



**OECD Accession Process:
Business Priorities for OECD Review**

ARGENTINA

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About *Business at OECD* (BIAC)

Established in 1962, *Business at OECD* (BIAC) is the officially recognized institutional business stakeholder at the OECD. We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through *Business at OECD*, national business and employers' federations representing over 10 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations

EXECUTIVE SUMMARY

Business at OECD (BIAC) considers Argentina's OECD accession process as a critical opportunity to improve the business environment by fostering comprehensive country reforms to align with OECD standards, principles and best practices. This document outlines business priorities and includes initial recommendations from OECD business for review during the country's accession process:

- **Economic Openness, Capital Controls, and Structural Reforms:** Following years of record inflation and extremely high public deficits, Argentina is making strides in correcting macroeconomic imbalances to achieve greater stability in variables such as inflation, interest and exchange rates. The government has begun to lift significant capital controls and foreign exchange restrictions that were previously imposed, which will be key for an open and transparent foreign direct (FDI) investment regime in line with OECD standards. Developing a competitive international presence also requires increasing productivity, with progress on labor market flexibility and regulatory simplifications. As the Argentinian government has started to move forward with critical reforms, it is important that such efforts are effective and can be sustained over time.
- **Tax System Modernization and Fiscal Transparency:** A comprehensive reduction in the overall tax burden, including with regards to corporate income tax, and exports withholdings is crucial for stimulating economic growth. At the same time, high levels of informality in the economy must be tackled and provide an opportunity to expand the tax base. A thorough simplification of the tax system is needed to reduce the number of existing taxes and streamline payment regimes. The reform and promotion of new double taxation treaties provides an opportunity to favor investments and improve business confidence. Establishing a solid framework for fiscal stability will mitigate business uncertainty in the long-run.
- **Trade and Investment:** Argentina should align its tariff and tax policies with OECD standards and eliminate exceedingly high import tariffs in selected sectors. Argentina's continuous support for the WTO Moratorium on Application of Customs Duties on Electronic Transmissions must be safeguarded. In alignment with WTO national treatment obligations, cost-containment measures on pharmaceutical products should be reviewed. Procurement regulations should be reformed to remove barriers for foreign suppliers, and the country should be encouraged to become a signatory to the WTO Plurilateral Agreement on Government Procurement. Argentina should further support WTO initiatives to improve trade facilitation, ratify the Istanbul Convention, and implement the ATA Carnet System. Argentina's Express Courier restrictions create market access barriers for OECD exporters, while the customs practice of detaining shipments in "channels" can cause unjustifiable delays. Law No. 19.550 currently limits the ability of foreign companies to participate in local enterprises or engage in ongoing commercial activities, and a modernization of this law should remove longstanding obstacles to foreign investment. Argentina should also improve the transparency and openness of its trade and investment policy decision-making.
- **Public Governance and Bureaucratic Hurdles:** Argentina should strengthen its public governance by improving regulatory transparency, ensuring institutional integrity, reinforcing judicial independence, and modernizing legal frameworks to enhance investor confidence. Key reforms include adopting the Ficha Limpia law, updating the Penal Code, and reinforcing anti-corruption and financial crime measures. The Central Bank of Argentina's dual role as both regulator and market competitor in real-time payments creates a conflict of interest, requiring separation of oversight from commercial activity to ensure competitive neutrality in line with OECD standards. The adoption of a cloud procurement

vehicle and a cloud first policy provide opportunities to improve Argentina's public procurement systems.

- **Inclusive Growth:** To address the evolving challenges of Argentina's labor market and rising poverty, it is essential to promote labor regulations that are modern, flexible, and responsive to dynamic economic conditions while upholding the rights and responsibilities of all social actors. Encouraging structured dialogue with private sector stakeholders can enhance the design and implementation of effective labor and social security policies by leveraging their expertise in both individual and collective labor relations. In parallel, expanding professional training schemes tailored to current economic realities – and aligned with international labor standards – can help foster a more productive and competitive workforce.
- **Innovation and Digital Economy:** Argentina should advance effective policies, legal frameworks, and regulations to support digital transformation, ensuring access, investment in development and responsible use of digital technologies, particularly reliable AI systems. Strengthening data utilization is essential for addressing economic and social challenges, while comprehensive personal data protection and cooperation on privacy enforcement will safeguard information integrity. In the telecommunications sector, Argentina should streamline regulations, reduce excessive spectrum fees and device taxation, and eliminate bureaucratic delays. Further, Argentina should implement supply- and demand-side innovation policies that incentivize private sector investment in R&D and innovation. Argentina should strengthen its data protection regulation by updating its Law No. 25.326/00. It is also essential to reform the Criminal Code to incorporate offenses arising from digitalization, as well as to develop specific legislation on artificial intelligence focused on establishing regulatory frameworks that balance technological innovation with the protection of fundamental human rights.
- **Intellectual Property:** To improve Argentina's patent system and stimulate innovation, steps should be taken to revise the Patentability Examination Guidelines to promote non-discriminatory treatment across technological fields and ensure compliance with TRIPS commitments. Domestic innovation should be further encouraged by issuing regulations on test data protection and introducing financial incentives, such as tax breaks and grants, to motivate companies to invest in research and development, particularly in biotechnology and pharmaceuticals. Enhancing ties with global patent systems and fully utilizing the Patent Cooperation Treaty can strengthen the Argentinian innovation ecosystem, boosting competitiveness and global integration.
- **Environment, Energy and Climate Change:** Argentina should strengthen climate policies, aligning them with the Paris Agreement, while fostering public-private collaboration for long-term sustainability. Key reforms include expanding decarbonization efforts, implementing incentives for green hydrogen and carbon capture, and reinforcing environmental regulations that enable green growth. Additionally, Argentina should establish clear standards for circularity, incentivizing recycled materials and waste management improvements, alongside OECD-aligned chemical management regulations to ensure risk-based policies that support economic growth.
- **Quality Infrastructure:** Argentina should promote structured public-private dialogue to drive high-quality infrastructure investment, focusing on rail modernization, waterway expansion, and strategic transport routes to boost trade. Strengthening air connectivity through an open skies policy and incentives for new airlines will support international mobility. Additionally, modernizing highways with private-backed public works policies and advancing regional integration projects like the Bioceanic Corridor will enhance economic competitiveness and market access.

INTRODUCTION

The desire for a better future and wellbeing through economic prosperity and competitiveness unites people across the world. To broaden the reach of established standards, principles and good practices for the governance of markets, the enlargement of the *Organisation for Economic Co-operation and Development* (OECD) provides an essential opportunity.

Argentina became an OECD accession candidate in 2022 and a roadmap for the country's OECD process going forward was formally adopted in March 2024. This implies a transformative, in-depth, multi-year opportunity for Argentina to enhance its international standing and raise the bar for economic and social governance. For the business community operating in and with Argentina, the accession process should result in an enabling environment and yield tangible benefits, including

- stronger economic growth;
- more trade and foreign investment;
- closer regulatory alignment and harmonization;
- transparent and better performing governments;
- regulatory harmonization and reduced tax burden
- higher financial stability and lower borrowing costs; and
- a more active, educated and healthy workforce.

To this end, the trusted, long-term alignment with OECD standards and principles must take priority over political considerations. To ensure the ability, capacity, willingness and responsibility of Argentina to fully implement all OECD standards and principles, a thorough OECD assessment of the current economic and legal environment is indispensable.

As the OECD's institutional private sector stakeholder, *Business at OECD* (BIAC) stands ready to support this effort as the informed, trusted, and collaborative focal point for business during Argentina's OECD accession process. This document provides an initial non-exhaustive compilation of business priorities for reform, drawing on the on-the-ground insights of our regionally and sectorally diverse private sector constituency.

In the context of the country's accession process, we encourage the OECD and the Argentinian government to review the below mentioned issues in greater detail and resolve any related business concerns. While these issues are structured below under nine main headings, we underline the cross-cutting nature and potential relevance to various policy communities of these priorities.

Finally, we wish to highlight in a positive way that the Argentine government has been carrying out important structural reforms despite the political limitations implied by the fact of not having a legislative majority.

BUSINESS PRIORITIES FOR COUNTRY REFORM

1. Economic Openness, Capital Controls and Structural Reforms

1.1. Structural Reforms

To achieve structural reform that drives economic growth, Argentina should develop a competitive international presence by increasing productivity. This involves addressing several key areas, including balancing public accounts to foster healthier macroeconomic dynamics and enabling the release of resources and financing for the private sector, which is the engine of innovation and growth.

Eliminating macroeconomic imbalances should be Argentina's main priority after many years of record inflation and extremely high public deficits. Greater stability in key macroeconomic variables—such as exchange rates, inflation, and interest rates—is essential. Measures aimed at cutting public spending, a fixed monetary base, and deregulation with a view to liberalizing the economy seem to be yielding positive results, but the policies need to be sustained over time.

