

ARGENTINA

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0- SYNOPSIS TABLE: TAXATION OF RESIDENTS AND NON-RESIDENTS

	RESIDENTS	NON-RESIDENTS
CORPORATE INCOME TAX RATE	From 25% to 35% depending on company income	
TAXES ON CAPITAL GAINS	Taxed as ordinary income (25% - 35%)	
WITHHOLDING TAXES		
Dividends	0%	7%
Interest	0%	15.05%- 35% (to be reduced in case of tax agreement)
Royalties	0%	12.25% - 31.5%
PERSONAL INCOME TAX	From 5% to 35%	35%
OTHER TAXES		
Excise	Applied on consumer goods 14% to 70%	
Stamp tax	1% but varying according to jurisdictions	
Real estate tax	0.5% to 2% according to provinces	
V.A.T.	10.5%, 21%, 27% Exports 0%	
LOSSES		
Carried forward	5 years	
Carried back	Not allowed	
DEPRECIATION		
Fixed assets	Industrial machines and equipment 20 years Furniture and office equipment 10 years Automobiles and trucks 5 years	
Intangible assets	Trade names, trademarks, goodwill and similar assets: not allowed Copyrights, patents and concessions: allowed	

1- AN OUTLINE OF COMPANY LAW

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
Joint stock corporations (SA)	Capital is divided into non-endorable registered shares; it must be at least 100,000 pesos, 25% of it must be paid in cash by the time of the subscription, the remaining 75% can be paid up during the following two years. Contributions that are not in cash must be made in full at subscription. Shareholders can be resident or non-resident, corporations or individuals, and are liable only for their capital contributions. An SA has an administrative board of directors with one or more members.		A new joint stock corporation must register at the Public Register of Commerce
Simplified joint stock corporations (SAS)	To form a simplified joint stock corporation there must be at least one shareholder. Shareholders can be resident or non-resident, corporations or individuals. The minimum capital requirement is two times the national minimum wage.	It can be created within 24 hours.	
Limited liability companies (SRL)	The capital is divided into quotas issued, the 25% of it must be paid in cash by the time of the subscription, the remaining 75% can be paid up during the following two years. The number of partners can be maximum 50 and their liability is limited to their capital contribution. At least one manager administers a limited liability company.	It must be registered at the Public Register of Commerce	
Trading partnerships (Sociedad colectiva)	All the partners in a trading partnership make capital contributions to the partnership. The partners have unlimited joint and several liability for the obligations and debts of the partnership. The partnership's name must contain the words "sociedad colectiva" or an applicable abbreviation.		
Limited silent partnerships (Sociedad en comandita simple)	To form a limited silent partnership are needed at least one partner with unlimited joint and several liability for debts and obligations and at least one partner with liability limited to capital contributions. The capital of a limited silent partnership is not represented by shares.		
Corporate silent partnerships (Sociedad en comandita por acciones)	It is a limited silent partnership where the limited partners have registered, non-endorable shares in the partnership that can be transferred. Partners who do not have shares have unlimited joint and several liability for debts and obligations.		
Combined capital and industrial partnerships	Combined capital and industrial partnerships consist of partners who contribute capital (who have unlimited joint and several liability for debts and obligations) and partners who contribute skills (who have liability limited only to the extent of their share of the retained profits)		

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
<i>Associative contracts</i>	<p>The Civil and Commercial Code provides for the establishment of contracts between parties which do not result in the formation of a legal entity.</p> <p>4 different types of contracts are applied:</p> <ul style="list-style-type: none"> • joint ventures (<i>negocios en participación</i>) • collaboration groups (<i>agrupaciones de colaboración</i>) • temporary unions (<i>uniones transitorias</i>) • cooperation consortia (<i>consorcios de cooperación</i>). 	There are no formal requirements for the formation of such contracts, but regulations are provided for the 4 different types of contracts.	A contract itself is not subject to income tax. The parties to the contract, whether they are individuals or corporations, are subject to income tax on their portion of taxable income. Moreover, tax losses of the contractual venture are allocated to its parties.
<i>Sole proprietorships</i>	It is not a separate legal entity and the proprietor is a natural person. The owner is charged with unlimited liability.	It has the lower number of formalities and costs.	
<i>Branches of a foreign entity</i>	<p>A foreign company that establishes an Argentine branch must establish its domicile in the country, the legal representative is also required to be resident in Argentina.</p> <p>Branches must maintain separate accounting records from those of the head office, and they must file annual financial statements. Nonetheless, the parent corporation is liable for all the debts and obligations of the branch.</p> <p>Branches are treated as separate entities subject for tax purposes.</p>		Branch offices must register with the Foreign Investment Register.
<i>Joint ventures</i>	<p>The Transitory Union of Enterprises (UTE) is the most common vehicle of joint venture in the country.</p> <p>Its form upon an agreement of temporary and specific work or service and it dissolves as soon as it reaches its goal. Foreign companies may be member of a joint venture. Members are jointly liable for debts and obligations unless the agreement provides otherwise.</p>		Joint ventures must register under the Public Commercial Register.
<i>Trusts</i>	A trust consists of the transfer of certain assets by one person (the settlor) to another person (the trustee) who exercises the ownership for the benefit of another person. The beneficiary may sometimes be the settlor. The transferred property is isolated from the assets and liabilities of the settlor. The trustee of a financial trust must be an authorized financial entity or corporation the beneficiaries are the holders of certificates evidencing a trust ownership interest or of debt securities secured by the assets held in trust that may be the subject of a public offer.		

