



Mapping of Public Procurement Regulations and Procedures in **Argentina**



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It is hereby expressly established that the information included in this report and the conclusions drawn from this information do not reflect the official view of the European Union.

The authors included official information that is published by the different jurisdictions as well as information obtained as a result of the contacts established with different public procurement actors. The conclusions reached by the authors are the result of an extensive analysis of mentioned information and the authors' own legal and technical expertise.

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1. The Public Procurement System in Argentina

Public Procurement Basics

Any bidder in the public procurement market must take into account that in Argentina there is not one but several legal regimes that can be applied, depending on the tender. That stems from the fact that Argentina is a federal country with three levels of government:

- 1) The Federal (National) Government;
- 2) Provincial Governments: 23 Provinces and the City of Buenos Aires (CABA)¹, and
- 3) Municipal Governments: Approximately 2,000 municipalities in the Provinces.

GOVERNMENTAL LEVELS		
FEDERAL (National)	23 PROVINCES and CABA	MUNICIPALITIES (Aprox. 2,000 in the Provinces)

Each level of government applies the principle of division of powers and consequently has three branches:

- 1) Executive Branch;
- 2) Legislative Branch, and
- 3) Judicial Branch.

Each branch at each level of government has the power to establish its own public procurement regime. This Report will focus on procurements by the Executive Branches at the different levels of government, since they are the most relevant from a public procurement perspective.

In general, the Legislative and Judicial Branch establish their own public procurement regulations. Only in exceptional cases the Public Procurement Regime of the Executive Branch applies to the other Branches.

In addition, within the Executive Branch there normally is:

- 1) **General Procurement Regime:** applicable for most of its institutions, and
- 2) **Special Regimes:** established by some autarkic entities and all the public companies within their structure, which have their own public procurement regimes.

¹ Without prejudice to existing legal and actual differences between provinces and CABA, they are similar in terms of public procurement. Consequently, this report considers them to be at the same government level.

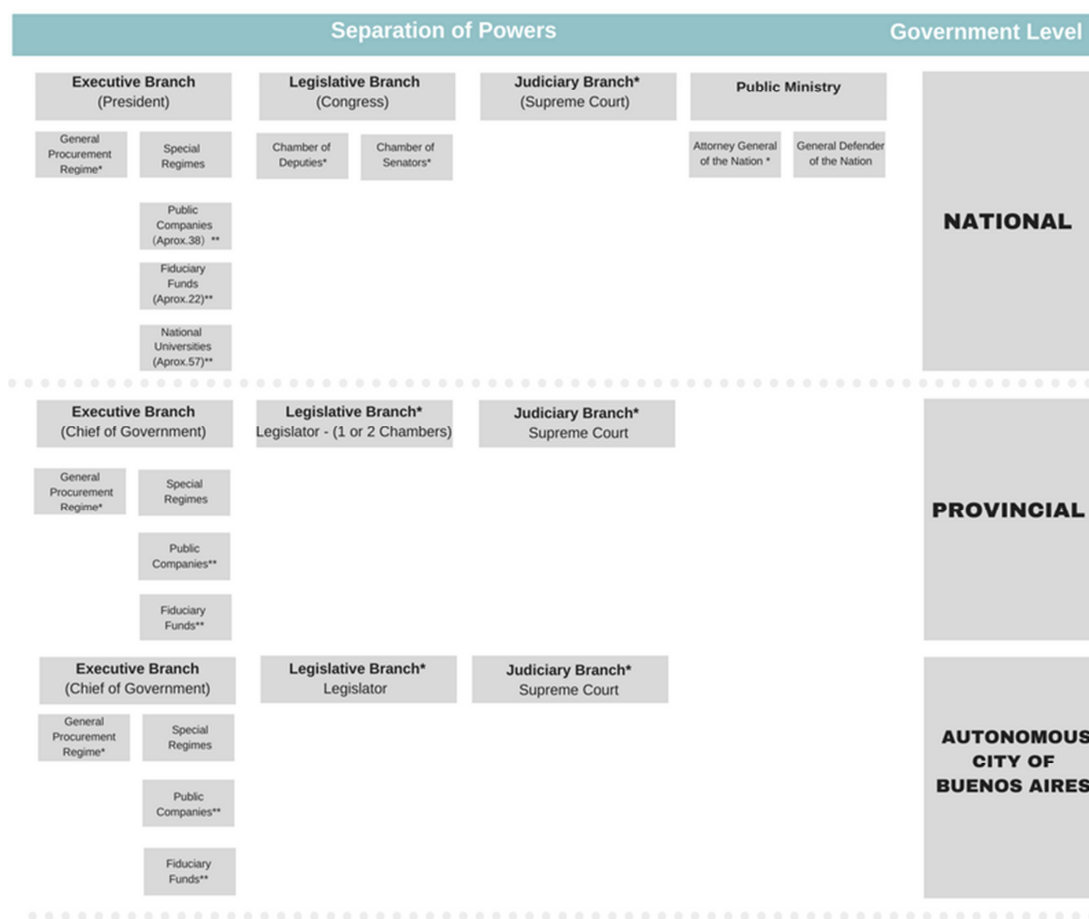
How to Identify the Applicable Public Procurement Regime

