### **Legal Update**

## **Customs and International Trade**

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Most relevant updates on International Trade matters as of October 2020.

#### I. Antidumping investigation against triethanolamine from the United States of America

On July 31, 2020, the "Resolution accepting the request of the interested party and declaring the initiation of the antidumping investigation on imports of triethanolamine, originated from the United States of America" was published in the Official Gazette of the Federation ("DOF").

This product is imported into Mexico through the HTS tariff code 2922.13.01 of the General Import and Export Taxes Tariff Law (for its acronym in Spanish "TIGIE"). Triethanolamine is a chemical product used in soaps, cosmetics, creams, wood, cement, among others.

The publication established as the period of investigation January 1<sup>st</sup> to December 31, 2019, while the period of analysis for injury purposes ran from January 1<sup>st</sup>, 2017 to December 31, 2019. Importers, exporters and the representatives of the government of the United States of America had a period of 28 working days to file their evidence and arguments, together with the response to the official questionnaire.

To review the complete official publication use the following link (available only in Spanish): https://www.dof.gob.mx/nota\_detalle.php?codigo=5597609&fecha=31/07/2020.

### II. Final resolution of the sunset review regarding antidumping duties on imports of cold rolled sheets from the Russian Federation and the Republic of Kazakhstan

On August 18, 2020, the "Final Resolution of the sunset review on antidumping duties on imports of cold rolled sheets originating from the Russian Federation and the Republic of Kazakhstan was published in the DOF. The investigating authority concluded to extend the application of the antidumping duties of 15% and 22% for five more years, starting on June 30, 2019.

These products are imported into Mexico through the HTS tariff code 7209.16.01 and 7209.17.01.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota\_detalle.php?codigo=5598517&fecha=18/08/2020">https://www.dof.gob.mx/nota\_detalle.php?codigo=5598517&fecha=18/08/2020</a>.

### II. Final resolution of the sunset review regarding the antidumping duties on imports of carbonsteel buttwelding connections from the People's Republic of China

On August 19, 2020, the "Final Resolution of the sunset review on antidumping duties on imports of carbonsteel connections for butt welding originating from the People's Republic of China" was published in the DOF. The investigation authority concluded to extend the application of the antidumping duty of USD\$1.05 per kilogram, for five more years, starting on August 5, 2019.

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The product is imported into Mexico through the HTS tariff code 7307.93.01.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota\_detalle.php?codigo=5598649&fecha=19/08/2020">https://www.dof.gob.mx/nota\_detalle.php?codigo=5598649&fecha=19/08/2020</a>.

#### **III.** Automatic permit for steel export

On August 28, 2020, the "Resolution imposing an automatic import permit for certain steel products" was published in the DOF. By means of such resolution, certain steel goods will now be subject to an automatic export permit mechanism in order to avoid the exportation of steel pretending to be from Mexican origin.

In this regard, standard seamless pipe, mechanical pipe and semi-finished products are now subject to the requirement of automatic export permit before the exportation can be completed.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota-detalle.php?codigo=5599325&fecha=28/08/2020">https://www.dof.gob.mx/nota-detalle.php?codigo=5599325&fecha=28/08/2020</a>.

#### IV. Amendment to the General Rules in Foreign Trade Matters by the Ministry of Economy

On September 2, 2020 the "Agreement modifying the general rules for foreign trade matters by the Ministry of Economy" was published in the DOF.

Through such amendment, several HTS tariff codes were added to Annex 2.4.1 (known as the NOMs Annex), to include those products in the list of goods that must comply with Mexican Official Standards ("NOM's") at the point of entry into the country, as well as at the exit point. By modifying these regulations, the importation and exportation of those products can no longer be completed without complying with each applicable NOM, as was previously done by exempting such requirement through the previously implemented mechanisms.

In particular, the following NOMs were added to the list:

- NOM-213-SCFI-2018, Portable containers and transportable containers subject to pressure, to contain liquefied petroleum gas.
- NOM-001-SCFI-2018 Electronic devices- safety requirements and test methods.
- NOM-116-SCFI-2018, Automotive Industry-Gasoline and diesel engine lubricating oils-Specifications, test methods and commercial information.
- NOM-EM-021-SE-2020, Measuring Instruments-Non-invasive mechanical sphygmomanometers.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota-detalle.php?codigo=5599530&fecha=02/09/2020">https://www.dof.gob.mx/nota-detalle.php?codigo=5599530&fecha=02/09/2020</a>.

