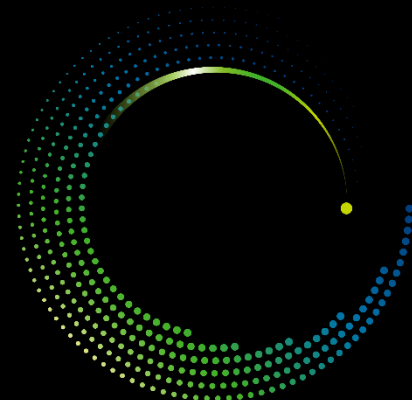


## International Tax Argentina Highlights 2022

Updated January 2022



### Recent developments

For the latest tax developments relating to Argentina, see [Deloitte tax@hand](#).

### Investment basics

**Currency:** Argentine Peso (ARS)

**Foreign exchange control:** Argentina operates a complex foreign exchange control regime. The following currency controls apply to companies and individuals:

- Proceeds from the export of goods and services must be converted into ARS in the foreign exchange market within the deadlines specified by the central bank (BCRA);
- Funds may be transferred abroad to settle liabilities in accordance with BCRA regulations that also require the provision of certain information on external assets and liabilities. Additional requirements may apply depending on the nature of the liability to be settled;
- Amounts borrowed must be deposited in an onshore bank account and converted into ARS where the borrower wishes to make repayments of principal and interest in ARS; and
- Access to the foreign exchange market for persons who have sold securities with settlement in foreign currency or transferred such securities to depository entities abroad is restricted for 90 days after the date of the securities transaction.

Prior authorization from the BCRA is required to access the foreign exchange market by Argentine companies that hold foreign liquid assets exceeding the equivalent of USD 100,000, or that wish to:

- Buy foreign currency in the foreign exchange market to retain funds in local USD-denominated bank accounts and/or to transfer funds to an offshore bank account held in the company's own name;
- Pay dividends to foreign shareholders;
- Pay a foreign related party for services provided;
- Pay for imported goods where certain requirements and/or exemptions are not met;
- Settle foreign liabilities in foreign currency before their due date; or
- Make a repayment of principal on a foreign currency loan from a foreign related party.

However, approval is rarely obtained in practice as the legislation does not specify any criteria or deadlines for the application and BCRA approval process.

Sanctions for failure to comply with the foreign exchange regulations are specified in the Criminal Foreign Exchange Regime and range from fines of up to 10 times the value of the transaction that infringes the regulation to imprisonment of the company representatives and directors in the most serious cases, or in the event of repeated infringements.

**Accounting principles/financial statements:** Public companies whose shares or bonds are quoted in local capital markets and that are regulated by the Argentine National Securities Commission (CNV) (except for banks and financial institutions, insurance companies, and other entities subject to special government regulations, including cooperatives), and financial companies regulated by the BCRA must use IFRS for the preparation of their financial statements.

Some private companies regulated by the Public Registry can elect to adopt full IFRS, IFRS for small and medium-sized enterprises (SMEs), or local professional accounting standards.

Annual financial statements and an auditor's opinion must be submitted. Local auditing standards are established in a technical resolution issued by the Federation of Professional Councils in Economic Sciences and are broadly aligned with the International Auditing Standards issued by the International Federation of Accountants, but there are differences. Annual statutory financial statements of public companies that are prepared based on IFRS must be audited by applying the full International Standards on Auditing, and interim financial statements must be reviewed by applying the International Standards on Review Engagements. In other cases, international standards may be used for audits, reviews, other assurance engagements, and related services.

**Principal business entities:** The Argentine Companies Act (ACA) provides for different types of entity, of which the most common are the corporation (*sociedad anónima* (SA)), limited liability company (*sociedad de responsabilidad limitada* (SRL)), and branch of a foreign company (*sucursal*). The ACA also allows a corporation with only a single shareholder (*sociedad Anónima Unipersonal* (S.A.U.)).

Businesses also may be established as simplified stock corporation (*sociedad por acciones simplificada* (SAS)), which is a particular type of entity incorporated under the Support for Entrepreneurial Capital Act, or various types of joint venture (such as a *unión transitoria* (UT), *acuerdo de colaboración empresaria* (ACE), or consortium).

The SA is the entity most commonly used by businesses.

