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Tax reform affects nonresidents trading Argentine securities.

Based on your stated interest in global tax law updates, KPMG LLP (KPMG) is writing to inform you of recent tax reform in Argentina related to capital gains and dividend withholding taxes for nonresident investors.

On December 29, 2017, an Argentina tax law was passed that affects capital gains and dividend withholding taxes for nonresident investors holding Argentine securities. The tax law is effective for tax years beginning on or after January 1, 2018.

The tax law increases the Argentine dividend withholding tax rate to 7 percent for tax years beginning on or after January 1, 2018 and before January 1, 2020 and to 13 percent for tax years beginning on or after January 1, 2020.

The tax law provides for an Argentine tax exemption on capital gains derived by nonresidents who are tax residents in cooperative jurisdictions for gains derived from the sale of Argentine publicly traded securities, including shares and American Depositary Receipts (ADRs), from January 1, 2018. The tax law also mentions that gains derived by nonresidents who are not tax residents in noncooperative jurisdictions from the sale of Argentine publicly traded shares and ADRs between September 23, 2013 and January 1, 2018 would not be subject to Argentine withholding tax.

The Argentine authorities annually publish a list of cooperative jurisdictions; however, the 2018 list has not been published yet.

Our Global Trading Tax Services team is monitoring Argentina and the other 150 markets for relevant legislative changes.

Contact information

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