

REGIME OF LEGAL PERSONS IN THE PROVINCE OF CORDOBA.

LAW 8,652
CORDOBA, November 27, 1997
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Current, general in scope
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Summary

legal persons, General Inspection of Legal Persons, company registration, civil law,
Commercial law

The Senate and Chamber of Deputies of the Province of Córdoba sanction with the force of Law: 8652

TITLE I OF THE DIRECTORATE OF INSPECTION OF LEGAL PERSONS NAME AND JURISDICTION

Article 1. THE Inspection Directorate of Legal Entities, under the Ministry of Affairs
Institutional and Social Development, will function as the enforcement body of this Law in the field of
territory of the Province of Córdoba.

Article 2.- The Directorate of Inspection of Legal Persons is in charge of the functions attributed to the
Public Registry of Commerce in accordance with the provisions of the Commercial Code. He is also in charge
the control of joint-stock companies;

of companies incorporated abroad that regularly exercise acts included in their object
company in the Province of Córdoba, establish branches, seat or any other kind of representation
permanent, establish companies or acquire participation in companies in the country; of the companies that
carry out capitalization and savings operations; mutual funds and associations
civil and foundations.

In all cases in order to ensure compliance with legal regulations and safeguard the public interest.

TITLE II FUNCTIONS

CHAPTER I REGISTRY FUNCTIONS

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Article 3.- IN the exercise of its registry functions the Directorate of Inspection of Legal Persons: a)
It organizes and maintains the Public Registry of Commerce, being solely responsible for the accuracy and legality of their seats.

b) Register merchants and trade assistants in the registration and take account of the acts and documents that correspond according to commercial legislation.

c) Register the contracts of commercial companies, their modifications, dissolutions and liquidations. For him
In the case of companies whose control is judicial, it will take account of what is ordered by the commercial judge.

d) Register business collaboration contracts.

e) Keeps the Provincial Registry of Stock Companies.

f) Keeps the Provincial Registry of Foreign Companies.

g) Keeps the Provincial Registry of Civil Associations and Foundations.

h) Keeps the Provincial Register of Social and Commercial Books.

i) Maintains the Provincial Registry of Common Investment Funds.

Article 4.- The knowledge and decision of the oppositions to the inscriptions referred to in Article 39 of the Commercial Code and the cases provided for in Articles 12 and 110 thereof, are of competence judicial, without prejudice to the registry functions of the Directorate of Inspection of Legal Persons.

The resolutions of the procedures that deal with subjective rights of the partners of a commercial partnership with each other and with respect to the partnership.

CHAPTER II CONTROL FUNCTIONS

Article 5.- The Directorate of Inspection of Legal Persons is in charge, exclusively, with respect to joint-stock companies, the functions that the legislation attributes to the judge of registry or secretary or commercial courts.

Article 6.- FOR the exercise of the audit function, it has, more than those provided for each of the subjects in particular, the following powers: a) Require any public or private body the reports that believes necessary.

b) Require all legal persons, subject to its control, their authorities, responsible, personnel and third parties, the reports and documents it deems appropriate.

c) Carry out investigations, audits and inspections on them, for which purpose they may examine their books and documents. This power will be extended to entities excluded from its control or subject to control of other State agencies, in accordance with specific laws, when necessary for compliance of your mission.

d) Receive and substantiate complaints from interested parties that promote the exercise of their functions of

oversight.

e) Attend and supervise the assemblies of all legal persons subject to its control.

f) File complaints before the administrative or police judicial authorities, when the facts that known may give rise to the exercise of public action. You can also apply directly to the Public Prosecutor's Office the exercise of the pertinent judicial actions in cases of violation or breach of provisions in which public order is interested.

g) Make the entities subject to control comply with their decisions, for which purpose they may: 1) Request the assistance of the public force.

2) Request the search and closure of premises.

3) Request the seizure of books and social documentation.

h) Declare irregular and ineffective for administrative purposes the acts subject to its control when are contrary to the Law, the Statute or the Regulations.

