREMENT FOR VOTING AT SHAREHOLDERS' MEETING) provides as follows: "*Where the shareholder is a company formed abroad, under any business type or form, in order to be able to vote at shareholders' meetings, it shall inform, upon registration in the Stock Ledger of the Issuing Company, the beneficial owners holding the shares that make up the capital stock of the alien company, as well as the number of shares to be voted."*

Likewise, Article 26 of such Resolution —Title II, Chapter II— (OTHER CASES. IDENTIFICATION OF SHAREHOLDERS) establishes that: "If shares are registered as being owned by a 'trust' or a similar entity, in order for those shares to be voted at a shareholders' meeting a certificate must be submitted identifying the trust operation resulting in the transfer and including the name, address or principal place of business, identity document or passport number, and registration, authorization or incorporation data of the trustors, trustees and/or beneficiaries —or equivalent parties—, pursuant to the legal system under which the trust has been created or established. If the shares are registered as being owned by a foundation or similar entity, either of a public or private nature, the same data referred to above must be provided with respect to the founder and, if it is a different person, to the person making the contribution or transfer to that estate."

In relation to public offerings, Title II Chapter IX —Prospectus— Annex I, Paragraph 7, provides for the obligation to provide information on the ownership of shares in order to identify the beneficial owner.
"…7. Main shareholders and transaction with related parties. a) Main shareholders**:**
If the following information is known by the issuing company or may be obtained from public records, it shall be provided as soon as possible, indicating the number of shares of the issuing company held and including any shares held on behalf or for the benefit of a third party:
1) The following information shall be supplied with respect to the main shareholders of the issuing company (i.e. those shareholders owning FIVE PER CENT (5%) or more of each class of shares carrying votes), unless the issuing company is required to provide

[3] http://www.cnv.gov.ar/LeyesyReg/CNV/esp/RGCRGN622-13.htm.

information for those owning a lower percentage in its country of origin, in which case that percentage shall apply:
2) Names of the main shareholders, the number of shares and the percentage with respect to the outstanding shares of each class held by every one of them as of the most recent possible date, or a statement that there are no main shareholders. Where the shareholders are legal persons, the make-up of their capital stock shall be informed, specifying the ownership of shares. In the event that the shares are owned by legal persons, the information must enable identification of the beneficial owner — individual— of those shares. If the shareholders are natural or legal persons managing the assets of third parties, the information must enable identification of all the parties to the relationships created.
3) Information on any significant change in the shareholding percentage of the main shareholders over the last THREE (3) years.
4) Specification of whether or not the main shareholders have different voting rights.
5) Information on the percentage of each class of shares held within the country and abroad, as well as the number of registered shareholders in the country and abroad. If the shareholders are legal persons created abroad, information shall be provided on the place of incorporation of the shareholder company and a statement specifying that such company is not subject to any legal restrictions or prohibitions in that country and transcribing the applicable rules governing companies and the capital market in the country of incorporation shall be submitted.
6) Provided that the information is known by the issuing company, a statement indicating whether it is directly or indirectly or indirectly owned or controlled by other company(ies), by any foreign government or by any other natural or artificial person(s), jointly or separately and, if that is the case, a specification of the name(s) of the controlling company(ies), government or other person(s) and a brief description of the nature of such control, including the amount and percentage of shares carrying votes owned.
7) Description of any arrangement, known to the issuing company, whose implementation at a later date may lead to a change in control ….".

Even though Title XI of the Revised Text of the CNV (2013 Rules) does not provide a definition, it refers to "Beneficial Owners" in Section IV, relating to the requirements of suitability, integrity and solvency to be met by natural and legal persons and other similar entities requiring authorization to carry out the activities listed therein. In this respect, Article 9 of that Title sets forth that in the case of legal persons or other similar entities, the Commission's assessment of the fulfilment of those requirements *"...shall be carried out with respect to each of the natural persons acting as administrators, directors or managers or performing executive functions within the entity, as well as with respect to their beneficial owners and the natural or legal persons who hold at least TWENTY (20) per cent of the capital stock or the voting rights of the entity or who otherwise exercise final, direct or indirect control over it."* In the same vein, Article 10 provides that any change in the abovementioned persons must be notified to the Commission in order for the relevant assessment to be carried out.

Furthermore, Art. 14 of Title XI also refers to the "Beneficial Owner" in establishing that the Commission *"...does not authorize the public offering of securities where an issuing company, its beneficial owners, or the natural or legal persons who hold at least TWENTY (20) per cent of its capital stock or its voting rights or who otherwise exercise final, direct or indirect control over it, have been sentenced for money laundering*

and/or terrorist financing offences and/or who are included in the lists of terrorists and terrorist organizations issued by the UNITED NATIONS SECURITY COUNCIL".

As regards tax regulations, pursuant to the principle of economic reality, contained in Article 2 of Law No. 11,683 (on Tax Procedure), the Tax Administration has broad powers to tax such taxable events as it may determine on the basis of their true nature, considering "… any economic acts, situations or relations actually carried out, pursued or established by the taxpayer. If those acts, situations or relations are classified by the taxpayer under legal categories or structures other than those expressly provided or authorized by private law to properly determine the actual economic intention of taxpayers, those incorrect legal categories and structures shall not be used when considering the actual taxable event and the real economic situation shall be deemed to fall under the category or structure that would or could be applied under private law as the most suitable for their actual purpose, regardless of the categories or structures chosen by the taxpayers". Pursuant to the principle enshrined in the abovementioned article, the Argentine IRS may "pierce the veil" with a view to determining who is the actual owner of the legal entities where arrangements are made to conceal such status.

With respect to International Conventions to Prevent Double Taxation, the concept of "beneficial owner" (*beneficiario efectivo*) is incorporated into the provisions relating to passive income, following the OECD and UN Model Conventions. Even though they do not specifically contain the definition of "beneficial owner", the Commentaries to the OECD Model Convention specify that the term is not used in the strictest technical sense (under common law), but should rather be interpreted in its context and in the light of the object and purposes of the Convention, including the intention to avoid double taxation and prevent tax evasion and avoidance.

In that respect, the Commentaries to Articles 10, 11 and 12 to the OECD Tax Convention contain certain remarks that are useful in order to interpret the meaning of "beneficial owner" as referred to in the previous paragraph. According to those interpretation guidelines, the "beneficial owner" is the person having the right to use and enjoy the income in question, without being limited by any contractual or legal obligation requiring them to transfer it to any other person.

As regards business organizations, the legislation in force in the Argentine Republic requires that companies be formed and owned by persons having the express intent to be members —"actual owners"— who must be properly identified and must provide personal data every time they enter a company governed by Law No. 19,550 ("Law on Business Organizations" and, since 1 August 2015, "General Law on Companies").

This intention to be the "actual owner" of a company has been thoroughly discussed by Argentine legal scholars since the mid-20th Century and has been broadly regarded in publications as the corporate requirement for the existence of "*affectio societatis*" among the members. This doctrine has been ratified by the courts in a number of uniform rulings declaring that there is no company if there is no intention to be an actual and voluntary member of the company together with certain persons.

Likewise, Article 34 of Law No. 19,550 provides for a type of corporate sanction if there are apparent members concealing the "actual owners" who are not registered as members: the corporate rights of those lending their identity to conceal a third party are

reduced and the concealed member has joint and unlimited liability for all the obligations incumbent upon the company.

Finally, Article 33 of the abovementioned Law defines subsidiaries as any company:

1) in which another company, either directly or through another subsidiary, has an interest, of any nature, giving the necessary voting rights to adopt decisions at the ordinary meetings of the members or shareholders of the subsidiary;

2) over which such other company, either directly or through another subsidiary, exerts decisive influence as a result of the shares or interests held, or due to the existing ties between the companies.

PRINCIPLE 2: Countries should assess the existing and emerging risks associated with different types of legal persons and arrangements, which should be addressed from a domestic and international perspective.

a. Appropriate information on the results of the risk assessments should be shared with competent authorities, financial institutions and designated non-financial businesses and professions (DNFBPs[4]) and, as appropriate, other jurisdictions.

b. Effective and proportionate measures should be taken to mitigate the risks identified.

c. Countries should identify high-risk sectors, and enhanced due diligence could be appropriately considered for such sectors.

Pursuant to Art. 21 bis of Law No. 25,246, the responsible parties must request legal persons to provide personal identification information on the authorities, the legal representative, the attorneys-in-fact and/or the agents authorized to use the corporate signature dealing with such responsible parties on behalf of the legal person. That requirement must also be met with respect to partnerships, foundations and other organization, regardless of whether they have legal personality. Furthermore, submission of an affidavit regarding the origin and lawfulness of the funds or the relevant supporting documents will be required (paragraph b).

