

Issues and Requests Relating to Foreign Trade and Investment - Argentina

| | Category | No | Issue | Issue Details | Requests | References |
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| 3 | Export Requirements | (1) | Administrative Guidance on Export Amount Equaling Import Amount | <p>- GOA informally directs importers to export goods abroad, lest the import business negatively affects the Argentine trade balance.</p> <p>- Due to import restrictions, and inability to obtain import licence shipment to Argentina has been suspended. Member firm has obtained information to the effect that export to Argentina is only possible when equal amount of import takes place from Argentina.</p> <p>- Minister of Ministry of Industry, Foreign Trade and Services (MIFTS) demands investment into Argentina and export quota matching the import projection in foreign exchange in 2015. Member firm's subsidiary (MFS) contemplates meeting the GOA requirement by exporting to Argentina raw materials (e.g. aluminium) to its Japanese headquarters.</p> <p>(Actions)</p> <p>- On 6 December 2012, Japan, the U.S., and EU requested establishment of the WTO Panel regarding the import restrictions by Argentina.</p> <p>- On 28 January 2013, WTO Panel was established.</p> <p>- On 22 August 2014, WTO published its panel report, holding that the import restriction measures by Argentina are inconsistent with the GATT Article XI-1.</p> <p>- On 15 January 2015, WTO appellate body by its report in support of panel report, recommended GOA to take corrective measures.</p> <p>(Improvement)</p> <p>- On 2 July 2015, the parties agreed for Argentina to correct its export/import balancing requirement by 26 October 2015.</p> | <p>- Creating export business is a difficult task for an importer. It is requested that Government of Argentina (GOA) totally repeals the export requirement upon importers. Should GOA desire to reduce the import amount, it would be more practical to express such requirement by (x)% against the preceding year.</p> <p>- It is requested that GOJ induces GOA toward deregulation of import.</p> | <p>- Inconsistency with the WTO Agreement</p> <p>- Declaracion Jurada Anticipada de Importacion - DJAI No. 3252 (http://www.jetro.go.jp/world/cs_america/ar/biznews/4fa08f6cdafe8)</p> <p>- Contact sheet to present export plan and/or investment plan to match import plan</p> |
| 9 | Restrictive Export/Import Trade, Duty, and Customs Clearance | (1) | High Import Duty | <p>- While many countries levy import duty on inkjet printers, high duty rates impede business operation especially in the following 2-countries:</p> <p>-- Brazil: Printer main unit: 16%, Printer consumables: 0%</p> <p>-- Argentina: SFP of less than 30 ppm: 16%, SFP of 30 ppm or more: 2%, MFP: 12%, Printer consumables: 0%</p> <p>- <u>Some electric products attract high duty rate of 35%.</u></p> | <p>- It is requested that GOA reduces the tariff rates.</p> | <p>- Decree No 25 of 22 January 2013- Ministry of Economy & Finance Decision No.11/2013 (24 January 2013)</p> |

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| | | | <p>(Actions)</p> <ul style="list-style-type: none"> - By Decree No 25 of 22 January 2013, GOA separately added 100 items as exclusion from the Mercosur External Tariff Rates, raising the tariff rate on almost all items to the Maximum Concession Rate at 35%. Though the increased rate is within the Concession Rate, it is actually very high import duty and the increase is abrupt. - <u>GOA temporarily reduced import duty rates on certain materials (under Mercosur Common Nomenclature (NCM) tariff code chapters 84, 85, 86, 87, 90 and 94).</u> <p>(Improvement)</p> <ul style="list-style-type: none"> - <u>On 11 November 2015, GOA extended (from 12 November 2015 to 31 December 2021) application of special most favourable import tariff (not Mercosur's External Common Tariff Rates (ECTR), but Argentina's ECTR 2% levy) on certain capital goods not domestically manufactured within the Mercosur member states.</u> | | |