## Corporate taxation

Rates			
Corporate income tax rate	Taxable income	Tax due on lower limit	Marginal rate on excess
	ARS 0 million–ARS 5 million	ARS 0	25%
	ARS 5 million–ARS 50 million	ARS 1.25 million	30%
	More than ARS 50 million	ARS 14.75 million	35%
<b>Branch tax rate</b>	Progressive corporate income tax rate as above (25%/30%/35%), plus 7% tax on after-tax profits remitted to a foreign head office		
<b>Capital gains tax rate</b>	Progressive corporate income tax rate as above (25%/30%/35%)		

**Residence:** A company is resident in Argentina if it is incorporated in Argentina. A branch of a foreign company also is deemed to be tax resident.

**Basis:** Resident companies are taxed on worldwide income, including income from foreign branches and subsidiaries. Capital gains are included in regular income. A tax credit typically is granted for tax paid abroad on foreign income. Branches of foreign companies are treated as resident companies and taxed in the same way. Nonresident companies without a permanent establishment in Argentina are liable for tax only on Argentine-source income, with the tax typically levied in the form of a final withholding tax, depending on the type of income.

**Taxable income:** The starting point for determining taxable income is the profit or loss shown in the financial statements, which is adjusted by adding back nondeductible expenses and accruals and deducting nontaxable income and allowable deductions not accounted for in the books. Taxable income is the difference between income/gains derived by the taxpayer in the tax period, and the expenses incurred to obtain the income, and keep and retain its source. Business income includes all income derived from the conduct of the business (e.g., income from the sale of goods, shares, and/or real estate, foreign dividends, interest, royalties, fees, etc.). All income and gains are subject to corporate income tax, unless specifically exempt.

A tax inflation adjustment applies to determine taxable income for fiscal years (FYs) beginning on or after 1 January 2018 where the variation in the consumer price index over the 36 months ending on the last day of the relevant accounting period is greater than 100%. A specific procedure was established for the first three occasions that the adjustment may apply. The adjustment applies where the variation in the index (calculated from the values at the start and end of each year) exceeds 55% for the first year, 30% for the second year, and 15% for the third year. The inflation adjustment for tax purposes for FYs starting in 2018 is recognized equally over three years, whereas for the second and third years of application (FYs starting in 2019 and 2020) the adjustment is recognized equally over six fiscal years, i.e., the FY in which the adjustment is generated and the five subsequent FYs. Deferred adjustments are not subject to further inflation adjustments in the years in which they are recognized.

**Rate:** A progressive system of corporate income tax rates applies to resident companies and Argentine branches of foreign companies with rates ranging from 25% to 35% on bands of income that may be adjusted annually. For 2021, the top rate of 35% applies to income in excess of ARS 50 million.

**Surtax:** There is no surtax.

**Alternative minimum tax:** There is no alternative minimum tax.

**Taxation of dividends:** Dividends received by an Argentine company from another Argentine company are exempt from corporate income tax. Dividends received from a foreign company are subject to corporate income tax, with a credit granted for the underlying corporate tax paid on the profits out of which the dividends are paid, as well as a credit for any withholding tax suffered on the dividends.

**Capital gains:** Capital gains generally are included in taxable income and are subject to corporate income tax at progressive rates.

Gains derived from the sale of shares by an Argentine entity are subject to income tax. Gains derived by a nonresident on the sale of publicly traded shares or certificates of deposit for such securities (i.e., ADRs) are exempt. Tax at 15% on the net gain, or 13.5% on the sales price (at the option of the seller), applies to the transfer of shares in Argentine companies, other participations in Argentine entities that are not publicly traded, and other Argentine assets such as real estate

property. Under certain conditions, indirect transfers of shares and other participations in Argentine entities may be subject to the same rules.

**Losses:** Net operating losses may be carried forward for five years but the carryback of losses is not permitted. Certain losses (e.g., losses from the sale of shares or other securities, and foreign-source losses) may be set off only against profits of the same kind.

**Foreign tax relief:** A tax credit may be claimed for foreign tax paid, up to the amount of the Argentine tax liability related to the foreign-source income. The credit is granted on an overall rather than a per-country basis. The tax credit also is available for foreign tax paid on Argentine-source income under special provisions in certain double tax treaties. Withholding taxes incurred are creditable, as are underlying direct and indirect income taxes paid (under certain conditions). Unrelieved foreign tax credits may be carried forward for five years.