Likewise, economic openness and trade agreements should be pursued within the framework of a sustainable economic, social, and political process, accompanied by a structural economic transformation that allows the country to offer its production competitively compared to other nations. This structural transformation entails greater efficiency in infrastructure, lowering tax distortions, incentivizing innovation, and improving productivity—all of which are crucial for growth, external competitiveness, and bridging gaps between countries.

Progress in the development of a legal and institutional context that provides legal certainty and predictability is essential for attracting high-impact investment to the country. The Argentine government's priority should continue to be measures to achieve stability in its macroeconomic variables and to strengthen the country's institutional framework and legal security, since without these elements and without guarantees, attracting impact investment is almost impossible. The current government has announced its intention to move forward with reforms that point in this direction of greater macroeconomic stability with a focus on deregulation of the economy, but it is important that policies are put forward with a vision not only for the short term but also for the medium and long term, and that they can be sustained over time.

Another of the priorities that should be considered with a view to modernizing the economy and developing the productive fabric is to make progress on labor reforms that make a very rigid labor market more flexible and simplify labor regulations. The government has announced its interest in moving in this direction, but no concrete proposals for measures have been put forward. The mention of labor market rigidities is key, but it would be valuable to include examples of OECD good practices in this area that could inspire Argentine reforms.

On the other hand, the tax structure and the tax burden on 'formal' companies is remarkably high in a country where levels of informality in the economy are very high and where poverty rates remain high. An increase in tax revenue should be achieved by incorporating into the system more companies that currently do not contribute and not by putting more pressure on those that already do. A proposal to reduce the tax burden through incentives for business formalization could be welcome. Against this backdrop, it is essential to adopt measures to encourage the creation of formal, quality employment.

Continuous and high-quality training to enhance human talent and foster labor inclusion is also critical to strengthening social cohesion.

The Argentine government recognizes that one of its challenges is to increase its foreign currency reserves. Therefore, in addition to promoting investment in Argentina from foreign companies, it believes it would be meaningful to repatriate the overseas assets of its citizens. Policies to further accelerate the repatriation of foreign currency assets held overseas by Argentine residents should be introduced.

At the same time, introducing a system that allows the parties in contracts between the national government or local governments and private companies to set limits on damages will lower the barriers to entry for foreign companies into the Argentine market, making it more advantageous for Argentines to procure goods and technology from overseas.

1.2. Central Bank Independence

The Law that created the Central Bank of Argentina establishes its autonomy, so that it operates independently from the Executive Branch. This means that “in theory” the Central Bank should make decisions based on technical and not political criteria. However, historically, the Central Bank has acted under the direct instructions of the Executive Branch defining monetary policy, FX controls, and intervening in the economy. While we welcome the significant improvements that have been achieved in this regard since the new government took office, we believe that further transformations are needed to achieve a more independent Central Bank. Under OECD rules, Argentina should take steps to “really ensure” the independence of the Central Bank from politicians.

1.3. Capital Controls

Argentina has experienced difficulties in recent years in relation to issues such as import payments, access to the foreign exchange market, and international payments. These factors have negatively affected the attraction of foreign investment and the development of productive new operations. Capital control measures have been implemented to try to increase the supply of dollars in the local market—forcing the sale of dollar revenues from exports or capital flows—and to reduce demand by controlling financial outflows, whether in exchange for current transactions or investment transactions (debts or dividends). The objective has been to mitigate the loss of reserves and alleviate pressure on the dollar exchange rate.

Argentina has imposed significant foreign exchange restrictions that result in limitations on the acquisition of foreign currency, not only for hoarding but also for making payments abroad for the import of goods and/or services, payments of royalties or dividends, or any other reason. Exchange controls and capital controls—such as preventing the repatriation of profits and dividends or the “pesification” of currency flows—represent a serious obstacle to trade and investment. These measures have led to a paralysis of payments for goods and services abroad. As for the restrictions on repatriating dividends, the dividend debt is estimated to be between USD 5 billion and USD 7 billion, so the impact of the changes and flexibility introduced will depend on the costs that companies are willing to bear.

There is a parallel and informal market where the exchange rate is higher (currently approximately 20 percent). In early 2025, the government moved forward with a further liberalization of currency controls. Under the new exchange rate system, the dollar floats between ARS 1,000 and ARS 1,400, with a 1% monthly adjustment at both ends, signaling a shift toward a freer and more stable currency regime. Although the changes implemented by the government since taking office have been significant—changes we welcome—we believe that the government should continue to deepen these

transformations in relation to the reordering of the macroeconomic situation and the buildup of the Central Bank of the Argentine Republic's foreign currency reserves.

To strengthen foreign trade dynamics and attract new investors, Argentina should consider several strategic measures:

- Establish an open and transparent regime for foreign direct investment (FDI), lifting investment and capital movement restrictions, in line with general OECD practices;
- Liberalize long-term capital movements and the foreign exchange market, including equity investments and debt instruments with a maturity of one year or more, including commercial credit and other capital operations related to international trade
- Remove restrictions on payments or transfers in connection with international current account transactions, ensuring that candidate countries meet all requirements of IMF Article VIII;
- Continue alleviating the liquidation of non-resident-owned assets and the transfer of proceeds, in line with the newly liberalized foreign exchange regime;
- Ensure unrestricted payments and transfers for international current account transactions and cross-border trade in services—particularly in banking, insurance, and other financial services—while phasing out remaining administrative barriers and legacy controls affecting past earnings and certain capital operations;
- Alleviate restrictions on cross-border trade in services, particularly in banking, insurance, and other financial services. Encouraging competition and innovation within the service sector can significantly enhance economic growth;
- Abolish or limit legislation—except in cases of intentional or willful conduct by individuals seeking to breach local controls/regulations—such as the Criminal Exchange Proceedings Law (Ley Penal Cambiaria Nro. 19.359), which, in conjunction with FX Central Banking resolutions, imposes criminal liabilities on members or employees of corporations for acts outside their control (e.g., breaches by third parties). This law threatens corporations with criminal procedures in cases of non-compliance with FX restrictions and discourages doing business in Argentina.
- Remove additional roadblocks to the cross-border trade in goods by adopting and fully implementing the arms-length standard for intercompany sales of goods.

Furthermore, it would be useful to detail how gradual liberalization could foster market confidence without affecting international reserves.

By adopting these measures, Argentina can improve its foreign trade environment, attract new investments, and align itself with international economic standards. This approach will not only bolster economic growth but also enhance Argentina's competitiveness in the global market.

1.4. Repatriation Rules

Existing regulations limit the repatriation of investments, requiring in some cases prior authorization from the Central Bank, prior compliance with tax obligations or other conditions. Under OECD rules Argentina should abrogate – in progression – all formal legislation (mainly Central Bank regulations) that limits repatriation rules, but most important abrogate for the abolition of any sort of “de facto”

governmental practices establishing restrictions by Central Bank, Customs, Tax Authority and Secretary of Commerce, as it has happened historically in the past.

1.5. Market Pricing

Since 2001, Argentina has controlled prices on public services following economic crises. However, subsidies on natural gas and power began to hinder the national economy as expenditures on the subsidies and LNG cargoes increased. Despite several failed attempts during the Mauricio Macri administration to adjust consumer prices for public services, mainly natural gas and electricity, and the subsequent worsening of the situation due to increased subsidies during the Alberto Fernández administration, the government of Javier Milei has embarked on a sustained path of subsidy reduction and tariff increases in the energy and public transportation sectors. While there are still considerable reductions to be made, after a significant subsidy reduction of about 35 percent in 2024, the government plans to achieve an additional 40 percent cut by 2025.

The government has also controlled fuel prices by requiring authorization by the Secretariat of Energy to export oil while also prioritizing local consumption of crude oil. The Milei administration has stated the need to move to an economy with market pricing for commodities with some progress. Most recently, the congress passed the “Bases” Law, which modified over 70 laws. This new law includes positive modifications to the Hydrocarbons law for greater exports flexibility and a new investments promotional regime. Investments rely on the trust that contract sanctity will be honored and that progress toward sustainable, free markets is irreversible. Unrestricted and sustainable access to foreign exchange (FX) will be a key enabler of future investments.

2. Tax System Modernization and Fiscal Transparency

2.1. Fiscal Pressure and Elimination of Distortive Taxes

A comprehensive reduction in the overall tax burden is crucial for stimulating economic growth. This includes a proposal to lower the corporate income tax rate to 25 percent or lower (currently at 35 percent) and removal of exports withholdings.