| | (2) | DJAI (Advance Sworn Affidavit of Intent to Import) System | <ul style="list-style-type: none"> - Importers must file with AFIP (Argentine tax and customs authority) via <u>AFIP online system, import information by advance sworn affidavit of intent to import (DJAI).</u> While importers must observe a number of requirements, the requisite standards for the approval acquisition are not clear. The requisite documents include, without limitation, price list for control of price increase, impeccable certificate of tax payment, social security, conformance with the central bank, import plan, etc. - <u>GOA's restrictive foreign trade measures restrict free import/export business.</u> - Due to the DJAI introduced since February 2012, the loss of sales opportunities has arisen. The ambiguity of the Administrative Examination Standard causes delays in numerous cases. It makes more difficult for the importers to set up their sales plan. <p>(Actions)</p> <ul style="list-style-type: none"> - On 23 January 2012, Administracion Federal de Ingresos Publicos (AFIP) issued General Resolution no.3255/2012 on DJAI for imported goods. It entered into force on 1st February 2012. Ministries and Agencies accepting DJAI are expanded to include Administracion Federal de Ingresos Publicos (AFIP), Domestic Transaction Agency, National Drug/Food/Medical Technology Supervisory Agency (ANMAT), Agricultural/Animal Food Hygienic Quality Control Centre (SENASA). - On 22 February 2012, AFIP expanded the scope of application of DJAI for imported goods to include Service Providers and Purchasers (the Official Gazette General Resolution No. 3276/2012). Services subject to application of DJAI include Electronic and Information Service, Intellectual Property Right, Rental Contract Charge, Business Service, Cultural/Entertainment Service, Export Bond Payment, Technical Transfer Service, and Purchase of Non-Financial Assets, where contract amount is USD100,000 in total or more. - The Argentine trade deficit against Brazil during January through August 2012 was USD1.71 billion, down by 54% against the same period in the preceding year, as the import was restricted following the GOA's introduction of the Anticipated Sworn Declaration of Imports (DJAI). - On 6 December 2012, Japan, the U.S., and EU requested establishment of the WTO Panel regarding the import restrictions by Argentina. | <ul style="list-style-type: none"> - <u>While the necessity for the Import licence scheme is well appreciated, it is requested that GOA promulgates the rules that clearly identify the acquisition process, its timeline, and the requisite matters.</u> - <u>It is requested that GOA repeals the measures to restrict import business.</u> - It is requested that GOA takes step to either repeal DJAI as soon as possible or deregulate the restrictions. | <ul style="list-style-type: none"> - DJAI: General Resolution No. 3252/2012 - Resolucion General AFIP No. 3252/2012 - The Tax Bureau Decree No. 3252/2012, & Customs Act No.22,425, Article 91 and amended Article 91. - General Resolution No. 3255/2012 |

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| | | | <ul style="list-style-type: none"> - On 28 January 2013, WTO Panel was established. - On 11 December 2013, Domestic Commerce Agency initiated its new website aimed at improving the administration of information received daily, and expediting certain procedures, including DJAI issuance. - On 22 August 2014, WTO published its Panel Report, holding that the import restriction measures by Argentina are inconsistent with the WTO Agreement. - <u>On 15 January 2015, WTO released Appellate Body Reports (DS438/DS444/DS445), holding that the balancing requirement between Export/Import and the Prior Pre-Import Affidavit Scheme restricting import is incompatible with GATT XI Article 1. Appellate Body Reports accept in full the contentions by Japan, the U.S., and EU, supports the Panel Reports, and recommends GOA's rectification in pursuance of the WTO Agreement.</u> - <u>On 14 December 2015, Francisco Cabrera Industry Minister promulgated New Regulation (Resolution No. 2/2016), repealing, by 31 December 2015, DJAI in conformance with the WTO Appellate Body Decision.</u> - <u>On 8 January 2016, GOA gave Public Announcement in Diario de Federacion on Promulgation of New Regulation (Resolution No. 2/2016) concerning implementation of New Import Licence Scheme, replacing DJAI.</u> | | |
| | | (3) <u>Protection of Domestic Products by Import Licence Measures</u> | <ul style="list-style-type: none"> - <u>Difficulty in acquisition of import licence, etc., under GOA's import administrative policy, materially hinders expansion of transactions, or start of new business by member firms with Argentina business entities.</u> - <u>In addition, it is said frequent changes in its policy take place, while GOA consults with the amount of foreign exchange reserve.</u> | <ul style="list-style-type: none"> - <u>It is requested that GOA repeals the restrictions in their entirety.</u> | |