**Participation exemption:** There is no participation exemption regime.

**Holding company regime:** There is no holding company regime.

**Incentives:** Tax incentives are available for certain activities, such as mining, forestry, renewable energy, and biofuel production.

There is a tax-free zone in Tierra del Fuego with incentives for certain activities carried out within the zone, including an exemption from corporate income tax, net worth tax, and excise tax.

There are several free trade zones where goods typically are not subject to the ordinary customs controls and, in general, no duties are levied on goods entering the zones until final importation into common circulation in Argentina takes place.

There are tax incentives to promote economic activities that utilize knowledge and the digitalization of information, supported by scientific and technological advancements, to obtain goods, the provision of services, and/or process improvements (referred to as the “knowledge economy”). The tax benefits include:

- Fiscal stability with benefits guaranteed through 31 December 2029;
- A reduced income tax rate (the rate is reduced by 60% for small and micro companies, 40% for medium-sized companies, and 20% for large companies);
- Exemption from VAT withholdings and additional withholdings (for entities that carry out export operations with respect to the promoted activity); and
- A 70% or 80% tax credit bond (certificate) allowing certain social security contributions paid to be credited against national taxes (excluding income tax, other than for exporters).

To qualify for the incentives, entities must register in a special government register and comply with conditions related to process quality, investment in research and development (R&D) or training, and exports (in certain cases depending on the nature of the activity). Entities also must comply with all relevant tax and social security regulations.

## Compliance for corporations

**Tax year:** The taxable period for legal entities is the fiscal year, which may be the calendar year or another period that covers 12 consecutive months.

**Consolidated returns:** Companies in the same group in Argentina must file tax returns and pay tax individually. Argentina does not allow the filing of consolidated returns and there are no provisions for group relief of losses.

**Filing and payment:** Argentina operates a self-assessment system, under which legal entities assess their tax liability and report it on their tax returns. However, the tax authorities have the right to examine the return, request additional information, and/or conduct an audit.

A resident company (as well as an Argentine branch of a nonresident company) must file an annual income tax return, together with its financial statements, by the 15th day of the fifth month after the end of its fiscal year. A company must make 10 estimated tax payments during the year, with the first installment, equal to 25% of the preceding year's income tax liability, due by the 15th day of the sixth month after the start of the company's fiscal year. The other nine installments each must be equal to 8.33% of the preceding year's income tax liability. The final balance of corporate income tax payable is due when the annual return is filed. Electronic filing is mandatory.

**Penalties:** Interest and penalties apply for failure to comply with the filing and payment obligations. Interest is imposed for late payments at variable rates (currently approximately 4% per month), plus fines ranging from 100% to 200% of the tax omitted (reductions are available). Tax evasion is subject to higher penalties, and potential imprisonment. Depending on the amounts involved, the provisions of criminal tax law may apply.

**Rulings:** Argentina does not have a ruling system, but there is a binding consultation system that requires certain conditions to be fulfilled. It should be possible for taxpayers to conclude an advance pricing agreement with the tax authorities with respect to transfer pricing issues, but as at January 2022, specific regulations are awaited.

## Individual taxation

Rates		
Individual income tax rate	Taxable income	Rate
	Up to ARS 97,202.00	5%
	ARS 97,202.01–ARS 194,404.00	9%
	ARS 194,404.01–ARS 291,606.00	12%
	ARS 291,606.01–ARS 388,808.01	15%
	ARS 388,808.02–ARS 583,212.01	19%
	ARS 583,212.02–ARS 777,616.01	23%
	ARS 777,616.02–ARS 1,166,424.02	27%
	ARS 1,166,424.03–ARS 1,555,232.07	31%
	Over ARS 1,555,232.07	35%
<b>Capital gains tax rate</b>		15%

**Residence:** For tax purposes, individuals are resident if they live in Argentina (an individual with Argentine nationality is deemed to be a resident, although residence status can be lost if the individual lives abroad for a certain period of time). Argentine individuals who have not lost their residence status, and foreign individuals who obtain their permanent residence status, or stay in Argentina for at least a 12-month period (temporary absences do not count) are considered Argentine residents.

