

Relevant Customs and International Trade publications (August - September 2021)

Mexico City, October 14, 2021

The following are the most relevant legislative updates on foreign trade matters during the months of August and September 2021.

I. Agreement establishing administrative measures in the Ministry of Economy.

On August 4, 2021, the "Agreement by which administrative measures are established in the Ministry of Economy to facilitate the users the procedures and formalities" was published in the Official Gazette of the Federation ("DOF").

The purpose of such publication is to facilitate the resolution of all the proceedings, requests, consultations, submission of information, among others, that have been filed before the Ministry of Economy, notwithstanding the fact that such submission could be made at the physical office and other authorized counters. In this regard, it is established that they could be solved through the existing electronic channels of communication or those established in the agreement itself, prior express acceptance made by the individuals through the same electronic means.

Likewise, in all communications where e-mails are enabled for receipt, the Administrative Units of the Ministry of Economy must, no later than the following business day, acknowledge receipt and assign a tracking folio to the request for identification purposes. In addition, it will be presumed that all documentation sent digitized was scanned from their originals or certified copies, however, the Administrative Units may request documentation at any time for comparison if necessary.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5625690&fecha=04/08/2021.

II. Agreement announcing Decision No. 107 of the Administrative Commission of the Free Trade Agreement between Mexico and Colombia.

On August 11, 2021, the "Agreement announcing Decision No. 107 of the Administrative Commission of the Free Trade Agreement between the United Mexican States and the Republic

of Colombia, adopted on July 9, 2021" was published in the DOF, through which the Administrative Commission, in compliance with the provisions of such Agreement and taking into consideration the opinion presented by the Inputs Regional Integration Committee, determined to grant a temporary waiver for new textile sector products, whereby Mexico will apply the import tariff corresponding to the originating goods foreseen in its tariff elimination schedule. Such waiver will be in effect from August 12, 2021 to August 11, 2023.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5626311&fecha=11/08/2021.

III. Notice disclosing the amount of the maximum quota to export sugar to the United States.

On August 12, 2021, the "Notice announcing the amount of the maximum quota to export sugar to the United States of America during the period from October 1, 2021 to September 30, 2022" was published.

Such agreement was issued in compliance with Point 13 of the "Agreement whereby the export of sugar is subject to prior permit and a maximum quota for its export" published on October 5, 2017, to disclose the amount of the total quota equivalent to 657,153.322 metric tons (raw value) per year of sugar originating in Mexico that may be exported to the United States. This product must be derived from sugar cane or beet sugar.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5626391&fecha=12/08/2021.

IV. Agreement by which the Ministry of Economy announces the Uniform Regulations for the interpretation, application and administration of Chapter 4, 5, 6 and 7 of the T-MEC.

On August 13, 2021, the "Agreement by which the Ministry of Economy published the Uniform Regulations concerning the interpretation, application and administration of Chapter 4 (Rules of Origin), Chapter 5 (Origin Procedures), Chapter 6 (Textile and Apparel Goods), and Chapter 7 (Customs Administration and Trade Facilitation) of the Agreement between the United Mexican States, the United States of America and Canada", was published derived from the adoption of Decision No. 2 by the Free Trade Commission of the T-MEC.

Through such resolution, the Uniform Regulations implemented as Annex 1 of Decision No. 1 were replaced.

The text of the Uniform Regulations did not suffer substantial amendments; however, it established additional criteria clarifying the origin determination of the goods, the percentage for the calculation of the regional content value and other provisions related to textiles and apparel.

In addition, it includes definitions and interpretations applicable to automotive goods; specific rules of origin applicable to vehicles and auto parts; provisions applicable to the calculation of the regional content value for passenger vehicles, light and heavy trucks; steel and aluminum purchases; and the requirement for the calculation of the labor content value applicable to such goods.

Likewise, among other things, such publication includes provisions regarding the interpretation, application and administration of requests for preferential tariff treatment, as well as the bases and exceptions for the origin certification, import and export obligations, requirements for the preservation of records, origin rulings prior importation, among others.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5626542&fecha=13/08/2021.

V. Sunset review final resolution of the validity of the antidumping duties imposed on imports of cold rolled steel sheet originating from China.