To allow inflation adjustments, particularly for tax losses (quebrantos impositivos), would ensure that businesses can recover from economic fluctuations more effectively; also financial statements and all kinds of contractual relations. Under OECD rules, Argentina should abolish adjustment restrictions, abolishing art. 10 of law Num. 23.928.

Removing distortive taxes, such as the tax on debits and credits (Impuesto sobre los Débitos y Créditos) and the provincial turnover tax (Ingresos Brutos), will alleviate burdens on businesses and promote fair competition.

Addressing issues related to municipal taxes, which often lack a direct correlation to services provided by municipalities, is essential. A reform should be implemented to ensure that municipal taxes reflect actual service delivery, thereby enhancing accountability and efficiency.

2.2. Withholding Taxes

Argentina imposes withholding tax with respect to a very broad range of payments to non-residents including dividends, interest, royalties, technical service fees for assistance, engineering or consulting services and advisory services, management fees or other services.

The withholding tax rates can be as high as 28-35 percent of the gross transaction value in question. Technical assistance fees are considered to include payments for software made in consideration for the right to use a copyright for its commercial exploitation and when software is acquired for personal or business purposes by the buyer.

The qualification of technical service fees as royalties is not in line with the OECD Commentary on Article 12 of the OECD Model Treaty (2010) and the broad and extremely high withholding tax rates far exceed international norms. Additionally, Argentina limits the reduced treaty withholding rate for license payments to only natural persons which is not in line with international and OECD model treaty treatment.

2.3. Stability in Fiscal Regulations

Establishing a framework for fiscal stability is essential to mitigate legal uncertainty. This would involve commitments to maintain existing tax laws for a specified period, protecting investors from abrupt regulatory changes.

2.4. Minimums in Tax Penalty Regimes

Reviewing the minimum thresholds in the tax penalty regime to reasonable amounts would ensure penalties are proportionate to the size and capacity of businesses, taking into consideration the real intention of the taxpayer, promoting compliance rather than concerns of excessive fines.

2.5. Elimination of Additional Tax Perceptions on VAT and Income Tax

Although we appreciate the initial progress made by the government in this area, mainly through the non-renewal of the Impuesto PAIS, which, according to Law No. 27.541, was valid until December 23, 2024, we believe that work must continue on the modifications detailed below.

The elimination of additional perceptions of VAT and income tax as established by RG 2281/07 and RG 2937/2010 is essential to avoid negative financial impact on businesses. Lifting the recent suspension on the validity of exemption certificates as per RG 5339/23 is necessary to restore normality and predictability for businesses that rely on these exemptions.

A thorough simplification of the tax system is needed to reduce the number of existing taxes and streamline payment regimes. This includes minimizing advance payments that lead to the accumulation of unrecoverable credits, which can create significant cash flow and financial issues for businesses.

Simplifying tax compliance procedures could greatly enhance the ease of doing business in Argentina, including reducing the frequency and complexity of tax filings.

2.6. Reform and Promotion of New Double Taxation Treaties

It is essential to reform and promote new double taxation treaties that genuinely favor investments, enhancing the economy and reciprocity. These treaties should be designed to attract foreign capital and facilitate trade, ensuring they are not questioned by authorities simply due to their usage. A clear and favorable approach in this regard would not only improve investor confidence but also contribute to the sustained growth of the national economy.

3. Trade and Investment

3.1. Trade Openness and Investment Attraction

To promote trade openness and attract investment, Argentina should diversify and strengthen its international economic relations by advancing agreements with key economies and regional blocs to expand foreign trade and global business opportunities. At the same time, it should advocate for a stronger multilateral trade system through the promotion of new multilateral and plurilateral agreements that liberalize trade and reduce future barriers. Enhancing the competitiveness of the private sector—particularly small and medium-sized enterprises (SMEs)—is essential to facilitating their integration into international markets and global value chains. To sustainably attract investment, Argentina must establish robust and reliable investment regimes that provide certainty to investors, alongside targeted incentives to support infrastructure development linked to international trade logistics. Business processes should be simplified through deregulation and the modernization of regulatory frameworks to enable the digitalization of documentation and procedures. Additionally, operational costs for foreign trade should be further reduced by streamlining and simplifying customs processes.

3.2. Reducing Trade Barriers and Promoting Fair Taxation in Strategic Sectors

Pharmaceutical Sector

Argentina applies most-favored nation (MFN) tariffs averaging 7.7 percent on medicines imported into the country.¹ This average is higher than that of any current OECD member and is more than three times the global average among WTO member countries.² Argentina also imposes import tariffs on many active pharmaceutical ingredients (APIs) and other inputs used in the production of medicines.³ While this does not pose a limitation on pharmaceutical companies' operations, it does highlight an opportunity for improvement within the Argentine pharmaceutical market. Enhancing this market can boost its participation in the global medical supply chain and contribute to better public health outcomes.

Almost all OECD member countries have eliminated nearly all import tariffs on medicines.⁴ The vast majority of OECD member countries are parties to the WTO Agreement on Trade in Pharmaceutical Products ("Pharmaceutical Agreement"), which eliminates tariffs and other duties and charges on a large number of biopharmaceutical products as well as the substances used to produce them, binding them at duty-free levels.⁵ Argentina should take immediate action to bring its tariff regime into line with that of other OECD members by eliminating import tariffs on finished pharmaceuticals, APIs and inputs, ideally through accession to the Pharmaceutical Agreement and other unilateral tariff elimination initiatives. Doing so will yield significant economic and health benefits for Argentina

¹ WTO Secretariat, Information Note on Trade in Medical Goods in the Context of Tackling COVID-19, Annex 2, April 3, 2020, https://www.wto.org/english/news_e/news20_e/rese_03apr20_e.pdf.

² *Id.*

³ WTO Tariff Download Facility, Integrated Data Base (IDB) notifications for Argentina's applied MFN tariffs under HS Chapters 28, 29, and 30, <http://tariffdata.wto.org/default.aspx>.

⁴ These are: Canada, the 22 member states of the European Union that are members of the OECD, Iceland, Japan, New Zealand, Norway, Switzerland, Turkey, the United Kingdom and the United States. See WTO Secretariat, Information Note on Trade in Medical Goods in the Context of Tackling COVID-19 (Annex 2), April 3, 2020, https://www.wto.org/english/news_e/news20_e/rese_03apr20_e.pdf.

⁵ There are 34 signatories to the Pharmaceutical Agreement (Canada, the European Union and its 27 member states, Japan, Macao (China), Norway, Switzerland, the United Kingdom and the United States).

while better positioning the country to participate in collaborative efforts among OECD members to diversify and strengthen biopharmaceutical supply chains.

Spirits and Wine

Argentina is an important market for alcoholic beverages and is second in terms of consumption in South America. Wine was declared Argentina's national drink in 2013 with Argentina the seventh largest producer in the world and the second largest in South America. Argentina is ninth in the world in terms of wine consumption and first in South America. Approximately 25% of Argentina's wine production is destined for export, the main markets being the United States and the United Kingdom.

Spirits represent only 5% of alcoholic beverage consumption by volume in Argentina with 93% manufactured domestically, according to the Argentine Federation of Distillates and Aperitifs (FADA). The top imported spirit in terms of value and quantity is whisky and the main sources of whisky imports are the United Kingdom (76.3%) and the United States (11.9%).

Argentina's MFN import tariff is 35% despite Mercosur's common external tariff being set at a lower rate of 20%. Argentina applies the highest import tariff on whisky in the region. This directly impacts the price of whisky and imports into Argentina which have been declining year after year.

Beer and the Brewing Industry

Argentina has a rich brewing heritage, dating back to the establishment of its first brewery in 1738. The country's beer industry is entirely domestically produced and supports a robust value chain of 130,000 employees nationwide, encompassing everything from barley and hop cultivation to local suppliers, wholesalers, and retail points.

In recent years, Argentina has emerged as the leading exporter of barley and malt in South America, with annual exports exceeding \$1.5 billion.

However, the industry faces significant challenges, primarily due to a tax burden amounting to 52.4%, according to the Beer and Malt Industry Association (Cerveceros Argentinos). This burden was intensified by the 2017 Tax Reform, which increased the excise tax on beer by 75%. In contrast, still and sparkling wine are exempt from excise taxes. This tax structure creates a distorted competitive environment and runs counter to international recommendations that excise taxes increase with alcohol content, as beer currently bears the highest effective rate relative to its alcohol volume.

Food and Beverage Industry

Argentina boasts one of the world's most competitive food and beverage industries, which consistently ranks highly in global exports of grains, oilseeds, bovine meat, citrus and stone fruits, and wine. This sector drives 60% of the country's exports, supplying over 100 international destinations ranging from South America to Asia-Pacific. Employing 750,000 people formally, the industry's processing sub-sector accounts for a third of all manufacturing jobs in the country. It is deeply rooted within Argentina's local economy, with imports accounting for less than 10% of domestic consumption and exports contributing 28% of the industry's value-added output. However, the sector's growth is curtailed by a restrictive and heavily bureaucratic regulatory framework.

