

E. Taxation

General

The following general summary of the main tax consequences in Argentina and the United States relating to the, ownership and disposition of securities issued by us is based on the tax laws of Argentina, the United States and regulations thereunder (as applicable) as in effect on the date hereof, each subject to any changes that may come into effect after such date under the Argentine and United States laws and regulations (as applicable) as may become effective subsequently to such date, possibly with retroactive effect.

Even though this summary is considered to constitute an appropriate interpretation of the effective Argentine tax laws and United States federal income tax laws as of the date hereof, no assurance may be given that the courts or tax authorities in charge of application of such laws will agree to this interpretation. Furthermore, it should be noted that there have been many changes in Argentine tax laws and United States tax laws in the past and in particular in recent years, and that such laws may be subject to restatements, revocation of exemptions, reestablishment of taxes and other changes.

Prospective investors should consult their own tax advisors as to the Argentine tax consequences and United States federal income tax consequences of the purchase, ownership and disposition of our securities, including, the effect of any foreign, state or local tax laws.

Argentine Taxes

Income Tax

Law No. 27,430, enacted on December 27, 2017 and published in the Official Gazette on December 29, 2017, had introduced several amendments to Income Tax Law No. 20,628, among others, a corporate tax rate reduction in two phases. For fiscal years beginning on or after January 1, 2018 until December 31, 2019, there had been a reduction of the tax rate from 35% to 30%. Beginning on or after January 1, 2020 the tax rate would have been further reduced to 25%. Additionally, a withholding of 7% or 13% had been established for the fiscal years mentioned above, on the dividends distributed by local entities in favor of their shareholders provided they are resident individuals or undivided estates, or are foreign beneficiaries.

On June 16, 2021, Law 27,630 was enacted and published in the Official Gazette. This law increases corporate income tax rates for tax years beginning January 1, 2021, and onwards. The new law increases tax rates by replacing the fixed tax rate with a progressive tax scale. It also extends the 7% withholding tax rate currently in force to dividends from profits accrued in tax years beginning January 1, 2021, and thereafter.

Taxation on Dividends

In view of the last amendments introduced to the Income Tax Law by virtue of the Tax Reform, as of fiscal years beginning on January 1, 2018, the taxation applicable to dividends distributed from Argentine companies would be as follows, as amended by the Solidarity Law:

• Dividends originated from profits obtained during fiscal years 2019, 2020 and 2021: dividends on Argentine shares paid to Argentine individuals and/or non-residents (“**Foreign Beneficiaries**”) are subject to a 7% income tax withholding on the amount of such dividends (“**Dividend Tax**”).

- Dividends originated from profits obtained during fiscal year 2021 onward: the tax rate is raised to 7%.

For Argentine individuals not registered before the Federal Administration of Public Revenues (*Administración Federal de Ingresos Públicos*) as payers of income tax and foreign beneficiaries, the Dividend Tax withholding will be considered as a unique and final payment. In addition, under the Tax Reform, rules are created that regulate and limit the possibility to offset gains derived from the distribution of dividends with losses generated in other operations.

If dividends are distributed to Argentine Entities as defined below, no Dividend Tax should apply.

However, Law No. 27,451, published in the Official Gazette on December 23, 2019, suspended, until fiscal years starting on January 1st, 2021, the application of the withholding tax at a 13% rate on payment of dividends and profit distribution, and reestablished the 7% rate for this withholding tax.

Capital Gains Tax

Resident individuals

Capital gains obtained by resident individuals or undivided estates situated in Argentina from the sale or disposition of common shares and other securities are subject to income tax at a 15% rate on net income, unless such securities were traded in stock exchange under the supervision of the CNV, in which case an exemption applies.

Losses arising from the sale, exchange or other disposition of common shares or ADSs can be applied only to offset such capital gains arising from the sale, exchange or other disposition of these securities, for a five-year carryover period.

