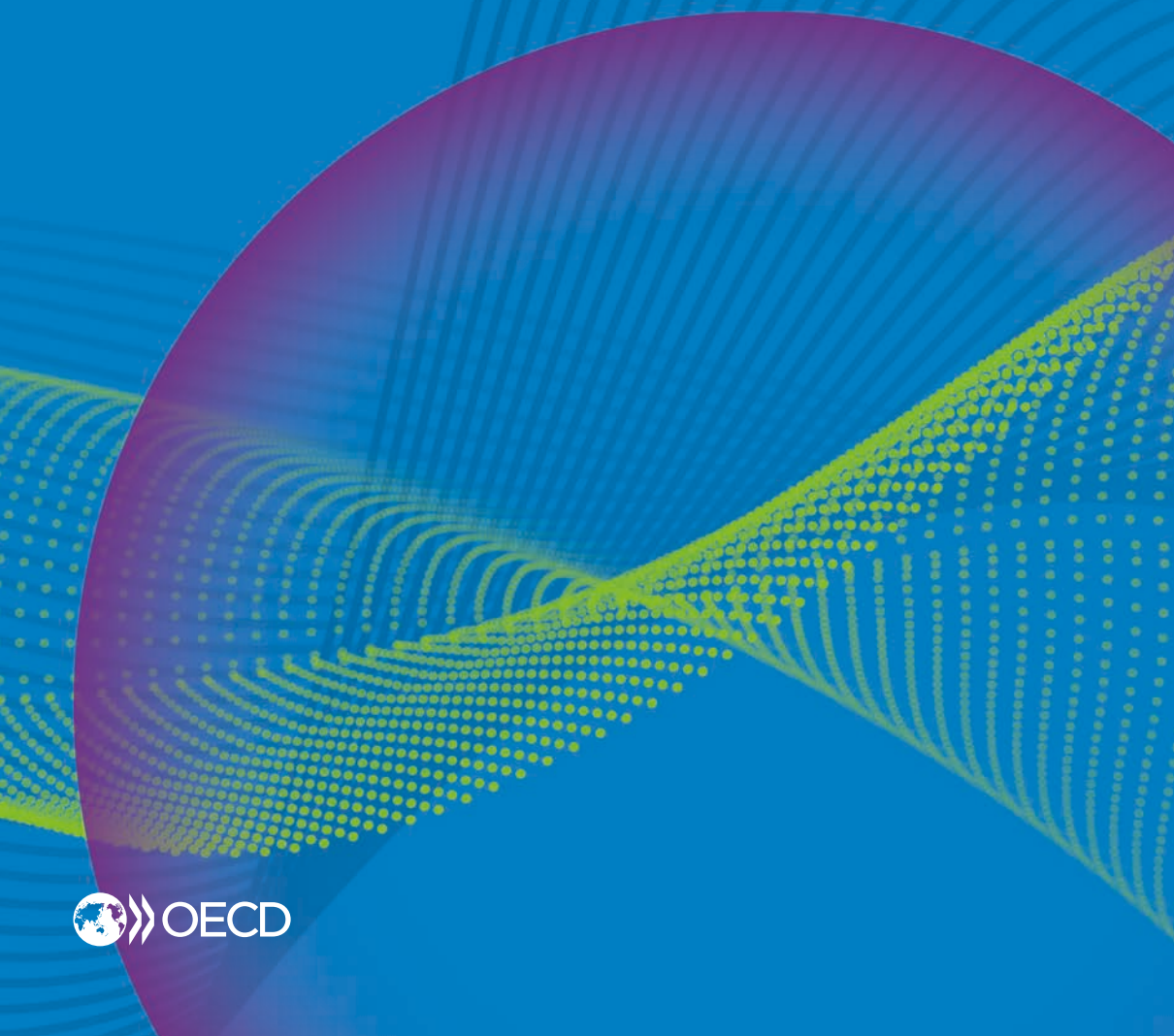
GLOBAL FORUM ON

TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request

ARGENTINA

2021 (Second Round, Phase 1)



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Global Forum on Transparency and Exchange of Information for Tax Purposes: Argentina 2021 (Second Round, Phase 1)

PEER REVIEW REPORT ON THE EXCHANGE OF INFORMATION ON REQUEST

BETTER POLICIES FOR BETTER LIVES

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Reader's guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum's work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.

The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction's compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.
2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

Consideration of the Financial Action Task Force Evaluations and Ratings

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML/CFT) standards. Its reviews are based on a jurisdiction's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, Annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to www.oecd.org/tax/transparency and http://dx.doi.org/10.1787/2219469x.

Abbreviations and acronyms

2013 Report	OECD (2013), Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Argentina 2013: Combined: Phase 1 + Phase 2, incorporating Phase 2 ratings
2016 ToR	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015
AFIP	Argentinian Federal Tax Administration, Federal Administration of Public Revenue (*Administración Federal de Ingresos Públicos*)
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
ARS	Argentinian currency (*peso argentin*)
BCRA	Central Bank of the Argentine Republic (*Banco Central de la República Argentina*)
CCCN	Argentinian National Civil and Commercial Code (*Código Civil y Comercial de la Nación*)
CDD	Customer Due Diligence
CNV	Argentinian National Securities Commission (*Comisión Nacional de Valores*)
CUIL	Argentinian Single Labour Identification Number
CUIT	Argentinian Single Tax Identification Number (*Código Único de Identificación Tributaria*)
DTC	Double Tax Convention
EOI	Exchange of Information
EOIR	Exchange of Information on Request

FATF	Financial Action Task Force
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
IGJ	General Inspection of Justice (*Inspección General de Justicia)*, exercising the functions of Business Register in the Autonomous City of Buenos Aires
Multilateral Convention	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
REI	Argentinian Register of Inactive Entities (*Registro de Entidades Inactivas*) held by IGJ
SA	Argentinian Joint Stock Company or Public Limited Company, Corporation (*Sociedad Anónima*)
SAS	Argentinian Simplified Joint Stock Company (*Sociedad por Acciones Simplificada*)
SCA	Argentinian Partnership Limited by Shares (*Sociedad en Comandita por acciones*)
SEFyC	Argentinian Superintendence of Financial and Foreign Exchange Institutions (*Superintendencia de Entidades Financieras y Cambiarias*)
SEM	Argentinian Mixed (Semi-Public) Economy Companies (*Sociedades de Economía Mixta*)
SRL	Argentinian Limited Liability Company (*Sociedad de Responsabilidad Limitada*)
SSN	Argentinian Superintendence of Insurance
TIEA	Tax Information Exchange Agreement
TIN	Taxpayer Identification Number
ToR	Terms of Reference (see also "2016 ToR" above)
UIF	Argentinian Financial Information Unit (*Unidad de Información Financiera*)

Executive summary

1. This report analyses the implementation of the standard of transparency and exchange of information on request in Argentina on the second round of reviews conducted by the Global Forum. Due to the COVID-19 pandemic, the assessment team's on-site visit that was scheduled to take place in April 2020 was cancelled. The present report therefore assesses the legal and regulatory framework in force as at 8 March 2021 against the 2016 Terms of Reference (Phase 1 review). The assessment of the practical implementation of the legal framework of Argentina will take place separately at a later time (Phase 2 review).

2. This report concludes that Argentina has in place a legal and regulatory framework that ensures the availability, access and exchange of all relevant information for tax purposes in accordance with the standard. In 2013, the Global Forum evaluated Argentina in a combined review against the 2010 Terms of Reference for both the legal implementation of the EOIR standard as well as its operation in practice. The report of that evaluation (the 2013 Report) concluded that Argentina was rated Largely Compliant overall (see Annex 3 for details).

Comparison of determinations and ratings for First Round Report and determinations for Second Round Phase 1 Report

	First Round Report (2013)		Second Round Phase 1 Report (2021)
Element	Determinations	Ratings	Determinations
A.1 Availability of ownership and identity information	In place	Compliant	In place
A.2 Availability of accounting information	In place	Compliant	In place
A.3 Availability of banking information	In place	Compliant	Needs improvement
B.1 Access to information	In place	Compliant	In place
B.2 Rights and Safeguards	In place	Compliant	In place
C.1 EOIR Mechanisms	In place	Compliant	In place
C.2 Network of EOIR Mechanisms	Needs improvement	Largely Compliant	In place

Element	First Round Report (2013)		Second Round Phase 1 Report (2021)
	Determinations	Ratings	Determinations
C.3 Confidentiality	In place	Compliant	In place
C.4 Rights and safeguards	In place	Compliant	In place
C.5 Quality and timeliness of responses	Not applicable	Partially Compliant	Not applicable
Overall rating	Largely Compliant		Not applicable

Note: The three-scale determinations for the legal and regulatory framework are In place, In place but certain aspects of the legal implementation of the element need improvement (needs improvement), and not in place. The four-scale ratings on compliance with the standard (capturing both the legal framework and practice) are: Compliant, Largely Compliant, Partially Compliant, and Non-Compliant.

Progress made since the previous review

3. The overall legal framework of the implementation of the standard of transparency and exchange of information on request in Argentina was already very positive in the Round 1 review (Combined: Phase 1 + Phase 2) which was carried out in 2012/2013 with the Report published on November 2013. As shown in the table above, Argentina received in Round 1 determinations of "In place" for all the relevant essential element, with exception of element C.2, where it received two "in-box" recommendations in relation to their network of EOIR Mechanisms and a determination of "In place, but needs improvement". In the meantime, the network of Argentina's EOIR mechanisms has significantly expanded.

Key recommendation

4. The only "in-box" recommendation in the present report on the legal and regulatory framework is on element A.3, to ensure that banking information on beneficial ownership of all relevant entities and arrangements being account holders is available in all cases in accordance with the standard.

5. An analysis including the practical aspects of the implementation of the standard by Argentina will be conducted in the "Phase 2" review at a later stage.

Next steps

6. This review assesses only the legal and regulatory framework of Argentina for transparency and exchange of information. Argentina has achieved a determination of "in place" for eight elements (A.1, A.2, B.1, B.2, C.1, C.2, C.3 and C.4) and "in place but needs improvement" for one element (A.3). Overall, Argentina has a legal and regulatory framework in place that generally ensures the availability, access and exchange of all relevant information for tax purposes in accordance with the standard, but improvements are needed on availability of beneficial ownership information. The rating for each element and the Overall Rating will be issued once the Phase 2 review is completed.

7. This report was approved at the Peer Review Group of the Global Forum on 18 May 2021 and was adopted by the Global Forum on 18 June 2021. Unless the Phase 2 review is organised by then, a follow up report on the steps undertaken by Argentina to address the recommendations made in this report should be provided to the Peer Review Group no later than 30 June 2022 and thereafter in accordance with the procedure set out under the 2016 Methodology for peer reviews, as amended in December 2020.

Summary of determinations, ratings and recommendations

Determinations	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities *(ToR A.1)*		
The legal and regulatory framework is in place		
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements *(ToR A.2)*		
The legal and regulatory framework is in place		

Determinations	Factors underlying recommendations	Recommendations
Banking information and beneficial ownership information should be available for all account-holders *(ToR A.3)*		
The legal and regulatory framework is in place but needs improvement	The AML Resolution that provides the AML requirements for Financial Entities contains a definition of beneficial owner that does not explicitly cover indirect ownership as a means to fulfil the control through ownership requirement. Moreover, for the identification of trust-like legal arrangements, it does not require the identification of all settlors, trustees and beneficiaries, protector (if any) even when they do not exercise control. Furthermore, for SAS and other commercial companies incorporated by digital means, the Financial Entity can identify the legal person and initiate the commercial relationship with only the digital constitutive instrument generated by the respective public registry. This could impact the availability of beneficial ownership information as there is no requirement to obtain this information upon initiation of the commercial relationship, if not through the (incomplete) company Registrar requirements.	Argentina is recommended to take appropriate measures to ensure that beneficial ownership information is available in line with the standard for all account holders.
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) *(ToR B.1)*		
The legal and regulatory framework is in place		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information *(ToR B.2)*		
The legal and regulatory framework is in place		

Determinations	Factors underlying recommendations	Recommendations
Exchange of information mechanisms should provide for effective exchange of information *(ToR C.1)*		
The legal and regulatory framework is in place		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners *(ToR C.2)*		
The legal and regulatory framework is in place		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received *(ToR C.3)*		
The legal and regulatory framework is in place		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties *(ToR C.4)*		
The legal and regulatory framework is in place		
The jurisdiction should request and provide information under its network of agreements in an effective manner *(ToR C.5)*		
Legal and regulatory framework	This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made.	

Overview of Argentina

8. This overview provides some basic information about Argentina that serves as context for understanding the analysis in the main body of the report.

Legal system

9. Argentina is a representative and federal Republic. The institutional and political regime of the Republic is based on the 1853 National Constitution, as last amended in 1994. The National Constitution guarantees the control and balance of powers and provides for the division of power among the Legislative, National Executive and Judiciary Powers.

10. Argentina is divided into 24 jurisdictions that preserve the power not delegated by the National Constitution to the Federal Government. These jurisdictions are 23 Provinces and the Autonomous City of Buenos Aires, which is the seat of the National Government.

11. The legal system is based on the civil law tradition. Argentina has federal legislation, superior to the regulatory order of the Provincial Governments, ranking as follows: (i) National Constitution and International Human Rights Treaties with constitutional status; (ii) International Treaties without constitutional status, including Double Tax Conventions; (iii) Laws enacted by the National Congress; (iv) Delegated Decrees by the Executive National Power in those matters of administration or public emergency expressly delegated to it by the National Congress or by reason of necessity and urgency (that in any case do not include criminal or tax matters); and (v) Decrees of Need and Urgency by the Executive National Power.

12. The Legislative National Power is exercised by the National Congress, formed by the Chamber of Deputies and Senate, whose members are elected directly by the people. The National Legislative Power is responsible for enacting the National general laws (Civil, Commercial, Criminal, Labour Legislation, other issues whose responsibility is attributed to the Federal Government).

13. The Executive National Power is exercised by a unipersonal body formed by the President of the Argentine Nation. The powers, functions and activities to be carried out by mandate of the Constitution, or that depend on him/her are spread to the auxiliary organs and to the administrative agencies that constitute its body. These are the Ministry (expression encompassing all the national Ministries), the Chief of Ministries and the Attorney General, who provides legal advice to the President. Besides regulations or decrees of a delegated nature, the Executive National Power can also issue the Regulatory Decrees that are necessary for the implementation of the Laws, taking care not to alter the spirit of the law with regulatory exceptions, and Autonomous Decrees, which only govern within the scope of the Executive National Power, and that the President dictates in his/her capacity as political head of the Administration of the country.

14. The National Judiciary Power is formed by the Supreme Court and the lower courts, both federal and provincial (Chambers of Appeals and Courts of First Instance). The control over the constitutionality of the laws is exercised in a diffuse manner by all the judges of the Nation, including the provincial judges. The federal courts are the only lower courts competent for tax matters at a national level.

Tax system

15. Taxes and exemptions must be established by law. Argentina does not have a tax code – but rather separate laws governing specific taxes (e.g. Income Tax Law) or areas in the field of taxation (e.g. Tax Procedures Law).

16. Under constitutional principles, three levels of government – national, provincial and municipal – are empowered to levy taxes in Argentina. The Federal Administration of Public Revenue (AFIP), a self-governing entity within the Ministry of Economy, is in charge of tax administration at the federal level and is the competent authority in the exchange of information for tax purposes. The taxes collected at the federal level through the AFIP include: the Income Tax; the Tax on Personal Estate; the Value Added Tax (VAT); the Simplified Regime for Small Taxpayers; and the Internal taxes/Selective taxes on consumption.

17. All income, including capital gains, is subject to Income Tax. Companies resident in Argentina pay taxes on their global income, although they may be entitled to a deduction equal to the foreign income taxes paid on their activities abroad, up to the limits of the tax, as computed before the deduction is given, which is attributable to such items of income derived from the foreign activities. Branches of foreign companies are considered resident entities and thus subject to taxation on their global income. Foreign companies that do not own branches or any other permanent establishments

in Argentina are only subject to taxes on income earned in Argentina. The tax is withheld by a payment agent in Argentina, according to a taxation scale dependent on the type of income.

18. Natural persons resident in Argentina pay taxes on their global income. Argentinian nationals and nationalised foreigners having a resident status, foreigners with permanent residence in Argentina and those who have legally resided in the country for twelve months are considered residents, as well as: a) the undivided estate of taxpayers who fulfil the condition of Argentine residents on the date of decease; b) incorporated business companies and other business forms (single member companies, civil associations, foundations, etc.) established in the country.

19. The Income Tax rate applicable to resident companies and permanent establishments of non-resident companies was 35% until the fiscal year 2017. A comprehensive tax reform introduced with Law No. 27430 of 2017 modified the tax rates: for fiscal years beginning on 1 January 2018 and up to 31 December 2019, the tax rate was 30% and permanent establishments were taxed with an additional 7% rate for said period for profit remittance abroad; for fiscal years beginning on or after 1 January 2021, the tax rate is of 25% with a 13% supplementary rate for profit remittances abroad.

20. Natural persons and undivided estates pay Income Tax according to a progressive scale, with a maximum tax rate of 35% on net taxable income. A general rate of 15% applies to profits from the sale of shares and securities, portion allotments and corporate participations, digital currencies, and real estate or transfers of rights over real estate.

Financial services sector

21. In Argentina, the financial sector in a broad sense has a small size in terms of Gross Domestic Product and is mainly related to the banking sector. Non-Bank Financial Intermediation (NBFI) other than pension funds and insurance companies in Argentina only represent 12% of financial sector assets.

