

ARGENTINA

INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE (IIPA)

2022 SPECIAL 301 REPORT ON COPYRIGHT PROTECTION AND ENFORCEMENT

Special 301 Recommendation: IIPA recommends that Argentina be maintained on the Priority Watch List in 2022.¹

Executive Summary: Argentina lacks the resources and political will needed to match high rates of piracy, which accelerated and diversified in 2021. Argentina must recognize at the highest levels the need to foster a digital market that is free from illicit content within its highly connected population. There is a dire need for an agenda and strategic policy for enforcement and interagency cooperation, especially between prosecutors and law enforcement cybercrime experts. The spike in demand for pirate content that Argentina experienced in the initial pandemic lockdown has enabled pirate sites to take hold and expand to other Spanish-speaking countries. Satellite and signal piracy also persists in Argentina. Hard goods piracy remains rampant through both importation and production, linked to organized crime groups. Market access obstacles persist, including film and television quotas, and high taxes on copyrighted content. Unauthorized Digital Goods (UDGs) for video game platforms are rampant and took advantage of the e-commerce boom generated by the pandemic to consolidate its market among local game consumers. While sales of music recordings on physical media have declined in recent years, there is still a significant problem for the Argentinean recording industry with the offer of unauthorized copies of new releases.

IIPA urges the Government of Argentina to make use of the recently established Coordination Center to Combat Cybercrime (*Centro de Coordinación de Combate al Cibercrimo*, known as C4) within the Cybercrime Investigations Directorate in the Ministry of Security, to combat rampant online piracy in conjunction with its anti-cybercrime efforts. The government should also revisit efforts to strengthen the Penal Code to improve the enforcement landscape for copyrighted works.

PRIORITY ACTIONS REQUESTED IN 2022

To address its significant piracy problems, IIPA urges Argentina to take the following actions.

- Increase resources and political backing for a coordinated, long-term antipiracy agenda at the federal level to address online piracy.
- Partner with rights holders to maximize industry expertise in the fight against cybercrime.
- Engage cybercrime and ENACOM authorities to monitor and perform online operations against high profile sites and commercial activities on marketplaces and e-shops.
- Continue to apply the Civil and Commercial Code to Internet service provider (ISP) liability cases including for storing infringing content.
- Host private sector discussions on potential cross-industry cooperation to tackle online piracy more effectively and support the development of the local digital economy.
- Create a specialized IP Prosecution Office and establish federal jurisdiction over copyright crimes.

¹For more details on Argentina's Special 301 history, see previous years' reports, at <https://iipa.org/reports/reports-by-country/>. For the history of Argentina's Special 301 placement, see <https://iipa.org/files/uploads/2021/01/2021SPEC301HISTORICALCHART.pdf>.



- Undertake routine, *ex officio* actions, such as inspections and raids of physical markets to stop commercial piracy.
- Actively involve the Argentinean Customs Office (DGA-AFIP) in copyright enforcement actions.
- Remove quotas for motion pictures and television content, and electronic devices, and refrain from extending quotas to over-the-top (OTT) services.
- Engage customs authorities to monitor and perform border operations against counterfeit high value products (such as circumvention devices and modified game consoles) entering the country via airports and land borders.
- Assign adequate legal powers and financial resources to the Ministry of Justice's Copyright Office (*Dirección Nacional del Derecho de Autor*).
- Refrain from increasing the already high tax burden on legal content through such proposals as the Digital Tax.

THE NATURE OF PIRACY IN ARGENTINA

The levels of online piracy of copyright works in Argentina worsened in the past year, showing no signs of recovery from the spike in piracy that the country suffered during the spring of 2020, coinciding with the lockdown put in place to contain the initial spread of the COVID-19 pandemic. The country's Internet penetration rate of 93% is the highest in the region, with 41.6 million users, but a robust legitimate online content market cannot take hold until the government makes concerted efforts to address the country's rampant and increasing digital piracy via torrent sites, downloading, streaming, stream-ripping, and linking sites.