Furthermore, if there are doubts as to whether clients act on their own behalf or if there is certainty that they do not, the responsible parties will take any reasonable additional measures with a view to obtaining information on the true identity of the person on whose behalf those clients are acting. The responsible parties must be particularly careful to prevent individuals from using legal persons as corporate shells to carry out their operations. The responsible parties will be required to have mechanisms in place so as to know the corporate structure, determine the origin of the funds and identify the owners, beneficiaries and anyone exercising actual control over the legal person. The responsible parties will be required to adopt specific and adequate measures in order to

[4] As identified by the Financial Action Task-force.

reduce the risk of money laundering and terrorist financing where services or products are provided to clients who are not physically present for identification. Special attention must be given to transactions carried out by politically exposed persons which bear no relation to the reported activity and their profile as clients (paragraph c). It should be highlighted that these measures are also regulated by the Resolutions of the Financial Information Unit (FIU) applicable to each specific type of responsible party.

FIU resolutions provide that "Depending on the specific characteristics of the different products offered, each Responsible Party shall design and implement control mechanisms to gain comprehensive and adequate knowledge of its clients according to the risk analysis policies implemented. Those risk analysis policies shall be gradual and reinforced measures shall be applied to clients classified as high-risk, by establishing a higher frequency for the update and analysis of information with respect to their economic, financial and tax situations, as well as on their corporate structure and control".

FIU Resolution No. 165/2011 created the Committee for Selection based on Risk whose main function is to propose to the Chairman of the Financial Information Unit the Responsible Parties that may be subject to the on-site supervision, control and inspection proceedings.

Furthermore, with respect to risk mitigation, Resolution No. 300/2014 sets forth that any operation carried out using virtual currency must be informed to the FIU.

On 7 November 2014, FIU Resolution No. 473/2014 was published in the Official Gazette. This Resolution provides for a National Assessment of the Risk of Money Laundering and Terrorist Financing (ENR in the Spanish acronym) in Argentina and establishes that such Assessment will be carried out by the Financial Information Unit in its capacity as authority in charge of the enforcement of Law No. 25,246 as amended, and as coordination authority at a federal, provincial and municipal level, with a view to ensuring that the measures adopted by the country are suitable for mitigating the identified risks.

Such Regulation also provides that the ENR will be aimed at identifying, analyzing and assessing the risks faced by Argentina with respect to these issues. In order to carry out the Assessment, the FIU may request the cooperation of regulatory and control agencies, public and private organizations having influence over the matter and the Responsible Parties in general, as well as other relevant actors. The assessment shall consist of three stages: Identification, Analysis and Assessment. On the basis of the results obtained, the priorities for facing the risks will be determined, in order to prepare a mitigation strategy. The ENR will be subject to review every 2 years, with a view to introducing any relevant modifications.

The "Identification" stage is currently in progress. For that purpose, between April and May 2015, the FIU held meetings with officials of various specific control entities (Central Bank of the Argentine Republic, Argentine Securities and Exchange Commission, Office of the Superintendent of Insurance, Argentine Institute of Associations and Social Economy [*Instituto Nacional de Asociativismo y Economía Social*]), as well as with the Public Prosecutor's Office and the Judiciary.

Likewise, the Central Bank of the Argentine Republic (BCRA), in accordance with the policy on international cooperation in the exchange of information, has nineteen Agreements

(Memoranda of Understanding) in force with other control agencies, which were signed with authorities from other countries (Italy, China, Germany, Spain, United States, United Kingdom, among others). In general, the purpose of these Agreements is the exchange of information closely related to the activities of the parties. They establish the time and manner of such cooperation, contribute to the creation or strengthening of relations with institutions having similar functions, and make it possible to improve internal resources and mechanisms through the exchange of information, experiences and knowledge.

The supervision plan implemented by the Central Bank through the Office of the Superintendent of Financial and Currency Exchange Entities targets the risk posed by each financial entity and the system as a whole, and is thus sufficiently flexible to adapt the tasks to the risks identified in each case. This process has been designed as a continuous cycle that combines inspections at the offices of financial entities (on-site control) with remote follow-up by the Office of the Superintendent of Financial and Currency Exchange Entities (SEFyC in the Spanish acronym) during the periods between inspections (off-site control). In 2014, the BCRA, based on the methodology designed by the Basel Committee in order to identify domestic systemically important banks (D-SIBs) and the capital requirement, additional to the Basel III requirement, published the "Methodology for identification of systemically important entities at a local level" and, through Communication "A" 5694 of January 2015, it established, in addition to reinforced supervision, an additional requirement for those entities, equivalent to 1% of their risk-weighted assets —to be provided progressively— between January 2016 and 2019.

PRINCIPLE 3: Countries should ensure that legal persons maintain beneficial ownership information onshore and that information is adequate, accurate, and current.

The Resolutions adopted by the Financial Information Unit require that the responsible parties maintain beneficial ownership information and that such information be adequate, accurate and current.

Article 21(A) of Law No. 25,246, which provides the legal framework for the resolutions regulating each responsible party, sets forth that "Where clients, applicants or contributors act on behalf of third parties, any necessary measures shall be taken to determine the identity of the person on whose behalf they act. Any information shall be kept on file for such period and in such manner as the Financial Information Unit may establish;"

Furthermore, Article 21 bis(b) of Law No. 25,246 lists the minimum requirements for identification of legal persons:

"*b)* Legal Persons: name; registration date and number; tax registration number; date of partnership agreement or certificate of formation; copy of updated bylaws, and possible submission of original bylaws; address (street, number, city, province and zip code); telephone number of the principal place of business; and main business. Information will also be requested for identification of the authorities, the legal representative, the attorneys-in-fact and/or the agents authorized to use the corporate signature dealing with the responsible party on behalf of the legal person. These requirements must also be met by partnerships, foundations and other organizations, regardless of whether they have legal personality. Furthermore, submission of an affidavit regarding the origin and lawfulness of the funds —or the relevant supporting documents— will be required, as established by the resolutions passed by the Financial Information Unit (FIU)".

Resolutions Nos. 121/2011 (Financial and Currency Exchange Entities, Articles 14 and 27), 229/2011 (Capital Market, Articles 14 and 24) and 202/2015 (Insurance Sector, Articles 15 and 30) establish the minimum identification requirements that must be requested from legal persons, as well as the obligation to keep any information referring to the identification and knowledge of the client, the relevant files and any supplementary information requested, for a period of TEN (10) years since the termination of the relationship with the client.

Likewise, Article 5 of Law No. 19,550 (Law on Business Organizations) provides that "The certificate of formation of all companies must contain the following information, without prejudice to any other information required for certain types of companies:

1) The name, age, marital status, nationality, profession, address and identity document number of all members;

2) The name and address of the company.

If the relevant agreement only includes the address, the principal place of business shall be registered by means of a separate request signed by the management body. Any notices given at the registered place of business shall be deemed valid and binding;

3) The purpose of the company, which must be accurate and certain;

4) The capital stock, which must be stated in Argentine currency, and the contributions made by each member;

5) The duration, which must be a definite term;

6) The organization of its management, supervision and the meetings of members;

7) The rules governing the distribution of profits and losses.

In the event of silence in this respect, they shall be distributed in proportion to the contributions made. If only the distribution of profits is provided for, the same proportion shall be applied to the allocation of losses, and vice versa;

8) The necessary provisions for properly determining the rights and obligations of the members in relation to each other and to third parties;

9) The provisions governing the operation, dissolution and liquidation of the company".

Article 5 of such Law also provides that: "The certificate of formation or amendment shall be registered with the Public Registry of Commerce for the principal place of business, within the term and pursuant to the provisions established in Articles 36 and 39 of the Code of Commerce. Registration shall be carried out upon ratification by the persons signing the certificate before the Judge ordering such registration, except in the case of notarially recorded instruments, or upon authentication of the signatures by a civil law notary or any other competent public official. If the certificate of formation contains regulations, they shall be registered upon fulfilment of the same requirements. The same registration shall be carried out with the Public Registry of Commerce for the domicile of each corporate office".

In the event that members change after the execution of the certificate of formation, such change shall be notified to the Public Registry of Commerce, except in the case of corporations.

In this respect, Article 152 of the Law on Business Organizations provides that: "Membership interests may be freely transferred except as otherwise provided in the operating agreement. The transfer of a membership interest is effective with regard to the company as from the moment when the transferor or the transferee submit to the management a copy of the deed of transfer or assignment. If transferred through a private instrument, the signatures must be authenticated. The company or the member by itself may exclude any member thus entering the company where there is just cause for doing so, pursuant to Article 91. In this case, the exception included in the second paragraph of such Article shall not apply. The transfer of membership interests may be enforced against third parties as from its registration with the Public Registry of Commerce, which may be requested by the company. Such registration may also be requested by the transferor or the transferee upon presentation of the deed of transfer and a certificate sufficiently demonstrating the notification thereof to the management".

With regard to corporations, Article 213, referring to that type of business organizations, sets forth that "the corporation shall keep a stock ledger which shall meet the formal requirements of accounting books and shall be available to shareholders for consultation, and in which the following information shall be entered:

1) Classes of shares, and the rights and obligations arising therefrom;

2) Share payment status, specifying name of subscriber;

3) In the case of bearer shares, their numbers; in the case of registered shares, the successive transfers, specifying the dates and transferees;

4) The security interests over registered shares;

5) The conversion of securities, specifying the information for the new securities;

6) Any other information relating to the legal status of the shares and the relevant modifications".