In this framework, from the perspective of a foreign bidder it is important to understand the institutional placement of the institution/government body that is looking to acquire products or services. This will determine the Public Procurement system to be applied, and therefore the actual requirements for eligibility of bidders, the selection procedure, the awarding criteria and contract execution. As a result, bidders should:

- 1) Start by identifying the government level of the bidding institution: Federal State, Provinces/CABA or Municipalities;
- 2) subsequently, the branch to which the procuring institution belongs to (either Executive, Legislative or Judicial), and
- 3) Finally, whether the institution applies a general or a special regime.

For example, a bidder selling medical equipment to State-health facilities will need to understand whether the institutions making the purchase are within: the National State, the Provinces, CABA or the Municipalities, because each of the governmental levels has its own health facilities, with their own procurement regulations.

The following graphic shows the public procurement regimes that each branch on the different government level applies:





*: In these cases, only one public procurement regime exists.

** : In these cases, several different public procurement regimes exist (e.g. for public companies, fiduciary funds or universities on each government level).

At national level, there are approximately 39 public companies, 22 fiduciary funds and 57 universities. At provincial level (incl. CABA) the number of public companies and fiduciary funds varies from Province to Province.

2. General and Special Public Procurement Regimes and Particular Regulations for Certain Contracts

Every Executive Branch at every level of government (federal/national, provincial (incl. CABA) or municipal) has its own procurement regime. As mentioned before, within these different regimes there will normally be a "*General Regime*" (applicable to all the procuring institutions without a special procurement regime) and "*Special Regimes*" (applicable to a few entities which are empowered to establish their own public procurement rules). This further subdivision is related to the structure of public administration in Argentina, and to the division between Centralized and Decentralized Administration.

2.1 Centralized and Decentralized Institutions

The *Centralized Administration* is the group of institutions with no legal personality that are under the authority of the Executive Branch. It includes Ministries, Secretariats, Sub-Secretariats and Directorates, among others.

In order to illustrate the importance of the Centralized Administration, it is worth mentioning that the National State consists of the Chief of Ministries, 20 Ministries², 10 Secretariats and 3 Sub-Secretariats under the direct authority of the Ministries.

The *Decentralized Administration* is the group of institutions with their own legal personality. These may either have a public objective ("autarkic entities", such as the National Road Directorate (*Dirección Nacional de Vialidad*)) or a private or commercial objective ("public companies"³, such as ADIF S.E.).

² Ministry of Agroindustry, Ministry of Environment, Ministry of Science, Technology and Productive Innovation, Ministry of Culture, Ministry of Defense, Ministry of Social Development, Ministry of Education, Ministry of Energy and Mining, Ministry of Finance, Ministry of Treasury, Ministry of Justice, Ministry of Modernization, Ministry of Production, Ministry of Foreign Affairs, Ministry of Health, Ministry of Security, Ministry of Labour, Ministry of Transport, Ministry of Tourism and Ministry of the Interior (or Home Affairs).

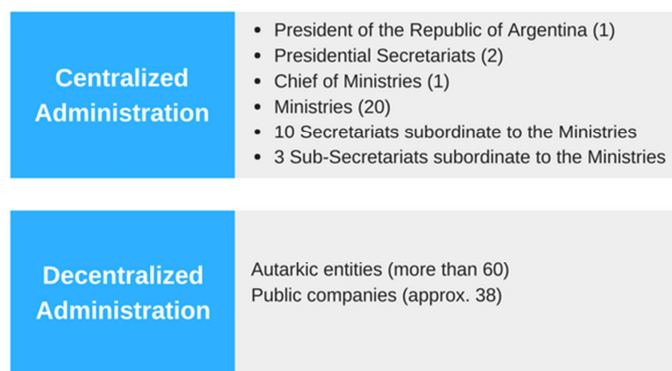
³ In this report we refer to public companies as all companies in which the State is the sole owner or majority shareholder:

- State Companies (*Sociedades del Estado* (S.E.)) regulated by Law No. 20,705;
- Corporations owned by the State (*Sociedades Anónimas* (S.A.));
- Corporations with Majority State Participation (*Sociedades Anónimas de Participación Estatal Mayoritaria* (SAPEM)), and
- Mixed Companies (*Sociedades de Economía Mixta* (SEM)).

However, it has to be pointed out that the State can be a minority shareholder in private companies, but these companies are not part of the Decentralized Administration.

All decentralized institutions, including public companies, are under the authority of and supervised by a centralized entity. This is an attenuated dependency, which means that the centralized institutions cannot give instructions to or take decisions for their subordinated entities but can control the legality of their decisions. For instance, ADIF S.E., a public company in charge of train infrastructure, is under the authority of the Ministry of Transport, which can execute control over the legality of certain decisions taken by ADIF S.E.

