

New bill to facilitate EB-5 applications for Argentinian investors

eb5 eb5investors.com/blog/new-bill-to-facilitate-eb-5-journey-for-argentinian-investors/

June 14, 2024



Marta Lillo

The Argentine Senate has voted to approve the “Bases” Law, a state overhaul and tax bill proposed by President Javier Milei. It is one of the most ambitious reforms since the new government took office in December. According to immigration specialists, the bill’s provisions could facilitate EB-5 investor applications from Argentina.

The bill aims to improve the economy and includes deregulation initiatives to combat rising annual inflation and a recession, a scenario which has prompted investor immigration from Argentina to the U.S. historically, says Marcelo Gorenstein of LCR Capital Partners.

“Economic unrest has historically been a powerful catalyst for immigration, and Argentina’s current climate is no exception. ‘La Ley Bases,’ while ambitious in its scope, underscores a nation grappling with the complexities of reform and the pursuit of stability. Despite the government’s best efforts, the tangible realization of its goals remains on the horizon, distant and elusive,” he says.

The Argentinian Senators gave overall approval for the bill on Jun. 12. However, the Lower House must still pass each individual article for the new law to take effect.

Immigration attorney [Andrés Echeverría](#) explains that if the bill becomes effective, it will mark the beginning of a new pro-business legal framework in Argentina: “It’s an important step towards a business-friendly environment in Argentina with fewer restrictions on capital transfer, currency control, and overall ease of doing business.”

Echeverría also underscores the significance of the bill for Argentina investors considering emigrating to the U.S.: “The approval of the ‘Bases’ bill by the Argentine Senate represents a pivotal moment for the country’s economic and legal landscape. If the bill passes the Deputies Chamber and becomes law, it could transform the investment environment in Argentina, making it more conducive for investors to engage in international opportunities such as the EB-5 visa program. By addressing the critical issues of tax pressure, financial system deficiencies, and capital controls, the bill has the potential to unlock significant investment flows and provide a new pathway for Argentine investors seeking to emigrate and invest in the U.S.”

Key aspects of the reform and its impact on Argentine EB-5 applications

One of the most contentious aspects of the proposed legislation is that it lowers the income tax threshold. It includes an amnesty allowing Argentinians to register undeclared assets at home and abroad without paying heavy taxes and a lower income tax threshold to boost revenue.

For Gorenstein, this is the most intriguing aspect of the bill. “This provision allows Argentines to register undeclared assets, both domestically and internationally, without incurring severe tax penalties. This amnesty could serve as a catalyst for sourcing funds for the [EB-5 Investor Visa Program](#), offering a legitimate avenue for Argentinians to channel their wealth into U.S.-based ventures, including EB-5 investments, and thereby gaining residency in the process.”

The amnesty offers wealthy Argentinians “a rare opportunity to regularize undeclared assets without the burden of punitive taxes,” Gorenstein adds.

The bill also contains an incentive program to boost foreign investments. This program offers substantial tax breaks for 30 years, eliminates import tariffs, and provides advantages to large foreign corporations. These measures are designed to attract foreign investment and stimulate economic growth, potentially creating more opportunities for Argentine investors considering emigration to the U.S.

Additionally, the proposal aims to improve Argentina’s financial system, Echeverría adds. “Currently, there is a severe lack of credit availability in the country, which stifles economic growth and investment opportunities. By enhancing access to credit, the bill could provide

investors with the liquidity needed to fund an EB-5 investment. Increased credit availability would enable investors to gather the necessary capital more efficiently and meet the substantial investment requirements of the EB-5 program.”

According to the EB-5 attorney, the business-friendly legal framework the bill could foster would reduce historic obstacles hindering Argentine investors from pursuing the EB-5 visa, such as stringent capital and currency controls imposed by current Argentine law. “These controls have made it nearly impossible to transfer funds from Argentina to the U.S. and to purchase foreign currency. The proposed bill introduces a series of reforms that could mitigate these challenges.”

Gorenstein affirms the impact on the exchange rate will be positive for EB-5 applications: “Should finally be more favorable to pesos, narrowing the gap between formal and informal markets and between pesos and dollars. This should facilitate documented international transfers of capital, an extremely important point for EB-5 investors as part of the documented source of funds.

He concludes that even if the government’s initiatives take full effect, emigrating to the U.S. or other destinations with golden visa opportunities will continue to appeal to wealthy Argentine prospects. “For high NetWorth Argentinian families, the EB-5 investor visa represents more than an investment; it is a beacon of hope, a chance to redefine their future amidst the tumult of their homeland’s transformation.”

As to whether this more investor-friendly framework in Argentina could dampen the urgency of Argentine investors to apply for US visas in the long run, Echeverría cautions: “In general, if the government is successful in bringing about economic stability in the long run, the demand for U.S. visas will decrease, for sure. But short term, these reforms will make it easier for EB5 investors to execute their plans.”

Investor migration opportunities for Argentinian investors will be part of the Global Mobility & Investment Summit South America in Buenos Aires, Argentina, in November!. If you are interested in attending, contact us [here](#)!

DISCLAIMER: The views expressed in this article are solely the views of the author and do not necessarily represent the views of the publisher, its employees, or its affiliates. The information found on this website is intended to be general information; it is not legal or financial advice. Specific legal or financial advice can only be given by a licensed professional with full knowledge of all the facts and circumstances of your particular situation. You should seek consultation with legal, immigration, and financial experts prior to participating in the EB-5 program. Posting a question on this website does not create an attorney-client relationship. All questions you post will be available to the public; do not include confidential information in your question.

eb5 investors
Magazine

FREE EB-5 EVALUATION

GET YOUR QUESTIONS ANSWERED