Finally, Article 215 sets forth that: "The transfer of registered or uncertificated shares and the security interests over them shall be notified in writing to the issuing corporation or the entity keeping the book, and shall be entered in the relevant book or account. Such transfer shall be effective with respect to the corporation and third parties as from registration. In the case of uncertificated shares, the issuing company or the entity keeping the book shall notify the holder of the account from which the debit is taken for the transfer of shares, within ten (10) days of registration, at the domicile established; in the case of corporations subject to the public offering regime, the supervision authority may establish other means for notifying shareholders. Endorsable shares are transferred through an uninterrupted chain of endorsements and, in order to

exercise the relevant rights, the endorser shall be required to request the registration thereof."

This means that the corporate control authority has full access to the identity of the owners of the legal entity upon its formation —since the certificate of formation must include the personal data of the members— and afterwards as well —because any changes in the membership must be reported to the Public Registry of Commerce—. Corporations are an exception. However, even though they need not report changes to the corporate control authority, they must record any such changes in the Stock Ledger. Corporate control authorities have full powers to request information and any other document deemed necessary.

Furthermore, Chapter III of Law No. 21,526 —Law on Financial Entities (as amended)— establishes the requirements to be met by financial entities in order to obtain authorization and be able to operate. With regard to their ownership, an assessment of the project and, especially, of the background, responsibility and experience of the applicants in the financial activity is required (Art. 8); and the voting shares of the financial entities formed as corporations must be registered shares (Art. 9).

In this vein, the rules of the Central Bank set forth different requirements for the shareholders of financial entities, depending on whether they are natural or legal persons (Communication "A" 5520 CREFI-2). Legal persons must provide a certified copy of the bylaws or the operating agreement; the annual reports, financial statements, information on their creditors and charts showing profits and losses for the last two fiscal years ended; a list of the members of the board of directors, board of managers, or statutory audit committee, containing their particulars; information on the personal background of the authorities of financial entities; and certificates of criminal records. Natural persons must present a statement of the property owned by them, certified by an independent certified public accountant, as well as a certified copy of the tax returns filed in the last three years with the Argentine Federal Administration of Public Revenue in respect of Income Tax, Tax on Personal Assets and any other taxes replacing or supplementing them

Furthermore, the information mentioned above in relation to Principle 1 —which we will not repeat in this section for the sake of brevity—should be taken into account.

PRINCIPLE 4: Countries should ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, tax authorities and financial intelligence units) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal persons. Countries could implement this, for example, through central registries of beneficial ownership of legal persons or other appropriate mechanisms.

Pursuant to Article 20, subsection 6 of Law 25,246, the representative bodies for the supervision and control of legal persons are accountable to the FIU. Hence, such bodies are subject to the FIU regulations, which establish measures in relation to customer

identification and knowledge policies, as well as the obligation to report suspicious ML/TF operations (Money Laundering and Terrorist Financing).

In particular, FIU Resolution No. 29/2011 regulates the AML/CFT measures that must be implemented by the Public Registry of Commerce and the Representative Bodies for the Supervision and Control of Legal Persons, including the Companies Registration Authority.

On 29 January 2013, the FIU and the Companies Registration Authority (IGJ in the Spanish acronym) —the authority in charge of the registries, the supervision of legal persons for the City of Buenos Aires and the coordination of the Companies National Registry— entered into a cooperation agreement for the exchange of digital information between them. The agreement is aimed at improving the speed, accuracy and confidentiality of the information exchanged between both agencies and at increasing the efficacy of the fight against ML/TF.

In relation to Principle Three, it has been established that the corporate control authority has full access to the identity of the owners of the legal entities upon its formation —since the certificate of formation must include the personal data of the members— and afterwards as well —because any changes in the membership must be reported to the Public Registry of Commerce—. Corporations are an exception. However, even though they need not report changes to the corporate control authority, they must record any such changes in the Stock Ledger. Likewise, corporate control authorities have full power to request information and any other document deemed necessary.

In this regard, Article 5 of Law No. 22,315 sets forth that "In order to exercise its supervisory function, the Companies Registration Authority shall have the following powers, apart from those established for each of the parties specifically:

a) to request information and any other documents deemed necessary;

b) to conduct investigations and examinations, for which purpose it may examine the corporate books and documents, request reports from the company's authorities, representatives, and employees, as well as from third parties;

c) to receive and act upon the reports filed by interested parties that give rise to the exercise of the authority's supervisory function;

d) to file reports with the judicial, administrative and law enforcement authorities when the facts of which it has notice may give rise to a criminal action. Furthermore, the Companies Registration Authority may directly request prosecutors to take the relevant legal actions in cases of violation or breach of the provisions that affect the public order;

e) to enforce its decisions, for which purpose it may request the competent civil or commercial judge to order the following:

1) the assistance of the public force;

2) the search of buildings and the closing of facilities;

3) the attachment of books and documents;

f) to declare that the acts subject to its control are irregular or ineffective for all administrative purposes when they are contrary to the law, the bylaws or the regulations.

These powers do not exclude other powers granted by the legal system to other agencies."

Below is a detailed description of the situation of provincial accession to Law No. 26,047 in 2014:

A. Acceding provinces

1. Province of La Pampa:

It adopted all the terms established by Federal Law No. 26,047 on "National Registries" through Article 46 of provincial budget law No. 2,237, passed on 22 December 2005. UNIFIED SYSTEM.

2. Province of Mendoza:

It adopted Federal Law No. 26,047 through Article 13 of Law No. 7,885, passed on 24 June 2008, and authorized the **Ministry of Government, Justice and Human Rights of the Province of Mendoza** to enter into the agreements provided for in Article 8 of the said Federal Law, as well as to issue the necessary rules and organize and execute all the measures aimed at its enforcement and implementation. UNIFIED SYSTEM.

3. Province of Jujuy:

It adopted Federal Law No. 26,047 through Law No. 5,578, passed on 4 October 2008, and authorized the **Executive and Judicial Branches** to enter into the cooperation agreements provided for in Article 8 of the said Federal Law with the competent agencies of the Federal Executive Branch. DUAL SYSTEM.

4. Province of Tucumán:

It adopted Federal Law No. 26,047 through Articles 22 and 23 of Law No. 8,367, passed on 9 November 2010, and authorized the **Prosecution Office of the Province** to enter into the agreements provided for in Article 8 of the said Federal Law, as well as to issue the necessary rules and organize and execute all the measures aimed at its enforcement and implementation. UNIFIED SYSTEM.

5. Province of Río Negro:

It adopted Federal Law No. 26,047 through Law No. 4,654, passed on 20 May 2011, and authorized the **Provincial Executive Branch** to enter into the necessary cooperation agreements with the competent agencies of the Federal Executive Branch. UNIFIED SYSTEM.

6. Province of La Rioja:

It adopted Federal Law No. 26,047 and authorized the Executive Branch, through the **Ministry of Government, Justice, Security and Human Rights**, to sign agreements

and any documents that link the Province of La Rioja with the National Authority of Application established in the said Law. Likewise, Law No. 9,014, passed on 16 June 2011, sets forth that the province adopts the Federal Law but retains jurisdiction and legislation, execution and control powers. DUAL SYSTEM.

7. Province of Chaco:

It adopted Federal Law No. 26,047 through Law No. 6,835, passed on 6 July 2011. UNIFIED SYSTEM.

8. Province of Santa Cruz:

It adopted Federal Law No. 26,047. The Executive Branch must issue the relevant regulatory measures for the implementation and execution of the said law. The province authorized the **Executive and Judicial Branches,** through Law No. 3,232 passed on 22 September 2011, to enter into the cooperation agreements provided for in Article 8 of the said Federal Law with the competent agencies of the Federal Executive Branch. DUAL SYSTEM.

9. **Province of Salta:**

It adopted Federal Law No. 26,047 through Law No. 7,687, passed on 20 October 2011. DUAL SYSTEM.

10. **Province of Tierra del Fuego, Antarctica and South Atlantic Islands:**

It adopted Federal Law No. 26,047 through Law No. 872, passed on 19 April 2012, and authorized the **Executive Branch** to enter into cooperation agreements with the competent agencies as well as to issue the necessary rules in order to organize and execute all the measures aimed at its enforcement and implementation. UNIFIED SYSTEM.

11. **Province of San Juan:**

It adopted Federal Law No. 26,047 through Law No. 8,279, passed on 28 June 2012, and authorized the **Ministry of Government** to enter into the relevant cooperation agreements in order to secure the operation of the systems to forward data and to coordinate the necessary procedures and actions for the fulfilment of the purposes established in the law with the competent agencies of the Federal Executive Branch. DUAL SYSTEM.

12. **Province of Neuquén:**

It adopted Federal Law No. 26,047 through Law No .2,825, passed on 20 September 2012, and authorized the **Ministry of Government, Education and Justice and the High Court of Justice** to enter into the relevant cooperation agreements in order to secure the operation of the systems to forward data. DUAL SYSTEM.

