



Taxation of international executives: Argentina



January 2023

Contents

1	Overview and Introduction	4
2	Income Tax	6
3	Special considerations for short-term assignments	18
4	Other taxes and levies	20
5	Immigration	26

01

Overview and Introduction

1 Overview and Introduction

All individuals resident in Argentina are liable for income tax on their worldwide income, unless exempt under the provisions of a tax treaty. Non-resident individuals are only liable for income tax specified as Argentine-source income under Argentine law.

The official currency of Argentina is the Argentine Peso (ARS).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when he/she is not on assignment.

02

Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When are tax returns due? That is, what is the tax return due date?

Income tax returns

The deadline for filing individual income tax returns and paying any annual tax due depends on the final digit of the taxpayer's tax registration number, and it usually operates by mid-June.

Informative income tax returns

Employees who are not registered with the Tax Authorities and whose only source of income derives from their salary, which has been subject to withholding at source, have to file an informative annual income tax return when their annual gross income exceeds 3,700,000 (amount for FY 2021. This amount may change for FY 2022 and FY 2023) Argentine peso (ARS). The deadline for filing such tax return is 30 June (or the first business day after).

What is the tax year end?

31 December.

What are the compliance requirements for tax returns in Argentina?

Employees do not have to file tax returns unless:

- a refund is due to them, or they have a deficit, which must be paid
- the employee is additionally a permanent Member of the board (irrespective of whether they collect fees or not)
- they have taxable income deriving from sources other than remuneration
- their annual gross income exceeds ARS3,700,000 (in which case, an informative Income tax return must be filed).

2.2 Tax rates

What are the current income tax rates for residents and non-residents in Argentina?

Both residents and non-residents located in Argentina on a permanent basis (hereinafter NRPP) are subject to the same regular income tax rates.

Income tax table for 2022

Taxable income		Tax base	Rate on excess	On the excess of
From ARS	To ARS	ARS	Percent	ARS
0.00	173.834,61	0,00	5%	0.00
173.834,61	347.669,23	8.691,73	9%	173.834,61
347.669,23	521.503,84	24.336,85	12%	347.669,23
521.503,84	695.338,47	45.197,00	15%	521.503,84
695.338,47	1.043.007,68	71.272,19	19%	695.338,47
1.043.007,68	1.390.676,90	137.329,34	23%	1.043.007,68
1.390.676,90	2.086.015,35	217.293,26	27%	1.390.676,90
2.086.015,35	2.781.353,85	405.034,64	31%	2.086.015,35
2.781.353,85		620.589,58	35%	2.781.353,85

Expatriates working in Argentina on a regular basis for less than 6 months (Foreign Beneficiaries) are taxed at a rate of 35 percent of their imputed Argentine source income, which is calculated at 70 percent of the gross amount received, making an effective tax rate of 24.5 percent for payroll compensation-related income. This tax is implemented by means of withholding, as a sole and final tax.

Individuals residing in the country/jurisdiction for more than 6 months will use the scaled rate table system mentioned above.

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Argentina?

An individual who obtains a permanent residence from an immigration viewpoint or stays in Argentina for more than 12 consecutive months is considered a resident of Argentina for tax purposes.

The acquisition of the capacity as resident shall be effective as from the first day of the second month immediately following that in which some of the requirements mentioned above had been met.

However, those individuals who hold a **temporary visa** and whose presence in Argentina is based on the grounds of employment which is duly accredited, and which requires their permanency in Argentina for a period not exceeding 5 years are not considered Argentine residents, but non-residents located in Argentina on a permanent basis (**NRPP**). NRPPs are only subject to taxation on Argentine-source income, but for the purpose of tax calculation, they shall be governed by Income Tax Law provisions applicable to Argentine residents.

Argentine residence for tax purposes is tied to residence for immigration purposes. This is an important consideration as residents are taxed on a worldwide basis.

Is there, the minimum number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

In the case of foreign natural persons, who stay in Argentina with temporary authorizations granted pursuant to migration regulations during a 12-month period, it should be understood that temporary presences abroad that, in a continuous or intermittent manner, does not exceed 90 days during every 12-month period, does not interrupt the continuous stay in Argentina.

What if the assignee enters the country/jurisdiction before their assignment begins?

