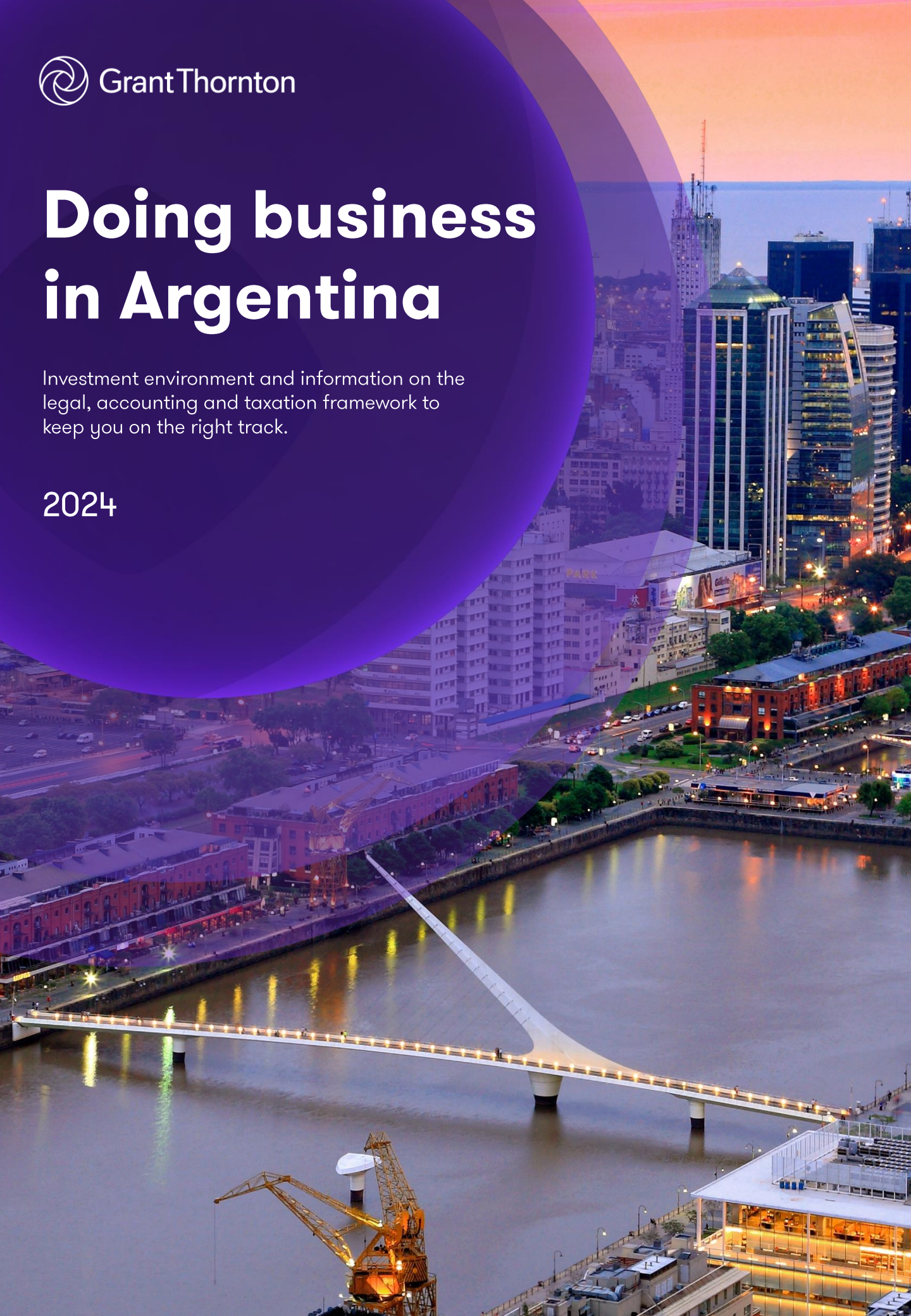


Doing business in Argentina

Investment environment and information on the legal, accounting and taxation framework to keep you on the right track.

2024



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“Even in a challenging context, Argentina offers very good opportunities for business. You only need to choose the right partner and move on. In Grant Thornton we know how to run across the complexity and are ready to help you”.

Fernando Fucci
Managing Partner
Grant Thornton Argentina



Forword

About Grant Thornton

Grant Thornton Argentina, a member firm of Grant Thornton International Ltd. (GTIL), offers tangible solutions to its clients through a wide variety of specific services aimed at optimizing their businesses. Our firm has a staff of more than 400 professionals who have the right combination of skills and experience to help our clients achieve success quickly and efficiently.

Grant Thornton's mindset is based on personalized attention, commitment to the client, knowledge of their business and awareness of their needs. We provide concrete solutions implemented with modern technology. In addition to these advantages, the resources provided by GTIL include international level specialists. Such specialists will provide our clients with tangible benefits and a profitable investment for the growth of the company.

We offer solutions in accounting, auditing, taxes, business and government consulting, compliance, business process outsourcing, financial services and IT consulting.

GTIL is one of the world's leading organizations of independently owned and managed accounting and consulting firms. We provide insurance, tax and specialized advisory services to private companies and public interest entities. Clients of member and associated firms can access our services in more than 150 countries and receive distinctive, high-quality and personalized service from our 73,000 employees wherever they choose to do business. GTIL strives to communicate issues that are important to businesses and that are of public interest. Our goal is to be a bold and positive leader in our markets and within the accounting profession.

The strength of each local firm is reflected in the quality of the international organization. All GTIL member firms share a commitment to providing the same high-quality service to their clients.

This guide has been prepared for the assistance of those interested in doing business in Argentina. It does not cover the topic exhaustively, but it aims to answer some of the important and broad questions that may arise. Where specific problems present themselves in practice, it will often be necessary to consult the laws and regulations of Argentina and obtain appropriate legal and accounting advice. This guide contains brief notes only and includes legislation as of March 2024.

If you require further information, please do not hesitate to contact your nearest Grant Thornton member firm.

Country profile

Summary

Argentina has the following characteristics:

- Stable political institutions
- Dependence on exports
- Educated workforce
- No racial or religious conflicts

Basic data (Most recent)	
Population	46.044.703 (2022 National Census)
Area	2,78 million square Km (30% of Europe)
GDP (Purchasing power parity)	US\$ 631,1 billion (World Bank, 2022)
GDP (Per capita - PPP)	US\$ 13,650 (World Bank, 2022)
Exports	US\$ 88,44 billion (INDEC 2022)
Imports	US\$ 81,52 billion (INDEC 2022)
Literacy rate	98% (2022 National Census)
Citizens per physician	250 (2020)
Life expectancy	77 years (2022)
Urban population	92,5% (2020)
Local currency	Argentine peso (ARS)

Geography and climate

Argentina is the 8th largest country in the world. Its topography is highly varied, ranging from fertile plains in the central region to mountains in the west and a semi-arid zone in the south. The climate varies from the subtropical to the sub-Antarctic. Between these two extremes lies a wide temperate belt well suited to agriculture.

Social configuration

The population is mainly of Spanish and Italian descent, although it also includes people of many other national origins. Different ethnic and religious groups coexist peacefully. The middle-class accounts for most of the population. The literacy rate is high, as well as the enrolment rate in primary, secondary and higher education. Labor is comparable in skills and aptitudes with that of most developed countries, especially at technical and professional levels.