Foreign beneficiaries

Capital gains of Argentine source (as it is the case of both our ADSs and shares) obtained by non-Argentine individuals or non-Argentine entities from the sale, exchange or other disposition of shares are subject to income tax at a 15% rate on the net capital gain or at a 13.5% rate on the gross price at the seller's election. Notwithstanding, Law No. 27,430 established an exemption for foreign beneficiaries participating in the sale of publicly traded shares traded in stock exchanges under the supervision of the CNV. Said Law also established an exemption for capital gains derived from the sale, exchange or other disposition of share certificates issued abroad that represent shares issued by Argentine companies (i.e. ADRs). The exemptions will apply only if the foreign beneficiaries do not reside in, and the funds do not arise from, "non-cooperating" jurisdictions for tax transparency purposes.

The sale of an equity interest in a foreign entity could represent a taxable indirect transfer of Argentine assets (including shares), if (i) the value of the Argentine assets exceed 30% of the transaction's overall value, and (ii) the equity interest sold (in the foreign entity) exceeds 10%. The tax will also be due if any of these thresholds were met during the twelve month period prior to the sale.

The applicable rate is generally 15% on the net capital gain or at a 13.5% rate on the gross price at the seller’s election, of the proportional value that corresponds to the Argentine assets.

The indirect transfer of Argentine assets within the same economic group would also not trigger taxation, provided the requirements set by regulations have been met.

Argentine entities

Capital gains obtained in tax years beginning from January 1, 2021 by Argentine entities (in general entities organized or incorporated under Argentine law, certain traders and intermediaries, local branches of non-Argentine entities, sole proprietorships and individuals carrying on certain commercial activities in Argentina) derived from the sale, exchange or other disposition of shares or ADSs are subject to the following tiered structure of corporate income tax rates for different brackets of earnings:

Annual taxable income (ARS)	Tax due on lower limit (ARS)	Marginal rate on the excess of the lower limit
0 to 5 million	ARS 0	25%
Over 5 million to 50 million	ARS 1.25 million	30%
Over 50 million	ARS 14.75 million	35%

Losses arising from the sale, exchange or other disposition of shares or ADSs can be applied only to offset such capital gains arising from the sale, exchange or other disposition of these securities, for a five-year carryover period.

WE RECOMMEND PROSPECTIVE INVESTORS TO CONSULT THEIR OWN TAX ADVISOR REGARDING THE PARTICULAR TAX CONSEQUENCES CONCERNING THE SALE OR OTHER DISPOSITIONS OF SHARES AND ADSs.

Value Added Tax (“VAT”)

The sale, exchange or other disposition of our ADSs or common shares and the distribution of dividends are exempted from VAT.

Personal Assets Tax

Argentine entities, like us, are subject to the personal assets tax corresponding to Argentine individuals and Foreign Beneficiaries (be they legal entities or individuals) for the holding of company shares at December 31 of each year.

Pursuant to Law No. 27,541, as of December 31, 2019, the rate is 0.50% and is levied on the proportional net worth value (“*valor patrimonial proporcional*”), of the shares as per the Argentine entity’s last financial statements prepared under Argentine GAAP.

Pursuant to the Personal Assets Tax Law, the Argentine company is entitled to seek reimbursement of such paid tax from the applicable Argentine domiciled individuals and/or foreign domiciled shareholders.

Tax on Credits and Debits on Bank Accounts

Law No. 25,413, as amended and regulated by Law No. 25,453, established a tax, with certain exceptions, levied on debits and credits of any nature on bank accounts held at Argentine financial institutions, except for those specifically exempted pursuant to legal provisions and regulations thereof. The general tax rate is 0.6% for each debit and credit (although in certain cases an increased rate of 1.2% and a reduced rate of 0.075% may apply).

Certain transfers of money or cash movements through other mechanisms may also trigger application of this tax. In general, the financial institutions involved act as tax collection and tax calculation agents.

Decree No. 409/2018 established that as of January 1st, 2018, 33% of the tax paid on credits and debits levied at the 0.6% general tax rate and 1.2% tax rate, and 20% of the tax paid on transactions levied at the lesser tax rate, will be considered as a payment on account of income tax, taxes on presumed minimum income or the special contribution on cooperatives capital by the bank account holders. The exceeding amount will not be subject to compensation with other taxes or transfer in favor of third parties; however, it can be carried forward to other fiscal periods of the above-mentioned taxes.

