

# Doing Business in Argentina

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

2026

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# Prologue

## About Grant Thornton

At Grant Thornton Argentina, a member firm of Grant Thornton International Ltd. (GTIL), we offer tangible solutions to our clients through a wide range of specialized services designed to optimize their businesses. Our team of over 400 professionals possesses the right combination of skills and experience to help our clients achieve success quickly and efficiently.

The Grant Thornton approach is based on personalized attention, client commitment, understanding your business, and being aware of your needs. We provide concrete solutions implemented with cutting-edge technology. We offer solutions in accounting, audit, tax, corporate and government advisory services, compliance, business process outsourcing, financial services, and IT consulting.

GTIL is one of the world's leading organizations of accounting and management consulting firms. Clients of member and associate firms can access our services in more than 150 countries and receive high-quality, personalized service from our more than 80,000 employees wherever they choose to do business.

GTIL strives to communicate topics that are important to businesses and of public interest. Our goal is to be a bold and positive leader in our markets and within the accounting profession.

This guide has been prepared to assist those interested in doing business in Argentina. It does not cover the topic exhaustively but aims to answer some of the important and broad questions that may appear. When specific issues arise in practice, it will often be necessary to consult applicable laws and regulations and obtain appropriate legal and accounting advice. This guide contains only brief notes and includes legislation as of April 2026.

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

# Country profile

## Summary

Argentina presents the following characteristics:

- Stable political institutions
- Dependence on exports and imports of certain manufactured goods and components
- Skilled workforce
- Without racial or religious conflicts.

Basic data (Most recent)	
Population	45.892.285 (INDEC, 2022 – Latest national census)
Surface	2,78 million square kilometers (30% of Europe)
GDP (Gross Domestic Product)	US\$ 683.371.000.000 (FMI, 2025)
PIB per cápita (per person)	US\$ 14.359 (FMI, 2025)
Exports	US\$ 81,111 million (INDEC, 2025)
Imports	US\$ 75,791 million (INDEC, 2025)
Literacy rate	98% (National Census, 2022)
Citizens per medical doctor	250 (2020)
Life expectancy	77 years (2022)
Urban population	92% (World Bank, 2024)
Local currency	Argentine Peso (ARS)

## Geography and weather

Argentina is the 8th largest country in the world. Its topography is very 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 subtropical to subantarctic. Between these two extremes lies a broad temperate zone very suitable for agriculture.

## Social settings

The population is primarily of Spanish and Italian descent, though it also includes people of many other national origins. Different ethnic and religious groups coexist peacefully. The middle class represents a significant portion of the population. The literacy rate is high, as is the enrollment rate in primary, secondary, and higher education. The workforce is comparable in skills and aptitudes to that of most developed countries, especially at the technical and professional levels.

## Language

Spanish is universally spoken and understood. Argentinian Spanish differs slightly from that spoken in other Latin American countries or in Spain, due to Italian influence. However, this should not pose any difficulties for Spanish-speaking visitors. Dates are written DD/MM/YY. A period is used to enclose long numbers (99.999.999), and decimal numbers are separated by a comma (9,99).

## Working hours and time zone

The working hours in Buenos Aires and the surrounding area are generally from 8 or 9 a.m. to 5 or 6 p.m., Monday through Friday, and sometimes include half a day on Saturday. Banks are usually open from 10 a.m. to 3 p.m., Monday through Friday. In most provincial cities, a long break after lunch is customary. In this case, the working day starts earlier and ends later. The time zone in Argentina is GMT -3.

## National holidays

There are three types of holidays in Argentina. In 2026, they are as follows:

National holidays		
Type of holiday	Date	Celebration
<b>Fixed holidays</b>	January 1 <sup>st</sup>	New Year
	February 16 <sup>th</sup>	Carnival
	February 17 <sup>th</sup>	
	March 24 <sup>th</sup>	National Day of Remembrance for Truth and Justice
	April 2 <sup>nd</sup>	Day of the Veteran and of the Fallen in the Malvinas Islands War
	April 3 <sup>rd</sup>	Holy Friday (Easter)
	May 1 <sup>st</sup>	International Workers Day
	May 25 <sup>th</sup>	May Revolution Day
	June 20 <sup>th</sup>	National Flag Day - Commemoration of the Death of General Manuel Belgrano
	July 9 <sup>th</sup>	National Independence Day
	December 8 <sup>th</sup>	Feast of the Immaculate Conception of the Virgin Mary
	December 25 <sup>th</sup>	Christmas
<b>Transferable holidays</b> (Moved to the nearest Monday or Friday for touristic reasons)	June 17th (Moves to 15th)	Commemoration of the Death of General Martín M. de Güemes
	August 17th	Commemoration of the Death of General José de San Martín
	October 12th	Day of Respect for Cultural Diversity
	November 20 <sup>th</sup> (Moves to 23 <sup>rd</sup> )	National Sovereignty Day
<b>Touristic holidays</b>	March 23 <sup>rd</sup>	Touristic reasons
	July 10 <sup>th</sup>	
	December 7 <sup>th</sup>	

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

## Legal and political 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 undertook one of the world's most intensive privatization programs. Telephone companies, airlines, most of the railways, electric power companies (including hydroelectric plants), the Argentine state oil company (YPF), steel mills, ports, television stations, and most public utilities were transferred to the private sector. The combined value of the privatized companies exceeded US\$30 billion. Many foreign companies participated in this program.

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

In 2024, Law 27,742 was passed, listing the state institutions that would be considered for privatization. In 2025, the government moved forward with the privatization and concession of several public companies, including IMPSA (officially announced in February), the Comahue dams, and sections of the road network. Bidding processes were also initiated for AySA, Intercargo, Belgrano Cargas, Nucleoeléctrica, and Corredores Viales before the end of the year.

## 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 over the economy.

At the end of 2001, the country's debt burden led to a lack of competitiveness due to the fixed exchange rate of 1 to 1 peso-dollar and a high level of unemployment, resulting in the country's deepest economic and financial crisis.

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

In the following years, due to the 2009 global financial crisis, the National Government became more involved in the market through subsidies and controls on prices, exports, and imports.

During the 2010s, except for some periods of growth, weaker economic performance, coupled with the need for external financing and harsh 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 sought refuge in foreign currency to preserve their value, and the economy began to suffer from a shortage of foreign exchange. In this context, the Central Bank imposed strict restrictions on payments in foreign currency, both for dividends and for goods and services.

Starting in 2024, the Argentine government has undertaken an ambitious plan to restructure the state with a commitment to eliminate the fiscal deficit and promote reforms that include opening the economy to the participation of foreign investors.

## Living cost

2025 saw an annual inflation rate of 31.5% (INDEC), the lowest level since 2017. The Total Basic Food Basket (CBT) for a typical family (4 members) exceeded ARS 1.3 million per month towards the end of the year. The categories with the largest increases were Education (52.3%) and Health (28.2%).

