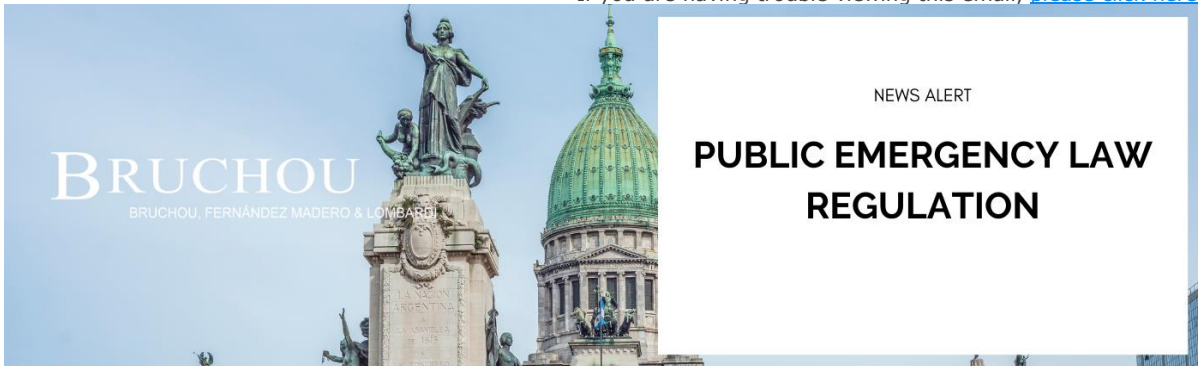


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On December 28, 2019 the National Executive Branch enacted, through Decree 99/2019, enabling regulations of Public Emergency Law 27,451.

Here are the highlights of this new legislation:

EMPLOYER CONTRIBUTIONS

Applicable Rates. **20.4% rate** (subsection a, article 19, Law 27.541) shall apply to the Medium-sized Companies Section 2, whose main activity are “Services” or “Commerce” (except those included in laws 23.551, 23.660 and 23.661), that **exceeds the annual total sales ceiling set by the SEPYME, currently AR\$ 607,210,000 for Services and AR\$ 2,146,810,000 for Commerce.**

If the **mentioned ceilings are not exceeded**, Employers would be apply **18% rate.**

Differential or Special Pension Schemes. The **additional rates provided for in differential or special pension schemes** must be applied on the corresponding tax base **without considering the deductions regulated in Law 27,541.**

Detractions. **AFIP (Federal Tax Authority) will establish the mechanism regarding deductions regulated in Article 22 of Law 27,541.** Notwithstanding the foregoing, certain guidelines were set, including those intended for deductions based on days worked and part-time work contracts.

Employers under Guild Stewardship Agreements (Law 26,377). **It is delegated to the Ministry of Social Security** the issuance of the necessary complementary and clarifying standards.

Micro Employers. Rules aimed at harmonizing the option exercised by Article 169 of Law 27,430, and the drawdowns established by Law 27,541 are incorporated.

These provisions are in force since the enactment of the Law.

PERSONAL ASSETS TAX

Assets located abroad. Individuals residing, and undivided inheritance located, in Argentina are subject to personal assets tax on assets located abroad with increased rates, with respect to those applicable to **assets located in Argentina. Rates vary from 0.70% to 2.25% depending on the value of the declared assets.** The non-taxable minimum will be subtracted first from the assets located in Argentina.

Repatriation. Those who perform the following actions will be deemed **excluded from the increased rate:**

(1) shall have repatriated on or before March 31 of each fiscal year assets that represent at least 5% of the total value of the assets located abroad, and

(2) shall have maintained said repatriated funds deposited in local financial institutions until December 31, inclusive, of the fiscal year in which the repatriation had been verified.

For the purposes of the preceding paragraph, repatriation shall be deemed as: (i) foreign currency holdings abroad, or (ii) the amounts generated as a result of the realization of financial assets belonging to Argentina-tax resident individuals and undivided inheritances.

Tax refund. **AFIP will establish** the method, term and conditions in which the **tax paid in excess for the assets located abroad will be returned.** It is not yet determined in what type of account the assets should be repatriated and maintained.

Domicile-Residence. Any reference made by the legal, regulatory and complementary rules on the “domicile” related to the personal assets tax must be understood as referring to “residence” in accordance with the provisions of the Income Tax Law.

These provisions are effective from the day following the publication of Decree 99/2019 in the Official Bulletin.

PAIS TAX (30% RATE)

Goods and Services Contracted Abroad. Payment methods. It is established, for the purposes of currency exchange carried out by financial entities on behalf of the purchaser of goods or services abroad that **the PAIS Tax applies whatever the payment methods in which they are settled** (section b and c of article 35 of the Law 27,541).