As in 2020, Argentina, like the region as a whole, continues to see an increase in the usage of Piracy Devices (PDs), in particular, dedicated Android boxes such as the HTV box and Kodi boxes, which are used to stream illicit copies of films and television content. In recent years, IIPA has also seen an increase in consumption of films and television through piracy mobile apps and add-ons.

According to *Centro De Estudios De Telecomunicaciones De América Latina*, during the twelve months ending in February 2020, illegal platforms received 53% more visits than websites with authorized audiovisual content, and 17% of searches (45 million searches) for illegal online content in Latin America came from Argentina. Pirated content applications were downloaded 473,000 times, while applications for streaming authorized content were downloaded 1.8 million times. Illegal sports broadcasting websites received 22 million visits in the course of the year.

Following this period, the response to the COVID-19 pandemic triggered a sharp rise in piracy of motion pictures and video games. According to TorrentFreak, there were over 508,000 daily downloads of pirated content through BitTorrent protocols in Argentina on March 17, 2020 (three days before the official lockdown order was issued) and 706,000 daily downloads a week later. During this same period, IP addresses sharing Torrents also increased from 179,000 to 254,000.

The illegal distribution of physical and online video games and entertainment software in Argentina has consistently grown in recent years, and during the pandemic video game piracy spread over an even greater diversity of formats, including: BitTorrent game content available on Spanish-language illegal linking and download sites, increased availability of online UDGs,² and an increase of illegal consoles and devices available from small, local

²Unauthorized digital goods (UDGs) are unauthorized sales of in-game digital items. They have become a growing concern for the video game industry. Closely related to these in-game items are software products (collectively known as "cheat software") that enable the unfair and rapid collection and aggregation of virtual goods, such as bots, hacks, and "cheats", or which otherwise tilt the scales in favor of one player over another. The rise of UDGs and cheat software have a negative impact on video game companies and consumers in the following ways: (1) sellers of unauthorized digital goods and cheat software divert significant revenue away from video game developers and publishers; (2) sales of digitally-delivered items, like in-game digital items, have the potential for consumer fraud (such as stolen payment methods or compromised accounts) and the facilitation of money laundering schemes; (3) the unchecked sales of cheat software can threaten the integrity of game play, alienating and frustrating legitimate players; and (4) video game publishers and developers are forced into a perpetual virtual "arms race" to update their products and security technology before the sellers can update theirs.

businesses. According to ESA data, Argentina ranks 6th in the world for peer-to-peer (P2P) piracy for the video game industry. The 76% spike in P2P piracy that coincided with the spring 2020 COVID-19 lockdown did not subside. Instead, the volume of UDGs available on the country's major platforms increased further, by an estimated 40% in 2021. The Argentinean audience of Spanish-language illegal piracy game sites increased by 15% over the last year. While the overall use of cyberlockers decreased among the top ten most popular services and sites (*mega.nz*, *zippyshare*, *4shared*, *1fichier*, *pandafiles*, *rapidgator*, *uploaded*, *mixdrop*, *anonfiles*, *uptobox*, and *mediafire*), general audiences for online marketplaces remained high, as noted by the 20% increase of various online payment providers. Game titles represented 16% of traffic on the BitTorrent network, an increase from a level of 13% in the past two years. Infringing linking sites in Spanish—monetized by advertisements—are the most popular piracy channels for video games in Argentina. SimilarWeb reports that monthly visits to infringing linking sites also grew by 15% in 2021 as compared to growth from the previous year. The volume of game titles on the BitTorrent network also increased to 16% (from 13% in the previous two years). Online marketplaces, such as Mercado Libre, remain increasingly popular with providers of unauthorized copies of video games, counterfeit consoles, circumvention devices and modification services. During the lockdown period in Argentina to contain the spread of COVID-19, the availability of listings on *Mercado Libre* for illegal game titles, UDGs, or physical video game products, including counterfeit controllers and modified game consoles, increased overall by 40% on the popular marketplace; however, removals have also increased. Social media platforms enable online pirates of all varieties to attract wider audiences.