## National treatment for foreign investors

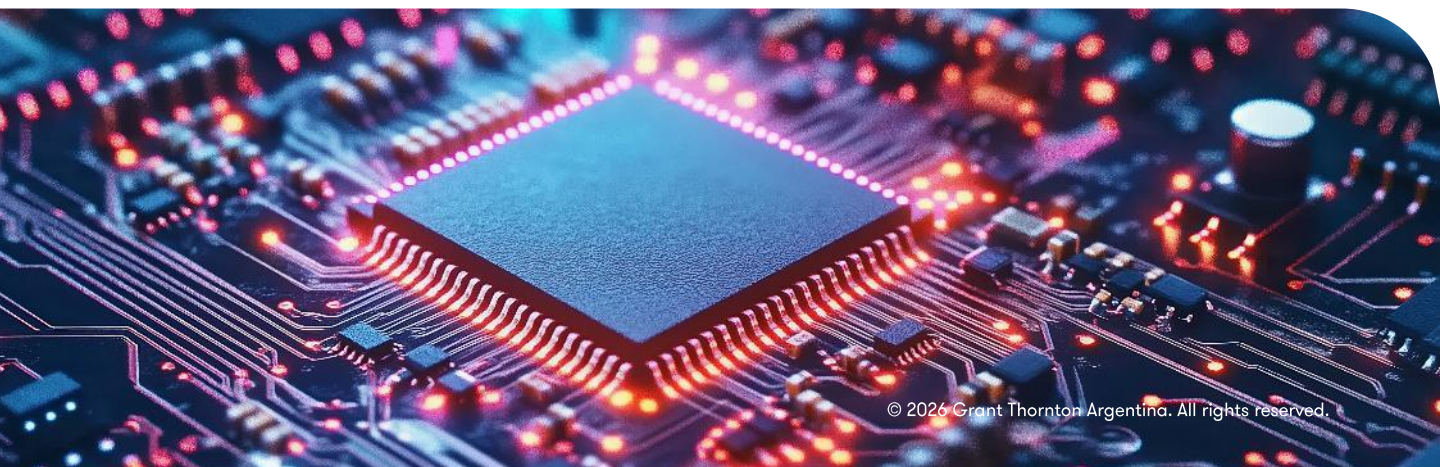
Foreign companies that hold equity stakes in Argentine entities must register in Argentina before becoming investors. Except for certain rules or practical restrictions applicable to a few activities, such as financial institutions, public media, or fishing, foreign investors do not need to seek any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

Argentina adheres to the principles of the Organisation for Economic Co-operation and Development (OECD). The country is a member of the International Centre for Settlement of Investment Disputes (ICSID) and offers protection through MIGA (Multilateral Investment Guarantee Agency) and the Overseas Private Investment Corporation (OPIC) – subject to certain requirements.

## Mercosur

Mercosur is the joint market formed by Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Bolivia is in the process of joining as an "associate state." Other associated states are Chile, Colombia, Ecuador, and Peru.

The combined population of the four full member countries exceeds 308 million people, and the total GDP is approximately US\$2.8 trillion. A common external tariff was established in January 1995, and most products enjoy complete freedom of trade within Mercosur.



# Business entities

## Summary

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

The forms of local business organization provided for by local law are the Public Limited Company (Sociedad Anónima), Simplified Public Limited Company (Sociedad Anónima Simplificada), Limited Liability Company (Sociedad de Responsabilidad Limitada), Limited Partnership (Sociedad en Comandita) (simple or by shares), General Partnership (Sociedad General), and Capital and Industry Company (Sociedad de Capital e Industria). The law also allows for the establishment of local branches of foreign companies.

Joint ventures and management cooperation, even when permitted under local legislation, are not considered independent corporations and are therefore not subject to commercial law. However, it should be noted that, in certain cases, the Antitrust Regulations 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 business vehicles used by foreign investors in Argentina are the Sociedad Anónima (“S.A.”), the Sociedad de Responsabilidad Limitada (“S.R.L.”), and the Sucursal. The main aspects of each are discussed below.

## Public Limited Company: “Sociedad Anónima” (S.A.)

### Structure

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

An S.A. must have sufficient capital to fulfill its corporate purpose. According to Decree 209/2024, this minimum capital was set at \$30,000,000.

A minimum of two shareholders is required to organize a regular S.A. While the CCL does not establish a minimum percentage of participation for minority shareholders, the PCR (Public Registry of Commerce) has adopted a criterion regarding the distribution of share capital among shareholders.

Indeed, while no explicit ruling has been issued on what proportion of capital distribution among shareholders would be considered admissible, given the precedents of recent cases, a proportion of at least 97% for the majority shareholder and 3% for the minority shareholder would be considered admissible.

It should be noted that Single-Member Corporations have been accepted in Argentina since the enactment of the new Argentine Civil and Commercial Code, but because they are subject to strict control procedures by the Public Registry of Commerce, which result in higher registration and maintenance costs, they are not yet commonly used by foreign investors in the initial stages of their operations in Argentina. Further information on this investment vehicle can be provided if needed.

## Administration

The management of the SA (public limited company) will be the responsibility of one (1) or more directors, who may or may not be shareholders. The appointment of one or more alternate directors is also required. Directors may serve for consecutive terms of up to three (3) years each. Note that the majority of 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 as self-employed workers. For this purpose, directors must be registered with the Tax Authority.

## Legal auditors

The Articles of Incorporation may provide for the appointment of one (1) or more Statutory Auditors, who must be lawyers or certified public accountants domiciled in the Republic of Argentina. The statutory auditors, known locally as trustees, essentially ensure that all actions taken or resolutions adopted by the Board of Directors comply with the law, the provisions of the bylaws, and the articles of incorporation.

It should be noted that the statutory auditors are jointly and severally liable for any breach of the duties and obligations imposed upon them by law and the bylaws.

The Corporations Law (Law No. 19,550) establishes that a corporation is required to appoint trustees only when the corporation (a) is publicly traded with respect to its shares or negotiable securities; (b) engages in specific activities, such as franchising or public services; (c) engages in activities in the field of capitalization, savings, or other activities, and requires money or securities from the public in exchange for future consideration or benefits. (d) has a share capital exceeding ARS\$2,000,000,000; (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 company with a single shareholder.

If the company falls into any of the above categories, except for subsection (d), an odd number of auditors must be appointed by the shareholders' meeting. These auditors must form a legal entity, known locally as the Supervisory Commission, generally composed of three (3) regular members and three (3) alternate members. With respect to subsection (d) above, the appointment of one regular and one alternate auditor is sufficient.

## Dividends

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

## Presentation before the Public Registry of Commerce (RPC)

Argentine business organizations require proper registration with the relevant government authorities as a condition for their legal existence. To establish a corporation (SA), the articles of incorporation and proposed bylaws must be submitted to the Public Registry of Commerce (RPC) for approval. Prior public notice requirements must be met. A notice must be published for one day in the Boletín Oficial (Official Gazette).

## Registry of foreign shareholders

There are no restrictions applicable to foreigners owning shares in a Sociedad Anónima ("S.A."). However, please note that to incorporate or participate in an Argentine S.A., foreign companies must submit certain documents and register with the RPC.

## Limited Liability Company (LLC): "Sociedad de Responsabilidad Limitada" (S.R.L.)

### Structure

A Limited Liability Company (or "LLC") is an independent legal entity in which the liability of the members for the company's debts is limited to their capital investment. A minimum of two (2) and a maximum of fifty (50) members are required to form an LLC (regarding the minimum percentage required for minority shareholders, note that the same requirements apply as for a Public Limited Company).