| | | | <p>(Actions)</p> <ul style="list-style-type: none"> - <u>Since the Lehman Brothers bankruptcy in autumn 2008, GOA introduced in full force, Non-Automatic Import Licence Scheme (NAILS) on about 600-items to maintain the current account surplus. In 2012, EU, Japan, and the U.S. filed complaint with WTO and in January 2013, GOA repealed NAILS (by Ministry of Economy & Finance Decision No.11/2013). In addition, reflecting the WTO Panel Decision of 22 December 2015, holding Non-Conformance with the WTO Agreement, GOA repealed DJAI scheme also.</u> - <u>On 23 December 2015, GOA, out of the blue, announced resurrection of NAILS. Further, on 8 January 2016, GOA widened the goods subject to NAILS, spreading in excess of approx. 1,400-items, including car parts, tyres, electric products, textile/clothing products, footwear, and agricultural machines. In addition, these import transactions must be made online, via integrated monitoring system for imports (Sistema Integral de Monitoreo de Importaciones= SIMI) newly introduced into the website of AFIP (=Administracion Federal de Ingresos Publicos=Federal Administration of Public Revenues).</u> | | |
| 10 Restrictive Measures for Operations in Free Trade Zones ("FTZs") and Special Economic Zones ("SEZs") | (1) | <u>Restricted Entry into Free Trade Zones</u> | <ul style="list-style-type: none"> - <u>Without Prior Sworn Affidavit (DJAI), arrived cargo at airport/seaport cannot be moved in FTZ in Argentina.</u> <p>(Actions)</p> <ul style="list-style-type: none"> - <u>Further to the Announcement on Repeal of Prior Sworn Affidavit (DJAI) by 31 December 2015, GOA on 8 January 2016, gave a public announcement in diario de federacion, the new regulation on import licence scheme (Resolution No. 2/2016), replacing DJAI.</u> | | |

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| 11 | Restriction on Profits Remittance Abroad | (1) | Restricted External Payment/Remittance in Foreign Currency | <ul style="list-style-type: none"> - Due to foreign currency shortage, external remittance of dividends has been continually suspended effectively from the invested business enterprises (while not prohibited by law, request for remittance filed gets rejected without explanatory reasons.) consequently, on a principle of equality of shareholders, distribution of dividend is not possible also to domestic firms in Argentina (MFS). - Foreign exchange for the purposes of external remittance of dividend to home country overseas or royalty payment by related companies/subsidiaries is only possible by CBA's individual examination. This requirement serves as a great barrier in evaluating investment into Argentina. - Restriction on external remittance entails the following problems: <ul style="list-style-type: none"> -- Request to importers is necessary for deferring payment in U.S. dollars. -- While for external remittance of consideration for service (such as brand fees), advance service application system (DJAS) is available. However, even with an issued DJAS in hand, CBA refuses to grant external remittance. -- External Remittance requires vexatiously complex bureaucratic procedures. - While CBA prior approval scheme has been in force since January 2012 on external remittance to home countries by subsidiaries and related companies, due to the de facto control, it is in effect disallowed. | <ul style="list-style-type: none"> - It is requested that GOA takes steps to: <ul style="list-style-type: none"> -- resume as soon as possible its approval of external remittance of dividends. - It is requested that CBA repeals foreign exchange control as soon as possible. - GOM exercises its control by way of administrative guidance over the telephone, etc. on many issues, disrupting the stability of traders' business activities, regardless of how it impacts their activities. - It is requested that GOA deregulates restrictions on external remittance. - It is requested that GOA repeals the restrictions in all, inclusive of de facto control. | <ul style="list-style-type: none"> - Measures commensurate with the Central Bank of Argentina's (CBA's) Foreign Fund Reserve Status, in lieu of outright prohibition or restriction. |
