

ARGENTINA

TRADE AGREEMENTS

The United States–Argentina Trade and Investment Framework Agreement

The United States and Argentina signed a Trade and Investment Framework Agreement (TIFA) on March 23, 2016. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Argentina.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Argentina's average Most-Favored-Nation (MFN) applied tariff rate was 13.4 percent in 2020 (latest data available). Argentina's average MFN applied tariff rate was 10.3 percent for agricultural products and 13.9 percent for non-agricultural products in 2020 (latest data available). Argentina has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 31.8 percent.

Argentina is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also comprises Brazil, Paraguay, and Uruguay. MERCOSUR's Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem* and averages 12.5 percent. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of product lines. Any good imported into Argentina (not including free trade zones) is subject to the payment of the CET to Argentina's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, and it has not taken effect.

Taxes

Argentina maintains a variety of taxes on, and tax exemptions for, imported goods. On December 23, 2019, the Argentine Congress passed Public Emergency Law 27541, raising to 3 percent the rate of the statistical tax, a fee charged on goods imported for consumption. Temporary imports, inputs used to produce goods for export, and imported goods for scientific and technological research are exempted from this tax. Pursuant to Decree 901/2021, the 3 percent statistical tax rate was extended until December 31, 2024.

Argentina's tax collection processes burden imports by effectively requiring advance payment of income taxes. When goods are imported, Argentina collects a percentage of the value of imports as income tax withholding to be applied to the importer's income taxes. The advance value-added tax (VAT), ranging from 10 percent to 20 percent, is paid by the importer, unless the goods are for personal use. In addition, the importer is responsible for an income tax withholding of 6 percent to 11 percent of the value of the imported goods. Further, there is an additional advance VAT rate of 20 percent for imports of consumer goods and 10 percent for imports of capital goods. Although some of these taxes on importation are reconciled after importation, in practice that takes a significant amount of time. In Argentina's inflationary environment this advance payment system disproportionately burdens imports.

Argentina also uses its tax system to incentivize local production and use of local inputs. For example, Resolution 599-E/2016, pursuant to Law 27263, provides tax credits to automotive manufacturers for the purchase of locally-produced automotive parts and accessories incorporated into specific types of vehicles. The tax credits range from 4 percent to 15 percent of the value of the purchased parts. In another example, imports of used capital goods are subject to higher taxes if there is local production of those inputs.

Non-Tariff Barriers

Import Bans

Argentina prohibits the importation of many used capital goods. Under the Argentina–Brazil Bilateral Automobile Pact, Argentina bans the importation of used self-propelled agricultural machinery unless it is imported to be rebuilt in-country. Argentina also prohibits the importation and sale of used or retreaded tires (but in some cases allows remolded tires); used or refurbished medical equipment, including imaging equipment; and, used automotive parts.

Argentina generally restricts or prohibits the importation of any remanufactured good, such as remanufactured automotive parts, earthmoving equipment, medical equipment, and information and communication technology products. In the case of remanufactured medical goods, imports are further restricted by the requirement that the importer of record must be the end user, such as a hospital, doctor, or clinic. These parties are generally not accustomed to importing and are not typically registered as importers.

Import Restrictions

Domestic legislation requires compliance with strict conditions on the entry of those used capital goods that are not prohibited from being imported, as follows: (1) used capital goods can only be imported directly by the end user; (2) overseas reconditioning of goods is allowed only if performed by the original manufacturer and third-party technical appraisals are not permitted; (3) local reconditioning of the good is subject to technical appraisal to be performed only by the state-run Institute of Industrial Technology, except for aircraft-related items; (4) imported used capital good cannot be transferred (sold or donated) for a period of four years; and, (5) except for a short list of products exempted by Decree 406/2019, and regardless of where the reconditioning takes place, the Argentine Customs Authority requires the presentation of a “Certificate of Import of Used Capital Goods” at the time of importation.