The International Federation of the Phonographic Industry's (IFPI) Music Consumer Study for 2021 (MCS) found that Argentina had the highest music piracy rate in the world, with the exception of India and China. 48.2% of Internet users (and 58.8% of 16-24-year-olds) had pirated music at least once in the previous month. 41.5% of all Internet users aged 16-64 downloaded pirated music through stream ripping sites or applications. In total, 16.8% of internet users reported using the stream ripping site *Y2Mate* and a further 4.8% had used the stream-ripping site *Flvto.biz*.

According to SimilarWeb, the stream-ripping sites with the most visits from Argentina in the third quarter of 2021 were *y2mate.com* (more than 18 million visits), *snappea.com* (more than 6.3 million visits), and *savefrom.net* (more than 6.1 million visits). Other popular stream-ripping sites include *mp3y.download* (formerly *mp3-youtube.download*), *yt1s.com* and *flvto.biz*. *Y2Mate* is one of the top 100 most popular websites of any kind in Argentina. *Snappea* also promotes a popular stream ripping mobile app called *SnapTube* which had more than 6.3 monthly active users in September 2021. Other popular sites based on SimilarWeb data included the cyberlockers *mega.nz* and *1fichier.com*.

From time to time, there are seminars and forums about the necessity for specific regulation to enable effective enforcement action online in balance with freedom of expression and other fundamental rights on the Internet. For instance, a heated debate on piracy and copyright protection took place in late April 2020, spearheaded by authors and publishers after Virtual Library, a Facebook site with 16,000 followers, published PDF versions of a series of books, without author authorization. Writers that complained of IP theft were the object of online bullying, principally from campaigners for free access to "cultural productions" and knowledge, who leveraged the pandemic to support their opposition to online copyright protection. Creative industries have maintained their position that protection for freedom of speech and copyright are not opposing interests, rather, strengthening copyright protection can strengthen freedom of speech. Despite those debates and discussions, the current government has not adopted a public position on the matter.

Physical piracy continues to be a problem. After 217 days of closure due to the lockdown to contain the COVID-19 pandemic, the notorious market *La Salada* reopened in October 2020 with strict protocols all of which were blatantly violated when throngs descended on the market for Christmas shopping in December. Its owner was released from prison under house arrest in December of last year, and now accuses the former Administration of abuse of power for the closure of his market and illegal interference with his operations.

Camcording. The COVID-19 pandemic, which caused the widespread closure of cinemas in Argentina for much of 2020, has temporarily halted camcording activity. However, as cinemas reopen to moviegoers, rights holders anticipate that this illicit activity will resume and Argentina will continue to be the home to a number of release groups, which source camcorded material from all over the region and resell it online.

COPYRIGHT ENFORCEMENT IN ARGENTINA

In 2021, in the absence of significant enforcement improvements to promote a legal online environment during the pandemic, Argentina experienced rapid expansion of already high levels of piracy. Law enforcement authorities suffer a severe shortage of the resources and coordination needed to efficiently monitor and control digital piracy and the use of Illegal Streaming Devices (ISDs). Reforms in enforcement efforts are needed to stop the import of ISDs into the country, conduct full-scale raids against piracy websites and applications, and take actions against unlicensed retransmission and theft of pay-tv signals. The Government of Argentina should establish greater cooperation among federal enforcement agencies to address online piracy as a united front.

