



Main aspects contemplated by the

**“Law on Palliative and
Relevant Fiscal Measures”**

On July 8, 2024, the definitive text of laws 27,742 and 27,743 were published in the Official Gazette (Boletín Oficial), along with their promulgation decrees.

Through decrees 592/2024 and 593/2024, laws 27,742 and 27,743 corresponding to the “Ley de Bases” (Law of Bases) and fiscal package respectively are promulgated, after their sanction by the National Congress on June 27, 2024.

According to them, Law 27,742 (Law of Bases) comes into force as of July 9, 2024, except in the chapters or titles where a particular date is indicated; while Law 27,743 (fiscal package) comes into force as of today, July 8, 2024.

Main aspects of Law 27,743:

A. Regime for the exceptional regularization of tax, customs and social security obligations

- Provides for the validity of a regularization regime for national tax obligations due on 03/31/2024 and infractions committed to said date.
- Placement may be carried out from the effective date of the regulations issued by AFIP and up to 150 calendar days from said date.
- Obligations during administrative and/or judicial discussion are comprehended in this regime, including the solidarity contribution and the debts of the collection agents; current and expired payment plans; and any obligation not expressly excluded.
- Debts with health Insurance, ART (work insurance system), private households staff, self-employment tax (Monotributo) instalments, mandatory life insurance instalments, RENATEA and RENATRE and interest -compensatory and/or punitive-, fines and other related accessories to the preceding concepts are excluded.
- Also excluded are those declared bankrupt, convicted of crimes under the Customs Code, the Criminal Tax Regime or common crimes linked to non-compliance with their own or third-party tax obligations, who have a sentence confirmed prior to the entry into force of the regime.
- Suspends ongoing criminal actions and interrupts the course of criminal prescription.
- The criminal action is extinguished upon total cancellation of the debt in cash or through a payment facility plan.
- The criminal action of those obligations previously cancelled is extinguished.
- Compensatory and punitive interest is cancelled in the following percentages:
 - Adhesion within 30 calendar days after the regulation by AFIP: cancellation of 70% of the interest if the payment is in cash or through a plan of up to 3 instalments.
 - Adhesion between 31 and 60 calendar days: cancellation of 60% of the interest if the payment is in cash or through a plan of up to 3 instalments.
 - Adhesion between 61 and 90 calendar days: cancellation of 50% of the interest if the payment is in cash or through a plan of up to 3 instalments.

- Adhesion within 90 calendar days in more than 3 instalments: cancellation of 40% of the interest.
- Adhesion from day 91 in more than 3 instalments: cancellation of 20% of the interest.
- Payment plans in force as of 03/31/2024, the original consolidation date is maintained and has a cancellation of 30% of the interest if the payment, within the framework of this regime, is in cash or through a plan of up to 3 instalments.
- The payment plans that will be enabled under this regime will have the following main characteristics:
 - Human persons: advance payment of 20% and up to 60 instalments.
 - Micro and small-sized companies and non-profit entities: 15% advance and up to 84 instalments.
 - Medium-sized companies: 20% advance and up to 48 instalments.
 - Rest of taxpayers: 25% advance payment and up to 36 instalments.
 - The financing interest is established at the rate set by the Banco de la Nación Argentina for commercial discounts.
- Fines are cancelled in all cases, but given that they are formal infractions, to access the waiver, the respective obligation must be fulfilled.
- Interest and fines on obligations that have been cancelled as of 03/31/2024 are waived.

B. Asset regularization regime

- A regime for regularizing not declared assets in the country and abroad as of 12/31/2023 is established for tax residents on said date, setting the accession period until 04/30/2025 (extendable until 07/31/2025).
- Within the accession period 3 stages are established, and it is clarified that if assets are regularized in different stages, the one corresponding to the time of the last accession will be considered for all purposes of determining the rate.

Accession period	Manifestation of adhesion and advance payment	Presentation of sworn declaration and tax payment	Special tax
Stage 1	Until 09/30/2024	11/30/2024	5%
Stage 2	From 10/01/2024 to 12/31/2024	01/31/2025	10%
Stage 3	From 01/01/2025 to 03/31/2025	04/30/2025	15%

Assets covered by this regime:

The following goods may be subject to this regularization regime:

Assets in Argentina:

- a) National or foreign currency, whether in cash or deposited in bank accounts or any other kind of entities resident in Argentina.
- b) Real estate located in Argentina.