22. The financial sector of Argentina includes banks and financial institutions, exchange institutions, and financial *fideicomisos* (see paragraph 114). These entities can be public, private with domestic capital or private with foreign capital. The regulatory framework applicable to the Argentine financial sector foresees multiple regulatory bodies, including the Central Bank of the Argentine Republic (BCRA) and the Superintendence of Financial and Foreign Exchange Institutions (SEFyC).

23. Financial institutions, including banks, cannot do business without being licensed by the BCRA (Law on Financial Institutions No. 21526 of

1977 as subsequently amended, Section 7). These institutions are subject to information, accounting, and control regimes exercised by the BCRA. The SEFyC is a body governed by the BCRA responsible for implementing and applying the regulations of the Law on Financial Institutions, rating financial institutions, revoking authorisations granted for carrying out foreign exchange transactions, approving regularisation and/or recovery plans of financial institutions and establishing the requirements that must be met by the auditors of financial and foreign exchange institutions.

24. Exchanges whose corporate bylaws provide for the listing of securities and Securities Markets have to apply for authorisation to the Executive National Power through the National Securities Commission (CNV, Law No. 17811 of 1968, Section 28).

25. The practice of insurance and reinsurance business activity in Argentina is subject to the regime of Law No. 20091 of 1973. The control of all insurance entities is exercised by the Superintendent of Insurance of the Nation (SSN) which is the head of the Superintendence of Insurance, an autonomous entity under the Ministry of Economy.

26. The Lawyers' and Notaries' Associations and the Professional Councils of Economic Sciences (for accountants) are in charge of the oversight and regulation of the respective service providers.

Anti-Money Laundering framework

27. In Argentina, Law No. 25246 of 2000, as modified in 2006, 2007, 2011, 2016, 2018 and 2019, (henceforth "the AML Law") is the legal framework for AML/CFT. The AML Law provided for the creation of the Financial Information Unit (UIF), which is in charge of analysing, processing and transmitting information with a view to preventing and combating the crimes of money laundering and financing of terrorism. Section 14 of the AML Law empowers the UIF, among others, to "issue guidelines and instructions to be complied with and implemented by the persons bound by this law, prior consultation with the specific controlling agencies".[1]

1. In the case of financial institutions that have specific comptroller bodies – such as the Central Bank of the Argentine Republic (BCRA), the National Securities Commission (CNV), the Superintendence of Insurance (SSN) and the National Institute of Associativism and Social Economy (INAES) – must provide the UIF with collaboration within the framework of its competence. Without prejudice of the powers the UIF has to carry out the direct monitoring of financial institutions. Financial institutions not monitored by the specific oversight bodies according to the activity, are controlled directly by the UIF.

28. According to Section 21 of the AML Law, the UIF "shall lay down objective guidelines about modalities, opportunities and limits for complying with this obligation for each category of legally bound reporting party and type of activity".

29. In criminal matters, Section 6 of the AML Law provides that the UIF is in charge of analysing, processing and transmitting information with a view to preventing and combating the crime of Money laundering (Section 303 of the Criminal Code) as well as the criminal offence of financing of terrorism. Predicate offences to money laundering include: Tax crimes (listed in Law No. 24769); Fraud against any of the agencies of the public administration (Section 174, Paragraph 5 of the Criminal Code); Crimes against any of the agencies of the public administration defined in the Criminal Code (Chapters VI, VII, IX and IX bis of Title XI – Book II).

30. Argentina was assessed within the FATF third round of mutual Evaluations in 2010. As a result, Argentina was included in the list of intensified monitoring. Since then, progressive measures have been adopted which allowed Argentina to be deleted from that list in 2014. Argentina is expected to undergo the fourth round evaluation in 2021-22.

Recent developments

31. The following main relevant developments since the 2013 Report are covered or referred to in the present Report:

- Argentina's company regime was re-codified in the new Civil and Commercial Code of the Argentine Nation (CCCN) enacted by Law 26994 of 2014. The CCCN has also made certain amendments to the General Companies Law (Law 19550 of 1984).
- Several UIF Resolutions have been issued towards AML-obliged parties in application of the AML Law.
- New requirements have been introduced for the provision of beneficial ownership information to the AFIP.
- The Tax Procedure Law 11683 of 1932 has been amended with the tax reforms introduced by 27430 of 2017.
- 11 new Double Tax Conventions (DTCs)and 14 new Tax Information Exchange Agreements (TIEAs) have been concluded by Argentina with partner countries/jurisdictions.

Part A: Availability of information

32. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of banking information.

A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

33. The 2013 Report determined that the Argentinian legal and regulatory framework ensured that legal ownership information in respect of relevant entities and arrangements was available in accordance with the standard. It remains the case that, as described in that report, all information about the legal owners of an entity or arrangement subject to registration and tax obligation in Argentina is available at any time within the tax administration. Most information is also required to be available with the commercial registrars, and with legal entities and arrangements themselves.

34. Not discussed in the 2013 Report, but now an integral part of the standard as strengthened in 2016, is the availability of beneficial ownership information. In Argentina, the availability of beneficial ownership information is ensured through recently introduced tax requirements. All the relevant entities and arrangements must now provide their beneficial ownership information to the AFIP (from 2020 for companies and other types of entities and arrangements and from 2021 for *fideicomisos*). This information reporting regime is complemented by beneficial ownership requirements under the AML legislation and the requirement (in some Provinces and not in the whole federal territory) to provide a sworn statement on beneficial owners on an annual basis to the commercial registrar.

35. The conclusions are as follows:

Legal and Regulatory Framework: In place

No material deficiencies have been identified in the legislation of Argentina in relation to the availability of legal and beneficial ownership and identity information.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.1.1. Availability of legal and beneficial ownership information for companies

36. Since the 2013 Report, Argentina's company regime was re-codified in the new Civil and Commercial Code of the Argentine Nation (CCCN) enacted by Law 26994 of 2014, which made certain amendments to the General Companies Law (Law 19550 of 1984) referenced in the 2013 Report.

37. As outlined in the 2013 Report, Argentinian "companies" and "partnerships" are both legal persons. The distinction between them depends on whether the creation of the entity is based around the members' capital contribution (in companies or *sociedades de capital*), or the members themselves (in partnerships or *sociedades de personas*). In the case of partnerships, management falls on the members and equity cannot be passed freely to third parties.

38. The company regime is largely the same with respect to the types of companies and the legal ownership and identity information requirements. The most common entities in Argentina are limited liability companies (SRL) and companies limited by shares (SA). The types of domestic companies are:

- *Sociedad de responsabilidad Limitada* (SRL, translatable to Limited Liability Company). Governed by sections 146 to 162 of the General Companies Law, its capital is represented by shares and each shareholder is liable only up to the value of the share. There cannot be more than 50 shareholders in an SRL. 218 359 SRL existed as of the end of December 2020.
- *Sociedad Anónima* (SA, translatable to Joint Stock Company, Public Limited Company or Corporation). Governed by sections 163 to 307 of the General Companies Law, it is the only type authorising a company to make public offerings of securities. It allows members to limit their liability to the value of the subscribed shares. 194 941 SA existed as of December 2020.

- *Sociedad por Acciones Simplificada* (SAS, translatable to Simplified Joint Stock Company). Governed by Law 27349 of 2017 and introduced as part of the new CCCN, this type of company seeks to provide a more agile structure for small and medium enterprises and can be created within a shorter time frame of 24 hours. 23 921 SAS existed as of December 2020.
- *Sociedad en Comandita por acciones* (SCA, translatable to Partnership Limited by Shares). Governed by sections 315 to 324 of the General Companies Law, although constituted by shares it is formed by one or more general partners, who are traders and are indefinitely and jointly liable for the company's debts and obligations, and limited partners, who are shareholders and bear losses only up to the amount of the capital they subscribe. Only the capital contributions of the limited partners are represented by shares. These companies are subject to the same regulations as SA, except for certain regulations related to the company's name and administration. 2 806 SCA existed as of December 2020.
- *Sociedad Anónima con participación estatal mayoritaria* (SA with State-owned Majority). Governed by sections 308 to 312 of the General Companies Law, these companies are formed when the national government, the provincial governments, municipalities, or authorised state agencies own, individually or jointly, shares representing at least 51% of the capital and these shares are sufficient to prevail in an ordinary or extraordinary shareholders' meetings. The rules on SAs apply fully, except a few provisions on directors. 92 SA with State-owned Majority existed as of December 2020.
- *Sociedades de Economía Mixta* (SEM, translatable to Mixed (Semi-Public) Economy Companies). Governed by Decree-Law 15349 of 1946, they are formed by capital provided by the National State, the provincial States, municipalities or autarkic administrative entities on the one hand, and by private capital on the other hand. Their purpose is the exploitation of businesses which aim at satisfying collective needs or implementing, promoting or developing economic activities. They can be public or private entities, depending on their purpose, but the president and at least one third of the directors are nominated by the public authorities. SEM follow the rules for SA on ownership information. 45 SEM existed as of December 2020.
- *Sociedad del Estado* (SDE, translatable to State Owned Corporations). Governed by Law 20705 of 1974, they exclude all private shareholding and are exclusively constituted by the National State, the provincial States, municipalities, and authorised government agencies, to develop industrial and commercial activities or to

exploit public services (e.g. the public railway company). As they are public companies, their ownership structure is clear. 349 SDE existed as of December 2020.

39. Companies incorporated abroad may carry on a business in Argentina (e.g. through a local representation or permanent establishment). There were 5 220 registered as of December 2020.

Legal ownership and identity information requirements

40. Company, tax and AML rules ensure that the Argentine authorities maintain full ownership information on all companies available for EOI purposes.

Companies covered by legislation regulating legal ownership information

Type	Company law	Tax law	AML law
SRL	All	All	Some
SA	All	All	Some
SAS	All	All	Some
SCA	All	All	Some
SA with State-owned majority	All	All	Some
SEM	All	All	Some
Foreign companies	Some	All	Some

Note: The table shows each type of entity and whether the various rules applicable require availability of information for "all" such entities, "some" or "none". "All" means that the legislation whether or not it meets the standard, contains requirements on the availability of ownership information for every entity of this type. "Some" means that an entity will be covered by these requirements if certain conditions are met.

Company law

41. Pursuant to the General Companies Law (sections 4-5) a company, whichever its form, is created by a public instrument or by a private instrument that must be authenticated by a notary public or signed in front of a judge. The instrument of creation of a company must contain the name, nationality, address and identification number of each initial member, among other identity details (section 11, General Companies Law). The instrument must then be submitted within 20 days to the Public Registry of Commerce of the provincial jurisdiction where the registered office of the company is located (section 6), and the company is considered properly created from the moment of registration (section 7).

42. To complete its commercial registration, a new company must register with the AFIP to obtain a (conditional) tax identification number (TIN). It must then provide the AFIP with company identification and commercial information, including the identity of the members (see paragraph 46 below). Proof of registration with the AFIP is then provided to the commercial registrar. The TIN is subsequently confirmed from the AFIP, following the completion of the commercial registration. Under the General Companies Law (section 124), foreign companies with their main office or with the main purpose to be accomplished in Argentina must follow the same creation procedure as local companies.

43. A foreign company has to show evidence upon registration that it has been properly incorporated in accordance with the laws of its country and register its constitutive instrument, any amendments to it and other supporting documentation (section 123, General Companies Law). The IGJ maintains a National Registry of Foreign Companies[2] and its Resolution 7 of 2005 requires information identifying the members of the company at the time of its decision to do business in Argentina to be registered (no updated information is required on an annual basis – this is however available under tax law, see the following section).

44. The General Companies Law also requires companies, including SAs, to maintain an up-to-date register of shareholders (section 213, General Companies Law). All share transfers must be registered with the issuing company and take effect upon such registration (section 215, General Companies Law), except SRLs which must have their transfers of shares registered with the commercial registrar. Thus, legal ownership information is also available with Argentinian companies.

45. Under Part IX of the General Company Law, in case of liquidation, a company's corporate books and documentation must be kept by the administration body[3] or liquidator (elected by shareholders or appointed by judge) during the liquidation process. The appointment of a liquidator has to be registered in the Public Registry of Commerce. After liquidation, Section 112 of the General Companies Law provides that in case of disagreement among shareholders/partners, the registry judge has to decide who will keep the books and other corporate documents. This implies that in the normal course of action shareholders/partners decide who is the subject required to keep the books and other corporate documents after liquidation. Under CCCN, books and registries have to be kept for ten years from the date of their last annotation (see section 142 below).

2. Encompassing those companies which are registered before the IGJ based on its territorial jurisdiction, see paragraph 81 below.
3. Pursuant to Section 102 of the General Companies Law, the liquidation of the company is performed by the administration body, except for special cases or provided otherwise.

Tax law

46. As mentioned above, all companies' legal ownership information and structure must be provided to the AFIP. The relevant obligations are in AFIP General Resolutions 10, 2325, 2337 and 2811. Upon creation, companies must file sworn statements containing not only company identification data, commercial information, and the supporting documentation, but also member identity data including their name, TIN and tax domicile. The AFIP's systems carry out automatic validations against data already held in relation to the identity data on the shareholders, and any persons that are part of the registrant company's corporate bodies or who exercise its administration or supervision.

47. In addition, AFIP General Resolution 4697 of 2020 (which updates and replaces General Resolution 3293 of 2012, mentioned in the 2013 Report) requires all companies, including branches of foreign companies, to annually report the same identity data in relation to the shareholders, directors, managers and administrators. The amount, percentage and value of shares held by shareholders must also be reported, as well as companies' subsidiaries, related companies and parent companies.

48. General Resolution 4697 also requires taxpayers to declare their shares and interests in Argentine companies and partnerships, which allows the AFIP to cross-check the information. Moreover, the details of the transfer of shares in a company must also be reported to the AFIP within ten working days by the seller, the buyer and the company, as well as any public notary who might be involved in the transfer (section 8). This includes the date, type of transaction, participants in the transfer, amount of payment, and the consequent change in corporate control.

49. The AFIP keeps ownership information on companies indefinitely.

Anti-Money Laundering law

50. Finally, legal ownership information is also maintained by AML-obliged service providers pursuant to the AML Law (see paragraphs 63 and 69 below on availability of beneficial ownership information). In practice, the AFIP does not need to resort to them to obtain legal ownership information for EOI purposes. In addition, as companies do not have an obligation to have a continuous relationship with an AML-obliged party, legal ownership information is available under the AML framework in most cases but not in all cases.

Implementation and enforcement

51. The General Company Law (Section 302) provides that in case of violation of the law, of the bylaws or regulations, the comptroller authority may impose the following sanctions:

- written warning

- written warning with publication
- fines to the company, to the directors and to the statutory auditors ("*sindicos*").

52. The fines can be up to ARS 100 000 (about EUR 893) overall and per each infringement and have to be graduated depending on the seriousness of the infringement and on the capital of the company. When sanctions are imposed to directors and statutory auditors, the company is not held responsible.

53. Title VII (Sections 25 to 29) of the IGJ General Resolution 7 of 2015 (which is only applicable in the Autonomous City of Buenos Aires, see paragraph 81 below) provides for penalties ranging from warnings[4] to fines of up to ARS 100 000 (about EUR 893) for non-compliance with the provisions of Section 302 of the General Company Law or with the IGJ Organic Law No. 22315.

54. IGJ General Resolution 4/2014 provides a procedure for the classification and supervision of inactive companies, by establishing the Register of inactive entities (REI). Under this Resolution 1/2010, legal entities must submit an annual sworn statement to the IGJ including information about the entity's filings and registration, e.g. current directors, updated legal domicile, filing of financial statements. Failure to file the sworn statement results in the entity being included in the REI. The REI has a record of all companies with legal status obtained before 20 July 2010 that did not submit the required sworn statement until 30 April 2015. Companies considered as inactive by IGJ due to non-compliance with the obligations established after 30 April 2015 can also be included in the REI with a specific resolution. The procedure following the classification of entities as inactive and the inclusion in the REI is however not automatically linked to a process of liquidation of the entity. Inactive entities remain "on hold" until they get back to their activities and some formalities in the corresponding registry are fulfilled (compliance procedure established with IGJ General Resolution 6/2015, which verifies the payment of fees, balances, and other liabilities with the IGJ) or begin their voluntary dissolution, liquidation and cancelation procedure; otherwise they keep this status indefinitely. 540 853 inactive companies existed as of December 2020. Considered the overall number of inactive companies in

4. Pursuant to Section 26 of General Resolution 7/2015, a warning is applied in the case of formal breaches committed only once, whereas reiterating the same breach is to be punished with a fine. Section 27 provides that based on the public impact that the resolution imposing the sanction has on the action or actions for which it was imposed, the warning can be accompanied by a publication to be made within 15 days (counting from when the resolution imposing the sanction or, if applicable, the judicial resolution affirming the sanction has become final).

proportion to the active ones (see paragraph 38), the lack of clarity on whether procedures in connection with inactive companies are also applied in the other provincial commercial registers and the lack of clarity on whether the IGJ REI procedure is intended to be a continuous exercise or mainly oriented at addressing the companies which where inactive at certain date (30 April 2015), the implementation of commercial registers' procedures in connection to inactive companies will be assessed in the Phase 2 review (see Annex 1).

55. As regards the redomiciliation of Argentinian companies to another country or jurisdiction, the case is not foreseen in the Argentinian law: for a company to redomicile outside Argentina and close its business in the country, it has necessary comply with the procedure of voluntary dissolution, liquidation and cancelation foreseen in the law because, otherwise, it would not be unregistered and would still be considered as a domestic active company.

