

## **ARGENTINA – INCOME TAX LAW (LAW 20.628)**

**Article 20** The following are exempt from taxes:

f) Profits obtained by associations, foundations and civic entities of social welfare, public health, charity, benevolence, education and instruction, science, literary, artistic, trade unions, and those of physical or intellectual culture, provide that such profits are used for the purpose for which the organization was created, and are in no event distributed directly or indirectly among their members. Those entities that obtain all or part of their resources from the exploitation of public speculation, games of chance, horse racing and similar activities are excluded from this exemption.

The exemption referred to in the first paragraph will not be applied in the case of foundations that develop industrial or commercial activities;

The exemptions provided in f), g), and m) shall not be available for those institutions that during the fiscal year, paid to persons forming part of the directive, executive or controlling bodies of the company (directors, advisors, trustees, and account auditors, ect.) whatever they might be called, any amount with respect to anything, including representation expenses and similar fees, over 50% of the annual average of the three highest paid persons of the administrative personnel. Neither shall cited exemptions be applied, regardless of the amount of the compensation, for those entities that have prohibited the payment thereof by means of the norms that govern their constitution and functioning.