2- WHEN ARGENTINE COMPANIES CAN BE CONSIDERED RESIDENT OR NON-RESIDENT?

Argentina adopts the residence concept of taxation: a company is considered resident when it has been established in accordance with the laws of Argentina.

Resident companies are subject to corporate income tax on their worldwide income, companies that are not resident in Argentina are subject to corporate income tax only on their Argentine source income.

3- BUSINESS AND NON-BUSINESS ACTIVITIES (ADMINISTRATIVE OFFICES, LIAISON OFFICES, PURCHASING OFFICES, ETC.)

All income from administrative or liaison activities carried out in Argentina represents taxable income subject to Argentine corporate income tax. When the amount of Argentine source income cannot be ascertained precisely, the tax authority (AFIP) may determine the taxable earnings by reference to indices or estimates of income earned by other businesses in the same field of activity.

Profits of an administrative or liaison office of an overseas company are subject to tax at Argentina's progressive corporate tax rates of 25% to 35%.

4- WHICH FOREIGN LOCAL UNITS CAN BE OPENED IN ARGENTINA: SECONDARY ESTABLISHMENTS, BRANCHES, SUBSIDIARIES OR PERMANENT ESTABLISHMENTS?

In order to conduct business through a branch in Argentina, a foreign company must prove its existence according to the laws of its home country, create a domicile in Argentina and register in Argentina, appoint a branch legal representative, and submit an annual report to Argentina's General Inspectorate of Justice (Inspección General de Justicia) detailing the ultimate beneficial owner/s of the company.

A branch is considered a separate entity from its home office for tax purposes and is subject to tax in Argentina on its worldwide income at the same tax rate that applies to Argentine companies (progressive rates of 25% to 35%).

An Argentine branch's taxable trading profits are calculated on the same basis as those of an Argentine incorporated company. The branch must keep separate accounting records in Argentina that show its own profits. Failure to do so may result in the treatment of income of the foreign company as sourced in the Argentine branch.

5- CALCULATING TAXABLE INCOME

Taxable income usually is calculated on an accrual basis. Trading profits are calculated in accordance with profits with adjustments.

The following items are adjusted for taxation purposes:

- dividends received from Argentine companies by resident companies are exempt from corporate income tax.
- Taxpayers may deduct bad debts that they have written off.
- A company may fully deduct expenses related to its formation in the period in which it incurs these expenses. It also may amortise such expenses over a period of 5 years. No adjustment for inflation is allowed.
- Taxpayers may deduct commissions and expenses of import and export operations to the extent that they are in accordance with normal commercial practice.
- Companies may deduct expenses incurred in providing employee benefits to the extent that they are incurred for educational and cultural assistance. Bonuses and other payments are deductible if paid prior to the date of the submission of the final tax return.
- Entertainment and other costs of representation are deductible if they are properly documented, up to an amount equal to 1.5% of salaries paid during the tax year.
- Fees paid to a company's board of directors are deductible up to an amount equal to 25% of after-tax book profits or up to a fixed amount (12,500 pesos for each director), whichever is greater. These figures are increased to 40% (17,500 pesos) if the recipient is female, and to 60% (20,000 pesos) if the recipient is transgender.
- A taxpayer may deduct the interest it pays on loans provided the loans relate to assets that generate taxable income.

- Donations made to exempted national, provincial or municipal authorities or other public welfare organisations within Argentina are deductible if such donations do not exceed 5% of profits for the year.
- A taxpayer may deduct depreciation for intangible property such as patents, copyrights and concessions. Trademarks, trade names and goodwill are not depreciable and, therefore, are not deductible.
- A taxpayer may also depreciate real and personal property over its useful life, provided the property is used to generate taxable earnings. Real property includes buildings but does not include land unless the land is used in extractive industries (ie mining, quarrying, etc)

6- TREATMENT OF LOSSES

A company may carry 100% of the loss for five years to offset future income. Losses derived from the sale of shares, quotas or partnership participations, including shares in common investment funds, may only be allocated against gains resulting from the sale of such assets. If the losses are not an Argentine source they may only offset holding and financing profits from the non-Argentine sources.

A taxpayer may carry forward federal losses if there is a change in ownership provided the business continues the same trade for at least two years.

Carry-back is not allowed.

7- IS INTEREST DEDUCTIBLE?

A taxpayer may deduct from gross income interest paid on debts connected with income-producing activities. Interest is deductible if it is incurred in the ordinary course of business and if the loans are at current commercial rates of interest.