A foreign individual with an employment contract for up to five years is taxed only on Argentine-source income and assets located exclusively in Argentina, provided the individual holds a temporary visa.

**Basis:** All individuals earning income in Argentina, whether or not resident, are subject to income tax. Residents are taxed on worldwide income; nonresidents are taxed only on Argentine-source income.

**Taxable income:** Taxable income includes employment income (including most employment benefits), income derived from the carrying on of a business or profession, certain capital gains, dividends, rental income, and certain interest

income. Foreign-source income must be included in taxable gross income before foreign withholding tax is deducted, but a credit for foreign tax paid is available.

Dividends paid by an Argentine entity to a resident or nonresident individual are subject to a 7% withholding tax.

**Rates:** Rates are progressive, ranging from 5% to 35% on bands of income that may be adjusted annually. For 2022, the top rate of 35% applies to income in excess of ARS 1,555,232.07. See also “Taxable income” and “Capital gains.”

**Capital gains:** Gains derived by an Argentine resident individual from the sale of shares, bonds, and other securities not listed on a stock exchange or authorized for public offering, are subject to income tax at 15%. In certain cases, the cost of acquisition may be adjusted for inflation. A tax exemption is available for gains on the sale of shares, government bonds, corporate bonds, and units in mutual funds traded on the Argentine stock exchange or authorized for public offering if certain requirements are met.

Sales of real estate acquired after 1 January 2018 are subject to a 15% tax. The acquisition cost may be adjusted for inflation. Residential property that is the taxpayer’s permanent home is exempt from taxation.

**Deductions and allowances:** A resident individual is entitled to a number of personal deductions against taxable income (including a special employee deduction, and an additional deduction for a spouse or child), but certain requirements must be met. Subject to restrictions, allowable deductions include medical expenses, certain donations, mortgage interest or rental payments, and the cost of domestic help.

**Foreign tax relief:** A resident individual may claim a tax credit for foreign tax paid, up to the amount of the Argentine tax liability related to the foreign-source income. The credit is granted on an overall rather than a per-country basis.

Withholding taxes incurred are creditable, as are underlying direct taxes, and indirect income taxes paid (subject to the provisions of a relevant tax treaty). Unrelieved foreign tax credits may be carried forward for five years.

## Compliance for individuals

**Tax year:** The tax year is the calendar year.

**Filing status:** Each individual must file a return; joint returns by spouses are not permitted.

**Filing and payment:** Argentina operates a self-assessment system, under which individuals assess their tax liability and report it on their tax returns. However, the tax authorities have the right to examine the return, request additional information, and/or conduct an audit up to five years after the return filing deadline.

Employers must withhold income tax throughout the year from wages and salaries paid to employees. Tax is calculated at the relevant progressive rates. Where an individual’s sole source of income is employment income that does not exceed a specified limit, a return need not be filed; the tax withheld by the employer is considered a final tax. The limit is updated annually after the end of the FY, generally just prior to the tax return filing deadline in the following June. The limit for FY 2020 is ARS 2.5 million.

Individuals with other types of income must file a return and make five bimonthly estimated tax payments beginning in August of the tax year. Final payments of tax are made at the time the annual tax return is submitted in June of the year following the year in which the income was derived. Electronic filing is mandatory, and tax must be paid through a local bank account.

Nonresident individuals whose Argentine income tax liability has been fully discharged by tax withheld on the income are not required to file returns.

**Penalties:** Interest and penalties apply for failure to comply with the filing and payment obligations. Interest is imposed for late payments (currently approximately 4% per month), plus fines ranging from 100% to 200% of the tax omitted (reductions are available). Tax evasion is subject to higher penalties, and potential imprisonment. Depending on the amounts involved, the provisions of criminal tax law may apply.

**Rulings:** Argentina does not have a ruling system, but there is a binding consultation system that requires certain conditions to be fulfilled.

