



GLOBAL EXPANSION GUIDEBOOK GLOBAL EQUITY

Argentina



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INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Global Equity*.

GLOBAL EXPANSION GUIDEBOOK SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, intellectual property and technology, and tax laws in key jurisdictions around the world.

GLOBAL EQUITY

Our philosophy for providing services to our clients can best be described as a partnership. We strive to provide our clients with a solutions-oriented approach to address their current and future legal needs. Specifically, we analyze each project from a risk and cost-benefit standpoint. We also advise our clients of current best practices and keep them apprised of any legal, cultural, and business changes that may affect their programs. We hope that you find the information in this guide useful for the implementation of your company's equity compensation programs. In preparing the guide, we have made several assumptions about the stock awards that may or may not be applicable to your company. The assumptions include: (i) the local entity is a wholly-owned subsidiary of the issuing company; and (ii) the participants are employees of the local entity or the issuing company.

In addition, you should be aware that the information provided in the guide is presented in a general format and is not a comprehensive summary of all the tax and regulatory issues that may be applicable to your company's specific circumstances (i.e., plan design, corporate governance, tax practices and administration). Furthermore, the laws and regulations applicable to stock awards are constantly changing. These changes may not be incorporated into this version of the guide. With these factors in mind, it is important that you do not consider this guide to be legal advice and do not rely solely on the information provided when implementing an equity award plan abroad. We would be pleased to help you review all pertinent information and can assist you in developing a comprehensive strategy to offer an equity award plan globally.

We hope that you find this guide valuable and we welcome your feedback.

This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that global equity law is dynamic, and the legal regime in the countries surveyed could change.

ARGENTINA



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RESTRICTED STOCK AND RSUS

Securities

As long as:

- The offer is not advertised or publicized
- The stock is not traded in Argentina
- The offer is limited to employees
- The offer is intended to compensate employees and not to raise capital, no securities law requirements apply

Foreign exchange

Since September 1, 2019, the Argentine government reenacted FX controls and regulations. These FX regulations are applicable to certain operations. Notwithstanding there are no foreign exchange restrictions applicable to restricted stock or RSUs, local employees may face difficulties in purchasing the foreign currency if the options are in foreign currency, or to transfer money abroad.

Tax

Employee

The employee is taxed on restricted stock upon grant and on RSUs upon vesting (may include personal assets tax).

The employee is subject to a flat tax of 15 percent on any net gain resulting from the sale of the shares by Argentine Tax residents, or, alternatively, 13.5 percent on the gross sale price by non-residents.

Employer

Withholding & Reporting

Tax withholding and reporting are required upon grant for restricted stock and upon vesting of RSUs.

Deduction

Argentine subsidiaries are allowed to deduct the amount reimbursed to the parent company for the cost of the benefits if a Reimbursement or Recharge Agreement is in place.

Social insurance

Social insurance contributions are generally payable by the employee and employer.

Data protection

Obtaining an employee's written consent for the processing and transfer of his or her personal data is the most common approach to comply with certain aspects of data protection requirements. The employer also is required to register any database that includes an employee's personal data with the Argentine privacy authorities.

Labor

Benefits received from restricted stock or RSUs may be considered part of the employment relationship and included in a severance payment if the awards are repeatedly granted to an employee. Upon involuntary termination of employment, an employee may be entitled to continued vesting and other rights with respect to his or her award. In order to reduce the risk of employee claims, the award agreement signed by an employee should provide, among other things, that vesting of restricted stock or RSUs ceases upon termination of employment, and that the plan and any awards under it are discretionary.

Communications

Although plan materials are not required to be translated into Spanish, it is recommended, to ensure that employees understand the terms of their awards. Award materials should be addressed to individual employees in order to avoid securities law requirements.

STOCK OPTIONS

Securities

As long as:

- The offer is not advertised or publicized.
- The stock is not traded in Argentina.
- The offer is limited to employees.
- The offer is intended to compensate employees and not to raise capital, no securities law requirements apply.