SECTION ONE COMPANIES BY SHARES

Article 7. THE Inspectorate of Legal Entities exercises with respect to companies by actions, the following functions: a) Supervise the constitutive contract and its amendments.

b) Control the variations or capital increases, the dissolution and liquidation of the companies within the powers conferred by current legal provisions.

c) Control, and where appropriate, approve the issuance of debentures, negotiable obligations or securities issued serially.

d) Permanently supervise the constitution, operation, dissolution and liquidation of companies anonymous when: they make a public offer of their shares or debentures; have share capital greater than the amount that the substantive law provides; They are of mixed economy or have majority state participation; perform capitalization operations, savings or in any way requiring money or securities from the public with a promise of future benefits or benefits; operate concessions or public services; whether it is a controlling company or controlled by another subject to control under any of the above assumptions. In all the others Corporations may exercise this control whenever requested by shareholders representing the ten percent of the subscribed capital or required by any trustee, or when deemed necessary, according to resolution founded in safeguarding the public interest.

e) Supervise and register the regulations provided for in the constitutive contract.

f) Oversee the merger, transformation, renewal, spin-off and regularization of joint-stock companies.

g) Authorize mechanized accounting systems in accordance with current legal provisions.

h) Authorize and supervise technical revaluations, capital reductions and acquisition of own shares.

i) Request the competent judge of the company's domicile to suspend the resolutions of the bodies social, the intervention of its administration and until the dissolution and liquidation of the company in the cases contemplated by the Commercial Law.

j) Convene assemblies in joint stock companies when requested by shareholders who represent at least less five percent of the capital stock, if the bylaws do not require less representation and the Board of Directors had not resolved your request within ten days of submission or it would have been denied unfoundedly. Call the assemblies ex officio when it finds serious irregularities and estimates the essential measure to safeguard the public interest.

Article 8.- The Directorate of Inspection of Legal Persons has, with respect to incorporated companies abroad, who carry out in the Province of Córdoba the habitual exercise of acts included in their object establish branches, seat or any other kind of permanent representation, or acquire participation of companies in the country, the following functions:

- a) Check that it proves its existence in accordance with the laws of its country; that establishes an address in the Province, complying with the publication and registration of its social contract, reforms and other enabling documentation required for companies that are incorporated in the Republic; that justifies your decision to create said representation and designate the person in whose charge she will be. For those that are constituted in another State under a type unknown by the laws of the Republic, the competent judge shall determine the formalities to comply in each case.
- b) If it is a branch, it will also be verified that the capital assigned to it has been determined when applicable by special laws.
- c) Permanently supervise the operation, dissolution and liquidation of its agencies and branches and exercise the powers and functions set forth in article seven of this law.
- d) To control that separate accounts are kept in the Republic.

Article 9.- The Directorate of Inspection of Legal Persons has the control, during its operation, dissolution and liquidation, in addition to the constitution control, on the public limited companies, in the cases that carry out capitalization and savings operations or in any other way require money or securities from the public with promises of future benefits or benefits. You may also: a) Grant and cancel authorization for your operations.

- b) Approve plans and technical bases, authorize and supervise the placement of savings funds.
- c) Regulate the advertising inherent to them.
- d) Require the presentation of reports or special or supplementary accounting statements.
- e) Regulate the operation of the activity.
- f) Apply the sanctions established by law.
- g) Control and record regulations other than simple internal organization.

You can prevent the operation of companies or organizations of any kind that, without authorization or without comply with legal requirements carry out operations provided for in this article.

Article 10.- The Directorate of Inspection of Legal Persons has, with respect to civil associations and foundations, the following powers: a) Authorize its operation, approve its statutes and reforms.

b) Permanently supervise its operation.

c) Authorize and permanently supervise the operation in the Province of Córdoba of those constituted in the foreign or in another national jurisdiction, its subsidiaries, agencies and delegations, these being obliged to Obtain recognition or authorization to act in its territorial scope.

d) Authorize and control the merger, spin-off, dissolution and liquidation resolved by the entity.

e) Authorize mechanized accounting systems in accordance with the provisions of commercial legislation.