The current administration has made strides toward addressing these challenges, including the establishment of a dedicated ministry to streamline regulations. Nevertheless, much of the sector remains burdened by remnants of decades-old regulatory structures. Among the most pressing

reforms is the need to repeal the "Ley 27.642 de Alimentación Saludable (Etiquetado Frontal de Alimentos) –commonly referred to as the Front-of-Package (FOP) Law–and replace it with a regulation aligned with international best practices.

The FOP Law currently stands as the region's most stringent front-of-pack labeling regulation, with 95% of products in supermarkets required to display warning symbols. These symbols are mandated for any product containing excess levels of critical nutrients, as defined by the Pan American Health Organization (PAHO) nutritional profile. The law applies broadly to products containing sugars, fats, sodium, low- or no-calorie sweeteners, or caffeine. Notably, producers are prohibited from using positive claims like "Without Sugar" or "Light," as these are deemed promotional rather than informational.

Such warning labels oversimplify nutritional data and discourage consumers from making informed dietary decisions. Rather than promoting balanced consumption, the labels often lead to outright avoidance of certain products. Furthermore, these rigid criteria stifle innovation by categorizing even minimally adjusted products as unhealthy, providing little incentive for reformulation or product improvement. The law's impact is disproportionately felt by small and medium-sized enterprises (SMEs), which frequently lack the resources to reformulate their offerings or navigate the complex compliance requirements.

Argentina's food and beverage producers are also unfairly disadvantaged on the global stage, as products from other countries face fewer restrictions, making them more competitive in international markets. Addressing these regulatory bottlenecks will be pivotal in unlocking the industry's full potential and reinforcing Argentina's position as a global leader in food and beverage exports.

3.3. Moratorium on Application of Customs Duties on Electronic Transmissions

A key industry concern for all OECD accession candidates is the WTO moratorium on the application of customs duties on electronic transmissions. OECD research has consistently shown that the moratorium contributes significantly to the growth of digital technologies, transactions and trade. Yet its renewal at MC14 is under threat by a few countries that question its value, seek to end a longstanding WTO policy, and make it harder to trade. All OECD members and accession candidates should fully support the moratorium to be in alignment with OECD research, principles, and best practices. In addition to the WTO moratorium, a prohibition should be adopted on the application of customs formalities to digital goods⁶ as well as on post-clearance audits and customs enforcement mechanisms to digital goods.

3.4. Discriminatory Cost-Containment Measures on Pharma Products

Argentina's preferential and fixed reimbursement system for locally manufactured "high cost" medicines require both public and private health insurers prioritize reimbursement for lower cost products manufactured in Argentina that have the same active ingredient, or biosimilar equivalence, over products originating abroad. The reimbursement system inappropriately favors domestically manufactured products, contrary to Argentina's national treatment obligations under the WTO General Agreement on Tariffs and Trade, and is inconsistent with international biosimilar guidelines, which provide that biosimilars cannot be automatically substituted for the original biologic. Moreover, the amounts reimbursed through this system are significantly lower than the costs incurred in treating patients, and there are no regulations or established processes requiring

⁶ As defined in USMCA.

periodic updates. This is particularly concerning in the context of high inflation. The government's use of cost-containment measures, alongside an underdeveloped and problematic reimbursement system, remains a huge barrier to closing the access gap with most OECD countries.

The recent announcement by the government to create a Health Technology Assessment (HTA) Agency in Argentina has raised important concerns. While HTAs are vital for ensuring patient access to innovative healthcare, it is crucial that they are established within a framework that supports a fair and sustainable system. As a main point of concern, it should be noted that the HTA and regulatory processes should remain separate to prevent delays in access to life-saving medications for patients. The new agency must be cautious in its financial evaluations to avoid limiting access to essential treatments. The private sector plays a key role in healthcare innovation, and businesses prefer environments that promote transparency and independence. Finally, prioritizing transparency and engaging all stakeholders, including industry, patient groups, and scientific societies, will help ensure that the assessments reflect the diverse needs of the healthcare system.

3.5. Import-Restrictive Currency Controls

Since the new government took office, new regulations (BCRA Communications 7917, 8118, and 8133) have been implemented to ease restrictions on the importation of goods and services as well as on foreign exchange controls. Key changes include the elimination of the SIRA and SIRASE systems and the reduction of the time frames for accessing foreign currency for the payment of imports. We highlight the following:

- Near-Total Elimination of Import/Service Payment Restrictions: Most waiting periods for accessing dollars to pay for imports and services have been removed, allowing for immediate or near-immediate payment.
- No Limits for Individual Dollar Purchases: The monthly cap of USD 200 for individuals buying dollars for savings has been eliminated, along with associated restrictions.
- Full Export Liquidation: Exporters must now liquidate 100% of their foreign currency earnings at the official exchange rate, ending previous "dollar blend" schemes.
- Dividend Repatriation Enabled: Companies can now remit profits and dividends abroad from new earnings.

While we welcome the changes introduced by the new administration, we believe that further modifications to the foreign exchange system in Argentina are necessary. There is still a minimum period of 30 days that must elapse from the nationalization of goods or the provision of services before accessing the foreign exchange market for the payment of imports. These time frames are significantly extended to 180 days when services are provided by related foreign companies. These payment terms do not apply when companies use their own dollars.

Moreover, the limitations on accessing the foreign exchange market for the purpose of holding foreign currency and making dividend payments are still in place.

3.6. WTO Trade Facilitation Agreement

Argentina and all other WTO members who have ratified the WTO Trade Facilitation Agreement (TFA) should be encouraged to support G/TFA/W/25, "Supporting the timely and efficient release of global goods through accelerated implementation of the WTO Trade Facilitation Agreement" along with the current WTO members of: Australia; Brazil; Canada, Colombia, Ecuador; the EU; Iceland; Japan; Republic of Korea; Mexico; Montenegro; New Zealand; North Macedonia; Norway; Singapore; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu;

Thailand; the UK; the US; and Uruguay. Members should be encouraged to join the delegations of Brazil, Costa Rica, the EU, Norway, Switzerland, and the US, in supporting G/TFA/W/38, a communication related to "Revisiting the need for global action to eliminate consular requirements."⁷

In addition, the ATA Carnet System is the global gold standard for temporary admissions under the WTO TFA. Argentina should take all steps necessary to ratify the Istanbul Convention with the broadest scope of coverage. This will enable Argentina to implement the ATA Carnet System, which is a proven tool of trade facilitation, an example of long-standing public-private partnership, and a tool of export promotion.

3.7. Shipments Detained in "Channels"

Argentine Customs detains shipments in "channels" when it has a question about the shipment or import documentation (yellow channel) or decides to perform a physical inspection (red channel). Argentine Customs often discretionally detains such shipments for up to one year, even after all inspections are complete and the importer answers all inquiries, resolves any discrepancies, or disputes, and pays any fines imposed. This practice causes significant delays with delivery timelines, creating disruption and unpredictability in the supply chain. It also imposes costs on importers, who may need to reorder goods and incur additional fees for storage.

3.8. Small-Scale Shipment Restrictions

The Express Courier regime works functionally for e-commerce transactions. Thus, the limit within the Express regime creates serious roadblocks for OECD companies seeking to export to Argentina. The Express Courier regime limits shipments to packages individually under 50 kilograms and under US \$3000, although there is no limit for shipments during the year nor items per shipment. Nevertheless, the Express regime has a limit of three of the same items per shipment and only five shipments per year and also duty-free up to a value of US \$400. While import certificates and/or licenses for products are not required, the government limits the number of shipments per year per person to five, which is strictly enforced. Some OECD companies have had to stop exporting to Argentina altogether given the complexities within the general regime and the inability to know how many shipments a customer has already received.

3.9. Public Procurement

In Argentina, the regulations on public procurement impose limitations and introduce elements of discretion, which, together with the dispersion of regulations between the various levels of the administration, is an obstacle for foreign suppliers to compete in procurement processes. It should be noted that Argentina is not a signatory to the World Trade Organization's Plurilateral Agreement on Government Procurement.

⁷ This is a recommendation that is not limited to Argentina and should be viewed as consistent comment for those countries that have ratified the WTO TFA.

3.10. Policies to Counter Illicit Trade

To tackle illicit trade of alcohol, Argentina should take urgent steps to address discriminatory tariffs that apply to imports of spirits by delivering full liberalisation or a significant reduction to existing import duties on spirits, while also ensuring more consistent surveillance and suppression of illicit alcohol including smuggling of beer.

