



DEVELOPMENT AND PRODUCTION PROMOTION LAW OF MODERN BIOTECHNOLOGY AND NANOTECHNOLOGY

Law 27685

Law No. 26,270. Modifications.

The Senate and Chamber of Deputies of the Argentine Nation meeting in Congress, etc. sanction with force of law:

Article 1 - The name of Law 26,270 is replaced by the following:

Law for the Promotion of the Development and Production of Modern Biotechnology and Nanotechnology.

Article 2 - Article 1 of Law 26,270 is replaced by the following:

Article 1: Object. The purpose of this law is to promote the development and production of modern biotechnology and nanotechnology throughout the national territory, with the scope and limitations established therein and the regulations issued by the National Executive Branch accordingly. This law will be in force until 31 December 2034.

Article 3 - Article 2 of Law 26,270 is replaced by the following:

Article 2: Definition. For the purposes of this law, Modern Biotechnology is understood as any technological application that, based on rational knowledge and scientific principles from biology, biochemistry, microbiology, bioinformatics, molecular biology and genetic engineering, uses organisms living organisms or parts derived from them to obtain goods and services, or for the substantial improvement of production processes and/or products, "substantial" being understood as involving innovation content that can be industrially applied, economic and social impact, reduction of costs, increased productivity, or other effects that are considered pertinent by the enforcement authority.

In turn, for the purposes of this law, Nanotechnology is understood as any technological application of the set of techniques and sciences in which materials, substances and devices of nanometric dimensions are studied, manipulated and obtained in a controlled manner, the which have special properties granted exclusively by their size less than one hundred nanometers (100 nm) in one or more dimensions. Thus, nanotechnological applications will be considered to be the design, characterization, production and application of structures, devices and systems obtained through controlled manipulation (of size and/or shape and/or surface modification of compounds, substances, particles or materials) at the nanometric scale. that give rise to structures, devices and systems with at least one (1) novel or superior property or characteristic.

A product or process will be considered biotechnologically or nanotechnologically based when, in order to obtain or perform it, the elements described in the preceding paragraphs are an integral part of said product or process and



In addition, its use is essential to obtain that product or to carry out that process.

Article 4 - Article 3 of Law 26,270 is replaced by the following:

Article 3: Beneficiaries or beneficiaries. Human or legal persons incorporated in the Argentine Republic that present research and development projects based on the application of modern biotechnology and/or nanotechnology in the terms of article 2 of this law may apply for the benefits of this law.

Likewise, individuals or legal entities incorporated in the Argentine Republic that present projects for the application or execution of modern biotechnology and/or nanotechnology, aimed at the production of goods and/or services or the improvement of processes and /or products.

Applicants will be enabled and enabled to submit more than one project and receive the corresponding benefits.

The beneficiaries of this law must carry out the activities described above in the country and on their own account, and be in the normal course of their tax and social security obligations to access and maintain the benefit.

Article 5 - Article 4 of Law 26,270 is replaced by the following:

Article 4: Excluded from the scope of this law are those projects whose main objective is products and/or processes whose production or realization is carried out through conventional and widely known productive applications, or the obtaining of new varieties through genetic crossbreeding. conventional or conventional multiplication.

Article 6- The following text shall be incorporated as article 5o bis of law 26.270:

Article 5 bis: Create the National Registry for the Promotion of Nanotechnology for the purpose of registering the projects approved by the application authority. Registration in the registry will give rise to the granting of a certificate issued by the application authority, which will grant the owner of the registered project the character of beneficiary of this regime.

Article 7 - Article 6 of Law 26,270 is replaced by the following:

Article 6: The owners of research and/or development projects approved within the framework of this law will enjoy the following benefits:

a) Accelerated amortization in income tax for capital goods, special equipment, parts or component elements of said goods, new, acquired for the promoted project.

Said amortizations will be carried out from the fiscal period of authorization of the asset, in accordance with the regulations set forth in article 88 of the Income Tax Law, text ordered in 2019 and its modifications, under the conditions established by the regulations;



b) Advance refund of the value added tax corresponding to the acquisition of the goods referred to in subparagraph a), which had been invoiced to the owners of the project. It will be credited against other taxes payable by the Federal Administration of Public Revenues (AFIP), an autonomous entity within the scope of the Ministry of Economy, or failing that, it will be returned, in both cases, within the term stipulated in the act of approval of the project and under the conditions and with the guarantees established in this regard by the regulations.

Said accreditation or refund will proceed to the extent that the amount of the same should not have been absorbed by the respective tax debits originated by the development of the activity;

c) Conversion into a tax credit bond of fifty percent (50%) of the expenses allocated to the contracting of technical assistance, research and/or development services with relevant entities of the National System of Science, Technology and Innovation. The tax credit bonds referred to in this article will last ten (10) years counted from the date of their issuance, and will be nominative and transferable only once, under the terms that the Federal Administration of Revenues regulates. Public (AFIP).

Article 8 - Article 7 of Law 26,270 is replaced by the following:

Article 7: The owners of projects for the production of goods and/or services approved within the framework of this law will enjoy the following benefits:

a) Accelerated amortization in income tax for capital goods, special equipment, parts or component elements of said goods, new, acquired for the promoted project.

