



LAW 9643

ARTICLE 1

Credit Transactions secured by fruit or agricultural produce, animal, forest, mining or locally manufactured products stored in bonded or private warehouses shall be implemented by Certificates of Deposit and Warrants issued under this law, as regulated by the Executive Power.

ARTICLE 2

No warehouse or private storehouse shall issue Certificates of Deposit and Warrants under this law unless the prior authorization of the Executive Power has been published in the Official Gazette (Boletín Oficial). No authorization shall be granted unless and until the following items have been verified:

The capital with which a warehouse is established.

Safety conditions, fire fighting system and protection against damage provided by the building, and insurance of storage facilities.

Administrative methods and systems regarding security , classification and cleaning to be used in the warehouse.

Maximum charges for storage and related activities, such as insurance coverage, grain elevation, cleaning and drying.

Administration duties regarding the receipt and dispatch of merchandise or products, their conservation and liability for loss or damage.

The names and addresses of the representatives of the warehouse corporation or storage company.

The Executive Power may provide for such guarantees as it may consider necessary to secure the performance of the obligations of depositors authorized to issue Certificates of Deposit and Warrants; in case of guarantees in securities this will be effected by means of Government Income Securities (“Títulos Nacionales de Renta”) with Banco de la Nación amounting to at least 10% of the capital employed.

ARTICLE 3

No storage company hereunder shall deal or transact in fruit or products of the same kind as those covered by the Certificates of Deposit and Warrants issued by them.

The Executive Power shall not grant the authorization required by the previous article to companies conducting such transactions and shall remove the authorization if such forbidden transactions are conducted subsequently to the granting of the authorization.

No Warrant may be discounted by its issuer without the approval of the Executive Power, who shall establish the relevant discount conditions.

ARTICLE 4

No goods or products likely to damage each other shall be stored in the same place or adjoining facilities.

ARTICLE 5

Storage companies shall, at the expense of the depositors, take out insurance against the risk of fire for the goods received if no such insurance is held by them, subject to the conditions and in the manner to be determined by regulation, which shall include the evidence of the insurance to be recorded or shown in the Certificate of Deposit and Warrant.



ARTICLE 6

The storage company shall, against the receipt of the fruit or products, issue to the depositor a Certificate of Deposit and a Warrant in respect thereof, containing the date of issue, name and address of the depositor, location of the warehouse, signature of the administrator, product class, quantity, weight, type and number of the packages, quality and state of repair, approximate value and any other data that may be useful to identify the goods in accordance with generally accepted market practices; amount insured, name and address of insurer, duration and cost of storage. The above data shall be specified on standard forms to be created by regulation of the Executive Power, evidence of which shall be retained by the issuer and logged in officially authorized books on a daily basis and in sequential order recording all the transactions performed.

ARTICLE 7

In order to issue Certificates of Deposit and Warrants on stored fruit or products, it will be necessary such goods:

be insured, either directly by the owner or through the issuing company, pursuant to article 2 (D).

be at least pesos five hundred (\$ 500,-).

be free and clear of any encumbrance or court attachment unless so notified to the warehouse administrator. If no such notice is given, the goods shall be deemed to be free and clear of such encumbrance or attachment.

ARTICLE 8

Warrants shall be in registered form. The first endorsement of the Certificate of Deposit or the Warrant shall be affixed on the reverse of the respective document, and in order to be valid, such endorsement shall be registered in the books of the company within six days. Subsequent endorsements, registration of which is not mandatory, may be blank or following the first endorsement.

ARTICLE 9

Endorsements on a Certificate of Deposit shall have the effect of transferring the ownership of the goods referred to therein together with such liens as there might be in the case of Warrant negotiation, and in the case of a Warrant, of the credit rights in it.

ARTICLE 10

Endorsement shall contain the date, name, location and signature of both the endorsee and the endorser, loan amount, due date and place for payment, and all those signing a Certificate of Deposit or a Warrant shall be jointly liable.

Payment to the lender of the amount of the loan shall terminate the borrower's obligation thereunder and shall release the borrower from any and all obligations under any subsequent negotiation of the Warrant with others.

The register referred to in article 6 shall be used to record specimen signatures of the depositors, and whenever possible, of subsequent endorsers of the Certificates of Deposit and Warrants.