3.11. Foreign Company Participation in Local Enterprises

To attract investment and support the functioning of business operations, Argentina must improve its regulatory environment, particularly for foreign-registered companies. A key measure involves amending Law No. 19.550, which currently limits the ability of foreign companies to participate in local enterprises or engage in ongoing commercial activities directly related to their corporate purpose. Modernizing this law would remove a longstanding obstacle to foreign investment and align Argentina's corporate governance framework with international norms.

3.12. Trade and Investment Policy Decision-Making

Significant opportunities exist for Argentina to deliver improvements to the transparency and openness of its decision-making. It is important that Argentina's government carries out public consultations before introducing regulatory changes that affect industry, ensuring that impacted businesses can participate and contribute views on the modification and implementation of regulations.

Procedures that speed up (without losing rigor) the registration of new products and modifications to introduce new innovations, would help support greater investment in Argentina and in turn help to boost employment.

We would also urge Argentina to introduce a lobbying law along similar lines to that of Chile, where hearings can be requested with public authorities to raise concerns about specific regulations, allowing businesses to make recommendations and constructively participate in the decision-making process.

3.13. Other relevant Trade Barriers

Argentina is the eighth-largest tobacco producer and the seventh-largest tobacco exporter in the world. Currently, the country produces approximately 100 million kilograms of tobacco annually, exporting 80% of this production. **Innovations in nicotine delivery products, including non-combusted tobacco like heated tobacco products and non-tobacco products like electronic cigarettes or nicotine pouches for oral use,** could offer Argentina the potential to become a manufacturing and export hub for these innovative products. This shift could increase the value-added chain and enhance export volumes, creating new sources of jobs and incomes. Nonetheless, regulatory prohibitions currently hinder innovation and investment in this sector, creating a restrictive environment within the country.

Heated tobacco products have been banned since 2023 through **Regulation #565/2023**, and electronic cigarettes since 2011, making combustible cigarettes the only legally available nicotine containing product available for manufacturing and commercialization in the country.

These restrictions prevent sector development and unfairly limit adult consumers' access to alternative nicotine products. Moreover, the ban established through Regulation #565/2023 discriminates between traditional tobacco products being produced locally (Combustible Cigarettes) and heated tobacco products, which appears to be inconsistent with several provisions contained in WTO GATT 1994 Agreement, while hindering the ability of foreign businesses to access to the Argentinian market.

3.14. RIGI

In 2024, economic reforms included in the Ley Bases package law introduced Resolution 1074/2024, which creates the Regime for Incentives to Big Investments (RIGI). The RIGI regime has introduced important investment opportunities for sectors such as Oil & Gas, Mining, Technology, and Infrastructure. Several projects have been approved under this regime and are fostering the development of these sectors. However, the RIGI regime excludes other sectors from its scope which could also contribute to a stronger foreign investment ecosystem in Argentina. It is recommended that the regime be expanded to include additional sectors, such as Agriculture, Agro-industries, and regional economies like Tobacco, Yerba Mate (a popular infusion drink in the country and region), and the Wine sector, which are not currently included and have the potential to attract more foreign direct investment.

4. Public Governance and Bureaucratic Hurdles

4.1. Public Governance

Effective public governance is critical to fostering investor confidence, promoting transparency, and enabling sustainable economic development. For Argentina, improving public governance involves a two-pronged approach: strengthening institutions and regulatory clarity for the private sector, while advancing integrity, accountability, and legal modernization in the public sector.

Enhancing Governance for Private Sector Confidence

Regulatory agencies must operate with greater transparency, integrity, and efficiency. Investors—both domestic and international—require certainty that they can exercise shareholder rights and conduct normal business operations within a stable and legally predictable environment. Transparent and ethical behavior by regulatory bodies is a cornerstone of improved governance and a prerequisite for increasing foreign capital flows.

Emphasis must be placed on redesigning regulatory and oversight bodies to ensure they perform their tasks efficiently. For example, public services have changed since their privatization in the 1990s. The context is now completely different, with new needs emerging that require regulatory bodies to update themselves in order to reflect current realities, including digitalization. There is a need to modernize their systems.

Building Institutional Strength in the Public Sector

Argentina must also take decisive action to improve integrity and public trust in governance. A key initiative is the Ficha Limpia (Clean Record Law), a legislative proposal that would prevent individuals convicted of criminal offenses from holding elected office. Its adoption would send a strong signal of commitment to ethical public service, bolster institutional trust, and support a more stable investment climate.

Additionally, updating the Penal Code is vital to address new forms of criminal activity, particularly those arising from technological advancement. A modern legal framework must account for offenses related to cybercrime, virtual assets, and financial fraud, among other things.

Public governance also relies on accessible, accurate, and secure public databases, which are essential tools for counterpart analysis in both public procurement and private sector transactions. Ensuring these databases are reliable and transparent will enhance due diligence processes and accountability across sectors. This is a key point. Argentina needs more accessible databases or more public information, in order to facilitate due diligence process, for example, it is necessary for legal entity data registries (“IGJ”) to be open. Sometimes it is difficult for companies to carry out due diligence processes and would represent a step toward greater transparency. In this regard, implementing a system similar to that of Colombia could prove beneficial.

Reinforcing Integrity and the Fight Against Corruption

The enforcement and strengthening of Law No. 27,401/2018 on Corporate Criminal Liability is also imperative. This law establishes the criminal liability of legal entities—regardless of whether they are

nationally or foreign-owned, and regardless of state participation—for certain crimes including corruption. It also mandates that companies implement integrity programs to qualify for leniency or reduced penalties. Ensuring consistent application of this law and supporting businesses in compliance efforts will help create a fairer, rule-based commercial environment.

Despite being enacted seven years ago, the law has had limited practical application. The specialization of the judicial system in this matter is necessary. Judges and prosecutors need training focused on understanding the effectiveness, efficiency, and robustness of an integrity program in order to be able to assess it in the context of a reported incident.

There is also a pressing need to build sufficient trust within institutions and judicial systems so that companies feel safe to report.

Strengthening the Fight Against Financial Crime

Argentina must bolster its efforts in anti-money laundering (AML), counter-terrorist financing (CTF), and counter-proliferation of weapons of mass destruction. These efforts should include:

- Improving the quality and efficiency of Suspicious Transaction Reports (STRs) through enhanced IT systems and reporting tools;
- Developing clear, modern regulations for the use and commercialization of virtual assets;
- Creating specialized frameworks to prosecute cybercrimes related to AML/CTF; and
- Ensuring that enforcement agencies are equipped with skilled personnel and advanced detection systems.

These measures are essential not only for international compliance but also for safeguarding the integrity of Argentina's financial system.

Cybersecurity and International Cooperation

Looking ahead, Argentina has an opportunity to take a leadership role in international cybersecurity governance by ratifying the UN General Assembly's Convention on Combating the Use of Information and Communication Technologies for Criminal Purposes, which opens for accession in mid-2025. Aligning domestic law with the Convention's provisions—especially regarding investigation procedures and cross-border cooperation—would represent a major step forward in Argentina's ability to detect, prevent, and prosecute cybercrime effectively.

Data Protection

Argentina currently faces a significant shortcoming in its Law No. 25.326/00, "Data Protection Law". It is necessary to align it not only with the most comprehensive and up-to-date regulations on the matter—such as the General Data Protection Regulation (GDPR) or other regional laws like Brazil's General Data Protection Law (LGPD) or Chile's recent Law No. 21.719, to name a few, the reform is also necessary to maintain Argentina's status as a country with adequate data protection legislation, as losing this recognition would exclude the country from international business and undermine legal certainty.

In 2022, Argentina's Access to Public Information Agency (AAIP) submitted a bill to update the law, but it has been under review in the Chamber of Deputies since June 2023 and is now at risk of losing

its parliamentary status. This should be a priority, it's required an immediate attention to strengthen the update of the mentioned law.

In line with the above, it is essential to reform the Criminal Code to incorporate offenses arising from digitalization, as well as to develop specific legislation on artificial intelligence.

Strengthening of competition control institutions

The integration of the National Competition Authority, established by Law 27.442, will be crucial to ensure greater competition in markets and avoiding anti-competitive practices. It will also be important to prevent abuses of dominant positions and to monitor merger processes "ex ante".

Facilitating access to preventive health care

Argentina currently lack regulation regarding the health sector. Government should work towards national regulations on "self-care" that empower individuals to take charge of their daily well-being. This initiative would raise the standards of self-care and tackle preventable diseases.

Argentina should take several steps to promote "self-care," including steps to:

- Create a system that promotes the integration of self-care into healthcare policies, ensuring access to preventive healthcare and medical treatment for all social groups. This could include educational campaigns to raise awareness about the importance of self-care, helping individuals make more informed decisions about their health.
- Implement programs that focus on self-care practices at all levels of society. These programs should highlight the role of individual responsibility in health maintenance and prevention, promoting a culture of well-being and long-term health benefits.
- Encourage companies to adopt practices that support self-care by offering incentives for developing products and services that improve access to personal health tools. This could include promoting technologies and innovations that facilitate daily self-care routines, contributing to overall public health.