Resolution 909/1994 places restrictions on the importation of certain used goods for consumption, such as parts and components that are not used in the manufacture of other products. The current list imposes import tariffs or other restrictions on goods including electronic and recording equipment; railroad vehicles and other railroad parts; optic, photography, and filming equipment; tractors; buses; aircraft; and, ships.

Under the “Por una Argentina Inclusiva y Solidaria - PAIS” tax, goods and services billed in foreign currency or that involve international transportation by air, land (except to countries that border Argentina), or water, and sold in Argentina (through a physical or online point of sale) are subject to a 30 percent tax. This affects services supplied by travel and tourism agencies for international travel, as well as the importation of products from online retailers. Decree 99/2019 also sets a lower rate of eight percent for certain imported digital services that are already subject to the VAT. As of October 13, 2022, pursuant to General Resolution 5272/2022, some purchases also are subject to a personal asset tax equal to 25 percent of the price of the good or service. These taxes are cumulative, which means consumers in Argentina, in many cases, may pay at least 100 percent in taxes when purchasing foreign goods and services or any international travel service.

Import Licensing

Imports are subject to automatic or non-automatic licenses, and the non-automatic licenses require importers to submit detailed information electronically about the imported goods. Products deemed import-sensitive by the Argentine Government, including goods such as automobiles, paper and cardboard, iron and steel, nuclear reactors, electrical and construction materials and parts, toys, textiles and apparel, footwear, computers, cellular phones, printers, optical fiber, and luxury items such as yachts and golf clubs are subject to the non-automatic import licensing regime.

Since 2020, Argentina has increased the list of products subject to non-automatic licenses, applying to approximately 46 percent of total imported products, and reduced the period of validity for these licenses to just 90 days after approval. On October 17, 2022, Argentina launched a new import licensing and tracking system, the Sistema de Importaciones de la República Argentina (SIRA). The new system is intended to create a single electronic system where importers can follow each step of the import license approval process by the different agencies involved: the Trade Secretariat of the Ministry of Economy, Tax Revenue Agency (AFIP), the Customs Agency, and the Central Bank. Importers have between 60 to 365 days, depending on the product, to access the foreign exchange market to pay for imports after the imported merchandise arrives at an Argentine port. Importers report delays and rejections as the SIRA system is not fully in place, while restrictions to access the foreign exchange market constitute a substantial impediment. The United States has raised concerns with Argentina about non-automatic licensing and at the WTO Committee on Import Licensing in light of the WTO Agreement on Import Licensing Procedure's commitments, and will continue to monitor import licensing.

Customs Barriers and Trade Facilitation

Argentina continues to use reference prices for goods that originate in, or are imported from, specified countries for customs valuation purposes. If a good is imported and the invoice price is lower than the reference price, Argentina requires importers to obtain an authenticated invoice, without a basis under the Customs Valuation Agreement. Argentina publishes a list of reference prices and covered countries.

Consularization

Argentina imposes costly and time-consuming consularization requirements on import documentation, a practice at odds with the trend in customs practice. Shipments to Argentina require commercial invoices and packing lists to be legalized by the Argentine Consulate in the country of export. Consulates will only legalize a commercial document after it has been signed by a Chamber of Commerce that is recognized by the Consulate in its region. Further, Argentina requires certificates of origin that must be authenticated by an Argentine Embassy or Consulate or carry a U.S. Chamber of Commerce seal.

SANITARY AND PHYTOSANITARY BARRIERS

Live Cattle

Argentina banned imports of U.S. cattle and beef products in 2002 due to purported concerns regarding bovine spongiform encephalopathy. Although the market reopened to U.S. beef in 2018, it remains closed to U.S. live cattle, pending continued technical level engagement between the United States and Argentina on a mutually agreeable sanitary certificate.

Poultry

Argentina does not allow imports of fresh, frozen, or chilled poultry, due to purported concerns over Highly Pathogenic Avian Influenza (HPAI) and virulent Newcastle Disease, and because Argentina does not recognize the U.S. sanitary inspection system as equivalent to Argentina's system. The United States continues to encourage Argentina to regionalize restrictions related to HPAI in the event of future outbreaks, as recommended by the World Organisation for Animal Health.