Language

Spanish is universally spoken and understood. Argentine Spanish is slightly different of that spoken in other Latin American countries or in Spain, due to Italian influence. However, this means no difficulties for any Spanish speaking visitors. Dates are written DDMMYY. A full stop is used to write long numbers (99.999.999) and decimal numbers are separated with a comma (9,99).

Business hours/time zone

Business hours in the City of Buenos Aires and surroundings are in general from 8 or 9 am to 5 or 6 pm from Monday to Friday or including half Saturday. Banks are generally open from 10 am to 3 pm. In most provincial towns a long break after lunch is customary. In this case, business starts earlier and concludes later in the day. The whole of Argentina observes -3 Greenwich Mean Time.

National holidays

There are three kinds of national holidays in Argentina. In 2024, they are as seen below:

National Holidays		
Kind of holiday	Date	Celebration
Unchangeable dates	January 1	New Year
	February 12	Carnival
	February 13	
	March 24	Day of Memory for Truth and Justice
	March 29	Holy Friday (Easter)
	April 2	Veteran Day
	May 1	International Worker's Day
	May 25	First National Government Day
	June 20	National Flag Day
	July 9	National Independence Day
	December 8	Inmaculate Conception of Virgen Mary
	December 25	Christmas Day
Dates may change (they are moved to the closest Friday or Monday for touristic reasons)	June 17	Gral. Güemes Remembrance Day
	August 17	Gral. San Martín Remembrance Day
	October 12	Day of Respect for Cultural Diversity
	November 20 (Moves to 18)	Day of National Sovereignty
Touristic holidays	April 1	Touristic reasons
	June 21	
	October 11	

There are also days considered “non-working” days for public entities employees, as well as religious holidays for those who profess the Jewish and Islamic faiths.

Political and legal systems

Argentina is a Federal Republic organized under a Constitution, like that of the United States. It enjoys a democratic political system in which different parties actively compete.

Privatizations

In the early 1990s, Argentina carried out one of the most intensive privatization programs in the world. Telephone companies, airlines, most railways, electric power companies (including hydroelectric plants), the Argentine oil company (YPF), steel mills, ports, television stations and most public services were transferred to the private sector. The combined value of the privatized companies amounted to more than US\$30 billion. Many foreign companies participated in this program.

In the last two decades, the Argentine government regained control of certain entities considered exploiters of strategic resources such as private pension funds, the national airline and the national oil company.

Economic system

Argentina has a free market economic system. During the 1990s, in line with the privatization program and legislation favorable to foreign investment, the Government had little influence on the economy.

At the end of 2001, Argentina was suffering from an unbearable debt burden, a lack of competitiveness due to the fixed 1 to 1 peso-dollar exchange rate, and a high level of unemployment; which resulted in the country's deepest crisis.

The 2002 devaluation increased competitiveness in the domestic market and commodity prices increased considerably in international markets. Argentina grew at a rate of 9% during the period 2003 – 2007, which allowed the repayment of the debt with the IMF and the renegotiation of the external private debt. Short-term commitments with the World Bank were also met.

In the following years, due to the global financial crisis of 2009, the National Government became more involved in the market through subsidies and price, export and import controls.

During the 2010s, except for some periods of growth, lower economic performance coupled with the need for external financing and tough international conditions led to a significant devaluation of the Argentine peso and high levels of inflation.

In recent years, due to a high inflation scenario, public savings took refuge in foreign currency to preserve their value and the economy began to suffer a shortage of foreign currency. In this context, the Central Bank imposed strong restrictions on payments in foreign currency, both for dividends and goods and services.

An increase in exports of goods is expected from 2024 due to the change in national government (especially in the agro-industrial, mining and service industries), which would mitigate the restrictions in force until 2023.

Cost of living

2023 showed an annual inflation index of 254.2%. Since in the medium and long term the currency devaluation follows the inflation rate, once again, Argentina became very accessible to tourists who visited our territory due to our diverse natural resources.

National treatment for foreign investors

Foreign companies that participate in the capital of Argentine entities must register in Argentina before becoming investors. Except for certain rules or practical restrictions applicable to a few activities such as financial institutions, public media or fishing; foreign investors do not need to seek any prior approval (although approval is required to benefit from the protections mentioned in the following paragraph). They are also free to repatriate the full amount of their capital and profits at any time. However, you should read the chapter below on foreign exchange regulations and seek advice. Foreign and national companies receive the same treatment. According to the law, they have access to all economic sectors and are eligible for state procurement and incentive programs.

Argentina adhered to the principles of the Organization for the Development of Economic Cooperation (OECD). The country is a member of ICSID and offers protection from MIGA (Multilateral Investment Guarantee Agency) and the Overseas Private Investment Corporation (OPIC) - with certain requirements.

Mercosur

Mercosur is the joint market formed by Argentina, Brazil, Paraguay and Uruguay (negotiations were held to progressively include the neighboring countries Bolivia, Chile and Venezuela). The combined population of the 4 full member countries exceeds 295 million people and the total GDP is approximately US\$ 5.9 billion. In January 1995, a common external fee was established and most products enjoy total freedom of trade within Mercosur.



Business entities

Summary

There are no restrictions for foreign investors to do business in Argentina, and they may use any vehicle permitted by law.

The types of local business organization provided for by local Law are the Public Limited Company/ Stock Company, Simplified Joint Stock Company, Limited Liability Company, Limited Partnership (simple or by shares), General Company and Capital and Industry Company. The law also provides for the possibility of establishing local branches of foreign companies.

Joint ventures and management cooperation, even where possible under local law, are not considered independent corporations and are therefore not subject to commercial law regulation. However, it should be noted that in certain cases the Antitrust Regulation may apply. It should also be noted that the purchase of real estate through foreign investment vehicles/business entities is subject to the limitations of local laws.

The most common commercial vehicles used by foreign investors in Argentina are the Stock Company (Sociedad Anónima - "S.A."), the Limited Liability Company (Sociedad de Responsabilidad Limitada "S.R.L.") and the Branch. The main aspects of each are discussed below.

Stock or Public Limited Company (Sociedad Anónima)

Structure

A "Sociedad Anónima" (or "SA"), equivalent in civil law to the common law corporation, is a corporation where the liability of the shareholders is limited to their capital investment. Its capital is represented by shares of equal nominal value and can be divided into different classes of shares, the capital must be fully subscribed at the time of incorporation and at least 25% of the monetary contributions must be paid in at that time (the balance in cash must be integrated within a maximum period of two years).

A SA must have adequate capital to fulfill its corporate purpose. This way, even when the Public Registry of Commerce of the City of Buenos Aires ("RPC") has approved share capital of ARG\$ 100,000, said approval is subject to the adequacy of the capital to the corporate purpose of the company. A minimum of two shareholders is required to organize a regular SA.

Although the CCL does not establish a minimum percentage of participation for minority shareholders, the PCR has adopted a criterion in relation to the distribution of share capital among shareholders.

Indeed, although it has not been expressly stated which proportion of the capital distribution between shareholders would be considered admissible, given the history of recent cases, a proportion of at least 97% and 3% between the majority and minority shareholder respectively, will be considered admissible.