Argentina can enhance its healthcare framework to foster self-care and preventive health measures. By addressing both systemic and behavioral barriers, such as limited access to healthcare information (health literacy) and resources, the country can support healthier lifestyle choices. In alignment with key health principles, Argentina can also promote reduced taxes on certain key products in order to enhance the sustainability of healthcare systems.

Ensuring access to and success in quality education for all

Argentina can enhance awareness of menstrual health, recognizing its critical connection to individuals' ability to exercise their rights. Ensuring healthy menstrual management allows women, girls, and all menstruating individuals to fully access their rights to education, recreation, work, and health.

Specific steps include actions by Argentina to:

- Implement educational campaigns to address issues surrounding menstruation. According to a UNICEF study in Argentina (2021), nearly 10% of individuals miss school during their period, and 23% experience shame or discomfort. These campaigns should focus on breaking the stigma around menstruation and promoting open dialogue.

- Encourage improvements in access to menstrual products, quality information, proper sanitary facilities, and clean water. These aspects are essential for addressing structural inequalities and ensuring equal rights for all.
- Promote tax reduction on menstrual products as other LatAm countries did.

Argentina can continue advancing gender equality by fostering menstrual health education. By supporting policies like the “Comprehensive Sexual Education Law,” and promoting menstrual health campaigns, the country can contribute to eliminating gender-based disparities and improving overall health and hygiene practices.

4.2. Judicial System Credibility

Judicial independence, transparency, and full application of the rule of law are aspects that require immediate attention to strengthen the judiciary and bring trust to investors in the country. Under OECD rules Argentina should enact legislation that enhances transparency, combats corruption, and increases efficiency through better resource application. Finally, and not least, it is not only a matter of implementing a better legal framework, or making the Judiciary more effective, but focus also needs to be made in ensuring, under the rule of law, the full enforcement of applicable local or international law, and Argentina is far from getting to that point yet.

The lack of credibility in the Argentine’s judicial system stems from several key issues:

- Politization: Judicial appointment of members often serve political interests;
- Corruption: Bribery and delays in prosecuting corruption (cases take decades) erode public trust; and,
- Inefficiency: Lengthy delays and bureaucratic hurdles prevent timely justice (ordinary noncomplex cases take between five to ten years).

4.3. Central Bank Role as Regulator and Payment Services Competitor

Since November 2021, the Central Bank of Argentina (BCRA) offers a national real-time payment (RTP) network and payment brand “Transferencias 3.0” which, although offering open and universal payments for both banks and fintechs, does include prices which are set by the BCRA, a regulatory body that is also in charge of overseeing and regulating other payments systems’ prices. BCRA’s dual role as regulator and competitor poses a conflict of interest and potential lack of competitive neutrality in the payments ecosystem, as it is the same regulatory agency that would set a market price for its proprietary system, and the others that compete against it.

Separation of oversight responsibility from commercial activity should be required when a central bank embarks upon a payments’ modernization program. This principle is reflected in the OECD’s Competitive Neutrality Toolkit, which states, “firms compete on the merits regardless of factors such as ownership, nationality or legal form. Therefore, competitive neutrality promotes competition by eliminating or reducing undue competitive advantages that some players may enjoy over their competitors, such as support granted by the state or regulations that favor incumbents.”

The Bank of International Settlement (BIS) has also established guidelines for instances in which a central bank is a provider of payment services. These include “transparency about their policies for their own systems and the use of the same policy requirements” for private sector systems and “separation between the central bank’s oversight and operational functions.” According to BIS, central banks should also create firewalls between staff that work in payment services and other parts such as oversight of payment systems, monetary policy, and research functions. OECD Members like

Australia, the US and Sweden have built, or are reforming their payments regulation, to maintain competitive neutrality.

4.4. Cloud Policy and Procurement Vehicle

Argentina's government lacks 1) a cloud procurement vehicle and 2) a cloud first policy. In the Argentina's Roadmap for its OECD Accession Process, there is an Appendix with a list of core principles for OECD Committees (page 12). In the paragraph related to Public Governance, there is a reference that Argentina must have "Infrastructure governance frameworks and public procurement systems that are comprehensive, efficient and transparent and contribute to maximize the impact of public spending while achieving pressing policy goals such as sustainability" (page 18). The absence of a cloud procurement vehicle would seem to work against this goal, as it allows aggregation of demand across agencies, enables more effective purchasing, provides flexible contracting without minimum quantities, and faster procurement timelines.

In addition, the presence of a "cloud-first" would also allow the Argentinian government to be more "efficient and transparent and contribute to maximize the impact of public spending while achieving pressing policy goals such as sustainability." A cloud-first policy recognizes the benefits of cloud and enables greater agility, flexibility, scalability, cost-effectiveness, and sustainability.

5. Inclusive Growth

To address the evolving challenges of Argentina's labor market and rising poverty, it is essential to promote labor regulations that are modern, flexible, and responsive to dynamic economic conditions—while upholding the rights and responsibilities of all social actors. Encouraging structured dialogue with private sector stakeholders can enhance the design and implementation of effective labor and social security policies by leveraging their expertise in both individual and collective labor relations. In parallel, expanding professional training schemes tailored to current economic realities—and aligned with international labor standards—can help foster a more productive and competitive workforce.

These measures must be pursued alongside continued fiscal consolidation, but with a social focus to protect the most vulnerable. With poverty affecting over half of Argentina's population as of mid-2024, it is critical that reform efforts not only stabilize the economy but also support inclusive growth and social cohesion.

6. Innovation and Digital Economy

6.1. Strategic Policies for Digital Transformation and Innovation

Argentina should advance effective policies, legal frameworks, and regulations to support digital transformation, ensuring access, investment in development, assimilation, and responsible use of digital technologies, particularly reliable AI systems. Strengthening data utilization is essential for addressing economic and social challenges, while comprehensive personal data protection and cooperation on privacy enforcement will safeguard information integrity. Additionally, Argentina must implement supply- and demand-side innovation policies that incentivize private sector investment in R&D and innovation to enhance competitiveness and effectively respond to evolving market challenges.

6.2. Regulatory Burdens in the Telecommunications Sector

Announcements have been made on the elimination of regulatory burdens in different sectors of the economy. For the telecommunications sector, there has been some progress, such as the repeal of DNU 690, which had a significant impact on the industry's investments. But more in-depth reforms are needed, as is being done in other sectors of the economy.

Measures should focus on ensuring a level playing field for all market players and facilitating fair and equitable competition. The OECD's Competitive Neutrality Toolkit, states: "firms compete on the merits regardless of factors such as ownership, nationality or legal form. Therefore, competitive neutrality promotes competition by eliminating or reducing undue competitive advantages that some players may enjoy over their competitors, such as support granted by the state or regulations that favor incumbents." At this point, the competitive advantages for some actors (ARSAT and other local entities) should be reviewed.

It is important to create a medium/long term telecommunications Agenda, which has been subjected to public consultation mechanisms among all stakeholders. Also to define rules of the game that are maintained over time and that allow long-term investors stability in the regulatory and fiscal framework.

National Government should work together with the private sector, to promote network deployments and actively collaborate to make costs more efficient, eliminating barriers and taxes (regulatory and local).

but it is necessary to accelerate the elimination of inappropriate or obsolete regulation for a sector that can be fundamental for the social and productive transformation of the country.

- The government has taken steps in the right direction regarding the telecommunications sector, such as the repeal of DNU 690 which had a significant impact on the industry's investments, but more in-depth reforms are needed, as is being done in other sectors of the economy. Measures should focus on ensuring a level playing field for all market players and facilitating fair and equitable competition.
- The special taxation constraining the sector has proven to be remarkably high, as provincial turnover tax (Ingresos Brutos) and special 27% rate of VAT. Argentina should also become a participant in the WTO Information Technology Agreement and agree to eliminate tariffs on many ICT products.