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 in-kind contributions and at least 25% of cash contributions must be paid in at that time (the remaining cash balance must be paid in within a maximum of two years). It is not mandatory for an LLC to have a minimum share capital as long as it is considered adequate to fulfill the corporate purpose, however, in many cases the RPC has requested a minimum share capital of ARS\$ 100,000.

### Administration

The management of the LLC will be the responsibility of one (1) or more administrators, who may or may not be partners. One (1) or more alternate administrators may also be appointed. Administrators may be appointed for a fixed or indefinite term. Please note that the majority of administrators must be permanent residents of Argentina.

## Presentation before RPC

For the purposes of registering a Limited Liability Company (S.R.L.), the proposed articles of incorporation must be submitted to the Public Registry of Commerce (RPC) for approval. The prior public notice requirements must be met by publishing a notice for one (1) day in the Boletín Oficial (Official Gazette).

## Registry of foreign shareholders

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

## Information obligations

Limited liability companies (S.R.L.s) with capital less than ARS\$2,000,000,000 are not required to file annual financial statements with the Public Registry of Commerce (RPC). This is the main difference from a regulatory filing perspective between a corporation (S.A.) and an S.R.L., since corporations must file their annual financial statements with the RPC.

## Dividends

Dividends may not be approved or distributed to the holders of shares of the S.R.L. 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 shareholders.

## Simplified Joint-Stock Company:

### Sociedad por Acciones Simplificada (SAS)

#### Structure

A Simplified Stock Corporation (or “SAS”) is an independent legal entity where the shareholders' liability for the company's debt is limited to their capital investment, but they are jointly and severally liable to third parties for the capital contributions. There is no minimum number of shareholders required to form an SAS.

Its capital is represented by shares, which can have different values if divided into classes. The capital must be fully subscribed at the time of incorporation, and all in-kind contributions and at least 25% of cash contributions must be paid in at that time (the remaining cash balance must be paid in within a maximum of two years). The minimum capital for an SAS is equivalent to two minimum monthly wages (SMVM = ARS 357,800).

#### Administration

The management of the SAS will be entrusted to one or more administrators, who may or may not be shareholders. One or more alternate administrators may also be appointed. Administrators may be appointed for a fixed or indefinite term. Note that the majority of administrators must be permanent residents of Argentina.

## Presentation before RPC

Argentine business organizations require proper registration with the relevant government authority as a condition for legal existence. To establish a Simplified Stock Company (SAS), the articles of incorporation must be submitted to the Public Registry of Commerce (RPC) for approval. A notice of registration must also be published for one day in the Boletín Oficial (Official Gazette).

## Registry of foreign shareholders

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

## Information obligations

SAS companies are not required to submit annual financial statements to the RPC, but they must register them in the company's Digital Books within four months of the closing date.

## Dividends

Dividends may not be approved or distributed to the shareholders of the SAS, except when they come from profits obtained and liquid that result 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 under the Corporations Act. A branch is not a legal entity separate from its parent company. Therefore, the parent company is liable for the branch's debts and obligations. Even, when possible, capital contributions to the branch are not required. In accordance with the provisions of the General Corporations Act (LGS) and the Income Tax Act, a branch must maintain separate accounting records. The branch is managed by a duly appointed resident representative of 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:

- Provide evidence of its existence under the laws of its country of origin (e.g., by submitting its articles of incorporation and other related documents).
- Register the branch's articles of incorporation with the Public Registry of Commerce, appoint a representative or manager, and register them accordingly.
- Identify its shareholders. Holders of shares listed on a stock exchange or securities market are exempt from this identification requirement, which is limited to those within the internal control group and outside the scope of public offerings.

If the identification of shareholders and the determination of their shareholdings to the required extent are provided for in the company's articles of incorporation or subsequent amendments, reference may be made to those documents.

# Accounting books and records

In accordance with Article 44 of the Argentine Commercial Code and Law No. 19,550, all companies domiciled in Argentina must maintain accounting records of their operations. Two books are mandatory: a Journal and an Inventory and Balance Sheet Book. These books must be kept for up to ten (10) years after the company ceases operations.

In accordance with Article 73 of Law No. 19,550, a special book must also be kept to record the minutes of the company's meetings (i.e., Board of Directors, Shareholders, etc.). Additionally, Article 213 establishes the obligation to maintain a Share Register, in which, among other things, the class of shares, the rights and obligations reflected, the capital contribution status, the votes cast, etc., must be recorded. For their part, shareholders or their representatives attending the meeting will sign the Attendance Book, stating their address, national identity card number, number of shares they hold, and the corresponding number of votes.

The formal requirements are:

- These books must be bound, have pre-numbered pages, and be initialed by the corresponding local commercial court. They must include the owner's name, the book's purpose, and the number of pages.
- It is not permitted to leave blank spaces, amend entries, alter their order, or damage the pages in any way.

However, companies subject to the control of the General Inspectorate of Justice (IGJ) or the Securities Commission may be authorized by these entities to use modern electronic or mechanized records as a replacement for, or supplement to, the General Ledger. If so, the General Ledger must be maintained based on summary entries that do not cover periods longer than one month, and the corresponding credit and debit accounts must be identified and their verification possible.

According to the Argentine Commercial Law, all "businesspeople" (i.e., those who regularly carry out commercial acts) are required to prepare, at the close of each fiscal year, their financial statements in accordance with generally accepted accounting principles, which must be transcribed into the Inventory and Balance Book.

The filing deadline for the aforementioned financial statements varies depending on the parent company that regulates the company. Quarterly financial statements are mandatory in certain areas of activity.

Generally, filing must be completed within four months of the close of the fiscal year, except for:

- Financial institutions: filing is due within 50 days (annual and quarterly financial statements).
- Entities subject to the supervision of the National Securities Commission (CNV): filing is due within 70 days for annual financial statements and 42 days for interim financial statements.

According to regulations established by the General Inspectorate of Justice, the financial statements of all companies must be audited by certified public accountants in accordance with generally accepted accounting principles in Argentina.

Generally accepted accounting principles are issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE). This organization 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 as follows:

RT N°	Topic
15	Rules on the status of the public accountant as a company trustee. Amended by RT 55.
16	Conceptual framework of professional accounting standards other than those referred to in RT 26, applicable then to RT 54.
24	Professional standards: particular aspects of accounting presentation and audit procedures for cooperative entities.
26	Adoption of International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).
32	Adoption of international auditing standards (Entities that prepare financial statements under IFRS or IFRS for SMEs).
33	Adoption of the international standards for review work established by the IAASB of the IFAC (Entities that prepare financial statements under IFRS or IFRS for SMEs).
34	Adoption of quality control and independence standards.
35	Adoption of international standards for assurance engagements and related services.
36	Adoption of social financial statements.
37	Standards on auditing, review, other assurance engagements, certifications and related services prepared under RT standards – local. Modified by RT 53.
54	New Unified Accounting Standard of Argentina.