Rights holders report no significant cases of copyright enforcement actions by Argentina's law enforcement in 2021. General inaction and lack of coordination in online infringement investigations and cases between federal and state jurisdictions remain major concerns. For example, when an online IP crime is reported, both the Federal Police and the State Prosecutor might independently proceed processing the case without communicating or sharing data, with the federal police seeing it as a federal crime and the state prosecutor seeing it as a crime involving a local Argentinean citizen. There are other procedural challenges, such as defaults in evidence chain of custody for cybercrime cases and the characterization of profit and economic benefits from online advertisements. Furthermore, Argentina lacks legislation establishing protections relating to technological protection measures (TPMs) and rights management information (RMI), which are critical for enabling legitimate online business models and products. The lack of these legal tools is a further obstacle to enforcement against circumventions and hacks of copyright works.

Argentinean law enforcement authorities need to be trained to recognize the importance of online IP protections as an important piece of Argentina's digital economic development and its collateral benefits for public security policies. Additionally, law enforcement authorities should take further concrete steps to establish an agenda that reflects short- and long-term goals for tackling illegal sites and piracy groups operating in the country.

Enforcement actions against piracy linking and direct download sites require complex investigations involving data requests to multiple service providers, who in turn require the support of judicial authorities for the requested actions. Unfortunately, because law enforcement authorities generally fail to prioritize online copyright infringement cases, rights holders must instead rely on self-help measures. While there are some positive examples of private sector cooperation, there are no clear incentives from the government to generate cooperation between private and public sectors, causing a shortage of voluntary and beneficial initiatives.

In 2021, rights holders continued to rely more on cooperation with other actors in the online ecosystem. The video game industry has increased its cooperation with *Mercado Libre's* regional office, based in Buenos Aires, as a strong partner through which UDGs and other infringing video game items are removed from listings, and to combat commercial game piracy in the entire region. ESA reports that in the past year, *Mercado Libre* successfully completed approximately 85% of takedown requests. Although ESA has seen good cooperation with *Mercado Libre*, its members have noted issues with other marketplaces offering circumvention devices and pre-loaded consoles, such as *Shopix-co.ar* and *Shopee*, which is soon to be launched in Argentina but offers pirated goods currently in other countries in the region. The sound recording industry requests the removal of pirate site through notices sent to registrars and hosting services. In some cases, these notices result in successful site removal. The sound recording industry also sends daily notifications to Google services and YouTube to request the removal of pirate sites from search results and infringing user uploaded content.

In May 2021, Argentina approved the 2nd Additional Protocol of the Budapest Convention. This bolsters the welcome development of August 2020, when the Fernandez Administration created the Coordination Center to Combat Cybercrime (C4) within the Cybercrime Investigations Directorate in the Ministry of Security. However, the National Plan for Cybersecurity (NPAC), which was initiated in 2019 and which established C4, has yet to come fully into force. The goal of the commission is to monitor the implementation of the NPAC, and to coordinate actions against cybercrime through the collaboration among security forces, public-private initiatives and cooperation with international organizations. This task force is comprised of representatives from four federal security agencies: the Navy, Federal Police, National Gendarmeria, and Customs. At the moment, C4 concentrates on crimes such as large-scale money laundering, fraud and crimes against sexual integrity, trafficking and paedophilia. The creation of C4 could be part of a long-awaited solution for enhanced coordination to tackle online IP crimes. At present, the Ministry of Security is responsible for tracking and releasing official public security statistics, but does not track IP crime data. It is crucial that the Ministry of Security view rights holders as strategic allies to this important initiative.

IIPA urges Argentina's authorities to partner with rights holders in order to use industry expertise to combat cybercrime. Additionally, Argentina should use the public policy instruments currently in place to create forums of cooperation with the private sector in order to accelerate law enforcement actions to the increasing problem of online crime in Argentina. The Ministry of Justice and Human Rights and the Ministry of Security, as well as Ministry of Communications, could engage more with the industry on the commissions already in place to listen and discuss the matter of IPR protection and promotion, looking for common grounds of short and mid-term cooperation

Law enforcement or administrative authorities are not promoting actions by the private sector, nor are they taking any initiatives to tackle copyright piracy through securing assistance of domain names and registrars. Based on feedback from the criminal enforcement authorities, it is understood that they view any infringing site which makes money through advertising as not making direct profits from copyright infringement, and so, ineligible to be criminally prosecuted. This narrow interpretation of the law is not compatible with the TRIPS Agreement obligation that its parties ensure that criminal enforcement measures are available, at least, against commercial scale copyright infringement.

