



## Due diligence

### *Legal due diligence*

**Describe the legal due diligence required in the context of a real-estate business combination and any due diligence specific to a real-estate business combination. What specialists are typically involved and at what point in the transaction are the various teams typically brought in?**

In Argentina, due diligence is required in the context of a business combination, whether a real-estate-related one or not, taking place before the transaction. During the pre-transaction period, the seller will, at request of the buyer, set up a data room that can be either in physical or virtual form. The data room will contain the legal, financial, accounting, labour, tax, corporate and real-estate information that may be of interest to the buyer and the transaction at hand.

The process will consist of the analysis of said information by the corresponding and qualified professionals and, based on said analysis, the drafting of a 'due diligence report', which will include all the seller's relevant information, including all its properties.

Due diligence generally includes lawyers, financial and accounting advisers, representatives and, should it be needed, technical advice.

The time at which these groups are brought in varies greatly depending on the transaction and the approach adopted.

### *Searches*

**How are title, lien, bankruptcy, litigation and tax searches typically conducted? On what levels are these searches typically run? What protection from bad title is available to buyers and does this depend on the nature of the underlying asset?**

Titles to all real property are registered at the corresponding Registry of Real Property the jurisdiction in which the property is located. The titles must be requested at the said registry and reviewed by the corresponding professionals to detect any inconsistencies or irregularities.

Regarding bankruptcy and litigation matters, the information is registered diffusively since there is no single registry in this regard. However, the Registry of Trials in each jurisdiction is most trustworthy place to begin the search.

Concerning tax matters, there is no registry of pending taxes but, depending on the jurisdiction and the taxed asset or action, there are several web pages or offices where specific information regarding specific taxes can be requested. Generally, the main offices that provide this information in the city and the province of Buenos Aires are the Federal Administration of Public Income, the Takings Agency of the Province of Buenos Aires, and the General Administration of Public Income.

Tax and litigation indemnities are generally agreed while negotiating the terms of the transaction.

### *Representation and warranty insurance*

**Do sellers of non-public real-estate businesses typically purchase representation and warranty insurance to cover post-closing liability?**

In Argentina, as well as in Latin America, insurance for representations and warranties is not common. Insurance companies do not provide this service except in unique and specific circumstances. Nonetheless, there have been attempts to implement this kind of insurance for M&A deals. Insurance companies, as well as businessmen interested in these kinds of transactions, believe that in the future, this kind of insurance might be implemented in Argentina.

*Review of business contracts*

**What are some of the primary agreements that the legal teams customarily review in the context of a real-estate business combination, and does the scope vary with the structure of the transaction?**

Legal teams generally review agreements such as the lease, management, and supply and service agreements, among others. Titles and permits are always reviewed.

The scope of the review shall mainly depend on the corporate structure of the business combination. The said structure will determine the corporate documentation to be reviewed.