13. **Province of Chubut:**

It adopted Federal Law No. 26,047 through Law No. III-39, passed on 4 October 2012, and authorized the **Ministry of Government** to enter into the relevant cooperation

agreements in order to secure the operation of the systems to forward data and to coordinate the necessary procedures and actions for the fulfilment of the purposes established in the law with the competent agencies of the Federal Executive Branch. UNIFIED SYSTEM.

14. **Province of Entre Ríos:**

It adopted Federal Law No. 26,047 through Law No. 10,169, passed on 11 October 2012, and authorized the **Provincial Executive Branch** to enter into the necessary cooperation agreements with the competent agencies of the Federal Executive Branch. UNIFIED SYSTEM.

15. **Province of Buenos Aires:**

It adopted Federal Law No. 26,047 through Law No. 14,555, passed on 21 November 2013, and authorized the **Provincial Executive Branch** to take the relevant actions for the fulfilment of the law in coordination with the Federal Executive Branch. UNIFIED SYSTEM.

B. **Provinces where the Law is under consideration by the legislature:**

1. **Catamarca:** submitted to the Legislative Branch in 2012 and approved by one of the houses. DUAL SYSTEM.

2. **Corrientes:** submitted through file 3553/11 to the Commission on Legislative and Constitutional Matters for its review. DUAL SYSTEM.

3. **Misiones:** submitted through file 2103-1476-10, captioned *"Dirección Persona Jurídica s/ Proyecto de ley"* (Directorate for Legal Persons on bill of law), and 36.230/11- 989.153 to the Commission on General Legislation, Justice and Communication for its review on 8 October 2011. DUAL SYSTEM.

4. **Santa Fe:** the Commission on Budget and Economy and the Commission on Constitutional Matters and General Legislation issued a favourable decision through a file replaced by No. 23,516 of 12 October 2011, No. 25,149, message No. PE 3909. DUAL SYSTEM.

According to the above description, **15 provinces** have **ADOPTED** the law, **4** are **IN PROCESS OF ACCESSION**, and **4** have **NOT ADOPTED** the law.

On the other hand, the Argentine Securities and Exchange Commission (CNV) has several mechanisms that enable it to keep the data on the beneficial ownership of companies updated, which are described below.

In effect, under the provisions of the new law on capital markets, the interconnection of the Market Trading Systems enables the exchange of Market Information (pursuant to Title VI, Chapter I, Section XXVI of the CNV 2013 Regulations), the Trading, Settlement, and Clearing of securities, the existence of common order books, the recording of operations, settlement and clearing. The main registry of orders and operations of the markets must contain details of the time, the agents involved, the method, the types, the number, the price, the term, the identification of the client, the settlement currency and the amounts, among other information.

Markets must forward, in real time, complete data of each of the operations registered in their Trading Computer Systems, including the information detailed above, to the operations monitoring system of the CNV. Trading Agents and Settlement and Clearing Agents may conduct operations for themselves or for their clients. Agents must keep a Registry of Orders and a Registry of Operations for their clients and for their own operations with the details specified in Title VII, Chapter I, Section IX of the CNV 2013 Regulations. Only Settlement and Clearing Agents may become involved in the settlement and clearing of arranged operations. They may receive and keep funds and/or negotiable securities of their own clients, of Trading Agents and of clients of the Trading Agents with whom they have an agreement. Such funds and/or negotiable securities must be kept separate from the Settlement and Clearing Agents' own negotiable securities and funds. For their part, Collective Deposit Agents must provide real time access to the balances and movements of depository accounts, principal sub-accounts and guarantee accounts to the Argentine Securities and Exchange Commission. This applies to the negotiable securities records kept by Collective Deposit Agents in their capacity as Custodian, Registry and Payment Agents. Upon requesting the opening of principal sub-accounts, Collective Deposit Agents must request depositors to submit extensive data of the holders of each of such sub-accounts.

Subsections c) and f) of Article 20 of Law on Capital Markets No. 26,831 should also be taken into consideration[5] as they grant the CNV powers to request information or documents and to conduct inspections and verifications of individuals or legal persons that are under its jurisdiction for any reason. Furthermore, according to a Decision of the Treasury Attorney General of the Argentine Republic of 23 April 2014, upon a request by the *International Organization of Securities Commissions* (IOSCO), the CNV may request any kind of information, including a witness statement by any individual, irrespective of whether such individual is involved in the field of capital markets or not. The said Decision also underlines the application of the speciality principle, under which all agencies —in this case, the CNV— have not only the powers granted to it by law but also the necessary powers to fulfil their purposes in a satisfactory manner.

For their part, judicial authorities with jurisdiction over criminal matters, prosecutors, financial supervisors, financial authorities and the FIU may lift the secrecy principle in the cases established in Articles 25, 26, 27 and 53 of the Law on Capital Markets, apart from the possibility of accessing Public Registries such as the Public Registry of Commerce and others. While Article 27 of the Law on Capital Markets authorizes the exchange of confidential information between local regulatory agencies in the performance of their functions, Article 53 authorizes the lifting of the secrecy principle to registered agents in the event of a request by a court or a local regulatory agency within the framework of an investigation. Article 26 of the same Law provides for the exchange of information with foreign regulatory agencies within the framework of an investigation related to capital markets.

The Central Bank has entered into several cooperation and information exchange agreements with other supervisory and monitoring authorities. Among such agreements, it is worth mentioning the Framework Agreement on Cooperation and Exchange of Information signed by the Argentine Securities and Exchange Commission, which is aimed at facilitating the performance of the duties and promoting the adequate and

[5]http://www.cnv.gov.ar/LeyesyReg/Leyes/ing/LEY26831.htm

solvent operation of financial institutions and capital markets, as well as of all the parties under their supervision. The Framework Agreement also establishes that the exchange of information must be conducted in a direct manner and with the least possible delay where the information is related to the prevention of money laundering and terrorist financing. In this regard, the Office of the Superintendent of the Central Bank, through a Memorandum of Understanding, has reached agreements to exchange information with the Office of the Superintendent of Insurance of the Argentine Republic with the aim of facilitating the performance of the duties and promoting the adequate and solvent operation of financial institutions and insurance activities. These agreements were reached in keeping with the Core Principles for Effective Banking Supervision of the Basel Committee on Banking Supervision of the Bank for International Settlements, which are aimed at achieving the consolidated supervision of the whole financial group; the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions, and the Insurance Core Principles and Methodology of the International Association of Insurance Supervisors (IAIS).

For its part, the Argentine Tax Authority (AFIP) already has timely access to adequate, accurate and current information on the beneficial ownership of legal persons. This has been recognized in the Report of the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes. Argentina is a member of such Forum and participates, through AFIP, in the Peer Review Process conducted by it. The transparency and exchange of information standards for tax purposes developed by such Forum and the OECD have been almost universally accepted. These standards on information available to tax authorities provide that countries must ensure that legal persons produce and maintain information on their owners, and that such information is adequate, accurate and current. This aspect is contained in item A.1 of the Terms of Reference of the Global Forum, which describe such standards and constitute essential elements that should be observed in the Peer Review Process in order to determine compliance with the standards.

Argentina has passed phases 1 and 2 of the Peer Review Process of the Global Forum. In such process, it was stated that the recommendations had been fully taken into consideration and that they had been satisfactorily implemented in practice.

The Report on Argentina of the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes states the following:

52. "*Full ownership information on companies is available in Argentina. The Commercial register contains some information, and the tax administration maintains a significant amount of identity and ownership information in its database, through a network of information statements that taxpayers and third parties must file periodically or upon the occurrence of certain events in the life of the company.*"

53. "*A company, whatever its form, is created between two or more persons by a public instrument or by a private instrument that must be authenticated by a public official or signed in front of a judge (Law No. 19,550, ss. 4 and 5)." (...)*

54. "*The instrument of creation of a commercial company must contain, among others: 1) the name, age, marital status, nationality, profession, address and identification number of each member; 2) the firm or corporate name and the address*

of the entity; ... 4) the social capital, which must be expressed in Argentinean currency (ARS), and the contribution of each member; ... 7) the rules for distributing the profits and bearing the losses (Law No. 19,550, s. 11). The legal instrument creating a commercial entity therefore must contain the name of all the initial members of the entity, together with their respective share in the capital of the entity".

55. (..)

56. (..)

57. "All companies must disclose their ownership structure to the AFIP, as well as report on identity information regarding their directors, managers and other representatives. A recent General Resolution reinforced the obligations of electronic declaration (GR 3293 of 22 March 2012). (..) The companies and partnerships (as well as permanent establishment of foreign companies) must also declare the identity of the holders of their shares, including their tax identification number or identity number, their domicile, and the number and value of their shares. The same applies whether the person is a tax resident in Argentina or not, and whether the person is an individual, company or other type of shareholder. Pursuant to the same resolution, companies must also provide information on their subsidiaries, parent companies and related companies: corporate name, tax identification number and domicile, whether in Argentina or in another country. (..)

