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TAX COMPLIANCE LAW: ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING MEASURES

With the enactment of Law No. 21,713 on October 24, 2024, a temporary, voluntary system for declaring foreign-held assets or income is established, available from November 1 to November 30, 2024. Within this framework, several provisions strengthen measures to prevent money laundering and terrorism financing:

Mandatory compliance with anti-money laundering regulations

Reporting entities must adhere to the requirements of Law No. 19.913 and implement detection and analysis systems to monitor suspicious operations, particularly those involving the declaration or importation of assets and income potentially linked to illicit activities specified in articles 27 and 28 of this law.

Reporting suspicious transactions

The Internal Revenue Service (SII) must report any transaction deemed suspicious to the Financial Analysis Unit (UAF), in accordance with Article 3 of Law No. 19,913.

Unrestricted access to information

The UAF has direct, unrestricted access to all information gathered by public institutions regarding assets and income declared by taxpayers under this system, even if the information is classified or confidential.

Identification controls per FATF Standards

The SII and financial institutions must apply customer identification (KYC) standards established by the Financial Action Task Force (FATF), including a declaration of the source of funds and full identification of ultimate beneficiaries.

Inter-institutional coordination

A supervisory and coordination commission, comprising the SII, UAF,

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and other relevant entities, will be established to ensure compliance with these measures. The commission will operate for as long as necessary to effectively implement the provisions.

Banks and operation controls

Participating banks must set up specific preventive mechanisms and report any suspicious activity to the UAF. Assets can only be brought into the system if they originate from countries with anti-money laundering regulations aligned with GAFI standards and whose Financial Intelligence Units belong to the Egmont Group.

Limitations on declaration of lawful origin

Statements issued under this system do not serve as official proof of the lawful origin of the declared assets or funds.

Effective date

These provisions will take effect starting November 1, 2024.

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