| | | (2) | Mandatory Conversion of Foreign Currency Revenue into Local Currency | <ul style="list-style-type: none"> - Foreign Exchange Risk and Foreign Exchange Commission occur due to having to convert proceeds from exported products manufactured in Argentina into local currency and to convert again into foreign currency preserve the value of foreign currency. - Compulsion upon exporters for early collection of USD accounts receivables and conversion into Peso. <p>(Actions)</p> <ul style="list-style-type: none"> - Since February 2012, GOA has tightened its control on the outflow of foreign currency, taking measures such as the following: <ol style="list-style-type: none"> (1) Submission of DJAI number obtained under DJAI System is a mandatory requirement for purchase of foreign currency in payment for import transactions, moreover, requiring minimum 6-days prior approval of the Central Bank before such purchase, (Comunicacion "A" 5274). (2) Central Bank has prohibited from 3rd April 2012 withdrawal by use of ATM of foreign currency overseas from the domestic peso bank account (Comunicacion "A" 5294). (3) Central Bank's Advance Approval is required for payment of imported service in the amount exceeding USD 100,000 per annum (Comunicacion "A" 5295). | <ul style="list-style-type: none"> - It is requested that GOA repeals the restrictions stated in the left column. | |

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| | | | | <ul style="list-style-type: none"> - The Argentine trade deficit against Brazil during January through August 2012 was USD1.71 billion, down by 54% against the same period in the preceding year, as the import was restricted following the GOA's introduction of DJAI. - Central Bank requires conversion into peso in principle all foreign currency that flows domestically into Argentina. | | |
| 12 | Exchange Controls | (1) | Restricted Non-Deliverable Forward Transactions | <ul style="list-style-type: none"> - Argentine enterprises are permitted to deal in Non-Deliverable Forwards, etc. only with domestic banks in Argentina. <p>(Actions)</p> <ul style="list-style-type: none"> - Non-Deliverable Forward (NDF) is the only means available for hedging risk from foreign exchange, as Forward Foreign Exchange Market does not exist in Argentina. | It is requested that GOA deregulates foreign exchange control. | |
| | | (2) | Foreign Currency Purchase Scheme | <ul style="list-style-type: none"> - After acquisition of prior sworn affidavit (DJAI), due to CBA's restrictions on foreign currency purchase, MFS is unable to settle payment timely for import (or effect external payment). Restrictions on foreign currency purchase dictated by foreign exchange reserve are left to the CBA's sole discretion so that malady of vertically fragmented administration cannot be corrected. - No registration at CBA is necessary for the commercial bank to purchase USD so that ostensibly anyone may purchase foreign currency. However, both individual persons and legal persons are disallowed to purchase foreign currency, unless authorised for external settlement with I/V. For example, purchase of foreign currency to defray the cost of overseas trip is disallowed. - For foreign currency acquisition, it is necessary to obtain approval of the tax authority, additionally, with a limited cap per application. | It is requested that CBA repeals restrictions on the purchase of foreign currency. | http://www.bbc.com/news/business-25913170 |
| | | (3) | Radical Fluctuations in Foreign Exchange | <ul style="list-style-type: none"> - As it stands, member firm's subsidiary (MFS) benefits from exchange gain on a direct export transaction in yen. Nevertheless, negotiation for raise in price is difficult. In a transaction with its parent company, the prevailing Yen depreciation enables MFS to offer special prices to its customers. However, MFS runs on a thin margin, so that if the exchange rate swings toward appreciation of Yen, it will instantly show operational loss: such is the severity of the fluctuation band. <p>(Actions)</p> <ul style="list-style-type: none"> - On December 2015, GOA introduced deregulation policy in foreign exchange, including the raised cap (maximum USD 2 million per month) for free purchase amount of foreign exchange, abridgement of the deposit period in the domestic bank account (120-days), repeal of automatic approval licence application to CBA on payment for import transactions, etc. Deregulation in foreign exchange control such as these has narrowed the gap between the official rate and unofficial market rates. - Financial Minister Prat-Gay announced the policy in principle of letting the exchange rate to free flow in the market. | <ul style="list-style-type: none"> - It is requested that GOP takes step to: <ul style="list-style-type: none"> -- stabilise foreign exchange fluctuations, and -- holds the fluctuation band within a few percents in 6-months. | |