On August 16, 2021, the "Sunset review final resolution of the validity of the antidumping duties imposed on imports of cold rolled steel sheet originating from the People's Republic of China, regardless of the country of origin" was published. Such goods enters into the Mexican market through tariff codes 7209.16.01 and 7209.17.01 of the tariff of General Import and Export Tax Law (for its acronym in Spanish "TIGIE").

In this regard, the Ministry of Economy determined to extend the validity of the definitive antidumping duties in force since 2015, for five more years starting on June 20, 2020, in the following terms:

- a)** 65.99% for imports from Baoshan Iron & Steel Co., Ltd.;
- b)** 82.08% for imports from Tangshan Iron and Steel Group Co., Ltd.; y,
- c)** 103.41% for imports from Beijing Shougang Cold Rolling Co., Ltd., Shougang Jingtang United Iron & Steel Co., Ltd., and all other exporting companies.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5626636&fecha=16/08/2021.



VI. Agreement modifying the import and export quotas of non-originating textile and apparel goods, susceptible to receive preferential tariff treatment, according to the USMCA.

On August 27, 2021, the "Agreement modifying the quotas for exports and imports of non-originating textile and apparel goods eligible for preferential tariff treatment under the Agreement between the United States of America, the United Mexican States and Canada" was published.

It is specified that the amounts available will be allocated on a "first in time, first in right" basis and may be requested by individuals or legal entities that have a registration certificate referred to in such agreement, which will be valid from January 1 to December 31 of the following year of request.

The agreement also provides that the amounts of the cancelled certificates will be reintegrated to the amount of the quota on a "first in time, first in right" basis, to be distributed again among those companies that request it and, if applicable, up to the maximum amount that corresponds to them.

In addition, for TPL1 and TPL2 export quotas destined to the United States of America, the amount available under the direct allocation procedure may be requested by individuals and companies established in the United Mexican States that have a history of exports corresponding to the TPL to be requested in the year immediately prior to the filing date request.

Among other things, it also states that, in order to apply for the direct allocation quota, the application must be submitted between June 15 and 30 of each year.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5627894&fecha=27/08/2021.

VII. Resolution declaring the initiation of the antidumping investigation on imports of coated flat steel originating in Vietnam, regardless of its country of origin.

On August 30, 2021, the "Resolution accepting the request of interested party and declaring the initiation of the administrative proceeding of antidumping investigation on imports of coated flat steel originating in the Socialist Republic of Vietnam, regardless of the country of origin" was published, through which the request of Ternium México, S.A. de C.V. and Tenigal, S. de R.L. de C.V. was accepted, to investigate for unfair trade practices, in its modality of price discrimination, imports of coated flat steel from Vietnam entering the domestic market through tariff sections 7210.30.02, 7210.41.01, 7210.41.99, 7210.49.99, 7210.61.01, 7210.70. 02,

7212.20.03, 7212.30.03, 7212.40.04, 7225.91.01, 7225.92.01 and 7226.99.99 of the TIGIE, and under Rule Eight for tariff items 9802. 00.01, 9802.00.02, 9802.00.03, 9802.00.04, 9802.00.06, 9802.00.07, 9802.00.10, 9802.00.13, 9802.00.15 and 9802.00.19 of the TIGIE, or any other.

In this regard, the investigation period was set from January 1 to December 31, 2020, and the damage analysis period was determined from January 1, 2018 to December 31, 2020.

Domestic producers, importers and exporters that demonstrate to have a legal interest in such investigation, will have a period of 23 business days to prove their legal interest and submit their response through the official form, as well as the arguments and evidence they consider relevant, which will begin to run 5 days after the aforementioned publication.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628008&fecha=30/08/2021.

'III. Sunset review final resolution of the antidumping duties imposed on imports of carbon steel pipes with straight and longitudinal seam originating in the United States, regardless of the country of origin

On August 30, 2021, the "Sunset review final resolution of the antidumping duties imposed on imports of carbon steel pipes with straight and longitudinal seam originating in the United States of America, regardless of the country of origin" was published. Such goods enters into the Mexican market through tariff codes 7305.11.02 and 7305.12.02 of the TIGIE.