56. Each registry shall foresee in its regulation the corresponding process and steps to be followed, in compliance with the main national law 19 550. For example, as mentioned in the comments we provided, in the Autonomous City of Buenos Aires if a company is redomiciled in another jurisdiction and does not longer have an address in the country, it shall request the IGJ to cancel its registration, in compliance with section 92 of IGJ Resolution 7/2015.

57. As regards the tax requirements, failing to file a tax return is punishable by a fine of ARS 400 (about EUR 4). Moreover, failing to comply with any information statements prescribed by tax resolutions is sanctioned in accordance with the unnumbered article that follows section 38 of Tax Procedure Law 11863: entities can be subject to a fine up to ARS 10 000 (about EUR 89). This applies to the failure to register an entity with the AFIP, to report share transfers or to file the annual update of shareholders. The penalties were found dissuasive enough to ensure compliance. For details, please refer to the 2013 Report (paragraphs 112-114). Whether the enforcement of sanctions continues to be effective will be assessed in the Phase 2 review (see Annex 1).

58. For tax purposes, all commercial invoicing in Argentina is validated through AFIP systems and its taxpayer portal, and a valid CUIT is necessary to access it and validate a company's transactions. The AFIP suspends companies' CUIT after three years of non-compliance with their tax reporting obligations. Furthermore, to operate a bank account in Argentina, the bank must validate the account holder's CUIT through the AFIP systems for financial transactions. An invalid CUIT will therefore prevent an inactive company for tax purposes from operating their bank account and engaging in financial transactions.

Availability of beneficial ownership information

59. The standard was strengthened in 2016 to require that beneficial ownership information be available on companies. In Argentina, the availability of beneficial ownership information for companies is achieved through a multi-pronged approach. The primary source of beneficial ownership information for the purposes of the standard (availability, access by the competent authority and EOIR) is now gathered based on tax requirements introduced by the AFIP in 2020 and 2021, which cover all the relevant entities and arrangements and result in line with the definition and requirements standard. As these specific provisions are new and therefore relatively untested, their implementation in practice (as well as the possible interactions with the availability from other domestic sources of beneficial ownership information) will be devoted particular attention in the Phase 2 review on the interpretation of the definition in line with the standard (with particular regard to control over the company through indirect ownership, see paragraph 91 below) their implementation in practice and effectiveness (see Annex 1). Anti-money laundering requirements by the Financial Information Unit (UIF) supported by regulations by other public authorities which are legally bound to report to the former, including the Commercial Registrars, are complementary sources of beneficial ownership information available in Argentina, but it emerged these include some gaps concerning the entities covered and/or the definition of beneficial owner, as detailed in the respective sections.

60. Besides the reporting obligations pursuant to the aforementioned regulations and resolutions, in Argentina there is no general record keeping requirement on companies and other legal entities themselves for the availability of beneficial ownership information.

Companies covered by legislation regulating beneficial ownership information

Type	Company requirements	Tax requirements	AML requirements
SRL	Some	All	Some
SA	Some	All	Some
SAS	Some	All	Some
SCA	Some	All	Some
SEM	Some	All	Some
Foreign companies (tax resident) [a]	Some	All	All

Note: a. Where a foreign company has a sufficient nexus, then the availability of beneficial ownership information is required to the extent the company has a relationship with an AML-obligated service provider that is relevant for the purposes of EOIR. (2016 Terms of Reference A.1.1 Footnote 9).

Anti-Money Laundering Law requirements

61. Law No. 25246 of 2000, as in force (AML Law), establishes the Argentinian legal framework for AML/CFT. The persons legally bound to report to the Financial Information Unit ("AML-obliged parties") are listed in Section 20 of the AML Law. The list includes, among others:[5]

- Financial Entities
- natural or legal persons registered before the CNV to act as intermediaries in markets authorised by it and persons managing mutual investment funds or other collective investment products authorised by the CNV
- insurance companies
- licensed professionals whose activities are regulated by the Professional Councils of Economic Sciences
- public registries of commerce, agencies devoted to the supervision and control of legal persons (including AFIP), real estate registries, vehicle registries
- money exchanges and natural or legal persons authorised by the Central Bank to perform related businesses
- intermediaries registered with futures and options markets
- Notaries Public
- companies with the title of capitalisation, savings, savings and loan, economy, capital constitution companies or other similar or equivalent determination, which require in any way money or securities from the public with the promise of adjudication or delivery of goods, provision of services or future benefits (entities included under Section 9 of IGJ Organic Law No. 22315)
- registered real estate agents or brokers
- mutual and co-operative associations
- natural or legal persons acting as trustees, in any kind of trust; and natural or legal persons holders of or linked to, directly or indirectly, trusts, settlors and trustees accounts by virtue of trust contracts.

62. The scope of AML-obliged parties is broad enough to ensure a wide coverage of legal entities and arrangements, but there is no requirement

5. Legal professionals are not, as such, AML-obliged parties when they are not notaries or trustees.

for them to engage an AML-obliged party on a continuous basis. The Argentinian authorities have informed in this connection that, due to the vast range of activities covered by the AML regulations, in order to develop their corporate, commercial and economic activities, legal entities and arrangements will ultimately need to create a commercial relationship with an AML-obliged party. This report concludes nevertheless that the scope of AML-obliged parties per se cannot ensure a complete coverage of the availability of beneficial ownership information for all the relevant legal entities.

63. The obligations on AML-obliged parties include, pursuant to Section 21, paragraph a, of the AML Law, the requirement "[t]o obtain from customers, requesting or contributing parties, documents irrefutably evidencing their identity, legal status, domicile and other data to be specified in each case when carrying out any type of activity included in their purpose".[6] Section 21 bis, paragraph 1. a) further specifies that the AML-obliged parties must "[i]dentify their clients by means of the information and, if applicable, the documentation that is required according to the rules that the [UIF] issues and that can be obtained from them or from reliable and independent sources, which allow with reasonable certainty to prove the veracity of its content" and that they must "make reasonable efforts to identify the beneficial owner. When this is not possible, they must identify the members of the administrative and control bodies of the legal entity; or failing this, identify those natural persons who have powers to administer or dispose of property, or who exercise control of the person, legal structure or patrimony of affectation, even when this was indirect."

64. While the AML Law contains an obligation to make reasonable efforts to identify the beneficial owner(s) of a customer, the definition of "beneficial owner" is not contained in the law itself but rather found in regulatory instruments (resolutions) adopted by the UIF as well as by the various regulatory bodies which are subject to reporting to the UIF (e.g. the CNV with its Internal Regulations, the IGJ with General Resolutions).[7]

6. With regard to this requirement, the AML Law also provides that "[it] may be omitted when the value be lower than the minimum established in the relevant regulation". The AML Law thus allows for the possibility of de-minimis transaction thresholds for the collection of documents from clients for customer-identification obligations, to be established by implementing regulations. The Argentinian authorities have indicated nevertheless that no minimum monetary value of transactions for the collection of documents to comply with the obligation to identify the beneficial owners is established by the implementing rules.

7. For the detailed implementing rules on the obligations set in the AML Law, Section 21 of the AML Law provides that the UIF "shall lay down objective guidelines about modalities, opportunities and limits for complying with this obligation for each category of legally bound reporting party and type of activity". In

65. Overall, there are some aspects of the AML framework in the implementing rules that do not fully meet the standard on availability of beneficial ownership information, in particular as regards the definition of beneficial owner and the special due-diligence procedures applicable to SAS and companies incorporated digitally.

66. UIF resolutions 30/2017 on Financial Entities, 21/2018 on Capital Markets and 28/2018 on the Insurance Sector (i.e. the first three bullet points in the non-exhaustive list of AML-obliged parties in paragraph 61, which have been indicated by Argentina as the most relevant ones for tax purposes) have been subject of specific analysis during this review. They all define the term beneficial owner[8] as follows:

> "any natural person who controls or can control, directly or indirectly, a legal person or legal structure without legal personality, and/or who owns at least twenty percent (20%) of the capital or voting rights, or that by other means exercises its final control, directly or indirectly. When it is not possible to identify a natural person, the identity of the President or the highest corresponding authority must be identified and verified."

67. The definition follows a simultaneous approach rather than the cascading process represented in the FATF guidelines,[9] and thus more individuals are identified in some circumstances. In particular, persons exercising control through means other than ownership are identified whether or not persons who own at least 20% of the capital or voting rights are identified. This simultaneous approach can be considered in line with the standard as all the subjects which would be identified under the cascading approach are also required to be identified. Also consistently with the standard, for cases when it is not possible to identify a beneficial owner under the criteria of ownership and/or control, a provision to verify the identity of the relevant natural person who holds the position of senior managing official (defined as "the President or the highest corresponding authority") is present.

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accordance with Section 14 paragraphs 7 and 10 of the AML Law, the UIF has the power to issue directives and instructions for compliance and implementation of the subjects that fall within its scope. It also regulates the oversight, auditing and on-site inspection of said subjects, and it controls, directly or through collaboration agreements with the regulatory bodies in charge of the activity, compliance with the obligations established in rules and regulations in force. UIF can also establish longer terms during which the information shall be held by AML-obliged parties (see paragraph 47).

8. "*propietario/beneficiario*" or "*proprietario/beneficiario final*", in Sections 2 o), 2 o) and 2 r) respectively.

9. Interpretive Note to Recommendation 10 (Customer Due Diligence).

68. On the other hand, the definition does not specify whether the ownership and voting rights relevant for reaching the 20% threshold can also be met through indirect ownership and Argentinian officials have indicated that there is no official guidance in this regard. It is unclear whether control through indirect ownership is captured by the second clause on final control, exercised directly or indirectly through other means. This would create a gap in the definition (in cases where no person exercises control through other means is identified) when this were interpreted by AML-obliged parties as only including direct capital ownership. This aspect will be further explored in the Phase 2 review assessing the practical implementation (see Annex 1). As regards joint ownership, Argentinian authorities confirmed that they are included in the definition under paragraph 66 above within the legal structures foreseen in the definition and for which beneficial owners should also be identified.

69. The three UIF resolutions indicated in paragraph 66 establish[10] general Know Your Customer duties on the respective AML-obliged parties to have policies and procedures that allow them obtaining sufficient, timely and up-to-date knowledge of all customers; verifying the information provided and properly monitoring their transactions. These duties also include the obligation to identify customers in due form and time. The identification techniques must be executed at the beginning of commercial relationships and must be periodically[11] applied, with the purpose of keeping updated data, records and/or copies of the AML-obliged parties' customers database.

70. As provided under the respective Section 22 "Customer segmentation based on risk" of said UIF Resolutions, the customers' due diligence (CDD) procedures must be implemented in compliance with AML/CFT risk classifications (high, medium and low), according to the risk model implemented by the AML-obliged party, for which the risk criteria related to the customer – such as type of customer (individual or legal person), economic activity, origin of the funds, real or estimated amount of transactions, nationality and residence[12] – must be considered. The risk-classification rating must be attributed when accepting new customers and must be updated during the entire relationship.

71. The consequence of the risk model is that the application, scope and intensity of the CDD have to be staggered, at a minimum, according to the high, medium and low risk classification levels. Thus, the assignment of a

10. In Section 21.
11. See paragraph 74 for the minimum frequencies of application.
12. In UIF Resolution 28/2018 on the Insurance Sector specific risk parameters are also specified, e.g. type of product, form of payment of the insurance policy, estimated or actual transaction volume (accrued premium).

high risk requires the party to apply Enhanced CDD measures,[13] the medium risk level results in the application of the "ordinary" CDD measures,[14] and the presence of a low risk enables the party to apply Simplified CDD measures.[15]

72. All the three levels of risk and corresponding CCD measures include, for the identification of clients which are legal persons, the identification of their beneficial owners. In this connection, as specified in Section 24 l) of UIF Resolution 30/2017 on Financial Entities; Section 24 l) of UIF Resolution 21/2018 on Capital Markets and 25/2018 and Section 29 7) of UIF Resolution 28/2018 on the Insurance Sector:

> "[f]or the purposes of identifying the beneficial owners of the legal entity, sworn statements of the client, copies of the shareholder records provided by the client or obtained by the obliged party, or any other documentation or public information that identifies the Client's control structure may be used. When the majority participation of legal-entity clients corresponds to a company that is listed on a local or international regulated market and is subject to requirements on transparency and/or disclosure of information, [the obliged party] will be exempted from the identification requirement…".

However, Section 29 of UIF Resolution 30/2017 on Financial Entities establishes that in case of Simplified CDD, for the identification of the clients which are legal persons, the obliged entity is expected, as a minimum requirement, to obtain "copy of articles of incorporation and bylaws, with evidence of their presentation in the corresponding registry" (i.e. date and number of registration). This provision appears to limit the minimum amount of documents to be collected to identify the clients, but not the identification data gathering itself (i.e. while there is no reference to the acquisition of sworn statements or the other documents suitable to substantiate the client's control structure, the AML-obliged party would still need to gather information to identify the beneficial owners). The functioning of the Simplified CDD in practice will be assessed in the Phase 2 review (see Annex 1).

13. In Section 28 of UIF Resolution 30/2017 on Financial Entities; Section 28 of UIF Resolution 21/2018 on Capital Markets and 28/2018 and Section 30 of UIF Resolution 28/2018 on the Insurance Sector.
14. In Section 27 of UIF Resolution 30/2017 on Financial Entities; Section 27 of UIF Resolution 21/2018 on Capital Markets and 28/2018 and Section 29 of UIF Resolution 28/2018 on the Insurance Sector.
15. In Section 29 of UIF Resolution 30/2017 on Financial Entities; Section 29 of UIF Resolution 21/2018 on Capital Markets and 28/2018 and Section 31 of UIF Resolution 28/2018 on the Insurance Sector.

73. While the provisions in the previous paragraph apply for the identification of the clients which are legal persons, special rules are provided in the three UIF Resolutions indicated in paragraph 66[16] for the identification of SAS and other commercial companies incorporated "by digital means", whereby the AML-obliged Party can identify the legal person and initiate the commercial relationship with the digital constitutive instrument generated by the respective public registry, with digital signature of said body, received by the AML-obliged party through official electronic means. This appear to have a significant impact on the availability of beneficial ownership information pursuant to the anti-money laundering requirements for this type of companies, as there is no requirement to obtain this information upon initiation of the commercial relationship, if not through the incomplete company Registrar requirements (see below). The availability of beneficial ownership information for SAS and other commercial companies incorporated by digital means in practice will be assessed in the Phase 2 review (see Annex 1).

74. In terms of frequency of updates, the information and documentation of the clients must be kept updated in accordance with a periodicity proportional to the level of risk: it cannot exceed one year for high-risk clients, two years for medium risk clients and five years for low risk clients. As a result, the information may not always be up to date, but this is compensated by the recent tax regulations on beneficial ownership.

75. The three UIF Resolutions mentioned in paragraph 66 allow the outsourcing of some CDD tasks[17] under specific rules and circumstances, including that the responsibility remains with the AML-obliged party. The Resolutions also allow[18] the AML-obliged party to rely on the due diligence realised by other entities supervised by the BCRA, the CNV, or of the SSN, with the exclusion of the execution of continued due diligence and monitoring, analysis and reporting of operations, under the following conditions:

- There has to be a written agreement between the AML-obliged party and the third party, which together with its implementation and operations has to be subject to periodic review by the person responsible for internal audit/control of the AML-obliged party, who has full and unrestricted access to all documents, procedures and supports related to them.

16. In Section 25 of UIF Resolution 30/2017 on Financial Entities; Section 25 of UIF Resolution 21/2018 on Capital Markets and 28/2018 and Section 26 of UIF Resolution 28/2018 on the Insurance Sector.
17. In Section 16 of each respective Resolution.
18. In Section 31 of UIF Resolution 30/2017 on Financial Entities; Section 31 of UIF Resolution 21/2018 on Capital Markets and 28/2018 and Section 33 of UIF Resolution 28/2018 on the Insurance Sector.

- There can be no delegation of responsibility, which always fall on the AML-obliged party.
- The third party executing the due diligence measures has to immediately inform the AML-obliged party of all the data required by the latter.
- The third party executing the due diligence measures has to send without delay the copies of the documents that he has obtained.

76. Besides the AML requirements as directly regulated by UIF Resolutions, the AML Law, in Section 14, paragraph 7 provides that where AML-obliged parties have specific monitoring bodies, those monitoring bodies must provide the UIF with assistance within the framework of their competence.

77. For the Capital Market, the CNV Rules (adopted with General Resolution 622/2013) provide a definition of beneficial owner[19] in line with the above-reported[20] UIF regulations (without including President or the highest corresponding authority in the definition, but it is noted that all the individuals who act as administrators, directors, managers or carry out managerial functions within the entity are also subject to the same provisions) for the verification of compliance with the integrity requirement for the inscription to CNV registries to carry out activities in the capital market. As regards companies issuing marketable securities, the duties of shareholders to inform their beneficial owners to the issuing company are established in Title II, Chapter II, Section 24 of the CNV Rules. In turn, companies must send the information to the CNV within five working days after the shareholders meeting.[21]

78. For the Insurance Sector, to comply with an UIF resolution specifically addressed to them,[22] the Superintendence of Insurance of the Nation launched in 2018 (by means of Resolution No. 816/2018) the IT system called Beneficial Owner ("*Beneficiario Final*"), aimed at identifying individuals or legal entities – including their shareholders – that are shareholders of a local insurance or reinsurance company, the members of economic groups or

19. In Title XI "Prevention of Money Laundering and Financing of Terrorism", Part IV, Section 8.
20. See paragraph 66.
21. The information to be provided is the following: First and last name; Nationality; Actual address; Birth date; National Identity Document or passport; Argentinian Single Tax Identification Number (CUIT), Argentinian Single Labour Identification Number (CUIL), or other tax identification; Profession.
22. UIF Resolution 19 of 18 January 2011, establishing "the measures and procedures that the National Insurance Superintendence must observe to prevent, detect and report, the facts, acts, operations or omissions that may come from the commission of the crimes of Money Laundering and Financing of Terrorism".

conglomerates and their beneficial owners. In that context, the "User's Manual of the Beneficial Owner System" and the "List of Information to be provided by Entities" were approved. To that end, local insurance and reinsurance companies must appoint a person responsible for data entry, who will provide the information with the force of a sworn statement, on a one-time basis, within 30 days from the publication of the Resolution (14 August 2018) and then on an annual basis, between 1 and 15 March of each year. The regulation establishes that the implementation of this system does not exempt entities from complying with other procedures[23] that require submitting the information in printed or digital format, including a diagram or organisational chart that graphically shows the position of the members of the economic group or conglomerate and, if applicable, the beneficial owner and the relationship among them.