The following graphic illustrates the structure of the Centralized and Decentralized Public Administration at federal level:



2.2 Special Regime

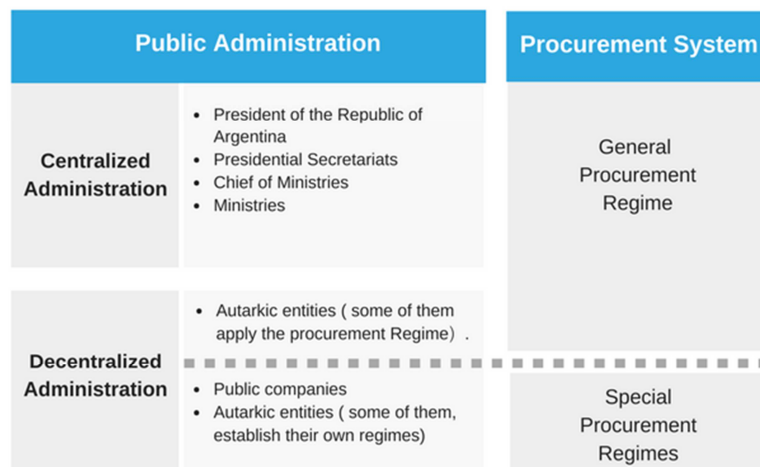
Most institutions of the Public Administration in each of the jurisdictions (including centralized and most decentralized institutions) apply the General Procurement Regime. Some decentralized institutions have been empowered to establish their own public procurement regimes, which are referred to as Special Regimes. However, not all decentralized institutions are authorized to implement their own procurement regulations; in that case, those institutions will need to apply the General Regime.

All public companies (e.g. YPF, *Aerolíneas Argentinas*, etc.) have Special Public Procurement Regimes, which are expected to be more flexible and dynamic in order to be able to better compete with private companies in the market.

At national level, there are certain autarkic entities with their own procurement regulations (e.g. the National Tax Bureau (AFIP for its initial letters in Spanish) and the National Asset Administration Agency (*Agencia de Administración de Bienes del Estado*)).

For example, at national level, equipment purchases by the Ministry of Transport, which is part of the centralized administration, are ruled by the General Procurement Regime, while equipment purchases made by ADIF S.E. – a State company under the authority of this Ministry – have their own procurement regime.

Graphically:



Both the General Regime and the Special Regimes establish their own objectives, principles and procedures for different public procurement contracts.

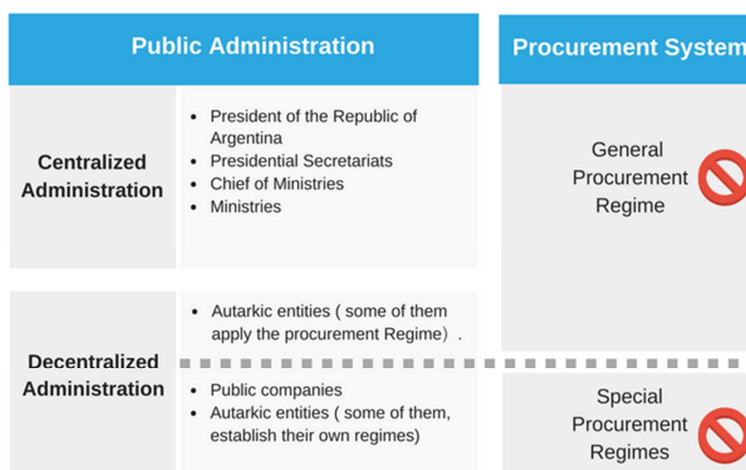
2.3 Particular Regulations for Certain Contracts

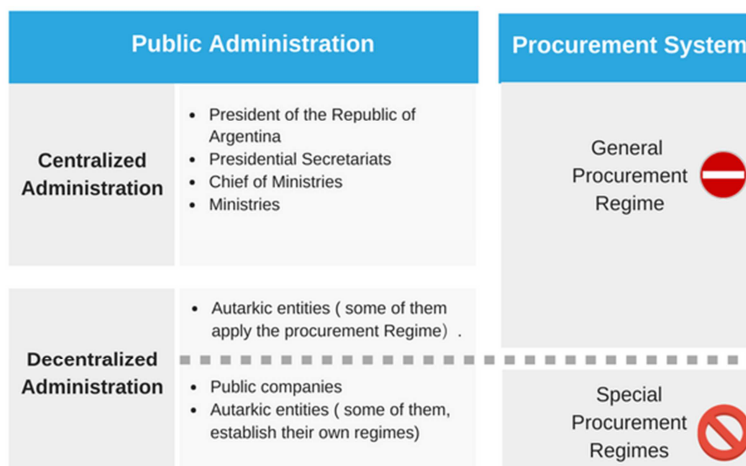
Certain procurements are regulated by “Particular Regulations” meaning that their contractual procedure and execution (rights and obligations of the parties) is different from the General and Special Regimes.

