



New foreign trade measures included in the 2019 public budget law



The 2019 Public Budget Law N° 27,467, published on 12.04.2018 in the Official Gazette introduced, among others, the following modifications, with regards to customs issues:

- Services rendered in Argentina and effectively used or exploited abroad, are assimilated to "goods" for customs purposes and its providers or lessors, considered exporters. We assume that this modification pursues these services to be levied with export duties.
- The amount stated in the invoice or similar document shall be deemed taxable value for purposes of the calculation of export duties applicable to such services.
- A maximum cap applicable until 12.31.2020 for export duties tax rate that the Executive Branch can state: 30% on the export value or official FOB value, or 12% in case of goods that on 09.02.2018 were not levied with export duties or were levied at the 0% tax rate.
- Public corporations ruled by Laws No 13,653 and 20,705 the corporate object of which is science, technology and innovation development, are exempted from exports duties.
- It is stated that Decrees No. 1126/2017, 486/2018 (related to import duties and export reimbursements) and 793/2018 (that established an special 12% export duty on the export value of the official FOB with caps of AR\$ 4 or AR\$ 3 for each USD 1 exported), as well as every amendment thereto or legislation set forth in use of delegated powers shall remain void and in force. In our opinion, such retroactive validation would be unconstitutional until the date on which Law No. 27,467 was published and would enable the promotion of reimbursement actions in order to collect the amounts paid as duties set forth in such Decrees until such day.
- Under certain circumstances, the import for consumption of certain goods -either new or used- acquired by the State or certain corporations listed in Law No. 27,467 and destined to investment projects for the improvement of rail transportation and shipped no later than 12.31.2019 will be exempted from import duties and VAT, and excepted from import prohibitions and prior certifications.
- The import for consumption of certain new goods not locally produced made by Empresa Argentina de Navegación Aérea S.E. and Intercargo S.A.C. is exempted, until 12.31.2019, from the payment of import duties, VAT, port services fees, airports fees, statistics and verification fees. The greater value import value that goods temporary exported by such companies is also exempted from such duties and fees until 12.31.2019.
- Until 12.31.2019 import for consumption made by the State or the National Port Administration of certain new port material that cannot be locally provided, and are destined to investment projects for the strengthening and improvement of the port system of passengers and charges is exempted from import duties and VAT.
- Under certain conditions, the import for consumption and the local sale of diesel and diesel oil made during 2019 is exempted from tax on liquid fuels and tax on carbon dioxide.