This tax has certain exemptions; as an example, debits and credits in banking accounts opened by foreign legal entities in accordance with BCRA Communication “A” 3250 and used exclusively for the purpose of making financial investments in Argentina are exempted from this tax in accordance with section 10, paragraph s) of Decree No. 380/2001. Likewise, Law No.27,264 established that the Tax on Credits and Debits on Bank Accounts that had actually been deposited may be computed in a 100% as payment on account of the income tax by companies that are considered “micro” and “small” and in 50% by manufacturing industries considered “medium -trench 1-” under the terms of article 1 of Law No. 25,300 and its complementary regulations. In case securities’ holders receive payments in local bank checking accounts, such tax may apply.

Pursuant to Law No. 27,432, dated December 29, 2017, this tax will be applied until December 31, 2022. Moreover, according to this law, the Government may provide that the percentage of this tax that on the effective date of this law (i.e. December 30, 2017) is not computable as payment on account of income tax, it is progressively reduced by up to 20% per year as of January 1, 2018, and it can be established that, in 2022, it can be completely calculated as a payment on account of the income tax.

Turnover Tax

Turnover tax is a local tax levied on gross income earned from an activity during the year and it is applied by each provincial jurisdiction or the City of Buenos Aires. Any investors regularly engaged in activities, or presumed to be engaged in activities, in any provincial jurisdiction or in the City of Buenos Aires where they receive revenues from interest arising from holding notes, or from their sale or conveyance, could be subject to the turnover tax at rates that vary according to the specific laws of each Argentine province and of the City of Buenos Aires, unless an exemption applies.

There is a system of Collection and Control over Credits on Bank Accounts (“SIRCREB”) that enables the compliance of the turnover tax collection’s regimes, applicable over the amounts credited in Argentine bank accounts. The regimes vary according to the specific laws of each Argentine province. The aliquots to apply depend on each one of the treasuries with a range that can currently reach 5%.

Buenos Aires Tax Code, Section 180(1), third paragraph, sets forth that revenues from any transaction on notes issued in accordance with Law No. 23,576, the interest collected and updates accrued and the selling price in case of a transfer, shall be exempt provided the income tax exemption is applicable.

The Province of Buenos Aires Tax Code sets forth a similar exemption in Section 207 (c), second paragraph.

Considering the autonomous authority vested in each provincial jurisdiction in connection with tax matters, any potential effects derived from these transactions must be analyzed, in addition to the tax treatment established by other provincial jurisdictions. Potential investors must consider the effects of the turnover tax and the SIRCREB regime depending on the local jurisdictions involved. Also, as certain jurisdictions have excluded the application of these regimes on certain financial transactions, holders shall verify the existence of any exclusion to these regimes in accordance with the jurisdiction involved.

Stamp Tax

The stamp tax is a local tax that is generally levied on the consummation of onerous transactions executed within a certain provincial jurisdiction or outside a certain provincial jurisdiction but with effects in such jurisdiction.

Notwithstanding the fact that the stamp tax is a local tax, for Buenos Aires City, the acts, contracts and transactions, including money delivery or receipt transactions, related to the issuance, subscription, placement and transfer of notes, issued pursuant to the Negotiable Obligations Law regime are exempted from application of this tax. This exemption shall include the creation of any real or personal guarantees in favor of investors or third-parties guaranteeing the issuance, either prior to, simultaneous with or subsequently to such issuance.

This exemption also covers security rights related to issuances. However, this exemption is forfeited if, within a 90-calendar days term, the relevant authorization is not requested for the public offering of such securities before the CNV.

The acts and/or instruments related to the trading of shares and other securities duly authorized for public offering by the CNV are exempted from application of stamp tax in the City of Buenos Aires. This exemption is also ineffective if the circumstances mentioned in the last sentence of the previous paragraph occur.

In turn, in the Province of Buenos Aires, any acts, contracts, transactions, including money delivery or receipt transactions, related to the issuance, subscription, placement and transfer of notes issued pursuant to the Negotiable Obligations Law regime and Law No. 23,962 are exempted from application of this tax. This exemption shall include the creation of any real or personal guarantees in favor of investors or third-parties guaranteeing the issuance, either prior to, simultaneous with or subsequently to such issuance.

