Incentive Regime for Large Investments (RIGI): Investors Guide

What is the RIGI?

The **Incentive Regime for Large Investments (RIGI)** is a strategic program established under the Foundations and Starting Point for the Freedom of Argentines Act (Law 27,742 of 2024) to attract and promote large-scale investments in Argentina. It offers significant tax, customs, and foreign exchange benefits while providing a robust legal framework to ensure legal security and facilitate long-term investment projects.

Which sectors are covered under the RIGI?

The RIGI targets the following key sectors:

1. **Forestry**
2. **Tourism**
3. **Infrastructure**
4. **Mining**
5. **Technology**
6. **Iron and Steel Energy**
7. **Oil and Gas**

Additionally, the RIGI includes **Long-Term Strategic Export Projects**, aimed at positioning Argentina as a reliable supplier in global markets where its current presence is limited.

Who can adhere to the RIGI?

To qualify, investors must establish a **Single-Purpose Vehicle (SPV)** exclusively dedicated to executing a RIGI-approved project. The SPV cannot engage in unrelated activities or hold non-project assets, excluding those necessary for SPV fund administration.

Eligible SPV structures include:

- Corporations (including single-member entities) and limited liability companies.
- Branches of foreign-registered companies (Art. 118, Law 19,950).
- Dedicated branches (Art. 170, Law 27,742).
- Temporary consortia and other associative contracts.

RIGI eligibility requirements

1. **Minimum investment:**
    - USD 200 million for standard projects.
    - USD 300 million for oil/gas transportation and storage. USD 600 million for oil/gas exploration and production (export-focused).
    - USD 600 million for oil/gas exploration and production (offshore).
2. **Initial disbursement**: 40% of the minimum investment must be executed within the first two years (the Executive Branch may reduce this requirement to 20%).
3. **Long-Term Strategic Export Projects:** USD 2 billion total (minimum USD 1 billion per stage if disbursement is in stages).
4. **Project maturity**: The ratio between the present value of the expected net cash flow (excluding investments in the first three years) and the net present value of planned capital expenditures during that period should not exceed 30%.

RIGI Benefits

1. **Tax and customs incentives:**
    - **Income tax:**
        - Reduction of the tax rate from 35% to 25%.
        - Accelerated depreciation (two annual instalments for movable assets; according to useful life reduced to 60% for infrastructure).
        - Unlimited carry forward of tax losses; transferable to third parties after the 5th year.
        - Dividends: Taxed at a 7% rate (3.5% after seven years).
    - **VAT**: May be offset using Fiscal Credit Certificates.
    - **Bank Debit/Credit Tax**: Fully creditable against Income Tax.
    - **Customs Duties**:

- Export duty exemptions for capital goods, spare parts, and components.
- Export duty exemptions after three years (two years for Long-Term Strategic Export Projects).

2. **Foreign Exchange benefits**:
   - **Export Proceeds**: Exemption from mandatory foreign exchange settlement:
     - 20% after two years, 40% after three years, 100% after four years (for standard projects).
     - 20% after one year, 40% after two years, 100% after three years (for Long-Term Strategic Export Projects).
   - No obligation to repatriate or settle foreign currency from capital contributions, loans, or services.
   - No limitations on the holding of foreign assets, and free access to foreign exchange markets for profit, dividends and interest to non-residents.

Legal guarantees

Projects adhered to the RIGI benefit from 30-year regulatory stability in tax, customs, and foreign exchange matters. The benefits cannot be revoked or altered by more restrictive new regulations.

The regulation provides that any dispute related to the RIGI arising between Argentina and a SPV shall be settled through international arbitration.

Submission deadline

The RIGI is active until July 8, 2026. The Executive Branch may extend this deadline once by one additional year.

Provincial adherence to the RIGI

Provinces may join the RIGI "under all its terms and conditions," requiring alignment of local regulations with the regime.

Additional resources on the RIGI:

- https://servicioscf.ap.gob.ar/publico/abc/ABCpaso2.aspx?id_nivel1=3368&id_nivel2=3369
- https://ftp.ap.gob.ar/rigi/procedimiento/inscripcion-vpu.asp

Source: Argentine Agency for Investments and International Trade

- https://invest.inversionycomercio.ar/2025/02/06/rigi-2025/