The individual would be subject to Argentine income tax when they enter the country/jurisdiction after obtaining their temporary visa. As explained above, the way of being subject to income would vary depending on the time the individual spends in Argentina. Working without the proper visa is prohibited.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Argentina?

Tax liability ceases when the status of resident is lost and there is no longer any income received from Argentine sources. Generally, individuals who fall within the status of fiscal residents in Argentina (i.e.: subject to worldwide income) lose their residence status when they acquire permanent residence in a foreign state -from a migratory standpoint- or remain in another country/jurisdiction for a period exceeding 12 months or more (the temporary presence within Argentina that, in a continuous or intermittent manner, does not exceed 90 days during every 12-month period, does not interrupt the continuous stay abroad). The loss of the capacity as resident shall be effective as from the first day of the second month immediately following that in which some of the requirements mentioned above had been met.

If the individual is registered under income tax, he/she will have to file income tax returns as long as he/she is deemed as a fiscal resident. The person should also apply for deregistration after filing said returns.

Non-residents (Foreign Beneficiaries) do not file annual income tax returns. In the event they receive Argentine source income, such income shall be subject to tax through a withholding at source.

What if the assignee comes back for a trip after residency has terminated?

The period of time for which the individual will be working along with their residence condition must be considered in order to determine the income tax treatment to be applied.

Communication between immigration and taxation authorities

Do the immigration authorities in Argentina provide information to the local taxation authorities regarding when a person enters or leaves Argentina?

There is no formal procedure in place, but its implementation could be possible.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

If an individual who qualifies as a NRPP in Argentina is registered under income tax and leaves the country/jurisdiction, he/she should file a final income tax return and apply for deregistration, if applicable.

If the individual qualifies as a resident for income tax purposes, he/she should file an annual income tax return until the residence condition is lost. Upon losing such condition, they must apply for deregistration.

2.5 Economic employer approach

Do the taxation authorities in Argentina adopt the economic employer approach to interpreting Article 15 of the Organization for Economic Co-operation and Development (OECD) treaty? If no,

are the taxation authorities in Argentina considering the adoption of this interpretation of economic employer in the future?

Argentina adopts the economic employer approach to interpreting OECD treaty. The analysis of domestic regulations also leads to a similar line of reasoning.

In light of the above, it could be understood that no tax will be paid to the extent that:

- the individual remains less than 183 days in a fiscal year
- no payments are made by an Argentine entity
- no costs are borne by a permanent establishment in Argentina.

De minimum number of days

Are there a de minimum number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimum number of days?

We consider that each case should be evaluated individually.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

As a rule, it can be stated that all types of compensation and benefits received by an employee for services rendered in Argentina constitute taxable income, regardless of where they are paid. Typical items of an expatriate compensation package, which are fully taxable, include:

- reimbursements of foreign and/or home country/jurisdiction taxes school tuition reimbursements
- cost-of-living allowances
- expatriate premiums
- housing allowances and the value of housing provided directly by the employer
- benefits-in-kind are generally considered part of the taxable compensation
- employer's contributions to a foreign pension plan at the time of collection
- medical insurance premiums.

Intra-group statutory directors

Will a non-resident of Argentina who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Argentina) trigger a personal tax liability in Argentina, even though no separate director's fee/remuneration is paid for their duties as a board member?

Yes it will, the director will have to register as an Income Taxpayer and file an income tax return. Besides, all directors need to pay social contributions under the self-employed workers regime ("Régimen Nacional de Trabajadores Autónomos").

Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Argentina?

Yes, but only if the director is living in Argentina and has been appointed as a statutory director. If the director is living abroad, it is not necessary to register them as an Income taxpayer and it is also not necessary to file a tax return (if director fees are paid, the company should act as a withholding agent).

Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Argentina (i.e. as a general management fee where the duties rendered as a board member is included)?

If the director is also appointed as a statutory director, the answer will not be different. If they are not appointed as a statutory director, further analysis needs to be made.

In the case that a tax liability is triggered, how will the taxable income be determined?

In this case (no separate director's fee is paid besides the remuneration) the employer will act as a withholding agent (same as a regular employee).

If the company also decides to pay separate fees to the director, the taxable income will be determined in the income tax return (the company will also act as a withholding agent but with a flat rate, and it will be taken as a credit in the income tax return).