Thus, in some instances, the General or Special Regime is not applied (e.g. Public-Private Partnership contracts) whereas in other cases the General or Special Regime does apply but only to the extent that the Particular Regulations do not apply (e.g. public works contracts).


Graphically:

Particular Contracts: Public-Private Partnership



Particular Contracts: Public Works

 In this case, the General or Special Procurement Regime does not apply.

 In this case, only Chapter I of the General Procurement Regime applies, provided that the particular provisions of the Public Works Law (*Ley de Obra Pública*) are not infringed.

3. Common Rules of all General and Special Procurement Regimes at each Government Level

Even though each General and Special Regime has its own dispositions and characteristics, all of them follow these general rules:

3.1 General Principles in Public Procurement⁴

- 1) Rationale of the project, and efficiency of the procurement to meet the engaged public interest and to achieve the expected results;
- 2) Promotion of competition of interested parties, and among bidders;
- 3) Transparency in the processes;
- 4) Publicity and dissemination of proceedings;
- 5) Responsibility on the government officials who authorize, approve or manage procurements;
- 6) Equal treatment for all interested parties and bidders;
- 7) Free competition between bidders, and
- 8) Adequacy as award criterion.

3.2 Contracts Expressly Exempted from the Public Procurement Regimes

- 1) Public employment contracts;
- 2) Petty cash purchase contracts;
- 3) Contracts settled with foreign States, public international entities or multilateral credit institutions;

⁴ The principles stem from international treaties, national and provincial Constitutions, municipal rules as well as applicable regulation.

- 4) Contracts that are partially or totally financed by the above-mentioned institutions, and
- 5) Contracts including public credit operations.

3.3 Selection Procedures

The State selects the private contractor through one of the following procedures:

- 1) **Public tender:** The call for tender is made to an undetermined number of possible bidders with capacity to commit. This selection procedure applies when the estimated amount to be contracted is higher than a threshold stipulated by law. This threshold is defined by each jurisdiction.
- 2) **Private tender:** In this case the call for tender is made to a limited number of bidders. This selection procedure applies when the estimated amount to be contracted is lower than a threshold stipulated by law. This threshold is defined by each jurisdiction.
- 3) **Price bidding:** It is a quote request addressed to a certain number of suppliers, with a simplified procedure. This figure is not always regulated in the public procurement regimes and its meaning can change in different jurisdictions.
- 4) **Direct awarding⁵:** In this case the contracting entity will award a contract exclusively to a particular contractor. This is allowed in the following cases:
 - a) In case of bidder exclusivity (e.g. when the bidder is the only authorized seller);
 - b) In case of emergency, and
 - c) If the contracting sum does not exceed a stipulated amount.
- 5) **Public auction:** This procedure applies only to purchases and sales of both real estate and personal property. It is carried out by a public auctioneer, with a basic price that is established previously.

The standard procedures are public tender or public auction, while private tender and direct award are exceptions.

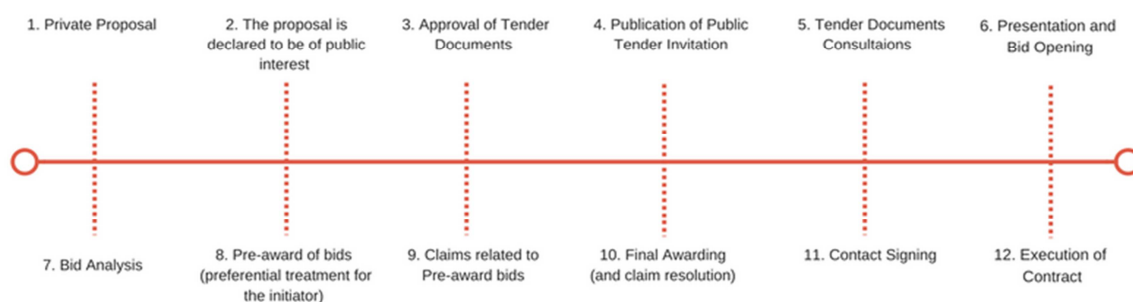
It is important to remark that the contracting entity can use either private tender or direct award when the estimated procurement amount is below a threshold established by the respective regulation.

3.4 Other Procedures that Use Public Tender

- 1) **Private initiative:** A natural person or legal entity submits a proposal that involves a scientific or technical innovation and has been declared to be of public interest by the National State, through the jurisdiction or entity with competence in the matter.