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| 13 | Finance | (1) | Difficulty of Finance Procurement from the International Finance Market | <p>- GOA's prolonged public debt from Paris club resolved in May 2014 has been brought back to square one into "default" position, due to GOA's loss in the litigation with its holdout creditors. With this turn of event, financial institutions are least interested in extending loan to Argentina, making it difficult for member firm to handle infrastructure projects needing financing.</p> <p>(Actions)</p> <p>- While GOA completed repayment of its debt of US\$9.63 billion with IMF on January 2006, and insists on its self-economic recovery without the IMF aid, negotiation has come to a standstill on the debt restructuring with The Paris Club.</p> <p>- On 2 September 2008, the President signed the Decree directing the Minister of Economy and Production to execute the complete repayment of the public debt with The Paris Club in the amount of US\$6.7 billion.</p> <p>- On 22 June 2010, Minister of Economy announced that GOA received application for exchange of the residual private debt against the bond that was defaulted in 2001 in the amount of about USD12.067 billion, or 66% of the total amount in concern. Thus, about 92.4% of the defaulted bond in 2001 has participated in this exchange, including the bond exchanged in 2005.</p> | - It is requested that GOA expedites its agreement with the holdout creditors. | |
| | | (2) | Compulsory Deposit Scheme for Borrowing from Non-Residents | <p>- Borrowing from Non-Resident is subjected to Compulsory Deposit System (CDS) so that the Borrower is compelled to deposit 30% of the borrowed amount with no interest with BCRA.</p> <p>=> CDS does not apply to the borrowing from overseas for operating fund. Its repayment is possible only after 365 days from the borrowing date. However, it is unclear if such purchase of foreign currency is executable as operating fund. Due to the absence of merit in borrowing foreign currency with the Argentine currency, which is under strong pressure for devaluation, most enterprises in fact domestically borrow in peso.</p> | - It is requested that GOA repeals the compulsory deposit requirement on loan from non-resident. | |
| | | (3) | Distorted Domestic Financial Market due to Unreliable Distorted Economic Indicator | <p>- While according to economic indicator released by INDEC (Instituto Nacional de Estadística y Censos, the Argentine Government Agency responsible for the Statistics and Census of Argentina) the inflation after January last year would be on the way to improvement, it remains below the actual inflation rate. Official interest rate, reflecting the INDEC released inflation rates, includes high inflation rates so that in the domestic financial market, no one is willing to take on mid-long term funding. The local fund procurement, consequently, gets restricted only to external foreign currency. While GOA offers programme for mid-long-funding, it is complex, small-scaled, and without ability to filling the needs for foreign currency. Its user friendliness is obscure.</p> | - It is requested that GOA overhauls the domestic long-term financing market. | |

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| 14 | Taxation Systems | (1) | <u>Unexecuted Tax Treaty (for Avoidance of Double Taxation)</u> | - Income tax of 35% is payable, due to the unexecuted tax treaty (for avoidance of double taxation) between Japan and Argentina. | | - http://unctad.org/Sections/dite_pccb/docs/dtt_Argentina.PDF |