- with fees such as the contribution to the universal service fund proving inefficient in terms of its use for specific projects. Other aspects such as the excessive cost of spectrum should be aligned to OCDE best practices. Spectrum allocation processes should not be geared toward revenue collection but rather toward promoting deployment obligations. This is even more important in countries with low GDPs.
- With respect to satellite services, while the government has taken steps to facilitate licensing for the provision of satellite services, it is important that its regulatory regime be modernized to implement equipment authorizations that meet international standards. Certification and homologation processes should recognize international standards (particularly FCC and ETSI certifications) to avoid unnecessary duplicate testing requirements that can delay service deployment. It should also facilitate the licensing of user terminals through the implementation of a blanket licensing regime, to reduce administrative burden.
- The Government published in the Official Gazette on May 20, 2025, a decree to improve access to technology, reduce prices for consumers, promote digital inclusion, boost industrial competitiveness, and align Argentina's policies with Mercosur agreements. It makes several key changes:
 - a. Reduction of Import Tariffs for Smartphones and Cell Phones: The tariff is immediately reduced from 16% to 8%, and it will be completely eliminated (0%) by January 15, 2026.
 - b. Reduction of Import Tariffs for Video Game Consoles: The tariff for these products is lowered from 35% to 20%.
 - c. Reduction of Internal Taxes: The internal tax rate for various technological goods and household appliances, including air conditioning equipment, refrigeration units, telephones, monitors, and televisions, is reduced from 19% to 9.5%. For products manufactured in Tierra del Fuego under a special promotional regime, this rate is further reduced to 0%.
- or the high tax burden on devices are barriers to technological adoption and digital inclusion that need to be reviewed. In addition, the high bureaucratic burden faced by the sector has led to delays in infrastructure deployments. Finally, it is important to define rules of the game that are maintained over time and that allow long-term investors stability in the regulatory and fiscal framework. This will allow the necessary attraction of investment for industry.

7. Intellectual Property

7.1. Patentability Examination Guidelines

Argentina has a long history of recognizing the value of intellectual property, having introduced its first patent law in 1864 to stimulate innovation and position itself as a regional leader. This early legal framework supported technological advancement and inspired other Latin American countries. However, recent trends show a marked decline in patent applications—particularly in high-tech sectors—as inventors and organizations increasingly seek protection abroad. This shift reflects growing concerns over legal uncertainty, restrictive patentability criteria, and inadequate incentives, all of which pose serious risks to Argentina’s competitiveness, innovation capacity, and economic development.

A pivotal moment contributing to this decline came in 2012 with the issuance of Joint Regulations No. 118/2012, 546/2012, and 107/2012 by the Ministries of Health and Industry and the Argentine Patent and Trademarks Office (AR PTO). Known as the "Patentability Examination Guidelines" for pharmaceuticals and biotechnological inventions, these regulations established one of the most restrictive intellectual property regimes in the world. They categorically exclude from patentability many common pharmaceutical inventions, including vaccines, compositions, dosages, salts, esters and ethers, polymorphs, analogous processes, active metabolites and pro-drugs, enantiomers, and selection patents. The guidelines also severely restrict the use of Markush-type claims. These provisions conflict not only with Argentina’s own Patent Law No. 24,481, but also with fundamental international norms, particularly Article 27 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which requires that patents be available for all inventions that are novel, involve an inventive step, and are capable of industrial application.

Proponents initially argued that these guidelines would promote greater inclusion and reduce poverty. However, more than a decade of evidence demonstrates the opposite: the regulations have discouraged innovation, reduced R&D investment, limited access to new treatments, and undermined technology transfer. Patent approval rates in the pharmaceutical sector have plummeted to just 10%, reflecting an arbitrary and inconsistent regime. These criteria are currently being challenged in federal court by the Pharmaceutical Innovation Association, underscoring deep tensions between domestic policy and Argentina’s international obligations.

The impact on the biopharmaceutical sector and broader economy has been profound. Multinational companies face branded copy competition and steep pricing pressure within a year of launching new products, undermining their ability to recoup R&D investments. Once these innovators scale back operations, copy products often increase their prices, distorting market dynamics and negatively affecting consumer access. Meanwhile, the absence of robust patent protections deters foreign investment and prevents Argentina from fully participating in global intellectual property markets.

These guidelines create a significant barrier to introducing new medicines and disproportionately favor non-originator companies. They are at odds with Argentina’s obligations under TRIPS, as well as with the standards of the Organization for Economic Cooperation and Development (OECD), and major jurisdictions such as the United States. The lack of alignment with global best practices weakens Argentina’s position in the international innovation ecosystem and threatens the sustainability of its pharmaceutical and biotechnology industries.

To support Argentina’s aspirations for OECD membership and reinvigorate its innovation ecosystem, it is essential to repeal the 2012 Patentability Examination Guidelines and amend the patentability criteria to align with international standards. Doing so would facilitate the effective protection of pharmaceutical inventions, foster the export of locally developed products, and encourage the

transfer of technology between public and private sectors. Addressing this issue is a critical step toward building a competitive, innovation-driven economy and restoring confidence in Argentina's intellectual property system.

7.2. Data Protection

Similar to EU, Argentina's Data Protection Law (Law 25.326) prohibits international personal data transfers to countries that do not provide an "adequate level of protection." The United States is not on the list of approved countries. To overcome this barrier, Argentina can proceed in two ways: (a) recognize the EU-US Data Privacy Framework and allowing transfers to US companies included in the official list (as Uruguay has done); or (b) recognize the United States as a country with adequate data protection legislation, thereby permitting transfers to all US organizations regardless of certification.

Argentina also currently faces a significant shortcoming in its intellectual property framework concerning the protection of test data submitted in support of marketing authorizations for pharmaceutical, biopharmaceutical, and agrochemical products. This data—generated through extensive research and development—is critical for establishing product safety and efficacy, and is essential for pharmaceutical, chemical, and biotechnology companies seeking to commercialize their innovations.

Under current regulations, specifically Law No. 24,766 and Decree No. 150/92, Argentina allows its regulatory authority (ANMAT) to indirectly rely on data submitted by originator companies when approving subsequent applications for similar or identical products. In practice, this means that companies introducing copy products in Argentina may rely on the marketing approvals of innovative products—granted either in Argentina or abroad—without having to replicate the original safety and efficacy studies. This effectively permits the use of data originators' submissions in "summary" or "abbreviated" approval procedures, without providing data exclusivity or compensation to the innovators.

This approach is inconsistent with Article 39.3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which requires that such data be protected against "unfair commercial use." The absence of protection enables unfair competition, unduly favoring local companies that rely on commercialization of copies rather than investing in innovation. The lack of exclusivity discourages research and development investment and undermines the incentives necessary to develop new technologies and medicines.

In contrast, several countries in the region—such as Mexico, Chile, Peru, Costa Rica, and Colombia—as well as many others globally, have already adopted regulatory data protection measures. These frameworks grant a defined exclusivity period, recognizing the rights of the data originators and helping to foster a more innovation-driven pharmaceutical sector.

As Argentina seeks to align its policies with international standards and strengthen its candidacy for OECD membership, it is essential to reform its regulatory framework to explicitly protect proprietary test data. This should include amending Law No. 24,766 and Decree No. 150/92 to grant a minimum exclusivity period of five years for the data submitted in support of marketing approval for innovative products. Protection should be afforded regardless of whether the product is first approved in Argentina or abroad.

Issuing an executive order to recognize this exclusivity would bring Argentina into compliance with TRIPS and signal its commitment to supporting innovation, research investment, and public health outcomes. Engaging stakeholders—including government agencies, the healthcare sector, and the

biopharmaceutical industry—will be crucial to ensuring that the implementation of these reforms is both effective and equitable.

7.3. Ratification of the Patent Cooperation Treaty

As of December 2024, Argentina has not adhered to the Patent Cooperation Treaty (PCT), a widely accepted international agreement that facilitates the filing and examination of patent applications across over 158 member countries. This exclusion significantly impacts Argentina's innovation landscape. Innovators—including universities, research institutions, individuals, and companies, both public and private—face higher costs and greater complexity in securing patent protections. Without access to the PCT framework, Argentine applicants must rely on the Paris Convention, which allows only a 12-month window to file for international patent protection, compared to the PCT's more flexible 30-month timeline. This short window limits competitiveness and places a disproportionate burden on smaller entities, which often lack the resources to navigate the more cumbersome and expensive alternative routes.

Many local inventors and institutions, such as CONICET, have attempted to circumvent these restrictions by incorporating legal entities in PCT member countries in order to benefit from the treaty. However, this strategy is financially prohibitive for many, especially startups and SMEs. Consequently, valuable innovations may remain unprotected, falling into the public domain and becoming vulnerable to exploitation by third parties without compensation—ultimately discouraging local innovation.

The current Argentine administration should take decisive steps to support domestic innovators by rescinding restrictive patentability guidelines and formally acceding to the PCT. Both actions are necessary for the treaty's benefits to be fully realized in Argentina. Membership would ease the prosecution of patent applications not only domestically but also internationally, significantly reducing filing costs, expediting review timelines, and encouraging broader participation in the global innovation ecosystem.