This process is illustrated in the following graphic:

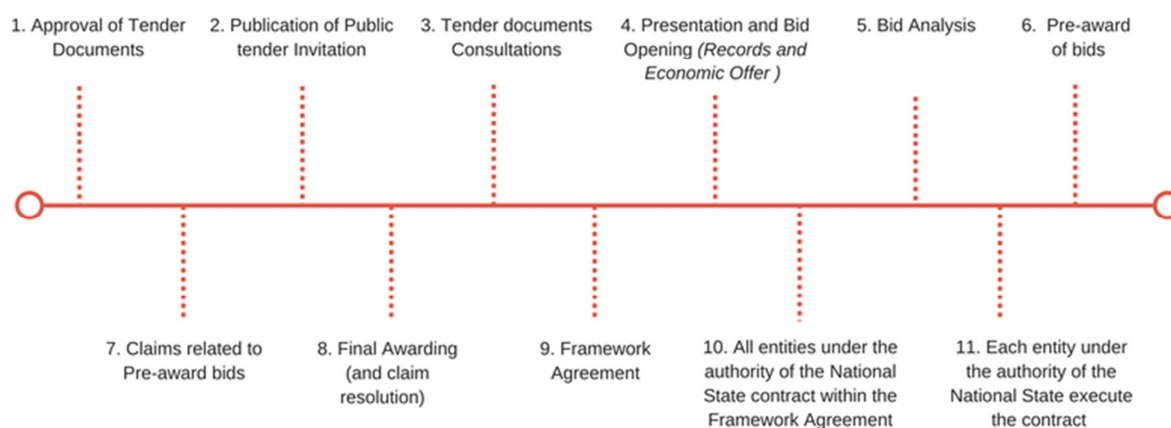
⁵ There is also direct award procurement in State-State agreements. In these cases, the General Regime does not apply.



- 2) **Framework agreement:** When the National Procurement Office (*Oficina Nacional de Contrataciones* (ONC)) selects suppliers (either *ex officio* or by petition of one or more jurisdictions or procurement entities) to contract the supply of goods and services on behalf of those jurisdictions or entities. In case there is an existing framework agreement, each institution must contract through it. The governing body can suspend or eliminate any product or service awarded by a framework agreement upon reasonable grounds. Moreover, for opportunity reasons and if suitable, the ONC can also eliminate any product or service included in the framework agreement and may incorporate new products by opening a new invitation.

As an example, there is a framework agreement concluded by the ONC currently in force at national level for the procurement of cell phone, radio and data transfer services. Four suppliers have been awarded within this framework. For the duration of this framework agreement, the entities within the National State have to contract with these four providers to make use of abovementioned services⁶.

The following graphic illustrates the framework agreement structure:



3.5 Contract Execution Modalities

The modalities to award contracts are classified depending on:

⁶ Purchase Process No. 999-0001-LPU16 (<https://comprar.gob.ar/PLIEGO/VistaPreviaPliegoCiudadano.aspx?qs=BQoBkoMoEhxIElqT9HsrzKl0asRnHQcafhub83YGujWmvLmG686kWiDP1yWu117orRTp7nEom8=>).

Who executes:

- 1) **Consolidated procurement:** Used when two or more jurisdictions or hiring entities require the same supply - unifying the business selection procedure - in order to obtain better conditions than by individual procurement.
- 2) **Comprehensive project bids:** In case the contracting entity cannot determine the specifications of the contract in detail, potential bidders are invited to propose comprehensive project solutions.

How contracts are executed:

- 1) **Turnkey:** When contracting a unique supplier with the responsibility of the comprehensive realization of a project is more suitable from a public interest point of view;
- 2) **Blanket ordering:** When the particular tendering documents cannot establish with enough precision the quantity of goods and services, or cannot establish the dates and delivery deadlines, and
- 3) **Guaranteed maximum price:** If the provider is compensated for the actual costs plus a fixed fee, subject to a maximum price.

3.6 Eligibility Criteria

Each procurement regime establishes the requirements which must be met by natural persons and legal entities in order to contract. Some of them are:

- 1) Legal capacity to contract;
- 2) No previous suspension or disqualification to contract with the National State;
- 3) No crimes against property, against the National Public Administration, or against public faith, and
- 4) No tax debts.

3.7 National and International Tenders

Many jurisdictions expressly define the criteria to contract with foreign bidders – meaning those whose head office is outside Argentina and do not have a duly registered branch in the country. In general, international tenders are reserved for complex or very important procurements.

Foreign bidders are usually exempted from some requirements which are mandatory for national bidders, like the registration in the National Register of Suppliers (*Sistema de Información de Proveedores* (SIPRO)) or others.

However, foreign bidders are required to present the documentation from their country of origin (equivalent to what is required from national bidders) to participate in tender processes. Furthermore, foreign language documents have to be translated by a public translator into the Spanish language.

Once a procurement contract has been awarded, it is commonly required for foreign bidders to establish a branch office in Argentina. Often, this is not expressly demanded by the procurement regimes, but becomes a requirement of individual procurement terms.

Regarding particular regulations, many contractual specifications require foreign companies to establish a joint venture with an Argentine company.

For example, foreign bidders were allowed to participate in the bidding procedure for a tender offer by Belgrano Cargas y Logística S.A. (BCyL) – a state-owned company. A foreign bidder was awarded with the contract and then required by its terms to establish a branch office in Argentina. This situation had an impact in the bid budget.