ARTICLE 11

Upon Warrant negotiation, an endorsement shall be affixed on the reverse of the respective Certificate of Deposit, specifying the loan amount, name and address of lender, due date and place of payment. All these data shall also be recorded in the register held by the issuer upon registration of the first transfer of the Warrant as required by article 8.

ARTICLE 12



Each owner of a Certificate of Deposit or holder of a Warrant shall have the right to inspect the goods in store described in the above-mentioned documents, and shall be allowed to take samples thereof, whenever the nature of the goods lends itself to such procedure, in the manner to be laid down by regulation.

ARTICLE 13

Goods in store for which a Warrant has been issued shall be released only against presentation of the Certificate of Deposit and Warrant.

If a Warrant has been transferred, such Warrant shall evidence cancellation of the loan.

ARTICLE 14

Holders of a Certificate of Deposit with a Warrant attached shall have the right to request that the goods in store be broken down into separate bundles or lots, and that a new Certificate of Deposit and related Warrant is issued for each such bundle or lot in exchange for the original Certificate of Deposit and related Warrant. New Certificates of Deposit and Warrants shall have denominations of at least pesos five hundred (\$ 500,-).

ARTICLE 15

Owner of a Certificate of Deposit separated from the corresponding negotiated Warrant may, prior to the due date of the loan, pay the amount of the Warrant. If the creditor of such Warrant is unknown, or shall fail to agree with the debtor on the conditions of early repayment, the holder of the Certificate of Deposit may deposit the amount owned with a court. The merchandise in store shall be released upon presentation of an order from the Court with which the deposit was made, subject to payment of the storage charge and tax provided by article 25, to be made in accordance with article 27. Upon Warrant expiration, any creditor of a Warrant shall have the right to require payment of the amount due against the presentation of the Warrant.

ARTICLE 16

If the Warrant is not paid when the obligation becomes due, the creditor shall have the right to act as provided hereunder to recover his loan and to give effect to his preference on goods referred to in the Warrant and, if applicable, on the amount of the insurance.

ARTICLE 17

The creditor of the Warrant shall, within ten days after its falling due, have the right to request the sale by public auction of the goods to which the Warrant refers. In the absence of any endorsement, such right may be exercised within the same period. Such request shall be made to the warehouse administrator, who, once the authenticity of the Warrant has been checked against the details on the register, shall order the auction to be made by the grain exchanges or other commercial exchanges where these exist, and if they do not exist, by special auctioneers to be appointed in the order of their inclusion on a list prepared by the higher commercial courts of each jurisdiction on an annual basis. Notice of such appointment shall be given to the debtor and the endorsers by registered mail with return notice at the addresses appearing in the register.

Such notice shall be given on the second day if the parties concerned are domiciled in the same area of the warehouse, and by second mail if domiciled elsewhere.

The auction will be held in the commercial center in which the warehouse is situated or, in the absence of such marketplace, at the nearest available center. The auction shall be advertised for at least ten days in two local newspapers, specifying the goods to be sold, the date the Warrant was issued, the first negotiation of the Warrant, and the name of its original holder.

If the sale of the merchandise and products affects a Warrant that is either held or endorsed by the warehouse itself, the Executive Power shall determine who shall fulfill the duties



directed by this article to be performed by the warehouse administrator.

ARTICLE 18

No sale of goods resulting from non-payment of a Warrant shall be suspended by reason of the debtor's bankruptcy, disability or death, or for any other reason, except in the event of a written judicial order stating the amount of the debt and the corresponding interests and expenses.

ARTICLE 19

The proceeds of the auction shall be distributed by the warehouse administrator provided that no objections are filed within three days.

Otherwise such proceeds shall be deposited with the relevant court for distribution in accordance with the priorities laid down in article 22.

The balance, if any, shall be made available to the owner of the corresponding Certificate of Deposit.

ARTICLE 20

The Warrant creditor shall be entitled to enforcement proceedings against the endorsers of the Warrant for any balance due, as long as the sale of the goods in question shall have been requested within the established periods and the disposal shall have been carried out as provided by article 17.

ARTICLE 21

If the sale is suspended, in accordance with article 18, the stated amount shall be made available to the creditor of the Warrant immediately upon his posting of a bond to secure the return of such amount, if necessary. The bond shall be deemed to have expired if no appeal is made within 30 days of making available such amount.