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Argentina? If so, please provide a general definition of these areas.

In general, most compensation items are taxable for Income Tax purposes.

Certain employer provided housing allowances employer's contribution to rent)

No.

Certain employer provided housing allowances (cost of utilities)

No

Living away from home allowance (LAFHA)

No

Certain employer provided tax reimbursements

No, except for the case in which the tax reimbursement relates to a prior assignment abroad and the individual is deemed non-resident in Argentina.

Certain employer provided relocation reimbursements

No. However, actual moving expenses reimbursed by vouchers are not considered as compensation. On the contrary, if the employee receives a lump sum, this amount should be taxable.

Home leave

Only if the trip could be considered a business trip. This exception only applies to the assignee, not to the family members that could travel with him/her.

Certain employer provided education costs

As long as they are necessary for the assignee's development in the Argentine company. Dependent's education is always taxable in Argentina. A capped amount can be deducted in case of care of up to 3 years old children.

Certain bonus payments

No, except for the case in which the bonus relates to a prior assignment abroad and the individual is deemed non-resident in Argentina.

Certain interest subsidies

No

Certain auto allowances

No

Health Insurance

No.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Argentina?

Expatriates who are living in Argentina for less than 6 months and are working on a regular basis are subject to a withholding tax of 24.5 percent (Foreign Beneficiaries Regime)

If they come to the country/jurisdiction for a period longer than 6 months and shorter than 5 years, with a temporary visa, expatriates are considered nonresidents with permanent presence (NRPP) and thus subject to income tax only on Argentine-sourced income.

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Argentina? If so, how?

Remunerations from overseas are taxable if received by an Argentinean resident.

Nonresidents are only taxed on Argentine-sourced compensation (income derived from work performed in Argentina, irrespective of the place in which it is collected).

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Argentina? If so, how?

Residents are taxable on their worldwide investment income.

Please note that Law 26,893 set forth a tax reform on capital gains and dividends, effective from September 2013.

As a result of such reform, the net gain resulting from the sale, exchange, barter or disposition of shares, quotas, titles, bonds and other values is taxed at a 15 percent rate (there is an exemption for resident individuals that applies only to shares, titles, etc. that are traded through exchange markets authorized by the Argentine Securities and Exchange Commission).

Other capital gains (Argentine investments) since the tax reform effective from January 2020 (Law 27.541) which were taxable since 2018, are now exempt from the tax (i.e. stocks, corporate bonds both traded through exchange markets authorized by the Argentine Securities and Exchange Commission, Argentine bonds)

Notwithstanding the abovementioned, please note that non-tax residents are not subject to tax on foreign-source income.

Dividends, interest, and rental income

Dividends distributed by foreign companies to residents, interests and rental income are taxable at regular income tax rates.

Notwithstanding the abovementioned, please note that non-tax residents are not subject to tax on foreign-source income.

Note that law 27.260 has repealed the 10 percent tax withholding on dividend distributions by domestic entities to both national and foreign shareholders. But the Law 27.430 (in force since January 2018, includes a 7 percent/ tax withholding on dividend distributions.

Gains from stock option exercises

Gains from stock option exercises are taxable at exercise based on the difference between the stock fair market value and the strike price set in the plan and paid

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	N	Y
Non-resident	N	N	Y*

* Based on the time of permanence in Argentina from grant to vesting.

Foreign exchange gains and losses

Not applicable.

Principal residence gains and losses

Not taxable.

Capital losses

Tax treatment of capital losses should be analyzed in each specific case.

Personal use items

The specific case should be evaluated.

Gifts

Gifts are usually non-taxable, but each specific case should be evaluated.

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Argentina? If so, please discuss?

No, there are not. Please refer to our previous comments on capital gains taxation.

Are there capital gains tax exceptions in Argentina? If so, please discuss?

Please refer to our previous comments on capital gains taxation.

Pre-CGT assets

Not applicable.

Deemed disposal and acquisition

Not applicable.

2.12 General deductions from income

What are the general deductions from income allowed in Argentina?