Said amortizations will be carried out from the fiscal period of authorization of the asset, in accordance with the regulations set forth in article 88 of the Income Tax Law, text ordered in 2019 and its modifications, under the conditions established by the regulations;

b) Advance refund of the value added tax corresponding to the acquisition of the goods referred to in subparagraph a), which had been invoiced to the owners of the project. It will be credited against other taxes payable by the Federal Administration of Public Revenues (AFIP), an autarchic entity within the scope of the Ministry of Economy, or failing that, it will be returned in both cases, within the term stipulated in the act of approval of the project. under the conditions and with the guarantees established in this regard by the regulations.

Said accreditation or refund will proceed to the extent that the amount of the same should not have been absorbed by the respective tax debits originated by the development of the activity.

Article 9 - Article 13 of Law 26,270 is replaced by the following:

Article 13: Only projects that imply a reliable technological impact and whose owners demonstrate technical solvency and economic and/or financial capacity to carry them out and that comply with the biosafety requirements established by current regulations will be approved. For these purposes, those projects that involve innovation content with industrial and/or agricultural application, economic and social impact, decrease in production costs, increase in productivity or other effects that are considered will be considered.



considered relevant by the enforcement authority.

Up to a maximum of one (1) project per year for each human person and a maximum of three (3) projects per year for each legal person will be awarded. In the event that there are surpluses available within the established fiscal quota, the enforcement authority may increase the maximum limit referred to.

As of the setting of the fiscal quota, the application authority will grant the approved projects the benefits contemplated in chapters II and III, as appropriate, according to the order of priority that indicates their merit and convenience, to the projects that , in addition to what is established in the first paragraph:

- a) Respond to priorities set by the national government or, as the case may be, the provincial governments, for innovation and nanotechnological and/or biotechnological developments applied to sustainable development based on the needs of the Argentine population;
- b) Have a direct link with the formation and development of micro and small technology-based companies of national origin and with real domicile in the country;
- c) Generate an increase in the employment of human resources;
- d) Have a local or regional socioeconomic impact and transmit these effects to other sectors of the economy;
- e) Generate an increase in the competitiveness of goods or services.

Article 10.- Article 19 of Law 26,270 is replaced by the following:

Article 19: Failure to comply with the provisions of this law and the regulations issued for this purpose will give rise to the sanctions detailed below, without prejudice to the application of the Fiscal Procedure Law 11,683, ordered text in 1998 and its modifications, of Law 18,820 and its modifications, of Law 22,415 (Customs Code) and its modifications, of Law 24,769 and its modifications and Title IX of Law 27,430 and its modifications:

1. Revocation of the registration of the project in the Registry established in article 5 and/or 5 bis of this law.
2. Refund of unpaid taxes, and/or credited or refunded tax and/or tax credit bonus, if it has not been applied or partially used, all due to the provisions of chapters II and III, with more interests and accessories that correspond.
3. Disqualification of the owner of the project to register again in the Registry established in article 5 and/or 5 bis of this law.

In the event that breaches are detected on the part of the beneficiaries, the application authority will inform the Federal Administration of Public Revenues (AFIP), an autonomous entity in the scope of the Ministry of Economy.



Article 11.- Article 20 of Law 26,270 is replaced by the following:

Article 20: The Ministry of Productive Development will be the enforcement authority of this law.

Article 12.- Article 21 of Law 26,270 is replaced by the following:

Article 21: Create the Consultative Commission for the Promotion of Biotechnology and Nanotechnology, whose function will be to act as an advisory body to the enforcement authority. The commission must be convened in order to analyze and/or evaluate whether the projects presented are suitable for the promotion regime, in particular if they meet the requirements set forth in articles 2, 4 and 13 of this law, as well as the specific requirements stipulated by the enforcement authority. The opinions prepared by this Consultative Commission will be non-binding. The Consultative Commission for the Promotion of Biotechnology and Nanotechnology will be made up of members representing institutions that are part of the National Science, Technology and Innovation System (SNCTI), one (1) representative of the Argentine Interuniversity Council, three (3) representatives of the Argentine provinces and the Autonomous City of Buenos Aires, representatives of the departments of the National Public Administration, centralized and decentralized, as well as governmental, private or mixed institutions, that the enforcement authority deems pertinent to convene based on the subject matter submitted to consideration. The commission must have, at least, one (1) member from the National Science, Technology and Innovation System (SNCTI) and another representative member from the private sector for each topic (biotechnology and nanotechnology).

The members of this commission will act on an 'ad honorem' basis.

Article 13.- The following text is incorporated as article 25 bis of Law 26,270:

Article 25 bis: The Federal Administration of Public Revenues (AFIP), an autonomous entity within the scope of the Ministry of Economy, will provide the application authority with the information that it requires for the purpose of verifying and controlling the status of application and use of the tax benefits of the regime by the beneficiaries, and the institute of tax secrecy provided in article 101 of law 11,683, text ordered in 1998 and its modifications, will not govern before that requirement. For these purposes, the approval of tax benefits of the beneficiary or the beneficiary will imply the full consent and authorization of the same or of the same in favor of the Federal Administration of Public Revenues (AFIP) for the transfer of said information to the application authority. and its processing.

Article 14.- Repeal articles 15, 16, 17 and 18 of Law 26,270.

Article 15.- The provisions of this law will enter into force the day after its publication in the Official Gazette of the Argentine Republic and will be applicable to applications submitted after its entry into force.

Article 16.- Communicate to the National Executive Power.



GIVEN IN THE SESSION ROOM OF THE ARGENTINE CONGRESS, IN BUENOS AIRES, ON ONE DAY OF THE MONTH OF SEPTEMBER OF THE YEAR TWO THOUSAND AND TWO.

REGISTERED UNDER N° 27685

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