Despite the successful blocking of *The Pirate Bay* as a landmark case in 2014 (which remains in effect today), civil litigation for new website blocking remains impracticable in Argentina due to a combination of factors such as the timeframe and coverage of available injunctions, considering the number of sites that need to be blocked to generate impact over the pirate ecosystem.

On September 23, 2019, the sound recording industry filed a judicial review action challenging the constitutionality of the Executive Order No. 600/19, which created a single public performance tariff for all hotels and established a governmental control system over tariff rates. The action claims that the Order is an unconstitutional and confiscatory measure because it deprives rights holders of the freedom to set rates according to the nature and specifics of different uses, and to enter into freely negotiated agreements with users' associations. In 2021, the case was still pending for resolution before an administrative court of first instance in Buenos Aires.

COPYRIGHT AND RELATED LAWS IN ARGENTINA

Copyright-related legislative initiatives regarding the Penal Code and digital media came to a halt as the country turned its focus to the COVID-19 pandemic in 2020 and throughout 2021.

Proposals for reform of the Penal Code under the previous administration, addressing: 1) reproduction of copyrighted material and programs from the Internet without proper authorization; 2) manufacturing, storing or selling copyrighted programs without authorization; and 3) circumvention of TPMs; lost parliamentary status in 2021 and are not expected to be revisited soon. The Macri Administration proposed the Penal Code Reform Bill (PE-52/19) in 2019, an initiative that would have: incorporated monetary fines as penalties for copyright violations; made theft of IP equivalent to theft of physical objects, made the incorrect reporting of pay-TV subscriber numbers a penalty under the law, and barred the importation or use of any physical or virtual aid to "communicate, distribute, and retransmit" copyright protected material without authorization. However, the proposal also contained provisions that could have

hindered enforcement. For instance, legal actions for IP infringement would have been prosecuted only upon a complaint from the victim, rather than *ex officio*, as is currently the case, and copyright violations would be listed within the new criminal code rather than in the Copyright Law, effectively downgrading their seriousness and importance.

During his administration, former President Macri established the National Communications Agency (known as ENACOM), with the goal of drafting a Convergent Communications Bill (#S-0709/2019) to amend, reform, and consolidate the central text of Law No. 26,522 (the so-called Audio-visual Communication Services Law, also known as the Media Law) and of Law No. 27,078 (the Digital Argentina Law). However, in the past year ENACOM has slowed its development of legislation on digital convergence. Under the current President, the Bill did not move forward, losing parliamentary status in 2021. As a result, the Media Law now remains in force unchanged, while modifications have been proposed to the Digital Argentina Law.

In 2021, Senator Alfredo Luenzo of the Committee on Systems, Media and Freedom of Expression introduced Bill S-1802/21, which aims to establish the Internet and other services as “essential public services.” The Bill would authorize ENACOM to regulate the prices of services including Internet, Cable television with spectrum and satellite use, and mobile telephone. Of significance to rights holders, the Bill would set exemptions in rates, fees, and charges for certain of these services with special attention to those that provide access to educational and health content, and would empower ENACOM to establish free access to the Internet in educational, health, or other content when there are exceptional or *force majeure* circumstances. If the Bill is adopted as currently drafted, it may conflict with the activity of (and enforcement actions by) rights holders. For instance, although the Bill expressly indicates that content regulation is excluded, because of the unclear definition of “transmission” in Article 1, rights holders may lose control over the release of content protected by copyright in the event of national emergencies and other similar situations. In addition, excessive control over Internet services could amount to an obstacle for the growth of digital services and hinder competition in the sector.