General Deductions

Among others, the following deductions are allowed (subject to strict limitations and conditions): social security contributions, voluntary medical care, certain gifts, life insurance premiums, burial expenses, interest related to mortgage loans, doctors, paramedical and health assistants' fees, amounts paid for rents destined to the taxpayer's home, etc.

Personal Deductions

Individuals living more than 6 months in Argentina can claim the following personal deductions:

- non-taxable income: ARS451.683,19
- spouse: * ARS421.088,24
- per dependent child: *ARS212.356,37

* If the spouse or dependent child have been living in Argentina for more than 6 months in the year, and their income is not higher than the non-taxable income.

A special deduction for compensation for services rendered is available. The amount that may be deducted is ARS1.580.891,18 increased to ARS2.168.079,35 for employees.

Employees residing in certain specific southern provinces (Patagonia area) are able to compute higher deduction amounts (22 percent higher).

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Argentina?

Current year gross up.

2.14 Calculation of estimates/ prepayments/ withholding

How are estimates/prepayments/withholding of tax handled in Argentina? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

Pay-as-you-earn (PAYE) withholding

Withholdings are calculated and made by employer on a monthly basis.

Advance payments

Individuals who receive income derived from sources other than remunerations must make 5 advance payments. The Tax Authorities requires payment of current year's income tax liability during the year, before it is calculated through the annual return. These payments are made in five successive installments, equivalent to 20 percent, respectively, of the total income tax determined for the previous taxable year, less any amount withheld except those made as definitive payments.

The due dates for income tax prepayments are August, October, December corresponding to the fiscal year, February and April of the following year.

2.15 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Argentina? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Foreign tax credits are available where Argentina taxes foreign-sourced income. When an expatriate is from a non-treaty country/jurisdiction, Argentina will generally allow unilateral relief for foreign taxes payable, there being cap amounts applicable to such credits.

Additionally, Argentina has entered into several double taxation agreements that provide for the exclusion of the foreign sourced income from the taxable base or tax credits.

2.16 General tax credits

What are the general tax credits that may be claimed in your country/jurisdiction? Please list below.

- National Income tax paid in the foreign country/jurisdiction that should be analogous to the Argentine income tax or the one provided for in the relevant tax treaty.
- Certain percentage of the local tax on bank accounts is creditable against Argentine income tax.
- Reverse withholdings creditable against the final tax liability, applicable to:
 - certain services abroad hired through local travel agencies as long as they are paid in cash.
 - Transportation services to foreign locations
 - Purchase of foreign currency for savings or travel up to 200 USD monthly
 - Expenses paid abroad with local credit or debit cards and cancelled in ARS.

2.17 Sample tax calculation

The calculation is based on the assumption that the assignee is a married taxpayer, carrying out their tasks only in Argentina, with two children. It is also assumed that their 3-year assignment begins on 1 January 2021 and ends on 31 December 2023. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

	2020 USD	2021 USD	2022 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	6,000	6,000	6,000
Moving expense reimbursement	20,000	0	0
Home leave	5,000	0	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Other assumptions

- All income is attributable to local sources.
- Bonuses are paid at the end of each fiscal year and accrue evenly throughout the year. Interest income is not remitted to Argentina.
- The company car is used for business (50 percent) and private purposes (50 percent) and its historical cost is equal to USD50,000.
- From a tax perspective, the employee is deemed as a non-resident with permanent presence throughout the assignment.
- Tax treaties and totalization agreements are not considered for the purpose of this calculation.
- The moving expense reimbursement is duly supported by vouchers.
- The Home Leave benefit does not meet the requirements to be deemed non-taxable.

Calculation of taxable income

* Exchange rate for 2020: 1USD =ARS83.95, Exchange rate for 2021: 1USD = ARS90, Exchange rate for 2022: 1USD = ARS 100

Year-ended	2020 ARS	2021 ARS	2022 ARS
Days in Argentina per year	365	365	365
Income subject to income tax			
Salary	8,395,000.00	9,000,000.00	10,000,000.00
Bonus	1,679,000.00	1,800,000.00	2,000,00.00
Cost-of-living allowance	839,500.00	900,000.00	1,000,000.00
Net housing allowance	1,007,400.00	1,080,000.00	1,200,000.00
Company car (50 percent)	251,850.00	270,000.00	300,000.00
Moving expense reimbursement	1,679,800.00	-	-
Home leave	419,750.00	-	-
Education allowance	251,850.00	270,000	300,000.00
Total earned income	14,524,150.00	13,320,000.00	14,800,000.00
Other income	-	-	-
Total income	14,524,150.00	13,320,000.00	14,800,000.00
Deductions: Social Security and Medical Care	-406,947.06	-460,469.63	-511,744.05
Total taxable income	14,117,202.94	12,859,530.37	14,288,255.95