## Withholding tax

<b>Rates</b>				
<b>Type of payment</b>	<b>Residents</b>		<b>Nonresidents</b>	
	<b>Company</b>	<b>Individual</b>	<b>Company</b>	<b>Individual</b>
<b>Dividends</b>	0%	7%	7%	7%
<b>Interest</b>	0%	Varies	15.05%/35%	15.05%/35%
<b>Royalties</b>	Varies	Varies	17.5%/28%/31.5% (35% rate applied to 50%, 80%, or 90% of gross payment, depending on type of royalty)	12.25%/17.5%/28%/31.5% (35% rate applied to 35%, 50%, 80%, or 90% of gross payment, depending on type of royalty)
<b>Fees for technical services</b>	Varies	Varies	21%/28%/31.5% (35% rate applied to 60%, 80%, or 90% of gross payment, depending on type of services)	21%/28%/31.5% (35% rate applied to 60%, 80%, or 90% of gross payment, depending on type of services)

**Dividends:** No withholding tax is payable on dividends paid by an Argentine company to another Argentine resident company. A 7% withholding tax applies on dividends paid by an Argentine company to resident individuals and nonresidents, or remittances by an Argentine branch of a foreign entity to its head office.

The “equalization tax,” a 35% withholding tax on dividend distributions exceeding accumulated taxable earnings, after certain adjustments, applies to dividend distributions made out of profits earned in fiscal years in progress as of 1 January 2018 or previous years that exceed accumulated taxable earnings.

**Interest:** Interest paid to resident companies and individuals exceeding a specified monthly threshold is subject to withholding tax at the local level at various rates depending on the payee but the tax withheld is creditable against the corporate or individual income tax payable on the income.

The general withholding tax rate on interest paid to a nonresident is 35%, which is reduced to 15.05% where:

- The borrower is a financial institution;
- The lender is a bank or financial institution located in a jurisdiction other than a low- or no-tax jurisdiction;
- The interest relates to certain bonds registered in countries that have concluded an investment protection agreement with Argentina; or
- The transaction involves the financing by a seller of depreciable movable property.

**Royalties:** Royalties paid to resident companies and individuals exceeding a specified monthly threshold are subject to withholding tax at the local level at various rates depending on the payee (subject to certain exemptions) but the tax withheld is creditable against the corporate or individual income tax payable on the income.

Royalty payments made to a nonresident individual for the exploitation of copyrights in Argentina are subject to a final withholding tax of 35% on 35% of the gross payment, resulting in an effective rate of 12.25%, provided the works are registered with the National Copyright Bureau and certain other conditions are satisfied. Film and television royalties, as well as royalties relating to other methods that include the reproduction or transmission of images or sounds paid to a nonresident are subject to a final withholding tax of 35% on 50% of the gross payment, resulting in an effective rate of 17.5%. Patent royalties paid to a nonresident are subject to a final withholding tax of 35% on 80% of the gross payment (effective rate of 28%) if the agreement under which the royalties are paid is registered by the National Institute of Industrial Property (INPI). If these conditions are not satisfied, the effective rate is 31.5% (35% x 90%).

**Fees for technical services:** Fees for technical services paid to resident companies and individuals are subject to withholding tax at the local level at various rates but the tax withheld is creditable against the corporate or individual income tax payable on the income.

Fees for technical assistance, or engineering or consulting services paid to a nonresident are subject to a final withholding tax of 35% on 60% of the gross payment (giving rise to an effective rate of 21%) if the agreement under which the fees are paid is registered with the INPI and the services cannot be obtained in Argentina. If the agreement is registered with the INPI, but the services can be obtained in Argentina, the effective rate is 28% (35% x 80%). If an agreement does not fall within the scope of the transfer of technology law or does not comply with the law, the effective rate is 31.5% (35% x 90%).

**Branch remittance tax:** There is no additional branch profits tax. After-tax profits remitted by a branch to a foreign head office are subject to the same regime as dividends and liable to withholding tax at 7%.

## Anti-avoidance rules

**Transfer pricing:** Argentina's transfer pricing rules generally follow OECD guidelines and require transactions with related parties to be on arm's length terms. The transfer pricing rules apply to transactions with foreign related parties (by shares or economically), as well as to transactions with unrelated parties that are resident in a noncooperative and/or low- or no-tax jurisdiction. The following transfer pricing methodologies are authorized (i) comparable uncontrolled price, (ii) cost plus, (iii) resale price, (iv) profit split, (v) transactional net margin, and (vi) an additional method for transfers of intangibles or financial assets. Specific provisions and registration requirements apply to exports of commodities via foreign intermediaries that are either related parties or located in a noncooperative or a low- or no-tax jurisdiction. Each export agreement must be registered with the tax authorities by the local exporter and information (such as comparability differences with the quoted price, determination of premiums or discounts, etc.) provided. If the exporter fails to register on a timely basis, the Argentine-source income from the exports will be determined based on the known price on the date the goods are loaded for transport, with appropriate comparability adjustments, if applicable.