Through such proceeding, the Ministry of Economy determined to extend the validity of the definitive antidumping duties in force since 2016, for five more years starting on May 28, 2020, in the following terms:

- a)** 6.77% for imports from Berg Europipe Holding Corporation;
- b)** 25.43% for imports from other U.S. exporters; and,
- c)** 4.04% for imports from Berg Steel Pipe Corporation.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628009&fecha=30/08/2021.

IX. Resolution declaring the beginning of the antidumping investigation on imports of steel beams type I and type H originating in Germany, Spain and the United Kingdom, regardless of the country of origin.



On August 31, 2021, the "Resolution accepting the request of interested parties and declaring the beginning of the administrative antidumping investigation proceeding on imports of steel beams type I and type H originating in the Federal Republic of Germany, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland, regardless of the country of origin" was published, through which the request of Gerdau Corsá, S.A.P.I. de C.V. was accepted, to investigate for unfair trade practices, in its modality of price discrimination, the imports of steel beams type I and type H originating in Germany, Spain and the United Kingdom, which enter into the national market through tariff sections 7216.32.99 and 7216.33.01 of the TIGIE, or any other.

In this regard, the investigation period was set from January 1 to December 31, 2020, and the damage analysis period was determined from January 1, 2018 to December 31, 2020.

Domestic producers, importers and exporters that demonstrate to have a legal interest in such investigation, will have a period of 23 business days to prove their legal interest and submit their response through the official form established for such purpose, as well as the arguments and evidence they consider relevant, which will begin to run 5 days after the aforementioned publication.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628210&fecha=31/08/2021.

X. Decree publishing the Agreement on Mutual Recognition and Protection of Spirit Drinks denominations between Mexico and the United Kingdom.

On September 1, 2021, the "Decree enacting the Agreement on the Mutual Recognition and Protection of Spirit Drinks Denominations between the United Mexican States and the United Kingdom of Great Britain and Northern Ireland, done in Mexico City on November 30, 1920" was published, through which the parties agree to facilitate and promote trade of spirit drinks denominations between them in their respective markets, based on the principles of non-discrimination and reciprocity.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628425&fecha=01/09/2021.

XI. Final resolution of the antidumping investigation on imports of dioctyl phthalate, originating in Korea and the United States, regardless of the country of origin.

On September 1, 2021, the "Final Resolution of the antidumping investigation on imports of dioctyl phthalate originating in the Republic of Korea and the United States of America, regardless of the country of origin" was published. Such goods enters into the Mexican market through the tariff code 2917.32.01 of the TIGIE.

Through such proceeding, the Ministry of Economy determined to impose a definitive antidumping duty of \$0.27 USD per kilogram to imports of dioctyl phthalate originating in Korea and the United States, regardless of the country of origin.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628430&fecha=01/09/2021.

XII. Notice announcing the extraordinary quota to export sugar to the United States.

On September 2, 2021, the "Notice announcing the extraordinary amount of the quota to export sugar to the United States of America, in the period between October 1, 2020 and September 30, 2021, for 17,527 short tons raw value of sugar (TCVC)" was published, through which it is announced that an extraordinary amount of the originally established quota is authorized to export sugar with polarization less than 99.5 degrees as produced and measured dry, to the United States of America ("USA"), in the indicated period, resulting in 15,900.228 metric tons raw value.

It also states that the Ministry of Economy will allocate the extraordinary amount, among other things, taking into account those beneficiaries who:

- a)** Have submitted their request for quota allocation to participate in the 2020/2021 sugar cycle, and
- b)** Have responded to the consultation formulated in August 2021 on the availability of sugar with polarization less than 99.5 degrees, in case of an additional need on the part of the USA.

It also states that the sugar exported under the quota referred to in this notice must undergo polarization tests before a laboratory authorized by the U.S. Customs and Border Protection.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5628670&fecha=02/09/2021.



III. Eighth Resolution of amendments to the General Foreign Trade Rules for 2020 and its Annex 1-A.

On September 10, 2021, the "Eighth Resolution of Amendments to the General Foreign Trade Rules for 2020 and its Annex 1-A" was published, through which certain criteria's are specified regarding the causes for suspension of the importers registry established in Rule 1.3.3, as well as the reincorporation of registries established in Rule 1.3.4.