Calculation of tax liability

	2020 ARS	2021 ARS	2022 ARS

Taxable income as above	14,117,202.94	12,859,530.37	14,288,255.95
Less:			
Domestic tax rebates (dependent spouse rebate) - Married with 2 children, non-taxable income and special deduction	-950,331.47	-1,286,521.51	-1,937,817.27
Net taxable income	13,166,871.47	11,573,008.86	12,350,438.68
Argentine tax thereon	4,511,636.61	3,919,551.83	4,125,333.47
Total Argentine tax (including SST)	4,918,583.67	4,380,021.47	4,637,077.52

Note

In connection with the company car, the amount of personal use has to be determined in order to tax such amount.

Foreign-source interest income is not taxable assuming that the individual qualifies as a NRPP.

Social Security for 2023 is estimated with current values, but the maximum taxable base is expected to change throughout the year.

As from fiscal year 2018, a 40 percent rent amount can be deducted for tax purposes, provided certain conditions are met. In order to avoid making this sample calculation more complex, we have assumed that the deduction requirements are not met.

Footnotes

¹Please refer to the following section to check these definitions.

²Certain tax authorities adopt an economic employer approach to interpreting Article 15 of the OECD model treaty which deals with the Dependent Services Article. In summary, this means that if an employee is assigned to work for an entity in the host country/jurisdiction for a period of less than 183 days in the fiscal year (or, a calendar year of a 12-month period), the employee remains employed by the home country/jurisdiction employer but the employee's salary and costs are recharged to the host entity, then the host country/jurisdiction tax authority will treat the host entity as being the "economic employer" and therefore the employer for the purposes of interpreting Article 15. In this case, Article 15 relief would be denied, and the employee would be subject to tax in the host country/jurisdiction.

³For example, an employee can be physically present in the country/jurisdiction for up to 60 days before the tax authorities will apply the economic employer approach. Sample calculation generated by KPMG in Argentina, the Argentine member firm affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity, based on tax regulations in force as of January 2020.

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency rules

Are there special residency considerations for short-term assignments?

No, the same rules about residence explained above apply.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No, in the event there is an employment relationship with the Argentine company, the individual should be included in the local payroll and, if applicable, a mirror payroll scheme should be created. Each case should be evaluated

3.3 Taxable income

What income will be taxed during short-term assignments?

It depends on the resident condition of the individual, but in most cases it will be the Argentine- source income.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Argentina?

No, there are not. If the person is coming to Argentina for a period not exceeding 6 months, the individual will be regarded as a Foreign Beneficiary.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Argentina? If so, what are the rates for employers and employees?

Employer and employee

Argentine nationals and expatriates working in Argentina are subject to social security contributions.

Currently, the employees' social taxes rate is 17 percent of their gross wages. Note that the employee's contributions are applied on a monthly taxable base of ARS548.651,¹.

As regards to employers' social tax rates, it depends on the type of employer:

- 20.40 percent for employers belonging to the private sector whose main activity falls within the services sector or in the commerce sector, in accordance with the resolution of the Secretariat of Entrepreneurs and Small and Medium Enterprises 220 of 12 April 2019, provided that its total annual sales exceed, in all cases, the limits for categorization as a medium-sized company made by the relevant body.
- 18 percent for the remaining employers belonging to the private sector not included in the previous paragraph. Likewise, this rate shall apply to entities and organizations of the public sector included in article 1 of Law No. 22.016 and its amendments

Taxpayers can compute a portion of the employer contribution actually paid as a tax credit of the Value Added Tax, as indicated in Annex I.

In the case of exporters, the contributions that are computable as a tax credit of the Value Added Tax, in accordance with the provisions of the preceding paragraph, shall have the character of a tax invoiced for the purposes of the application of article 43 of the VAT Law.