It should be noted that Single-Person Limited Companies have been accepted in Argentina since the issuance of the new Argentine Civil and Commercial Code, but as they are subject to strict control procedures by the Public Registry of Commerce, -which translate into higher registration and maintenance costs-, they are not yet commonly used by foreign investors in the initial stages of their activities in Argentina. If necessary, more information about this investment vehicle can be provided.

Administration

The administration of the SA will be responsibility of one or more directors, who may or may not be shareholders. The appointment of one or more alternate directors is also required. Directors may serve consecutive terms of up to three years each. Please note that most directors must be permanent residents of Argentina (e.g., if a non-Argentine resident is appointed as a regular director, then two Argentine residents must also be appointed).

Directors of an SA (including foreign directors residing abroad) must pay monthly social security contributions within the category of self-employed workers. For this purpose, the Directors must be registered with the Tax Authority.

Statutory Auditors

The Bylaws may provide for the appointment of one or more Statutory Auditors, who must be lawyers or public accountants domiciled in the Argentine Republic. The legal auditors, known locally as trustees, basically control that all acts carried out or resolutions taken by the Board of Directors comply with the law, the provisions of the statutes and the articles of incorporation.

It should be noted that auditors are jointly and severally liable for failure to comply with the duties and obligations imposed on them by law and statutes.

The Stock Societies Law (Law No.19,550) establishes that the company is obliged to appoint trustees only when the company (a) is publicly traded regarding its shares or negotiable obligations; (b) carries out specific activities, such as franchising or public services; (c) carries out activities in the field of capitalization, savings or others, requires money or securities from the public to offer future consideration or benefits; (d) has a share capital greater than AR\$ 50,000,000; (e) is a mixed company (i.e. a partially state-owned enterprise); (f) is controlled by, or controls another company subject to supervision, in accordance with the foregoing; or (g) is a single shareholder company.

If the company is within the previous categories, except for subsection (d), an odd number of trustees must be appointed by the shareholders' meeting, who must constitute a legal entity, known locally as the Supervisory Commission, generally composed of 3 (three) regular members and 3 (three) substitutes. Regarding subsection (d) above, the appointment of a regular trustee and an alternate trustee will be sufficient.

Dividends

Dividends may not be approved or distributed to the shareholders of the SA, except when they come from obtained and liquid profits resulting from the balance sheet prepared in accordance with the Law and the statutes and approved by the shareholders' assembly.

Filing with the Public Registry of Commerce (PRC)

Argentine business organizations require proper presentation before government authorities as a condition for their legal existence. For the purposes of incorporating an SA, the proposed articles of incorporation and bylaws must be submitted to the RPC for approval. Prior public notice requirements must be met (a notice must be published for one day in the Official Gazette - "Boletín Oficial").

Registration of foreign stakeholders

There are no restrictions applicable to foreigners to own shares in a Public Limited Company or Stock Company ("SA"). However, keep in mind that for the purposes of incorporating or participating in an Argentine SA, foreign companies must present certain documents and register with the RPC.

Limited Liability Company (Sociedad de Responsabilidad Limitada)

Structure

A Limited Liability Company (or "LLC") is an independent legal entity, in which the partners' liability for the company's debt is limited to their capital investment. A minimum of two partners and a maximum of fifty are required to establish an LLC (in relation to the minimum percentage required for the minority, please note that the same requirements apply as for an SA).

Its capital is represented by shares, all of which must have equal value. The capital must be fully subscribed at the time of incorporation and all contributions in kind and at least 25% of the contributions in cash must be paid in at that time (the cash balance must be paid in within a maximum period of two years). It is not mandatory for an LLC to have a minimum share capital as long as it is considered appropriate to comply with the corporate purpose. However, in many cases the RPC has requested to have a minimum share capital of AR\$100,000.

Administration

The administration of the SRL will be the responsibility of one or more administrators, who may or may not be partners. One or more alternate administrators may also be elected. Administrators can be appointed for a fixed or indefinite period. Please note that most administrators must be permanent residents of Argentina.

Filing to the PRC

For the purposes of registering an LLC, the proposed organizational contract must be submitted to the RPC for approval. Prior public notice requirements must be met through a notice that will be published for one day in the Official Gazette (“Boletín Oficial”).

Registration of foreign partners

For the purposes of establishing or participating in an LLC (“S.R.L.”) in Argentina, foreign companies are also required to register in the Registry in accordance with article 123 of the General Companies Law (“Ley General de Sociedades”).

Reporting obligations

LLCs with capital of less than AR\$ 50,000,000 are not required to present annual financial statements to the RPC. This is the main difference from the point of view of regulatory presentation between an S.A. and an S.R.L. or LLC, since S.A.s must present their annual balance sheets with the RPC.

Dividends

Dividends may not be approved or distributed to the LLCs quota holders, except when they come from accrued and liquid profits that come from the balance sheet prepared in accordance with the law and the statutes and approved by the assembly of quota holders.

Simplified Joint Stock Company (Sociedad por Acciones Simplificada)

Structure

A Simplified Joint Stock Company (or Sociedad por Acciones Simplificada - “S.A.S.”) is an independent legal entity, where the liability of the partners for the company's debt is limited to their capital investment, but they are jointly and unlimitedly liable to third parties for the integration of the capital. A minimum number of partners is required to establish a SAS.

Its capital is represented by shares, all of which can have different values if they are divided into classes. The capital must be fully subscribed at the time of incorporation and all contributions in kind and at least 25% of the contributions in cash must be paid in at that time (the cash balance must be paid in within a maximum period of two years). The SAS has a minimum capital of two Minimum and Living Salaries (AR\$ 202,800).

Administration

The administration of the SAS will be entrusted to one or more administrators, who may or may not be members. One or more alternate administrators may also be elected. Administrators can be appointed for a fixed or indefinite period. Please note that most administrators must be permanent residents of Argentina.

Filing with the PRC

Argentine business organizations require proper filing with the relevant government authority as a condition of legal existence. For the purposes of establishing a SAS, the statutes must be presented to the RPC for approval. Likewise, a notice of its registration for one day must be published in the Official Gazette (“Boletín Oficial”).

Registration of foreign partners

For the purposes of establishing or participating in an Argentine SAS, foreign companies are also required to register in the Registry in accordance with article 123 of the General Companies Law.

Reporting obligations

SAS are not required to submit annual financial statements to the RPC, but they must register them in the company’s digital accounting books within four months of the closing date.

Dividends

Dividends may not be approved or distributed to SAS shareholders, except when they come from obtained and liquid profits resulting from the balance sheet prepared in accordance with the law and the statutes and approved by the shareholders' meeting.

Argentine Branch of a foreign company

Branches are also regulated in the Public Limited Companies Law (“Ley de Sociedades Anónimas”). A branch is not a legal entity separate from its parent company. Therefore, the parent company is responsible for the debts and obligations of the branch. Even when possible, it is not necessary to contribute capital to the branch. In accordance with the provisions of the LGS and the Income Tax Law, a branch must maintain separate accounting. The branch is managed by a resident representative duly appointed by the parent company.