President Alberto Fernandez issued an Emergency Decree (DECNU 690/2020) on August 23, 2020 pledging to guarantee universal access to telecom services (including mobile, Internet services) rendered “essential public interest services” by the pandemic. The decree excluded satellite television services from the definition of public services. As a result of this Decree, fees for these services remained frozen for the rest of 2020 and approval from telecom regulator, ENACOM, will be required for future tariff increases. A 15% tariff increase was authorized as of November 2021, well below 2020’s 36.1% yearly inflation and this year’s expected inflation of over 50%. Nevertheless, a series of judicial challenges by affected parties have prevailed on appeal, exempting the successful plaintiffs from the restrictions that the Presidential Decree had applied with strict limitations on rate increases. An appeal to the Supreme Court, unlikely to be heard, remains ENACOM’s last possibility of prevailing.

Law 27.588, which implements the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, ratified by Argentina in 2014, was enacted on November 11, 2020.

MARKET ACCESS IN ARGENTINA

A number of economic conditions in 2021, combined with a heavy tax burden on content, have driven audiences in Argentina to seek pirated materials online as a less expensive alternative.

Local Content Quotas. Resolution 4773 E/2017, mandating certification of compliance with the screen quota provisions set forth in Section 67 of the 2009 Media Law and accompanying regulation (Decree 1225/10) went into effect on January 1, 2018, but it has never been enforced. The quota regime requires free television licensees to air eight Argentine feature films per calendar year. Likewise, non-national (retransmitted) subscription television services that show primarily fiction programs are required to allocate 0.5% of the previous year’s annual turnover to acquire, prior to filming, the broadcast rights to independent Argentine film and TV movies.

Media Law 26.522 (promulgated through Regulatory Decree 1225/2010), established a registry of national films at the National Film and Audiovisual Arts Institute (INCAA) from which pay-TV programmers select productions to comply with the quotas imposed by Article 67 of Media Law 26.522. The list includes both existing and yet-to-be-filmed productions. Both INCAA and ENACOM have yet to establish compliance procedures for pay-TV programmers. The decree presents several problems, such as whether channels with highly specific content will be able to find suitable content in the registry and whether programmers are subject to fines if they do not broadcast productions that ultimately fail to be completed.

Local filmmakers increased pressure on ENACOM and INCAA to enforce existing quotas and modify Media Law 26.522 to also impose quotas on streaming services. Another proposal by local interests groups would modify the 1994 Law 17.741 for the Promotion and Regulation of Film production (also known as the Film Law) to implement screen quotas on digital platforms and subscription-based media for which more than 50% of broadcast content is fiction, documentary, or animation programs: 35% must consist of nationally-produced audiovisual content by companies or studios not associated or part of the exhibitor, 75% of which should be at most two years old. All audiovisual broadcasting services including free-to-air television signals, mobile telephony with video platforms, would also be required to produce at least 20 hours of national audiovisual productions per year. IIPA remains wary of proposals for additional quotas because they negatively impact non-Argentinean content industries.

In July 2018, INCAA published a resolution (Resolution 1050/2018) regulating content quotas for movie theatres, which came into force on July 10, 2018. Domestically produced films must represent 30% of the volume of content shown, for the entirety of one week per quarter where there is a dedicated screen. While that 30% content quota was in effect previously, under the prior regulatory regime, the screen could be shared with another film. Under the new regulation, should the exhibitor share the screen with another movie, it will be considered a partial fulfillment, and the local production must be shown for two weeks (a minimum of one screening per day for at least one additional week) or until the full quota is fulfilled. Also in July 2018, ENACOM announced Resolution 4513 establishing that a 30% local content quota would be enforced on free-to-air TV in urban areas (10-15% for lesser populated markets). IIPA recommends that this quota provision be eliminated, as quotas distort the market, discriminate against U.S. audiovisual content, and are likely to result in increased piracy because Argentine consumers are unable to get sought after U.S. content.