- c) Shares, participation in companies, rights of beneficiaries or trustees of trusts or other assets of similar involvement or quota shares of common investment funds, if the issuer of said shares, participations, rights or quota shares is considered a tax resident in Argentina by the Income Tax Law, text ordered in 2019 and its amendments, and provided that these securities or rights are not listed on stock exchanges or markets regulated by the Comisión Nacional de Valores (National Securities Commission).
- d) Securities, including, without limitation, shares, bonds, negotiable obligations, certificates of deposit, fund shares and other similar securities, listed on exchanges or markets regulated by the Comisión Nacional de Valores (National Securities Commission).
- e) Other movable property not included in previous subsections, located in Argentina.
- f) Credits of any kind or nature, when the debtor of said credits is an Argentine tax resident in accordance with the rules of the Income Tax Law (text ordered in 2019 and its amendments).
- g) Rights and other intangible goods not included in previous sections, which are owned by a tax resident in Argentina under the rules of the Income Tax Law (2019 text and its amendments), or which fall on assets included in other subsections of this list.
- h) Cryptocurrencies, crypto assets and other similar assets.
- i) Other assets located in the country that may have economic value, including assets and/or credits originating from insurance policies contracted abroad owned by tax residents in Argentina under the rules of the Income Tax Law (2019 text and its amendments), or with respect to which said subject resident in the country is a beneficiary.

Assets abroad:

- a) Foreign currency, whether in cash or deposited in bank accounts or any other kind in financial institutions abroad.
- b) Real estate located outside Argentina.
- c) Shares, participation in companies, rights of beneficiaries or trustees of trusts or other assets of similar involvement or quota shares of common investment funds, if the issuer of said shares, participations, rights or quota shares is not considered a tax resident in Argentina by the Income Tax Law, (2019 text and its amendments), and provided that these securities or rights are not listed on stock exchanges or markets regulated by the Comisión Nacional de Valores (National Securities Commission).
- d) Securities, including, without limitation, shares, bonds, negotiable obligations, certificates of deposit, fund shares and other similar securities, listed on foreign exchanges or markets.
- e) Other movable property not included in previous subsections, located outside Argentina.
- f) Credits of any kind or nature, when the debtor of said credits is not an Argentine tax resident in accordance with the Income Tax Law (2019 text and its amendments).

- g) Rights and other intangible goods not included in previous sections, or which fall on assets included in other subsections of this list.
- h) Other assets located outside the country not included in previous sections.

Excluded assets:

Holdings of currency or securities abroad that as of 12/31/2023 were deposited in financial entities or custody agents based or located in jurisdictions or countries identified by the Financial Action Task Force (FATF) as High Risk (“Blacklist”) or Under Intensified Monitoring (“Grey List”), may not be subject to the Asset Regularization Regime. Likewise, if they are in cash and are physically located in the aforementioned jurisdictions or countries.

Special considerations:

- The regularization of cash in the country must be carried out before 09/30/2024 through deposit in a special account in a financial institution or in a special custody account in a Settlement and Clearing Agent Institution (AlyC).
- The regularization of cash abroad must be carried out before 09/30/2024 by deposit in a bank, also abroad. It can then be transferred later to one of the aforementioned accounts.
- The tax base of the Special Regularization Tax calculated on the total of regularized assets is determined in US dollars (implicit MEP/CCL exchange rate).
- The Special Regularization Tax will be 0% at all stages for the first USD 100,000 regularized. From that amount onwards, the rate corresponding to each regularization stage will be applied.
- Every taxpayer who declares his or her adherence to this Asset Regularization Regime must -within the deadline established in article 23 for each Stage (09/30/2024, 12/31/2024 or 03/31/2025)- pay in advance an amount of no less than 75% of the special tax. Failure to deposit the advance payment within the indicated date will cause the automatic decay of the manifestation of adherence to the Asset Regularization Regime and will exclude the taxpayer from all the benefits provided for in the regime.