Prioritizing accession to the PCT should be considered an essential and non-negotiable milestone toward fostering a healthier innovation ecosystem and aligning with OECD standards. It would enhance Argentina's intellectual property framework, attract foreign investment, boost job creation, and improve protection across key sectors such as life sciences, energy, IT, and agribusiness. Moreover, it would allow national institutions like CONICET to expand their international reach and visibility, while contributing to a more robust and future-ready economy.

7.4. Ratification of the International Union for the Protection of New Plant Varieties (UPOV 1991)

The International Union for the Protection of New Varieties of Plants (UPOV) has the objective of promoting and providing protection of new plant varieties by means of intellectual property rights. Argentina should ratify UPOV 1991 to provide an effective plant variety protection system rights in order to incentivize breeders to conduct research and development of new plant varieties to be launched in Argentina. It is essential to ratify this international treaty and issue a law for the implementation of the treaty locally assuring to plant breeders an effective system of recognition and defense of the plant variety protection (PVP) rights in Argentina.

7.5. Effectiveness of Patent Enforcement Systems

Effective patent enforcement mechanisms play a crucial role in keeping potentially infringing generic or biosimilar products out of the market while relevant patents remain in force. These mechanisms alert patent holders when marketing approvals are requested for follow-on products, enable patent holders to take enforcement actions, such as preliminary injunctions, to stop potentially infringing products from launching, and support the swift resolution of patent disputes.

Unfortunately, Argentina's system for notifying patent holders regarding third-party applications for marketing approval of follow-on products is not effective. It fails to provide right holders with a reasonable opportunity (i.e. time) to foresee and address possible patent infringements. Additionally, biopharmaceutical innovators have to navigate the lengthy and burdensome process involved in obtaining preliminary injunctions in Argentina.

7.6. Trademark and Copyright Enforcement

Argentina continues to face challenges related to counterfeit products and to trademark and copyright protection. BIAC members report inadequate resources and enforcement efforts to address domestic manufacturing of counterfeit products as well as piracy of copyrights used to protect legitimate goods. These result in preventative and responsive enforcement actions taken by both local law enforcement, federal courts and customs officials.

Moreover, Argentina's Instituto Nacional de la Propiedad Industrial (INPI) has approved and registered trademarks remarkably similar to International Nonproprietary Names (INNs), in some cases in direct support of market approval applications by Argentina's Sanitary Agency (ANMAT).

Argentina can take meaningful steps to improve its enforcement efforts for trademarks and copyrights, and to address challenges with counterfeit products, including increasing funding and material support for enforcement agencies and activities, improving transparency and private-sector engagement by Argentina's General Customs Bureau, and aligning intellectual property procedures and practices with international best practices.

In addition, Argentina should maintain and honor the sole distributor rights of imported alcohol (wines and spirits) to safeguard the rights of legitimate importers and distributors and prevent parallel imports and/or illicit trade in alcohol.

It is important that packaging can also be controlled to ensure it does not infringe the rights of registered trademarks, so as not to create confusion and instead to ensure consumers are protected against drinks of dubious origin.

7.7. Geographical Indications

Argentina has a TRIPS-compliant legal framework that includes a 'sui generis' protection through a national register of geographical indications that, a priori, is also available to foreign holders of GIs. Argentina has separate regulations for the registration of wines and spirits on the one hand, and agricultural products and foodstuffs on the other. Without registration, EU GGI holders have no legal means to defend their rights in the country. One of the main difficulties is that GGIs considered as 'generic' names cannot be registered, and many European GGIs are considered as such in that country. As a result, there are concerns about the misappropriation of many European IIGG names.

8. Environment, Energy and Climate Change

8.1. Climate Change

Overview

Argentina should strengthen and effectively implement its international climate commitments by aligning public policies with the goals of the Paris Agreement. To ensure long-term sustainability, it is essential to foster transparent, goal-oriented collaboration between the public and private sectors. Climate resilience and adaptation must be integrated into the national development agenda, with particular emphasis on sustainable resource use, soil health and biodiversity conservation. At the same time, the enforcement of existing environmental legislation should be reinforced to ensure accountability and regulatory coherence. Additionally, promoting best practices in sustainable finance—incorporating ESG principles, climate transition strategies, and broader environmental considerations—will be key to mobilizing resources and guiding investment toward a low-carbon and climate-resilient economy.

Decarbonization

Argentina has made significant progress in decarbonizing its electrical grid, primarily through Law 27.191, which promotes the use of renewable energy sources for electricity generation. This law sets a target of achieving 20 percent renewable energy consumption by 2025. Despite this progress, the country has not considered any major policies to advance its decarbonization efforts beyond that 20 percent. Currently, there is a lack of clear incentives and a robust regulatory framework to facilitate the transition to more sustainable practices, which could lead away investment from companies with sustainability goals.

Constructive policy paths include:

- A regulatory framework and incentives for green and low-carbon hydrogen. Argentina currently lacks any specific funds or incentives for decarbonization. A positive step forward for Argentina to leverage its hydrogen potential is recognizing that any investment in hydrogen requires long-term certainties and incentives, and that any regulatory framework should include both green hydrogen and low-carbon hydrogen. Extending the principles of the RIGI investment benefit scheme (only two years) for a longer term for hydrogen projects, and providing specific benefits tied to decarbonization could significantly increase Argentina's potential as a destination for green investment; and,
- A regulatory framework and incentives for carbon capture, storage, and utilization (CCUS). This technology is intimately related to low-carbon hydrogen and offers a possible decarbonization pathway for hard-to-abate industries. Currently, Argentina has no regulations on CCUS, including on use of land, civil responsibility or security standards. Introducing provisions for these areas will provide needed certainty for an unregulated sector that has considerable potential. Combining this with specific economic incentives, such as transferable tax credits for each ton of CO₂ captured and stored, Argentina could significantly help decarbonization efforts of its industry and create attractive conditions for the development of a CCUS sector.

8.2. Circularity and Recycled Materials

Argentina lacks clear regulatory standards for circularity, which is crucial for delivering innovative solutions to the waste problem. Without these standards, industries lack incentives to consider the entire life cycle of post-consumer products, lack incentives to design for recyclability, and are reluctant to incorporate recycled materials into new products, as they lack clear guidance and the necessary incentives, especially when it comes to packaging.

To overcome these challenges, Argentina should consider several strategic measures:

- Create regulations to promote products with recycled materials including plastics by setting targets for recycled content that align with local capabilities. Providing tax breaks or subsidies to companies meeting these targets can boost demand for recycled materials; and,
- Prioritize passing an Extended Producer Responsibility (EPR) Law, aligned with OECD principles, to improve waste management capabilities, waste sorting and recycling infrastructure, and incentivize the use of recycled materials. Effective guidelines should support private management systems without mandatory fees, unlike a 2021 government-sponsored bill, and promote recycled content targets and effective incentives for recyclability and recycling, as well as ensuring sufficient funding for waste management systems.
- Simplify and harmonize national and provincial regulations regarding the inter-jurisdictional transport of materials for recycling, to facilitate the creation of regional nodes that optimize logistics

8.3. Chemicals Management

Argentina has the opportunity to ensure a comprehensive, scientific chemical management system by introducing OECD-aligned chemical management regulation and align its chemical regulations, safety policies and management systems with global practices. Argentina's Executive had developed a draft chemical management bill (File No. IF-2019-54718677-APN-DSYPO#SGP) with broad support from the private and public sectors that could be a starting point to renew the public discussion on chemical management regulation.

Such efforts could help Argentina be part of an OECD-wide system of chemicals management, thereby contributing to creating a level playing field in chemicals and supply chains. In addition, Argentina should also strengthen its ongoing engagement with OECD partner countries to address future chemical management, including the possibility of work sharing arrangements.

Argentina's regulatory efforts in this OECD policy area must remain based on well-considered risk assessment and risk management principles, focus on hazard communications within supply chains, and be flexible and predictable enough to avoid becoming an obstacle to economic development.

9. Quality Infrastructure

Argentina should foster structured public-private dialogue to design and implement public policies that incentivize high-quality infrastructure investment. Priority should be given to developing more efficient, cost-effective, and environmentally sustainable modes of connectivity—particularly rail networks—that complement land, air, and sea transport systems. In this context, the Paraná-Paraguay waterway is crucial for enhancing trade competitiveness and reducing logistics costs, and its further development should be supported alongside the exploration of other strategic transport routes linking production centers to international markets. A robust open skies policy is also essential to improve air connectivity, especially to boost the tourism sector, which requires incentives to attract new airlines to the domestic market. Additionally, Argentina must implement public works policies backed by private guarantees to maintain and modernize the national highway system, much of which is currently in poor condition, contributing to high transportation costs and traffic accidents. Advancing comprehensive infrastructure and logistics projects—such as the Bioceanic Corridor, which seeks to connect the Atlantic and Pacific coasts—will enhance regional integration and facilitate more dynamic interaction between domestic and international markets.