In addition, the amount of ARS7,003.68 will be deducted monthly for each one of the workers subject to the rate of 20.40 percent, whatever the hiring modality, adopted under the Labor Contract Law No. 20,744, the National Regime of Agrarian Labor Law No. 26,727 and the regime of the construction industry established by Law No. 22,250, its amendments and complementary ones.

Detailed mechanisms are established for part-time contracts, the complementary annual salary and similar.

Certain employers in the textile and clothing, footwear and leather goods, agricultural and health-related institutions sectors shall consider that their deduction is the amount of ARS17,509.20, which will not undergo any update. Similar deductions may apply to public service concession employers, to the extent that the share capital of the concession company belongs to a percentage not less than eighty percent (80 percent) to the national State.

In addition to the deduction indicated in the previous article, employers who have a payroll of up to TWENTY-FIVE (25) employees, will enjoy a deduction of ARS10,000 monthly, applicable over the total tax base indicated above.

In addition to social security treaties, Argentine legislation contemplates other situations of exemption in the payment of Social Security that should be evaluated.

¹ Cap amount in force as from December 2020.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Argentina?

Wealth Tax – Resident in Argentina as of 31 December

The wealth tax for individual residents is levied on the worldwide assets they hold at the end of the year. Tax rates are progressive, and assets held abroad are taxed at a higher tax rate which can be decreased to the local assets in the case of financial assets located abroad, in the event that the repatriation of the proceeds of its realization is verified. In this event the maximum reimbursement will be the tax amount previously paid.

Such rates are applied over the amount in excess of the non-taxable minimum amount corresponding to each year.

If the total amount of assets, valued according to the Wealth Tax Law, does not surpass the amount of ARS 11.282.141,08 for fiscal year 2022 onwards, no wealth tax will apply.

The tax payable by individuals resident in Argentina will be calculated applying the following tax rates:

Fiscal Year 2021*				
Assets exceeding the non- taxable minimum (ARS6,000,000)		Wealth Tax Calculation		
From ARS	To ARS	Fixed tax (ARS)	Plus	Over the assets exceeding ARS
	5.641.070,54		0.50%	
5.641.070,54	12.222.319,51	28.205,35	0.75%	5.641.070,54
12.222.319,51	33.846.423,25	77.564,72	1%	12.222.319,51
33.846.423,25	188.035.684,71	293.802,76	1.25%	33.846.423,25
188.035.684,71	564.107.054,14	2.221.171,53	1,50%	188.035.684,71
564.107.054,14	Onwards	7.862.242,07	1,75%	564.107.054,14

The fiscal authorities had increased the applicable rate for the assets located abroad, following the scales included in the previous chart, to 0,70%, 1,20%, 1,80% y 2,25% respectively. The non-taxable minimum will be discounted to the assets located in Argentina firstly, and then the assets located abroad.

Foreign individuals whose presence in Argentina is based on an employment relationship duly proved and which requires their permanency in Argentina for a period not exceeding 5 years, are subject to this tax only on assets located in the country/jurisdiction, valued according to the law.

As regards employees, if the annual gross compensation surpasses the amount of ARS 3,700,000, their assets valued according to the law are lower than ARS 11.282.141,08 (for fiscal year 2022), and they are not registered under the wealth tax, they have to file an informative wealth tax return which due date operates on 30 June.

Wealth Tax – Non-residents living abroad as of 31 December

Argentina imposes a wealth tax applying a fixed tax rate over the assets held in Argentina at the end of the year by individual non-residents in Argentina.

The tax payable by individuals will be calculated applying the following rates:

Fiscal Year	Tax Rate
2019 onwards	0.50%

In this case, the non-taxable amounts do not apply. However, when the tax amount payable is equal to or lower than ARS 51.150, no payment has to be made.

Wealth tax-substitute taxpayer

The tax rate to be applied to shareholders of Argentine companies was fixed at 0.5 percent.

Inheritance/gift taxes

There are no national inheritance and gift taxes in Argentina. However, regulations at a provincial level must also be analyzed. For instance, there is an inheritance tax in Buenos Aires and Entre Rios provinces.

4.3 Real estate tax

Are there real estate taxes in Argentina?

Yes, each province applies its own real estate tax.