In this regard, it is provided that, in case the importers registry suspension result applicable only to one of the sectors of the Specific Sectors, the taxpayer may be suspended only in the corresponding sector or sectors, according to the breach in question, and not generally in all the Sectors as it was previously done.

Likewise, with respect to the reincorporation in the specific sectors in which importers have been suspended, taxpayers that have been suspended as a precautionary measure may request that such suspension be rescinded in each sector in which they have been suspended.

In the same sense, it is specified that, in the event that an audit verification has been initiated, determining taxes omissions, antidumping duties, transition measures and, if applicable, the imposition of sanctions, as well as tax assessments, importers may be reincorporated in the sectors that had been suspended, prior compliance with the requirements set forth in form 7/LA of Annex 1-A, and a letter stating the acceptance of the irregularities detected and make the payment of the amount determined in the tax assessment.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5629429&fecha=10/09/2021.

XIV. Agreement announcing the entry into force of the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership, for the Republic of Peru.

On September 17, 2021, the "Agreement announcing the entry into force of the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership, for the Republic of Peru" was published to confirm that, as of September 19, 2021, such multilateral treaty ("TIPAT") will enter into force and will be applicable for said country.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5630096&fecha=17/09/2021.



XV. Agreement that modifies the applicable IGI rate for goods originating in the region formed by Mexico, Australia, Brunei, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore and Vietnam, corresponding to Australia, Canada, Japan, New Zealand and Singapore.

On September 17, 2021, the "Agreement that modifies the Applicable General Import Tax Rate for goods originating in the region formed by Mexico, Australia, Brunei, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore and Vietnam, corresponding to Australia, Canada, Japan, New Zealand and Singapore" was published.

Through such Agreement, the rates corresponding to the general import tax applicable to the importation of goods originating in the region formed by the TIPAT member countries of Australia, Canada, Japan, New Zealand and Singapore are disclosed, confirming that such goods will be exempt from the payment of such tax, except for those goods indicated in the Agreement itself.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5630097&fecha=17/09/2021.

XVI. Agreement modifying the National Trade Facilitation Committee.

On September 21, 2021, the "Agreement that modifies the National Trade Facilitation Committee" was published, through which article 2 of the agreement was amended to state that such Committee will be integrated by representatives of the following entities, who will have voice and vote in the decision making that emanates from it:

- a) Ministry of Foreign Affairs;
- b) Ministry of National Defense;
- c) Ministry of the Navy;
- d) Ministry of Finance and Public Credit;
- e) Ministry of Environment and Natural Resources;
- f) Ministry of Energy;
- g) Ministry of Economy;
- h) Ministry of Agriculture and Rural Development;
- i) Ministry of Communications and Transportation; and,
- j) Ministry of Health

It is important to remember that the aforementioned Committee will have, among other powers, the possibility of acting as a coordinating body for the different agencies of the Federal Public

Administration that are competent and involved in the different aspects related to the implementation and application of the Trade Facilitation Agreement. Likewise, it will cooperate with the Ministry of Economy and the Ministry of Foreign Affairs in the design of policies, programs and actions simplifying and automating the processes related to foreign trade.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5630350&fecha=21/09/2021.

VII. Final resolution of the antidumping investigation on imports of texturized polyester filament originating from China and India, regardless of the country of origin.

On September 29, 2021, the "Final resolution of the administrative anti-dumping investigation on imports of texturized polyester filament originating in the People's Republic of China and the Republic of India, regardless of the country of origin" was published, which enters into the Mexican market through tariff item 5402.33.01 of the TIGIE.

Through such procedure, the Ministry of Economy determined to impose a definitive antidumping duty of \$0.532 USD per kilogram, notwithstanding, it is recognized that derived from the sanitary contingency due to the disease generated by the SARS-CoV2 virus (COVID-19), it was considered that the textile industry suffered negative effects in all its performance indicators, therefore, in accordance with article 9.1 of the Antidumping Agreement, the countervailing duty established will not be applicable for one year as of its publication in the DOF.

The following link contains the official DOF publication for your reference:
https://www.dof.gob.mx/nota_detalle.php?codigo=5631285&fecha=29/09/2021.

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