3.8 Competent Authority

All procurement regimes are based on the idea of centralization of policies but decentralization of management. Thus, practically all General Procurement Regimes designate a governing body in charge of proposing the procurement policies, projecting regulations and clarifying, interpreting and complementing the procurement rules, while each of the procuring institutions under the respective regime is in charge of managing and executing the procurements internally.

For example, in the National General Regime there is a National Procurement Office (Oficina Nacional de Contrataciones (ONC)) in charge of adopting general procurement regulations, whereas all the Ministries manage and execute their own procurement proceedings.

3.9 Award Criteria

Generally, the contract is awarded for the bid that is the most suitable for the contracting body, taking into account price, quality, bidder's adequacy and the remaining conditions of the bid. The selection criteria may consist of economic or non-economic factors, such as technical-scientific capacity, artistic skills or others.

3.10 Possibility to Revoke the Call for Tender

Most regimes establish the possibility for the contracting entity to revoke the call for tender during any stage of the tender process before conclusion of contract⁷.

4. National and Local Preference

4.1 National Preference

⁷ For example, in the National General Regime this is established by Article 20 of Decree No. 1,023/01. Also, Article 47 of Decree No. 1,030/16 sets forth that a revocation needs to be published on the website of the ONC (<https://comprar.gob.ar/>).

The national legislation and certain Provinces establish a preference regime that favors national bidders. Bidders are considered national when they offer goods produced in Argentina or have a legal domicile in Argentina for a determined time.

National bids are favored in the sense that they will succeed even though the respective national bid is higher than competing foreign bids. The national legislation establishes a preference for bids that include national products with identical or similar features, in cash payment conditions. These suppliers must be chosen even if their price exceeds the offer of foreign companies by a 7% (when the domestic company is a Micro, Small and Medium-Sized Enterprise, SMEs) or by 5% (for other domestic enterprises). It is important to mention that these percentages may be raised if Congress passes a draft Bill that was approved by the Argentine Chamber of Deputies in 2017, and until the date of completion of this report had not yet been approved by the Senators Chamber.⁸

Provincial legislations use similar thresholds.

As far as Public-Private Partnership contracts are concerned (which are established in various provinces) the contract specifications need to provide for a national participation of at least 33%, in case the provision of goods and services is part of the contract⁹.

4.2 Local Preference

Most Provinces and some Municipalities have established a preference regime that favors local bidders. Bidders are considered local if they offer goods produced in the concerned jurisdiction's territory or if they have legal domicile in that jurisdiction for a determined time.

Local bids are favored in the sense that they will succeed even though the respective local bid is higher than competing non-local bids. The threshold depends on each jurisdiction, although it is normally set around 5%.

5. Public Tender Phases

Public tender is the standard selection procedure and comprises the following phases:

- 1) **Process commencement:** The procuring entity of the Executive Branch decides to start the procurement process;
- 2) **Fund allocation:** The funds for the procurement project must be reflected in the budget (in other words, public funds are allocated to the procurement);
- 3) **Decision on selection procedure:** The contracting institution chooses the selection procedure, in general public tender;
- 4) **Publication of the call for tenders;**

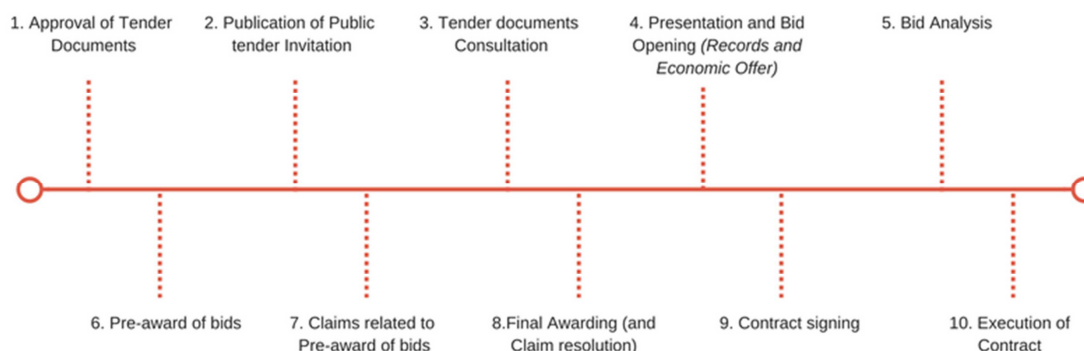
⁸ The Bill increases national preference to 15% (when the domestic company is a micro, small and medium-sized enterprise) or to 8% (for other domestic enterprises).

⁹ Article 12 of Law No. 27,328.

