
New Argentine tax imposed on exportation of services in 2019 and 2020

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In brief

Decree No. 1201/2018 introduces a new temporary tax of 12% on the exportation of services. The new tax applies from January 1, 2019 through December 31, 2020. The main features of the new tax are described below.

In detail

Decree No. 1201/2018, published in the Argentine Official Gazette on January 2, 2019, establishes a new tax on the exportation of services. The 12% tax applies to services rendered in Argentina where (1) there is no employment relationship between the supplier and recipient of the service and (2) the service is used or exploited abroad. This includes the exportation of software-related services, as well as consulting services rendered in Argentina and used abroad.

The use or exploitation refers to the immediate use or exploitation, or the first act of disposition made by the recipient of the service.

The exportation tax, which is levied at a 12% rate, may not exceed ARS 4 for each US

dollar of the taxable value, which generally is the value invoiced. For these purposes, the tax must be expressed in ARS using the exchange rate of the Argentine Central Bank on the business day that immediately precedes the date the transaction is reported.

The exportation tax must be reported and paid by the Argentine exporter by filing a sworn statement within the first 15 business days of the month following the month in which the service is invoiced. However, Argentine exporters that invoiced less than USD 2 million in exported services in the previous calendar year have an additional 45 calendar days to file the sworn statement.

Micro and small exporters will be subject to tax once their annual revenues from the

export of services exceed USD 600,000.

The exportation tax is effective **January 1, 2019** for services rendered and invoiced as of that date, even if the contract was signed before that date. This new tax applies temporarily through December 31, 2020.

Regulations with additional details and clarifications are expected to be published in the coming weeks.

The takeaway

Multinational enterprises receiving services from Argentine taxpayers should evaluate how this new tax will affect their business operations and whether this new tax should be taken into account when negotiating contracts with Argentine service providers.

Let's talk

For a deeper discussion of how this may affect your business, please contact:

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