

GMS Flash Alert

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Argentina – Recent Developments in Income Tax Treaties with Austria and the Czech Republic

Argentina has recently taken steps to update its tax treaty network through developments involving Austria and the Czech Republic, although both agreements remain pending entry into force.^{1,2,3}

WHY THIS MATTERS

Argentina's double tax treaty network has seen limited expansion in recent years, which has presented challenges for cross-border investors and multinational groups operating in or through the country. Recent progress on the Austria treaty and the signing of a new treaty with the Czech Republic may indicate a policy focus on international tax coordination and alignment with OECD standards.

Once effective, these treaties may provide for reduced withholding taxes on certain cross-border payments, incorporate anti-abuse safeguards, and clarify aspects of the tax treatment of income derived from international operations.

Key Highlights

Argentina – Austria: Double Taxation Convention (2019)

- The Argentina–Austria Double Taxation Convention, signed on 6 December 2019, reached a key milestone in March 2026 when the Argentine Senate unanimously approved the treaty, enacted as Law 27.803.
- The law was promulgated by the Executive Power through Decree No. 233/2026 and published in the Official Gazette on 10 April 2026, completing Argentina's internal ratification process.
- The treaty is not yet in force and will enter into effect once Argentina and Austria exchange instruments of ratification through diplomatic channels.
- Once in force, the convention would generally apply from 1 January of the calendar year following its entry into force.

- The treaty provides reduced withholding tax rates, generally ranging from 10 to 15 percent on dividends, up to 12 percent on interest, and 3 to 15 percent on royalties, depending on the nature of the payment.
- The convention includes anti-abuse provisions broadly aligned with OECD/BEPS standards.
- Upon entry into force, the treaty would restore tax treaty coverage between Argentina and Austria for the first time since the termination of the prior 1979 agreement in 2008.

Argentina – Czech Republic: Double Taxation Convention (2026)

- On 14 April 2026, Argentina and the Czech Republic signed their first-ever Double Taxation Convention during a bilateral meeting held in Buenos Aires between President Javier Milei and Czech President Petr Pavel.
- The agreement aims to address double taxation on income and capital and includes provisions on tax compliance and cross-border transactions.
- The treaty has been signed but is not yet in force.
- Both countries are required to complete their respective domestic ratification procedures, including Congressional approval in Argentina and equivalent legislative steps in the Czech Republic, before exchanging instruments of ratification.
- Once effective, the treaty may provide reduced withholding tax rates on dividends, interest, royalties, and capital gains.
- The agreement is also expected to include anti-abuse provisions consistent with BEPS principles.

KPMG INSIGHTS

KPMG in Argentina states that:

- Companies may reassess the tax treatment of international assignments involving Argentina in light of the pending entry into force of the Argentina–Austria and Argentina–Czech Republic income tax treaties, including for expatriates, inbound and outbound executives, and short-term assignees. Once effective, the treaties could affect the withholding tax treatment applicable to certain cross-border compensation items, with potential implications for the application of tax equalization or tax protection policies.
- Companies may consider how the treaties could support workforce mobility planning by mitigating double taxation risks and clarifying the allocation of taxing rights, which could be relevant for future assignment structuring, compensation design, cash flow management, and broader tax compliance considerations for both corporate and individual taxpayers.

If assignees and/or their programme managers have any questions or concerns about the scope of the update, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax professional or a member of the GMS tax team with KPMG in Argentina (see Contacts section).

ENDNOTES:

1 Honorable Cámara de Diputados de la Nación (in Spanish), "[Martín Menem recibió al presidente checo Petr Pavel y destacó el fortalecimiento de vínculos bilaterales](#)," published on 14 April 2026.

2 Presidencia de la Nación, República Argentina (in Spanish), "[Legislación y avisos oficiales](#)," published on 10 April 2026.

3 Presidencia de la Nación, República Argentina (in Spanish), "[Legislación y avisos oficiales](#)," published on 10 April 2026.

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Contacts

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