58. "In addition, the transfer of shares must also be reported to the AFIP (..). The information to be provided electronically to the AFIP includes the date and type of transaction (purchase, sale, free transfer, etc.), identity information on the company at stake and participants in the transfer, the date and amount of the payment (in the currency used and in Argentinean pesos), as well as the corresponding change of corporate control". (..)

59. (..)

60. "As a result of the various laws and regulations applicable, the AFIP maintains full ownership information on Argentinean companies and the IGJ maintains no information that the tax administration does not also maintain. In any event, the AFIP has free access to the national and provincial registers (Law No. 26,047, s. 3)".

61. (..)

62. (..)

63. "The IGJ maintains a National Registry of Foreign Companies, which registers foreign companies that carry on business in Argentina by means of a permanent representation or participates in local companies (Law No. 19,550, ss. 4, 118 and 123; Law No. 22,315, s. 4). IGJ Resolution 7/05 rules that the registration with the Register of Companies is subject to the provision of information identifying the members of the company at the time of its decision to do business in Argentina, including, for each one of them, their last name and firm or corporate name, address or registered office, number of identity card or passport, or evidence of registration, authorisation or incorporation, and number of equity interests

and votes and their percentage in the capital. Exceptions exist for listed companies. No updated information is required on an annual basis."

The CNV requires that companies inform without delay of any modifications to the company's structure as a relevant event in the CNV website.

64. (..)

65. (..)

66. "The rules regarding the maintenance of ownership information are different for shares of SRLs, and shares of SA and limited partners of SCA. SRLs do not maintain a register of shareholders, since the name of all their shareholders are already gathered in the deed of the company. (..)

67. "SAs must maintain a ledger of shares with mentions of the class of share, rights and obligations attached to each, their original owner and the dates of their successive transfers together with the name of the buyers (Law No. 19,550, ss. 208 and 316)." (..)"

PRINCIPLE 5: Countries should ensure that trustees of express trusts maintain adequate, accurate and current beneficial ownership information, including information of settlors, the protector (if any), trustees and beneficiaries. These measures should also apply to other legal arrangements with a structure or function similar to express trusts.

Pursuant to Article 2, subsection 22 of Law No. 25,246, trustees are responsible parties in ALA/CFT matters. In this regard, their obligations are ruled by FIU Resolution 140/2012, which, among other provisions, establishes measures for the identification of beneficial owners, settlors and beneficiaries (see Article 2, subsection 3 ii).

In this regard, pursuant to Article 18 of the said Resolution, trustees shall, among other measures:

a) In all cases, adopt additional measures aimed at identifying the "owners" (as defined in subsection i) of Article 2 of the Resolution) and verifying their identity. Likewise, they must verify that clients are not included in lists of terrorists and/or terrorist organizations pursuant to the provisions of the applicable FIU Resolution in the matter.

b) Where there are elements that seem to indicate that clients are not acting on their own behalf, obtain additional information on the true identity of the person (owner/final or actual client) on whose behalf they are acting and take steps to irrefutably verify such person's identity.

c) Be attentive so as to prevent individuals from using legal persons as a means to conduct their own operations.

On the other hand, the Organic Charter of the Central Bank of the Argentine Republic (Law No. 24,144 as amended) sets forth that the Central Bank, through the Office of the Superintendent of Financial and Exchange Entities, will supervise the financial and exchange activity (Article 43). In this regard, the Central Bank is empowered to require that companies, individuals or other legal persons produce books and other documents, as well as all documentation supporting the operations and any other elements related to such operations (Articles 50 and 51).

Furthermore, in the case of Financial Trusts, the Central Bank keeps a Registry of Trusts, which contains those trusts whose assets are credits generated in the financial system. The Registry identifies the Financial Trust, the Trustee and the Settlor. This information must be updated whenever there is a modification in relation to ownership. Likewise, the information on the situation of debtors is monitored, the trustee's performance is supervised where the trustee is a financial entity, and the valuation of the securities backed by a trust and held by financial institutions is conducted.

It is worth reiterating, in relation to Principle One, that the Central Bank of the Argentine Republic (BCRA) created, through Communication "A" 5642, the "Financial Entity Identification Registry" in line with the principles governing the Global LEI system, with a view to issuing LEI identification codes to the financial entities regulated by the BCRA. Moreover, with respect to relationship data, the "Entity Identification Registry" of the BCRA identifies the shareholders of each financial entity by stating their name and the percentage of votes they have, regardless of whether they are natural or legal persons.

In addition, Article 1671 of Argentina's new Civil and Commercial Code —which will enter into force on 1 August 2015— provides, in order to identify the beneficiaries of trusts, that such beneficiaries may be natural or legal persons who may or may not exist at the date of the execution of the agreement and that, in the latter case, information enabling their future identification must be provided. The trustor and the trustee may be beneficiaries.

Likewise, the regulations of the Companies Registration Authority (IGJ) establish special provisions in respect of shares that are registered as being owned by a trust or a similar entity and shares that are registered as being owned by a foundation or similar entity, either of a public or private nature.

As stated in Principle One, Article 26 of CNV General Resolution No. 622/13 —Title II, Chapter II (OTHER CASES. IDENTIFICATION OF SHAREHOLDERS)— provides as follows: "If shares are registered as being owned by a trust or a similar entity, in order for those shares to be voted at a shareholders' meeting a certificate must be submitted identifying the trust operation resulting in the transfer and including the name, address or principal place of business, identity document or passport number, and registration, authorization or incorporation data of the trustors, trustees and/or beneficiaries —or equivalent parties—, pursuant to the legal system under which the trust has been created or established. If the shares are registered as being owned by a foundation or similar entity, either of a public or private nature, the same data referred to above must be provided with respect to the founder and, if it is a different person, to the person making the contribution or transfer to that estate."

With regard to financial trusts with public offering, these are not arrangements aimed at concealing the beneficial owners of legal persons but rather at obtaining financing through securitization of loan portfolios or investment in development projects (infrastructure, real estate and agriculture projects, among others).

Trust-backed securities may be represented by individual or global certificates, or by a system of accounts that functions as a registry kept by the issuer itself, Caja de Valores S.A. (central securities depository) or a commercial or investment bank (uncertificated securities backed by a trust).

As for certificated securities backed by a trust (individual certificates), issuers must observe strict security measures pursuant to Section VI, Chapter IV, Title II of the new text of the Regulations (NT 2013 as amended).

Trust-backed uncertificated securities, where managed by a computer system, must comply with the requirements established in the Regulations (Section VI, Chapter IV, Title II).

Global certificates must be incorporated into the collective deposit regime (Caja de Valores S.A.).

Finally, although trusts must comply with the rules established in Principle Three, it should be noted that, pursuant to Article 37 of Title V, Chapter IV, Section XV (CNV Regulations 2013), financial statements must contain the following supplementary information: "i) To identify the trustees, their main activities, the purpose of the trust, the term and/or condition subsequent of the agreement, the transfer price of the trust's assets into the trust and a description of the risks —if any— of the assets held in the trust, as well as of the risks in case of the early settlement or payment of the credits that make up such assets."

Below are the relevant paragraphs on trusts of the Report on Argentina of the Peer Review Group of the Global Forum on Transparency and Exchange of Information:

"*87. "Argentina introduced the fideicomiso in Law 24.441 of 1995 (ss. 1 to 26) (...)*

88. (..)

89. "The contract must contain information on the co-contractors, who are the fiduciante and the fiduciario, as well as on the (ultimate) beneficiaries. The beneficiaries may be individuals or legal entities, existing or not upon the execution of the contract. In the last case, the contract must contain all the information to enable their future identification."

90. (..)

91 "Identity information on ordinary and financial fideicomisos has been maintained by the AFIP since 2005 (...) On 18 April 2012, the AFIP adopted a new General Resolution, No. 3312, on a regime of information and registration of the operations of financial and nonfinancial Argentinean fideicomisos and foreign trusts." (...)

92. " First, the fiduciario of any financial or non-financial fideicomiso must inform the AFIP (...) of any change of fiduciante or beneficiary, the transfer of participations or rights in the fideicomiso's, the addition of assets, any modification to the contract, and the allocation of benefits (s.8 and Annex IV)."

93. "The General Resolution lists the data that must be provided for each of these events. (..) the fiduciario must indicate the name of the fideicomiso; its date of creation and term; the tax identification

number of the fideicomiso; the type or class of fideicomiso and its object; the details of the fiduciarios, fiduciantes, beneficiaries, and ultimate beneficiaries; identifying details on the assets and the total amount of the goods or money granted in the contract (Annex IV). In the case of financial fideicomisos, information must also be provided on the beneficiaries, and on the nominal value, type and class of securities issued (Annex IV, para. 1.11 and 2.7).

94. "*Second, the resident fiduciario, fiduciante or beneficiary of a fideicomiso must annually provide identity information on the fiduciantes, fiduciarios, beneficiaries and ultimate beneficiaries: name and surname or business name, tax identification number and for non residents their nationality, tax domicile and tax identification number (s. 2 and Annex II, para. 1). Full identity information on Argentine ordinary and financial fideicomisos is therefore maintained by the AFIP and available for EOI purposes."*

In October 2014, Argentina signed in Berlin (Germany) a Multilateral Competent Authority Agreement within the framework of the OECD-European Union Convention on Mutual Administrative Assistance (Article 6) to implement the automatic exchange of information on financial accounts. Argentina has assumed the commitment as "Early Adopter", which means that the first exchange of information will take place in September 2017.

