Incentive Regime for Large Investments

RIGI

Executive Summary– *PromArgentina*

Prom Argentina

¿WHAT IS RIGI?

A strategic program to attract large-scale investments.

Scope

- Mining
- Energy
- Forestry and Industrial Forestry
- Infrastructure
- Technology
- Oil & Gas
- Steel Industry
- Tourism
- 18 provinces have joined the RIGI framework

Main Requirements

- **Minimum investment:** US$200 million
- **Minimum investment for O&G:** US$300 million (transportation) and US$600 million (exploration and production)
- **40% of the committed investment must be made within the first two years**
- **Long-term projects with significant economic impact**
- **Applications accepted until July 8, 2027**

Key Benefits

- **Reduction of the corporate income tax rate from 35% to 25%**
- **VAT reimbursement**
- **Exemption from import and export duties**
- **Unrestricted access to the foreign exchange market**
- **Access to international arbitration through ICSID**

RIGI: Detailed Overview

1. Tax and Customs Benefits
2. Foreign Exchange Benefits
3. Legal Guarantees

- Corporate Income Tax rate reduced from 35% to 25%, with accelerated depreciation deductions.
- Tax losses may be carried forward and deducted from taxable income with no time limitation.
- Dividend withholding tax rate reduced from 7% to 3.5% after 7 years.
- VAT paid on investments may be offset as a tax credit against other taxes.
- 100% of the Bank Debit and Credit Tax may be credited against Corporate Income Tax liabilities.
- Exemption from import duties on capital goods, spare parts, components, and inputs.
- Exemption from export duties after 3 years.

- Exemption from the obligation to settle export proceeds in the official foreign exchange market: 20% after 2 years, 40% after 3 years, and 100% after 4 years.
- No obligation to repatriate and/or settle foreign currency related to capital contributions, loans, or services.
- No restrictions on holding foreign assets, with unrestricted access to the foreign exchange market for the payment of dividends, profits, or interest to non-residents.

- Projects benefit from tax, customs, and foreign exchange stability for 30 years; benefits may not be revoked, nor may more burdensome or restrictive regulations be applied retroactively during the entire period.
- Disputes may be submitted to international arbitration before the ICC, PCA, or ICSID, without the need to exhaust local judicial remedies in Argentina.

SECTORS · PROVINCES · STATUS

Approved Projects — **24**
US$ 56.1b · 8.2% of GDP

In Evaluation Projects — **20**
US$ 142.8b · 20.9% of GDP

Total Projects — **44**
US$ 199b · 29.2% of GDP

SECTORS

Mining — 12 proj.
copper (2), gold (2), silver (2), lithium (6)

Energy — 10 proj.
Oil and Gas (7), renewables (3)

Steel Industry — 1 proj.
steel

Infrastructure — 1 proj.
ports

PROVINCES (10)

San Juan	4
Río Negro	4
Salta	3
Catamarca	3
Buenos Aires	3
Mendoza	2
Neuquén	2
Santa Fe	1
Jujuy	1
La Pampa	1

TOP APPROVED PROJECTS

SESA – GNL San Matías US$ 15.15b
PAE and others · Energy · LNG

Vicuña US$ 9.74b
BHP y Lundin mining · Mining · Copper-Gold-Silver

Los Toldos US$ 6.39b
Pampa Energía · Energy · Upstream

Rincon de Aranda US$ 4.53b
Pampa Energía · Energy · Upstream

Vaca Muerta Oil Sur US$ 2.90b
YPF and others · Energy · Midstream

SECTORS · PROVINCES · STATUS

Approved Projects: 24
US$56.1b (8.2% GDP)

Projects Under Evaluation: 20
US$ 142.8b (20.9% GDP)

Total Projects: 44
US$ 199b (29.2% GDP)

APPROVED PROJECTS SECTORS

Mining 12 proj.; US$21.2b
copper (2), gold (2), silver(2), lithium (6)