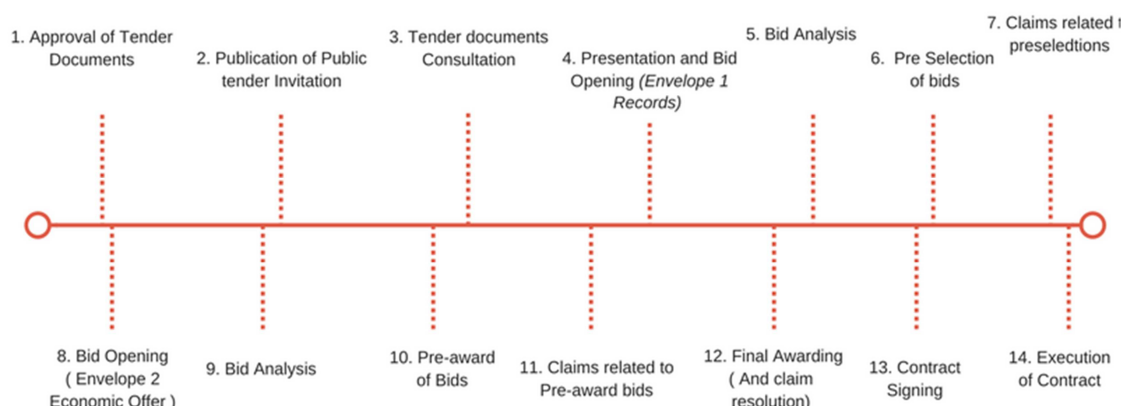
- 5) **Provision of terms and conditions:** The respective bidders receive the terms and conditions;
- 6) **Enquiries:** The bidders may make consultations on the respective terms and conditions. The entity in charge of the procurement process may give responses, which will be included into the terms and conditions;
- 7) **Procedural stages:** The bids are placed either in a single stage or in multiple stages:
 - a) Single stage: when financial and technical proposals are presented in one act, by submitting one envelope, or
 - b) Multi-stage: when technical, financial and further proposals are presented in multiple acts, by submitting more than one envelope.
- 8) **Preliminary evaluation:** The bids are evaluated (in case of multi-stage bids they are pre-selected);
- 9) **Legal evaluation:** A legal opinion on the bids' evaluation and pre-selection is issued, which can be appealed by the bidders;
- 10) **Contract awarding:** After possible complaints have been resolved, and
- 11) **Contract conclusion:** The procurement contracts are concluded in two different ways:
 - a) Simple notification on the awarding to the respective winning bidder (e.g. supply contract),
 - b) Signature of a formal document between both parties (e.g. public works contract).

The following graphic reflects the different phases in most of the public tender processes:

Public Tender Phases - Single Stage:



Public Tender Phases- Multi-stage:



6. International Treaties and Covenants Impacting Public Procurement

6.1 Public Procurement, Transparency and Anti-Corruption

It is important to mention that the elements of anti-corruption treaties that Argentina has adopted are of great importance to ensure the transparency of public procurement procedures. Argentina has signed and ratified two treaties against corruption, which have direct effect on the country's public procurement: the Inter-American Convention against Corruption ("IACAC", *Convención Interamericana contra la Corrupción*)¹⁰ and the United Nations Convention against Corruption ("UNCAC", *Convención de las Naciones Unidas contra la Corrupción*)¹¹.

Both Conventions set out basic principles that reflect international rules of public procurement, such as disclosure, equality, efficiency, transparency and competition, as well as the use of objective criteria in the decision-making process.

Anti-corruption treaties require sharing public information on procurement procedures and contracts. In addition, these treaties demand that the conditions for participation are established in advance, including the implementation of proper procedures, awarding criteria, tendering rules, objectives, predetermine criteria for public procurement decisions and an effective system of domestic evaluation.

Furthermore, these treaties oblige signatory countries to adopt an objective system of analysis, and to have control over the respective procurements. Under these anti-corruption treaties, Argentina is required to guarantee the application of above-mentioned principles, safeguarded by the corresponding control mechanisms to determine their compliance.

¹⁰ The IACAC was adopted in March 1996 by the Organization of American States (OAS), in Caracas, Venezuela. Is the first legal instrument in this field which recognizes the international reach of corruption and the need to promote and facilitate cooperation between States in order to fight against it. See <http://www.oas.org/juridico/english/treaties/b-58.html>.

¹¹ Approved by the United Nations General Assembly Resolution 58/4 of October 31, 2003, available at www.unodc.org/unodc/en/treaties/CAC/.

6.2 Bilateral Investment Treaties (BIT)

Once foreign bidders have been awarded a contract and the investment has been made, they are protected under respective BITs signed by Argentina with other countries including 21 EU Member States¹².

Therefore, the contracts are protected in case there is a contractual violation, discriminatory or unfair treatment, or any other breach of the BIT. Foreign bidders may choose an International Arbitral Tribunal – such as the International Center for Settlement of Investment Disputes (ICSID)¹³ – to protect their rights.

6.3 Contracts Funded by International Financial Institutions

Many foreign bidders are already familiar with public procurement managed by the State, with loans or grants from (credit) multilateral organisms, in different countries around the world.

