

## Argentina – Information on residency for tax purposes

### Section I – Criteria for Individuals to be considered a tax resident

For the purposes of the Income Tax, we consider that an individual is resident in Argentina when:

- is of Argentine nationality (or naturalized), or
- is a foreigner who has obtained its permanent residence status in Argentina or has legally been living in the country for twelve or more (Income Tax Law, section 119).

Argentine citizens will lose the resident status when they become permanent residents in a foreign state, or when they stay uninterruptedly in a foreign country for at least twelve (12) months.

An individual is considered a resident, even if he/she has obtained the permanent residence in a foreign country, or has lost its residence status in the Argentine Republic because the person is regarded as resident of another country for tax purposes, when they actually live in the national territory or reenter the country in order to remain in it. To that end, the law stipulates that such status is verified when the following conditions take place in the sequential or preference order described below:

- if the individual has its permanent dwelling in the Argentine Republic (a suitable facility currently used for living or available for the main end of housing);
- if its centre of vital interest is located within the national territory (in which he/she has its closest personal and economic relationships, mainly the personal ones);
- if the individual permanently resides in the Argentine Republic, a condition that will be considered fulfilled if the person remains there more time than the one spent in the foreign State which granted the permanent residence, or which considers them as residents for tax purposes during the calendar year);
- if they are of Argentine nationality.

#### Special cases:

The following are also considered residents of the country:

- Undivided estates in which the taxpayer, at the time of his death, was a resident in the Argentine Republic, in accordance with the abovementioned.
- Persons of visible existence who are abroad and act as official representatives within the National State or in the performance of the duties entrusted by the National State, the Provinces or Municipalities or the Autonomous City of Buenos Aires.
- Civil servants of Argentine nationality who perform their duties at international agencies of which the Argentine Republic is a member state.

On the other hand, the following are considered non-residents:

The persons who remain permanently in the country because they are part of diplomatic or consular missions of foreign countries in our country, as well as the technical and administrative staff; the representatives and agents working at international agencies, of which the Argentine Republic is a member, and who perform their duties in the country, provided they are foreigners and not residents at the moment of hiring them.

Foreign persons hired to perform their duties in the country for a period no longer than 5 years and foreign students or researchers with temporary residence permit in the country.

Relevant tax provisions:

Section 26 – Residence of representatives at international organizations – Income Tax Law (Law 20628 – consolidated text by decree 649/97 –Official Gazette 06/08/97- and amendments)

Section 119 – Residence – Income Tax Law

Section 120 – Loss of residence status – Income Tax Law.

Section 121 – Official representatives within the National, Provincial or Municipal State with continued permanence abroad – Income Tax Law.

Section 125 – Double residence – Income Tax Law.

AFIP General Resolution 1621/04

**Section II – Criteria for Entities to be considered a tax resident**

Legal persons, partnerships and other types of business entities (such as sole proprietorships, non-profit civil associations, foundations, trusts, mutual investment funds, etc.) are considered residents in Argentina if they were incorporated in accordance with current Argentine Republic laws.

From a fiscal point of view, commercial, industrial, agricultural, mining or any other type of business; organized as permanent company and owned by associations, partnerships or companies, whatever its nature; registered abroad or by natural persons living abroad, are also considered residents. In general, they correspond to branches of companies incorporated abroad but operating in our country.

Relevant tax provisions:

Section 119 – Residence – Income Tax Law

Section 128 – Permanent establishments abroad owned by residents in the country – Income Tax Law

**Section III – Entity types that are as a rule not considered tax residents**

**Section IV – Contact point for further information**

Argentine Competent Authority