

FOREIGN TRADE*

July 2005

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette during July 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. Comments to the amendment of NAFTA rules of origin

On July 12, the Ministry of Economy (SE) published in the Federal Official Gazette the Notice whereby comments are requested regarding a probable amendment to the rules of origin provided by Exhibit 401 of NAFTA, in connection with cocoa and its preparations, cranberry juice, metal minerals, slags and ashes, furs (except leather) and leather, cork and its manufactures, viscous rayon filament threads, trilobal rayon short fibers, non-texturized nylon threads, manufactured feathers and feather products, artificial flowers, glass and its manufactures, non-ferrous metals and television sets.

Our Firm is at your disposal in order to work jointly with the domestic industry that wishes to submit comments.

2. Temporary exemption to the use of materials beyond the Mexico, Colombia and Venezuela Free Trade Agreement

On July 12, the SE published in the Federal Official Gazette the Agreement that provides for an increase in the amount provided by another agreement that reports the Decision of the Management Commission that grants a temporary exemption for the use of materials beyond the free trade region so that several textile and garment goods receive preferential levels provided by the FTA executed by the United Mexican States, the Republic of Colombia and the Bolivarian Republic of Venezuela. The foregoing serves the purpose of increasing the amount provided for polyamide 44/34 full dull (1,5% TiO2), classified under tariff heading 5402.41.01 to which Mexico applies an import duty for originating goods provided by its deregulation program provided in exhibit 1 to article 3-04 of such FTA. This provision entered into force one day after its enactment, and shall be effective until October 14, 2005.

3. Criteria for NOM-131-SCFI-2004 Vehicle Identification Number

On July 21, the SE published in the Federal Official Gazette the Criteria for interpretation of NOM-131-SCFI-2004, Determination, assignment and installation of the vehicle identification number-Specifications, which was published on December 13, 2004, effective as of July 22, 2005, and that consists in an adoption of international provisions and mechanisms on vehicle identification with a view to establishing a number that identifies vehicles that transit through general communication means, thereby identifying them.

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4. Supreme Court determines unconstitutionality of DTA payment

The Second Chamber of the Supreme Court of Justice ruled against article 49, section I of the Federal Duties Law (*Ley Federal de Derechos*), in force as of January 1, 2005, and which provides for payment to the State of 0.008 percent on the value of imported goods.

The Import Processing Fee (DTA) is the payment made in exchange for inspection services of goods that enter the territory. Supreme Court justices held that “calculation of the DTA does not take into consideration the type of service rendered, nor its cost; rather elements that are totally unrelated to it, which produces the result that taxpayers of this fee pay a greater or lesser amount depending on the value of the goods or assets to be imported, regardless of the extent of the service”. Therefore, taxpayers that filed an *Amparo* action against article 49, section I in force may benefit from this interpretation by our High Court.

Our firm represented several importers against customs application of this legislative provision.■