f) Intervene with arbitration powers in conflicts between associations and their associates, at the request of a party legitimate. In this case, the procedure and the effects will be governed by the Civil and Commercial Procedure Code of the Province of Córdoba, without prejudice to the exercise of the powers established in Article 6 of this Law.

g) Consider, investigate and resolve complaints from associates or third parties regarding the entities subject to its control.

h) To rule on queries made by entities, within the framework of the powers conferred by this Law.

i) Call and attend assemblies in civil associations and the Board of Directors in foundations at the request of any associate or member. The call will proceed when it considers that the request is pertinent and if the petitioners prove that they have unsuccessfully requested the authorities, after thirty days after the last request was made. In all cases when serious irregularities and I will deem the measure essential, safeguarding the public interest.

j) Order the suspension of functions of the corporate bodies, replacing them by a Special Commission Normalizer composed of three members, for a term of sixty days and for the purpose of proceeding with its normalization, through a General Assembly in the following cases: 1) If there are conflicts between members of the corporate bodies with each other, or with fractions of partners, which make normal development of corporate life.

2) If irregularities or violation of the bylaws or the law are found.

3) In the event that due to resignation, death or other cause and once the alternates have been incorporated, if any, the Board of Directors will be left without a sufficient quorum to legally meet.

4) If it does not comply with the obligations to convene Assemblies, in the statutory or legal terms, for two consecutive or alternating periods.

k) Request to the Ministry of Institutional Affairs and Social Development the intervention, dissolution, liquidation and withdrawal of legal status in the following cases: 1) If the Special Normalizing Commission, in the General Assembly, I will not achieve institutional normalization, within the established term.

2) If it verifies serious acts or irregularities that imply violation of the Law, the Statute or the Regulations.

- 3) If the measure is necessary to safeguard the public interest.
- 4) If they cannot fulfill their purpose.
- l) Control and register Regulations other than simple internal organization.

Article 11.- The Directorate of Inspection of Legal Persons may, prior resolution of the Executive Power Provincial, deconcentrate functions, creating delegations in the provincial interior and / or celebrating Agreements with Municipalities of the Province in order to decentralize all or some of its powers.

CHAPTER III ADMINISTRATIVE FUNCTIONS

Article 12.- IN compliance with its administrative functions, the Personnel Inspection Directorate Legal, is in charge of: a) Advising the provincial state agencies on matters related to the joint-stock companies, civil associations and foundations.

- b) Carry out studies and investigations of a legal and accounting nature on the subjects of their competition, organize courses and conferences and promote or make publications, for which purposes it may collaborate with other specialized governmental or non-governmental organizations.
- c) Issue the regulations it deems appropriate. Propose to the Provincial Executive Power, through the Ministry of Institutional Affairs and Social Development, the sanction of standards that by their nature exceed their faculties.
- d) Respond directly to requests for reports made by the Judicial Power and the Bodies of the National, Provincial or Municipal Public Administration.
- e) Coordinate with the National, Provincial or Municipal Organizations that carry out related functions the control of the entities subject to its competence.
- f) Require the presentation of report or opinions issued by qualified professionals and endorsed by the colleges or professional councils, when required by current laws or deemed necessary for the fulfillment of its functions.
- g) Organize adequate technical procedures to process the documentation that enters and emanates from the exercise of their functions, as well as that of any record that appears in their records.

TITLE III SANCTIONS

Article 13.- The Directorate of Inspection of Legal Persons will apply sanctions to the entities subject to its controller, directors, trustees or administrators of the same and any person or entity that does not comply with your obligation to provide information, or provide false information or that in any way violates the obligations imposed by law, statute or regulation, or hinder or prevent by any means the fulfillment of its functions.

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* **Article 14.-** The applicable sanctions will be the following:

- a) Written warning.
- b) Warning with publication by the offender.
- c) Of the entities subject to the comptroller, to directors, trustees or administrators of the same and to any person or entity that does not comply with its obligation to provide mandatory or specially required information, or provides false information or that in any way violates the obligations imposed by the Law, the Statute or the Regulation, or hinder or prevent by any means the fulfillment of its functions except as provided by the Commercial Companies Law regarding Stock Companies.

Stock Companies For the first offense.

250.00 for the second offense.

