

Global Expatriate Tax Guide

2023



Any expatriate working in Argentina will be subject to Argentine tax, social security and migration rules and regulations.

With proper tax and legal planning for the arrival of foreign executives to your company, you can take advantage of certain opportunities and tax savings.

Grant Thornton Argentina's team of expatriate experts can help you, not only obtain the relevant authorizations and registrations quickly and efficiently, but also implement the right solutions for your company and your executives.



Facts & figures

Pre-arrival procedures

Expats who require a work visa must apply for it before taking a job in Argentina. Therefore, it is important that the expatriate's employment contract and benefits package are structured in a tax-efficient manner before the expatriate comes to Argentina, in order to obtain certain tax benefits.

Work visas

Any person entering the country for purposes other than tourism or recreation requires the corresponding visa.

On the other hand, the Argentine employer must request the corresponding registration before the RENURE (National Single Registry of Foreign Requesters).

There are 3 types of residence:

- Transitory residences: work permits, among others
- Temporary residences: residences for work, for transfer of personnel between companies, MERCOSUR agreement and associates, among others
- Permanent residences: eg. family reunification, rooted in the country, among others

The different types of visas generally applicable to those who come to work in the country for a certain period are:

- Temporary residences: Provisions 1170/2010 and 1824/2013 Paid or unpaid tasks, Provision 758/2022 (Law 25,871 Art. 24 Inc. h). This special temporary residence is recommended to those foreigners who enter the country to perform paid or unpaid tasks in the scientific, professional, technical, religious or artistic fields.
- Temporary residences MERCOSUR
 - Presentation – Nationality Law (Art. 23 Inc. I): Applicable to native citizens of Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Perú, Uruguay, Venezuela, Guyana and Suriname
 - Temporary discharge by employment contract. Art. 23 Inc. A.: Applicable to those who enter the country to carry out any legal, paid activity, with permission to work in a dependency relationship
 - Personnel Transference: Art. 23 Inc. E.: Applicable to those who are engaged in scientific, technical or consulting activities, hired by public or private entities for work in their specialty. Managers, technicians and administrative staff of public or private entities of a commercial or industrial nature, transferred from abroad



to cover specific positions in their companies and that earn fees or salaries in the Argentine Republic.

The employee may be in a dependency work contract with the Argentine company or maintain a dependency contract with the company of origin.

Although there is a possibility of applying for permanent residence for immigration purposes under certain circumstances, this will give rise to being considered a resident for personal income tax purposes and the impossibility of applying Art. 4 of the Law 24,241.

Fiscal year

The fiscal year runs from January 1st to December 31st.

Income tax rates

Individuals are taxed at progressive rates according to the total taxable income. The rates for fiscal year 2023 are:

Scale ranges (Art. 94)		Accumulated amounts		Simplified tables	
Accumulated taxable net profit		Will pay		[G= TAXABLE NET PROFIT]	
Over \$	A \$	\$	Plus	Over the surplus of \$	WILL PAY \$
0	173.834,61	0	5	0	(0,05xG) - 0
173.834,61	347.669,23	8.691,73	9	173.834,61	(0,09xG) - 6.953,38
347.669,23	521.503,84	24.336,85	12	347.669,23	(0,12xG) - 17.383,46
521.503,84	695.338,47	45.197,00	15	521.503,84	(0,15xG) - 33.028,58
695.338,47	1.043.007,68	71.272,19	19	695.338,47	(0,19xG) - 60.842,12
1.043.007,68	1.309.676,90	137.329,34	23	1.043.007,68	(0,23xG) - 102.562,43
1.309.676,90	2.086.015,35	217.293,26	27	1.390.676,90	(0,27xG) - 158.189,50
2.086.015,35	2.781.353,85	405.034,64	31	2.086.015,35	(0,31xG) - 241.630,12
2.781.353,85	And beyond	620.589,58	35	2.781.353,85	(0,35xG) - 352.884,27

Exchange rate 1 USD= \$ Ars 189,25 (Banco Nación - ER for Sale 17/1/2023)



Tax bases

Tax charges

Subject to any double taxation agreement, Argentine tax is imposed on taxable income. A resident of Argentina is taxed on worldwide source income during the residence period, while non-residents are taxed only on Argentine source income.

Residence

Foreigners who have obtained permanent residence for immigration purposes in Argentina are considered Argentine residents, as well as those who have remained in Argentina, with the corresponding authorization, for a period of twelve months.

Temporary absences from the country, as long as they do not exceed 90 days (consecutive or not) within said 12-month period, will not be considered as an interruption of the foreigner's continued stay in Argentina.

Argentine residents must pay taxes on their income and assets in Argentina and abroad.

Earned income

The definition of taxable income for employment purposes includes wages, salaries, bonuses, gratuities, and allowances if received as a reward for services. Income tax is withheld by the employer responsible for payment of wages or compensation.

Personal exemptions for dependents and certain non-taxable minimums provided for in the Income Tax Law may be deducted from the tax base.

Benefits in kind

Payments in kind and additional benefits granted to employees must be included in the employee's tax base for purposes of Income Tax withholdings.

