

Translated from Spanish

TRANSFER OF TECHNOLOGY

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Replacing existing Law No. 21.617

LAW No. 22.426

Buenos Aires, March 12, 1981

By virtue of the powers conferred under Article 5 of the Statute for the Process of National Reorganization,

THE PRESIDENT OF THE ARGENTINE NATION SANCTIONS AND ENACTS WITH THE FORCE OF LAW:

ARTICLE 1. — The following legal acts shall be included in this Law for consideration, whose main or accessory purpose is the transfer, assignment or licensing of technology or trademarks by persons domiciled abroad in favor of public or private natural or legal persons domiciled in the country, in so far as such acts have effects in the Republic of Argentina.

ARTICLE 2. — The legal acts referred to in Article 1 concluded between a local firm under foreign ownership and the firm that directly or indirectly controls it, or another branch of that firm, shall be submitted for approval to the Implementing Authority.

ARTICLE 3. — The legal acts referred to in Article 1 and not included in Article 2 of this Law shall be registered with the Implementing Authority for information purposes.

ARTICLE 4. — Acts concluded by the Armed or Security Forces, or by bodies linked to national defense, where by Executive Decree such acts are identified as military secrets shall be excluded from the arrangements under this Law.

ARTICLE 5. — The legal acts referred to in Article 2 shall be approved, where on examination thereof it is shown that their provisions and conditions are in conformity with normal market practices between independent bodies, in so far as the agreed consideration maintains a link with the technology transferred. Such legal acts shall not be approved where they provide for payment for the use of trademarks. The Regulations under this Law shall establish guidelines for the purposes defined in this Article.

ARTICLE 6. — Approval of the legal acts referred to in Article 2, submitted within THIRTY (30) days from the time of their signature shall take effect from that date or at a later date agreed to by the parties. Approval of the legal acts submitted subsequent to the above period shall have effect from the date of submittal or from the subsequent date agreed to by the parties.

ARTICLE 7. — For the purposes defined in Article 5, the Implementing Authority shall have NINETY (90) calendar days to send the approval. If no decision has been taken within this period the respective legal act shall be considered to have been approved.

An appeal may be made against a decision to refuse approval before the Secretary of State for Industrial Development within THIRTY (30) calendar days from the applicant having been notified. An appeal through the courts may be made against this decision, where refusal by the Implementing Authority has been confirmed, in accordance with Law No. 19.549 on Administrative Procedures, before the National Chamber of Appeals in Federal and Administrative Disputes of the Federal Capital.

ARTICLE 8. — In addition to the legal acts submitted to the Implementing Authority, the following information by declaration on oath shall be recorded: name and domicile of the parties, supplier investment in the receiving company, description of the technology or trademarks whose licensing or transfer is the subject of the act, number of staff employed by the receiving company and an estimate of the payments to be made. Where this information is not submitted, the provisions of Article 9 shall apply.

ARTICLE 9. — The absence of approval of the legal acts referred to in Article 2 or the non-submittal of those referred to in Article 3 shall not affect their validity but the funds in favor of the supplier may not be deducted for tax purposes as expenses by the receiving company and all sums paid as a result of such acts shall be considered to be supplier net profits.

ARTICLE 10. — The period within which instruments corresponding to the legal acts referred to in Article 2 should be authorized by Law shall start from the time of submittal of the approved instrument to those making the submission. Where the parties have chosen not to seek approval of the legal act, stamp duty shall be paid within the period established under the relevant fiscal legislation.

For the legal acts included in Article 3 that are in the process of being approved on the date of entry into force of this Law, the period shall start at the time of submittal of the contractual instruments to those making the submission.

ARTICLE 11. — The technology, whether patented or not, and trademarks, included in this Law may constitute capital contributions where this is provided for under the Law on Commercial Companies. In such cases, the valuation of the capital contributions shall be carried out by the Implementing Authority.

ARTICLE 12. — The Implementing Authority, for the purposes of the promoting the incorporation of new technologies, improving their selection and contracting conditions, shall provide:

(a) development of information systems through access to national and foreign data banks in areas of technology applicable to production processes.

(b) assistance and advice to interested local companies in selecting and contracting such technology.

ARTICLE 13. — The Implementing Authority of this Law shall be the National Institute of Industrial Technology.

ARTICLE 14. — Any person who, through misleading declarations or malicious concealment, causes prejudice to the tax authorities by means of the simulation of legal acts included in this Law, shall be sanctioned in the manner provided for under Article 46 of Law No. 11.683 (consolidated text of 1978), without prejudice to any possible penal proceedings.

ARTICLE 15. — The National Registry of Licensing Contracts and Technology Transfer is hereby dissolved and Law No. 21.617 repealed, as amended by No. 21.879.

ARTICLE 16. — For communication, publication and submittal to the National Directorate of the Official Registry and for recording.

VIDELA

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