| | | (2) | Frequently Amended and Nebulous Taxation System | - Enterprises in Argentina are unable to operate their business with a long-term perspective as GOA keeps changing taxation system frequently, for example, the export surtax rates on agricultural products, or introducing export tax on minerals. Its policy is affected occasionally by the National government finance situation. (Actions) - In December 2007, Federal Agency of Mining decided to apply the Mining Products Export Tax of 5% to 10% to mines opening their operation in 2002 or earlier. Plural mining enterprises have instituted legal proceedings alleging the illegality of this decision. - In January 2012, in order to suppress import of luxury cars, GOA has reduced the minimum taxable amount for motor vehicles and motorbikes (from 212,500 pesos or more to 150,000 pesos or more for motor vehicles, and from 25,000 pesos or more to 22,000 pesos or more for motorbikes), in effect, collecting heavier taxes. - In April 2012, President Fernandez announced that the bill that enables GOA to acquire 51% of the shares in YPF, a subsidiary of a Spanish oil enterprise would be submitted to the Congress. - In January, Administracion Federal de Ingresos Publicos (AFIP) enacted additional rules concerning electronic transactions, compelling the Notification Requirements upon the Argentine residents, purchasing products from foreign suppliers by Postal Service or Private Services. - In January 2014, GOA raised Excise Tax on certain Automotive Vehicles, Motorcycles, Ships, Aircrafts, and Helicopters. | - It is requested that GOA ensures transparency in introducing new taxation system, or changing the taxation system or tax rates by ensuring opportunities for private enterprises to receive in advance sufficient and adequate explanation, - It is requested that GOA studies the portfolio for the source of tax revenue, such as new introduction of tax incentive measures for enterprises with clean record of income tax payments, and new establishment of personal inheritance tax. | |
| | | (3) | Abrupt High Luxury Tax Levy | - GOA has abruptly adopted the high rate luxury tax starting January 2014. The Luxury Tax of 50% applies to 2-Wheeled Vehicles which local wholesale price is more than 22,001 pesos Local Wholesale Price (compared to the previous 10%). - Starting January 2014, the extremely high Luxury Tax has abruptly been applied to 4-Wheel Vehicles. It directly affects the sales of 4-Wheel Vehicles in high price ranges. | - It is requested that GOA review the Luxury Tax. - It is requested that GOA repeals the Luxury Tax, or reviews the tax rate | - Boletin Oficial (Official Gazette) of 30 December 2013, Law No.26,929, Applicable to all vehicles on which invoice is issued to wholesalers after this date. |

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| | | | | (Improvement) - On 6 January 2016, President Mauricio Macri promulgated Decree No. 11/2016 in Federal Register, reducing commodity tax rates on some of the domestically manufactured / imported certain cars, motorcycles, steamships, air crafts, and helicopters (applicable during 1 January 2016-30 June 2016). Commodity tax rate on motorcycles less than ARS 6,500 pretax purchase price is tax free, while 10% applies to those in excess of ARS 6,500. | | |
| | | (4) | Unrefunded VAT on Service Export | While VAT levied is refundable on the domestically procured goods and services in providing service export, in fact, the VAT refund scheme does not function so that on the profit and loss statement, the cost increases to the extent of the unrefunded VAT, which heavily burdens the cash flow. | It is requested that GOA normalises the VAT refund scheme. | |
| 15 | Price Controls | (1) | Existence of Price Control | - GOA exercises price control on energy bill (electric power and gas), so that enterprises including Foreign Funded Enterprises (FFE) in energy sector are unable to secure the ROI proportionate to their investments. The prevailing circumstances discourage investment into the Energy Sectors such as oil and natural gas, etc. - GOA exercises price control in order to hold down inflation. | In light of the prevailing serious energy crunch in Argentina, it is requested that GOA overhauls its legislation to encourage investment into the energy sector (inclusive of the overhaul of investment environment such as the energy price increase). | |
