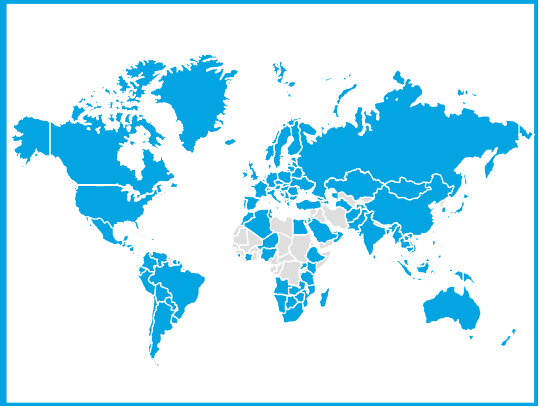


INPATRIATES

Argentina

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Tax act establishes that a person who enters the country with a temporary working visa, and is required to dwell in Argentina for employment for a period not exceeding five years, will be considered non-resident for tax purposes. As a non-resident, the person would only be taxed on Argentine-sourced income, and no income tax will be due on foreign sourced income.

If the compensation received by the expatriate locally or abroad, either in cash or in kind, is related to the activities carried out in Argentina, the full amount will be subject to income tax, regardless of the payment location.

Assuming that an individual enters the country with permanent working visa or will stay in Argentina for a period that exceeds 5 years, the expatriate will be considered a tax resident and will be taxed on worldwide income. Therefore, foreign income will also be subject to reporting and tax on the Argentinean Tax Return.

If their earnings exceed AR\$ 1,000,000 they will be also obliged to file an annual income tax return, stating their entire income, expenses, income tax withholding and detail of assets and debts. If income tax withholdings were correctly assessed, withheld and paid by the Argentine company through payroll, no additional tax would be due on the return, and the obligation to register in income tax would not exist.

If not all the income has been withheld through payroll, the individual should register themselves in income tax, file an annual income tax return and pay the corresponding income tax due.

INOCME TAX RATES

Taxable Income ARS	Tax due on lower limit (ARS)	Marginal rate on the excess (%)
0 - 25.754,00	-	5
25.754 - 51.508	1.287,70	9
51.508 - 77.262	3.605,56	12
77.262 - 103.016	6.696,04	15
103.016 - 154.524	10.559,14	19
154.524 - 206.032	20.345,66	23
206.032 - 309.048	32.192,50	27
309.048 - 412.064	60.006,82	31
Over 412.064	91.941,78	35

SOCIAL TAXES

The gross wages agreed with the foreign employee must be established in pesos. If wages are stated or negotiated in currency other than Argentine Peso, the exchange rate used should be the official one established by the Argentina National Bank.

Gross wages will be subject to the following tax withholding:

- 17% for Social Security and medical coverage. Currently, the maximum base to make the discount amounts to ARS 91.523,41
- 5% to 35% for Income Tax, dependent on the employee's net salary after deductions allowed by law.

Additionally, the employer must contribute 23.50% of the gross salary paid to the Social Security System and medical coverage. This percentage rises to 26.70% if the company's main activity is commercial or services and average earnings of the last three years exceeded ARS 48 million.

In addition, you should hire a Labor Risk Insurance (ART), which will set the contribution rate according to the risk of the company.

There is an exception to the payment of contributions and social security contributions if the expat comes with a contract less than 2 years and is a scientific, professional researcher or technician. To obtain this benefit it is required to not have permanent residence in Argentina and possess Social Security Insurance in their country of origin.

Argentina also has existing bilateral social security agreements with various countries around the world

REGISTRATION/FORMALITIES

Once the assignee arrives to Argentina, he/she must obtain a tax password as to be able to submit Tax Returns to Tax Authorities (AFIP). To complete this process, the individual will need to go personally to the nearest AFIP agency according to his domicile with his passport and a copy, and ask for a tax password.

For further information and to register for future updates contact expat@bdo.global

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