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### V. Decision No. 3 of the Administrative Commission of the Free Trade Agreement between Mexico and the Republic of Panama

On September 4, 2020, the "Decision No. 3 of the Administrative Commission of the Free Trade Agreement between the United Mexican States and the Republic of Panama, adopted on July 22, 2020" was published in the DOF.

Through such decision, Section 13 related to the certificate of origin format was modified to include a simplified mechanism for the issuance of such certificates, as an acknowledgment of the current technologies and, consequently, the instructions for filling out the Certificate of Origin were also modified.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota\_detalle.php?codigo=5599733&fecha=04/09/2020">https://www.dof.gob.mx/nota\_detalle.php?codigo=5599733&fecha=04/09/2020</a>.

### VI. Antidumping investigation against imports of carbon and alloy steel plate from Brazil and Russia

On September 21, 2020, the "Resolution accepting the request of interested party and declaring the initiation of the antidumping investigation on imports of carbon and alloy steel plate from the Federal Republic of Brazil and the Russian Federation" was published in the DOF.

The investigated products are imported into Mexico through the HTS tariff codes 7207.12.99, 7207.20.99, 7224.90.02 and 7224.90.99 of the TIGIE and are used by companies of the steel industry to produce hot rolled, cold rolled and/or galvanized steel in the form of roll and plate. The final products derived from the steel slab are aimed at sectors such as construction, automotive, household appliances and others.

Such publication established as the period of investigation from January 1<sup>st</sup>, 2019 to December 31, 2019, and as the period of analysis for injury purposes from January 1<sup>st</sup>, 2017 to December 31, 2019. Importers, exporters and government representatives of Brazil and Russia have a period of 28 business days to prove their legal interest and to present evidence and arguments they consider convenient.

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota-detalle.php?codigo=5600851&fecha=21/09/2020">https://dof.gob.mx/nota-detalle.php?codigo=5600851&fecha=21/09/2020</a>.

#### **VII. Cancelled IMMEX Programs**

On September 30, 2020, the "Notice disclosing the owners and numbers of the cancelled IMMEX Programs" was published in the DOF.

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Through such publication, the Ministry of Economy disclosed the list of companies and IMMEX Program numbers that were cancelled due to the lack of filing their annual report; or failing to comply with any other obligation according to Article 11, Section III, paragraph c), for not having the domiciles used in their manufacturing processes registered in the Tax Payers Registry.

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5601528&fecha=30/09/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5601528&fecha=30/09/2020</a>.

#### VIII. Amendment to the General Rules in Foreign Trade Matters by the Ministry of Economy

On October 1<sup>st</sup>, 2020, the "Agreement modifying the general rules and criteria for foreign trade by the Ministry of Economy" was published in the DOF. Through such publication, Annex 2.4.1 (known as the NOM's Annex) was amended again to include NOM-051-SCFI/SSA1-2010 (regarding general labeling specifications for prepackaged food and non-alcoholic beverages - Commercial and Health Information originally published in the DOF on April 5, 2010 and its amendment on March 27, 2020), to include additional methods to prove compliance with the applicable regulations.

To review the complete official publication use the following link (available only in Spanish): https://dof.gob.mx/nota\_detalle.php?codigo=5601629&fecha=01/10/2020.

### IX. Final resolution of the antidumping investigation on imports of stainless steel flat products from China and Taipei

On October 1<sup>st</sup>, 2020, the "Final Resolution of the antidumping investigation on imports of stainless steel flat products originating in the People's Republic of China and Chinese Taipei", was published in the DOF. The investigation authority concluded to impose the following definitive antidumping duties:

- USD \$0.63 per kilogram for all exporting companies in China.
- USD \$0.61 dollars per kilogram for Hoka and USD \$0.05 per kilogram for YLSS.
- No countervailing duties are imposed on imports originating in Taiwan from Yieh Mau, Yieh United and other Taiwanese exporting companies.

Such products are imported into Mexico through the HTS tariff codes 7219.34.01, 7219.35.01 and 7220.20.02 of the TIGIE and under Rule 8 through tariff codes 9802.00.01, 9802.00.02, 9802.00.03, 9802.00.07, 9802.00.10, 9802.00.13 and 9802.00.19.