Foreign exchange

Since September 1, 2019, the Argentine government reenacted FX controls and regulations. These FX regulations are applicable to certain operations. Notwithstanding there are no foreign exchange restrictions applicable to restricted stock or RSUs, local employees may face difficulties in purchasing the foreign currency if the options are in foreign currency, or to transfer money abroad.

Tax

Employee

The employee is taxed on the spread upon exercise (including personal assets tax, if applicable).

The employee is subject to a flat tax of 15 percent on any net gain resulting from the sale of the shares by Argentine Tax residents, or alternatively 13.5 percent on the gross sale price by non-residents.

Employer

Withholding & Reporting

Tax withholding and reporting are required upon exercise.

Deduction

Argentine subsidiaries are allowed to deduct the amount reimbursed to the parent company for the cost of the benefits if a Reimbursement or Recharge Agreement is in place.

Social insurance

Social insurance contributions are generally payable by the employee and employer when an option is exercised.

Data protection

Obtaining an employee's written consent for the processing and transfer of his or her personal data is the most common approach to comply with certain aspects of data protection requirements. The employer is also required to register any database that includes an employee's personal data with the Argentine privacy authorities.

Labor

Benefits received from an option may be considered part of the employment relationship and included in a severance payment if options are repeatedly granted to an employee. Upon involuntary termination of employment, an employee may be entitled to continued vesting and other rights with respect to his or her option. In order to reduce the risk of employee claims, the award agreement signed by an employee should provide, among other things, that vesting of an option ceases upon termination of employment, and that the plan and any awards under it are discretionary.

Communications

Although plan materials are not required to be translated into Spanish, it is recommended, to ensure that employees understand the terms of their awards. Award materials should be addressed to individual employees in order to avoid securities law requirements.

STOCK PURCHASE RIGHTS

Securities

As long as:

- The offer is not advertised or publicized.
- The stock is not traded in Argentina.
- The offer is limited to employees.
- The offer is intended to compensate employees and not to raise capital, no securities law requirements apply.

Foreign exchange

Since September 1, 2019, the Argentine government reenacted FX controls and regulations. These FX regulations are applicable to certain operations. Notwithstanding there are no foreign exchange restrictions applicable to restricted stock or RSUs, local employees may face difficulties in purchasing the foreign currency if the options are in foreign currency, or to transfer money abroad.

Tax

Employee

The employee is taxed on the spread upon purchase.

The employee is subject to a flat tax of 15 percent on any net gain resulting from the sale of the shares by Argentine Tax residents, or, alternatively, 13.5 percent on the gross sale price for non-residents.

Employer

Withholding & Reporting

Tax withholding and reporting are required upon purchase.

Deduction

Argentine subsidiaries are allowed to deduct the amount reimbursed to the parent company for the cost of the benefits if a Reimbursement or Recharge Agreement is in place.

Social insurance

Social insurance contributions are generally payable by the employee and employer when the shares are purchased.

Data protection

Obtaining an employee's written consent for the processing and transfer of his or her personal data is the most common approach to comply with certain aspects of data protection requirements. The employer also is required to register any database that includes an employee's personal data with the Argentine privacy authorities.

Benefits received from a purchase right may be considered part of the employment relationship and included in a severance payment if purchase rights are repeatedly granted to an employee. Upon involuntary termination of employment, an employee may be entitled to continued participation in the plan. In order to reduce the risk of employee claims, the offer document signed by an employee should provide, among other things, that participation in the plan ceases upon termination of employment, and that the plan and any awards under it are discretionary.

In light of restrictions on payroll deductions, alternative arrangements may be necessary for contributions to the plan.

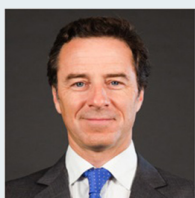
Labor

Not applicable.

Communications

Although plan materials are not required to be translated into Spanish, it is recommended, to ensure that employees understand the terms of their awards. Award materials should be addressed to individual employees in order to avoid securities law requirements.

KEY CONTACTS



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