

# Global Tax Alert

News from EY Americas Tax

## Argentina provides further specifications on definition of "final beneficiaries" and extends obligation to report

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On 14 December 2020, the Argentine tax authorities published, in the *Official Gazette*, General Resolution (GR) Nos. 4878 and 4879, clarifying the "final beneficiary" definition and expanding the "final beneficiary" reporting obligation to trusts.

### Background

GR 4697, published in the Argentine *Official Gazette* on 15 April 2020, established that Argentine companies, certain civil partnerships, foundations and open common investment funds (reporting entities or REs) must report the "final beneficiary" of each of their shareholders (or equivalents) as of 31 December of each year.

### GR 4878

When the REs' capital is listed on public stock markets, GR 4878 clarifies that the REs only have to report as "final beneficiaries" those individuals who have an ownership value of more than ARS50 million (approx. US\$590k) or directly or indirectly own at least 2% of the total shares/other participations issued by the REs, whichever is lower. The same rule applies to open common investment funds, regardless of whether the units of the funds are listed in public stock markets.

REs must report the various levels of ownership all the way to the “final beneficiary” when foreign entities are in the REs’ chain of ownership; otherwise, they must only report the first level in the ownership structure and identify the “final beneficiary.”

The GR also establishes that Argentine individuals holding ownerships in foreign entities will be considered the foreign entities’ “final beneficiaries.”

These changes apply for information that must be reported for 31 December 2019 and thereafter. The information for 2019 must be reported electronically through the Argentine tax authorities’ website no later than 30 December 2020.

## GR 4879

GR 4879 establishes that trustees of Argentine trusts and Argentine trustees, trustors and/or beneficiaries (reporting parties or RPs) of foreign trusts must report the “final beneficiary” of the trust, which is the individual who, by any means, directly or indirectly controls the trust.

If the “final beneficiary,” as defined in GR 4697, is not identified, the RPs will be considered the “final beneficiaries” of the trust.

RPs will have to report the various levels of ownership, all the way to the “final beneficiary” when foreign entities are in the RPs’ ownership chain; otherwise, they must only report the first level in the ownership structure and identify the “final beneficiary.”

When the trust capital is listed on public stock markets, RPs must report as “final beneficiaries” those individuals who have an ownership value of more than ARS50 million (approx. US\$590k) in the trust or directly or indirectly own at least 2% of the trust, whichever is lower.

These changes apply for information that must be reported for 31 December 2019 and thereafter. The information for 2019 must be reported electronically through the Argentine tax authorities’ website no later than 29 January 2021.

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