



# GMS Flash Alert

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## Argentina - General Resolution Introduces New Advance Payments for Wealth Tax

On 7 February 2020, Argentina's tax authorities published General Resolution 4673/2020 that introduces new advance payments in respect of the country's Wealth Tax.<sup>1</sup>

According to the new rules, a system of advance payments is being implemented in relation to Wealth Tax liabilities for fiscal years 2019 and 2020, payable by taxpayers holding assets located outside Argentina.<sup>2</sup> This new type of advance payment is part of the many changes to Argentina's fiscal system related to Law No. 27,541.<sup>3</sup>

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### WHY THIS MATTERS

Changes introduced by this General Resolution require action by those taxpayers who are subject to the Wealth Tax.

In the case of those who completed FY 2018 Wealth Tax returns with a balance due, the new measures could increase their compliance-related administration as well as their burden of tax. For such taxpayers, the effective payment of the pre-payment could be required next month.

However, there may be some relief under certain conditions (which we describe further below).

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### More Details

#### Wealth Tax: New Pre-payment Rates for Assets outside Argentina

The new General Resolution establishes an additional amount of pre-payment pertaining to assets situated outside Argentina for fiscal years 2019 and 2020. The amount shall be determined by applying the tax rate derived from the table on the next page to the "*Total assets abroad subject to tax*" reported in the taxpayer's Wealth Tax return for fiscal years 2018 and 2019, respectively.

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Total assets subject to tax		The advance payment shall be determined by applying to the total assets abroad subject to tax the following %
Over ARS	to ARS	
0	3,000,000, inclusive	0.10%
3,000,000	6,500,000, inclusive	0.22%
6,500,000	18,000,000, inclusive	0.40%
18,000,000	A higher amount	0.50%

[ARS 1 = USD 0.0163 | ARS 1 = EUR 0.015 | ARS 1 = GBP 0.0125 | ARS 1 = BRL 0.071]

The advance payment for each fiscal year must be made on the following dates:

- A. fiscal year 2019: as from 4 March 2020 and until 1 April 2020.
- B. fiscal year 2020: as from 1 February 2021 and until 5 April 2021.

The amount of the advance payment shall be:

- deemed as a tax paid, and
- computed as such in the tax return for fiscal years 2019 or 2020, as appropriate.

## Exemptions Possible

Taxpayers covered under the Resolution might be exempt from the pre-payment by completing an online procedure<sup>4</sup> in the following cases:

- When they have exercised the option of repatriating 5 percent of their assets located outside Argentina *before* 31 March 2020 for FY 2019.
- When they report that they were not holders of overseas assets as of 31 December 2019 or 31 December 2020, depending on the year under analysis.

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## KPMG NOTE

- Wealth tax issues that were discussed during tax briefings held in 2019, have changed with Law 27,541 and with this General Resolution regarding the pre-payment regime. Tax providers and global mobility program managers may wish to update assignees on the change in Argentina's rules.
  - We encourage companies to review and discuss their tax equalization policies and to revise them if determined appropriate following an analysis as to the impact of a change to such policies.
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## FOOTNOTES:

- 1 To access the “Resolución General 4673/2020” published in the *Boletín Oficial* (in Spanish), click [here](#).
- 2 For prior coverage of Wealth Tax matters in Argentina, see GMS [Flash Alert 2020-016](#), January 23, 2020.
- 3 Ibid.
- 4 This involves several steps that begin with logging-on to the tax authorities’ website (<http://www.afip.gob.ar>) with the taxpayer’s tax ID and tax password, which should have at least a security level “#3.”

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## Contact us

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**The information contained in this newsletter was submitted by the KPMG International member firm in Argentina.**

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