

# Argentina raises allowance to US\$500 in duty free shops

By **Ronnie Lovler** on February, 6 2018 | Industry News



Argentina has increased the tax-free allowance for its citizens from US\$300 to US\$500, making it possible for its citizens to purchase more duty free goods inside the country and pay less of a tax.

The country's Revenue Administration announced the decision recently, in a move that coincided with the southern hemisphere's summer holiday season, a time when many travel abroad and find themselves looking for duty free bargains when they re-enter the country.

José Luis Donagaray, Secretary General of ASUTIL, applauded the Revenue Administration decision.

"You can buy more in the duty free (stores) when you arrive in the country," he said. "You can buy more expensive products. There are more opportunities for a lot of sales in new products."

In an exclusive interview with *Americas Duty Free*, Donagaray also indicated similar increases in duty-free allowances in other countries in the region have already occurred or may be forthcoming. In Uruguay, the allowance increased from US\$500 to US\$650 in 2017, he said. "We expect the same thing will happen in Brazil at the end of the year. There is a global movement to increase the allowance."

The Argentine tax agency said the revamp in the ceiling for tax-free purchases gives travelers access to another US\$200 in duty free shopping. For those doing their shopping in currencies other than the dollar, the allowance will be calculated based on a dollar equivalent.

The limit for those travelers under 16 years of age is half the amount, or US\$250.

The agency said it took this step to equate Argentina's tax-free franchise with "the current values in Mercosur."

However door-to-door purchases made by Official Post whose value does not exceed US\$25 will no longer need to complete a declaration of form. The changes do not include courier shipments.

Travel retailer and border store operator London Supply is monitoring the change in the tax-free allowance, particularly in terms of taking a closer look at pre-orders of online purchases. "This update allows us to place shipping projects purchased online in our pending for 2018," said Magdalena Ducos, London Supply's Commercial Director.

The tax-free regulations in Argentina mandate that once the permitted allowance has been reached, the consumers will have to pay a tax of 50% of the surplus. The value assigned is dependent on the number of travelers in a family group and also on the way they enter Argentina that is by air, sea, or 1

land.

Under Argentine law, the duty free franchise is for items acquired for personal use only.

The US\$200 hike in the personal allowance went into effect last month.