Where tangible goods are imported or exported via foreign intermediaries and at least one of the parties to the transaction is a related party of the Argentine taxpayer, there is an additional requirement to prove that the foreign intermediary's remuneration is in line with the functions it performs, the risks it assumes, and the assets involved.

Argentina has transfer pricing documentation requirements that include a local file (TP Form 4501, approved by a Certified Public Accountant or qualified economist), TP Form 2668 (including information in the local file, and on



intercompany transactions, and import and export transactions with third parties), a master file, and a country-by-country (CbC) report (filing or notification).

**Interest deduction limitations:** The deduction of interest and foreign exchange losses on financial loans with related (domestic and foreign) companies is limited to the higher of (i) 30% of EBITDA (earnings before taxes, interest, depreciation, and amortization) or (ii) ARS 1 million. Exceptions apply for specific activities and in the case of highly leveraged economic groups. Excess interest (foreign exchange losses) that are not deducted in a tax year may be carried forward for five years, with a three-year carryforward for any portion of the limitation that is not utilized. The limitation does not apply to foreign exchange losses where tax adjustments for inflation apply.

**Controlled foreign companies:** The controlled foreign company (CFC) rules require resident shareholders to include in their taxable income the taxable profits derived by nonresident companies that are not considered as taxpayers in their country of residence or that are resident in a low-tax jurisdiction where certain conditions are met.

The rules generally apply to entities whose tax liability in their country of residence is less than 75% of the tax that would be payable on the same income in Argentina, and that either (i) mainly derive passive income (i.e., more than 50% of their income is from dividends, interest, royalties, rent from real property, or gains from the sale of shares, participations, and bonds; as well as transactions involving derivatives and similar financial instruments), or (ii) lack the necessary infrastructure and human resources to carry out their activities. Investments in low- or no-tax jurisdictions or in noncooperative countries are deemed not to meet the rate test. The passive income of the CFC to be included in the taxable income of an Argentine shareholder is that derived by the CFC in the CFC's fiscal year ending in the fiscal year of the Argentine shareholder. Branches are taxed on an accruals basis.

The Argentine tax authorities have issued a list of countries that are considered "cooperative" for tax transparency purposes.

**Hybrids:** There are no specific anti-hybrid regulations.

**Economic substance requirements:** There are no specific economic substance provisions in the regulations. The general economic reality principle applies when interpreting tax laws.

**Disclosure requirements:** Annual documentation requirements (local file, master file, and various other forms) apply under the transfer pricing rules where the levels of revenue and intercompany transactions exceed specified thresholds (see "Transfer pricing," above). CbC reporting rules require filing of a CbC report or a notification that the report has been filed by a member of the group in another jurisdiction (where an agreement to exchange CbC report information is in force). There are no additional specific disclosure requirements, other than in respect of certain shareholding matters.

Argentina is one of the countries that has committed to the adoption of the OECD common reporting standard between tax authorities. The relevant rules require Argentine financial entities to report to the Argentine tax authorities information on financial accounts held by nonresidents located in countries that have agreed to an exchange of information on tax matters in accordance with the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information.

Broad self-disclosure rules apply to tax planning activities that include domestic transactions and arrangements structured to fall outside the scope of other reporting regimes. Domestic planning transactions must be reported by the last day of the month following the end of the fiscal period in which the tax planning was implemented. International planning transactions must be reported within 10 days of their implementation. As at January 2022, further information from the tax authorities specifying the types of activity that are covered is awaited.

**Exit tax:** There are no specific exit tax rules. The transfer pricing rules require a specific analysis of potential compensation where a domestic taxpayer transfers some functions outside Argentina as part of a business restructuring.

**General anti-avoidance rule:** Argentina’s tax procedure law includes an economic reality principle that operates as a general anti-avoidance rule, under which the tax authorities can look at the actual economic effects of a transaction and disregard the legal form and structure used by the taxpayer.

