



GMS Flash Alert

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Argentina – Updates on Treaties with Luxembourg, Austria, Türkiye, and People’s Republic of China

In this *GMS Flash Alert*, we report on several double taxation treaty (“DTT”) developments that have taken place in Argentina.

Argentina’s Congress (*Congreso de la nación*) gave final approval on October 1, 2024, to the following DTTs entered into by Argentina: People’s Republic of China, Luxembourg. Still awaiting approval in the upper house, the Senate (*Senado*), is the DTT with Austria.

The completion of ratification procedures in respect of the DTT with Türkiye was notified to the Turkish government in September.

WHY THIS MATTERS

DTTs are generally expected to facilitate cross-border commerce and investments, including the movement of globally-mobile employees between Argentina and the treaty partner by reducing or eliminating double taxation on the same income.

As such, DTTs can have a substantial impact on international work assignments, as they clarify taxing rights and create rules that help prevent tax evasion and tax abuse with respect to many different sources of income, and thereby help multinational companies – and their tax service providers – manage the tax liabilities of employees working across borders. Consequently, companies can more effectively plan for the costs of sending employees abroad and foster compliance with local tax laws while optimizing tax efficiency.

Highlights of Treaties

Argentina - People’s Republic of China DTT: This treaty, aimed at avoiding double taxation and preventing tax evasion and avoidance, had already been approved by the Senate (Law No. 27,780¹). It is estimated that that during the next few days Argentina will notify China of the approval of Law 27,780, once legislative procedures around the verification of compliance is completed (China already confirmed the DTT with Argentinian authorities in 2019). When that happens, this will effectuate the coming into force of the DTT as of January 1, 2025. Otherwise, if the official notification between the authorities takes place in December or later, the DTT will enter into force in January 2026.

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Argentina - Luxembourg DTT: This treaty, which provides for the reciprocal exemption from income and wealth taxes for international air transport operations, has been approved (Law No. 27,774²). In this case, there is no clarity in terms of an approximate date on which both authorities will confirm to the other that the legislative procedures have actually been verified. While as of this writing there is no certainty, the DTT could enter into force as of January 1, 2026.

Argentina - Austria DTT: This treaty to avoid double taxation and prevent tax evasion and avoidance still requires Senate approval.³

Argentina - Türkiye DTT: On September 13, 2024, Argentina notified the Turkish government that it had fulfilled all internal requirements for the entry into force of the treaty to avoid double taxation and prevent tax evasion and avoidance. This DTT was previously approved by Law No. 27,754 and published in the official gazette on September 9, 2024 (see Decree 805/2024⁴). Since Türkiye had already issued a corresponding notification, the treaty will enter into force as of January 1, 2025.

KPMG INSIGHTS

In anticipation of the impact of the DTTs on relevant cross-border workers, companies may wish to consider evaluating their current (and future) cross-border workers in the treaty countries and determine the impact of the treaties in terms of their tax costs, where application of the treaties' terms might yield tax savings, and how to achieve compliance. The agreements could affect the taxes paid by taxpayers, as well as help reduce costs tied to equalization policies.

FOOTNOTES:

1 *Boletín Oficial de la República Argentina, Convenios, [Ley 27780](#).*

2 *Boletín Oficial de la República Argentina, Acuerdos, [Ley 27774](#).*

3 *For the Orden del Día, published by the Congress's (Cámara de Diputados de la Nación) comisiones de Relaciones Exteriores y Culto y de Presupuesto y Hacienda, on August 15, 2024, see: <https://www4.hcdn.gob.ar/dependencias/dcomisiones/periodo-142/142-241.pdf>.*

For the text of the treaty, *Convenio entre la República Argentina y la República de Austria para la Eliminación de la Doble Imposición con respecto a los Impuestos sobre la Renta y el Patrimonio y para la Prevención de la Evasión y Elusión Fiscal y su Protocolo*, see the Argentine tax authority's (AFIP) website : <https://www.afip.gob.ar/convenios-internacionales/materia/documentos/Convenios-para-evitar-la-doble-imposicion/Convenios/ficha-tecnica/Austria.pdf>.

4 *Boletín Oficial de la República Argentina, [Decreto 805/2024](#), DECTO-2024-805-APN-PTE - Promúlgase la Ley Nº 27.754.*

5 *For more Details on the DTTs recently approved or any other DTT already in force, visit the following tax authorities' (AFIP) website: AFIP, Materia, "Convenios para evitar la doble imposición": <https://www.afip.gob.ar/convenios-internacionales/materia/convenios-para-evitar-la-doble-imposicion.asp>.*

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