ARTICLE 22

The Warrant creditor enjoys a preferential right in the goods covered by the Warrant, the proceeds of their sale and the insured amount. The Warrant creditor shall have a priority in payment over any other creditor, subordinated only to the special storage charges and selling fees and the expenses and the taxes established in article 25.

ARTICLE 23

If a Certificate of Deposit or a Warrant shall be lost or destroyed, the owner or creditor of such Certificate of Deposit or Warrant respectively, shall immediately notify the issuer of such alleged lost or destruction, and may obtain a judicial order to issue a duplicate of the Certificate or of the Warrant once a reasonable explanation and a suitable guarantee have been provided.

The guarantee shall be returned if six months after the issue of the duplicate no claim accompanied by the original Warrant or Certificate shall have been made, or if such claim is made, the disputed right shall be settled by the courts of law.

ARTICLE 24

The Executive Power shall inspect Warrant-issuing companies to ensure the fulfilment of their obligations hereunder, and shall remove its authorization to operate as Warrant-issuers if they fail to perform their obligations hereunder.

ARTICLE 25



A tax at the rate of one quarter per thousand shall be levied on the value of the goods in store by the issuers prior to releasing the goods, to be charged together with any expenses and storage charges then due.

ARTICLE 26

Without prejudicing its total or partial renewal, the Warrant shall be only valid for negotiation during the six months after its date of issue.

ARTICLE 27

Enforcement action to collect and foreclose a Warrant shall take place, at the creditor's option, in the jurisdiction of the domicile of either the creditor or the warehouse, if the place of payment has not been stipulated earlier.

ARTICLE 28

Credit transactions based on Warrants issued by warehouses located within national jurisdiction shall be exempt from stamp tax.

ARTICLE 29

Warehouses authorized to issue Warrants located within national jurisdiction shall be exempt from license tax for two years from promulgation of this law.

ARTICLE 30

In regulating this law the Executive Power shall attempt to establish as far as possible the different categories of products to be stored in the warehouses in respect of which Warrants will be issued.

ARTICLE 31

The persons or companies authorized to issue Certificates of Deposit and Warrants shall be deemed to be traders and shall maintain the books required by law.

ARTICLE 32

It will not be necessary for wine products to be transferred to third part warehouses for Certificate of Deposit and Warrants to be issued. The Executive Power may authorize wine producers to act as trustees and, assuming they are able to fulfil the conditions of article 2, wine producers shall be authorized to issue such documents, which shall require for negotiation the prior approval of the "Dirección de Impuestos Internos de la Nación" (Tax Bureau) in the respective district.

Test results of the product will be an integral part of the document issued. The above-mentioned Tax Bureau will be responsible for ensuring that storage companies comply with the provisions of articles 7 (3), 8, 17, 19 and 25.

ARTICLE 33

The requirements of the foregoing articles shall be incorporated to the Commercial Code (Código de Comercio).

ARTICLE 34

Any storage company abandoning goods covered by a Warrant causing loss or harm to the owner or creditor, shall be subject to arrest or imprisonment, depending on the severity of the damage, from two months detention or one imprisonment every \$ 100.



ARTICLE 35

The storage company referred to in the preceding article, which disposes of, or withdraws from the warehouse, or pledges as his own the goods in store, shall be subject to serve a term of up to three years in prison if the damage is under \$ 10.000; from \$ 10.000 to \$ 50.000 the penalty shall be three to six years in prison; and if higher, six to ten years in prison. If the damage is lower than \$ 500 the penalty in the preceding article shall apply.

ARTICLE 36

If there has been malicious intent and willful misconduct against a third party by anybody issuing, using or circulating a false Warrant, will be punished in accordance with the terms of Law 3972 on forgery of currency.

ARTICLE 37

Without prejudice to the loss of authorization to continue operating as an issuer of Warrants, or to any loss or damage for which the company may also be liable subject to the penalties provided in article 35 if they carry out purchase and sale transactions forbidden by article 3 for their own account or that of others. The wine vaults referred to in article 32 are exempted from the limitations of article 3 and associated penalties.

ARTICLE 38

Articles 34, 35, 36 and 37 of this law shall be included in the Criminal Code.