Considering the autonomous authority vested in each provincial jurisdiction in connection with tax matters, any potential effects derived from these transactions must be analyzed, in addition to the tax treatment established by the other provincial jurisdictions. Potential investors must consider the stamp tax impact depending on the local jurisdictions involved.

Transfer Taxes

The Province of Buenos Aires passed Law No. 14,044, approved on September 23, 2009 and published in the Argentine Official Gazette on October 16, 2009, whereby it imposed a Tax on Gratuitous Transfer of Assets (“**TGTA**”), effective as of January 1, 2011.

The basic aspects of the TGTA are:

TGTA is applicable to any enrichment resulting from gratuitous transfers, including: inheritances, legacies, donations anticipated, or any other event that implies a gratuitous monetary enrichment.

The tax is payable by individuals and legal entities that are beneficiaries of a gratuitous transfer of assets.

For taxpayers domiciled in the Province of Buenos Aires, the tax is levied on the total amount of the gratuitous enrichment, in respect of property situated both in and outside of the Province of Buenos Aires. Instead, for taxpayers domiciled outside of the Province of Buenos Aires, the tax is levied only on the gratuitous enrichment resulting from the transmission of assets located within the Province of Buenos Aires.

The following types of property, which may be freely transferred, are deemed situated in the Province of Buenos Aires (i) securities and shares of stock, notes, membership or equity interests and other negotiable instruments representing capital stock, issued by governmental or private entities and companies domiciled in the Province of Buenos Aires; (ii) securities, shares of stock and other negotiable instruments issued by private entities or companies domiciled in a different jurisdiction that were physically situated in the Province of Buenos Aires at the time of their transmission; and (iii) securities, shares of stock and other negotiable instruments representing capital stock or its equivalent issued by entities or companies domiciled in another jurisdiction which are also physically situated in another jurisdiction, in proportion to the issuer’s assets situated in the Province of Buenos Aires.

The gratuitous transfer of assets is exempt from tax when their aggregate value, excluding deductions, exemptions and exclusions, is equal to or lower than Ps.269,000 and it rises to Ps.1,120,000 when the transfer is done between parents, children and spouses.

Step-up rates from 1.6026% to 8.7840% have been established, based on the degree of kinship and taxable base involved.

The Province of Entre Ríos, pursuant to provincial Law No. 10,553, dated December 13, 2017, has revoked its provincial TGTA stated by virtue of Law No. 10,197.

As for the existence of the TGTA in other provinces, potential investors must analyze the tax consequences according to the jurisdictions involved in the specific case.

Court Taxes

In the event that it becomes necessary to institute legal actions in relation to our securities before a federal court in Argentina or the courts sitting in the City of Buenos Aires, a court tax will be imposed on the amount of any claim (currently at a rate of 3.0%). Certain court and other taxes could be imposed on the amount of any claim brought before the courts of the relevant province.

Treaties to Avoid Double Taxation

Argentina has entered into tax treaties to avoid double taxation with several countries (Australia, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Italy, México, Netherlands, Norway, Russia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and Uruguay). The agreement signed with Qatar Qatar will be effective on 1/1/2022. There is currently no tax treaty in force between Argentina and the United States

Inflow of Funds from Non-Cooperative Jurisdictions

Non-cooperative jurisdictions are those countries or jurisdictions that do not have in force with the Government an agreement for the exchange of information on tax matters or a treaty to avoid international double taxation with a broad clause for the exchange of information. Likewise, those countries that, having an agreement of this type in force, do not effectively comply with the exchange of information will be considered non-cooperative. The aforementioned treaties and agreements must comply with international standards of transparency and exchange of information on fiscal matters to which the Argentine Republic has committed itself. After the tax reform the white list system in force was replaced by a black list system. In this system, the Executive Branch would have to prepare and update a list of the countries considered as non-cooperative based on the aforementioned criteria. As of today, the United States is considered a cooperating country.

According to the legal assumption established by Law No. 11,683 Section 18.1 as amended, incoming funds from non-cooperative jurisdictions are considered unjustified net worth increases for the local receiver.