79. UIF Resolution 65/2011 on Registered professionals whose activities are regulated by the Professional Councils of Economic Sciences (including financial statement auditors and company statutory auditors) has a similar definition of beneficial owner ("*Propietario/Beneficiario*") with respect to the one reported in paragraph 66 as regards control and ownership, but does not include a requirement to identify and verify the President or the highest corresponding authority in case no natural person fulfils the control requirement or owns at least 20% of voting rights. Furthermore, the requirement to identify the beneficial owners by the AML-obliged parties is not contained in Section 10 on the information to be required in the case of clients who are legal persons but in Section 16 on "Reinforced Identification Procedure".[24] This formulation presents the beneficial owner as a "case" requiring a reinforced identification procedure, but it is not explained what circumstances trigger the application of such reinforced procedure.

80. As regards the retention period on beneficial ownership information, the general requirement pursuant to the AML Law (Section 21bis, paragraph c), is that the AML-obliged parties must keep the documents related to their customers for at least five years (without specifying the starting point of the record-keeping period). UIF regulations[25] extend the requirement to

23. For example article 7 of the Superintendence of Insurance of the Nation Resolution 38708 (Insurance Activity Regulation) regarding direct shareholders.

24. Section 16 letter b): "Owner/Beneficiary: [the AML-obliged parties] must have reasonable additional procedures that identify the structure of the company, determine the origin of its funds and identify the owners, beneficiaries and those who exercise the real control of the legal entity.".

25. Section 17 "Conservation of documentation" present in UIF Resolution 30/2017 on Financial Entities; in UIF Resolution 21/2018 on Capital Markets; and in UIF Resolution 28/2018 on the Insurance Sector and Section 19 of UIF Resolution 65/2011 on Registered professionals whose activities are regulated by the Professional Councils of Economic Sciences. Argentinian authorities

a period of no less than ten years (in the case of beneficial ownership, from the date of termination of the relationship with the customer). For this longer term, however, it will have to be verified in the Phase 2 review (see Annex 1) how its enforcement works in practice, taking into account the five-year statute of limitations foreseen by the AML Law. This might have a relevance for the fulfilment of the standard in practice, to the extent that it mandates that the information has to be kept for at least five years from the end of the period to which the information relates,[26] whereas the AML Law does not specify the starting point of the five-year requirement.

Companies Law requirements

81. Argentina being a federal country, each federated state has the power to designate the agencies that will be in charge of company registration, and companies have to be registered in the Public Registry of their registered office and at the corresponding registry of each subsidiary. The General Companies Law establishes the conditions for the registration of companies throughout the country and, therefore, the implementation of the corresponding registries in all provinces. Pursuant to sections 5 and 118 of the General Companies Law, each company (either domestic or foreign) has to register in the commercial registry where the permanent place of business is located. In addition to the registration of legal ownership information as mentioned in paragraphs 41 to 44, some Provinces have introduced a requirement to provide beneficial ownership information, the most relevant one being the Autonomous City of Buenos Aires. The General Inspection of Justice (IGJ), which is referred throughout this report, is the authority in charge of the functions of Public Registry of Commerce for the Autonomous City of Buenos Aires. No corresponding information was received during the present review about the corresponding functions in the other Provinces nor has it been specified what proportion of the total of Argentinian companies is covered by the IGJ compared to those covered by authorities in other provinces, but Argentinian authorities have informed that also the registrars of the Province of Buenos Aires and of the Province of Tierra del Fuego have more extensive requirements than those provided in the General Company Law, including a requirement to provide beneficial ownership information. The overall application of the relevant provisions of the General Companies Law by the company registrars and the ability of the competent authority to access information regardless of which company registrar is holding it (see paragraph 169) will be analysed in the Phase 2 review (see annex 1).

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have stated that the obligation to preserve the information and documentation on Beneficial Ownership extends to ten years also in the regulations issued by the UIF also for all the other AML-obliged parties.

26. See footnote 7 to paragraph 12 of the 2016 ToR.

82. IGJ regulations require that all types of legal entities maintain beneficial ownership information (Volume X "Prevention of Money Laundering and Terrorism Financing" of IGJ Resolution 7/2015 concerning "Rules governing the General Inspection of Justice", Sections 509 to 519). Section 518 of IGJ General Resolution 7/2015 establishes that in order to register domestic and binational companies,[27] companies incorporated abroad, and/or registration or amendments of associative contracts or *fideicomiso* contracts, a sworn statement indicating the beneficial owner(s) of the company, associative contract or *fideicomiso* contract must be submitted.

83. The definition of Ultimate Beneficial Owner in Section 510(6) of IGJ Resolution 7/2015 is the following: "Ultimate Beneficial Owner shall mean any individual holding at least twenty percent (20%) of the capital or voting rights of a legal entity or that, by virtue of any other means, has final, direct or indirect control over a legal entity or any other legal structure".

84. This definition, similarly to what is observed in the AML Regulations (see paragraph 65 and 67 above), adopts a simultaneous rather than a cascading approach and it does not explicitly include indirect ownership for the fulfilling of the threshold requirement to be considered beneficial owner by virtue of ownership interest. Furthermore, the IGJ definition does not contemplate the identification of the individuals holding a senior managerial position in cases when a beneficial owner cannot be identified. This allows the possibility that no beneficial owner is identified in some cases, as explicitly provided in the sworn statement template reported in Annex XXVI of IGJ Resolution 7/2015 which allows to indicate that there is no natural person that qualifies as beneficial owner according to the definition in Section 510(6). Argentinian authorities have indicated that while until 2020 there was the possibility to declare that no natural person could be identified as the beneficial owner, as of 1 January 2021 a sworn statement on beneficial owners will only be received when at least one individual is indicated as beneficial owner. Doubts persist on the outcome when no individual meets the definition of Ultimate Beneficial Owner in paragraph 83. These aspects will be further analysed when reviewing the practical implementation of the standard in the Phase 2 review (see Annex 1).

85. The sworn statement must be submitted both electronically and in paper form, with signature and seal of a legal professional or notary public, and must include one of the following:

- the holographic signature of the legal representative of the applicant entity – already registered or subject matter of the registration; or
- the holographic signature of the ultimate beneficial owner informant.

27. Argentino-Brazilian binational companies pursuant to the treaty of 6 July 1990 between Argentina and Brazil.

86. In the case of companies incorporated abroad that have already been registered, the sworn statement is also requested (in compliance with the information regime according to Sections 237, 251, 254 and related sections of IGJ General Resolution 7/2015). In case the sworn statement was signed outside the Argentine Republic, the signature of the issuer must be certified with a public notary or other official with enough powers, in compliance with the law of the place of signature and issuance.[28]

87. The beneficial owner sworn statement must be submitted for the first time at the moment of registering before the IGJ and then once a year.[29]

88. Pursuant to Section 519 of IGJ General Resolution 7/2015, the IGJ will not register or complete any proceeding filed by entities or representatives of collaboration contracts, trusts, or fiduciary contracts, as the case may be, which did not submit the relevant sworn statement to IGJ in accordance with the provisions thereof, until such document is actually filed.

Tax regulations requirements

89. As seen in paragraph 47, the AFIP has an information regime established with General Resolution 3293/12 and subsequently expanded with General Resolution 4697/2020, that compels all relevant entities to provide information, on an annual basis, on the holders of their shares and equity interests (residents and non-residents in Argentina), as well as directors, managers, administrators, receivers, and members of the supervisory board. With General Resolution 4697/2020, a requirement to provide beneficial ownership information has been also included.

28. Formalities required in Section 277 "Documentation coming from a foreign country; requirements"– Unless the applicability of a specific exempting rule is verified or different requirements are established, the documentation coming from a foreign country, required in this Title, shall be submitted with formalities required by the original country law, certified and apostilled or legalised by the Ministry of Foreign Affairs, International Trade and Worship as appropriate, in the terms of section 206 regarding the requirement of being signed in original copy by the company officer, whose representative powers shall be justified by a notary public or public official and, as applicable, with an attachment of the original language version made by a licensed National Certified Translator in the City of Buenos Aires, whose signature shall be legalised by the respective Association or professional entity authorised to such effect.

29. For further registration procedures to the IGJ carried out during the same calendar year, there is a requirement to update the BO information. This can be done with a non-certified copy with the signature and seal of a legal professional until the new calendar year, when a new original sworn statement has to be submitted within the yearly terms provided for this obligation.

90. In particular, according to Section 2 of AFIP General Resolution 4697/2020, the final beneficiary is defined as:

> the natural person who owns the capital or the voting rights of a company, legal person or other contractual entity or legal structure (regardless of the number of securities, shares or equivalents they own and their nominal value), or that, by any other means, exercises direct or indirect control on the said company, entity or structure. When a natural person who is final beneficiary according to the preceding definition is not identified, it must be reported as final beneficiary the president, managing partner, administrator or highest authority of said subject.[30]

91. This definition appears in line with the definitions provided in the UIF Regulations mentioned in paragraphs 65 and 79 as well as in the IGJ Resolution 7/2015 (see paragraph 82 above), except that all legal owners who are natural persons must be identified, i.e. there is no threshold. Then, the AFIP resolution does not define indirect final control, which could be interpreted as covering natural persons who have control over the company through indirect ownership. As for the UIF resolutions, the definition in the AFIP resolution indicates a simultaneous approach rather than a cascading process to identify the beneficial owners, and captures the default position of identifying a senior manager when no beneficial owner is identified.

92. As regards the subject obligated to report their beneficial ownership, Section 2 of AFIP General Resolution 4697/2020 identifies (in part indirectly through a reference to the Income Tax Law, Decree 824 of 5 December 2019):

- SAs (including sole proprietorships SAs)
- SCAs
- SASs
- SRLs
- Limited Partnerships (*sociedades en comandita simple*)
- associations, foundations, *cooperativas* and civil and mutual entities ("*entidades civiles y mutualistas*")
- SEM
- any other type of company and partnership ("*sociedades*") incorporated in Argentina
- mutual investment funds (with some specified exclusions[31]).

30. In such circumstances, the Resolution also states that this reporting is without prejudice to the powers that AFIP has to verify and supervise the causes that led to the impossibility to identify the final beneficiary.

31. Identified in Section 1 of Law 24083 of 1992.

with some explicit exceptions listed in Annex I to the General Resolution.[32]

93. The information to be provided (as specified in Annex 2) for beneficial owners includes name and surname; CUIT, CUIL or other identification number (C.D.I.); domicile in Argentina for non-residents, citizenship, residence for tax purposes, TIN and domicile in the corresponding country. It has to be provided to AFIP on a yearly basis by July with respect to the previous calendar year. The deadline for the first reporting year has been postponed to March 2021 for the period 2019 (and, if applicable, for the three previous calendar years). As indicated in paragraph 49, AFIP keeps ownership information on companies indefinitely.

94. In conclusion, the new communication regime for tax purposes provided by the AFIP General Resolution 4697/2020 appears to be in line with the standard requirements. It is complemented with additional sources of information. the requirements as regards the availability of legal and beneficial ownership information for companies, the scope of the AML coverage of relevant entities and arrangements is broad, but the AML obligation to identify beneficial owners does not cover all relevant entities as required under the standard because not all relevant entities are required to engage an AML obliged person. As the requirement to submit a sworn statement on beneficial owners to the IGJ is only applicable in the Autonomous City of Buenos Aires, there is no guarantee that an equal coverage is ensured in other Provinces (although it has been indicated that beneficial ownership requirements also exist in the Province of Buenos Aires and in the Province of Tierra del Fuego, see paragraph 81). Furthermore, the control through indirect ownership interest is not specified in the UIF and IGJ definitions of "beneficial owner" and the requirement to identify the persons holding a senior managerial position

32. In particular co-operative school associations with authorisation issued by public authority; associations, foundations and other non-profit entities which allocate the funds they administer and/or own to the promotion of hospital activities within the orbit of the public administration (national, provincial or municipal) and/or of officially recognised volunteer firefighters; registered indigenous communities and registered non-profit associations that allocate their funds to the maintenance and promotion of indigenous culture; registered religious institutions; temporary unions of companies ("*uniones transitorias de empresas*") and collaboration groups ("*agrupaciones de colaboración*"); companies, enterprises and similar whose capital, at the date when the information has to be provided, belongs entirely to the national, provincial or municipal State; Sole proprietorships; *Fideicomisos*.

As regards the last bullet point, while *fideicomisos* are among the explicit exclusions from the provisions of AFIP General Resolution 4697/2020, an obligation to report beneficial ownership to AFIP is established with separate General Resolution (no. 4912/21, see paragraph 129 below).

is not present in the IGJ definition, therefore allowing for the possibility that no beneficial owner is identified.

Nominees

95. The 2013 Report indicated (paragraphs 70-72) that nominee ownership or similar arrangements were not allowed, and were punishable in Argentina. It remains the case that the concept of nominee that exists in some jurisdictions does not exist under Argentinian law and shares are in principle held by their beneficial owner.

96. The General Companies Law (section 34) expressly penalises the existence of hidden and apparent partners and this has been confirmed by case law. The Tax Procedure Law (section 35) also empowers the tax administration to pierce the corporate veil and impose tax on and sanction, as necessary, hidden members of companies.

Beneficial ownership information – Enforcement measures and oversight

97. The sanctions applicable to AML-obliged parties for non-compliance with their obligations are foreseen in Chapter IV of the AML Law. According to Section 24:

- A person acting as executive or governing body of a legal person or a natural person who fails to comply with any of the obligations established by the UIF, is punishable with a fine of one to ten times the total value of the assets or transactions to which the infraction is related to, provided that the act does not constitute a more serious offence. The same sanction applies to the legal person where the offender works.
- Where the actual value of the assets cannot be determined, the fine will be from ARS 10 000 to ARS 100 000 (about EUR 89 to 893 at the time of writing).

98. In addition to sanctions in the AML Law, each supervisory body can apply sanctions specific to its sector. For example, within the sphere of the CNV, sanctions applicable in case of non-compliance are those included in Sections 132 and 133 of Law No. 26831 of 2012 (Capital Market Law), which may vary according to each particular case.[33]

33. These include fines from ARS 5 000 to ARS 20 million (about EUR 44 to EUR 178 717 at the time of writing) which could be raised to five times the profit gained or loss caused as a result of illegal actions, whichever is the greater, and non-pecuniary sanctions such as warning, published warning, temporary disqualification to act in a specific position, suspension from participating in public procurements or on the stock market.

99. The supervisory and enforcement measures for non-compliance with the IGJ information regime (including submission of the sworn statement on beneficial owners) are established by the General Companies Law (No. 19550 of 1972), by the IGJ organic Law No. 22315 of 1980 and by General Resolution 7/2015. As mentioned above (see paragraph 88) IGJ will not register nor conclude any procedure if the corresponding sworn statement has not been submitted. A warning is applied in the case of formal breaches committed only once, whereas reiterating the same breach is to be punished with a fine (Section 26 of General Resolution 7/2015).

100. As regards, the tax obligations, violations or partial or total breaches of the information regime established by General Resolutions 4697/2020 and 4879/2020, are subject to fines of up to ARS 5 000 (about EUR 45), which will be raised up to ARS 10 000 (about EUR 89) if the taxpayer is a company or other kind of entities pursuant to (unnumbered) Section added after Section 38 of National Tax Procedures Law No. 11683 of 1932).

101. A legal enforcement framework is therefore in place in respect of the beneficial ownership information requirements in the AML law, the commercial registration law and the tax framework. The effective enforcement and sanctions will be assessed in the Phase 2 review (see Annex 1).

A.1.2. Bearer shares

102. It has not been possible to issue bearer shares in Argentina since 1995 and the entry into force of Law 24587 on the individualisation of private securities. As indicated in the 2013 Report (paragraphs 77-78), pursuant to section 1 of this law, the bearer shares that existed at the date of publication of the law had to be converted into registered shares or book entries within six months. The outstanding bearer shares can no longer be converted into registered shares or transferred, and no rights attached to them can be exercised any longer (s. 7), which means that the remaining bearer shares are null and void. There is no further information or update to provide in this regard.

A.1.3. Partnerships

Types of partnerships

103. An Argentinian partnership is a legal person in which each member agrees to participate, taking into consideration each other member in their personal capacity (*intuito personae*). The types of partnerships under Argentinian law are:

- *Sociedad Colectiva* (translatable to General Partnership). Governed by sections 125 to 133 of the General Companies Law, it is a commercial entity with at least two members who are jointly, personally

and severally liable for the partnership's debts. 2 704 existed as of December 2020.