In this regard, due diligence and reporting standards for financial entities on the automatic exchange of information are contained in a document entitled "Common Reporting Standard" (CRS).

The responsible financial entities must inform the Federal Administration of the accounts considered reportable, i.e., accounts held by reportable individuals or non-financial passive entities that are controlled by one or more individuals who, in turn, are reportable individuals who have been identified as such in the due diligence processes.

With regard to non-financial passive entities, there is a reference to FATF rules ("beneficial owners"), thus establishing the obligation to inform the identity of the controlling persons. In this vein, sub-paragraph D (6) of Section VIII of the CRS defines controlling persons as the natural persons who exercise control over an entity. "Control" means owning a share in the entity equal to or higher than 25% or otherwise having control over the entity through other means or by holding a high management position.

In the case of trusts, the same sub-paragraph provides that the controlling persons will be the settlor, the trustees, the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust.

PRINCIPLE 6: Countries should ensure that competent authorities (including judicial and police authorities, the office of the prosecutor, supervision authorities, tax authorities and financial information units) have timely access to sufficient, accurate and current information with respect to the final beneficiary of legal instruments.

Since this principle is identical to Principle 4, in order to avoid unnecessary repetitions, please refer to Principle 4. With respect to timely access to sufficient, accurate and current information on the Final Beneficiary of Trusts, please refer to Principle Five.

It is worth adding that CNV has several cooperation agreements with local and foreign authorities. These agreements have been entered into in accordance with Articles 26 and 27 of the Argentine Law on Capital Markets and include a MOU[6] with IOSCO and Bilateral MOUs.[7]

In addition, SSN has several cooperation agreements with local (BCRA and CNV) and foreign authorities (Brazil in May 2012, Mexico in December 2013, Venezuela in August 2014, and Peru, in May 2015).

CNV, in its capacity as Responsible Party under Article 20(15) of Argentine Law No. 25246,[8] has the obligation to observe the measures and procedures set forth by FIU to detect, prevent and report any facts, acts, operations or omissions that may result from the laundering of assets and terrorism financing, as well as to report unusual or suspicious operations relating to the laundering of assets of a criminal origin to the Financial Information Unit.

PRINCIPLE 7: Countries should require financial entities and DNFBPs, including those that provide services and trusts to companies, to identify and take reasonable measures to verify the final beneficiary of their clients, including the consideration of country risk.

a. **Countries should consider facilitating access to information on final beneficiaries to financial entities and DNFBPs.**
b. **Countries should guarantee the efficient supervision of these obligations, including the creation of and compliance with effective, proportionate and deterrent punishments in the event of non-compliance.**

With respect to the prevention of the laundering of assets and terrorism financing, the Argentine Republic ensures that both financial entities and DNFBPs (designated non-financial businesses and professions) have access to information on the final beneficiary of legal entities.

In this respect, Article 21(a) of Argentine Law 25246 provides that all Responsible Parties (identified in Article 20 thereof) must "[o]btain from their clients, requesting parties or contributors, documents that sufficiently evidence their identity, legal status, address and any other data required in each case, in order to engage in any of the activities included in their purposes. This obligation may be waived where the amounts involved are below the minimum required by the relevant circular. Where clients, requesting parties or contributors act on behalf of third parties, all necessary precautions must be taken in order to determine the identity of such third parties. All information

[6]Signatory States: https://www.iosco.org/about/?subSection=mmou&subSection1=signatories
[7]Bolivia, Brazil, Chile, Costa Rica, the Dominical Republic, ESMA, EU, India, Israel, Panama and Paraguay.
[8]http://www.infoleg.gov.ar/infolegInternet/anexos/60000-64999/62977/texact.htm

must be filed for the period and in the manner set forth by the Financial Information Unit."

Article 21bis of this Law, in turn, establishes that "The minimum information to be required from clients shall be the following:

a) Individuals: Full name; date and place of birth; nationality; sex; marital status; ID. type and number (original ID must be presented, including Argentine National Id. Card, Draft Registration Card; and/or passport); taxpayer ID No./Double Tax Avoidance Agreement No.; address (street name and no., district, Province and postcode); telephone number; profession; occupation; trade or main business. The same will be required, where appropriate, of any proxies, guardians, representatives or sureties. In addition, an affidavit about the origin and legality of the funds will be required or, alternatively, the relevant supporting documentation, as required by the relevant guidelines of the Financial Information Unit (FIU).

b) Legal entities: name; registration date and number; registration number for tax purposes; date of the incorporation instrument or agreement; an updated copy of the company bylaws, without prejudice to the obligation to present the original document; address (street name and no., district, Province and postcode); company telephone number and main business of the company. In addition, data will be required to identify the authorities, legal representative, attorney and/or officers authorized to use the company name that interact on behalf of the legal entity with the Responsible Party. The same requirements set forth above should be met by associations, foundations and other organizations, whether legal entities or not. In addition, an affidavit about the origin and lawfulness of the funds must be provided, or the relevant supporting documentation, as required by the Financial Information Unit (FIU);

c) Where it is doubtful whether clients are acting on their own behalf or where there is certainty that they are not, Responsible Parties shall adopt reasonable additional measures to obtain information on the actual identity of the person in whose name they are acting. Responsible Parties must pay special attention to prevent individuals from using legal entities as shell companies for their operations. Responsible Parties must have procedures that make it possible to know the structure of the company, determine the origin of funds and identify owners, beneficiaries and those who are actually in control of the legal entity. Responsible Parties should adopt specific and appropriate measures to reduce the risk of money laundering and terrorism financing, when services or products are contracted for with clients who are not physically present for identification. In case of politically exposed persons, especial attention must be paid to the operations they perform that are not related to their declared business and client profile."

In addition, Argentine Law No. 25246 constitutes a legal framework for the FIU Resolutions regulating each Responsible Party.

With respect to the prevention of money laundering and terrorism financing, the Argentine Republic has an efficient system to supervise compliance with AML/CTF obligations in force, which sets forth sanctions for non-compliant subjects.

In accordance with Section 14(7) of Law No. 25246, the Financial Information Unit (FIU) is authorized to "provide for the implementation of systems of internal control for the persons referred to in Article 20. With a view to implementing an internal control

system, the Financial Information Unit (FIU) will provide for onsite supervision, monitoring and inspection procedures, aimed at supervising compliance with the obligations set forth in Article 21 of this Law and with the guidelines and instructions issued in accordance with the powers granted under Article 14(10).

The internal control system will be directly under the charge of the President of the Financial Information Unit (FIU), who will decide on the institution of the relevant proceedings, for which a file will be opened. In the case of Responsible Parties with specific supervisory bodies, the latter shall collaborate with the Financial Information Unit (FIU) within the framework of their jurisdiction."

The FIU resolutions governing each Responsible Party establish the "obligation to collaborate" of the specific supervisory bodies of the financial system (BCRA, CNV, SSN, INAES). This consolidated supervision system ensures the efficiency of outcomes, such as the effective supervision of all categories of Responsible Parties, as well as the implementation of a wide range of AML/CTF sanctions.

The Argentine Republic has a consolidated system of effective, proportionate and deterrent sanctions applicable to the breaches of AML/CTF regulations. As set forth in Article 14(8) of the AML/CTF Law, the Financial Information Unit has the power to apply the sanctions established in Chapter IV thereof, under the obligation to guarantee due process. Actions punishable with these sanctions are listed in Articles 23 and 24, and sanctions have been applied in several cases.

In connection with access to the information of financial entities, the Central Bank has adopted rules related to Client Due Diligence, which under no circumstances allow the establishment of relationships with new clients where applicable rules on the identification of the client and risk management are not complied with. With respect to existing clients, it is established that, where such clients cannot be identified or recognized, the relationship with them must be terminated –as set forth in the bank's internal manuals– within a term of 150 running days after learning of the situation, adopting a risk-based approach (Communications A-5612 and A-5736). Where the Central Bank, while implementing its control and supervision duties, detects infringements that amount to breaches of Law No. 21526 and 18924 and their regulatory provisions, it has the option to assess whether these breaches justify exercising the powers granted under Article 41 and other related articles of the Law on Financial Entities and institute summary proceedings against the responsible entity and the members of its board of directors or equivalent authorities.

In accordance with Article 32 (Title VIII, Chapter I, Section IX of the CNV General Resolution 622/13), in order to open a subaccount, Depository Agents (ADCs) must require depositors to submit, for each subaccount, an affidavit with the complete identification data of account holders, including their full name or company name, address or place of business, nationality, Id. No., Id. No. for Tax and Labour purposes, and an e-mail address to receive information from the ADC. For account holders who are legal entities, the depositor must also inform the ADC of its place of incorporation, its registration number with the Public Registry of Commerce of the relevant jurisdiction, and the relevant authorization to operate, where applicable. For account holders who are foreigners, the ADC will require depositors to submit the same information required from local account holders.