Unjustified net worth increases are subject to the following taxes:

- Income tax would be assessed on 110% of the amount of funds transferred;
- VAT would be assessed on 110% of the amount of funds transferred. Even though the concept “income arising from” is not clear, it could be construed as any fund transfer;
- from an account in a non-cooperative jurisdiction, or from a bank account opened outside of a non-cooperative jurisdiction but owned by an entity located in a non-cooperative jurisdiction; or
- to a bank account located in Argentina or to a bank account opened outside of Argentina but owned by an Argentina tax resident.

Notwithstanding the above, the Law provides that the Federal Administration of Public Revenues can accept those funds that derived from activities genuinely performed by an Argentine taxpayer, or by a third party in said jurisdiction.

With respect to the application of the above-mentioned legal presumption on incoming funds from jurisdictions considered as low or null tax jurisdictions (defined under section 15.3 of the Argentine Income Tax Law) further clarifications are expected to be issued by the implementing decree of the Tax Reform.

THE ABOVE SUMMARY DOES NOT REPRESENT A FULL ANALYSIS OF ALL THE TAX CONSEQUENCES AND DOES NOT ADDRESS ALL OF THE ARGENTINE TAX CONSEQUENCES THAT MAY BE APPLICABLE DERIVED FROM THE OWNERSHIP OF NEGOTIABLE OBLIGATIONS. POTENTIAL HOLDERS AND BUYERS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THEIR PARTICULAR TAX CONSEQUENCES. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL THE ARGENTINE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO PURCHASE, OWN OR DISPOSE OUR SHARES. IN PARTICULAR, THIS SUMMARY DOES NOT DESCRIBE ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCALITY, MUNICIPALITY OR TAXING JURISDICTION OTHER THAN CERTAIN FEDERAL LAWS OF ARGENTINA.

United States Taxes

General. This following discussion is a summary of U.S. federal income tax consequences generally applicable to a U.S. holder (as defined below) who holds our Class B Shares or ADSs. It applies to a U.S. holder only if such holder holds our Class B Shares or ADSs as “capital assets” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”) and is not a member of a special class of holders subject to special rules, including: a dealer in securities; a trader in securities that elects to use a mark-to-market method of accounting for his or her securities holdings; a tax-exempt organization; a life insurance company; a person liable for alternative minimum tax; a person that actually or constructively owns 10% or more of the voting power or value of our aggregate shares outstanding; a person that holds Class B Shares or ADSs as part of a hedging or straddle or conversion transaction; a person that purchases or sells Class B Shares or ADSs as part of a wash sale for tax purposes; a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) and partners or members therein; or a person whose functional currency is not the U.S. dollar.

This discussion is based on the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, and the laws of Argentina all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Class B Shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Class B Shares or ADSs should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in Class B Shares or ADSs.

A holder is a U.S. holder if such holder is a beneficial owner of Class B Shares or ADSs and such holder is: a citizen or resident of the United States; a domestic corporation or other entity taxable as such; an estate whose income is subject to U.S. federal income tax regardless of its source; or a trust, if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

In general, and taking into account the earlier assumptions, for U.S. federal income tax purposes, a holder of ADRs evidencing ADSs will be treated as the owner of the underlying Class B Shares represented by those ADSs, and exchanges of Class B Shares for ADRs, and ADRs for Class B Shares, will not be subject to U.S. federal income tax.

This discussion does not generally address any aspects of U.S. taxation other than federal income taxation. Holders of Class B Shares or ADSs are urged to consult their tax advisors regarding the U.S. federal, state and local tax consequences of owning and disposing of the Class B Shares or ADSs in their particular circumstances.

Taxation of Dividends. Under the United States federal income tax laws, and subject to the passive foreign investment company (“PFIC”) rules discussed below, a U.S. holder must include in his or her gross income the gross amount of any dividend that we pay out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). If the holder is a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable at the preferential rates applicable to long-term capital gains; provided that the Class B Shares or ADSs are held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and certain other holding period requirements are met. Provided that we are not a PFIC, for the year in which a dividend is paid or the preceding taxable year, dividends that are paid with respect to the ADSs that are readily tradable on an established securities market in the United States are qualified dividend income. Under this rule, we expect that the dividends we pay with respect to the ADSs will be qualified dividend income. Because the Class B Shares are not readily tradable on an established securities market in the United States, it is unclear whether dividends paid with respect to the Class B Shares will also be qualified dividend income.

