DE DIEGO & ASOCIADOS ABOGADOS

LaborNet

Dear All,

Resolution No. 1276/2026 establishes the general investment guidelines for the Labor Assistance Funds (FAL, by its Spanish acronym), which were created under Law 27802 and regulated pursuant to Executive Order No. 408/2026. The framework primarily aims to ensure capital preservation, guarantee liquidity for employment benefits, and mitigate investment risks.

Specific issues:

Authorized investments: FAL resources must be exclusively invested in:

Debt securities of the National Government;

Debt securities of the Provinces and the City of Buenos Aires Governments;

Deposits in financial institutions authorized by the Argentine Central Bank (BCRA); and

Corporate bonds by Argentine private issuers.

Requirements for provincial securities and corporate bonds: They must be authorized for public offering, traded on markets authorized by the Argentine Securities and Exchange Commission (CNV, for its acronym in Spanish), and hold a "AAA" credit rating issued by at least two rating agencies registered with the CNV.

Admissible yield types: Investments at a fixed rate, indexed to TAMAR (Argentina Wholesale Rate), CER (Reference Stabilization Coefficient), or exchange rate fluctuations, in addition to certain Dual Bonds (Argentine sovereign debt instruments that pay the maximum return between two indexes at maturity, typically inflation and exchange rate movements) .

Concentration limits: Limits are established to prevent funds from becoming overly concentrated in a specific bank, province, issuer, or exchange-rate-linked operations. For example, corporate bonds may not exceed 20% of FAL total assets, or 10% per issuer and its affiliates.

Prohibited transactions with the managing entity: Entities managing FALs shall not invest fund resources in deposits or securities issued by themselves or their related entities (including parent companies, subsidiaries, or affiliates). This restriction excludes demand deposits, provided they are maintained solely for operational and transitional purposes.

Minimum liquidity: They must maintain a minimum of 10% of FAL's total assets in highly liquid, low-risk assets, such as demand deposits, certain fixed-term deposits, and short-term National Treasury bills.

Currency: Assets must be funded and payable in Argentine pesos, and marketable securities must be issued and traded on authorized Argentine markets.

Control and compliance: Managing entities must permanently maintain their investments within the established limits. The CNV will have 45 days from the effective date to issue the necessary complementary regulations.

Downgrade in credit rating: If an instrument subsequently loses its required rating, it may be held until maturity or sold orderly within 180 calendar days; however, no new purchases of instruments by the same issuer shall be made during this period.

Practical Implications for Companies

This Resolution does not directly modify employers' obligations regarding FAL; rather, it establishes investment and management rules for those funds.

Ultimately, the aim is to ensure that resources to cover employment benefits are well-managed, guaranteeing safety, liquidity, diversification, and capital preservation, and avoiding excessive concentration or risk exposure.

The CNV will issue the necessary supplementary and clarifying implementing regulations within forty-five (45) days from its effective date.

Authorized Entities shall at all times maintain their investments in compliance with the limits and conditions set forth in this Resolution and the regulations issued by the CNV.

This Resolution was published on August 12, 2026, and took effect on the day following its publication.

Please feel free to contact us for further information.

Best regards,

Leading Law Firm - **de Diego & Asociados** [These reports are prepared by the Senior Consulting Team, a sophisticated team of lawyers specialized in labor and employment law, with more than 40 years of solid experience serving clients with the latest trends, carefully selecting topics for Human Resources executives]