RT 54 is the Argentine Unified Accounting Standard (NUA), which is optional for all entities. Entities may apply RT 54 (NUA), IFRS, or IFRS for SMEs. If they apply RT 54, they are then classified as small, medium, or other based on their annual income, allowing them to apply simplified valuation criteria for assets and liabilities. However, entities that list debt securities or have issued negotiable bonds with the National Securities Commission, or are banking entities, are required to apply International Financial Reporting Standards.

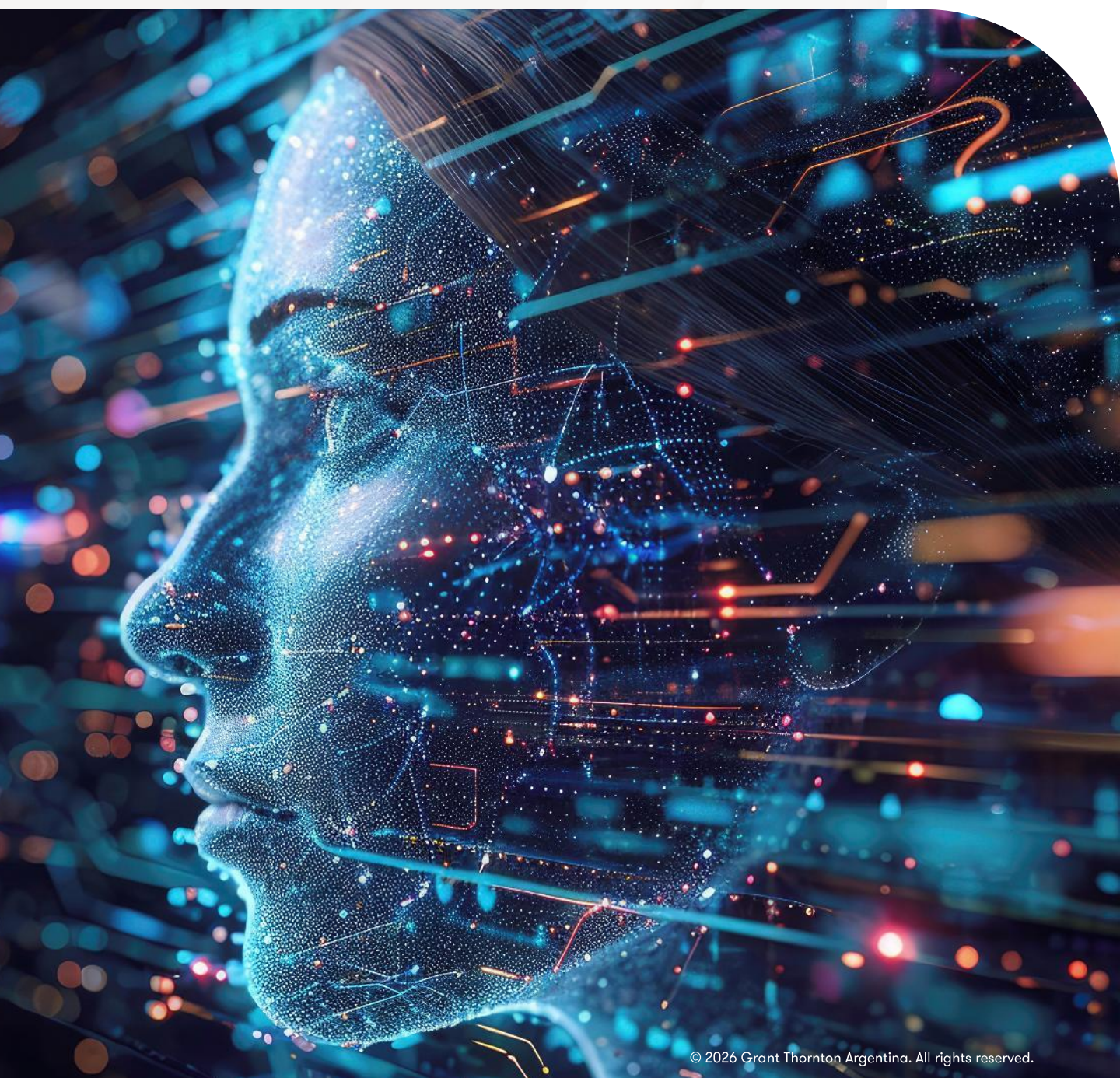
Additionally, there are other technical resolutions that are not related to auditing or accounting. Some of these are:

- RT 47: Transfer Pricing Reporting Criteria
- RT 49: Business Plans
- RT 50: Investment Project Evaluation
- RT 52: Demand Analysis
- RT 60: Standards Applicable to the Preparation of Sustainability Information.

RT 26 is mandatory for entities included in the public offering regime. Excluded entities are those for which the National Securities Commission (CNV) accepts the accounting standards of other regulatory bodies, such as banks. 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 all other entities, IFRS, IFRS for SMEs, or RT will apply.

Financial entities regulated by the Central Bank present their financial statements under IFRS.

Finally, IFRS has been mandatory for banking institutions since January 2018.



# Tax legislation

At the federal level, the taxes are as follows:

- Income Tax (Corporations and Individuals)
- Personal Assets Tax (Individuals and Corporations as substitute taxpayers)
- Value Added Tax (VAT)
- Internal Taxes (Specific Items)
- Tax on Debits and Credits in Bank Current Accounts.

The Customs Revenue and Control Agency - ARCA (our IRS) oversees the application, collection, and auditing of national taxes and the control of foreign trade activities. This entity (ARCA) is an agency under the Ministry of Economy.

Provincial taxes and those of the Federal District (CABA) are administered directly by the General Directorate of Public Revenue of each jurisdiction. These entities are subordinate 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
- Property Tax

Municipal revenues come from the collection of fees and contributions within their respective jurisdictions for inspection, safety and hygiene, street lighting and cleaning, and other specific fees.

## 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 income or profits is located (in Argentina or abroad).

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

Notwithstanding the foregoing, in the case of income earned abroad, taxpayers may claim a tax credit for similar taxes paid outside Argentina on their foreign business activities, up to the limit of the increase in tax liability resulting from the inclusion of foreign-source income.

Non-resident taxpayers who are corporations, companies, and other foreign beneficiaries operating temporarily in Argentina without establishing branches, subsidiaries, etc., will only be taxed on their Argentine-source income.

In the case of personal income tax, these taxes are levied on income or enrichment of a periodic nature, thus implying the permanence of the income-generating source.

For corporations or companies, the results of any operation or transaction fall under the tax jurisdiction, regardless of whether or not they meet 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 or after December 31, 2021, a progressive tax scale from 25% to 35% of their taxable income (net taxable profit).
- Subsequent remittance of dividends and/or distribution of profits is subject to a 7% withholding tax on the income tax levied on its beneficiaries (foreign beneficiaries or individuals domiciled in Argentina).

Although the equalization tax is no longer in effect due to the amendment introduced by Law No. 27,430, it remains applicable to distributions of dividends and profits from branches made from profits accumulated before January 1, 2018, and that exceed the taxable income as of the close of the fiscal year prior to the corresponding distribution.