If a foreign company wishes to conduct regular business in Argentina by establishing a branch office or any other form of permanent representation, it must:

- Show evidence of existence under the laws of your country (e.g., by submitting its bylaws or articles of incorporation and other related documents).
- Register the deed of incorporation of the branch in the public registry of commerce, appoint a representative or manager and register them accordingly.
- Individualize its shareholders. Holders of shares registered on a stock exchange or securities market are exempt from this individualization, limited only to those who are within the internal control group and outside the rules of public offers.

If the individualization of the shareholders and the determination of their participations with the required scope are provided for in the company's statutes or in its subsequent amendments, reference may be made to such documents.

Books and accounting records

In accordance with Art. 44 of the Commercial Code and Law No. 19,550, all Companies domiciled in Argentina must keep an accounting record of their operations. There are two mandatory books: a Daily Accounting Ledger and a Book of Inventories and Balances. Said books must be kept for up to ten (10) years after the Company ceases operations. In accordance with Art. 73 of Law No. 19,550, a special book must also be kept to record the minutes of the Company's Assemblies (i.e., Board of Directors, Shareholders, etc.).

Additionally, Art. 213 establishes the obligation to keep a Share Registry book, in which, among others, the class of shares, rights and obligations reflected, the state of capital integration, the votes granted, etc. will be transcribed. The shareholders or representatives who attend the meeting will sign the Attendance Book, stating their address, identification number, number of shares held and the corresponding number of votes.

The formal requirements are:

- These books must be bound and have pre-numbered pages and be initialed by the appropriate local commercial court. It must contain the name of the person to whom it belongs, the purpose of the book and the number of pages
- It is not allowed to leave blank spaces, amend the records, alter their order or damage the pages in any way.

Companies subject to the control of the General Inspection of Justice (IGJ) or the Securities Commission may be authorized by these entities to use modern or mechanized electronic records to replace or complement the Daily Accounting Ledger. If so, this book must be kept based on global entries that do not cover periods longer than one month and provided that the corresponding credit and debit accounts are identified, and their verification must be made possible.

In accordance with the Argentine Commerce Law, all "businesspeople" (that is, those who carry out commercial acts on a regular basis) are required to prepare, at the close of each fiscal year, their financial statements in accordance with accounting principles generally accepted, which must be transcribed to the Inventory and Balances Book.

The date of presentation of the financial statements varies depending on the controlling entity that regulates the Company, with quarterly financial statements being mandatory in certain areas of activity.

In general, the presentation must be made within four months following the close of the financial year, except:

- Financial entities, presentation occurs within 50 days (annual and quarterly financial statements)
- Entities subject to the supervision of the National Securities Commission (CNV), within 70 days for annual financial statements and 42 days for mid-year financial statements.

According to the standards established by the General Inspection of Justice, the financial statements of all companies must be audited by authorized public accountants following generally accepted accounting principles in Argentina.

Generally accepted accounting principles are issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE). This body issues accounting and auditing standards, which are approved by the Professional Councils of Economic Sciences (CPCE) of each province. The current Technical Resolutions (RT) are the following:

TR N°	Topic
6	Financial Statements in constant currency
8	General rules for financial statement disclosures
9	Particular rules for financial statement disclosures
11	Particular disclosure rules for non-for-profit organizations
14	Accounting information for Joint Ventures
15	Rules on the situation of the public accountant as company syndic. Modified by TR 55.
16	GAAP framework
17	General accounting policies
18	Specific accounting policies
19	Amendment of professional accounting policies
20	Derivatives and hedging transactions
21	Equity value. Consolidation of Financial statements. Related parties' information disclosures
22	Agricultural activities
23	Post leave benefits to employees and other long term benefits
24	Particular aspects of accounting exposure and Audit precedures for cooperative entities
25	Particular accounting exposure standards for non-for-profit entities
26	Adoption of Intenational Financial Reporting Standards (IFRS) from the International Accounting Standards Board (IASB)
27	Professional Accounting Standards. Introduces changes to TRs: 6, 8, 9, 11, 14, 16, 17, 18, 21, 22, 23 and 24
28	Amendment to the general presentation and disclosure accounting standards. Impracticality of comparative information
29	Amendment to RT 26, date of approval of IFRS for SMEs
30	Solutions to facts unforeseen by accounting standards
31	Introduction to revolution model for fixed assets and other assets not intended for sale, and incorporation of the concept of Investment Properties and non- current assets held for sale
32	Adoption of international auditing standards (Entities preparing financial statements under IFRS or IFRS for SMEs)
33	Adoption of International standards for review engagement set by IFAC's IAASB (Entities preparing financial statements under IFRS or IFRS for SMEs)
34	Adoption of Quality control and Independence standards

TR N°	Topic
35	Adoption of international standards for assurance engagements and related services
36	Adoption of social financial statements
37	Standards on audit, review, other assurance engagements, certifications and related services prepared under TR-local standards. Modified by TR 53.
38	Amendments to TR 26 (IFRS) accepting the equity method to measure non-controlled interests in consolidated financial statements
39	Amendments to TR 6 and 17 Expression in homogeneous currency
40	Amendments to TR 9 and 11 Changes in presentation criterio
41	Measurement and disclosure aspects for entities considered small and medium entities based on revenues
42	Amendments to disclosure aspects of TR 41
43	Amendments to TR 26 (IFRS) for IASB permitting the equity method in separate financial statements defined by IAS 28
44	Amendments to TR 36 Social balance
45	Amendments to TR 15 (Rules about the public accountant as company syndic)
46	Amendments to TR 22 (Agricultural activity), new financial statement line "Biological assets" to adapt to IAS 41
48	Assets remediation (Capital assets, Investment property and Available for sale assets) allowing a simplified index-based revaluation and a revaluation involving a management's expert
51	New text of Technical Resolution N° 24

We must mention that RT 54 and RT 56 contain the unified Argentine accounting standard that derogate the following RT 6, 8, 9, 11, 14, 17, 18, 21, 22, 23, 41, 42, 48 and the linked interpretations that are generally valid for annual financial statements that begin on or after July 1, 2024, and allow early application from January 1, 2023. Let us remember that it is the power of each Professional Council of Economic Sciences to determine the effective date of application in each Province.

Additionally, there are other technical resolutions that are not linked to auditing or accounting. Some of them are:

- RT 47: Transfer pricing reporting criteria
- RT 49: Business Plans
- RT 50: Evaluation of investment projects
- RT 52: Study of demands.

RT 26 is mandatory for entities included in the public offering regime. The excluded entities are those for which the National Securities Commission (CNV) accepts the accounting standards of other regulatory bodies, such as banking entities. Also excluded are entities under the control of the CNV, such as the SME panel, asset managers, mutual funds, futures and options markets, stock exchanges and securities markets. For the rest of the entities, IFRS, IFRS for SMEs or RT will be applicable (RT 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 28, 30, 31, 38, 39, 40, 41, 42, 46, 48 and 51).

In 2012, the IGJ allowed companies that are under the control of a public company to issue Financial Statements under IFRS, IFRS for SMEs or RT.