In Argentina, the National State, the Provinces/CABA and Municipalities can enter into public procurement contracts through loans received from financial and technical assistance by institutions such as the World Bank, Inter-American Development Bank (IDB for its initial letters in Spanish), Andean Development Corporation – Development Bank of Latin America (CAF for its initial letters in Spanish); Financial Fund for the Cuenca de la Plata (FFCPD) and International Fund for Agricultural Development (IFAD), to which Argentina has acceded to.

Other public procurement contracts include those implemented through funds and programs managed by the United Nations programs, particularly those managed by the United Nations Development Program (UNDP), the United Nations Office for Project Services (UNOPS) and other cooperation initiatives funded by the European Union, the European Investment Bank and bilateral cooperation sources, such as the *Spanish Agency for International Development Cooperation* (AECID for its initial letters in Spanish) and the Program for Spanish-Argentinean Economic Cooperation.

When the above-mentioned international organizations lend or grant money to the Argentinean Government, the scope of the public procurement shall be defined in the loans agreement. In these cases, the National Public Administration Procurement Regime does not apply unless it is expressly regulated for each particular case. This happens because each International Organization has its own procurement regulation, and the Argentinean government must implement the rules already established by each organization.

Thus, procurements of any local jurisdiction that include loans by international financial institutions are out of the scope of their own procurement regime, unless the international treaty expressly establishes the application of the domestic rules.

At national level, these loan agreements shall be authorized by Presidential Decree, notwithstanding its power to delegate this faculty to lower-level officials. Generally, the

¹² Germany (1991), Austria (1992), Belgium-Luxembourg (1990), Bulgaria (1993), Croatia (1994), Denmark (1992), Spain (1991), Finland (1993), France (1991), Greece (1999), Hungary (1993), Italy (1990), Lithuania (1996), Netherlands (1992), Poland (1991), Portugal (1994), United Kingdom (1990), Czech Republic (1996), Romania (1993), Sweden (1991).

¹³ ICSID was established in 1966 by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, available at: <https://icsid.worldbank.org/en/Pages/icsiddocs/ICSID-Convention.aspx>.

National Executive Branch authorizes the model loan agreements, while it delegates the power to sign them to lower-level Ministers.¹⁴

6.4 Direct Award Clauses in State-State Agreements

State-State agreements, usually based on broader economic cooperation agreements, often include direct award clauses. Therefore, Argentinean procuring entities may directly award procurement contracts to companies and public entities of these countries within the specific scope of the State-State agreement.

State-State agreements are exempted from the National Administration's Procurement Regime.

These agreements are not regulated specifically. However, even in case a State-State agreement exists, the public administration may still acquire goods that fall in the category of direct awarding, through public tender proceedings.

As an example, Argentina has signed direct awarding clauses with China and Poland. In the case of China, the National General Auditing Office (*Auditoría General de la Nación*) has made numerous observations¹⁵.

The State-State agreements, as well as the bilateral and multilateral treaties and conventions that Argentina has signed and ratified, can be found on the web site of the Argentinean Ministry of Foreign Affairs¹⁶.

6.5 Southern Common Market (MERCOSUR)

The Southern Common Market (MERCOSUR for its name in Spanish) was founded in 1991 by Argentina, Brazil, Paraguay and Uruguay, through the Treaty of Asunción. Venezuela is currently suspended¹⁷. Bolivia¹⁸ has also requested access (not yet completed).

MERCOSUR is different from the European Union, as it has no community law. Thus, its regulations have no binding character for the Member States. Conversely, the regulations enacted by MERCOSUR have to be adopted internally by each Member State in order to become binding for them.

¹⁴ For example, Decree No. 1622/11 of the Executive Branch approved the model loan agreement with IADB and Decree No. 842/17 approved the model loan agreement with the Development Bank of Latin America/CAF.

¹⁵ This institution is a control body, under the authority of the Legislative Branch, and whose main objective is to exercise external control on the Executive Branch in its economic, financial and operational aspects (Article 85 of the National Constitution).

¹⁶ <http://tratados.mrecic.gov.ar/busqueda.php?consulta=si&modo=c>.

¹⁷ Joined MERCOSUR as a Member State in 2012 and is currently suspended from its entire rights and obligations according to Article 5 of MERCOSUR's Ushuaia Protocol on Democratic Commitment.

¹⁸ Submitted its protocol of accession to MERCOSUR in 2012, which has been approved by all Member States in 2015. It is, however, necessary that each Legislative Branch of the Member States incorporates the accession as internal law.

On December 21, 2017, the Member States signed the MERCOSUR Public Procurement Protocol. It establishes national treatment for Member State companies in tenders of governmental procurements of goods, services and public works by certain institutions of the centralized and decentralized public administration set out in the Annex of the Protocol.

A future Association Agreement between MERCOSUR and the European Union will also include rules on public procurement. This will likely help harmonizing the procurement systems and eventually extend national preferences to companies in the Member States of the European Union.