- Partnerships—excluding Limited Liability Companies—that are not direct taxpayers will consider the taxable income they determine as being fully allocated to the owner or distributed among the partners, even if it has not been credited to their individual accounts.
- Individuals domiciled in the Republic of Argentina, taxed with a progressive rate according to a scale (from 5% to 35%) on the net taxable profit after the specific deductions allowed for each category, the general deductions and the applicable personal deductions.



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

Description	Effective tax rate
Technical assistance, engineering or consulting not available in the country	21%
Assignment of rights or license under patents, etc.	28%
Exploitation of copyright in the country (individuals)	12,25%
Interest arising from the financing by the seller of imports of depreciable movable goods, except automobiles	15,05%
Interest derived from loans obtained abroad when the borrower is a financial institution or a bank that is included in the list of countries that follow the banking supervision rules established by the Basel Committee on Banks	15,05%
Interest originating from deposits in Financial Entities regulated by Law No. 21,526	15,05%
Other interests	35%
Wages, fees and other compensation to persons working temporarily in the country	24,50%
Leases of movable property	14%
Real Estate Leases	21%
Transfer of goods located, placed and/or used in Argentina	17,50%
Others	31,50%

The tax is determined annually by the taxpayer (individual or legal entity residing in the country) through the filing of a sworn statement declaring the taxable result (loss or gain) in accordance with the rules established by the corresponding legislation regarding taxable income, profit allocation method, deductible costs and expenses, exemptions and personal deductions, inventory valuation methods and receivables, loss carryforwards, etc.

The new regulations established the taxation of the indirect transfer of shares in a company or assets located in Argentina. These transactions 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 OECD recommendations, Argentina replaced the thin capitalization rules applicable to loans with related parties that were in effect until December 2017. Now, the deduction of interest expense generated on loans with local or foreign related parties is limited to 30% of the local entity's current-year EBITDA. If the actual interest does not exceed the threshold, the difference may be carried forward for three (3) years. If the actual interest exceeds the threshold, a special rule allows the carryforward of the undeducted excess for five (5) years. The limitation also includes interest and exchange rate differences on the loan in those fiscal years in which the Title of the Income Tax Law related to tax inflation adjustments does not apply.

Taxpayers in Argentina file an annual tax return and credit advance payments against the final annual tax liability. Companies must file this return within the fifth month following the close of their fiscal/financial statements and must pay nine advance installments. Each installment is equivalent to 11.11% of the tax determined in the previous year, net of any deductible advance payments. Those who receive income from personal services rendered as employees are not required to file a return or make advance payments if their employer has withheld the corresponding taxes.

Foreign beneficiaries do not file a tax return, and the tax must be withheld as a single, final payment at source by the payer. In cases where a withholding agent in Argentina is responsible for the tax, the income must be grossed up, increasing the aforementioned effective tax rates.

There are provisions in tax law that regulate the transfer pricing of goods and services between related companies in Argentina and abroad. Simultaneously, limitations were introduced on the deduction of certain interest expenses in the case of companies with low capitalization.

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

## Personal Assets Tax

It levies a tax of 0.50% to 1.00% on assets located in Argentina and abroad belonging to individuals residing in Argentina. This tax only applies when the total value of the respective assets, determined according to the provisions of this law, exceeds ARS\$384,728,044.57 (the applicable minimum taxable income for the 2025 tax year). Real estate used as the taxpayer's primary residence is exempt from the tax when its value, determined according to the regulations, is equal to or less than ARS\$1,346,548,155.99 (the applicable minimum taxable income for the 2025 tax year).

The tax applies to, among other things, real estate, ships and aircraft, motor vehicles, personal property, and livestock located in Argentina and abroad. Money, cash deposits, securities, shares, quotas or equity interests, loans, and scientific, literary, industrial property rights or licenses, etc.

Exempt assets include intangible assets (keys, trademarks, patents, concession rights, and other similar assets); assets covered by the exemptions of Law No. 19,640; rural real estate owned by individuals and undivided estates, regardless of its use or purpose; securities, bonds, and other negotiable instruments issued by the Nation, the Provinces, the Municipalities, and the Autonomous City of Buenos Aires, and rescheduled deposit certificates (CEDROS); deposits in Argentine and foreign currency made in institutions covered by Law No. 21,526, whether fixed-term, in savings accounts, in special savings accounts, or in other forms of fundraising as determined by 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 units 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, obligating individuals in the country who have access to or possession of such assets to file the tax return as a substitute taxpayer for the foreign individual (rate 0.50%).

The amendments introduced to this tax by Law No. 25,585 (2002) stipulate that, in addition to individuals and undivided estates domiciled in the country, corporations and any other individuals domiciled abroad who own shares or any type of equity interest in companies governed by the Commercial Companies Law No. 19,550 are also subject to the tax. The law presumes, without admitting evidence to the contrary, that the indirect ownership of such shares or equity interests belongs to foreign individuals. Legal entities governed by Law 19,550 on Commercial Companies that issue the aforementioned shares will act as substitute taxpayers for the determination and payment of the tax, applying a rate of 0.50% on the proportional net worth resulting from the balance sheet of the last fiscal year ending on December 31 of each year. Companies may request reimbursements from shareholders.

## Value Added Tax

The scope of VAT in our country is broad and includes taxes on:

- Sales of movable goods
- Contracts for the construction of movable goods
- Construction work on property owned by third parties
- Construction and sale of real estate
- Provision of services
- Provision of financial services
- Definitive imports of movable goods
- Provision of financial services, etc., performed abroad and used in Argentina, if the providers are taxpayers for other taxable events. Thus, interest on loans granted abroad, fees for technical assistance, etc., are subject to this tax. The providers will be responsible for paying the tax.
- Digital services provided by a foreign company and used in Argentina.

There are no significant exemptions, either objective or subjective, from a macroeconomic perspective.

The standard rate for this tax is 21%. There are also special rates:

- A 27% rate applicable to the sale of natural gas, electricity, metered running water, and telecommunications services.
- A 10.5% rate applied to certain taxable activities related to real estate construction (housing), resales and sales related to certain products of animal and plant origin, health insurance services, long- and medium-distance public transportation, and interest and fees on loans granted by financial institutions in Argentina or abroad. In the latter case, this applies when the institution complies with the international banking supervision standards established by law. This special rate also applies to the acquisition and importation of certain durable goods for use in productive activities.

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

- The VAT that a company charges on sales or services is called “Débito de IVA” and is an output VAT.
- The VAT paid by a company on purchases of goods or services is called “Crédito de IVA” (VAT Credit). VAT paid on the acquisition of fixed assets, including buildings and constructions, may also be creditable.
- In general, an entity deducts its VAT credit from its VAT output each month, files a tax return, and pays the difference (excess output VAT), if any.

Finally, it should be noted that exports of movable goods and services are not subject to tax. Exporters can obtain a refund of the VAT credit charged to them on exported goods (exemption rate 0%).

Services provided in the country whose economic benefit is realized abroad are not subject to tax.

Foreign entities providing taxable services in Argentina will pay the tax through the Substitute Taxpayer mechanism.

In line with the objective of guiding capital investments by Argentine companies, there is a system for refunding the VAT credit generated by the acquisition or construction of capital goods, excluding automobiles, that remain idle for a period of six (6) months after their calculation.