To clarify certain aspects of the RTs listed above, the following Interpretations were issued:

TR N°	Topic
1	Transactions between related parties (financial, re-financing and other)
2	Cash Flow statement and its equivalent
3	Income tax accounting
5	Audit Report on amounts and information presented for comparative purposes
7	Capital assets revaluation model (except for biological assets) and accounting treatment of investment properties (TR N° 31)
8	Application of paragraph 3.1 Expression in homogeneous currency of TR N° 17
9	The Audit report on comparative information
10	Characterization of other related services that imply issuing special reports included in Chapter VII.C of RT 37
11	Recoverable value
12	Clarifications to TR N° 37
13	Social balance assurance engagement
14	Business plan conceptual framework
15	Evaluation of investment projects
16	Special and Compliance Reports
17	Auditor's report comparative information

Since the validity of RT 39 (approved by the Professional Council of Economic Sciences of the City of Buenos Aires - C.P.C.E.C.A.B.A. by Board Agreement No. 20/2014), which modified the rules on unit of measurement of RT 17, the need to restate the financial statements to reflect changes in the purchasing power of the currency is indicated by the existence or not of a context of inflation that leads to classifying the economy as highly inflationary.

In order to identify the existence of an inflationary economic context, Interpretation No. 8 (approved by the C.P.C.E.C.A.B.A. through Board Agreement No. 115/2014) establishes a quantitative standard that is a necessary condition to proceed to re-express the statement's financial figures. This norm is that the accumulated inflation rate in 3 years, considering the Internal Wholesale Price Index (I.P.I.M.) prepared by the National Institute of Statistics and Census (I.N.D.E.C.), reaches or exceeds 100%, among other factors.

During the first half of 2018, various macroeconomic factors produced a significant acceleration in inflation, resulting in indices that exceeded 100% accumulated in 3 years, and in inflation forecasts that confirmed these trends. For this reason, the Board of Directors of the F.A.C.P.C.E. issued Resolution No. 539/2018, indicating that the context of high inflation was formed and the financial statements corresponding to annual or intermediate periods closed as of July 1, 2018, from now on must be adjusted to reflect changes in purchasing power of the currency. Said decision also indicated that the financial statements corresponding to annual or mid-year periods closed until June 30, 2018, should not be restated.

The use of the inflation adjustment had been discontinued on March 28, 2003, as a result of Decree No. 664/03 of the National Executive Power (P.E.N.), which instructed certain control bodies not to receive financial statements adjusted by inflation as of March 1, 2003. As provided by the Board of Directors of the F.A.C.P.C.E. by its Decision No. 287/03, the cessation of the use of the inflation adjustment would have been applicable as of October 1, 2003. However, the changes in the purchasing power of the currency that occurred between February 28, 2003 and September 30, 2003 were not significant. The aforementioned Decree No. 664/03 was derogated after the sanction of Law 27,468, on December 3, 2018. Likewise, on December 28, 2018, the I.G.J. and the National Securities Commission issued resolutions that regulate the validity of the application of RT No. 6 and IAS 29 and derogated the prohibition of presenting financial statements adjusted by inflation as of its validity.

The accounting principles generally accepted in Argentina are similar to those of the United States and to IFRS (International Financial Reporting Standards), with the main exception of inventories, where the accounting frameworks are based on acquisition costs and Argentine principles promote the application of current values and original cost adjusted by inflation as an alternative).

Generally accepted auditing principles (RT 37) are compatible with ISAs (International Standards on Auditing) for public and private companies. Entities required to apply IFRS or where their provincial professional council offers the option of applying IFRS or IFRS for SMEs must apply IFRS as auditing standards. Those who must apply RT (local accounting rules) must apply RT 37 as an audit standard.

As of the issuance of RT 32, and for the periods beginning on or after July 1, 2013, the audits of financial statements of those entities that are required to issue their financial statements under IFRS as provided by RT 26, must be performed in accordance with International Standards on Auditing.

Finally, IFRS will be mandatory for banking institutions from January 2018.



Tax legislation

At the federal level, taxes are the following:

- Income Tax (Legal Entities and Human Persons)
- Tax on Personal Assets (Human Persons and Companies as substitute responsible parties)
- Value Added Tax
- Internal Taxes (Specific Articles)
- Tax on Debits and Credits in Bank Current Accounts.

The A.F.I.P. (our IRS) oversees the application, collection and auditing of taxes. This entity (A.F.I.P.) depends on the Ministry of Public Finance, which in turn depends on the Ministry of Economy.

Provincial taxes and those of the Federal District (C.A.B.A.) are administered directly by the General Directorate of Public Revenue of each Jurisdiction. These entities are subordinated to the respective Ministries of Economy of the Provinces and the Autonomous Government of the City of Buenos Aires, respectively.

The main provincial taxes are:

- Gross Income Tax
- Stamp Tax
- Real Estate Tax

The income of the municipalities comes from the collection of fees and contributions in the respective jurisdictions for inspection rights, safety and hygiene, lighting and street cleaning, and other specific rights.

National taxes

Income Tax (General characteristics)

Companies domiciled in Argentina, including branches of foreign companies, are subject to worldwide income tax, regardless of where the source of the income or profits is located (in the country or abroad).

Traditionally, Argentine Tax Law has been based on the principle of taxation at source. A major reform of the tax system in April 1992 abandoned this principle by establishing taxable transactions on an international basis.

Without prejudice to the foregoing, in the case of income obtained abroad, taxpayers may benefit from a tax credit for similar taxes paid outside Argentina for their commercial activities abroad up to the limit of the increase in the tax obligation that results in the inclusion of income from foreign sources.

Non-resident taxpayers that are companies and other beneficiaries from abroad that temporarily operate in Argentina without establishing branches, subsidiaries, etc., will be taxed only on their Argentine source income.

In the case of personal tax, these taxes are levied on periodic income or enrichment, which implies the permanence of the producing source.

In the case of companies, the results of any operation or transaction fall within the tax scope, regardless of whether they comply with the aforementioned requirements.

Companies domiciled in Argentina - including Limited Partnerships or branches of foreign commercial companies - are taxed as follows:

- For profits from the fiscal year beginning on December 31, 2021, progressive scale from 25% to 35% of your taxable income (net taxable income).
- The subsequent remission of dividends and/or distribution of profits is subject to a 7% withholding on the income tax levied on its beneficiaries (foreign beneficiaries or individuals domiciled in Argentina).

Although the equalization tax is no longer in force due to the modification introduced by Law No. 27,430, it is still applicable to distributions of dividends and branch profits made from accumulated profits before January 1, 2018, and that exceed the tax profit as at the end of the year prior to the corresponding distribution.

- Associations of persons - excluding the Limited Liability Company - that are not direct taxpayers will consider the tax result that they determine to be fully assigned to the owner or distributed among the partners even if it has not been credited to their private accounts.

- Individuals domiciled in the Argentine Republic, taxed at a progressive rate according to scale (from 5% to 35%) on the net taxable income after the admitted deductions specific to each category, the general deductions and the applicable personal ones.



