



## **ARGENTINA: THE REGULARIZATION OF EMPLOYEES' REGIME HAS BEEN EXTENDED**

The Argentine Government has recently enacted National Decree 1018/2009, published on (07/31/2009) in the Official Gazette. This resolution extends the benefits set forth in Chapter I, Title II of the Law 26,476. The extension is for 180 days as from 08/01/2009.

As we informed you on previous updates, Law 26,476 established a regularization regime for (i) tax and Social Security obligations (Title I) and (ii) for non-registered labor relations (Title II, Chapter I), together with a system for the promotion and protection of registered labor relations (Title II, Chapter II). Likewise, the law provides for a promotional regime for repatriation of capital of Argentine residents (Title III).

Particularly, with respect to the Chapter that has been extended (Chapter I, Title II), the Congress set forth important benefits to employers that register non-registered labor relations or that rectify the real remuneration and/or date of entry of its employees existing as of December 24, 2008. The benefits for the first 10 employees are higher than for the rest of the employees. The benefits for the first 10 employees are as follows:

- The full pardon of unpaid or unfulfilled infractions, fines and sanctions related to non-registered or defective registered labor relations regularized by the new regime.
- The extinction of debts originated in the lack of fulfillment of payments and contributions to the Social Security system and to Union dues in relation to the first ten regularized employees. In relation to debts for the remaining employees, employers are entitled to a financing plan according to a special procedure.
- The full pardon of the income tax and VAT related to the non-registered payments made to the non-registered employees regularized by the new regime.

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