



Argentina: Process Obstacles to Exporting

Updated: March 20, 2014

Argentina remains a key market for U.S. exports to Latin America. However, recent controls have made exporting goods from any country to Argentina more difficult as the Argentine Government has implemented more processes that Argentine importers must complete in order to import goods into the country. This report summarizes several Argentine government regulations that U.S. companies should be aware of as they access the Argentine market.

It is important for would-be exporters to confirm prior to shipping goods to Argentina that their Argentine customer has:

- Received the necessary permission to import.
- Received an approval to access the foreign exchange market through applications on the Argentine Tax and Customs Authority website *if required*.

There is no formal response time on these processes. Approvals are completely discretionary and no written rules, definitions, or guidelines exist as to how approvals are granted and in what time frame. All potential exporters to Argentina are urged to contact the U.S. Commercial Service in Buenos Aires before shipping any goods as conditions and restrictions can change suddenly. Please see the contact information at the end of this report.

Application for Permission to Import and Buy Dollars

Goods:

Since February 1, 2012, Argentina has required all importers to request and receive approval from the Argentine Tax and Customs Authority (AFIP) prior to importing products from abroad. This sworn affidavit of intention to import (referred to as the DJAI) is required for each import transaction and is reviewed by AFIP. In practice AFIP does not make the decision, which is in fact made by the Secretariat of internal commerce. Processing time is officially 15 days, but many requests are put on hold for indefinite periods of review. An Argentine firm or individual who wishes to import must utilize the services of an Argentine customs broker to file the DJAI through the online customs system known as MARIA if they do not possess a customs brokerage license to handle their own imports. The requested merchandise must arrive in Argentina within 180 days of the DJAI being marked "Salida" by AFIP to signify approval to import. Follow this link for additional information on the DJAI process:

http://www.buyusainfo.net/docs/x_9655141.pdf

Services:

In addition to DJAI, the AFIP put the Advance Affidavit of Services (DJAS) into effect on the 1st of April 2012. This new requirement applies to services like royalties for the license of trademarks, patents, technical assistance, software, foreign films, videos and music rights, among other similar services. The DJAS is only necessary for services imported with undetermined value and/or higher than \$100,000 USD or exceeding \$10,000 USD per month. The information required is: the type of service imported, the amount charged, the bank accounts where the funds will be transferred, and the tax applied. Each DJAS will be given an identification number assigned by the AFIP website which will be necessary to gain access to the foreign exchange market to make the payment.

Buying Dollars:

The Argentine Government has two requirements in order to receive remittances of capital and payments to service providers overseas by foreign companies as well as access to foreign exchange to pay for imports.

- Following the implementation on February 1, 2012, of the requirement to file a DJAI prior to importing goods, it became necessary for importing firms to present an approved DJAI to AFIP prior to gaining permission to purchase foreign exchange to pay for an import.
- In October of 2011, the AFIP implemented a regulation requiring that importers make a request to purchase U.S. dollars/foreign exchange with Argentine Pesos.

The two processes were in fact done simultaneously such that the DJAI approval triggered emission of the approval to buy dollars. However, in recent months the import approvals and approvals to buy foreign exchange have apparently been decoupled for many firms, whether through “voluntary” agreements or de facto delays. This has meant an increase in payment intervals for many exporters to Argentina, effectively extending supplier credit to importers. The AFIP evaluates each request based on the individual's or company's revenue stream, the amount of foreign exchange requested, and stated purpose to which the foreign exchange will be put. This evaluation process has become more stringent recently with more companies reporting that they are unable to receive the necessary permission from AFIP. These reviews are ultimately subject to the availability of foreign exchange and reserve levels. However, CS Argentina is not aware of any case in which a company had a DJAI approved and subsequently had a request for foreign currency denied. No currency has been denied following a legal export to Argentina despite the current delays.

On October 27, 2011, the Argentine insurance regulator issued Resolution 36.162 requiring “all investments and cash equivalents held by locally registered insurance companies be located in Argentina.” This includes US Dollar denominated government securities held out of the country. Hard currency earnings on exports, both from goods and services, must be converted to pesos in the local foreign exchange market. In November 2011, the Argentine Government eliminated the exceptions previously granted to hydrocarbon and mining exports. These firms must now exchange their revenues to pesos on the local foreign exchange market. Revenues from re-exports of some temporary imports and exports to Argentine foreign trade zones are still exempted from this requirement. Difficulties with dollar purchases in Argentina appear to be a growing trend as the government focuses on getting the populace to “think in pesos.” For more information on currency controls see the Investment Climate Statement of the annual Country Commercial Guide for Argentina:

<http://export.gov/argentina/doingbusinessinargentina/argentinacountrycommercialguide/investmentclimate/index.asp>

For Payments Abroad:

The Affidavit Regime for Payments Remitted Abroad (DAPE) was made effective on February 1st 2013. The DAPE applies to: debts for the purchase of goods not imported into the country and sold to third countries, interests, dividends and profits, and imports through courier or certain simplified mechanism. The information needed is: date, amount involved, kind of agreement, type of goods, parties involved, as well as PDF files of invoices, agreements and more.

Miscellaneous and Evolving Customs Requirements

At the time of import, certain products (books, electronics, and toys, for example) will require additional inspections or testing. These requirements change frequently so the exporter is advised to factor possible delays into the shipping time and sales price. For an update on current measures in place, contact the U.S. Commercial Service at the contact info below. In addition, on March 30, 2012, AFIP Resolution 3304 which introduces new requirements for the verification, valorization, and inspection of imported goods came into effect. As many of the procedures that will be used to implement this expansive new regime of import inspection are not yet clear, the U.S. Commercial Service in Buenos

Aires will post a separate document on its website under Exporting to Argentina documenting the implementation of Resolution 3304 as soon as implementing details for the resolution are sufficiently clear. The direct URL is:

<http://export.gov/argentina/doingbusinessinargentina/exportingtoargentina/index.asp>

Informal Obstacles to Exporting

A further concern, largely reported by Embassy contacts, Argentine press and cited in a joint statement from the *WTO Council for Trade in Goods* is an unwritten requirement that importers balance their imports with an equal amount of exports. This policy is aimed at increasing the Argentine trade surplus and balancing the flow of foreign currency from Argentine banks. The U.S., EU, and Japan have all filed complaints with the WTO alleging that DJAs and the lack of transparency in their application constitute violations of WTO agreements. The requirements have changed over time. The latest information is that companies are no longer being demanded to balance imports and exports but to reduce any negative balance over time. There is also increased emphasis on investing in local production. In addition, there are reports that distributors and importers are being disfavored in the import approval process and have little access to decision makers to make their case and obtain the import approvals.

For More Information:

Please contact the U.S. Commercial Service in Argentina: email Office.BuenosAires@trade.gov or each Industry Sector Specialist at <http://export.gov/argentina/contactus/index.asp> telephone +54-11-5777-4346 or 4367 and/or Ashley Rosen in Market Access and Compliance in Washington, DC: email: Ashley.rosen@trade.gov, telephone: +1-202-482-6311.

Report a Concern

To report a Trade Barrier with the U.S. Trade representative follow the link below and complete the online form. http://tcc.export.gov/Report_a_Barrier/index.asp

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Comments and Suggestions: We welcome your comments and suggestions regarding this market research. You can e-mail us your comments/suggestions to: Customer.care@trade.gov. Please include the name of the applicable market research in your e-mail. We greatly appreciate your feedback.

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