Deductibility is restricted if the interest is paid in respect of financial debts. The amount of interest that is tax deductible is equal to the higher of a specific amount set by law or 30% of earnings before interest, taxation, depreciation and amortisation.

A taxpayer may not deduct interest incurred in earning exempt or non-taxable income.

Interest paid to a foreign parent company is deductible if paid before the deadline for filing tax returns, provided the restrictions on the deductibility of interest explained before are met.

Interest paid to a foreign company situated in a country with no central bank supervision is deductible only if paid before the deadline for filing tax returns and on the condition that a 35% rate of withholding is applied, regardless of whether it is a related company. Interest paid by a branch of a foreign company to its head office abroad is generally not deductible, but with some exceptions.

8- IS DEPRECIATION DEDUCTIBILITY ACKNOWLEDGED?

Tax law in Argentina provides for depreciation deductions for property held for the production of income or used by business. The depreciation of a company's fixed assets (including real estate) is calculated on a straight-line basis in accordance with the expected useful life of each type of asset.

Depreciation of intangible property like trade names, trademarks, goodwill and similar assets is not allowed, whereas other intangible assets with a limited duration such as copyrights, patents and concessions are depreciated.

For buildings the annual depreciation rate is 2%.

For other fixed assets, depreciation is allowed at an annual percentage rate on a straight-line basis over the useful life of the particular asset. There are other methods of calculation that can be used such as by reference to units produced, hours worked or other accepted methods for single type of property.

Depreciation rates for such assets are not fixed by law, but the Decree 1038/2000 has published standard useful lives. These include:

<i>Asset</i>	<i>Years</i>
Industrial heavy machines	20
Furniture and office equipment	10
Tools	5
Automobiles and trucks	5

For assets placed in service prior to 31 March 1992, depreciation amounts are adjusted for inflation from the date of acquisition to 31 March 1992. No further adjustments for inflation may be made after 31 March 1992. However, an inflation adjustment applies in respect of assets acquired after 1 January 2018 using the consumer domestic price index.

9- WHAT TAX TREATMENT IS APPLIED TO RESIDENT COMPANIES?

The corporate income tax rates for resident and non-resident businesses for 2023 are as follows:

<i>Taxable income (pesos)</i>	<i>Tax rate on this level of income</i>
0 – 5 m	25%
5 m – 50 m	1.25 m pesos + 30% of each peso over 5m
Over 50 m	14.75 m pesos + 35% of each peso over 50 m

For 2018, 2019 and 2020 the corporate tax rate was a flat rate of 30%. Before 1 January 2018, the rate had been 35% for more than 10 years.

From fiscal years in progress as of 27 December 2016, gambling businesses are subject to corporate income tax at the rate of 41.5%.

A one-time windfall tax applies to companies that meet either of the following conditions:

- income tax obligation of 100 million pesos or more in 2021 or 2022
- net taxable income (before the deduction of losses) of 300 million pesos or more in 2021 or 2022.

For taxpayers that are required to make advance payments, the windfall tax rate is 25% of the amount of advance payments made in the preceding tax year. For all other taxpayers, the windfall tax rate is 15% of net taxable income (before the deduction of losses) in the preceding tax year.

10- ARE GROUP COMPANIES CONSIDERED SINGLE COMPANIES FOR FISCAL PURPOSES?

Argentina does not allow tax consolidation for related companies. Each company must report its income separately and there is no offset of losses from one company to another.

11- WHAT TAX TREATMENT IS APPLIED TO FOREIGN LOCAL UNITS AND NON-RESIDENT COMPANIES?

Branches, administrative or liaison offices of an overseas company are subject to tax at the same rate that applies to Argentine companies (25% to 35%).

A branch is considered a separate entity from its home office for tax purposes and it is subject to tax in Argentina on its worldwide income. The branch must keep separate accounting records in Argentina that show its own profits. An Argentine branch's taxable trading profits are calculated on the same basis as those of an Argentine incorporated company.

12- ARE CAPITAL GAINS TAXED?

Argentina does not impose a separate tax on capital gains. Gains from the sale of capital assets are part of a taxpayer's total income and are subject to tax at the standard progressive corporate rates of 25% to 35%. Capital gain or loss on the sale of an asset is computed by subtracting the acquisition cost of the asset from the proceeds of the sale.

Taxpayers may choose an alternative procedure to declare capital gains when assets used in a trade or business are exchanged solely for assets of a like kind.

Taxpayers can defer tax on capital gains from the disposal of moveable fixed assets by crediting the gains against the cost of similar replacement assets.

13- WHAT TAX TREATMENT IS APPLIED IN CASE OF COMPANY LIQUIDATION?

Liquidation companies are taxed as ongoing companies until the final distribution. When the final distribution is made the current fiscal period ends and the company is obligated to file an income tax return for the period ending on that day.

Amounts distributed in the course of the company's winding-up in excess of the paid-up capital are deemed to be dividends paid by the company to its shareholders. A liquidating company must include unused provisions in its income in the final taxable accounting period.

