

TAX TREATMENT OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

ARGENTINA



	EMPLOYEE	EMPLOYER
GRANT DATE	<p>Restricted stock: Taxed on grant. The taxable amount is the difference between the market value of the shares and the price the participant should pay (if any) at the date of grant (or the amount of cash equal to market value).</p> <p>Restricted Stock Units (RSUs): No tax consequences.</p>	<p>A withholding tax is applicable to the chargeback event.</p>
VESTING DATE	<p>Restricted stock: No tax consequences.</p> <p>RSUs: Taxed on vest. The taxable amount is the difference between the market value of the shares at vesting and the price the participant paid on award (if any).</p>	<p>A withholding tax is applicable to the chargeback event.</p>
WITHHOLDING & PAYMENT OF TAX	<p>The employee's income tax liability is subject to withholding by the employer when the taxable event occurs.</p>	<p>Where income tax is payable it must be withheld and remitted to the tax authorities with the regular tax payments.</p>
SOCIAL SECURITY	<p>The employee's liability to social taxes is subject to withholding by the employer, unless certain conditions apply.</p> <p>Employee social insurance contributions are capped at an annual maximum, therefore additional social insurance contributions may not be due on share option benefits.</p>	<p>Employee social insurance contributions must be withheld and must be remitted to the tax authorities together with the employer's social insurance contributions with the regular tax payments, unless certain conditions apply.</p> <p>There is no monthly wage cap on employer social insurance contributions.</p>
REPORTING	<p>The employee must report details of taxable income on their annual income tax return and personal assets tax.</p>	<p>The employer must report awards of restricted stock and RSUs. The local entity must report on the Financial Statements.</p>

For further information and to register for future updates contact:

globalequity@bdo.com

Defined terms used in this summary:

Restricted Stock - Issued shares transferred to employees on the date of grant which are typically subject to restrictions on sale or forfeiture, for example if performance targets are not met.

Restricted Stock Units - Awards where employees receive a right to acquire shares. Shares are only issued following vesting and attainment of performance targets, if applicable.

Information contained herein is intended to reflect present law and provides only a general outline of the subjects covered. Material discussed herein is meant for general informational purposes only and should not be relied on as professional advice. As such you should consult your own tax advisor regarding your specific tax matters.

This summary has been prepared on the basis that employees are resident in Argentina throughout the period from grant of stock awards until the shares are sold and that the employee is employed by a local employer in Argentina, which is a subsidiary of an overseas parent. The potential tax consequences may vary greatly depending on your company's equity plan's design, administration, as well as many other factors.

Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team.

This information is current as of August 2016.

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TAX TREATMENT OF RESTRICTED STOCK & RSUS

ARGENTINA

	EMPLOYEE	EMPLOYER
SALE OF SHARES	Profits from the sale of shares of a local entity are subject to a 15% tax.	No tax consequences.
IS A CORPORATION TAX DEDUCTION AVAILABLE?	Employer may take a deduction on restricted stock/restricted stock units provided there is a recharge arrangement in place.	
"QUALIFYING" PLANS AVAILABLE?	None available.	
INTERNATIONALLY MOBILE EMPLOYEES	<p>The above summary has been prepared on the basis that employees are resident in Argentina throughout the period from the award of the restricted stock/RSUs until the shares are sold.</p> <p>The rules for internationally mobile employees are complex and there are specific rules applicable to non-resident individuals. Generally, Argentina will have the right to tax the gain if there is a link between the shares which the employee has received and the work of the employee performed in Argentina. Argentina broadly sources equity income based on the period between grant and vesting. It is highly recommended that advice is sought on an individual case by case basis.</p>	
OTHER POINTS FOR CONSIDERATION	<p>This summary is provided by BDO for informational purposes only to provide an outline of the general tax and social security position based on current tax law.</p> <p>There are also a number of legal and regulatory issues to consider on the implementation of any employee equity plan including, but not limited to, employee entitlement claims, exchange controls, securities restrictions, prospectus requirements and data protection regulations. We recommend that legal advice is obtained prior to the implementation of any employee equity plan.</p>	
KEY ACTION POINTS	<ul style="list-style-type: none"> ✓ Employers are responsible for the withholding of tax and social insurance on the employee equity awards. Companies should review their systems to ensure that they are sufficiently robust to be able to capture, process and report Restricted Stock grants and RSU vests through the payroll. ✓ There are specific rules applicable for Internationally Mobile Employees holding equity in Argentina. We recommend that Companies review their systems to ensure that Internationally Mobile Employees moving in or out of Argentina whilst holding equity can be identified to ensure correct compliance and identify any potential trailing liabilities. 	