The holder must include any Argentine tax withheld from the dividend payment in this gross amount even though the holder does not in fact receive it. The holder must include the gross amount of dividends in income when the holder, in the case of Class B Shares, or the depository, in the case of ADSs, receives the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of a holder’s basis in the Class B Shares or ADSs and thereafter as capital gain.

The amount of the dividend distribution that a holder must include in his or her income will be the U.S. dollar value of the peso payments made, determined at the spot peso/U.S. dollar rate on the date such dividend distribution is includible in such holder’s income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a holder includes the dividend payment in income to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

For foreign tax credit purposes, the dividend will generally be income from sources outside the United States. Dividends will, depending on the holder’s circumstances, generally be either “passive” or “general” income, for purposes of computing the foreign tax credit allowable to the holder. Subject to certain limitations, the Argentine tax withheld and paid over to Argentina will generally be creditable or deductible against your U.S. federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates.

However, it is likely that no U.S. foreign tax credit will be allowed to U.S. holders of Class B Shares or ADSs in respect of any personal property or similar tax imposed by Argentina (or any taxing authority thereof or therein) (for example, if such tax is not treated as an income tax for U.S. federal income tax purposes). The calculation of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of deductions, involve the application of complex rules that depend on a U.S. holder’s particular circumstances. All U.S. holders should consult their own tax advisors regarding the creditability or deductibility of such taxes.

Taxation of Capital Gains. Subject to the PFIC rules discussed below, a U.S. holder that sells or otherwise disposes of Class B Shares or ADSs will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized and his or her tax basis (determined in U.S. dollars) in such Class B Shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the holder has a holding period greater than one year. The gain or loss generally will be income or loss from sources within the U.S. for foreign tax credit limitation purposes.

As discussed in the previous paragraph, it is possible that a U.S. holder who sells or purchases the Class B Shares or ADSs may be subject to Argentine tax upon such sale or acquisition. If the seller is legally liable for the tax and the seller pays this tax, then the seller should be able to claim a foreign tax credit for U.S. federal income tax purposes in an amount equal to the amount of the tax, subject to generally applicable limitations. However, because the gain from a sale or other disposition of Class B Shares or ADSs will be U.S. source income, such seller would need a sufficient amount of other foreign source income that is untaxed, or that is taxed at a tax rate that is sufficiently lower than the U.S. tax rate applicable to such seller, in order to be able to claim this foreign tax credit. Additionally, if an Argentine tax is withheld on the sale or other disposition of Class B Shares or ADSs, then the seller must include the amount of such tax withheld in the amount realized upon the sale or disposition, even though the seller does not in fact receive it. If the purchaser is legally liable for the tax, then the purchaser will likely not be entitled to receive any tax credit in the United States in respect of the payment of any such taxes.

PFIC Rules. In general, a non-U.S. corporation will be classified as a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes, if either (i) 75% or more of its gross income consists of certain types of “passive” income or (ii) 50% or more of the fair market value of its assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, cash is categorized as a passive asset. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the shares. We do not believe that we were a PFIC for the taxable year ended December 31, 2017. We do not anticipate being a PFIC for our current taxable year, although we can make no assurances in this regard. Our status as a PFIC in any year depends on our assets and activities in that year. We have no reason to believe that our assets or activities will change in a manner that would cause us to be classified as a PFIC for the current taxable year or for any future year, however this is a factual determination that is made annually and thus may be subject to change.

If we were to be treated as a PFIC, unless a U.S. holder makes a valid election to be taxed annually on a mark-to-market basis with respect to the Class B Shares or ADSs, gain realized on the sale or other disposition of the shares or ADSs would in general not be treated as capital gain. Instead, the U.S. holder would be treated as if he had realized such gain and certain “excess distributions” ratably over the holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, Class B Shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during the holding period of a U.S. holder. In addition, dividends received from us will not be eligible for the special tax rates applicable to qualified dividend income if we are treated as a PFIC (or are treated as a PFIC with respect to a U.S. holder) either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. Additionally, U.S. holders owning our ADSs or Class B Shares may be subject to certain reporting obligations with respect to our ADSs or Class B Shares for years in which we were a PFIC.