14- TRANSFER OR REPURCHASE OF SHARE: HOW ARE THEY TAXED?

In case of a reduction of capitals the total amount paid for the shares over their par value is treated as a dividend and may be subject to withholding tax.

There are no specific rules for repurchase of shares in the income tax law. The tax treatment is the same as the reduction of capital.

15- WHAT OTHER TAXES ARE APPLIED IN ARGENTINA?

VAT

The standard rate of VAT is 21%.

There is also a special high rate of 27% applied to telecoms, domestic gas supplies, water and industrial energy users. A reduced rate of 10.5% is applicable to a range of goods and services such as the provision of meat, fruit and vegetables, agricultural services, passenger transport, residential housing construction, certain medical services, books, newspapers and periodicals.

There are exemptions in certain circumstances such as residential housing/farm leasing, passenger transport, medical services, education, public entity services and water, bread & milk. A reduced rate of 2.5% applies to import or supply of certain printed or digital newspapers and magazines, advertising services to certain printed or digital newspapers and magazines. Exports are zero-rated.

Stamp tax

Is a local tax levied on public or private instruments contracts, deeds, negotiable invoices, etc executed in Argentina. It applies to such instruments executed abroad when their effects are produced in one or more relevant jurisdictions within Argentina.

The stamp tax has been generalised to all kinds of contracts since January 2009.

The rate of this tax vary from one jurisdiction to another, according to the nature of business, but the general normal rate is 1%.

Tax on debits and credits in current accounts

A tax is imposed on debits and credits in current accounts in financial institutions - and from 1 August 2021 on debits and credits in electronic accounts - at 0.6% rate.

From 23 December 2019, an increased rate of 1.2% applies to cash withdrawals by businesses (excluding micro-enterprises and small businesses). A reduced rate of 0.25% applies to certain

categories of taxpayers that are not subject to income tax or VAT (eg non-profit organisations), and in cases where the state owns at least 80% of the company's capital.

Social security tax

Both employers and employees of all companies pay social security tax. The contribution rates for 2023 range from 26.4% over gross salaries for companies involved in the lease and rendering of services, to 24% for all other companies.

An employee's contribution amounts to 17% of their salary calculated on a minimum employee remuneration of 23,891.99 pesos per month up to a maximum remuneration of 776,478.32 pesos per month.

Tax on real and personal property

Argentina levies tax on real or personal property located in Argentina or abroad owned by taxpayers as of 31 December of each year. Certain properties located abroad may be deemed to be located in Argentina.

The tax rates range from 0.5% to 2%.

Real estate tax

Real estate tax is charged by the provinces at rates varying between 0.5% and 2% of the value of the property. The applicable tax rate varies according to fiscal valuation of the real estate and the fiscal code of the related province.

In the Autonomous City of Buenos Aires are exempt from this tax the national and provincial government, municipalities, places of worship, universities and the Argentine Red Cross.

Excise taxes

Argentina levies excise taxes on selected specialty consumer goods including cigarettes, alcoholic and non-alcoholic beverages, beer, automobiles that run on gas oil, luxury goods, cell phone services and insurance. The excise tax rate varies from 14% to 70% of the sales price of taxable goods or, with regard to insurance policies, upon collection of premiums.

A 0.5% tax applies to exports made to countries that are not the final destination of the goods.

Excise tax is imposed on passenger vehicles (excluding buses, trolleybuses, ambulances, police vans and vehicles with diesel engines), camping vans, motor vehicle at different rates (0% to 35%) according to the sales operations. The excise rate on motorcycles ranges from 20% to 35%.

Import tax

It is applied at a rate of 6%, which increases to 11% if the asset is intended for use or consumption by the importer.

Some items, such as cattle and works of art, are exempt from this tax.

Turnover tax

Each of Argentina's 23 provinces imposes a tax on turnover (gross sales) arising within its territory, without regard to the seller's domicile or place of business. The rates of tax, as well as rules and other assessment procedures, are determined solely by the provincial government and vary between 1% and 6%.

Rules differ for the determination of the jurisdiction where the sale is taxable.

Provinces that have subscribed to the Federal Pact for Employment, Production and Growth are gradually establishing exemptions for some activities. For example, the City of Buenos Aires has taken the lead and has exempted primary activities, mining and the manufacturing industry from the turnover tax since 1 January 1994.

The rates of tax vary from one jurisdiction to another, according to the nature of the business. Nevertheless, the following rates are illustrative:

Construction	1.5%
Agricultural, cattle breeding and mining	1%
Commerce and services	3%
Industry	1.5%

Financial institutions	4.9%
Other financial activities	5.5%

Certain businesses (eg petroleum, tobacco manufacture and retailing, and foreign exchange brokers) may be taxable on sales less purchases.

Motor vehicles tax

The provinces and the City of Buenos Aires levy a motor vehicles tax calculated on the fiscal value of a vehicle. Fiscal value is based on a variety of guidelines (model, weight, etc.) The applicable taxpayers are the owners of the vehicles.