The refund will be considered a definitive benefit to the extent that, within sixty (60) months, it has been applied to the amounts actually paid for transactions in the domestic market or, in the case of exporters, to those transactions for which they were entitled to a refund.

## Internal taxes

This taxes apply to certain goods and/or products such as tobacco; alcoholic beverages; beer; non-alcoholic beverages, syrups, extracts, and concentrates; insurance; cellular and satellite telephone services; luxury goods; and motor vehicles, recreational or sports boats, and aircraft.

This tax is levied on the sale of these items throughout the national territory, affecting only one stage of the product's distribution chain.

The calculation method involves applying the nominal rate to the taxable base, which is defined by law for each type of product being sold.

## Tax on debits and credits in bank current accounts

This tax is levied on debits and credits made to bank accounts held with institutions regulated by the Financial Institutions Law. It also taxes payments made outside the formal banking system, including cash payments made through an organized system designed to replace the use of bank accounts.

The general rate for 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 an advance payment applicable to Income Tax, the Alternative Minimum Income Tax, the Presumed Minimum Income Tax (currently repealed), or the Special Contribution on the Capital of Cooperatives.

## Provincial taxes

### Gross Income Tax

This is a provincial tax levied on income derived from the regular exercise of the activity or activities carried out by taxpayers in the various jurisdictions of the country.

The tax is determined based on the gross income accrued during the fiscal period from the exercise of the taxable activity. In general, the net income derived from the activity (net sales less discounts, returns, or rebates) constitutes its taxable base.

In the case of Financial Institutions, the taxable base is comprised of the difference between the credit balances of the profit and loss accounts and the interest accrued by third parties. There are also special taxable bases for other types of activities (insurance companies, intermediary activities, publishing agencies, pension fund administrators, etc.).

Currently, there are exemptions for manufacturing, primary activities, construction, and mining. Since this is a local tax (there are 24 provincial jurisdictions with taxing powers in this area), it is difficult to provide a comprehensive overview. It is necessary to analyze the specific situation of each industry in each jurisdiction to assess the effective impact of this tax.

For jurisdictions where this tax is in effect or where there are no exemptions, the following rates could be considered as indicative examples:

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.

Generally speaking, this tax applies to onerous acts and contracts executed and/or taking effect in the different provincial jurisdictions, provided they are formalized in public or private instruments, or by correspondence with certain specific characteristics, as well as those carried out with the intervention of stock exchanges or markets in accordance with the regulations established for such purposes.

An instrument is understood to be any deed, paper, or document that constitutes the execution of the acts and contracts subject to the tax, such that it has the outward characteristics of a legal title with which the fulfillment of obligations can be demanded without the need for another document and regardless of the actions actually performed by the taxpayers.

The applicable tax rates will depend on the type of transaction being taxed through such acts or contracts and the jurisdiction in which the tax is levied.

For example, in the Province of Buenos Aires, acts and contracts in general are subject to a tax rate of 1.2%. And in the City of Buenos Aires (CABA), the rate is 1%.

## Contributions on Real Estate (Property 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, numerous Bilateral Investment Treaties (BITs) are in force in Argentina to protect investments and avoid or reduce double taxation internationally. These treaties were signed with: Germany, Australia, Austria (not in force), Belgium, Bolivia, Brazil, Canada, Chile, China, Denmark, the United Arab Emirates, Spain, Finland, France, Italy, Japan (not in force), Luxembourg (not in force), Mexico, Norway, the Netherlands, Qatar, the United Kingdom, Russia, Sweden, Switzerland, and Turkey.

There are also special agreements on reciprocal tax exemptions related to international transport operations.

The tax treatment of the different types of income summarized and outlined in this brief description may be partially modified by clauses in these treaties, as they generally establish benefits or preferential treatment for legal entities or residents of the signatory states.

Some types of income from Argentine sources (including interest, royalties, dividends, and capital gains) may be taxed at reduced rates. Additionally, the ordinary income of foreign companies is fully exempt from Income Tax in Argentina, unless such income can be attributed to a permanent establishment domiciled and located in our country.

Likewise, these treaties typically contain special clauses that allow for the tax deduction of expenses incurred abroad on behalf of the beneficiary of the permanent establishment located in our country (including management and general administrative expenses) and guarantee non-discrimination for nationals of the signatory states with respect to various taxes of any type or description. All treaties contain clauses that prevent double taxation, granting exemptions and/or tax credits depending on the specific circumstances and income.

## Tax incentives

### Mining activity

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

Mining projects included in this regime enjoy tax stability (i.e., tax rates will remain essentially the same) for a period of 30 years, except for VAT, which will be subject to the general regime.

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

In addition, the possibility of obtaining a VAT refund during the exploration phase, as indicated in Law No. 24,196, has been regulated by Joint Resolution (AFIP - SM) No. 1641-11/2004.

### National Territory of Tierra del Fuego, Antarctica and the 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 customs benefits, based on a system established by Law No. 19,640 and complementary regulations.

### Biotechnology

Law No. 26,270 established a system of incentives 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 following stand out: For VAT purposes, the early refund of the tax corresponding to goods acquired for the project; accelerated depreciation of capital goods, special equipment, parts, or components of such goods, new, acquired for the promoted project; and, in the case of research and development projects, a tax credit equivalent to 50% of the expenses allocated to contracting research and development services with relevant institutions of the national public science, technology, and innovation system, among others.

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

This law established a special tax system for small and medium-sized enterprises (SMEs) and for infrastructure investments made by SMEs. Among the most relevant benefits are the following:

- Exemption from the minimum presumed income tax for fiscal years beginning on or after January 1, 2017;
- The full amount of the tax on credits and debits in banking transactions can be credited against income tax;
- Deferral of the due date for the outstanding balance of VAT;
- Tax 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 invested in capital goods and/or infrastructure projects. • The possibility of requesting the conversion of the tax credit from the first paragraph, originating from productive investments, that is not absorbed in the fiscal year, into a bond to pay national taxes, including customs duties.

The regulatory authority would be responsible for registering the companies that are considered SMEs and are therefore entitled to the benefit.

## Knowledge-based activities - Knowledge Economy Promotion Scheme

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

The tax benefits available to beneficiaries of the regime include tax stability; a percentage reduction of the total amount of income tax corresponding to the promoted activity(ies) determined in each fiscal year, applicable to both Argentine-source and foreign-source income; the ability to deduct, for income tax purposes, the amount equivalent to similar taxes effectively paid or withheld abroad; and exemption from value-added tax withholdings and collections for beneficiaries who carry out export operations related to the promoted activity(ies), among other benefits. In the area of Social Security, benefits are established related to the implementation of a tax credit bonus, taking into account employer contributions actually paid for personnel involved in the promoted activities.

The promotional regime applies from January 1, 2020, for companies adhering to the software law, and from October 26, 2020, for new companies, until December 31, 2029.

## Incentive Scheme for Large Investments

The Large Investment Incentive Regime (“Régimen de Incentivos para Grandes Inversiones” - RIGI) was created by Law 27,742, “Bases and Starting Points for the Freedom of Argentinians,” to boost the country's economic development and attract domestic and foreign investment. This regime offers benefits and legal security to large-scale projects that qualify as “Large Investments” in strategic sectors such as energy, mining, infrastructure, technology, forestry, tourism, steel, and oil and gas-related activities.

