

Exchange Entities Act

Wording subject to the following rules:

Act No. 18,924 passed on 01.22.1971 (Official Gazette 01.28.1971)

Act No. 21,526 passed on 02.14.1977 (Official Gazette 02.21.1971)

Act No. 24,144 passed on 10.13.1992 (Official Gazette 10.22.1992)

LICENSE GRANTED BY THE CENTRAL BANK OF THE ARGENTINE REPUBLIC TO OPERATE EXCHANGE HOUSES

ARTICLE 1: No person shall be entitled to buy and sell foreign coins and banknotes, coined gold and traveler checks, drafts, transfers or similar transactions involving foreign exchange without obtaining a license from the CENTRAL BANK OF THE ARGENTINE REPUBLIC to operate EXCHANGE HOUSES, EXCHANGE AGENCIES or EXCHANGE BUREAUS.

ARTICLE 2: Regulations to be implemented shall provide:

- a) Such transactions that in each case may be conducted in line with the nature of the license granted and the operational limits thereof;
- b) Requirements for applying for a license as well as those related to the applicant's solvency and liability;
- c) Minimum capital requirements, guarantees, regime of incompatibility with other activities, obligations and requirements;
- d) The books, documents and background that EXCHANGE HOUSES, EXCHANGE AGENCIES or EXCHANGE BUREAUS shall keep together with the reporting requirements and examinations they shall be subject to;
- e) Causes for revoking a license.

ARTICLE 3: The CENTRAL BANK OF THE ARGENTINE REPUBLIC shall be the enforcement authority of

this act and the regulations thereon.

The NATIONAL EXECUTIVE POWER shall provide the regulatory powers of the CENTRAL BANK OF

THE ARGENTINE REPUBLIC in this respect.

(Note: By virtue of article 51, subsection b, Act N 24,144, the Central Bank of the Argentine Republic shall

issue regulations on the exchange regime and oversee the compliance thereof.

In addition, article 51 provides

that the Superintendence of Financial and Exchange Entities may require financial entities, exchange houses,

agencies and bureaus, exchange brokers, exporters and importers or any other natural or legal person involved, either directly or indirectly, in exchange transactions to make their books and documents available and to furnish all such information and documentation related to the transactions they have conducted or in which they were involved. The Superintendence may further seize such books and documents as well as any other document related with such transactions).

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ARTICLE 4 – The following shall not be eligible to hold office as promoters, founders, owners, directors, administrators, trustees, liquidators, managers or attorneys of any entities governed hereby:

- a) Those punished by the competent authority for breaching the exchange regime; the seriousness of each breach and the time elapsed since the imposition of the punishment shall be subject to the consideration of the CENTRAL BANK OF THE ARGENTINE REPUBLIC;
- b) Those convicted for crimes against property or against the public administration or legal authority;
- c) Those convicted for crimes committed when chartering, operating and liquidating a financial or exchange entities;
- d) Those convicted with an accessory punishment that disqualifies them to hold public offices during a 2-fold disqualification term;
- e) Those convicted for other common crimes, except for those committed with negligence and punished with imprisonment or disqualification during a 2-fold punishment term;
- f) Those subject to temporary detention pending trial for having committed such crimes as are listed in the foregoing subparagraphs until they are rendered acquitted;
- g) Those involved in a negligent or fraudulent bankruptcy;
- h) Those bankrupt and those who have filed an insolvency petition during five years from their rehabilitation;
- i) Financial entities' delinquent debtors;
- j) Those disqualified to hold bank current accounts and draw checks during a year after their rehabilitation;
- k) Those disqualified by virtue of Article 35 subparagraph d) of Act 18,061 and Article 5 set forth herein during the term of punishment;

(Note: Pursuant to article 65 Act No. 21,526, published on the Official Gazette on 02.21.1977, Act No. 18,061 is repealed. In addition, article 64 provides that any reference made by Acts 18,024 and 19,130 and other legal provisions to the punishment provided by Act 18,061 shall remain in force or shall be subsequently understood as a reference made to such Act. Effectiveness: from the date of enforcement of Act 21,495 on decentralization of deposits in financial entities)

1) Those who have been found liable by the competent authority for misconduct in relation to the governance and management of financial entities, exchange houses, agencies or bureaus.

ARTICLE 5: Notwithstanding the fact that exchange breaches are heard by the competent court, the CENTRAL BANK OF THE ARGENTINE REPUBLIC shall file a preliminary summary proceeding, taking any other precautionary measure in line with its powers granted by the regulations in force.

In addition, the CENTRAL BANK OF THE ARGENTINE REPUBLIC may request the competent court to issue attachments, restraining orders and any other precautionary measures that may affect assets.

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Any breaches to administrative rules and regulations shall be punished according to the provisions of article 35, Act 18,061. Such punishments shall be imposed by the President of the CENTRAL BANK OF THE ARGENTINE REPUBLIC with a prior summary proceeding where the right of defense is ensured; such punishment may be appealed to the National Chamber of Appeals for Federal and Administrative Contentious Cases in the Capital City pursuant to the provisions set forth in the above-mentioned article. The formalities, terms and other conditions of such appeal shall be governed by Article 36, Act 18,061.

(Note: Pursuant to article 65 Act No. 21,526, published on the Official Gazette on 02.21.1977, Act N 18,061 is repealed. In addition, article 64 provides that any reference made by Acts 18,024 and 19,130 and other legal provisions to the punishment provided by Act 18,061 shall remain in force or shall be subsequently understood as a reference to such Act. Effectiveness: from the date of

enforcement of Act 21,495 on
decentralization of deposits in financial entities)

ARTICLE 6: The provisions set forth hereunder are not applicable to financial entities licensed to conduct exchange transactions.

ARTICLE 7: Executive decrees N 84,651/41 and 3,214/43 are hereby repealed.