## Value added tax

Rates	
Standard rate	21%
Increased rate	27%
Reduced rate	0%/10.5%

**Taxable transactions:** VAT is levied on all supplies of goods or services within Argentina, unless specifically exempt, and on the import of personal property and services rendered abroad, but economically used in Argentina. The provision of digital content (e.g., music, videos, etc.) by nonresidents is subject to Argentine VAT at the standard rate.

A taxable person is required to issue a VAT sales invoice for all taxable supplies made; the VAT invoice is needed if the taxpayer wishes to claim an input tax deduction. Electronic invoicing is mandatory and there are no provisions for VAT grouping.

Sales taxes are levied at the provincial level (see under “Other taxes on corporations and individuals,” below).

**Rates:** There are four VAT rates in Argentina (i) the standard rate of 21%, (ii) an increased rate of 27% that applies to some services, such as the supply of certain communications services, power, natural gas, and water, (iii) a reduced rate of 10.5% that applies to capital goods and other items, and (iv) a zero rate, applicable to exports. For zero-rated supplies, VAT is not levied on the output, but VAT paid on inputs may be reclaimed. Further, certain supplies of services are exempt from VAT (including education and international transport).

**Registration:** A person (business entity or individual) that makes taxable supplies of goods or services in Argentina is considered a VAT taxpayer. Except for small operations, entities that engage in taxable activities must be registered for VAT purposes.

**Filing and payment:** Monthly VAT filing and payment is required via the tax authorities’ online platform. The VAT return and accompanying payment are due between the 12th and the 22nd day of the month following the taxable period, with the actual due date depending on the taxpayer’s tax identification number. A reverse charge mechanism applies where the Argentine service recipient or lessee, as well as any intermediaries or representatives involved in the transaction, are acting in their own names but on behalf of a nonresident.

Where digital services are supplied by a nonresident to a customer in Argentina that is not VAT-registered, the customer must account for VAT at the standard rate and pay it to the tax authorities, generally by a charge included in the credit card used for the payment; in this case, the nonresident is not required to register and file VAT returns in Argentina.

## Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply to both companies and individuals and are imposed at the national level.

**Social security contributions:** Both the employer and the employee must make contributions to social security and the social health care system. The employer must pay between 24% and 26.4% of the employee's salary, depending on the activity and size of the company. The employee's salary is not capped for purposes of the employer's contribution, but contributions are based on the salary reduced by an allowance of ARS 7,003 per employee per month. Small employers (those with no more than 25 employees) are entitled to a single additional allowance of ARS 10,000 per month. For employers in the textile, leather goods, and agricultural industries, and the healthcare services sector, the minimum nontaxable salary is ARS 17,509.20 per employee. A further deduction applies where a 13th salary payment is made during the year.

In certain provinces, part of the employer's social security payment is creditable against VAT.

Employers also must make contributions in respect of (i) labor risk insurance of a fixed amount of ARS 49.98 per employee plus a percentage of the employee's salary, depending on the main activity and/or risk of the employer; and (ii) life insurance at a fixed amount of ARS 24.35 per employee.

An additional contribution payable by the employer of 2% of an employee's remuneration applies for employees performing work likely to be detrimental to their health.

An employee is subject to a 17% contribution to social security and the social health care system that is withheld by the employer, subject to a salary cap and an exemption for a portion of the salary. The cap currently is ARS 318,103.83 and is increased four times annually in March, June, September, and December in line with inflation. Where a 13th salary payment is made during the year, the cap is increased by 50%.

Individuals carrying on an independent profession must make their own monthly contribution of a fixed amount depending on the level of income and the activities performed. The monthly contribution varies from ARS 10,440.32 to ARS 22,968.62. Members of company boards and legal representatives of foreign companies must be affiliated to the retirement system for independent workers. They may opt to contribute to the employees' retirement system if they also perform an administrative or technical role for the same company of which they are board members or legal representatives.

**Payroll tax:** Argentina does not impose a payroll tax.

**Capital duty:** Argentina does not impose capital duty.

**Real property tax:** The provincial authorities levy real property tax annually. The tax base for the tax generally is the fiscal value of the property determined by the applicable authority. Local municipalities may grant certain exemptions to individuals. In addition, individuals are exempt from the land tax on residential land, subject to certain limits and conditions.