- *Sociedad en Comandita Simple* (translatable to Limited Partnership). Governed by sections 134 to 140 of the General Companies Law, it is a commercial entity that comprises general partners, jointly and severally liable for the partnership's debts, and limited partners, who incur no liability for the partnership's debts and whose risk is limited to the amount of their contribution (i.e. essentially, financial backers). Limited partners cannot manage the partnership. 3 196 existed as of December 2020.
- *Sociedad de Capital e Industria* (translatable to Capital and Industry Partnership). Governed by sections 141 to 145 of the General Companies Law, the general partners are liable to the same extent as partners of general partnerships, and partners who contribute with their industry are only liable up to the amount of their share of profits to be received. They are rarely used, with only 146 in existence as of December 2020.

104. As the General Company Law does not make a distinction between companies and partnerships, the rules and conclusions reported in section A.1.1 (see paragraphs 42, 43, 47) also apply to foreign partnership.

105. Finally, the 2013 Report indicated that the law[34] provided for the concept of *Sociedades irregulares* (translated as de facto or irregular partnerships). These are entities not organised in conformity with the legal types of entities under the General Companies Law 19550 (regulated by Sections 21-26 of the Law) and unregistered entities. Their members are jointly liable for the entity's operations and the partnership may be invoked between the members. While in the past irregular partnerships could not hold assets and/bank accounts in their name, as of 1 August 2015, the CCCN (point 2.10 of Annex II) has replaced article 23 of Law 19550 and established that this type of partnership may hold assets in their name by registering at the corresponding registry and indicating the shareholding proportion of each partner. The Argentinian authorities have clarified that upon registration, the Partnership no longer falls within the definition of *Sociedades irregulares*, but corresponds to the type of entity they have registered as, and will be liable to comply with the specific regulations of the registry in which they have registered. Irregular partnership have in any case the obligation, as private legal entities, to keep accounting records pursuant to the CCCN. They have also the obligation to register at AFIP, and being a type of company defined in the General Companies Law, they have the obligation to provide

34. Chapter I, Section IV of the General Companies Law: "Companies not incorporated according to the types of Chapter II and other cases".

legal ownership (see paragraph 46) and beneficial ownership (see paragraph 92) information to AFIP pursuant to the General Resolution 4697/2020. The implementation of the requirement by irregular partnerships to provide legal and beneficial ownership to AFIP will be assessed in the Phase 2 of the review (see Annex 1).

Identity information

106. The requirements on partnerships were outlined in the 2013 Report (paragraphs 79-85). The procedure for the creation of partnerships is the same as for the creation of companies. This means that the name of all partners and their contributions and interests in the partnership must appear in the instrument of creation. The instrument must be amended every time a partner changes. If it is not, the change is not opposable to third parties. Also, the transmission of quotas or shares in all partnerships must be registered with the commercial registrar (section 35, IGJ General Resolution 7 of 2005).

107. All partnerships are also subject to the same tax reporting obligations as commercial companies, i.e. to inform the tax administration of their creation and provide it with up-to-date information on their structure and identity of their members every year, as well as to declare all transfers of ownership interests within ten working days of the transfer (General Resolution 3293 of 2012).

108. It therefore remains the case that the availability of information on the identity of the partners in all partnerships is ensured by Argentinian law.

Beneficial ownership

109. As indicated in paragraphs 103, General Partnership, Limited Partnership and Capital and Industry Partnership are legal persons and, for the application of CDD pursuant to the AML requirements, the same consideration and conclusions provided for companies in section A.1.1 (see paragraph 72 above) are applicable. The scope of AML-obliged parties is broad enough to ensure a wide coverage of partnerships, but cannot ensure a complete coverage to the extent that there is no requirement for them to engage an AML-obliged party on a continuous basis.

110. As regards the requirements under the Companies Law,[35] General Partnership, Limited Partnership and Capital and Industry Partnership fall within the definition of companies ("*sociedades*") in Section 518 of IGJ General Resolution 7/2015 and therefore are subject to the requirement of submission of a sworn statement on beneficial owner, to the same extent and

35. In the Autonomous City of Buenos Aires, see in paragraph 81.

with the same limitations indicated in paragraphs 81 (lack of uniform application in all the States) and 84 (lack of residual clause and possible lack of identification of beneficial owner in all cases).

111. For the tax requirements, as noted in paragraph 92, above the same requirements to provide beneficial ownership information to AFIP on an yearly basis applicable to companies is also applicable to partnerships. This requirement is in line with the standard.

A.1.4. Trusts

112. The concept of "trust" does not exist under Argentinian law and Argentina has not signed The Hague Convention of 1 July 1985 on the Law Applicable to Trusts and on their Recognition. Argentinian law does, however, provide for *fideicomisos* (a legal arrangement similar to a trust), and an Argentinian resident natural or legal person is not prevented from acting as a trustee of a foreign trust, including investing or acquiring assets in Argentina as trustee.

113. *Fideicomisos* are regulated by the CCCN (Chapter 30, Sections 1666-1707) and have to be registered at the corresponding public registry (section 1169 CCCN). Therefore, they are required to comply with the General Company Law and the same conditions for the conservation of entities documentation apply.

114. *Fideicomisos* can be classified as ordinary or financial. In a financial *fideicomiso* (Sections 1690-1692 of the CCCN) the *fiduciario* (trustee equivalent) is a financial institution or a corporation specially authorised by the CNV to act as a financial *fiduciario*, and the beneficiaries are holders of share certificates of the *fideicomiso* property or of debt securities guaranteed by the property transferred. The share certificates and debt securities are regarded as securities and may be subject to public offering. The *fideicomisos* other than financial *fideicomisos* are qualified as ordinary.

Requirements to maintain identity information in relation to trusts

115. The availability of identity information in relation to both domestic *fideicomisos* and relevant foreign trusts with an Argentinian-resident trustee is ensured by General Resolution 3312 of 2012 that requires the yearly reporting of the relevant persons to the AFIP (see 2013 Report, paragraphs 84-105).

116. In relation to *fideicomisos*, General Resolution 3312 requires the *fiduciarios* (trustee equivalents) to report the identity of their *fiduciantes* (settlor equivalents), *fideicomisarios* (the "ultimate" beneficiaries, to whom the settled assets must be transferred after a term not exceeding 30 years, which can be the settlor or a beneficiary), *beneficiarios* (beneficiary equivalents),

and the *fiduciarios* themselves. The reporting obligation is in place both for ordinary and financial *fideicomisos*.

117. The obligation requires reporting within ten working days not only of the creation and termination of the *fideicomiso*, but also of other events such as any change of *fiduciante* or beneficiary, the transfer of participations or rights in the *fideicomiso* or trust, the addition of assets, any modification to the contract, and the allocation of benefits. Detailed data, including identity data on the parties to the *fideicomiso*, must be provided for each of these events, as described in the 2013 Report.

118. Article 1 of General Resolution 3312 expressly refers to residents in Argentina who act as trustees or equivalent, settlors or equivalent or beneficiaries of trusts or similar arrangements created in another country. Foreign trusts or similar arrangements are therefore within scope of the yearly reporting obligation and the obligation to report upon the occurrence of the above events. The reporting includes the name of the trust, its date of creation and term, the country of creation and legislation in force, the TIN of the trust in the country of creation, the type or class of trust and its object, the identity details of the trustee, settlor, beneficiaries and ultimate beneficiaries, and the amount or value of the assets. Identification details include the name, surname, business name, TIN, nationality and tax residence.

119. Full identity information on Argentine *fideicomisos* and on foreign trusts or similar legal arrangements with an Argentinian-resident trustee is therefore maintained by the AFIP and available for EOI purposes. Non-compliance with the reporting obligations gives rise to the application of sanctions foreseen in the Tax Procedure Law. There were 29 118 ordinary *fideicomisos*, 3 489 financial *fideicomisos*, and 243 foreign trusts with a resident trustee registered with the AFIP as of December 2020.

120. In addition to the above provisions, financial *fideicomisos*, are listed in the market and therefore require authorisation by CNV to operate. The CNV has therefore the power to verify compliance obligations regarding registration.

Beneficial ownership

121. As regards the availability of beneficial ownership information on trust-like legal arrangements, the definition of "beneficial owner" provided in the UIF regulations (see paragraph 65) also covers legal structures without legal personality. However, for the identification of clients which are *fideicomisos* created under the Argentinian law, the subjects required to be identified pursuant to Section 25 c) of UIF Resolution No. 30/2017 on Financial Entities and of Section 25 c) of UIF Resolution No. 21/2018 on Capital Markets are the *fiduciarios* (trustee equivalent) and the administrators (or similar), whereas

pursuant to Section 26 of UIF Resolution 28/2018 on the Insurance Sector the same measures applicable for the identification of legal persons are also applicable to *fideicomisos*.

122. A specific UIF Resolution on *fideicomisos*, No. 140 of 2012, details the requirements that individuals or legal entities acting as, or performing the functions of *fiduciarios*[36] have to observe in their capacity of AML-obliged parties (see paragraph 61). The obligations are also applicable to foreign fideicomisos/trusts, in case there is a *fiduciario*/trustee[37] resident in Argentina. The requirements include the obligation to identify their "customers". The customers are not the *fideicomisos* as such, but the definition includes their: *fiduciantes*, *beneficiarios*, *fideicomisarios* and the investors/holders of *fideicomiso* securities. In case the customer is a legal entity, the AML-obliged party is required to identify and verify the identity of the respective beneficial owners ("*propietarios*"), defined as:

> individuals who have at least TWENTY (20) percent of the capital or voting rights of a legal person or who by other means exercise final, direct or indirect control over a legal person, or other similar entity in accordance with the provisions of this resolution.

123. The scope of UIF Resolution No. 140 of 2012 appears to cover all the *fideicomisos* created under Argentinian laws that have a connection with Argentina as well as foreign trusts in respect of which a *fiduciario*/trustee is resident in Argentina, in line with the standard. On the other hand, as regards the definition of beneficial owner (which similarly to other UIF resolutions follows a simultaneous approach), as in the cases highlighted in paragraphs 68 there is similar consideration on the lack of clarity on whether ownership and voting rights relevant for reaching the 20% threshold can also be met through indirect ownership.

124. As regards the companies Law requirements, the same definition (see paragraph 83) and provisions (sworn statement pursuant to Section 511 of IGJ Resolution 7/2015) applicable for companies are also applicable to *fideicomisos*.

125. These AML and company law provisions are therefore per se not sufficient to fulfil all the requirements of the standard on the availability of

36. As well as other relevant *fideicomiso*-related subjects: administrators; Deposit, Registration and/or Payment Agents; Placement Agents and all those acting as subcontractors in the initial placement of *fideicomiso* securities (for financial *fideicomisos*); and Intermediaries, trading agents and/or as sellers of *fideicomiso* securities (for ordinary *fideicomisos*).

37. Or any other relevant *fideicomiso*/trust-related subjects, as detailed in footnote 36.

beneficial ownership information, which on trusts require "information on the identity of the settlor, trustee(s), protector (if any), all of the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust".

126. The participation in local and foreign legal arrangements is now subject to reporting obligations to the AFIP under General Resolutions 4879/20 and 4912/21.

127. First, AFIP General Resolution 4879/20 (which amended Title I, Section 2 of General Resolution 3312 of 2012), provides for the obligation to report information on the beneficial owner of trusts, defining the beneficial owner as "the natural person who, by any means, exercises direct or indirect control over the trust". In addition, when no beneficial owner according to the above definition is identified, the information to be provided in relation to the settlors, trustees, beneficiaries, protectors and similar[38] will be considered as information related to the beneficial owner. When the beneficial owner does not participate directly in the control of the reported subjects, the obliged person has to indicate the first level of the holding chain suitable to prove the legal structure that participate indirectly in the capital of the reported trust (thus identifying the beneficial owners). It is requested to provide the full participation chain in the case of entities based or located abroad.

128. This first reporting obligation does not meet the standard as the rules for identification of the beneficial owner appear to be the equivalent to that applied for companies and other legal entities, by identifying the natural person who, by any means, exercises direct or indirect control over the trust. Only if it is not possible to identify the beneficial owner according to this definition the beneficial owners will be considered the settlors, trustees, beneficiaries, protectors and similar. The standard requires that in case of trusts those parties have to be identified as beneficial owners regardless of whether they exercise control over the trust.

129. In this regard, AFIP General Resolution 4912/21 expanded the provisions above to include the relevant parties of the trusts as beneficial owners, while maintaining the previous provisions text in force. It is now specified that the beneficial owner will be the natural person who participates or, by any other means, exercises direct or indirect control over the trust. The settlors, trustees, beneficiaries, protectors or equivalent who participate in local

38. It is provided in the Resolution that when a trustee, trustor or beneficiary of the trust is a company, legal person or other legal entity or arrangement, the natural person who owns the capital or the voting rights of said entity (regardless of the percentage of ownership), or who, by any other means, exercises direct or indirect control of that legal person, entity or arrangement, is to be considered the beneficial owner.

or foreign trusts, provided they are natural persons, shall also be considered beneficial owners.

130. When the beneficial owner does not participate directly in the control of the trust assets or of the trust, the first level of participations between the beneficial owner and the trust in the country shall be reported, and it will also be mandatory to submit all the participations in case of entities based or located abroad. The obligation to report the level of participations also applies in case that the settlors, trustees, beneficiaries, protectors and similar are legal persons or other contractual entities or legal structures. If this is the case, the beneficial owner shall also be reported.

131. When a natural person who is the beneficial owner as defined in this section is not identified, the natural person acting as administrator of the trust or highest authority of the entity administering it should be reported as beneficial owner. The General Resolution expressly provides that the Federal Administration has powers to verify and control why it was not possible to identify beneficial owner.

A.1.5. Foundations and other relevant entities and arrangements

132. The concept of private foundation does not exist under the laws of Argentina. Those foundations that may be constituted for a public purpose are subject to strict regulatory oversight which ensures that the founders do not receive back the assets provided upon dissolution of the foundation. Therefore, no further analysis is required (paragraphs 106-107 of the 2013 Report).

133. Finally, *sociedades civiles* is a type of non-commercial entity with legal personality used mainly for the formation of professional councils, trade unions, clubs and religious organisations. These entities are governed by what is in their constitutive agreement and, residually, by the Civil Code. They are also subject to the tax reporting regime of General Resolution 3293 of 2012 (see above in respect of companies), thus ensuring that the identity of the members is required to be declared to the AFIP annually (see the 2013 Report, paragraphs 108-109).

134. Both foundations and *sociedades civiles* are covered in AFIP General Resolution 4697/2020 on the reporting of beneficial ownership information (see paragraph 92 above).

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

135. The 2013 Report found the legal and regulatory framework to be in place. Obligations to keep reliable accounting records in respect of all relevant legal entities and arrangements continue to be in place.

136. The determination is as follows:

Legal and Regulatory Framework: The element is in place

No material deficiencies have been identified in the legislation of Argentina in relation to the availability of accounting information.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.2.1. General requirements and A2.2 Underlying documentation

137. The Standard is met by a combination of civil and tax law requirements. The relevant legal regimes are described below.

Civil and commercial law

138. The 2013 Report noted that the primary source of accounting obligations was the Commercial Code and detailed its most relevant provisions. Following a re-codification, the relevant provisions can now be found in Part VII of the new CCCN, sections 320-328. Specific provisions on *fideicomisos* and foreign trusts are found in Part VII and Chapter 30. The rules provide a general obligation for all "traders", including all companies, partnerships, *fideicomisos*, foreign trusts and sole traders to keep accounting books, the underlying instruments or documents for all transactions, and other records. of The General Companies Law (Part IX) also requires companies and partnerships to maintain books and financial statements (the law does not make a distinction between companies and partnerships, therefore its general provisions apply to both).

139. Section 321 of the CCCN requires accounting to be kept on a uniform basis, show a true picture of the activities and acts of the entity, and enable the recording of individual operations and relevant debtor and creditor accounts. Accounting records must be backed up by the relevant documentation, all of which must be filed in a methodical way that enables its location and consultation.

140. Section 322 establishes the obligation to keep a daily book and an inventory and balance book, as well as any other books that are necessary to achieve an integrated accounting system as required by the nature and scale of the activities that the entity or arrangement carries out. The daily book must record all transactions relating to a person's commercial business and having an effect on its worth, either individually or in summarised records covering periods not exceeding one month. The inventory and balance book must truthfully and accurately express the entity's financial situation, and record, at year-end, accounting statements including a financial statement and a statement of income. The balance sheet must provide a detailed description of the entity's assets, liabilities, net worth, statement of income and statement of changes in net worth. All relevant information not included in the accounting statements must be set forth in attached notes and tables (sections 62 to 65 of the General Companies Law). For SAs or joint stock companies, a stock ledger is also required (section 213, General Companies Law).

141. The rules thus require the keeping of accounting records that allow the financial position of an entity to be determined with reasonable accuracy and truthfulness at a given point in time, as well as the preparation of financial statements.

142. Under Section 325 of the CCCN, accounting books must be held at the owner's domicile. Under section 328 of the CCCN, all accounting books, other registries and supporting documents must be kept for ten years (unless when special laws establish longer terms), counting from the date of their last annotation for books and registries, and from the date of their creation for the supporting documents. The Section also requires that the heirs must keep the books of the deceased and, where appropriate, exhibit them, until the conservation periods expires.

143. In case of liquidation of a company/partnership, the corporate books and documentation must be kept by the administration body or liquidator during the liquidation process and after liquidation, by the subject appointed by the shareholders/partners, or by the judge in case of disagreement (see paragraph 45 above).