Energy 10 proj.; US$34.4b
oil & gas (7), renewables (3)

Steel industry 1 proj.; US$0.286b
Steel

Infrastructure 1 proj.; US$0.277b
ports

APPROVED PROJECTS PROVINCES (10)

San Juan	4
Río Negro	4
Salta	3
Catamarca	3
Buenos Aires	3
Mendoza	2
Neuquen	2
Santa Fe	1
Jujuy	1
La Pampa	1

TOP APPROVED PROJECTS

Energy/LNG - US$ 15.15b
SESA

Mining/Copper and others- US$ 9.74b
Vicuña Argentina S.A.

Energy/Upstream - US$ 6.39b
Tecpetrol

Energy/Upstream - US$ 4.53b
Pampa Energia S.A.

Energy/Midstream - US$ 2.9b
YPF and others

PROYECTOS APROBADOS

24 proy. · US$ 56.157M · 8,2% PIB

#	Company	Project	Sector / Product	Amount (US$ M)	Province	% of GDP
1	YPF Luz	El Quemado Solar Park	Energy/Renewables	211	Mendoza	0,03%
2	PCR	Olavarría Wind Farm	Energy/Renewables	276	Buenos Aires	0,04%
3	Terminales y Servicios S.A.	Timbúes Multipurpose Terminal	Infrastructure/Ports	277	Santa Fe	0,04%
4	Sidersa	Sidersa Steel Project	Steel Industry/Steel	286	Buenos Aires	0,04%
5	Galan Litio	Hombre Muerto Oeste	Mining/Lithium	292	Catamarca	0,04%
6	Compañía Mega	Mega Expansion Project	Energy/Midstream	365	Neuquén	0,05%
7	MAS (Barrick y Shandong Gold)	Veladero	Mining/Gold	436	San Juan	0,06%
8	Río Tinto	Fénix	Mining/Lithium	531	Catamarca	0,08%
9	Posco	Sal de Oro II	Mining/Lithium	547	Salta	0,08%
10	TGS	GPM Expansion - Section I	Energy/Midstream	550	La Pampa	0,08%
11	Minas Argentinas	Gualcamayo	Mining/Gold	665	San Juan	0,10%
12	LIEX S.A.	Salterra Lithium	Mining/Lithium	710	Catamarca	0,10%

PROYECTOS APROBADOS

13 – 24 de 24

24 proy. · US$ 56.157M · 8,2% PIB

#	Company	Project	Sector / Product	Amount (US$ M)	Province	% of GDP
13	AbraSilver	Diablillos	Mining/Silver	764	Salta	0,11%
14	Zonda Metals GmbH y Grupo Alberdi	San Jorge	Mining/Copper	891	Mendoza	0,13%
15	Exar	Cauchari Olaroz Expansion	Mining/Lithium	1.241	Jujuy	0,18%
16	Southern Energy	San Matías Pipeline SESA	Energy/Midstream	1.300	Río Negro	0,19%
17	McEwen Copper	Los Azules	Mining/Copper	2.672	San Juan	0,39%
18	Pampa Energía	Fertilizer Project	Energy/Fertilizers	2.693	Buenos Aires	0,39%
19	Río Tinto	Rincón	Mining/Lithium	2.744	Salta	0,40%
20	YPF y otras	Vaca Muerta Oil Sur (VMOS)	Energy/Midstream	2.900	Río Negro	0,42%
21	Pampa Energía	RDA Project	Energy/Upstream	4.522	Neuquén	0,66%
22	Tecpetrol	UT RIGI Los Toldos	Energy/Upstream	6.391	Neuquén	0,94%
23	BHP y Lundin Mining	Vicuña	Mining/Copper-Gold-Silver	9.737	San Juan	1,42%
24	Southern Energy	SESA - GNL San Matías	Energy/GNL	15.156	Río Negro	2,22%
	TOTAL			**56.157**		**8,2%**

More Information:

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