**Transfer tax:** Argentina does not impose a transfer tax.

**Stamp duty:** The provincial authorities levy stamp duty on the formal execution of public and private instruments. Documents subject to stamp duty include contracts, notarized deeds, invoices confirmed by a debtor, promissory notes, and negotiable instruments. The rate varies between provinces, but generally is 1%. The rate can range between 2.5% and 4% for real estate sales, and there are certain other exceptions.

Stamp tax may be paid by means of fiscal stamps, a stamping meter, or on the tax return. The general stamp tax rate in Buenos Aires City is 1%. The rate is higher for the transfer of title to real property in certain cases.

**Net wealth/worth tax:** The federal government levies a worth tax (or personal asset tax) on the worldwide property and assets owned by individuals who are tax resident in Argentina at the end of the calendar year. The tax is based on a progressive scale from 0.5% to 1.75% on personal assets valued over ARS 6 million. Assets located outside of Argentina are subject to higher rates that vary from 0.7% to 2.25%. These rates can be reduced to the rates applicable to local assets, provided financial assets of a minimum of 5% of the total assets are brought into the country and deposited in local financial institutions by 1 April of the following financial year.

Equity interests in Argentine companies also are subject to the tax at 0.5%, which, in the case of individual shareholders, often is paid by the company under the subrogate regime (although the company has the right to request reimbursement from the shareholder, see “Other taxes on companies” under “Other,” below).

The tax also applies to the Argentine assets of nonresident individuals at 0.5%.

**Inheritance/estate tax:** Individuals are not subject to inheritance tax at the national level, although inheritance tax is levied by the province of Buenos Aires.

## **Other**

### **Financial transactions tax**

A tax on financial transactions is levied on both companies and individuals on debits and credits to current accounts, and on cash movements or payments, at a rate of 0.6% per transaction; 33% of the tax is creditable against income tax payable. There are some exemptions.

### **Customs duties**

In addition to import duties at rates of up to 35%, Argentina also imposes export duties on goods and services with general rates of 5% for manufactured goods and services, 8% for hydrocarbons and mining products, 15% for agribusiness products, and 33% for soybeans.

### **Solidarity tax**

A 30% solidarity tax applies on all purchases of foreign currency by Argentine individuals for investment purposes, or by companies and individuals for payment of foreign expenditure, such as foreign travel and accommodation, or foreign digital services for personal use.

### **Other internal taxes**

Internal taxes apply on the consumption of certain products including tobacco; alcoholic and nonalcoholic beverages, syrups, extracts, and concentrates; insurance; cellular and satellite telephone services; luxury goods; and motor vehicles, recreational or sports boats, and aircraft. The rate varies according to the product and the tax applies only at one stage in the supply chain for the products within Argentina. As from 1 January 2021 through 31 December 2025, a 17% tax applies to certain electronic products (6.55% on products manufactured by companies benefitting from the Tierra del Fuego province incentive).

### **Other taxes on companies**

Companies also are subject to the following taxes:

- An annual net wealth tax applies at a rate of 0.5% on the net equity where the shareholder is a nonresident or a resident individual. The company has the right to request reimbursement from the shareholder (see “Net wealth/worth tax,” above);
- All of Argentina’s provinces and the City of Buenos Aires levy turnover tax on the gross turnover of any enterprise engaged in a commercial, industrial, agricultural, financial, or professional activity. Tax rates vary depending on the activity but they generally range from 1% to 5%. Higher rates may be imposed on certain services in some provinces; industrial activities usually are exempt or subject to lower rates; and
- Municipalities impose assessments for services they provide; in certain cases, these are calculated by applying the same taxable base as for sales tax purposes.

**Tax treaties:** Argentina has a relatively small tax treaty network but has concluded exchange of information agreements with nontreaty countries as part of the OECD BEPS project. Argentina signed the OECD multilateral instrument (MLI) on 7 June 2017. For information on Argentina’s tax treaty network, visit [Deloitte International Tax Source](#).

**Tax authorities:** *Administración Federal de Ingresos Públicos* (Federal Administration of Public Revenue, AFIP); General Customs Bureau; provincial/municipal tax authorities

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