Tax law

144. The Tax Procedure Law (section 33) provides a general obligation for taxpayers to maintain accounting books and underlying documentation, and enables the AFIP to establish further specific accounting obligations for taxpayers. Accordingly, Decree 1397 of 1979 (section 48) requires taxpayers to keep accounting books and records and the underlying documentation that proves each relevant transaction for tax purposes for ten years (i.e. a period of up to five years after the year the records refer to is statute-barred, the statute of limitations being five years in most cases). Accounting records must

remain available to the AFIP at the taxpayer's fiscal domicile within national territory. The AFIP also requires trading entities and arrangements to provide accounting statements and independent audit reports by publicly certified accountants together with their tax returns (General Resolution 4626 of 2019).

145. Under the AFIP's General Resolution 3312 of 2012 (see A.1 on legal ownership information requirements in the tax law), there are also specific obligations for Argentinian *fideicomisos* and resident trustees of foreign trusts to report certain accounting information annually.

146. Furthermore, the AFIP's General Resolution 4597 of 2019 provides that all supporting documents (invoices, receipts, etc.) issued or received by an entity or arrangement subject to Value Added Tax (VAT) as documentary evidence of transactions carried out must be recorded in a "digital VAT book".

147. Further details can be found in the 2013 Report (paragraphs 124 to 131).

Implementation and enforcement

148. The supervisory and accounting control measures under the commercial law are foreseen in Book IV, Titles I and II of IGJ General Resolution Nº 7/2015 (which is only applicable in the Autonomous City of Buenos Aires, see paragraph 81 above). The availability of accounting records and documentation for inactive companies/companies included in the REI (see paragraph 54) will be assessed in the Phase 2 review (see Annex 1). Regarding sanctions, those are provided for in the IGJ organic Law No. 22315 (i.e. written warning; written warning with publication; fines to the company, its directors and its statutory auditors, see paragraphs 51-53 above).

149. The Tax Procedure Law (section 39) provides for penalties consisting of fines from ARS 150 to 2 500 (about EUR 2 to 22) in case of non-compliance with the accounting record keeping obligations. In certain cases the fine may rise to ARS 80 000 (about EUR 714). The enforcement measures in practice, including the effectiveness of sanctions, will be assessed in the Phase 2 review (see Annex 1).

A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

150. The 2013 Report found that banking information was available in Argentina through a combination of the commercial, tax, AML and financial regulation laws and this remains the case. The standard was strengthened in 2016 to specifically require beneficial ownership information on bank account holders also be available and Argentina covers this requirement

through the AML law and the UIF resolution applicable to banks. However, some issues have been identified with respect to these instruments which may impact the availability of beneficial ownership information in certain instances, and Argentina is therefore recommended to take appropriate measures to address them.

151. The conclusions are as follows:

Legal and Regulatory Framework: The element is in place but needs improvements.

Deficiencies/Underlying factor	Recommendations
The AML Resolution that provides the AML requirements for Financial Entities contains a definition of "beneficial owner" that does not explicitly cover indirect ownership as a means to fulfil the control through ownership requirement. Moreover, for the identification of trust-like legal arrangements, it does not require the identification of all settlors, trustees and beneficiaries, and protector (if any), even when they do not exercise control. Furthermore, for SAS and other commercial companies incorporated by digital means, the Financial Entity can identify the legal person and initiate the commercial relationship with only the digital constitutive instrument generated by the respective public registry. This could impact the availability of beneficial ownership information, as there is no requirement to obtain this information upon initiation of the commercial relationship, if not through the (incomplete) company Registrar requirements.	Argentina is recommended to take appropriate measures to ensure that beneficial ownership information is available in line with the standard for all account holders.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.3.1. Record-keeping requirements

Availability of banking information

152. As outlined under element A.2, like any trading entity, banks are subject to the accounting requirements of the CCCN and the Tax Procedure Law to keep accounting books and records, as well as underlying documentation, in relation to all transactions related to their business for ten years.

153. In addition, the AML law (section 21bis) requires banks to collect identity details on all customers and keep documents relating to the transactions performed by account holders. The BCRA also prohibits anonymous or numbered accounts. Banks must keep documents relating to banking transactions for five years following the completion of a transaction under the AML law.

154. Banks must also report transactional information to the AFIP on a routine basis, as mentioned in the 2013 Report. Under General Resolution 3421 of 2012, financial institutions must report monthly the opening, closure and modification of all bank accounts and debit or credit cards, their balance and funds movements above ARS 30 000 (EUR 268), and the identifying data of account holders. The information must include the name, TIN and domicile of the customer. Foreign exchange transactions are also reported to the AFIP by the BCRA pursuant to a memorandum of understanding between the organisations.

155. Further details can be found in the 2013 Report (paragraphs 134 to 143).

Beneficial ownership information on account holders

156. The standard was strengthened in 2016 to specifically require that beneficial ownership information be available in respect of all bank account holders.

157. As explained under element A.1 with regard to availability of beneficial ownership information for companies under AML Law (paragraphs 61 to 80), Law 25246 of 2000 establishes the Argentinian legal framework for AML/CFT whereas UIF resolutions provide the detailed requirements (including the beneficial ownership definition) for the specific categories of AML-obliged entities.

158. From the analysis of UIF resolution 30/2017 on Financial entities the following factors appear to limit the availability of beneficial ownership information on clients:

- the definition of "beneficial owner" does not explicitly cover indirect ownership as a means to fulfil the control through ownership requirement
- the definition of "beneficial" owner for trusts and trust-like legal arrangements is the same as the one applicable for legal entities and the resolution does not require the identification of all settlors, trustees and beneficiaries, protector (if any) even when they do not exercise control

- for SAS and other commercial companies incorporated by digital means, the Financial Entity can identify the legal person and initiate the commercial relationship with only the digital constitutive instrument generated by the respective public registry received through official electronic means. This may affect the availability of beneficial ownership information, as there is no requirement to directly obtain beneficial ownership information from the customer upon initiation of the commercial relationship and there is no certainty that the instrument obtained electronically from the registry includes this information and that the company registrar requirement in the Province of incorporation requires the provision of beneficial ownership information (see paragraphs 81 and 94).

159. **Argentina is therefore recommended to take appropriate measures to ensure that beneficial ownership information is available in line with the standard for all account holders.** The implementation of these measures as well as their enforcement will be assessed in the Phase 2 review.

Part B: Access to information

160. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

161. The 2013 Report concluded that the Argentinian legal and regulatory framework for the Competent authority's ability to obtain and provide information was in place. This continues to be the case to present.

162. Some of the information relevant for EOIR purposes is directly available in the databases of the AFIP, whereas for accessing the remaining information the Argentinian authorities make use of their powers available for domestic taxation purposes set in the National Tax Procedures Law No. 11683 of 1932. The Tax Procedures Law has been amended with the reforms introduced with Law 27430 of 2017, but this has not impacted the procedures with which the Argentinian Competent authority collects and provides the information, as the Argentinian authorities have confirmed.

163. The determination is as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Argentina in relation to access powers of the competent authority.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

B.1.1 and B.1.2. Ownership, identity, accounting records and banking information

164. The Argentinian competent authority, as identified in its EOI instruments, is the Ministry of Economy. The Ministry of Economy has granted to the AFIP the process and the regulation of procedures for the exchange of information within the framework of the Agreements with Tax Administrations of other countries (Resolution 336/2003).

165. The AFIP has appointed (with Disposition No. 258/10) four positions as responsible to act as competent authority, which are, in hierarchical order: the Deputy Director General of the Deputy Direction General of Tax Audit; the Director of the International Tax Audit Directorate; the Head of the International Information Management Department; and the Head of the Tax Information Exchange Division.

Accessing information generally

166. Some of the information relevant for EOIR purposes is directly available in the centralised databases of the AFIP, to which officials of the International Information Management Department have access. The AFIP's databases derive from the various reporting regimes required by law and regulations. The databases are accessed by the staff using an Unique Authentication System by means of the personal code assigned to each official to access the specific databases that the AFIP has, such as the Central Database for tax audits "E-fisco". Accessible information includes:

- the general registry of Argentine taxpayers, with their full profile
- tax returns submitted for all domestic taxes
- payments made
- balance sheets or financial statements submitted
- Transfer Pricing Studies submitted
- registered assets, by taxpayer
- compliance with reporting regimes
- movement of foreign currencies registered in the BCRA
- exports and imports of goods
- representatives of foreign entities

- interest in partnerships, participation in corporate bodies and related companies
- electronic invoices.

167. The databases allow making printouts of the consultations made, in order to produce supporting documentation so as to answer the requests for information received from a foreign jurisdiction.

168. In cases where the requested information is not available within the AFIP, its gathering is carried out by the competent operational areas according to the location of the taxpayer from which the information is sought (amounting to 27 nationwide: Metropolitan and from the Interior Tax Regional Directorates and Tax Examination of National Large Taxpayers Directorate). Therefore, the tax auditors who collect information for domestic tax purposes also gather the information requested for EOI.

169. In case of information held in a business register (either IGJ or other Provincial commercial registries), the AFIP may require the information to the registry by an official letter. The ability in practice by the competent authority to access information held by company registrars will be assessed in the Phase 2 review (see Annex 1).

170. The most commonly used information gathering powers are in application to the faculties granted to the AFIP (pursuant to Section 7 of the Executive National Power Decree No. 618 of 1997, "Organisation and Competence of the Federal Public Revenue Administration") to issue General Resolutions imposing information duties onto taxpayers.[39] The other tools used to obtain information are the powers in the Tax Procedures Law, which grant the AFIP its own tax audit and verification faculties as a comptroller agency of domestic taxpayers. In particular Section 35 of the Tax Procedure Law grants the AFIP powers to "verify at any time, including for the ongoing fiscal period, taxpayers' and persons liable to taxation's compliance with the laws, regulations, resolutions and administrative instructions by auditing the situation of any person presumed liable to taxation". To that end, according to Section 35 of the Tax Procedures Law, the Federal Administration of Public Revenue can:

- summon the signatory of the tax return, presumed taxpayer or responsible party, or any third party which AFIP considers could be aware

39. Some examples are: the General Resolution 4697/2020 regarding shareholding interests and beneficial owners; General Resolution 3014/11 regarding tax residence in the country; General Resolution 3077/11 regarding the electronic transmission of accounting statements; General Resolution 3476/13 (amended by 4717/20) regarding the electronic transmission of transfer pricing studies; General Resolution 3432/13 regarding football players (retained earnings and transfers).

of the negotiations or transactions, so as to answer or report verbally or in writing, as the AFIP might consider appropriate, and within a period which has to be reasonably determined, all the questions or requirements made to them over income, revenue, expenditures, and in general, as to the circumstances and transactions which in opinion of the AFIP were connected with the taxable event

- require from the responsible person or third parties to provide receipt and supporting documents referring to the taxable event
- inspect the books, notes, papers and documents from responsible or third parties, which may record or confirm the negotiations and transactions considered connected to the data which the tax returns contain or should contain. The inspection referred to may be made at the same time as the performance and execution of the acts or transactions which are of interest to the tax audit.

171. When verbal replies are provided in response to the requirements or when documents are examined, a record is kept by the officials and employees of the AFIP of the existence and identification of the elements exhibited, as well as of the verbal declarations of those examined. Such minutes whether or not signed by the interested party, bear witness of the facts as long as they are not proven false.

172. Law No. 27430 of 2017 introduced significant reforms into the Argentine Tax System, including amendments to the Tax Procedures Law. Pursuant to the (unnumbered) Section added after Section 36 of Law No. 11683, applicable since 2018:

> "In order to verify and audit the tax status of taxpayers and persons liable to taxation, the Federal Administration of Public Revenue shall issue an examination order. The order shall indicate the date of the inspection, the names of officials who will conduct it, the auditee's details (name and surname or company name, Single Tax Identification Number (CUIT) and address for tax purposes) and the taxes and periods to be covered by the audit. The order shall be signed by the appropriate official prior to commencing the procedure, and sufficient notice thereof shall be given to the taxpayer or person liable to taxation who are subject to the audit."

173. The Argentinian authorities indicated that this amendment to the procedure does not involve any significant change in the access to information for exchange of information purposes, as the examination order was already existing even if it was not included in Law No 11683 (it was previously foreseen in AFIP internal regulations) and the taxpayer would be notified the examination order only in case the information is to be gathered directly from

them. In any case, the Argentinian authorities informed that no reference to an EOIR or the information present in the EOI request would be disclosed to the taxpayer (the examination order has to expressly indicate the period and taxes subject to investigation, but not the reasons or auditing grounds that originated them, which are not explained to the taxpayer; there are no regulations obliging the Competent Authority to inform the local taxpayer that the requirement is originated as a result of an EOI request). The implementation of this new process in practice will be assessed in the Phase 2 of the review (see Annex 1).

Accessing beneficial ownership information

174. As regards the access powers concerning beneficial ownership, some information is directly available from the AFIP (as seen in section A above).

175. In addition, AFIP can request the relevant information to the General Inspection of Justice (IGJ), which gathers beneficial ownership information from companies in the Autonomous City of Buenos Aires, and from companies themselves, by using the powers mentioned above.

176. Finally, as regards information available in relation to the AML regulations, AFIP is an information agent reporting to the Argentinian Financial Information Unit (UIF) (according to Section 20, paragraph 15 of Law No. 25246/2011). While AFIP cannot request information directly from the UIF, it can request information from the AML-obliged parties within the framework of their duties and powers granted by Decree 618/1997 (see paragraph 170 above), thus this limitation is not envisaged to impact access to information for EOIR purposes.

Accessing banking information

177. Some banking information is readily available with the AFIP (see paragraph 154) and can be accessed by the Competent Authority officials through the "e-Fisco" databases. The information system is set forth by General Resolution 4298/2018, and requires Financial Entities and other subjects[40] to provide monthly information on balances and relevant transactions.

40. According to Section 1 of the Resolution, "Financial entities included in Law No. 21526 and its amendments, settlement and clearing agents registered in the National Securities Commission, investment funds depository companies, the Caja de Valores SA, the Buenos Aires Stock Exchange and the Argentine Chamber of Common Investment Funds must act as reporting agents regarding the transactions indicated in each case and subject to the requirements, forms, terms and other conditions set forth in this General Resolution."

178. For information not directly available, section 107 of the Tax Procedures Law establishes that "The state and private organisations and entities, including banks, stock exchanges and markets have the obligation to provide the Federal Administration of Public Revenue at the request of the administrative judges mentioned in Section 9, point 1, subsection b), and in Section 10 of Decree 618/1997[41], with all specific or massive information requested by them on reasonable grounds, for the purposes of preventing and fighting against fraud, tax evasion and avoidance" (see also paragraph 184 below).

B.1.3. Use of information gathering measures absent domestic tax interest

179. The 2013 Report noted that while the wording on access powers of section 35 of the Tax Procedure Law applicable for both domestic and EOI purposes may suggest that to use its information gathering power, the tax administration needs to have a domestic interest in doing so,[42] the Decree creating the AFIP provides that the powers of the general administrator include the power to directly request and provide co-operation and reports to foreign tax authorities. In this connection, the 2013 Report also noted that the power to "provide direct co-operation" was interpreted and implemented as authorising the AFIP to use the information gathering powers of section 35 of the Tax Procedure Law without having an interest in the requested information for Argentinian tax purposes.

180. These provisions and their application have not changed since the 2013 Report.

B.1.4. Effective enforcement provisions to compel the production of information

181. In the carrying out of EOI function, the Federal Administrator (Commissioner) on behalf of the AFIP and other officials authorised by the AFIP may request search warrants from the competent national judge. The

41. Decree 618/1997 gives to AFIP functions and powers of administrative judge. In particular, Section 9, point 1, subsection b) states that the authorities of AFIP have the functions and powers of "Exercise the functions of administrative judge …" and Section 10 provides (among other things) that the Federal Administrator, the General Directors and the Custom Administrators in their respective domains, will determine which officials and to what extent will replace them in the functions of administrative judge.

42. As it referred to "the degree in which those under an obligation or responsibility fulfil the laws, regulations, resolutions and administrative instructions" and to the fact that the AFIP can for instance ask questions "connected to tax matters under the respective laws" (section 35(a)).

request must specify the place and time in which it will be carried out. The warrant will be issued by the judge within 24 hours authorising days and times, if requested.

182. The penalties applicable in case of failure to provide information are those in force for the domestic requirements for verification, investigation and/or tax examination for all legally bound taxpayers established under Section 39 of the Tax Procedure Law: fines from ARS 150 to ARS 2 500 (about EUR 2 to EUR 22) and from ARS 2 500 to ARS 45 000 (about EUR 22 to EUR 402) in case of non-compliance with provisions on general third-party information regimes. The effectiveness of the sanctions will be assessed in the Phase 2 review (see Annex 1).

B.1.5. Secrecy provisions

Bank secrecy

183. In Argentina there is no bank secrecy provisions towards the tax administration, which can use its powers to request for information and documents from banks (as well as from any other taxpayer), as detailed in the 2013 Report.

184. In particular, pursuant to Section 39 of the Financial Entities Law No. 21526 of 1972 commercial banks, investment banks, mortgage banks, finance companies, savings and loan associations for housing or other real property, credit unions and other entities performing intermediation between supply and demand of financial resources while in principle they do not have to disclose the financial passive transactions they perform, are required to do so when the information is requested by either: a judge in a legal case; the BCRA pursuant to its powers; financial and bank entities with a prior authorisation from the BCRA and by agencies in charge of collecting taxes.

185. The "agencies in charge of collecting taxes" need to fulfil the following conditions:

- the information is related to a specific liable party
- the information is requested to the liable party in the process of a tax audit
- the information has been previously formally requested.

except for the AFIP, in relation to which only the third condition (the information has been previously formally requested) has to be fulfilled.