Temporary Services Export and Import Tax. In late 2019, the Fernandez Administration extended the 2019 Temporary Services Export Tax to December 31, 2021, via Decree 99/2019. The decree modifies the Customs Code and includes “services rendered in the country whose use or effective exploitation is carried out abroad” to be included in the concept of “merchandise,” including “copyrights and intellectual property rights.” It also provides that services can be considered exporters. While the 2019 Decree reduced the tax rate from 12% to 5%, it also eliminated the four-peso-per-dollar cap that had benefited exporters due to the steep depreciation of the peso over the past year.

In December 2020, Decree 1034/2020 reduced the Temporary Services Export Tax to 0% for companies registered to benefit from the Knowledge-Based Economy Law 27.570 (October 26, 2020). The Registry of the Knowledge-Based Economy Promotion Regime Beneficiaries was only made available in March 2021, but the slow and tedious procedure to register has led to a marginal impact of the well-intended measure. As announced by the Ministry of Economy in September 2021, the Temporary Services Export Tax will not be extended after December 2021. That announcement would mean the end of export taxes on services to all companies, regardless of their status vis á vis the Knowledge-Based Economy Law. Before the measure had been published in the Official Gazette, Economy Minister Martín Guzmán explained that the decision to eliminate all export taxes on services seeks to increase competitiveness, investment, and employment in a sector that is already the second-largest exporter of the country, with international sales of over US\$5.7 billion in 2020.

Additionally, Argentina assesses customs duties on audiovisual works based on the potential royalty value of the work rather than on the value of the carrier medium. This runs counter to international best practice and is a form of double taxation, as royalties are subject to withholding, income, value-added, and remittance taxes.

In December 2017, the government passed a tax reform law that imposes a 35% customs duty on imported video game consoles, which negatively impacts the video game industry as well as consumers who resort to “unofficial importation” to avoid paying the extra charges. Moreover, the law also imposed a 21% Value Added Tax (VAT) on OTT services as well as on a range of services provided by companies in the “collaborative economy.” Then, in December 2019, the Fernandez Administration imposed a 30% Social Solidarity and Productive Reactivation Tax (PAIS Tax) over OTT services, including video game, music, and movie services. The PAIS tax is currently in force and will expire on December 31, 2024. Additionally, on September 19, 2020 Argentina’s Central Bank imposed a 35% fee on foreign credit card charges, which has a negative impact on Internet and streaming services such as online game platforms operated in the country on the basis of foreign currency. These laws contradict international norms and should be amended or repealed.

Election commitments made at Alberto Fernández’ 2019 inauguration and the ongoing comments if AFIP, further supported by discussions on the topic within the G20 and OECD, hint that the government could send a Digital Tax Bill next year to start implementing it in 2023. The government is waiting for further international discussions on the topic, including technical guidelines on how to calculate the income for companies before submitting a Bill to Congress.

Distribution of Performance Rights. Argentina’s current law, approved in 1974, establishes that collections on behalf of music performers and phonogram producers shall be distributed 67% to performers and 33% to producers. This unfair distribution rule, imposed by law, goes against international practice and basic fairness. We urge Argentina to consider legislation that establishes a more balanced distribution of 50% to performers and 50% to producers.

TRAINING AND OUTREACH

The Secretary of Public Innovation recently engaged in an awareness campaign launching a series of training programs about cybersecurity and the protection of national network infrastructure, aiming to make the general population more informed and thus able to act against digital crimes . The training program shared important information designed to enable Argentinian citizens to detect and prevent illicit actions against intellectual property and prevent informational security incidents on a national level.

The Ministry of Science and Technology recently carried out a training course to raise awareness about the registering of intellectual property. IIPA recommends Argentina expand training programs on the importance of intellectual property rights to a broader population, which could include, for example, university students and participants of government-sponsored initiatives that support the creative economy in Argentina (such as the *Argentina Programa* training and users of the *Mercado de Industrias Culturales Argentinas* Platform (MICA)).