

**Limited Liability Companies in Argentina**  
**(Sociedad de Responsabilidad Limitada, or “SRL”)**

**(A) Who can set up a company in Argentina?**

Capital and Partners – An SRL may be set up by a minimum of two and a maximum of 50 partners, who may be individuals or corporate entities. Foreign individuals or corporate entities can be admitted as partners of SRLs if they are empowered to participate in such companies by the laws of their jurisdiction of incorporation.

**(B) How to set up a company in Argentina?**

There is no reciprocity requirement for the foreign investor, that is, they must not demonstrate that an Argentine can freely establish an LLC in the investor's country.

**(C) How is the capital integrated?**

The capital must be fully subscribed upon incorporation, denominated in Argentine currency, and divided into partnership quotas. A quarter (25%) of the capital must be paid up by the partners at the time the SRL is formed, and any balance must be paid up within two years thereafter.

When quotas are issued for contributions in non-monetary assets, they must be fully paid in. Partnership quotas must be of equal par value and entitle the holder to one vote each. Partners in an SRL are entitled to preemptive rights with respect to new issues of quotas.

**(D) How is the administration and representation?**

Management and Representation – The partners may appoint one or more managers, who may be partners, employees or third parties. The managers represent the company, either individually or jointly, as determined in the by-laws.

**(E) Partners’ Meetings: what are they like?**

SRL by-laws contain the rules for adopting resolutions. Unless the by-laws state otherwise, resolutions may be passed in writing without the need for holding a meeting. The exception is for those companies with a capital of ARS 50 million or more, that must hold meetings to review the annual financial statements. If one partner holds the majority vote, the vote of another partner will be necessary for the partners’ meeting to be considered valid.

**(F) Who exercises the supervision and auditing of the SRL?**

The appointment of a statutory supervisor or the creation of a supervisory committee is optional for SRLs unless their capital amounts to ARS 50 million or more, in which case one or more statutory supervisors or a supervisory committee must be appointed. When statutory supervisors or a supervisory committee are appointed, the rules for SAs generally apply.

**(G) The Liability of Partners and Managers**

In general, and with few exceptions, similar rules for the liability of partners and managers apply to SRLs and SAs. However, when there is more than one manager, liability will depend on the provisions of the by-laws.

**(H) Cost of incorporation**

The cost of setting up an SRL in Argentina is US \$ 2,000 in expenses, fees, taxes, notary and tax permits, and the term for the supposed start-up is between 15 and 30 days.

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