186. In practice, some banking information is already present in the AFIP databases (e-Fisco, see paragraph 129) and thus directly available to the Competent Authority, whereas for the remaining relevant information

to respond to an EOIR request the AFIP would formally request it from the financial entity under the Tax Procedure Law within the framework of a tax audit or verification.

Professional secrecy

187. The 2013 Report observed that while there was no national definition of the attorney-client privilege, as the Code of Ethics of attorneys varied depending on each province, the essence of the professional secret was the protection of privacy, whose violation is uniformly sanctioned by the Criminal Code.

188. In Argentina the professional-customer relation in general has to be carried out with the strictest confidence, and has to respect the privacy of the customer and employer data acquired while providing professional services. Each of the professional associations (attorneys and accountants) has in their respective domain a "Code of Ethics" which establishes the confidentiality of professional actions. Nevertheless, as mentioned above, pursuant to the Tax Procedure Law, AFIP has ample powers to access information and, that law does not mention the attorney-client privilege or professional secrecy more generally, either to lift it for tax purposes or confirm its prevalence over the information gathering powers of the AFIP (as noted in paragraph 177 of the 2013 Report).

189. On the other hand, Section 35 of the Tax Procedure Law provides that information must be furnished by the taxpayer or liable party or third party, and Argentinian authorities advised that the latter is to be considered as including participating professionals. In addition, Section 107 of the Tax Procedure Law provides that any public or private entity is exempt from maintaining secrecy whenever the AFIP requires information. These provisions are applicable both in case of domestic investigation and for the inquiries to comply with an exchange of information request and sanctions provided in Section 39 are applicable in case of non-compliance: fines from ARS 150 to ARS 2 500 (about EUR 2 to EUR 22) and from ARS 2 500 to ARS 45 000 (about EUR 22 to EUR 402) in case of non-compliance with provisions on general third-party information regimes. Whether the enforcement of sanctions continues to be effective will be assessed in the Phase 2 review (see Annex 1).

190. The 2013 Report concluded the analysis on the professional secrecy observing that according to the Argentinian competent authority and its EOI partners, professional secrecy did not cause any problem in practice either in relation to EOI or in relation to domestic tax matters and that there had been no cases in which a request had been denied or in which, as a result of the information provided, the professional secrecy has been affected, recommending ("in-text") to Argentina to monitor the impact of professional secrecy on international exchange of information in practice on an ongoing basis.

191. Argentinian authorities have advised that there have been no cases in practice, following that monitoring recommendation, in which information was requested directly to a third party for which professional secrecy provisions apply.

192. While there have been no changes on the legal and regulatory framework, the developments of the impact of professional secrecy on EOIR in practice will be further analysed in the Phase 2 review.

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

193. The Argentinian law does not require the notification of the person who is the object of an EOI request, either before or after the information is exchanged. The 2013 Report noted that in practice, when requesting information from a person, the Argentinian Competent Authority did not inform the person of the purpose of the request (paragraph 184 of the 2013 Report). Argentinian authorities have further clarified in this connection the fact that the information is being gathered to respond to an EOI request, and therefore the name of the requesting jurisdiction is not disclosed to the taxpayer or third party information holder.

194. While the 2013 Report (in paragraph 185) indicated that there was nothing in law which prevented the third party requested to inform the person concerned, Argentinian authorities have indicated that if the requesting jurisdiction in an EOI request explicitly requires not to contact the taxpayer, the AFIP has the power to require the information holder not to inform the taxpayer. This is based on the powers granted to the AFIP pursuant to Decree 618/97.

195. The determination is as follows:

Legal and Regulatory Framework: in place

The rights and safeguards that apply to persons in Argentina are compatible with effective exchange of information.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information

Notification

196. The 2013 Report noted that the Argentinian law did not require the notification of the person who is the object of an EOI request. This continues to be the case to present, even after the 2017 reform, with no notifications either before or after the exchange of information takes place.

Appeal rights

197. As noted in the 2013 Report, the information-holder has no appeal right against the information gathering measure of section 35 of the Tax Procedure Law, as this is not considered as an administrative decision but as a preliminary act. Section 80 of the Decree No. 1759 of 1972, which regulates the Administrative Procedures Law No. 19549, expressly establishes that "The preliminary measures of administrative decisions, including reports and opinions, even when they are of compulsory requirement and binding on the Administration, are not open to challenge".

Part C: Exchanging information

198. Sections C.1 to C.4 evaluate the effectiveness of Argentina's network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Argentina's relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, and whether Argentina's network of EOI mechanisms respects the rights and safeguards of taxpayers.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

199. The 2013 Report found that Argentina could exchange information with 52 jurisdictions on several bases: double tax conventions (DTCs), Tax Information Exchange Agreements (TIEAs), the Multilateral Convention, and often a combination of two or even three of them, concluding that Argentina's EOI relationships were in line with the standard.

200. From 2013, the network of Argentina's EOI partners has almost tripled to reach 143 EOI partners, due both to new bilateral instruments concluded by Argentina (11 new DTCs, 14 new TIEAs, plus 1 amending protocol to a pre-existing DTC) and by the increased number of jurisdictions which participate in the Multilateral Convention.

201. The Multilateral Convention covers 140 EOI partners. The three jurisdictions for which the EOI relation is only covered by bilateral instruments are: Bolivia, Turkmenistan and Venezuela.

202. This section of the report focuses on the new bilateral instruments that create new EOI relationships, provided that where a jurisdiction is an EOI partner of Argentina through the Multilateral Convention, the relationship meets the standard and the report therefore does not assess compliance of further bilateral agreements to the standard.

203. The 2013 Report noted that the DTC with Bolivia, the first tax agreement concluded by Argentina and dating 1976, was not up to the standard, as it only contained a limited reference to consultation and information.[43] The 2013 Report also noted in this connection that Argentina had proposed to Bolivia a Memorandum of Understanding in the form of a TIEA, although without success. Argentinian authorities have also informed that the TIEA proposal was reiterated in 2019 and that it has been in contact with Bolivia since 2020 for this purpose.

204. The two other bilateral mechanisms whose EOI relation is not also covered by the Multilateral Convention are the TIEAs with Turkmenistan and Venezuela. The TIEA with Turkmenistan is in line with the standard. The TIEA with Venezuela is an inter-agency agreement between AFIP and the corresponding Venezuelan Tax and Custom Authority on "technical co-operation and exchange of information in customs and tax matters". While its structure, content and wording is not based on the 2002 OECD Model TIEA, it does not contain provisions that provide for a more limited scope of Exchange of information.

205. The conclusions are as follows:

Legal and Regulatory Framework: The element is in place

No material deficiencies have been identified in the EOI mechanisms of Argentina.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

43. "The competent authorities of the Contracting States shall consult each other and exchange information as is necessary to resolve, by mutual agreement, any difficulty or doubt arising from the application of this Convention and to establish the administrative controls that are necessary to prevent fraud and evasion. The information exchanged according to the preceding paragraph shall be considered as secret and shall not be disclosed to any person other than the authorities that are in charge of the administration of the taxes covered by this Convention. For the purposes of this Article, the competent authorities of the Contracting States may communicate each other directly."

Other forms of exchange of information

Apart from EOIR, Argentina carries out the following forms of exchange of information:

- automatic exchange of tax information with jurisdictions having agreements and/or double taxation conventions that allow for this form of exchange
- automatic exchange of information on financial accounts of non-residents (Common Reporting Standard, CRS): by signing the Multilateral Competent Authority Agreement, Argentina is an early adopter of the CRS. Argentina is exchanging CRS information with 90 jurisdictions
- spontaneous exchange of information: with jurisdictions having agreements and/or double taxation conventions that allow for this form of exchange
- Country by Country Reports (CbCR) information exchange: Argentina has exchanged information with 46 jurisdictions.

C.1.1. Foreseeably relevant standard

206. Exchange of information mechanisms should allow for EOIR where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction. This concept, as articulated in Article 26 of the OECD Model Tax Convention, is to be interpreted to the widest possible extent, but does not extend as to allow for "fishing expeditions", i.e. speculative requests for information that have no apparent nexus to an open inquiry or investigation. The Commentary on Article 26 recognises that the standard of "foreseeable relevance" can be met when alternative terms are used in an agreement, such as "necessary" or "relevant".

207. The 2013 Report concluded that the bilateral agreements of Argentina met the "foreseeably relevant" standard, as they used either the wording "foreseeably relevant", "necessary" or "relevant" and the Argentinian authorities confirmed that they made no distinction between these terms.

208. Some of the new EOI instruments[44] concluded by Argentina after the cut-off date of the 2013 Report also contain wording other than "foreseeably relevant", but Argentina confirms that the wording is considered equivalent to "foreseeably relevant" when evaluating the fulfilment of the condition for requests received.

44. "foreseeably necessary" in the DTC with Chile; "essential" in TIEA with Azerbaijan; "necessary" in TIEA with Brazil; "relevant" in TIEA with the United Arab Emirates and "may be relevant" in the TIEA with Venezuela.

Group requests

209. The bilateral agreements signed by Argentina do not exclude the possibility of group requests. The Argentinian authorities indicate that they have never received a group request, but the same process applied to individual requests is applicable to group request.[45]

C.1.2. Provide for exchange of information in respect of all persons

210. For exchange of information to be effective, it is necessary that a jurisdiction's obligation to provide information is not restricted by the residence or nationality of the person to whom the information relates or by the residence or nationality of the person in possession or control of the information requested.

211. The 2013 Report indicated that Argentina's DTCs and TIEAs had provisions in line with the standard, with the exception of the DTC with Germany (limiting EOI to information necessary to carry out the provisions of the convention, but it was considered that the entry into force of the updated Multilateral Convention in Argentina and Germany would have overcome the bilateral issue) and the observation that the TIEA with Guernsey used the expression "obtainable by" instead of "in control of", which was in any case interpreted as not reducing the scope of EOI. In any event, an EOI relationship with these jurisdictions also exists under the Multilateral Convention.

212. The agreements concluded after the 2013 Report have provisions in line with the standard.

C.1.3. Obligation to exchange all types of information

213. Exchange of information mechanisms should not permit the requested jurisdiction to decline to supply information solely because the information is held by a financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

214. The 2013 Report indicated that, while none of Argentina's DTCs in force at the time included a provision equivalent to Article 26(5) of the Model

45. As foreseen in Section 2 of the AFIP internal manual on EOIR ("Procedure on the implementation of international tax information exchanges – incoming and outgoing requests") dated 15 January 2019: For operational purposes, group requests shall be treated in the same way as individual taxpayer requests.

Tax Convention,[46] that absence did not automatically create restrictions on exchange of bank information and in practice, when Argentina received an EOI request from a jurisdiction, with which the treaty does not contain Article 26(5), the competent authority would check whether the requesting jurisdiction would be able to provide banking information on the basis of reciprocity. These considerations are also applicable to date, whereas agreements concluded after the 2013 Report have provisions in line with the standard.

C.1.4. Absence of domestic tax interest

215. The concept of "domestic tax interest" describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes. An inability to provide information based on a domestic tax interest requirement is not consistent with the standard.

216. While only some of the DTCs of Argentina include the provision contained in Article 26(4) added in 2005 to the OECD Model Tax Convention, stating that the requested party "shall use its information gathering measures to obtain the requested information, even though that [it] may not need such information for its own tax purposes", Argentina's domestic powers to access relevant information are not constrained by a requirement that the information has to be required for a domestic tax purpose (see B.1.4).

C.1.5 and C.1.6. Civil and criminal tax matters

217. The principle of dual criminality provides that assistance can only be provided if the conduct being investigated (and giving rise to an information request) would constitute a crime under the laws of the requested jurisdiction if it had occurred in its jurisdiction. In order to be effective, exchange of tax information should not be constrained by the application of the dual criminality principle.

218. Argentina can exchange information both on civil and criminal tax matters with all the current EOI partners. None of Argentina's EOI instruments apply the dual criminality principle to restrict exchange of information and Argentinian authorities confirmed that Argentina does not apply dual criminality.

46. As the latest DTC signed by Argentina at the time dated back 2001, when this paragraph was not part of the Model DTC.

C.1.7. Provide information in specific form requested

219. Exchange of information mechanisms should allow for the provision of information in the specific form requested (including depositions of witnesses and production of authenticated copies of original documents) to the extent possible under the jurisdiction's domestic laws and practices.

220. There are no restrictions in Argentina's EOI agreements or domestic laws that would prevent it from providing information in a specific form, although, as noted in the 2013 Report, most of Argentina's treaties do not expressly address this aspect.

C.1.8 and C.1.9. Signed agreements should be in force and be given effect through domestic law

221. Exchange of information cannot take place unless a jurisdiction has EOI arrangements in force. Where EOI arrangements have been signed, the standard requires that jurisdictions must take all steps necessary to bring them into force expeditiously.

222. Argentinian Authorities have informed that, on average, the ratification process for DTCs and TIEAS which are considered as inter-governmental agreements extends over a 22-month period from the date of signature, whereas TIEAs which are considered as inter-institutional agreements of an executive nature do not need to be ratified nor additional measures to be taken for their entry into force. Of the EOI arrangements concluded by Argentina, all the TIEAs that have been signed are in force, whereas as regards the DTCs, five of them,[47] which were signed between December 2018 and December 2019 are to be ratified by Argentina and not yet in force. Those DTCs are in any case with partner jurisdictions whose EOIR relationship is also covered by the Multilateral Convention and, in one case, also by a TIEA.

EOI Mechanisms

Total EOI relationships, including bilateral and multilateral or regional mechanisms	143	
In force		
In line with the standard		129
Not in line with the standard		1
Signed but not in force	13 [a]	
In line with the standard		13
Not in line with the standard		-

47. With Austria, People's Republic of China, Japan, Luxembourg, and Turkey.

Total bilateral EOI relationships not supplemented with multilateral or regional mechanisms	**3**	
In force	3	
In line with the standard		2
Not in line with the standard		1
Signed but not in force	-	
In line with the standard		-
Not in line with the standard		-

Note: a. For 13 partner jurisdictions the MAAC has been signed but it is not in force (see Annex 2).

C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange mechanisms should cover all relevant partners.

223. The 2013 Report recommended that Argentina sign an EOI instrument with Chile, considering that Chile was one of Argentina's main EOI partners and from 1 January 2013 (date of effect of the termination of the then existing DTC) they would not have had any EOI instrument. Argentina has signed a Double Tax Convention with Chile with respect to taxes on income and on capital and to prevent tax avoidance and evasion. That Convention was signed on 15 May 2015 and entered into force on 11 October 2016. Furthermore, Argentina and Chile can also exchange information pursuant to the Multilateral Convention. The recommendation in 2013 Report is considered addressed.

224. No Global Forum members indicated, in the preparation of this report, that Argentina refused to negotiate or sign an EOI instrument with them. Argentina reported having received around thirty proposals to conclude a double tax treaty by other countries after the cut-off date of the 2013 Report. Some DTCs (with Austria, People's Republic of China (China), Japan, Luxembourg, Qatar and Turkey) have been signed, whereas others are being negotiated or in the process of considering the advisability of initiating negotiations. For most of the Global Forum members which Argentina reported having proposed them the conclusion of a DTC, the EOI relations are in any case already covered by the Multilateral Convention. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, the in-box recommendation is removed but Argentina should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

225. Consequently, the table of recommendations and determinations for element C.2 is amended as follows:

Legal and Regulatory Framework: in place

The network of information exchange mechanisms of Argentina covers all relevant partners, meaning those jurisdictions who are interested in entering into an information exchange arrangement with Argentina.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

226. The 2013 Report concluded that the confidentiality provisions in Argentina's EOI instruments and domestic laws were in line with the standard. This continues to be the case.

227. The determination is as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified and the confidentiality of information exchanged is effective.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.3.1. Information received: disclosure, use and safeguards

228. In Argentina, confidentiality safeguards in tax matters are laid out in Section 101 of the Tax Procedures Law (Section amended by Law 27467 of 2018), which establishes the scope of tax secrecy and its sphere of application, as well as the responsibilities implied. According to that Section, sworn statements, declarations and reports that taxpayers or third parties submit to AFIP and the actions that include that information are secret. Judges, officers, employees or agents of AFIP are required to maintain the most absolute secrecy in relation to any information that they receive when fulfilling their functions. They are not allowed to disclose said information to any other

person except for their immediate supervisor. The obligation to secrecy for public officers is also covered in the collective bargaining agreement between AFIP and the trade unions AEFIP and SUPARA (legally binding and enforceable), according to which the obligation of confidentiality and proper use of all information, techniques and procedures by AFIP officials extends beyond the moment in which their employment relationship with the Agency is extinguished, and any breach of said obligation may affect their criminal, civil and administrative responsibilities. Public officers and third parties that disclose or repeat the information are liable of the penalty mentioned in Section 157 of the Criminal Code, that is imprisonment for one month to two years. In addition, a special disqualification from one to four years is applicable to the public officer who discloses facts, files or documents that according to the Law should be kept secret. This Section of the Code gives the AFIP the grounds to start proceedings for breach of tax secrecy. Argentinian Authorities have explained that in practice, when the Competent Authority (Tax Information exchange Division) requests to the operational/auditing area to gather the information to respond to an EOI request, it does not provide the grounds for such request (e.g. the identification of the requesting jurisdiction), nor does it provide a copy of the request letter signed by the competent authority of the requesting jurisdiction.

229. The 2013 Report concluded in this connection that provided that DTCs and the Multilateral Convention are above Argentinian laws, the disclosure of information pursuant to an EOI request did not constitute an offence, whereas for TIEAs which are not above laws, Section 101 of the Tax Procedure Law expressly lifts the secrecy duty of AFIP officials for EOI purposes.