By promoting investment in these sectors, RIGI seeks to generate employment, promote local production, and increase exports. Furthermore, it establishes a framework of stability and collaboration among the different levels of government to ensure the success of these initiatives.

The regime establishes a two-year enrollment period, starting from the date the Law came into effect, i.e., from July 8, 2024. Through Decree No. 105/2026 of February 18, 2026, this period was extended for one (1) additional year, starting from July 8, 2026. Consequently, the current period for submitting new projects to the RIGI is extended until July 8, 2027.

## Incentive Scheme for Medium-Sized Investments

This new Incentive Regime for Medium-Sized Investments (“Régimen de Incentivos para Medianas Inversiones” - RIMI), published under Labor Modernization Law 27,802, applies to companies that qualify as Micro, Small, or Medium-Sized Enterprises (MSMEs) that make productive investments in the country during the first two years following the regime's entry into force.

The productive investments covered include the acquisition, development, manufacturing, and/or importation of depreciable movable assets for income tax purposes, and the execution of works directly related to the development of productive activities within the territory of the Argentine Republic.

The benefits include accelerated depreciation of productive investments (income tax) and the refund of tax credits (VAT).

Through the publication in the Official Gazette of Decree No. 242/2026, the National Executive Branch enacted the RIMI, which will have a two-year enrollment period starting from April 13, 2026.

## Law of Fiscal Innocence

The Tax Innocence Law – Law No. 27,799, enacted by Decree 933/2025 – is an Argentine law that seeks to transform the relationship between the State and taxpayers. It introduces a profound change to the tax system. Key points of the Tax Innocence Law:

- **Presumption of Innocence:** Taxpayers are no longer considered tax evaders by default. The State must prove tax evasion, not the citizen justifying their innocence.
- **Reform of the Tax Criminal Code:** Sanctions and procedures are modified, reducing the prosecutorial approach and prioritizing legal certainty.

- **Changes to the Tax Procedure Law:** Regarding the statute of limitations for taxes, a direct benefit is established for those who comply on time.
- **General Time Limit:** This remains at 5 years for registered taxpayers or those who are not registered but voluntarily regularize their situation.
- **Reduced Time Limit (Benefit of Innocence):** The statute of limitations is reduced to only 3 years if the taxpayer meets all of the following requirements: they filed the tax return on time, regularized the resulting balance, and the tax authority (ARCA) does not detect significant discrepancies between the declared information and information from third parties or its own systems.
- **Simplified Tax Return:** A simpler system for Income Tax is implemented, with less bureaucracy and greater predictability.



# Labor legislation

## Summary

Labor Law No. 20,744 and its amendments apply to all employees working for others in Argentina, with the exception of:

- Public administration employees
- Domestic service employees
- Agricultural employees.

These three cases are governed by their own agreements and statutes.

## Working day

The length of the workday is uniform throughout the country and is established by Law No. 11,544. The most significant points are as follows:

- The workday shall not exceed eight (8) hours per day or 48 hours per week.
- The night shift (the period between 9:00 p.m. and 6:00 a.m. the following day) may not exceed seven (7) hours.
- When work is performed in unhealthy environments, the workday shall not exceed 36 hours per week or 6 hours per day.
- The employer shall pay the employee who works overtime a surcharge of fifty percent (50%) of the normal wage if it is on regular days, or one hundred percent (100%) if it is on Saturdays after 1:00 p.m., Sundays, and holidays.
- Decree 484/00 establishes that overtime shall not exceed 30 hours per month or 200 hours per year.

Employees are entitled to a rest period of no less than 12 hours between workdays. Employees are not obligated to work during this time, except in cases of danger or accidents, whether already occurring or imminent.

## Salary/Remuneration

Remuneration is understood to be the amount that the worker is entitled to receive under the employment contract. This remuneration may in no case be less than the minimum living wage (AR\$ 357,800 as of April 2026) and may be paid in cash, in kind (up to 20%), in the form of lodging, food, or through the opportunity to obtain benefits or profits.

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

The net amount of money that the employee will receive is the amount set by the employer as the gross salary less the corresponding deductions/withholdings. Employers are required to keep a special payroll ledger, officially registered and stamped with the Ministry of Labor and Social Security.

## Annual Supplementary Salary

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

## Holidays

Every employee is entitled to a minimum continuous period of paid annual leave (vacation) of:

- 14 consecutive days, when the length of service does not exceed 5 years
- 21 consecutive days, when the length of service is more than 5 years but does not exceed 10 years
- 28 consecutive days, when the length of service is more than 10 years but does not exceed 20 years
- 35 consecutive days, when the length of service is more than 20 years.

Collective bargaining agreements that regulate each industry may establish greater benefits.

## Sick leave

Any illness or involuntary accident suffered by an employee that prevents them from performing their duties will not affect their right to receive their salary for a period of three months if their length of service is less than five years, and for six months if it is longer.

In cases where the employee has dependents and is unable to work due to the same circumstances, the periods during which they are entitled to receive their salary will be extended to six months and twelve months, respectively.

## Family obligations

Employees whose salaries are below the minimum wage will be entitled to receive a family allowance from the State. The main benefits are as follows:

- Child allowance
- Allowance for a child with a disability
- Prenatal allowance
- Annual school allowance for primary and secondary education
- Maternity allowance
- Allowance for birth, adoption, or marriage.

The salary limit corresponds to the gross salary earned each month—including overtime—excluding the annual bonus.

It should be noted that the maternity and disability allowances will be paid regardless of the employee's salary.

## Severance pay

The termination of an employment contract can be caused by various reasons. In cases of dismissal by the employer without just cause, the employer is obligated to pay the employee a series of severance payments, which are mostly based on seniority and gross salary.

The most common severance payments correspond to seniority, unused vacation time, and payment in lieu of notice. Severance pay based on seniority is calculated at one year's gross salary for each year or fraction thereof exceeding three months worked.

According to applicable labor legislation, the amount used in this calculation must be taken from the general salary scales negotiated by the unions. However, recent case law has established that the salary thus calculated must not be less than 67% of the dismissed employee's remuneration. The employment contract cannot be terminated by either party without prior notice or, failing that, payment of severance pay.

Unless the parties agree on a longer period, the notice period shall be as follows:

- 15 days for the employee
- 15 days for the employer when the employee is on probation, 1 month when the employee's length of service does not exceed 5 years, and 2 months when it exceeds 5 years.

The contract may also be terminated by the employee's resignation. In both cases, resignation and dismissal, the termination of the contract must be communicated in writing.

## Social security

The employer will be required to make a monthly contribution for all employees of the company to the Argentine Integrated Pension System (SIPA).

The main social security contributions charged in Argentina are detailed in the following table:

	Employer contributions	Employee retentions
Pension fund	12,35%	11% (*)
Family subsidy fund	5,40%	---
Health care	6%	3% (*)
Pension institute	1,57%	3% (*)
National employment fund	1,08%	---
Total	26,40%	17%

\* Up to a maximum variable amount that effectively acts as a cap only for the highest salaries (ARSS\$4,162,912 as of April 2026).

The legally mandated 17% social security withholdings, which affect the employee's salary, are deposited by the employer through the Integrated Pension and Retirement System.