Taxes on gambling

Argentina imposes a federal tax on lotteries and sporting competitions at a rate of 31% and betting taxes at different rates (from 0.95% up to 5%) on the value of electronics and online bets.

Tax on environmental issues

Argentina has a tax applicable to every hazardous waste generator, the rate is up to 1% of the average profit of the activity generating hazardous waste.

Additional export duty (expired)

From 4 September 2018 to 31 December 2021, an additional export duty applies to exported goods to a rate of 33% of the taxable value or the official freight on board (FOB).

From 1 January 2019 to 31 December 2021, an additional export duty applied to exported services to a rate of 5% of the taxable values.

Tax on the purchase of foreign currency

From 23 December 2019, a tax of 30% is applied on purchases of foreign currency by resident individuals or companies for transport services, purchase of goods or services from abroad by credit card, or payment for services rendered by foreign companies (eg digital services): in the latter case the rate is 8%. This tax will remain in effect until 22 December 2024.

16- DIVIDENDS, INTEREST AND ROYALTIES: HOW ARE THEY CONSIDERED AND TAXED?

Dividends

Dividends from Argentine companies received by an Argentine resident company are not subject to corporate income tax. In fact, only dividends received from foreign companies are subject to tax in Argentina.

Dividends received by a non-resident from Argentine companies are subject to withholding tax at a rate of 7%. An applicable tax treaty may reduce this rate.

Interests

Interest paid by a resident company or a PE of a non-resident company to a non-resident on loans obtained abroad is subject to 35% withholding tax. This rate is reduced to 15.05% if the borrower is a financial institution, the lender is a bank or financial institution located in a non-tax haven, the interest relates to bonds that are registered in countries that have concluded an investment protection agreement with Argentina or the transaction involves the financing by a seller of depreciable movable property. An applicable tax treaty may also reduce this rate.

Royalties

Royalties applied to non-treaty countries vary from 21% for fees for technical assistance and consultancy services, to 28% for the transfer of rights and licenses for the use of patents, to 12.25% for copyrights paid abroad. In the event that a reduced rate is not provided, the latter are taxed at 31.5%.

17- HOW ARE CALCULATED STOCKS OR INVENTORIES?

Valuation of inventory of merchandise, which includes finished goods, raw materials and work in progress, are treated as follow:

1. Raw materials and finished goods bought from third parties and remaining in inventory at the end of the year are valued at the last cost price during the two months before the end of the taxable year. If the last cost price is not available, the last cost price adjusted for inflation from the date of purchase to 31 March 1992 is used.
2. Finished goods are valued at the cost of the last line of the production process. If the company does not have a proper cost system, it must use the last sale price during the two months prior to the end of the accounting period, less a margin for direct sales costs and profit. If this price is not available, the last net sale price adjusted for inflation to 31 March 1992 is used.
3. Work in progress is valued in accordance with the percentage of completion, taking into account the expected value of the end product.

18- HOW ARE RESIDENT INDIVIDUALS TAXED?

Tax liability criteria

Individual residents are defined under the Income Tax Law as those with Argentine nationality. Tax residence is the primary determinant of Argentine tax liability. Generally, every individual who stays in Argentina for a period longer than 12 months is considered to be resident in Argentina. Residents are subject to Argentine taxation on their worldwide income. Non-residents are subject to Argentine income tax on all Argentine source income.

Individuals may lose residence if they acquire permanent residence abroad or if they stay in a foreign country for more than 12 months. If non-resident individuals obtain permanent residence in Argentina, or if they have stayed in Argentina for more than 12 months they will become liable to income tax as residents.

Tax rates

Individuals resident are taxed according to a progressive scale of ranging 5% to 35%, depending on the taxable net income after all deductions.

The individual income tax rates for the 2023 fiscal year are as follows:

<i>Taxable income (pesos)</i>	<i>Tax rate on level of income</i>
0 – 173,834.61	5%
173,834.61 – 347,669.23	8,691.73 pesos + 9% of each peso over 173,834.61
347,669.23 – 521,503.84	24,336.85 pesos + 12% of each peso over 347,669.23
521,503.84 – 695,338.47	45,197.00 pesos + 15% of each peso over 521,503.84
695,338.47 – 1,043,007.68	71,272.19 pesos + 19% of each peso over 695,338.47
1,043,007.68 – 1,390,676.90	137,329.34 pesos + 23% of each peso over 1,043,007.68
1,390,676.90 – 2,086,015.35	217,293.26 pesos + 27% of each peso over 1,390,676.90
2,086,015.35 – 2,781,353.85	405,034.64 pesos + 31% of each peso over 2,086,015.35
Over 2,781,353.85	620,589.58 pesos + 35% of each peso over 2,781,353.85

Each individual is treated as a separate taxpayer and no options exist for the filing of joint husband and wife returns.

Main deductions and reliefs

The standard deductions vary according to the tax status of the individual and apply only to individuals residing in Argentina for more than 6 months during the fiscal year.

