



BELGRANO CARGAS



■ ■ RICHARDS CARDINAL
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Why is Belgrano Cargas y Logística S.A. in the news?

Through Decree **No. 67/2025**, published on February 10, 2025, in the Official Gazette, the government authorized the procedure for the full **privatization of Belgrano Cargas y Logística S.A. (hereinafter, “BCyL”)** by means of vertical disintegration and the separation of activities and assets of each business unit.

Thus, the Ministry of Economy will proceed with:

- **The public auction of rolling stock;** and
- **The execution of public works concession contracts** for:
 - 1.the railway tracks and their adjacent properties, and
 - 2.the use of railway workshops.

The proceeds from the aforementioned **public auction** will be allocated to a guarantee, custody, deposit, and/or management instrument to be created by the Ministry of Economy for the financing and payment of works on the tracks to be concessioned.

Once these contracts are executed, **BCyL will be dissolved and liquidated.**

What is Belgrano Cargas y Logística S.A.?

BCyL is a corporation (sociedad anónima) created by **Decree No. 566/2013** under the framework of **General Corporations Law No. 19,550**, for the provision and commercial operation of the service, train operations and logistics, station management, maintenance of rolling stock, infrastructure, equipment, freight terminals, telecommunications services, and all other complementary and subsidiary activities within the national railway network sector, including the General Belgrano Railway.

The company manages three key freight railway lines: **Belgrano, San Martín** (formerly **Buenos Aires al Pacífico S.A. - BAP-**) and **General Urquiza** (formerly **Ferrocarril Mesopotámico S.A. - MESO-**). The latter two were acquired in 1998 by América Latina Logística (ALL), part of Grupo GP Investimentos from Brazil. These lines span **17 provinces**, covering **7,600 kilometers of railway network**, making BCyL a fundamental player in the transportation of goods to export ports and the integration of multimodal transport to Chile and Brazil. **BCyL accounts for 37% of all rail freight transport in Argentina.**

What is BCyL's Corporate Structure?

Belgrano Cargas y Logística S.A. (BCyL) is composed of three state-owned entities:

Administración de Infraestructuras Ferroviarias Sociedad del Estado (ADIF SE), Sociedad Operadora Ferroviaria Sociedad del Estado (SOFSE), and Administración General de Puertos Sociedad del Estado (AGP SE).

Thus, while **BCyL** itself is not a state-owned company (**Sociedad del Estado**), all three of its shareholders are. Its Articles of Incorporation and Corporate Bylaws were approved by Resolution No. 471/2013 of the then Ministry of the Interior and Transport.

BCyL operates under the jurisdiction of the **Transport Secretariat**, in accordance with the updated text of Decree No. 50/2019.

Business and Investment Opportunities Related to BCyL's Current Situation

As a direct consequence of the **privatization** of BCyL's services, a wide range of potential business and **investment opportunities** is emerging for both **domestic and international railway industry operators**, including:

-Participation of companies, joint ventures, and temporary unions in bidding processes to be called by the Ministry of Economy. Given the undeniable importance of the services to be granted under concession, it is highly probable that **international public tenders** will be called, with significant technical and financial solvency requirements, and with the participation of **railway operators with proven experience**.

It should be noted that the procedures authorized for contracting are of an administrative nature, governed by a specific regime that establishes principles of transparency, competition, equality, anti-corruption, publicity, reasonableness, etc.

While awaiting the publication of the terms and conditions, we are available to inquire if there are any drafts already in preparation.

-In addition to the traditional mechanism for submitting bids in public tenders that shall be called, it is possible to assess the pertinence of submitting a private initiative project under the terms of Article 67 and related provisions of Law No. 27.742 and Annex III of Decree No. 713/2024. This institute allows private companies to submit to the State a comprehensive project for the purpose of **constructing or operating public works or infrastructures, or providing public services**, in a manner different from the one proposed by the public entity or agency with decision-making authority on the matter.

Private initiatives can be submitted by invitation from the competent authority, or even without an invitation to tender, in which case the promoter must justify the public interest reasons that support the execution of the project. Once the project is submitted in accordance with the requirements established in the regulations, and once any additional information and documentation deemed necessary by the competent authority is requested, the agency will prepare a non-binding report on the public interest and the eligibility of the proposal, considering its **technical, economic, and financial feasibility**. If the relevant authority considers that the proposal is of public interest, it will elevate the non-binding report to the President, who will decide whether to grant such qualification or not. If it does so, a public tender must be called.

In the context of this tender, the **promoter of the private initiative** will have the following rights: (i) **priority** when the difference between offers is up to 10%; (ii) the right to **improve its offer** when the difference between offers is between 10% and 15% — this right to improve the offer is also granted to the competing bidder; (iii) if not awarded the contract, the promoter will be entitled to receive from the awarded bidder, as **fees and reimbursable expenses**, 1% of the awarded offer amount, which may be increased up to 3% depending on the characteristics of the project and the work carried out by the promoter. Additionally, the promoter will hold copyright over the project for 2 years, even if the project is not declared of public interest.

-Additionally, it is expected that if the concession call for the railways is effectively made as outlined by Minister Sturzenegger (open access tracks), the opportunity for private third parties to operate cargo in competition with the concessionaires of the locomotives and wagons awarded the machinery currently operated by BCyL will be significantly increased.