Preferential schemes for expatriates

Non-Residents with permanent presence in Argentina (NRPP): Foreign individuals who come to Argentina for work reasons, with a temporary visa for a period not exceeding five years, will only be taxed on income from an Argentine source in said period.

Argentine source income is understood to be derived from work performed in Argentina regardless of the place where it is paid (in Argentina or abroad).

In addition, the NRPP will only be taxed on assets located in Argentina as of December 31 of each year.



Foreign tax relief

Argentine taxes (since they are subject to income tax on worldwide source income) receive credit for foreign tax paid on foreign source income subject to some requirements.

General deductions

The following expenses will be tax deductible for Income Tax purposes, among others:

- Payments to the pension system and private and/or collective health insurance.
- The contributions to the pension system of the self-employed, to the extent that they have been duly made.
- Life insurance premiums paid (deduction subject to a maximum cap)
- Funeral expenses (deduction subject to a maximum cap)
- Contributions paid to private retirement plans (deduction subject to a maximum cap)
- Voluntary contributions to Pension Fund Administrators (deduction subject to a maximum limit)
- Medical fees. It should be noted that the deduction is only applied to 40% of said fees up to a maximum of 5% of the worker's net taxable income.
- Rent paid (deduction subject to a maximum limit) only if the person has no other assets).
- Payment to domestic employees (deduction subject to a maximum limit).

Other taxes

Income tax withholding

Earned income withholdings are covered by the Pay-As-You-Earn (PAYE) system. If an individual is subject to tax with respect to earned income, the employer has a PAYE withholding requirement. Foreigners who remain in Argentina for less than six months are also subject to withholding. However, each case must be evaluated to determine the applicable withholding regime.

Personal property tax

The Personal Property Tax is levied on movable and immovable property located both in Argentina and abroad as of December 31 of each year.

Individuals considered tax residents for income tax purposes are subject to Personal Property Tax on assets worldwide.

Expatriates considered 'Non-residents with permanent residence' (NRPP) for income tax purposes are subject to this tax only on assets located in Argentina.

When the sum of all encumbered assets located in the country is less than \$11,282,141.08, the tax must not be paid, since up to this amount will be considered exempt. This amount includes the value that has corresponded to compute for the house.



The tax rate is progressive. It ranges from 0.5% to 1.75% of the assets located in the country. A different rate is applied on goods located outside of Argentina according to the following scale:

Rates on assets located in Argentina

If \$11,282,141.08 is exceeded, the surplus will be reached according to the following scale:

Total value of assets that exceeds the non-taxable minimum		Accumulated amounts		Simplified table
Over \$	To \$	Will pay \$	Over %	Over the surplus of \$
0	5,641.070,54	0	0,50	0
5.641.070,54	12.222.319,51	28.205,35	0,75	5.641.070,54
12.222.319,51	33.846.423,25	77.564,72	1,00	12.222.319,51
33.846.423,25	188.035.684,71	293.802,76	1,25	33.846.423,25
188.035.684,71	564.107.054,14	2.221.171,53	1,50	188.035.684,71
564.107.054,14	And beyond	7.862.242,07	1,75	564.107.054,14

Rates on assets located in Argentina

Total value of assets in the country and abroad		Amounts
Over \$	To \$	Will pay %
0	5,641.070,54	0,70
5.641.070,54	12.222.319,51	1,20
12.222.319,51	33.846.423,25	1,80
33.846.423,25	And beyond	2,25

In the case of real estate intended for the home address of the taxpayer, they will not be subject to tax when the value, in accordance with the regulations of this law, is equal to or less than **\$56,410,705.41**.

Individuals considered taxpayers for the purposes of the Personal Assets Tax are subject to a regime consisting of five bimonthly advances on account of their next tax return.



Social security tax/ retirement

People who work in an employment relationship must contribute to the Pension System.

Concept	Employee contribution(1)	Employer contribution Law 27.541 (2)	
		ART. 19, INC. A	ART. 19, INC. B
Argentine integrated pension system (SIPA)	11%	12,35%	10,77%
Family allowance regime		5,40%	4,70%
National unemployment fund		1,08%	0,94%
INSSJP	3%	1,57%	1,59%
Health coverage	3%	6%	6%
TOTAL	17%	26,4%	24%

¹ To be retained by the employer. There is a monthly income limit for employee contributions.

² 26,4 % or 24 % depending on the activity or company income.

Reductions to employer contributions have been established, depending on certain characteristics of the workers or if the workforce increases.

There are some social security exemptions that must be evaluated in each case (eg, the one provided for in Social Security agreements with other countries or Art. 4 Law 24,241).

Storage options

Stock options are considered compensation in kind and the individuals who receive them are taxed. Each case must be evaluated to determine the moment in which the income is considered taxable and the corresponding tax and social security treatment.



For further information about
Expatriates Tax Services in
Argentina, contact:

Noelia Migues

Tax Manager

T: +54 11 4105 0000

E: Noelia.Migues@ar.gt.com

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