- Foreign beneficiaries (companies domiciled abroad or individuals without residence in Argentina), who are taxed at different effective rates (35% of the presumed net profit) as follows:

Description	Effective tax rate
Technical assistance, engineering or consulting unavailable in the country	21%
Assignment of rights or license under patents, etc.	28%
Exploitation of copyrights in the country (individuals)	12,25%
Interests arising from vendor's financing of imports of amortizable movable goods, except automobiles	15,05%
Interests arising from loans obtained abroad when the borrower is a financial entity or a bank which is included on the list of countries following the banking supervision rules established by the Basel Bank Committee	15,05%
Interest originated in deposits with financial entities rules by Law N° 21526	15,05%
Other interests	35%
Salaries, fees and other compensations to persons working transitory in the country	24,50%
Movable goods leases	14%
Real Estate Leases	21%
Transference of property situated, placed and/or used in Argentina	17,50%
Other	31,50%

The tax is determined annually by the taxpayer (natural or legal person in the country) through the presentation of a sworn declaration where the tax result (loss or profit) is established in accordance with the rules established by the corresponding legislation on taxable income, method of appropriation of the profit for the year, deductible costs and expenses, personal exemptions and deductions, methods of valuing inventories and credits, carrying forward losses, etc.

The new rules established the taxation of the indirect disposal of the participation in a company or assets located in Argentina. These operations are taxed at 15% on the capital gain (determined as the difference between the sale price and the acquisition cost considering the portion of the assets located in Argentina).

Following the recommendations of the OECD, Argentina replaced the thin capitalization rules applicable to loans with related parties in force until December 2017. Currently, the deduction of interest expense generated on loans with local or foreign related parties is limited to 30% of the local entity's EBITDA for the current year. If the actual interest does not exceed the threshold, the difference could be carried forward over 3 years. If the actual interest exceeds the threshold, a special rule will allow the carryover of the undeducted surplus for 5 years. The limitation also includes interest and the exchange difference on the loan, in those fiscal years in which the Title of the Income Tax Law referring to the adjustment by tax inflation does not apply.

Taxpayers in Argentina file an annual tax return and compute advance payments against the final annual tax. Companies must present said sworn declaration within the 5th month following the closing of the fiscal/financial statements and must pay 10 advance installments. The first is equivalent to 25% of the tax determined the previous year, and each of the remaining nine is equivalent to 8.33% of the same base. Those who receive income from personal services provided as employees are not required to declare or pay advances, if the employer has made the corresponding withholdings.

Foreign beneficiaries do not file a tax return and the tax must be withheld as a single and definitive payment at the source by the person making the corresponding payment. For those cases in which the country's withholding agent is responsible for supporting the tax, a grossing-up of the income must be carried out, increasing the effective rates mentioned above.

There are rules in the tax law that regulate the transfer prices of goods and services between related companies in Argentina and abroad. Simultaneously, limitations were introduced on the deduction of certain interests in cases of low capitalization companies.

Argentina has adopted transfer pricing rules that essentially follow international standards (OECD guidelines).

Tax on Personal Assets

It taxes assets located in the country at a rate of 0.50% to 1.75% and assets located abroad belonging to individuals residing in Argentina at a rate of 0.70% to 2.25%. This tax only applies when the respective assets exceed ARS \$11,282,141.08.

If they are properties intended for the taxpayer's home, they will not be covered by the tax when their value, determined in accordance with the rules of the law, is equal to or less than ARS \$56,410,705.41.

The tax is levied, among others, on real estate, ships and aircraft, automobiles, personal property and livestock located in the country and abroad. Money, cash deposits, securities, shares, social quotas or participations, credits, rights or licenses of scientific, literary, industrial property, etc.

Among the exempt assets are intangible assets (keys, brands, patents, concession rights and other similar assets); the assets covered by the franchises of Law No. 19,640; rural properties whose owners are individuals and undivided estates, regardless of their destination or affectation; the securities, bonds and other securities issued by the Nation, the Provinces, the Municipalities and the Autonomous City of Buenos Aires and the reprogrammed certificates of deposits (CEDROS); deposits in Argentine and foreign currency made in the institutions included in the regime of Law No. 21,526, for a fixed term, in a savings account, in special savings accounts or in other forms of fundraising in accordance with what is determined the Central Bank of the Argentine Republic; negotiable obligations issued in national currency that comply with the requirements of Law No. 23,576 and its amendments; the quota shares of common investment funds included in article 1 of Law No. 24,083 and its amendments, etc.

The tax also applies to assets in Argentina belonging to foreign individuals, forcing people in the country who have the availability or possession of said assets to present the tax as substitute responsible for the foreign person (rate 0.50%).

The modifications introduced to this tax by Law No. 25,585 (year 2002) establish that, in addition to individuals and undivided estates domiciled in the country, companies and any person domiciled abroad that owns shares or any type of participation in the capital stock of the companies regulated by the Commercial Companies Law No. 19,550, will also be subject to the tax. The law presumes, without admitting evidence to the contrary, that the indirect ownership of said shares or participations corresponds to foreign natural persons. The legal entities regulated by the Commercial Companies Law 19,550 issuers of the aforementioned shares will act as substitute responsible parties for the determination and payment of the tax, applying a rate of 0.50% on the proportional equity value resulting from the balance sheet of the last year ending on December 31 of each year. Companies can request refunds from shareholders.

Value Added Tax

The scope of application of VAT in our country is broad and it taxes:

- Sales of personal property
- Contracts for the construction of movable property
- Construction works owned by third parties
- Construction and sale of properties (real estate)
- Service provision
- Provision of financial services
- Definitive imports of movable property
- Provision of financial services, etc. made abroad whose use is made in Argentina, if the providers are taxpayers for other taxable events. Thus, they are taxed by taxes, interest on loans granted abroad, fees for technical assistance, etc. The providers will be responsible for paying the tax
- Digital services provided by a foreign company used in Argentina.

There are no significant exemptions, objective or subjective, from a macroeconomic point of view. The standard rate of this tax is 21%.

There are also special rates:

- 27%, applicable to the sale of natural gas, electricity and running water regulated by meters, and telecommunications
- 10.5%, applied to certain taxable activities related to the construction of real estate (homes), resales and sales related to certain products of animal and plant origin, health insurance services, long and medium range public transportation and interest and commissions for loans granted by financial entities in Argentina or abroad. In the latter case, when the entity complies with the international banking supervision standards established by regulations. This special rate also applies to the acquisition and import of certain durable goods to be used in productive activities.

The mechanism for calculating this tax is based on the following:

- The VAT charged by a Company on sales or services is called VAT Debit.
- The VAT borne by a Company on purchases of goods or services is called VAT Credit. The tax incurred on the acquisition of fixed assets, including buildings and constructions, may also be creditable.
- Generally, an entity deducts its VAT credit from its VAT debit each month, files a tax return and pays the difference (excess VAT debit) if any. Finally, it is worth mentioning that exports of movable goods and services are not subject to taxes. Exporters can obtain a refund of the tax credit for the VAT invoiced to them on exported goods (exemption rate 0).

The provision of services carried out in the country whose economic use is carried out abroad are not subject to the tax.

Subjects from abroad who provide services taxed in the country will pay the tax through the Substitute Responsible Party mechanism.

In line with the objective of guiding the capital investments of Argentine companies, there is a regime for refunding the VAT credit generated by acquisitions or constructions of fixed assets, except automobiles, that remain immobilized for a period of six (6) months after its calculation.

The refund will be considered a definitive benefit to the extent that within the period of sixty (60) months it has been applied to the amounts actually paid for operations in the domestic market or in the case of exporters, who have had the right to receive them, get a refund.