A deduction of one-quarter of the basic standard deduction is available for individuals who are supporting their children, grandchildren, great-grandchildren, siblings, sons-in-law or daughters-in-law who are aged under 24 years or who are unable to work.

A deduction of one-half of the basic standard deduction is available to an individual who is supporting their dependent spouse or partner.

The standard deductions for 2023 are as follows:

<i>Filing Status</i>	<i>Free threshold Pesos</i>	<i>Spouse(1) Pesos</i>	<i>Child Pesos</i>	<i>Relatives (1) Pesos</i>	<i>Total Pesos</i>
Single	451,683.19	-	-	-	451,683.19
Married	451,683.19	421,088.24	-	-	872,771.43
Married with one child	451,683.19	421,088.24	212,356.37	-	1,085,127.80
Married with two children	451,683.19	421,088.24	212,356.37	-	1,297,484.17
Married with one child and one relative	451,683.19	421,088.24	212,356.37	212,356.37	1,297,484.17

(1) To be eligible for this deduction, it is a necessary condition that the person (spouse, child or relative) does not have an income exceeding 451,683.19 pesos for the year.

Inheritance and gift tax

Currently, there are no estate or gift taxes in Argentina, but there is an asset tax on real and personal property. This tax is levied on any kind of real or personal property existing as at 31 December of each year which is owned by individuals and undivided estates. The tax applies to property located both in Argentina and abroad. Tax rates vary between 0.5% and 1.75% of the total value of property in excess of exempt amount (pesos).

Pension, social security and national health policy

The national retirement age is 65 for men and 60 for women. A minimum of 30 years' contributions is required for maximum benefits.

In addition to the compulsory fund, employers, employees and the self-employed may make contributions to a private superannuation fund. Such contributions are not tax deductible.

Employers are required to contribute up to 26.4% of the gross salary paid to their employees to the Argentine superannuation system and to the compulsory medical system (this percentage includes a relative subsidy and social health contribution), but there no general requirement exists for employers to contribute to private superannuation funds.

Employees must contribute a proportion of their gross salary earned to the Argentine social security system. These contributions consist of: 11% to the superannuation system, 3% contributions under Law 19032 (for the National Institute of Social Services for Retirees and Pensioners) and 3% social health contribution. The rates are calculated based on the maximum base monthly salary of 642,142.18 pesos.

All Argentine employees and retired people are subject to compulsory medical system contributions. Every member of an employee's family receives a medical card.

The employer is required to make a social health contribution of 6% of the employee's gross income, and the employee must contribute 3% of their gross income. The amount due by the employee is withheld at source by the employer. The percentage of employer and employee social health contributions are generally calculated on a minimum employee remuneration of 39,517.02 pesos per month. The percentage of employee contribution is calculated up to a maximum remuneration of 642,142.18 pesos per month. No maximum remuneration applies to the employer's contribution.

Free medical coverage is provided by Government-funded hospitals only.

The Argentine health system provides for an unemployment benefit paid for one year and calculated on the basis of the maximum salary and contributions paid to the fund by the worker.

19- HOW ARE FOREIGN INDIVIDUALS TAXED? WHEN ARE THEY CONSIDERED RESIDENT?

Tax liability criteria

Individual residents are defined under the Income Tax Law as those with Argentine nationality. Tax residence is the primary determinant of Argentine tax liability. Generally, every individual who stays in Argentina for a period longer than 12 months is considered to be resident in Argentina. Residents are subject to Argentine taxation on their worldwide income. Non-residents are subject to Argentine income tax on all Argentine source income.

Individuals may lose residence if they acquire permanent residence abroad or if they stay in a foreign country for more than 12 months. If non-resident individuals obtain permanent residence in Argentina, or if they have stayed in Argentina for more than 12 months they will become liable to income tax as residents.

Non-residents are subject to tax only on their Argentine sourced income, including salaries and fees collected by members of boards of Argentine resident companies who are working abroad, and fees and other compensation for technical or financial advice given to Argentine residents. Since a non-resident's income is subject to withholding tax, he or she is not required to file an income tax return.

Tax rate

Non-resident individuals and corporations must pay income tax on their Argentine source income, which is withheld at the rate of 35% on taxable income other than interest, rentals, royalties and professional fees which are subject to a final effective withholding tax as follows:

<i>Activity</i>	<i>Percentage of gross revenue taxable %</i>	<i>Effective Tax Rate %</i>
International transportation	10/20	3.5/7
New agencies	10	3.50
Insurance and reinsurance operations	10	3.50
Foreign films, videos	50	17.50
Technical assistance for engineering and consultancy service	60	21.00
Transfer of rights and licences	80	28.00
Copyright royalties to certain foreign artists	35	12.25
Personal property rental or lease	40	14.00
Real estate rental	60	21.00
Interest	43/100	15.05/35
Transfer of estate located in Argentina	50	17.50
Salaries or professional fees	70	24.50
Other benefits	90	31.50

Main deductions and reliefs

Non-residents are subject to income tax on a withholding basis, with net profits determined by law. Non-residents are only eligible for deductions made in connection with this legal determination of net profits.