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

In addition, the employer must pay for workplace accident insurance for each employee. Each Workers' Compensation Insurance Company establishes the percentage of salary and the fixed amount per person according to the risk and the level at which the insurer categorizes the company. The employer must also pay for mandatory group life insurance for each employee.



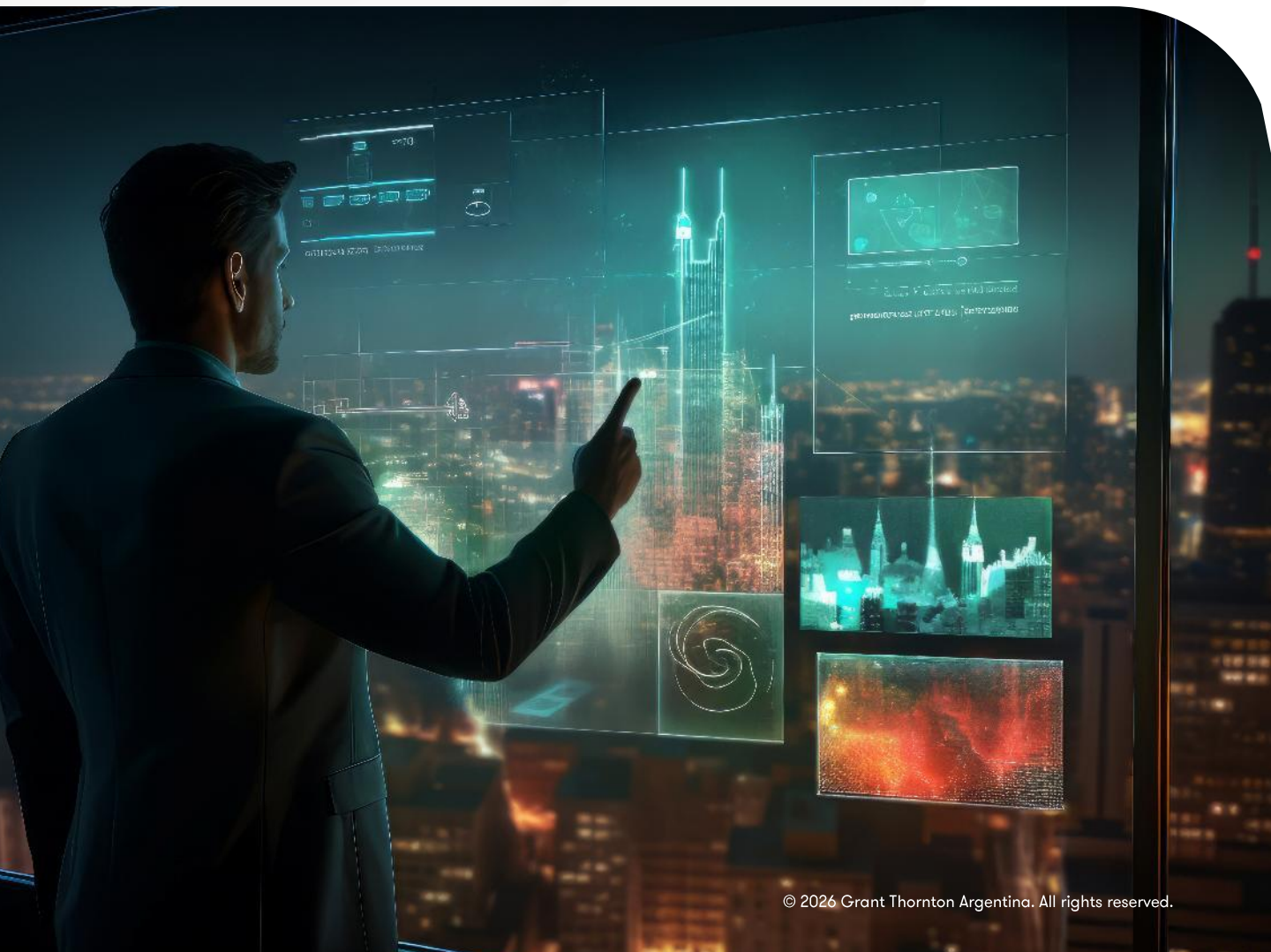
## Contracting methods

The main types of employment contracts according to Labor Law No. 20744 are the following:

<b>Duration for an indefinite period</b>	<ul style="list-style-type: none"> <li>• Indefinitely</li> <li>• Part-time</li> <li>• Seasonally</li> </ul>
<b>Duration for a defined time</b>	<ul style="list-style-type: none"> <li>• For a fixed term</li> <li>• Temporary</li> </ul>
<b>Trial period</b>	<ul style="list-style-type: none"> <li>• Indefinitely</li> <li>• Part-time</li> <li>• Seasonally</li> </ul>

Permanent employment contracts will have a probationary period of six (6) months for companies with more than 100 employees. Both parties are required to make social security contributions/withholdings during the probationary period.

There is no probationary period for fixed-term or temporary employment contracts. A special payroll ledger must be maintained for all types of contracts.



## Law 27.802 on Labor Modernization

On March 6, 2026, the National Executive Branch published Law 27,802 on Labor Modernization in the Official Gazette. This law, passed by the Senate on February 27, 2026, brought the law into effect. It introduces significant modifications to key aspects of the Employment Contract Law and other complementary regulations.

The regulations update compensation criteria, redefine the leave scheme, modify the vacation and overtime system, introduce changes to hiring and work arrangements, create a Labor Assistance Fund (FAL) for severance payments, establish reforms to collective bargaining and union rights, implement a Labor Formalization Incentive Regime (RIFL), expand non-wage benefits, establish guidelines for the accreditation of sick leave, update labor credits, create a Regime for Private Passenger Mobility and/or Delivery Services that use technological platforms, limit the automatic validity of collective bargaining agreements and their precedence, and define the activities considered essential and of paramount importance, among other measures.

On March 30, 2026, the National Labor Court No. 63, presided over by Judge Raúl Horacio Ojeda, issued an innovative precautionary measure temporarily suspending the application of 83 articles of the law. This measure was appealed by the Argentine Ministry of Human Capital. While the appeal is pending, the suspension remains in effect, and the previous legislation is still in force. It should be noted that the articles not under dispute remain in effect.

The main articles in suspension are 13 (modification of the presumption of the existence of the employment contract), 16-17-18-19 (limitation of joint liability in economic groups, outsourcing and union representation of outsourced workers), 23 (power to modify the forms and modalities of work), 27 (part-time employment contract), 31 (social benefits), 34 (forms of payment), 42 (compensation for overtime), 51 (severance pay or dismissal), 56 (payment in court), 58 to 77 (Labor Assistance Fund), 101 (expansion of minimum services), 107 (probationary period), 133 (contributions to collective bargaining agreements), 135 (precedence of agreements), 138 (union assemblies), 141 (legal status for company unions) and 145 (unfair practices by trade unions).

**Note:** When the precautionary measure ordered by the Justice is resolved, this document will be updated to reflect the changes introduced by Law 27.802 and will be communicated on our website ([grantthornton.com.ar](http://grantthornton.com.ar)) and social networks.

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