230. The standard as amended in 2016 clarified that although it remains the rule that information exchanged can only be used for tax purposes, an exception applies when in accordance with the respective laws of the partner jurisdictions, the competent authority of the requested jurisdiction authorises the use of information for purposes other than tax purposes. Argentina reported that there is no provision in the domestic regulatory framework preventing the Competent Authority from granting authorisation to use the information for other purposes, and that in practice there were no cases where the requesting partner sought Argentina's consent to utilise the information for non-tax purposes (and, likewise, Argentina did not request its partners to use information received for non-tax purposes).

C.3.2. Confidentiality of other information

231. The confidentiality provisions in Argentina's EOI instruments and domestic law do not draw a distinction between information received in response to requests and information forming part of the requests themselves. All other information, such as background documents, communications

between the requesting and the requested authorities and within the tax authorities, are treated confidentially.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

232. The standard allows requested parties not to supply information in response to a request in certain identified situations where an issue of trade, business or other legitimate secret arises.

233. The 2013 Report concluded that Argentina EOI instruments ensure that the parties are not obliged to provide information which would disclose any trade, business, industrial, commercial or professional secret or information the disclosure of which would be contrary to public policy (*ordre public*), in a manner consistent with Article 26(3)(c) of the Model Tax Convention, and that Argentinian competent authority has so far never used this clause nor has it experienced any practical difficulties on the basis of the application of rights and safeguards in Argentina. It also noted that the Tax Procedure Law did not contain any specific prohibition linked to the abovementioned reasons, apart from rules on professional secrecy and attorney secrecy (as discussed in section B.1.5, see paragraphs 187 to 192 above).

234. This continues to be the case to date. The determination is as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the information exchange mechanisms of Argentina in respect of the rights and safeguards of taxpayers and third parties.

Practical Implementation of the Standard: The assessment team is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

235. The 2013 Report assessed the practice of exchange of information of Argentina for the period 2009-11 and rated it as Partially Compliant to the standard. It noted that the organisation of the exchange process and the

resources devoted to this activity were completely revamped in 2010 and important progress in the handling of requests received from partner jurisdictions has been pursued since 2011. In particular, response times had started to decrease and further improvements were expected with the development of new IT tools and internal guidelines. Local tax auditors in charge of gathering the information that was not already contained in the central tax database of Argentina were also increasingly aware of the importance of EOI, which was expected to further improve the response times of Argentina.

236. The 2013 Report also noted that some EOI partners had made comments on the generally long time response of the Argentinian competent authority and several partners also highlighted some recent improvements. It was expected that the situation continued to improve, primarily thanks to the creation in 2010 of an AFIP Division dedicated to managing incoming and outgoing EOI requests for tax purposes and co-ordinating the gathering of the requested information by the local tax offices.

237. The implementation of this aspect of the standard is primarily based on practice and will be assessed in the Phase 2 of the review with a new review period.

Legal and Regulatory Framework

This element involves issues of practice. Accordingly, no determination has been made.

Practical Implementation of the Standard: The Global Forum is not in a position to issue a rating on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

The Phase 2 recommendations issued in the 2013 Report are reproduced below for the reader's information.

Deficiencies identified/Underlying factor	Recommendations
Although some progress is noticed for the last year under review, Argentina's competent authority has in many instances been unable to answer incoming requests or provide updates on the status of requests within 90 days. Argentina's domestic procedures for handling EOI requests, in particular the long internal timelines allocated for responding to requests until May 2012, appears to have inhibited expedient responses to EOI requests. The new deadline of 60 days for regional tax offices to answer requests from the AFIP EOI Division has not been implemented yet.	Argentina should ensure that the new internal deadlines are respected to enable it to respond to EOI requests in a timely manner, and consider further what measures could be taken to shorten the response time.

Deficiencies identified/Underlying factor	Recommendations
Argentina did not always provide an update or status report to its EOI partners within 90 days in the event that it was unable to provide a substantive response within that time.	Argentina should ensure that the new system put in place to provide updates to EOI partners after 90 days in those cases where it is not possible to provide a complete response within that timeframe operates effectively.
The structure of the competent authority and management of EOI requests has drastically changed since 2010, and specific responsibilities and working procedures have been introduced.	Argentina should monitor the implementation of the General Instruction on the processing and management of EOI requests, and of the internal processes of the EOI Division as practice develops, and improve them as necessary.

C.5.1. Timeliness of responses to requests for information

238. The procedure for exchange of information set forth in Argentinian laws and regulations permit the competent authority to gather and exchange information in a proper timeframe. In particular, no provision would prevent the Argentinian authorities from responding to EOI requests within 90 days of receipt of the request, or at least providing a progress report to the requesting jurisdiction.

239. The DTCs of Argentina do not contain any provisions relating to the timeframe of the responses. Conversely, the TIEAs generally require the provision of receipt confirmations, status updates and the provision of the requested information within a given timeframe, following Article 5(6) of the OECD Model TIEA: the requested party should confirm receipt of the request in writing and notify any deficiencies in the request within 60 days. It should in any event answer as promptly as possible and at least provide a detailed update of the status of the request after 90 days, be it because it encounters obstacles in furnishing the information or it refuses to furnish the information. Some TIEAs shorten or expand these deadlines (see 2013 Report, para. 275 to 277).

240. An analysis of the practice of the Argentinian authorities to respond promptly to requests for information sent to them and to send status updates and to ensure relevant communication with partners will be carried out during the Phase 2 review.

C.5.2. Organisational processes and resources

241. The authority in charge of exchanging information for tax purposes is located within the Federal Administration of Public Revenue (AFIP).

242. An analysis of the organisational process and resources implemented by Argentina in practice will be carried out during the Phase 2 review.

C.5.3. Unreasonable, disproportionate or unduly restrictive conditions for EOI

243. There are no factors or issues identified in Argentina that could unreasonably, disproportionately or unduly restrict effective EOI.

Annex 1: List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element C.2**: Argentina should continue to conclude EOI agreements with any new relevant partner who would so require (para. 224).

Moreover, the Global Forum may identify some aspects of the legal and regulatory framework to follow-up in the Phase 2 review. A non-exhaustive list of such aspects is reproduced below for convenience:

- **Elements A.1 and A.2**: on the implementation of registry procedures in connection to inactive companies (para. 54 and 148)
- **Element A.1**: the implementation and effectiveness in practice of the tax provisions on beneficial ownership (para. 59)
- **Element A.1**: the application of the definition of beneficial owner for anti-money laundering purposes in case of indirect ownership control (para. 68)
- **Element A.1**: the gathering of documents suitable to identify beneficial owners for anti-money laundering purposes in case of application of simplified due-diligence (para. 72)
- **Element A.1**: the availability of beneficial ownership information for SAS and other commercial companies incorporated by digital means (para. 73)
- **Element A.1**: the enforcement of the requirement on retention period on beneficial ownership information on under the AML law (para. 80)
- **Elements A.1, A.2 and B.1**: the overall general application of the relevant provisions of the General Companies Law by the company

registrars and the ability by the competent authority to access information held by each company registrar (para. 81, 148 and 169)

- **Element A.1**: the identification of beneficial owners in all cases with the collection of a sworn statement under IGJ Resolution 7/2015 the application of the definition of beneficial owner in case of indirect ownership control (para. 84)
- **Elements A.1, A.2, A.3 and B.1**: the effectiveness and dissuasive effect of sanctions in place in respect of the legal and beneficial ownership information requirements (in the AML law, the commercial registration law and the tax framework) and on availability of accounting records (para. 57, 101 and 148, 182 and 189)
- **Element A.1**: the compliance with the requirements to provide legal and beneficial ownership to the AFIP by irregular companies (para. 105)
- **Element B.1**: The implementation in practice of amendment to the Tax Procedures Law, including on issuance of an examination order (previously foreseen in AFIP internal regulations) (para. 173).

Annex 2: List of Argentina's EOI mechanisms

Bilateral international agreements for the exchange of information

	EOI partner	Type of agreement	Signature	Entry into force
1	Andorra	TIEA	26-Oct-09	15-Jun-12
2	Armenia	TIEA	07-Jul-14	28-Apr-17
3	Aruba	TIEA	30-Sep-13	31-May-14
4	Australia	DTC	27-Aug-99	30-Dec-99
5	Austria	DTC	06-Dec-19	-
6	Azerbaijan	TIEA	17-Dec-12	22-Apr-13
7	Bahamas	TIEA	03-Dec-09	27-Jul-12
8	Belgium	DTC	12-Jun-96	22-Jul-99
9	Bermuda	TIEA	22-Aug-11	14-Oct-11
10	Bolivia	DTC	30-Oct-76	04-Jun-79
11	Brazil	DTC	17-May-1980 (amending Protocol 21 July 2017)	7-Dec-1982 (amending Protocol 24 May-2018)
		TIEA (Inter-agency)	21-Apr-2005	22-Apr-2005
12	Canada	DTC	29-Apr-93	30-Dec-94
13	Cayman Islands	TIEA	18-Oct-11	31-Aug-12
14	Chile	DTC	15-May-15	11-Oct-16
15	China (People's Republic of)	DTC	2-Dec-2018	-
		TIEA	13-Dec-2010	16-09-2011
16	Costa Rica	TIEA	23-Nov-09	12-Jul-12
17	Curaçao	TIEA	14-May-14	08-Jan-16
18	Denmark	DTC	12-Dec-95	03-Sep-97
19	Ecuador	TIEA (Inter-agency)	23-May-11	24-May-11
20	Finland	DTC	13-Dec-94	05-Dec-96

	EOI partner	Type of agreement	Signature	Entry into force
21	France	DTC	04-Apr-79	01-Mar-81
22	Germany	DTC	13-Jul-78	25-Nov-79
23	Guernsey	TIEA	28-Jul-11	04-Jan-12
24	India	TIEA	29-Nov-11	28-Jan-13
25	Ireland	TIEA	29-Oct-14	21-Jan-16
26	Isle of Man	TIEA	14-Dec-12	04-May-13
27	Italy	DTC	15-Nov-79	15-Dec-83
28	Japan	DTC	27-Jun-19	-
29	Jersey	TIEA	28-Jul-11	09-Dec-11
30	Luxembourg	DTC	13-Apr-2019	-
31	Macau (China)	TIEA	5-Set-14	6-Nov-15
32	Mexico	DTC	04-Nov-15	23-Aug-17
33	Monaco	TIEA	13-Oct-09	07-Aug-10
34	Netherlands	DTC	27-Dec-96	11-Feb-98
35	North Macedonia	TIEA	26-Apr-13	17-Dec-13
36	Norway	DTC	08-Oct-97	30-Dec-01
37	Peru	TIEA Inter-agency	07-Oct-04	08-Oct-04
38	Qatar	DTC	19-Apr-18	31-Jan-21
39	Russia	DTC	10-Oct-01	16-Oct-12
40	San Marino	TIEA	07-Dec-09	16-Jun-12
41	South Africa	TIEA	02-Aug-13	28-Nov-14
42	Spain	DTC	11-Mar-13	23-Dec-13
43	Sweden	DTC	31-May-95	10-May-97
44	Switzerland	DTC	20-Mar-14	27-Nov-15
45	Turkey	DTC	01-Dec-18	-
46	Turkmenistan	TIEA	27-Apr-17	15-Aug-17
47	United Arab Emirates	DTC	3-Nov-2016	4-Feb-2019
		TIEA	5-Feb-2016	17-01-2017
48	United Kingdom	DTC	03-Jan-96	01-Aug-97
49	United States	TIEA	23-Dec-16	13-Nov-17
50	Uruguay	TIEA	23-Apr-12	07-Feb-13
51	Venezuela	TIEA (Inter-agency)	18-Feb-14	18-Feb-14

Convention on Mutual Administrative Assistance in Tax Matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention).[48] The Multilateral Convention is the most comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The Multilateral Convention was signed by Argentina on 3 November 2011 and entered into force on 1 January 2013 for Argentina. Argentina can exchange information with all other Parties to the Multilateral Convention.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Armenia, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda (extension by the United Kingdom), Bosnia and Herzegovina, Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus,[49] Czech Republic, Denmark, Dominica,

48. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention (the Multilateral Convention) which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

49. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Dominican Republic, Ecuador, El Salvador, Estonia, Faroe Islands (extension by Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Greenland (extension by Denmark), Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United Kingdom), Kazakhstan, Kenya, Korea, Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), North Macedonia, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Nauru, Netherlands, New Zealand, Nigeria, Niue, Norway, Oman, Pakistan, Panama, Peru, Poland, Portugal, Qatar, Romania, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay and Vanuatu.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Benin, Botswana, Burkina Faso, Eswatini (entry into force on 1 July 2021), Gabon, Jordan, Liberia, Mauritania, Namibia (entry into force on 1 April 2021), Paraguay, Philippines, Thailand, Togo, United States (the original 1988 Convention is in force since 1 April 1995, the amending Protocol was signed on 27 April 2010).

Annex 3: Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum in October 2015 and amended in December 2020, and the 2016 Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 8 March 2021 and Argentina's responses to the EOIR questionnaire.

List of laws, regulations and other materials received

Constitution of Argentina

Laws

No. 11683 of 1932 – Tax Procedures Law (extract)

No. 17811 of 1968 – National Securities Commission

No. 18924 of 1971 – Money Exchanges (Section 1)

No. 19550 of 1972 – General Companies Law

No. 20091 of 1973 – Insurers and theirs Supervision

No. 20337 of 1973 – Co-operatives Law (extract)

No. 20705 of 1974 – State-owned corporations (Sections 1 to 10)

No. 21526 of 1977 – Financial Entities (extract)

No. 22315 of 1980 – Public Commercial Registry – Inspection Board of Legal Entities – Commercial Business Organisation (IGJ Organic Law)

No. 23271 of 1985 – Financial Entities

No. 25246 of 2000 – Anti-Money Laundering Law

No. 26047 of 2005 – National Registries

No. 26831 of 2012 – Capital Market Law

No. 26994 of 2014 – Civil and Commercial Code (extract)

No. 27349 of 2017 – Support to Entrepreneur Capital (extract)

Regulations

AFIP Disciplinary regulation 185 of 2010

AFIP General Resolution 950 of 2013

AFIP General Resolution 2337

AFIP General Resolution 2811

AFIP General Resolution 3293 of 2012

AFIP General Resolution 3312

AFIP General Resolution 3832

AFIP General Resolution 4298

AFIP General Resolution 4627

AFIP General Resolution 4697 of 2020

AFIP General Resolution 4912 of 2021

AFIP Joint General Regulation 1019 of 2017

AFIP Joint General Regulation 2325

AFIP Regulation 86 of 2018

AFIP Regulation 119 of 2018

AFIP Regulation 258 of 2010

BCRA Communication A 6709

CNV General Resolution 760 of 2018

IGJ General Resolution 4 of 2016

IGJ General Resolution 6 of 2015

IGJ General Resolution 7 of 2015

UIF Resolution 65 of 2011

UIF Resolution 140 of 2012 (extract)

Practice

AFIP Procedure on the implementation of international tax information exchanges – incoming and outgoing requests, revision: 1, dated 15 January 2019

Current and previous reviews

Argentina previously underwent an EOIR peer review in 2012, conducted according to the ToR approved by the Global Forum in February 2010 (2010 ToR) and the Methodology (2010 Methodology) used in the first round of reviews. Information on each of Argentina's EOIR reviews are listed in the table below.

Summary of reviews

Review	Assessment team	Period under Review	Legal Framework as of	Date of adoption by Global Forum
Round 1 Combined: Phase 1 + Phase 2	Ms Monica Olsson, Senior tax lawyer, Norwegian Directorate of Taxes; Ms Oshna Maharaj, Manager, International Development and Treaties, South African Revenue Service; Ms Gwenaëlle Le Coustumer from the Global Forum Secretariat.	2009-11	August 2012	November 2013
Round 2 Phase 1	Mr Stephen Coakley Wells from the Bahamas, Ms Marie Breal from France and Mr Fabio Giuseppone and Mr Lloyd Garrochinho from the Global Forum Secretariat.	Not applicable	8 March 2021	18 June 2021

Annex 4: Argentina's response to the review report[50]

The Argentine Republic would like to thank the assessment team for the extraordinary work throughout the evaluation process which, due to the pandemic constraints, was carried out virtually. We would also like to extend our gratitude to all members of the Peer Review Group for their constructive comments, which will result useful when conducting a self-evaluation of the current state of affairs in our country.

In addition, it is important to highlight the fact that all the joint work with other agencies and bodies outside the Tax Administration, as well as the information gathered in order to provide a thorough response to the assessment team was done during the course of the pandemic.

Argentina has made significant efforts to comply with the observations made to the 2013 report, and to draft domestic regulations to identify beneficial owners, as set forth in the 2016 Terms of Reference of the Standard. In this regard, the Financial Information Unit is already working on the amendment of current AML regulations.

Considering that, for the time being, we have only been evaluated on the Phase 1, Argentina awaits the Phase 2 evaluation with the same commitment of the first day, in which it will be possible to verify in practice the implementation of certain aspects, such as the companies included in Title IV of the Commercial Companies Law.

Finally, as it may be observed, the Argentine Republic is fully committed to the implementation of the standard of exchange of information on request, and is also committed to take all the necessary measures in order to realize and address the observations outlined in this report.

50. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request ARGENTINA 2021 (Second Round, Phase 1)

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 160 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This publication contains the 2021 Second Round Peer Review Report on the Exchange of Information on Request of Argentina. It refers to Phase 1 only (Legal and Regulatory Framework).

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