Non-residents are entitled to the same tax reliefs as residents provided the proceeds are not taxed in their home country. However, the exemptions for government and commercial securities are not subject to any conditions.

Inheritance and gift tax

Currently, there are no estate or gift taxes in Argentina, but there is an asset tax on any kind of real or personal property applied to residents and non-residents, provided the assets are located in Argentina. Non-residents are liable to the tax only on assets located in Argentina.

Pension, social security and national health policy

The Argentine social security system provides unemployment benefits for a maximum of one year to all individuals who have made contributions to the unemployment fund while in work. The benefit is based on a specific proportion of the individual's maximum salary. The proportion varies according to the individual's record of contributions.

20- TERMS FOR TAX PAYMENTS: THE FISCAL YEAR IN ARGENTINA

The Argentine tax year runs from 1 January to 31 December and corresponds to the company's financial year. If a company does not keep accounting records, the tax year will be the calendar year. No alternative tax year may be used.

Corporate taxpayers must file returns within 5 months after the end of their fiscal year. Companies that owe corporate income tax and that also have taxable income during the previous tax year are generally required to make advance payments against their tax liabilities for the current year.

Taxpayers must make advance payments in 10 instalments, which are calculated according to a percentage of the previous year's income tax obligation. This percentage is 25% of the tax determined for the previous fiscal year for the first instalment and 8.33% of the tax determined for the previous fiscal year in the following 9 instalments.

If, at the end of the tax year, the company owes additional tax, the company must pay the balance, together with interest.

Taxpayers who fail to make advance payments and pay withholding taxes or other tax liabilities by the due date must pay interest charges calculated from the due date until the payment date.

The interest rate charged on underpayments is 5.91% per month from 1 September 2022.

21- WHAT TAX INSPECTIONS ARE MADE?

Argentina's corporate income tax system operates by self-assessment. Taxpayers must submit tax returns annually.

The tax authorities audit taxpayers' accounts periodically and inspect the accounts and other commercial documentation that they consider relevant. In anticipation of a tax audit, taxpayers must retain supporting documentation of all operations and transactions for a period of 10 years.

The tax authorities impose fines, penalties and interest for late filing of returns, failure to pay tax by the due date and failure to supply requested information. Taxpayers who fail to make advance payments and pay withholding taxes or other tax liabilities by the due date must pay interest charges calculated from the due date until the payment date. As a further penalty, the authorities may order the temporary suspension of a company's activities if a company does not document transactions or register in proper legal form. This penalty of temporary suspension of a company's activities may not exceed 10 days' duration.

22- CAN TAXPAYERS AGREE IN ADVANCE THEIR TAX TREATMENT?

When taxpayers wish to change their year end for tax purpose, advance approval is required from the Tax Authorities. They may also request a written opinion on the tax treatment of certain transactions. In order for the tax authority to accept the request, the taxpayers must file the request before the date of the taxable event. The opinion is binding for both the tax authority and the applicant and must be issued within 90 days from the acceptance of the request.

23- WHAT EXCHANGE CONTROLS ARE CARRIED OUT?

Inward and outward investments may require documentation as well as authorisation of the central bank, even if there is no restriction on the amount that could be negotiated.

Controls on foreign investments are also made on defense, national security, finance and insurance industries.

24- WHAT TAX RELIEFS AND INCENTIVES ARE GRANTED BY THE ARGENTINE GOVERNMENT?

Tax incentives

Argentina provides for a number of tax incentives related to territorial regions, economic sectors, and other special classifications. The main activities and areas where tax incentives may apply include:

- mining activities
- agriculture
- manufacture of new products and capital goods
- construction of property for rental
- petrochemical, cellulose, and iron and steel industries
- shipping
- risk contracts related to the exploration and production of hydrocarbons
- broadcasting
- knowledge-based products and services
- alternative sources of energy and fuel
- electronics
- specific geographic regions.

Regional incentives

Benefits and exemptions apply to the underdeveloped and/or under inhabited regions. These benefits have been suspended for new projects. At present they are only applicable to projects that have already received the benefits in the past.

Interest on foreign loans

Argentine income tax law provides for an exemption from tax for interest payable on loans obtained abroad by the National Estates, Provinces and Municipalities as well as the Central Bank of Argentina (Banco Central de la República Argentina).

Research and development

Argentina has established a system of tax credits for the costs associated with research and development. Credits are not greater than 50% of the cost of a project. Taxpayers may carry research and development credits forward against federal taxes (income taxes and VAT) in equal parts for a period of 3 years.

Manufacturing

With regard to manufacturing activities, Argentina grants incentives for the creation of new plants as well as the expansion, updating, relocation, reorganisation, and specialisation of existing plants. To qualify for such incentives, investors must make capital contributions equal to 20% or more of the amount invested in fixed assets. These benefits have been suspended for new projects and are only applicable to projects that have already received the benefits in the past.