Internal Taxes

This tax applies to certain goods and/or products such as tobacco; alcoholic beverages; Beers; non-alcoholic beverages, syrups, extracts and concentrates; insurance; cellular and satellite telephony services; luxury objects; and automobile and motor vehicles, recreational or sports vessels and aircraft.

This tax is applied to the sale of such articles throughout the Argentine territory so that they affect only one of the stages of the circulation of the product. The mechanics of calculating this arise from applying the nominal rate on the tax base that is defined in the law for each type of product to be marketed.

Tax on debits and credits in bank checking accounts

This tax is levied on debits and credits made in bank accounts opened in entities regulated by the Financial Entities Law. It also taxes payments made outside the formal banking circuit, including cash payments made under an organized modality whose purpose is to replace the use of bank accounts.

The general rate of this tax is 0.6% on each debit or credit made to the aforementioned accounts.

33% of the Tax on debits and credits is considered as advance payment, applicable to the Income Tax or Alternative Minimum Profits Tax and/or the Minimum Presumptive Income Tax (currently derogated) or the Special Contribution on the Capital of the Cooperatives.

Provincial taxes

Gross Income Tax

This is a provincial tax that applies to income obtained from the habitual exercise of the activity(ies) carried out by taxpayers in the different jurisdictions of the country.

The tax is determined based on the gross income accrued during the tax period, for the exercise of the taxed activity. In general, the net income derived from the activity (net sales of discounts, returns or bonuses) makes up your tax base.

In the case of Financial Entities, the tax base is made up of the difference between the credit balances of the profit and loss accounts and the interest accrued by third parties, there also being special tax bases for other types of activities (insurance companies, intermediation activities, publishing agencies, retirement and pension fund administrators, etc.).

Currently there are exemptions for manufacturing industries, primary activities, construction and mining. As it is a local tax (there are 24 provincial jurisdictions with tax powers in this matter) it is difficult to reflect a global panorama and it is necessary to specifically analyze each situation of each industry in each jurisdiction to evaluate the effective incidence of this tax.

For jurisdictions in which this tax is in force or for which there are no exemptions, the following rates could be considered as an indicative example:

Primary Activity	1.0%
Industrial Activity	1.5%
Commerce and Services	5.0%
Construction sector	1.5%
Financing activity and others	7.0%

Stamp Tax

This is a local tax, for which the City of Buenos Aires and each province establish their own legislation.

In general terms, acts and contracts of an onerous nature that are granted and/or have effect in the different provincial jurisdictions and that are always formalized in public or private instruments, or by correspondence with certain characteristics, as well as are carried out with the intervention of the stock exchanges or markets in accordance with what is established for said purposes.

As “instrument” is understood any writing, paper or document from which the acts and contracts reached by the tax arises, so that it has the external characteristics of a legal title with which compliance with the obligations can be demanded without the need for another document and regardless of the acts carried out by the taxpayers.

The applicable rates will depend on the type of operation that is taxed with such acts or contracts and the jurisdiction in which the tax is affected. For example, in the Province of Buenos Aires, acts and contracts in general are subject to a rate of 1.2% and in the City of Buenos Aires, of 1%.

Contributions on Real Estate (Real Estate Tax)

These provincial contributions are applied to the tax value assigned to real estate located within each jurisdiction.

International treaties to avoid double taxation

Currently, there are numerous Bilateral Investment Treaties (BIT) in force in Argentina to protect investments and avoid or reduce double taxation at the international level. These treaties were established with: Germany, Australia, Austria (not in force), Belgium, Bolivia, Brazil, Canada, Chile, China (not in force), Denmark, United Arab Emirates, Spain, Finland, France, Italy, Japan (not in force), Luxembourg (not current), Mexico, Norway, Netherlands, Qatar, United Kingdom, Russia, Sweden, Switzerland and Turkey (not current).

Likewise, there are special agreements on reciprocal tax exemption related to international transport operations. The tax treatment of the different types of income summarized and outlined throughout this brief description may be partially modified by clauses of these treaties, since they generally establish benefits or preferential treatment for legal entities or residents of the signatory states.

Some types of Argentine source income (including interest, royalties, dividends and capital gains) may be taxed at reduced rates. Additionally, the ordinary income of Foreign Companies is totally exempt from Income Tax in Argentina, unless said income can be attributed to a permanent establishment domiciled and established in our country. Likewise, these treaties usually contain special clauses that protect the tax deduction of expenses incurred abroad on behalf of the beneficiary of the permanent establishment located in our country (including management expenses and general administration expenses) and non-discrimination for individuals of the signatory states in relation to different taxes of any type or description. All treaties contain clauses that avoid double taxation, granting exemptions and/or tax credits according to different types of cases and income.

Tax incentives

Mining activity

Law No. 24,196 created an investment regime for mining activity applicable to individuals and legal entities.

The mining ventures included in this regime enjoy fiscal stability (that is, tax rates will remain basically the same) for a period of 30 years, except for VAT, which will adjust to the general regime.

In addition, the regime provides incentives for income tax, asset tax, import duties and any other taxes for the introduction of certain assets.

Furthermore, the possibility of obtaining VAT reimbursement during the exploration stage as indicated in Law No. 24196 has been regulated by Joint Resolution (AFIP - SM) No. 1641-11/2004.

National Territory of Tierra del Fuego, Antarctica and South Atlantic Islands - Tax and customs regime

Although with certain limitations in the case of new projects, companies established in this province enjoy a general tax exemption, as well as important benefits in customs matters, based on a system established by Law No. 19,640 and complementary regulations.

Biotechnology

Law No. 26,270 established a promotion system for the development and production of modern biotechnology and nanotechnology.

Tax and social security contribution benefits are granted to those who meet specific regulatory requirements.

Among the benefits, the VAT highlights the early refund of the tax corresponding to the goods acquired for the project, accelerated amortization of capital goods, special equipment, parts or components of said goods, new, acquired for the project promoted for purposes Income Tax, in the case of research and development projects, a tax credit bonus equivalent to 50% of the expenses allocated to the contracting of research and development services with relevant institutions of the national public system of science, technology and innovation, among others.

Small and medium-sized businesses (Law No. 27,264)

This law established a special tax system for small and medium-sized businesses (SMEs) and for infrastructure investments made by SMEs.

Among the most relevant benefits are the following:

- Exemption from minimum presumed income tax for years beginning on or after 1/1/2017
- The calculation as payment on account of income tax of the entire tax on credits and debits in banking operations
- Postponement of the expiration of the balance payable for VAT
- Fiscal stability (from July 2016 to December 2018) for SMEs that invest in infrastructure projects and/or capital goods
- Creation of a tax credit bond equivalent to a percentage of the amount of investments in capital goods and/or infrastructure works carried out
- The possibility of requesting the conversion of the tax credit of the first paragraph, originated in productive investments, that is not absorbed in the year, into a bonus to pay national taxes, including customs taxes.

The regulatory authority would oversee a registry of companies that are considered SMEs and therefore have the right to the benefit.