Also income tax will be generated (15 percent) by any real estate's sale, if the property was bought after 2018, and it is not the permanent home.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Argentina?

Yes, generally all sales and services are subject to VAT at 21 percent. (10.5 percent in certain cases).

4.5 Unemployment tax

Are there unemployment taxes in Argentina?

They are included in the employer's social security contributions.

4.6 Other taxes

Are there additional taxes in Argentina that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

There is a stamp tax which varies from one jurisdiction (provinces) to another. There is also a tax applied on debits and credits in local checking accounts.

Land tax

- Refer to Real Estate Tax.
- Tax For An Inclusive And Solidarian Argentina.

Payroll tax

Under the concept of “payroll tax” we can include the social security contributions mentioned above, payments to the Labor Risks Insurance Companies (ART) and the union payments - depending on the Bargaining Agreement the company applies.

4.7 Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g. foreign financial accounts, securities) to the country/jurisdiction’s fiscal or banking authorities?

Argentine residents must report all their asset abroad (including financial assets).

However, for foreigners in Argentina, based on the grounds of employment which is duly accredited, and which requires their permanency in Argentina for a period not exceeding 5 years it is not mandatory to report the assets abroad.

Double taxation treaties

The following countries/jurisdictions have a double taxation treaty with Argentina:

- Australia
- Belgium
- Bolivia
- Brazil
- Canada
- Chile
- China (not in force)
- Colombia (not in force)
- Denmark
- Finland
- France
- Germany
- Italy
- Israel (not in force)
- Japan (not in force)
- Luxembourg (not in force)
- Mexico
- Netherlands
- Norway
- Qatar
- Russia
- Spain
- Sweden
- Switzerland
- Turkey (not in force)
- United Arab Emirates
- United Kingdom

Argentina has concluded social security totalization agreements with the following countries/ jurisdictions:

- Belgium
- Chile
- Colombia
- Ecuador
- France
- Greece
- Ibero-American treaty: Argentina, Bolivia, Brazil, Chile, Colombia*, Costa Rica*, Ecuador, El Salvador, Paraguay, Peru, Portugal, Spain, Uruguay, Venezuela*, and the Dominican Republic*
- Italy
- Luxembourg
- MERCOSUR (Brazil, Paraguay and Uruguay)
- Peru
- Portugal
- Slovenia
- Spain

* Not in force yet. They did not ratify the agreement signed

Other agreements have been signed but they are not currently in force/fully operational.

Footnotes

¹Argentine Law 24241.

³Argentina Tax Act 23966.

05

Immigration

5 Immigration

Following is an overview of the concept of Argentina's immigration system for skilled labor.

(E.g. which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process).

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Argentina as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

- OECD member countries/jurisdictions do not need visa to enter to Argentina to perform business activities. The other countries/jurisdictions, no matter if they are non-visa nationals, need to apply for a business visa at the respective Argentinean Consulate.
- They may perform any unpaid activity, business activities, commercial or economic transactions, by account, risk or own capital or with a participation in companies or legal entities that perform that activity, or on behalf of them.
- For a period of up to 90 days.

Describe (a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

- Business travelers being visa nationals should apply for a business visa at the respective Argentinean Consulate:
 - Documents they should carry with them to the Consulate are (they may vary in accordance with the Consulate demands):
 - Passport valid for at least 6 months at the time of entering Argentina with at least two blank pages.
 - Two current 4 x 4 cm photographs, facing the camera, printed in color, on a white background.
 - Visa application form filled out (preferably in electronic format) signed by the applicant.
 - Invitation letter from the inviting party in Argentina duly certified and legalized by the Public Notary Authorities.
 - Proof of commercial / work activity in the place of residence (for example, letter issue by the employer).
 - Round trip reservation.
 - Hotel reservation or proof of accommodation.
 - Payment of consular fee: USD200 or euros, depending on the Consular office of the application.
- Same activities as mentioned in the b) point before.
- Depends on the length of the activities (usually, no more than 60 days, renewables in-land at the National Immigration office).

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

- To begin the visa application procedure, the individual must contact the relevant Consular office in order to make an appointment and submit the required documents (in original and copy):
 - Passport valid for at least 6 months at the time of entering Argentina with at least two blank pages.