Effects of this regime:

- Exemption from all civil and/or criminal action for non-compliance with the regularized assets, the income they would have generated and the funds used for their acquisition.
- Exemption of tax payments that had not been paid and that are from the regularized assets.
- The benefits extend to any undeclared assets that they had owned prior to 12/31/2023 (the regulations will set the threshold so that the benefit -between 10% y 25%- does not decline if assets that were not regularized are detected).
- The regularization of Assets carried out by the companies included in subsection b) of article 53 of the Income Tax Law, (2019 text and its amendments), will

release the Income Tax corresponding to the partners, in proportion to the taxable income that is attributable to them, in accordance with their participation in these.

C. Tax on Personal Assets

Amendments to the Personal Assets Tax Law:

- The non-taxable minimum is raised to \$100,000,000 and the special non-taxable minimum to \$350,000,000 for property used as a taxpayer's home.
- Differential proportional tax rates for goods located abroad have been eliminated.
- The amounts of the tax base scales are updated, and the gradual reduction of proportional tax rate is expected until reaching a single rate of 0.25% in 2027.
- Benefit for compliant taxpayers: 0.50% reduction to the applicable proportional tax rate for periods 2023 to 2025. The requirement is to have submitted and cancelled before December 31, 2023, if obliged to do so, the sworn declarations for the Personal Asset Tax relating to the 2020, 2021 and 2022 tax years.

Special Regime for Payment of Personal Assets Tax (REIBP)

- Applies to tax residents as of 12/31/2023 and to those who have been resident previously (in this case, accession implies the reacquisition of resident status).
- The accession period is set until 07/31/2024 (extendable to 09/30/2024). This accession will provide taxpayers with fiscal stability for estate tax until the 2038 fiscal year.
- Determination of the taxable base and the tax: to the assets existing as of 12/31/2023 valued in accordance with the provisions of the Personal Asset Tax Law, the exempt assets and the established non-taxable minimums are subtracted and multiplied by 5. The rate will be 0.45% and the determined tax that is entered will be the total to be taxed for the fiscal years 2023 to 2027. The proportional tax rate will be 0.45% and the determined tax will be the total to be taxed for the fiscal years 2023 to 2027.
- A similar regime is provided for taxpayers who have adhered to the "Asset regularization regime", but for the fiscal years 2024 to 2027: the valuation of the regularized assets is multiplied by 4 and a proportional tax rate of 0.5% is applied.
- Taxpayers must make an initial REIBP payment of no less than seventy-five percent (75%) of the total tax to be determined under the rules of this regime. This initial payment must be made on the date, method and other requirements established in the regulations. This is an essential requirement to obtain the benefits.

D. Income Tax

- The current cedular tax on the highest income is replaced by the Personal Income Tax.

- Exemptions applicable to overtime, productivity bonuses and complementary annual salary and the deduction of travel expenses and mobility expenses are eliminated.
- The amounts of the deductions and the tax determining tables will be adjusted every six months starting next year through the variation of the Consumer Price Index (CPI or IPC in Spanish). However, next September, there will be an exceptional update considering the variation in the CPI between June and August of this year.
- The criteria to follow for the annual closing of the income tax for the year 2023 (fourth category: employees) are specified, validating the provisions of Decree No. 473/2019 and its modifications.
- Finally, a special deduction is established for the 2024 fiscal period equivalent to the increase in the tax obligation resulting from these modifications with respect to the period between 01/01/2024 and the last day of the month of entry into force of this law.

E. Other measures

- The repeal of the Real Estate Transfer Tax (ITI in Spanish) is provided.
- The ranges of the categories and quotas applicable to the Simplified Regime for Small Taxpayers (Monotributo) are updated.
- The so-called "Consumer Tax Transparency Regime" is put into effect, which provides, among others, the obligation for those responsible for VAT registration to distinguish VAT in the invoices they issue to final consumers, exempt subjects and small taxpayers (monotributistas), and to advertise the total price detailing the net price and the taxes that apply to it.
- Regarding entities that administer debit, credit, purchase and similar cards, groupers, aggregators and other processors of electronic means of payment, and financial entities, an information regime and relief from tax withholdings are established for electronic collections in small taxpayers. The aforementioned entities may only make withholdings when the amounts processed exceed the equivalent of ten thousand (10,000) monthly Purchasing Value Units (UVA, in Spanish) per taxpayer.



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