Knowledge-based activities - Knowledge Economy Promotion Regime

This regime, established by Law No. 27,506 and amendments (Law No. 27,570), replaced the previous Software Promotion Regime and expanded its scope to contemplate and promote other economic activities based on knowledge and/or the use of new technologies.

The tax benefits that the beneficiaries of the regime will be able to access include fiscal stability; reduction of a percentage with respect to the total amount of income tax corresponding to the promoted activity(s) determined in each fiscal year and applicable to both Argentine source profits and foreign source profits; They may consider as a deductible expense for the purposes of determining income tax, the amount equivalent to similar taxes actually paid or retained abroad; beneficiaries who carry out export operations with respect to the promoted activity(s) will not be subject to withholdings or collections of value added tax, among others. In terms of Social Security, benefits are established related to the implementation of a tax credit bonus considering the employer contributions actually paid to the personnel affected by the promoted activities.

The promotional regime is applicable from 1/1/2020 for companies adhering to the software law, and from 10/26/2020 for new companies and until 12/31/2029.

Labor legislation

Summary

Labor Law No. 20,744 and its modifications are applicable to all workers who perform their functions as employees in Argentina, except for:

- Public administration employees
- Domestic service employees
- Agricultural employees

The three cases mentioned are governed by their own agreements and statutes.

Working day

The extension of the working day is homogeneous for the entire country, and is established by Law No. 11,544, the most significant points being the following:

- The working day must not exceed eight hours per day or 48 hours per week
- The night shift (period between 9:00 p.m. and 6:00 a.m. the next day) cannot exceed seven (7) hours
- When work is carried out in unhealthy places, the duration of work will not exceed 36 hours per week or 6 hours per day
- The employer must pay the worker who provides services during overtime hours a surcharge of fifty percent (50%) of the normal salary if it is on ordinary days, or one hundred percent (100%) if it is on Saturdays after 1:00 p.m., Sundays and holidays
- Decree 484/00 establishes that in no case will overtime hours exceed 30 hours per month or 200 hours per year.

The worker has the right to a rest period of no less than 12 hours between days worked. The Employee is not obliged to provide services during that time, except in cases of danger or accidents, whether occurring or imminent.

Salary/ remuneration

Remuneration is understood to be the amount that the worker must obtain under the employment contract. Said remuneration, in no case, may be less than the minimum living and mobile wage (AR\$ 202,800 as of March 2024) and may be paid in currency, in kind (up to 20%) accommodation, food or through the opportunity to obtain benefits or profits.

The employer will set the monthly salary (gross salary) that the worker will receive for the services provided, from which the withholdings corresponding to Social Security (17%) and Income Tax, if any, will be deducted.

The net amount of money that the worker will receive arises from the amount that the employer sets as gross salary less the corresponding deductions/withholdings. Employers will be required to keep a special salary book, registered and officially sealed before the Ministry of Labor and Social Security.

Annual Complementary Salary

The annual complementary salary will be calculated based on 50% of the highest remuneration received by the worker in the semesters ending in June and December of each year. Payment will be proportional to the actual time worked by the employee during each semester.

Vacations

Every worker will benefit from a minimum and continuous period of paid annual rest (vacation) of:

- 14 consecutive days, when the seniority in the job does not exceed 5 years
- 21 consecutive days, when seniority is greater than 5 years, without exceeding 10 years
- 28 consecutive days when seniority is greater than 10 years, without exceeding 20 years
- 35 consecutive days when the seniority is greater than 20 years.

Collective agreements that regulate each activity can establish greater benefits.

Sick days

Each illness or involuntary accident that a worker suffers and that causes the impossibility of providing the service, will not affect the right of said worker to collect his salary for a period of three months if his seniority in the position is less than 5 years and 6 months if older.

In those cases, in which the worker has dependent family members and due to the same circumstances cannot work, the periods during which he will have the right to receive his salary will be extended to 6 months and 12 months, respectively.

Family charges

Those employees whose salaries were lower will have the right to receive a bonus from the State for their family responsibilities, the main benefits being the following:

- Child bonus
- Bonus for disabled children
- Prenatal bonus
- Annual school aid bonus for basic and polymodal education
- Maternity bonus
- Bonus for birth, adoption or marriage. The salary limit corresponds to the gross salary earned each month - including overtime -, excluding the annual supplementary salary.

It should be noted that bonuses for maternity and disabled children will be collected regardless of the amount of the worker's salary.

Dismissal pay

The termination of the employment contract can be caused by different reasons. In cases of dismissal decided by the employer without just cause, the employer will be obliged to pay the worker a series of severance payments, the vast majority of which are based on seniority and gross salary.

The most common severance payments correspond to seniority, untaken vacations and replacement of notice. The severance pay for seniority is based on a gross salary for each year or fraction greater than three months that you have worked.

In accordance with applicable labor legislation, the amount to be used in this calculation must be taken from the general salary scales negotiated by the unions. However, recent jurisprudence established that the salary thus calculated must not be less than 67% of the remuneration of the dismissed person. The employment contract may not be dissolved at the will of one of the parties without prior notice or, failing that, dismissal payment for this concept.

The advance notice, when the parties do not agree on a longer period, must be given in the following advance:

- For the worker, 15 days
- For the employer, 15 days when the worker has been on the job for up to 3 months, 1 month when the worker's seniority is greater than 3 months and does not exceed 5 years, and 2 months when the worker has more time in the company.

It is also possible that the termination of the contract occurs due to the resignation of the employee. In both cases, resignation and dismissal, the discontinuance of the contract must be communicated in writing.

Social Security

The employer will have the obligation to make a monthly contribution for all the Company's workers to the Argentine Integrated Pension System (S.I.P.A.). The main social security rates charged in Argentina are detailed in the following table:

	Employer Contributions	Employee Withholdings
Pension Fund	12,35%	11% (*)
Family Subsidy Fund	5,40%	---
Health Coverage	6%	3% (*)
Pension Institute	1,57%	3% (*)
National Employment Fund	1,08%	---
Total	26,40%	17%

* Up to a maximum variable amount that in fact acts as a limit only for the highest salaries (AR\$ 1,157,113 as of December 2023).

The legal social security withholdings of 17% that affect the worker's salary are deposited by the employer through the Integrated Retirement and Pension System.

Regarding the Employer Contribution, current legislation establishes a reduction in the calculation basis for employer contributions related to social security contributions. This deduction may be up to AR\$ 7,003 per employee.

In addition, the employer must pay occupational accident insurance for each employee. Each Occupational Risk Insurance Company establishes the percentage of the salary and the fixed value per person according to the risk and the level at which the insurer categorizes the Company. The employer must also pay mandatory collective life insurance for each employee.



Hiring modalities

The main modalities for hiring in accordance with the Labor Law N° 20744 are as follows:

Infinite duration	<ul style="list-style-type: none"> • For indefinite time • For partial time • Seasonal
Duration for a defined time	<ul style="list-style-type: none"> • On a fixed term • Temporary
Trial period	<ul style="list-style-type: none"> • For indefinite time • For partial time • Seasonal

Employment contracts for an indefinite period will be concluded on a trial basis during the first three months. Both parties are obliged to make Social Security contributions/withholdings during the trial period.

The existence of a trial period is not contemplated in fixed-term contracts and possible employment contracts. Special remuneration book: must exist in all modalities.



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