Article 5 in Section III, Title XI refers to Article 1 in Section I under the same Title. Article 1 establishes that Responsible Parties must comply with the provisions of Law No. 25246 (as amended) and its regulations issued by FIU. These include FIU Resolutions 229/11[9] (registered agents excluding trusts) and 140/12[10] (trusts). The resolutions clearly establish in their respective Articles 11, 12, 14, 18 and 23 –which are very similar– that registered agents must require both foreign trusts and foreign investment funds to identify their final beneficiaries. The same applies to operations with *Argentinian Depositary Receipts* (ADRs) and other securities. Non-compliance with these rules must be reported to FIU as a suspicious activity. This is subsequently detected through inspections. Frequent inspections and severe sanctions are an incentive to comply with these regulations. In this respects, it is worth noting that the Law on Capital Markets has broadened the punishment powers of CNV.

For the sake of brevity, please refer to Principle 1 where applicable.

PRINCIPLE 8: Countries should guarantee that their national authorities efficiently cooperate at both the local and international levels. Countries should also guarantee that their competent authorities timely and effectively participate in the exchange of information on final beneficiaries with their international counterparts.

At the local level, in accordance with Resolution No. 30/2013 of the Financial Information Unit (FIU), a communication channel was established for the exchange of information between the Argentine Central Bank, the Superintendence of Insurance and the Argentine Securities and Exchange Commission (CNV), in matters of Money Laundering and the Financing of Terrorism.

At the international level, BCRA has entered Memoranda of Understanding (MOU) with six countries (Italy, China, Germany, Spain, the United States and the United Kingdom, among others), establishing standard rules and procedures for cooperation and the exchange of information. In addition to the many MOUs entered into by BCRA with foreign supervisors setting forth guidelines for cooperation and the exchange of information in general terms, in practice, cooperation has been implemented as a policy matter, and foreign supervisors have been allowed to participate in inspections carried out in Argentina. Within this framework, information requirements of foreign supervisors have been deemed equal to those of local BCRA inspectors.

In turn, FIU exchanges information on actual holders with its foreign counterparts. FIU Argentina is a full member of information exchange networks such as the Egmont Group of Financial Intelligence Units and GAFILAT, the Latin American Network for the Recovery of Assets.

[9] http://www.infoleg.gob.ar/infolegInternet/anexos/190000-194999/191417/texact.htm

[10] http://www.infoleg.gob.ar/infolegInternet/anexos/200000-204999/200723/texact.htm

CNV has several cooperation agreements with local and foreign authorities, as explained in Principle 6, as well as with similar bodies. This has gained higher institutional status after the signing of a Multilateral Memorandum of Understanding (MMOU) with IOSCO. CNV has also entered into cooperation agreements with foreign counterparts, in compliance with Articles 26 and 27 of the Law on Capital Markets, namely a MMOU with IOSCO[11] and bilateral MOUs[12]. Several cooperation agreements have also been signed with local authorities.

Argentina has signed several Double Taxation Agreements and Information Exchange Agreements, and the Multilateral Convention on Mutual Assistance in Tax Matters of OECD/EC currently in force allows for the exchange of tax information with the competent authorities of the signing parties. The information exchanged under these instruments can only be used for tax purposes, although there is a world trend, led by OECD and its recent amendment of Article 26 of its Model Tax Convention, to consider the possibility of using the tax information received by tax authorities for other purposes, to the extent permissible under national legislation and as long as the competent authorities of the country sending the information authorize such use. This, however, requires the inclusion of a specific clause in the relevant international instrument.

PRINCIPLE 9: Countries should support G20 efforts to fight tax evasion, ensuring that information on final beneficiaries is accessible by tax authorities and that such information can be specifically and efficiently exchanged with their international counterparts.

The Argentine Republic is strongly determined to fight tax evasion. All public registries (such as the Registry of Real Estate and the National Registry of Automobiles and Chattel Mortgages, among others) are open to tax authorities. In addition, Article 107 of Law No. 11683, as amended, provides that: "State and private bodies and entities, including banks and exchange markets, have the obligation to submit to the Federal Administration of Public Revenue all information required to facilitate the assessment and collection of the duties under their charge, at the request of the judges with administrative jurisdiction referred to in Articles 9(1) and 10 of Presidential Decree No. 618/97."
Requested information may not be withheld under the provisions of any law, charter or regulations creating or governing the abovementioned State or private bodies and/or entities. Public officials have the obligation to collaborate as requested and to report any infringements that may come to their knowledge while in office, under penalty of being sanctioned as applicable." Information will be exchanged through multilateral and bilateral channels.

In accordance with the Foreign Account Tax Compliance Act of the United States of America (FATCA), the consensus reached by the Organisation for Economic Co-operation and Development (OECD), and the execution by the Argentine Republic of

[11] Signatories: https://www.iosco.org/about/?subSection=mmou&subSection1=signatories

[12] Bolivia, Brazil, Chile, the Dominican Republic, Costa Rica, ESMA EU, India, Israel, Panama, and Paraguay

the "Declaration on Automatic Exchange of Information in Tax Matters," CNV issued a General Resolution for the early implementation of the new standard.

To this end, CNV resolved that registered agents must take the necessary steps to identify the holders of the accounts that fall under the scope of this new measure. For this purpose, the files opened by these agents must include the following data: nationality, country of tax residence, tax Id. No., address, and place and date of birth (for individuals); and place of tax residence, tax Id. No., and address (for legal entities). Finally, it has been established that information on these clients must be submitted to the Federal Administration of Public Revenue (AFIP).

National tax authorities have the necessary tools to access certain relevant information of taxpayers, particularly in connection with their assets in local financial entities and with asset owners who are legal entities.

It is worth noting that Argentina is in line with the international standard on the exchange of information in tax matters, after a successful peer review within the framework of the Global Forum on Transparency and Exchange of Information for Tax purposes. Moreover, at the 7th meeting of the Forum, organized by OECD in Berlin, Germany, an Agreement for the Exchange of Financial Account Information for Tax Purposes was signed.

In the last years, Argentina has expanded its network of bilateral treaties that allow Tax Authorities to exchange information in tax matters without requested States being able to allege bank, financial or tax secrecy.

Presidential Decree No. 589/2013 (Official Gazette of 30/05/2013) replaced regulations on the Law on Income Tax with respect to "low or no tax countries," which are those not deemed to "cooperate with tax transparency." This Decree includes a dynamic list of cooperating countries, domains, jurisdictions, territories, Associated States and special tax systems, which is under the responsibility of the Federal Administration of public Revenue (AFIP). The list includes countries that have signed agreements with the Argentine Republic, as long as information is effectively exchanged afterwards, excluding countries that do not meet these requirements. This provision was established after Argentina ratified the Convention on Mutual Administrative Assistance in Tax Matters of the Organisation for Economic Co-operation and Development (OECD), thus AFIP is the competent authority for its implementation.
According to Article 303 of the Argentine Penal Code, tax evasion is a crime that precedes the laundry of assets. In addition, Article 6 of Law No. 25246 (Argentine AML/CTF Law) establishes that FIU is the body in charge of receiving, processing and disseminating information to prevent the laundry of assets related to crimes punishable under Law No. 24769 (tax crimes), among other preceding crimes. This enables FIU to engage in international cooperation with foreign counterparts in the case of the laundering of assets obtained through tax crimes.
As has been explained under Principle 8, Argentina has a wide network of Double Taxation Agreements and Information Exchange Agreements, and the Multilateral Convention on Mutual Assistance in Tax Matters of OECD/EC currently in force allows for the exchange of tax information with the competent authorities of the signing parties. The information exchanged under these instruments can only be used for tax purposes, although there is a world trend, led by OECD and its recent amendment of Article 26 of its Model Tax Convention, to consider the possibility of using the tax

information received by tax authorities for other purposes, to the extent permissible under national legislation and as long as the competent authorities of the country sending the information authorize such use. This, however, requires the inclusion of a specific clause in the relevant international instrument.

PRINCIPLE 10: Countries should fight the misuse of legal entities and instruments that may obstruct transparency by:

a. Prohibiting the continued use of bearer shares and the creation of new bearer shares, or by implementing other measures aimed at guaranteeing that bearer shares or option certificates for the purchase of bearer shares cannot be misused; and

b. Implementing effective measures to ensure that legal entities will not allow the misuse of nominal shareholders or directors.

In 1995, the Argentine Republic enacted Law No. 24587, on the Registration of Securities, which banned the use of bearer shares. The law establishes that "Private securities issued in the country and provisional certificates representing such securities must be nominative and non-endorsable. Book-entry shares may also be issued, in compliance with the provisions of Law No. 19550 on Business Entities, as amended. The transfer of private securities referred to in the above Article and any rights on such securities must be recorded in the security instrument, entered into the registry to be kept for such purpose, where applicable, and notified to the issuer. All of the above may only have effect with respect to the issuer and third parties as from the date of registration. Regulations shall provide for the information to be included in the certificate and, where applicable, in the registry, with respect to the modalities of each transaction and the data required from the participating parties. All of this without prejudice to the provisions on book-entry shares of Law No. 19550 on Business Entities, as amended." For this reason, the Argentine Republic prohibited the use of bearer shares, thereby avoiding the anonymity of the members of business entities.