Mining

Argentina has an incentive system to promote investment in mining activities. Benefits include a 100% deduction for investments made in exploring, surveying, studying, researching, etc, as well as a special depreciation system for investments. There is a guarantee of tax stability for 30 years for taxpayers who present surveys or feasible projects. The taxpayer may deduct the cost of the survey or exploration expenses, mineralogical tests and pilot plant costs incurred for determining a project's technical possibilities.

Tax-free zones

Argentine law authorises the federal government to create one free trade zone (FTZ) in each province. Businesses located in Argentina's free trade zones are exempt from federal taxes.

Currently, free trade zones in Argentina include: La Plata, Buenos Aires, Comodoro Rivadavia, Chubut, Juárez Celman Station, Córdoba, General Pico, La Pampa, Provincial Industrial Park, Mendoza, General Guemes, Salta, San Luis, Cruz Alta, Tucumán, Villa Constitución, Santa Fe, Concepción del Uruguay, Entre Rios, Salta and Misiones.

Export reimbursements

Exporting businesses are entitled to tax refunds related to the value of exports. The rate of reimbursement generally varies between 2.5% and 20% of the value of the goods exported. This rate depends upon the amount of value added in manufacturing.

Investment credits

The federal government often grants lines of credit to locate new businesses in Argentina. These grants are normally accompanied by municipal or provincial grants.

Oil and gas projects

Direct investments of at least US\$1b over five years in new oil and gas projects in Argentina may benefit from export duty exemption after the fifth year on up to 20% of the oil and gas produced.

Renewable energy projects

Argentina offers tax incentives for approved projects that generate renewable energy from wind energy, solar thermal, solar photovoltaic, geothermal, tidal, wave, ocean current, hydropower, biomass, landfill gas, sewage treatment plant gas, biogas and biofuel resources. Incentives include: accelerated depreciation and advance refund of VAT for investment assets, carry-forward of losses up to 10 years and exemption from withholding tax on distributed dividends, provided they are reinvested in new infrastructure projects in Argentina. The incentives apply to projects implemented by 31 December 2025.

Incentives for knowledge-based products and services

From 1 January 2020 until 31 December 2029, tax incentives apply to companies that produce goods and services from knowledge-based activities, such as software development, biotechnology, nanotechnology, artificial intelligence, robotics, and medical research and development.

The tax incentives include:

- a 60% reduction in the corporate income tax rate for micro and small enterprises, 40% for medium-sized enterprises and 20% for large enterprises
- exemption from VAT
- reduced rates of social security contributions for workers
- tax credit equal to 70% of the amount of the employee social security tax, which can be used to offset other taxes.

To benefit from the incentives, companies must meet certain requirements - including having more than 70% of the income deriving from related activities - and meet at least 2 of the following parameters:

- ensure a continuous improvement in the quality of services, products and / or procedures
- investing at least between 1% and 5% of turnover in R&D activities
- have at least between 3% and 13% of the turnover deriving from the export of related goods or services.

25- HAS ARGENTINA SIGNED BILATERAL TAX AGREEMENTS WITH OTHER COUNTRIES? TABLE OF WITHHOLDING TAXES

The following rates of Argentine withholding tax apply to non-resident entities:

<i>Dividends</i>	<i>Interests</i>	<i>Royalties</i>
<i>%</i>	<i>%</i>	<i>%</i>

<i>Non-treaty</i>	7	15.05/35	12.25/17.5/21/28/31.5
<i>Treaty</i>			
Australia	7	0/12	10/15
Belgium	7	0/12	3/5/10/15
Bolivia	7	15.05/35	12.25/17.5/21/28/31.5
Brazil	7	0/10	15/10
Canada	7	0/12.5	3/5/10/15
Chile	7	4/12/15	3/10/15
Denmark	7	0/12	3/5/10/15
Finland	7	0/15	3/5/10/15
France	7	15.05/20	17.5/18
Germany	7	0/10/15	15/17.5 21/31.5
Italy	7	0/15.05/20	10/17.5/18
Mexico	7	0/12	10/15
Netherlands	7	0/12	3/5/10/15
Norway	7	0/12.5	3/5/10/15
Qatar	5/7	0/12	10
Russia	7	0/15	15
Spain	7	0/12	3/5/10/15
Sweden	7	0/12	3/5/10/15
Switzerland	7	0/12	3/5/10/15
United Arab Emirates	7	12	10
United Kingdom	7	0/12	3/5/10/15

Argentina has signed TIEAs with the following countries: Andorra, Armenia, Aruba, Azerbaijan, Bahamas, Bermuda, Brazil, Cayman Islands, Chile, China, Costa Rica, Curaçao, Ecuador, Guernsey, India, Ireland, Isle of Man, Italy, Jersey, Luxembourg, Macau, Macedonia, Monaco, Peru, San Marino, South Africa, Spain, Turkmenistan, United Arab Emirates, United States, Uruguay.