700.00 For the third and subsequent offenses.

2000.00 Civil Associations and Foundations.

20.00 For each day of delay since the expiration of the last request.

1.00

Article 15.- The amount of the fine will be graduated according to the seriousness of the fact, by the commission of other infractions by the person in charge and the capital and assets of the entity will be taken into account in accordance with the regulations of this Law. When it comes to fines applied to directors, trustees or administrators, the entity will not be able to take charge of the payment.

Article 16.- The resolution provides for the application of a penalty shall be enforceable and their collection is will act by executive means in accordance with the provisions of the Code of Civil and Commercial Procedure of the Province, through the body of lawyers belonging to the Legal Department of the Distribution, who must accredit legal status by means of a resolution issued for this purpose, delegating them the powers to execute the sanction. Appeals filed against these resolutions will be granted, where appropriate, for the sole purpose of return.

Article 17.- EL produced from the fines referred to in Articles 14 and 15 of this Law, will enter into

a special account, whose holder will be the Directorate of Inspection of Legal Persons, to provide the furniture expenses, stationery supplies, per diem payments and personnel transfer expenses, and others that the operation of the Distribution requires, having to render an account of them in accordance with the Law of Accounting of the Province.

TITLE IV RESOURCES

* **Article 18.-** Vetoed by Decree N 458/98.

TITLE V PERSONNEL REGIME

Article 19.- The Directorate of Inspection of Legal Persons, will be in charge of a Director who represents it and will be responsible for compliance with this Law. To be a Director it is required to be 30 years of age as minimum, be an Argentine citizen with eight years in the practice of law and meet the other conditions established by the Law for entry to the Provincial Public Administration.

Article 20.- CORRESPONDS to the Director: a) Execute and order the execution of the acts of the mission and agency competence.

b) Interpret in a general and particular way the provisions applicable to the subjects under its control.

c) Take all internal order measures necessary for the administration and operation of the body at its own expense. position dictating the regulations of the case.

d) Issue the rules it deems pertinent for the operation of the Public Registry of Commerce.

e) Apply the sanctions provided for in the Law and order their execution by the personnel dependent on the body, dictating the resolutions that may be necessary for its fulfillment.

Article 21.- IN case of absence or temporary impediment, the Director will be replaced by the official belonging to the Directorate of Inspection of Legal Companies that for this purpose is designated by the Lord Minister of Institutional Affairs and Social Development or by the official whose position could be created in the future, and that it immediately succeeds the Director.

Article 22.- The personnel of the Directorate of Inspection of Legal Persons, including the Director: a) Reveal the acts of the subjects under his control when he has had knowledge of them in

reason for their duties, except for their hierarchical superiors. b) Exercise their profession or work as Advisor on tasks or matters related to the competence of the body to which they belong.

c) Perform rented positions in the bodies of the entities subject to control. In case of performing any ad honorem position in the administrative or oversight bodies of civil entities, will be inhibited from know in any procedure of that entity in his capacity as employee of the distribution.

Violations of the above provisions will make the agent subject to the sanctions established in the Statute for the Personnel of the Provincial Public Administration.

TITLE VI TRANSITORY PROVISIONS

Article 23.- The procedures pending resolution, either before the provincial courts or before the Registry General Properties, will be sent together with all the documentation, leaving evidence express shipment and referral, to the Directorate of Inspection of Legal Persons for its conclusion.

The same procedure will be imposed on protocols and other documents corresponding to the Public Registry of Commerce that are in the General Registry of the Province, and must be sent to the Directorate of Inspection of Legal Persons in the terms provided by the Executive Power, for its storage and conservation.

Article 24.- This Law will come into effect fifteen days after its publication.

Article 25.- REPEAL Law N 5452 and its amendments (TO

by Decree N 6138/72), Law N 7163, Law N 5771 in its Title IV and any other provision that opposes the present Law.

Article 26.- COMMUNICATE to the Executive Power.

Signatories

ALVAREZ - NICOLAS - RAVANELLI - CORNAGLIA HOLDER OF THE EXECUTIVE BRANCH: MESTRE DECREE OF PROMULGATION NO. 458/98.