INTELLECTUAL PROPERTY PROTECTION

Argentina remained on the Priority Watch List in the [2022 Special 301 Report](#). The situation for innovators in the pharmaceutical and agrochemical sectors presents significant challenges. First, the scope of patentable subject matter remains significantly restricted under Argentine law. Second, there is inadequate protection against unfair commercial use and unauthorized disclosure of undisclosed test and other data submitted to the Argentine Government in conjunction with its lengthy marketing approval process. The United States urges Argentina to ensure transparency and procedural fairness in the protection of geographical indications (GIs) and to ensure that the grant of GI protection does not deprive interested parties of the ability to use common names, particularly as Argentina proceeds with the European Union (EU)–Mercosur Trade Agreement. In addition, the backlog continues for patent applications for pharmaceuticals and biosimilar products, resulting in unreasonable delays for these products.

Enforcing IP rights in Argentina continues to prove challenging, as counterfeit and pirated goods remain widely available. For example, the physical markets of La Salada in Buenos Aires, one of the largest black markets for counterfeit and pirated goods in Argentina, resumed operation after being closed due to the COVID-19 pandemic, with police failing to take effective *ex officio* actions. Additionally, La Salada market started selling counterfeit products online during the pandemic, a practice which continues. Furthermore, the existing legislative regime and weak enforcement hinder the ability of rights holders, law enforcement, and prosecutors to halt, through legal action, the growth of illegal markets, both online and physical.

SERVICES BARRIERS

Similar to goods imports, services are subject to restrictions on their ability to access the foreign exchange market and are subject to approvals from the Secretary of Trade (within the Ministry of Economy) and AFIP prior to receiving authorization to import.

Audiovisual Services

Argentina's Media Law requires companies to produce advertising and publicity materials locally or to include 60 percent local content. The Media Law also establishes a 70 percent local production content requirement for companies with radio licenses. Additionally, the Media Law requires that 50 percent of the news and 30 percent of the music that is broadcast on the radio be of Argentine origin. In the case of private television operators, at least 60 percent of broadcast content must be of Argentine origin. Of that 60 percent, 30 percent must be local news, and 10 percent to 30 percent must be local, independent content.

Express Delivery

Pursuant to Decree 221/2019, consumers are subject to annual limits on the tax-free allowance on imports. Consumers can purchase imported goods valued at up to \$50 per month tax free, with an annual tax-free limit of \$600. If the monthly purchase total exceeds \$50, the consumer must pay a 50 percent tax on the value above the \$50 threshold. The decree limits non-commercial courier shipments annually to a

cumulative value of \$1,000 and a cumulative weight not greater than 50 kilograms, and no more than five shipments per person. Shipments within these limits are exempt from import licensing and other import requirements, subject to certain conditions.

Insurance Services

Local insurance companies may place up to 75 percent of the ceded premium with foreign reinsurance companies, unless they have prior authorization from the insurance oversight agency to place more. Argentina requires that all investments and cash equivalents held by locally-registered insurance companies be located in Argentina.

Telecommunications Services

In 2020, Argentina froze prices for a number of information and communication technology (ICT) services, including fixed and mobile telephone services, Internet access services, and pay television services. On August 21, 2020, Argentina amended the Information and Communications Technologies Law to classify these services as “essential and strategic public services” and therefore subject to additional regulation by the National Communications Agency (ENACOM), including rate regulation. ENACOM raised the regulated rate limit for these ICT services several times during 2022, but the rates established by ENACOM are still well below inflation, undermining competition and discouraging additional investment in this sector in Argentina.

INVESTMENT BARRIERS

Foreign Exchange and Capital Controls

Traders doing business in Argentina are subject to a series of decrees and norms regulating access to foreign exchange markets in order to mitigate its persistent macroeconomic challenges, including government debt obligations and high inflation. These restrictions make it difficult for U.S. exporters and investors to realize payments for their sales.