| | | (2) | Prior Approval required on Price Changes | - GOA implements price control (monitoring) programme that prohibits each manufacturer from price changes without prior approval of Minister of Interior, Commerce, and Industry. | | http://www.wsj.com/articles/SB10001424052702304819004579487993108796228 |
| 16 | Employment | (1) | Labour Legislation Overly Protecting Workers | Compared to other countries, overly protected workers heavily burden business operation. Apart from the exorbitant cost incurred upon dismissals, annual paid-leave exceeds one month, in total of regular paid leave and sickness leave separately approved under the labour act. | It is requested that GOA reviews the Labour legislation. | |
| 17 | Implementation of Intellectual Property Rights ("IPRs") | (1) | Inflow of Counterfeits | - Inflow of counterfeits into the Argentine market largely damages our sales situation. Moreover, quality problems of counterfeits can impair MFS reputation in the market, apart from damage on sales. Distributors handling certificates can be tied to crime organisations such as mafia and narcotic dealers. Taking an outright charge is difficult, in consideration of accompanying risks. (Actions) - Since 2005 in each year, GOA has participated in "Operation Jupiter" under collaboration of Interpol and WCO, in association with police/customs/private enterprises of each country in South America to clamp down on counterfeits/pirating of copyrighted works. | It is requested that GOA tightens her border control at Customs Service to clamp down upon counterfeits, and develops campaign to dispel the counterfeits. | |

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| 19 | Industrial Standards, Approval of Safety Standards | (1) | Establishment of Standard Numbers on Import Products, etc. | - <u>GOA specifies many Standards for electrical safety, etc., that imported goods must satisfy.</u> | | |
| | | (2) | Acquisition of Standard Nos. by Importer | - Product standard is required for each importer even when the product is identical. (Actions) - <u>In October 2015, GOA promulgated the amended electric appliance regulation, tightening control by addition of (1) CB's (certification board) acceptance of test report, (2) restriction of applicant to importers (domestic), and (3) mandatory "Danger Caution Marking" requirement upon use of any power source adapters, other than the designated power source, etc. (enforced in December, 2015).</u> | | |
| 20 | Monopoly | (1) | Monopoly | - <u>Law exists on protection from monopolistic activity.</u> | | |
| 21 | Restrictions on Land Ownership | (1) | Restricted Land Ownership | - <u>GOA disallows landownership by Foreign Funded Enterprises (FFE) of 20% or more of the total national area.</u> | | |
| 23 | Inefficient Administrative Procedures, Regimes and Practices | (1) | <u>Broad Range of Discretionary Administration</u> | - <u>Layer after layer of administration's inclination toward symptomatic measures of changes/additions/administrative orders, etc. have made the legislation even more complex. To crown it all, the currency administration's inclination toward 'discretionary administration' has added further complexity to the legislative scheme. It has become difficult to determine if the governmental approval is necessary, when licences and approvals can be obtained, if at all they are obtainable, etc.</u> | - <u>It is requested that GOA streamlines the legislative scheme and acquisition procedures.</u> | |
| 24 | Indigested Legislation, Abrupt Changes | (1) | Abrupt Legislative Enactment or Amendment without Prior Explanation | - GOA promulgates or changes Laws and Regulations without advance explanation to the public or advance market verification, which disrupts the enterprises plan for distribution of dividends. - <u>Amendments of Laws and Regulations are frequent and some of them are being implemented unofficially.</u> | - It is requested that GOA administers with a mid-long-term projection. | |
| | | (2) | Low Level of Information Disclosure | - GOA's failure to enforce appropriate information disclosure detracts much from the Argentina's reputation and/or credibility in the international market in terms of the macro economy, while in micro terms, much time is wasted in completing each clerical work. | - It is requested that GOA: -- makes an adequate disclosure of information, and -- ensures that the directives and orders are issued to subordinate organisations thoroughly to reach the very end of the organisational hierarchy. | |