- Two current 4 x 4 cm photographs, facing the camera, printed in color, on a white background.
 - Visa application form filled out (preferably in electronic format) signed by the applicant.
 - Invitation letter from the inviting party in Argentina.
 - Proof of commercial / work activity in the place of residence (for example, letter issue by the employer).
 - Round trip reservation.
 - Hotel reservation or proof of accommodation.
 - Payment of consular fee: USD200 or euros, depending on the Consular office of the application.
 - Note that the Consular office may require supplementary or additional documents where deemed necessary.
 - Applications are personal.
- Depends on each Consular office.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

Technical support staff may apply for a Technical visa at the respective Argentinean Consulate.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Argentina? In this context outline whether a local employment contract is required for the specific permit type.

- Temporary Company Transfer Residency (requires a note from the local Company with details of the transfer).
- Temporary Dependency Relationship Residency (requires a local contract – National Immigration web page template contract to be used to apply for it).

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

- Web appointment.
- The individual must be in the country/jurisdiction.
- The individual must have all the required documents.
- First you pay, then you scan the documents related to the work and residence permit you are going to submit, and you send the information to the National Immigration office. Once checked, you will receive an email indicating the day and the time you must go to the National Immigration office to apply for your work and residence permit.
- The work and residence permit is granted the same day of the application (residencia precaria), so individuals can start working from day one of the application. Individuals must wait approximately 3-4 months to get the DNI.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments?

The minimum salary of the activity the individual is going to develop in accordance with the hours and days they will perform their job (depends on each activity).

Can allowances be taken into account for the salary?

The salary is what the individual will be paid in terms of money, regardless of whether it is paid in cash or in kind.

Is there a fast-track process which could expedite the visa/ work permit?

No. There is only a VIP appointment to accelerate the day in which the work and residence permit can be applied, but nothing to make the granting of the residence faster.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

Both of them, the same day of the application, as mentioned before.

Can a short-term permit/ business visa be transferred to a long-term permit in Argentina?

Yes.

Is it possible to renew work and residence permits?

Yes.

Is there a quota or system or a labor market test in place?

If the individual applies for a Temporary Dependency Relationship Residency, National Immigration officers may go the place of work for an inspection.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Argentina?

Yes, but not if the individual is entering with a business / technical visa / transitory work permits (90 days). Only for Temporary Residencies.

Is it possible to obtain a permanent residence permit?

South American citizens, after 2 years of residence. Non-South American citizens, the third year they extend their residences. Brazilian citizens may apply for the permanent residence the first time of their application (agreement in place). A permanent residence is not suggested by any means from a taxation standpoint during the first 5 years in Argentina.

What if circumstances change after the Work and Residence application process (e.g. change of employment or personal situation, including job title, job role or salary)?

There is no problem if circumstances change. They must be reflected when the individual applies for their work and residency permit extension.

How long can a permit holder leave Argentina without their permit becoming invalid?

Work and residency permits (meaning, Temporary Residencies), do not expire if the individual leaves the country/jurisdiction. However, there is a rule by which the individual must be more than half of the time of the length of their work and residency permit in Argentina, to be able to renew it.

Otherwise, the individual will have to start the process all over again.

Must immigration permissions be cancelled by the end of the assignment/employment?

Yes, for Non-South American nationals.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

Yes, for Companies money penalties and the cancellation of their registrations before the National Immigration offices which will mean not to be able to sponsor visas, work and residences permits forever. For the employee, being expelled from the country/jurisdiction with restrictions to enter back again, from 5 to 10 years, depending on the severity of their fault.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Argentina when it comes to the immigration processes.

Local Companies must be registered at the National Immigration office to be able to sponsor individual visas (especially the ones that hire/ transfer or need a visa for activities to be develop by Non-South American nationals or will sponsor South American visas / work permits).

Nowadays, if Companies do not pay a VIP appointment for Temporary work and Residency permits/ extension of work and Residency permits / Permanent Residencies / Transitory Work Permits, timing for the National Immigration office to send the email by which they allow individuals to go to apply for the respective type of visa/ work permit/ work and residency permit, is unknown (most likely more than 90 days).

[Back to top](#)



kpmg.com



KPMG' refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance.

© 2023 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.