According to Article 21 *bis* (c) of Law No. 25246, Responsible Parties must pay special attention to prevent individuals from using legal entities as shell companies for their operations. Responsible Parties must have procedures that make it possible to know the structure of the company, determine the origin of funds and identify owners, beneficiaries and those who are actually in control of the legal entity.

These provisions are also regulated by FIU Resolutions applicable to each particular category of Responsible Party.

In connection with Principle 10B), it is worth recalling the *corporate veil* theory, whereby the members of a business entity are under the obligation to comply with the obligations and settle the debts of the entity in accordance with Articles 2 and 54 of the Law on Business Entities (Law No. 19550).[13]

Article 9 of the Law on Financial Entities provides that, in the event that financial entities are established as corporations with shares with voting rights, such shares must

[13] http://www.cnv.gov.ar/LeyesyReg/Leyes/esp/LEY19550.htm (in Spanish)

be registered. Law No. 24587, on Registered Private Securities, also provides that private securities issued in the country and provisional certificates representing such certificates must be registered and non-endorsable. In addition, the Central Bank of the Argentine Republic is in line with the principles and standards of the Basel Committee. In this respect, it has been established that financial entities must effectively implement a corporate governance code applicable to the entire entity for the comprehensive management of all risks, in proportion to the magnitude, complexity, economic importance and risk profile of the financial entity in question and the economic group of which it is part. The corporate governance code must address the way in which the Board of Directors and the Senior Managers of the financial entity conduct their operations and affairs, which has an impact, for example, on the way they assume their responsibility with respect to shareholders and take into account the interests of relevant third parties. The code should also provide that the members of the board must have the required knowledge and capabilities to clearly understand their responsibility and functions within the corporation's governance structure, acting with loyalty and the diligence of a prudent businessman in the affairs of the financial entity.

As stated above, it is worth recalling that this principle also appears in the Terms of Reference describing the standards applicable to transparency and information exchange for tax purposes, promoted by the Global Forum on Transparency and Exchange of Information and the Peer Review Group of the OECD, and it is comprehensively considered and implemented by Argentina.

III - GLOSSARY:

The **Responsible Parties**, supervised in accordance with Article 20 of Law No. 25246, are the following:

1. Financial entities under Law No. 21526, as amended;

2. Entities under Law No. 18924, as amended, and the individuals and legal entities authorized by the Central Bank of the Argentine Republic to purchase and sell foreign currency in cash or cheques denominated in foreign currency, through the use of credit or purchasing cards, or through wire transfers within or outside the national territory;

3. Individuals or legal entities that exploit gambling activities on a regular basis;

4. Stock brokers or companies, investment fund management companies, brokers operating in electronic open markets, and all intermediaries in the purchase, sale and lease of securities operating in stock exchanges with or without associated markets;

5. Intermediaries registered with futures and options markets, irrespective of their purpose;

6. Public registries of commerce, representative supervisory and control bodies of legal entities, registries of immovable property, registries of automobiles, registries of chattel mortgages, registries of ships of all kinds, and registries of aircraft;

7. Individual and legal entities that trade in works of art, antiquities or other luxury assets, philately and numismatic investments, or the export, import, production or industrialization of jewellery or any other goods with precious metals or stones;

8. Insurance companies;

9. Companies issuing traveller's cheques and credit or purchasing card operators;

10. Cash in transit companies;

11. Companies offering post services that engage in foreign currency wire transfers or the transfer of different currencies or notes;

12. Civil Law Notaries Public;

13. Entities governed by Article 9 of Law No. 22315;

14. Customs officers identified in Article 36 and other related provisions of the Argentine Customs Code (Law No. 22415, as amended);

15. Bodies that are part of the Public Administration and decentralized and/or autonomous entities that conduct regulatory, control, supervision and/or monitoring of economic activities and/or legal affairs and/or legal entities, individuals or associations: the Central Bank of the Argentine Republic; the Federal Administration of Public Revenue; the Superintendence of Insurance; the National Institute of Associations and Social Economics; and the National Tribunal for the Protection of Competition;

16. Producers, insurance advisors, agents, intermediaries, experts and insurance assessors whose activities are governed by Laws No. 20091 and 22400, as amended, and other related and supplementary regulations;

17. Registered professionals whose activities are governed by Professional Councils of Economic Sciences;

18. All legal entities receiving donations or contributions from third parties also have the obligation to disclose such donations or contributions;

19. Registered real estate brokers and companies of any kind whose main business is real estate brokerage, when exclusively comprised of and/or managed by registered real estate brokers;

20. Mutual organizations and co-operatives governed by Laws No. 20321 and 20337, respectively;

21. Individuals or legal entities whose main business involves trading in automobiles, trucks, motorcycles, buses, microbuses, tractors, road and agricultural machinery, ships, yachts and similar vessels, aircraft and aerodynes;

22. Individuals or legal entities acting as trustees in any type of trust, and individuals or legal entities which belong to or are part of, directly or indirectly, of trust accounts, trustors and trustees under trust agreements.

23. Legal entities that organize and regulate professional sports activities.

The **Federal Administration of Public Revenue of Argentina (AFIP)** is the authority in charge of implementing the policies promoted by the Argentine Executive Branch in the field of tax and customs affairs, as well as in the field of the collection of social security revenues. This authority was created in 1997 by Presidential Decree No. 618/1997 and is comprised of the General Customs Directorate (DGA), the General Tax Directorate (DGI) and the General Directorate of Social Security Resources (DGRSS).

The **Companies Registration Authority (IGJ)** is a body that reports to the Argentine Ministry of Justice and Human Rights. Its functions include the registration and supervision of business entities, foreign companies, civil associations and foundations established in the jurisdiction of the Autonomous City of Buenos Aires. IGJ is also in charge of keeping the Public Registry of Commerce, in which national and foreign

business entities are registered, as well as registered businesspeople and business clerks; controlling savings entities at the federal level and implementing the National Registry of Companies (Article 3 of Law No. 22315 and Article 2 of Law No. 26047).

The **Argentine Securities and Exchange Commission (CNV)** is an autonomous entity with jurisdiction in the entire national territory. It was created by Law No. 17811, on Public Offers, and it currently operates within the framework of Law No. 26831. Its aim is to authorize the public trade of shares while ensuring transparency in securities markets and the correct setting of prices in these markets, as well as the protection of investors. CNV governs companies that issue securities to be publicly traded, secondary markets, and brokers operating in these markets. CNV also has authority over the public offer of term contracts, futures and options, as well as their markets, clearing houses and brokers.

The **Central Bank of the Argentine Republic (BCRA)** is an autonomous entity of the Argentine State, governed by the provisions of its Charter and other related legal provisions. Its aim is to promote, within the framework of the policies set forth by the National Government and to the extent of its vested powers, monetary stability, financial stability, employment and economic development with social equity.

The **Argentine Superintendence of Insurance (SSN)** is a decentralized public entity that reports to the Ministry of Economy and Public Finance. In 1938 it started operating as the supervising and monitoring authority over insurance and reinsurance companies in the Argentine Republic. Its main mission is to control assessment and inspection activities of market operators to guarantee compliance with legislation and regulations in force.

The **Financial Information Unit (FIU)** was created by Law No. 25246, on the Cover-up and Laundering of Assets of Criminal Origin, passed by the Argentine Congress on 13 April 2000 and promulgated by the Executive Branch on 5 May of the same year (Presidential Decree No. 370/00). Its goal is to analyze, process and disseminate information to prevent and avoid the laundering of assets originating in a series of grave crimes. Law No. 26268, on Unlawful Terrorist Associations and Terrorism Financing, was passed by the Argentine Congress on 13 June 2007 and promulgated by the Argentine Executive on 4 July of the same year, in order to modify Law No. 25246, broadening the mandate of the Financial Information Unit to include the analysis of suspicious operations in terms of terrorism financing. FIU operates autonomously and with financial independence, under the jurisdiction of the Argentine Ministry of Justice and Human Rights.

The **Undersecretariat of Public Revenue of the Ministry of Economy** is responsible for coordinating the design of a customs duty system, as well as for the resources of the social security system, which adapts to economic and social circumstances. Its goal is to ensure the correct interpretation of tax laws; to contribute to the creation of systems for economic promotion with direct responsibility over tax aspects and the non-tax goals pursued through these systems, acting as the controlling authority over the use of promotional benefits based on the information provided by implementation and supervision bodies with jurisdiction over the subject matter when so required by the relevant rules. It is also in charge of negotiating international tax and customs agreements in order to harmonize the implementation of national and international legislation, as well as of participating in those dealing with social security resources.

Finally, it is also in charge of coordinating tax and customs aspects related to tax harmonization in regional integration processes, and of supervising the Argentine Tax Tribunal.