Tourism Agency. **The operations in tourism agencies carried out in cash for the acquisition of foreign services** (section d of article 35 of Law 27,541) **or services of land, air or water means of transportation abroad** (section e of the article 35 of Law 27,541) are subject to the PAIS Tax to the extent that the transaction involves the acquisition foreign currency.

Digital services. **A reduced 8% rate is set for digital services** provided over the Internet (as defined in the IVA Law).

Bordering countries. The **application of the PAIS Tax for the acquisition of means of transportation services bound for neighboring countries is suspended.**

These provisions are effective as of the enactment of the Law.

FOREIGN TRADE

Schedular Tax. Maximum ceilings. It is established **for the year 2020 that 3% rate** as a schedular tax levied on imports for consumption - with the exception of those destinations registered under the Preferential Agreements signed by the country that specifically contemplate an exemption at this rate, or those that include merchandise originating from the MERCOSUR States Parties- will have **the following maximum ceilings:**

Taxable Base	Maximum amount to be collected as schedular tax
Less than USD 10,000 inclusive	USD 180
Between USD 10,000 and USD 100,000 inclusive	USD 3.000

Between USD 100,000 and USD 1,000,000 inclusive	USD 30.000
More than USD 1,000,000	USD 150.000

Export duties. **For the years 2020 and 2021, 5% export duties are established on the export of services** (according to Art. 10 ACC) and, for these cases, the tax ceiling of \$ 4 for each USD of the taxable value of the provided service is eliminated (provided for in article 2 of Decree 1201/2018).

For any doubt or additional requirement, please contact:

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NEWS ALERT

**PUBLIC EMERGENCY LAW
REGULATION**

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NEWS ALERT

NEW AGRICULTURAL PRODUCTS SALE FOR EXPORT REGISTRATION PROCEEDINGS

Through Resolution No. 128/2019 from the Agricultural, Livestock and Fishing Ministry, published in 11.15.2019 on the Official Gazette and in force as from 11.19.2019, the Sale for Export Sworn Statement (“DJVE”) registration proceedings was replaced, which is mandatory to export agricultural products included within the scope of Law No. 21,453. New proceedings include -among others- the obligation for the exporter to provide certain information about the foreign purchaser, e.g. if it is an intermediary or the final purchaser, if it is related or not with the seller pursuant to Argentine transfer pricing regulations, sale price determination data for certain exported goods (e.g. soy beans, soy oil, soy feedstuff, etc.).

The filing of certain information is mandatory as from 01.01.2020.

In addition, in case exporter is compelled to evidence tenancy and/or acquisition of the exported goods (when a sale for export is registered before an export duties increase), it is established that neither sowed land (“*sementeras*” in Spanish) or own production projects, nor options operated through futures markets shall be considered for such purposes.

This regulation was complemented by Resolution No. 137/2019, issued by the same Ministry and published in 11.19.2019 on the Official Gazette, to amend certain errors made in the text of Article 7 of Resolution No. 128/2019.

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NEWS ALERT

AMENDMENTS TO THE FOREIGN EXCHANGE REGIME IMPORTS OF GOODS

On October 28, 2019, the Argentine Central Bank (the “[BCRA](#)”) issued Communication “A” 6818, establishing a comprehensive set of foreign exchange regulations for imports of

goods. Communication “A” 6818 shall apply to payments of imports that take place as of November 1, 2019, and its main provisions are the following:

Access to the Local Exchange Market.

- It establishes the rules that govern access to the Argentine foreign exchange market for payment of imports of goods, setting forth different conditions based on whether the goods have or not customs registration evidencing entry of the goods into Argentina.

Definition of Import Transactions.

- It defines what constitute “import transactions” for foreign exchange purposes, providing, among others, for payment upon import of the purchased goods, advance payments, and import financings granted by the foreign exporter, foreign banks, export credit agencies (ECAs) or local financial entities, among others.
- It clarifies that for foreign exchange purposes, indebtedness that does not qualify as “commercial debt” pursuant to this Communication shall qualify as, and be subject to the rules applying to, “financial debt”.

Reinstatement of Import Monitoring System.

- It re-instates the “*SEPAIMPO*” import payment monitoring system, which allows Argentine authorities to supervise import payments, import financings and entry of goods into Argentina.
- The local importer must appoint a local financial entity to act as a monitoring bank (“*banco de seguimiento*”), which is responsible for verifying its compliance with

applicable regulations, including, among others, regarding settlement of loan proceeds and entry of imported goods.

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