

FOREIGN TRADE*

February 2005

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette during February 2005, which also contains general foreign trade news that will impact Mexican foreign trade. For further information on the topics addressed in this paper or for any questions arising from it, please write to Adrián Vázquez Benitez, adrian@vazqueztercero.com or to Verónica Vázquez Bravo, veronica@vazqueztercero.com

1. Agreement on tariff headings that are subject to compliance with NOMs.

On February 3, the Ministry of Economy (ME) published in the Federal Official Gazette the Agreement that amends a similar agreement that identifies the tariff headings of the Tariff of the General Import and Export Law where goods subject to compliance with Mexican Official Standards (NOMs) at the point of entry and exit from the country are classified. The following are the salient provisions:

Article 3 (Goods subject to NOMs the purpose of which is to provide commercial information, as well as commercial and health information).

- ✓ Section VIII is amended, as it relates to several tariff headings of sub-items 0401 y 0402 that are subject to compliance with NOM-051-SCFI-1994, in order to eliminate the obligation to submit a copy of the verification services agreement or a current report on compliance with information accuracy.
- ✓ Section XII is added, as it relates to tariff heading 9506.62.01 relevant to inflatable balls so as to subject such goods to NOM-015-SCFI-1998 Commercial Information-Labeling for Toys, and not to NOM-020-SCFI-1997 nor NOM-050-SCFI-1994.

Article 4 (Goods the exportation of which is subject to NOMs).

- ✓ Heading 2208.90.00 is added, as it relates to "others" (mezcal).

Article 5 (Requirements for goods provided by articles 1, 2 and 8 of the Agreement).

- ✓ The first paragraph is amended in order to provide for the obligation to attach the documents expressly provided by NOMs for the purpose of evidencing compliance therewith to the import application.
- ✓ The second paragraph is amended as regards the Manual on procedures for the importation and exportation of goods, specimens, products and sub-products that are subject to regulation

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¹ By their Spanish abbreviation. NOMs are *Normas Oficiales Mexicanas*.

- by SEMARNAT²", and substituting such manual with the "Manual on procedures for the importation and exportation of wildlife, forest products and sub-products, and hazardous materials and residue, that are subject to regulation by SEMARNAT".
- ✓ Finally, for goods listed in article 3, which are subject to NOMs the purpose of which is to provide commercial information and commercial and health information, the requirement to submit a copy of the verification services agreement or of a current report on compliance with information accuracy is deleted, and a request for verification services in free form, and a current report on compliance with information accuracy issued by a verification unit are provided.

Article 6 (Requirements for goods listed in Article 3 of the Agreement)

- ✓ Its sections I and II are amended, and cease to refer to submission of the original or copy of the request for verification services or a copy of the current report on information accuracy, as provided by article 5 of this Agreement, as evidence of compliance with NOMs. This amendment shall enter into force 30 days after publication.

It is provided that the reports or evidence of verification that were issued prior to the entry into force of the Agreement for the purpose of proving compliance with NOMs on commercial information, whose nomenclature has changed in light of the provisions thereof, shall remain in force for 60 days in order to allow interested parties to carry out a substitution of the relevant document.

Likewise, it is indicated that the certificates on compliance with NOM-019-SEDG-2002 (Domestic appliances used for cooking, that use LP gas or natural gas-Specifications and test methods. NOM that cancels and substitutes NOM-023-SCFI-1993), which were issued prior to the entry into force of this Agreement, shall continue in force until the expiration date provided in the certificate for the purpose of proving compliance with the latter Mexican Official Standard.

2. Exhibits 1 and 2 of the mechanism for guaranteeing payment of taxes on goods that are subject to minimum customs value.

Exhibit 2

On February 14, the Ministry of Finance and Public Credit (SHCP) published the Resolution that amends a similar resolution that provides the mechanism for guaranteeing payment of taxes on goods that are subject to minimum customs values in the Federal Official Gazette, and issued **Exhibit 2**, relative to **Minimum Customs Values Applicable to the Importation of Vehicles, based on Model Year**. The SHCP explains that issuance is due to the fact that definitive importation of automotive vehicles has triggered the practice of under-pricing imported vehicles, thereby giving rise to lesser payment of taxes which cause harm to the federal treasury.

Exhibit 1

On February 25, the SHCP published in the Federal Official Gazette the Resolution that amends and derogates the Resolution that provides for **Exhibit 1** to the similar resolution that establishes the mechanism for guaranteeing payment of taxes on goods that are subject to the assessment of minimum customs values by SHCP that was published on March 29, 2002. The following are salient provisions:

² By its initials in Spanish. SEMARNAT is the Ministry of the Environment and Natural Resources (*Secretaría del Medio Ambiente y Recursos Naturales*).

- ✓ Tariff headings for chicken drumsticks and thighs, and safety helmets are included (for items 0207, 6506 y 9004).
- ✓ The minimum customs value for tariff heading 8715.00.01 relative to strollers, is amended and shows a decrease of approximately 20% of the minimum customs value.

It is worth noting that our Firm participated on behalf of a children's products association during the review of the minimum customs values for tariff heading 8715.00.01 ■