



# GMS Flash Alert

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## Argentina – IRS Approval for FATCA Agreement with United States

The Argentine tax administration (*Administración Federal de Ingresos Públicos (AFIP)*) has met a crucial requirement set by the United States, allowing the first exchange of tax data (for prior coverage, see [GMS Flash Alert 2022-226](#), December 23, 2022). U.S. banks are already inquiring if individuals have registered their information with the tax authority.<sup>1</sup>

### WHY THIS MATTERS

Nonresident executives and international assignees who have accounts in financial institutions in Argentina or the United States should be made aware that their information will be reported to the tax authorities of their home jurisdiction.

### More Details

In the preparation process for the exchange of information regarding Argentine accounts in the U.S., and the upcoming data transfer in September, AFIP has taken a significant step with the U.S. tax authority, the Internal Revenue Service (IRS): the admission of Argentina on the list of countries with which the U.S. Treasury and the IRS have determined as appropriate to enter into an automatic exchange relationship. As noted above, U.S. banks are proactively asking clients about their account status with the tax authorities.

According to an official AFIP statement, the IRS confirmed that "Argentina has the necessary data security measures and infrastructure to effectively conduct the first automatic exchange of financial information, scheduled for September."<sup>2</sup> (Please note, the aforementioned is translated from the original Spanish into English.)

On September 30, AFIP should receive reports with the name, address, and tax identification of any person resident of Argentina who is the holder of an account opened in U.S. financial institutions to the extent that interest (at least USD 10 in the year), dividends, or other income from U.S. sources has been received in the accounts.

Additionally, the information received will also include the account number, the name, and identification number of the financial institution in the United States and the gross amount of income received (interest, dividends, other income).

## KPMG INSIGHTS

It is possible that the Argentine government will offer a tax amnesty program that is still pending discussion in its congress. The aim would be to allow individuals to voluntarily "regularize" their tax situation before the Argentine tax authorities obtain information through the exchange. The regularization would entail residents or Argentina paying a percentage of their unreported U.S. assets.

If, through the information exchange, AFIP detects accounts not reported (both for income tax and wealth tax) they could assess the omitted tax for the open years retroactively with fines and interest among other legal consequences.

### FOOTNOTES:

1 KPMG in Argentina has been hearing from its clients about this.

2 AFIP, "[Intercambio automático de información con EEUU](#)" (Publicado: 20/05/2024).

For additional reporting, see M. Kanenguiser, "AFIP avanza en el intercambio de datos sobre las cuentas de los argentinos en EEUU: qué dijo el IRS y qué pasará en junio," *infobae*, 21 May 2024. To access, click [here](#). *Please note that by clicking on this link, you are leaving the KPMG website for an external (non-KPMG, non-governmental) site, that KPMG is not affiliated with nor is KPMG endorsing its content. The use of the external site and its content may be subject to the terms of use and/or privacy policies of its owner or operator.*

### RELATED SOURCES:

AFIP, "[Resolución General 5303/2022, RESOG-2022-5303-E-AFIP-AFIP - Procedimiento. Intercambio automático de información relativo a cuentas financieras. Acuerdo entre los Gobiernos de los Estados Unidos de América y de la República Argentina. FATCA. Resolución General N° 4.056-E.](#)"

AFIP, "[Intercambio automático de información con EEUU: La AFIP cumple los requisitos para realizar el primer intercambio bajo el Acuerdo FATCA, que será en septiembre.](#)" (Publicado 20/05/2024.)

For recent *GMS Flash Alerts* pertaining to FATCA matters, see: [2023-002](#) (January 6, 2023) and [2023-155](#) (July 28, 2023).

For FATCA / IGS / CRS developments, see *TaxNewsFlash-FATCA / IGA / CRS* (a publication of KPMG LLP (U.S.)) at: <https://kpmg.com/us/en/home/insights/2015/03/taxnewsflash-fatca.html> .

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**The information contained in this newsletter was submitted by the KPMG International member firm in Argentina.**

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