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# Global Tax Alert

News from Americas Tax Center

## Argentina issues procedure for mining companies that benefit from the tax stability regime to request a tax refund

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On 27 February 2019, Argentina's Federal Tax Agency and Secretary of Mining Policy issued Joint General Resolution No. 4,428, which establishes the requirements, terms and conditions for mining companies that benefit from the tax stability regime to request a tax refund for overpayments of tax.

### Background

In 1993, the Argentine Congress approved Mining Investment Law No. 24,196, which allows companies with mining operations in Argentina to request benefits under the tax stability regime by submitting a feasibility study estimating their tax liability. Companies granted the benefits under the regime will have their tax liability capped at the amount in the feasibility study for 30 years.

Because the Government can increase taxes during the stability period, causing companies to pay more tax, Decree No. 1089/2003 established that companies that have paid taxes in excess of the tax liability agreed to under the tax stability regime may request a refund.

### Joint General Resolution No. 4,428

The Resolution establishes that the total federal tax burden for each mining project must be determined each tax year.

To request a refund, the company must file the following documents with the Secretary of Mining Policy for each project:

- a) Form, included as an attachment to the Resolution, stating the amount of the refund request, the amount of taxes effectively paid, an estimate of the taxes that should have been paid according to the feasibility study and the applicable regulations
- b) Affidavit providing the reasons for the tax liability increasing
- c) Documents to prove that the total tax liability has increased
- d) Certification by a public accountant of Argentina verifying the amounts requested for refund

After the Secretary of Mining Policy approves the refund request, the Federal Tax Authorities will analyze the case and issue a resolution authorizing the refund and its drawdowns, if any.

The authorized refund will be credited to the company's account on the "Sistema de Cuentas Tributarias" website. The company may use the refund to pay other federal taxes and social security taxes. The company also may request that the refund be deposited in its bank account, under certain conditions.

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