-Finally, the awardees may assess the possibility of including their projects under the **Regime for Incentives for Large Investments (RIGI)**, a special regime created by Law No. 27.742 with the goal of **attracting large-scale investments in strategic sectors such as infrastructure**. It offers a range of benefits for investors, including: (i) fiscal, foreign exchange, and customs stability for 30 years; (ii) tax reductions and other fiscal benefits; (iii) unrestricted access to the Foreign Exchange Market (MULC), guaranteeing the repatriation of profits; (iv) facilities for the importation of inputs and capital goods with no fees or restrictions.

-There are also other provincial regimes aimed at promoting investments and activities that may be of interest.



Belgrano Cargas y Logística S.A.

— “BCyL” —

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How can we assist you?



For all of these potential scenarios, our legal advisory team has extensive experience in foreign investments, privatizations, designing legal structures, including temporary business unions and joint ventures for bidding in public tenders, project financing for privatizations and concessions, administrative law (with a particular focus on regulations applicable to the industry), foreign exchange control regimes, and tax planning, in order to provide quick and appropriate solutions to business opportunities that align with your interests.

We also have professionals who are experts in designing complex corporate structures and in identifying and mitigating tax risks associated with large-scale transactions, such as those expected to take place once the contracts are awarded.



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Hernán D. Camarero advised Ferrosur Roca S.A. (formerly the concessionaire of the public freight railway transport service, previously owned by the Fortabat Group, which operated the southern railway line of the country), particularly its board of directors, on all legal aspects of the concession contract, its relationship with the regulatory authority (formerly the National Transport Secretariat) and with the Provincial Railway Program Executive Unit of the Province of Buenos Aires, corporate governance, commercial operations, contracts, and represented the company in administrative, civil, and commercial litigation.

Additionally, Hernán advised the GP Investimentos Group from Brazil in the legal due diligence, negotiation, and drafting of purchase agreements for the 100% shareholding of Buenos Aires al Pacífico S.A. (BAP) and Ferrocarril Mesopotámico S.A. (MESO) — whose international railway operator was Canadian Railway Corporation — to Industrias Pescarmona S.A., in a highly complex transaction. Later, BAP and MESO were merged into America Latina Logística (ALL), a Brazilian railway company based in Curitiba, owned by GP Investimentos. Hernán provided legal counsel to BAP, MESO, and later ALL, on all legal matters related to the companies.

PABLO F. RICHARDS

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Pablo F. Richards actively participated in the privatization process of passenger railway services during the 1990s, advising The Burlington Northern and Santa Fe Railway and MK Rail, both U.S. investors, who were members of the consortia awarded the services. He represented the investors on the boards of Metrovías S.A. and Trenes de Buenos Aires S.A., and provided advisory services to Burlington while it operated the networks until their withdrawal from the awarded companies.



DAMIÁN NAVARRO

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Damián H. Navarro is a partner at RCTZZ and leads the Administrative and Regulatory Law department. He is a graduate of Universidad Di Tella (2006) and holds a Master's in Administrative Law from the University of Buenos Aires (2023). Damián is a professor of Administrative Law at the Faculty of Law at the University of Buenos Aires and an invited professor in the Master's program in Administrative Law at Universidad Austral. He also teaches at various private universities in subjects related to administrative law.

Damián has extensive experience in Public Law, Regulatory Law, TMT, Environmental Law, Competition Defense, and Constitutional Law. He specializes in public procurement processes, regulated activities, and public law litigation. With 18 years of experience in public law, Damián provides advisory services to both local and foreign companies in complex situations. He has experience in administrative procedures and judicial claims before federal and provincial courts.

Damián is ranked in Legal 500 in the Next Generation Partners category of Public Law ([here](#))  and is included in the LACCA Approved 2025 ranking in the Administrative Law category ([here](#)). 

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PILAR OLASO
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María del Pilar Olaso is a lawyer specializing in economic administrative law. She has worked for over 14 years in the field of Administrative and Regulatory Law. Throughout her career, she has advised and represented private companies from various highly regulated sectors, including the railway industry. Some of her prominent clients in this industry have included Wabtec UK, Qingdao TSKY, Faiveley Brasil, and NextSense.

She has solid experience in analyzing complex regulatory frameworks, providing comprehensive and continuous advisory services to companies from a regulatory perspective, framing specific situations within the current regulations, suggesting possible solutions, estimating outcomes, and recommending the next steps. She has worked with various clients in preparing bids within the framework of public tenders and following up on any legal issues involved in public procurement (public works, public works concessions, supplies, public-private partnerships, etc.).

Pilar is ranked in Legal 500 in the Leading Associates category of Public Law ([here](#)) 

MARIANA VÁZQUEZ

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Mariana Vázquez is a lawyer specializing in corporate and financial law. With over 30 years of experience, throughout her career she has advised foreign companies in the largest privatization processes in Argentina, coordinating both the corporate and financing aspects. Her expertise in preparing and reviewing tender documents, as well as in negotiating and closing contracts, ensures comprehensive support throughout the entire process. Her leadership and ability to work as part of a team enable her to coordinate large-scale projects, collaborating effectively with other professionals to provide high-quality, integrated advisory services.

Tomás A. Balzano is a strategic advisor and business planner. He is a lawyer specializing in tax law, compliance, foreign exchange, and oil and energy, with experience working in teams through leadership techniques acquired both in the workplace and as a captain and coach of rugby teams. Throughout his career, he has specialized in legal, tax, and corporate matters, both local and international, with experience working with multinational and local clients in law firms and private companies.

Tomás has worked with China Railway Rolling Stock Corporation (CRRC) and the China National Nuclear Corporation (CNNC). He has also advised on public tenders in the energy sector since the last decade, as well as on wind and solar energy projects.

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