Please note that the antidumping duties apply for all definitive and temporary importations, as well as those under Rule 8.

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To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5601630&fecha=01/10/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5601630&fecha=01/10/2020</a>.

### X. Sunset review of antidumping duties imposed on imports of ammonium sulfate from the United States of America and China

On October 3, 2020, the "Resolution declaring the initiation of the sunset review of antidumping duties on imports of ammonium sulfate originating from the United States of America and the People's Republic of China" was published in the DOF.

The reviewed products are imported into Mexico through the HTS tariff codes 3102.21.01 and 3105.90.99 of the TIGIE and are currently subject to the following antidumping duties:

- Imports from Honeywell Resins & Chemicals, LLC, a countervailing duty of USD \$0.0759 per kilogram.
- Imports from all other U.S. exporters, a countervailing duty of USD \$0.1619 per kilogram.
- Imports from Wuzhoufeng Agricultural Science & Technology, Co. Ltd. ("Wuzhoufeng"), a countervailing duty of USD \$0.0929 per kilogram.
- Imports from all other exporters in China, a countervailing duty of USD \$0.1703 per kilogram.

The sunset review will cover as the period of investigation from July 1<sup>st</sup>, 2019 to June 30, 2020 and as the period of analysis from July 1<sup>st</sup>, 2015 to June 30, 2020. Importers, exporters and the representatives of the government of the United States and China, will have 28 working days to present evidence and legal arguments, together with their responses to the official questionnaire.

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5601758&fecha=02/10/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5601758&fecha=02/10/2020</a>.

#### XI. Final resolution of the antidumping investigation on imports of wind towers from China

On October 5, 2020, the "Final Resolution of the Antidumping Investigation on the Importation of Wind Towers from the People's Republic of China" was published in the DOF. The investigation authority concluded to impose a definitive antidumping duty of 21%.

The referred wind towers are imported into Mexico through the HTS tariff code 8502.31.01 of the TIGIE.

To review the complete official publication use the following link (available only in Spanish): https://dof.gob.mx/nota\_detalle.php?codigo=5601838&fecha=05/10/2020.

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#### XII. Seventh Additional Protocol to Appendix II of the ACE.

On October 7, 2020, "The Seventh Additional Protocol to the Appendix II on Trade in the Automotive Sector between Brazil and Mexico of the Economic Complementation Agreement No. 55 celebrated between Mercosur and the United Mexican States", was published in the DOF.

Through such publication, a gradual transition period of free trade was agreed for heavy motor vehicles, reducing the import duties for each year as follows:

Period	Tariff Preference		
July 1st, 2020 or as of the entry into force of this Protocol	20%		
July 1 <sup>st</sup> , 2021	40%		
July 1 <sup>st</sup> , 2022	70%		
July 1 <sup>st</sup> , 2023	100%		

To review the complete official publication use the following link (available only in Spanish): https://dof.gob.mx/nota\_detalle.php?codigo=5602072&fecha=07/10/2020.

#### XIII. Notice of conclusion and sunset review for antidumping duties

On October 13, 2020, the "Notice on expiration of antidumping duties" was published in the DOF.

Through such resolution, the Mexican Ministry of Economy listed all the antidumping duties that are about to expire, indicating that, domestic producers and any other interested party could request a sunset review to confirm the consequences of the elimination of the corresponding duties.

In case of those duties where the exporters offered price commitments, they must express their interest to continue with such agreements no later than 25 business days before the end of the corresponding expire date.

The list includes the following antidumping duties:

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Product	Tariff fraction <sup>1</sup>	Country of origin	Last day of validity	Deadline for receiving expression of interest
Epoxidized soybean oil	1518.00.02 3812.20.01	Argentina	February 13, 2021	Januarsy 6, 2021
Seamless steel pipe	7304.19.02 7304.19.99 7304.39.06 7304.39.99	China	February 25, 2021	January 19, 2021
Pre strengthening products	7217.10.99 7312.10.01 7312.10.05 7312.10.07 7312.10.08 7312.10.10 7312.10.99	China Spain Portugal	February 27, 2021	January 20, 2021
Carbon steel pipe with straight and helical longitudinal seam	7305.11.01 7305.11.99 7305.12.01 7305.12.99 7305.19.01 7305.19.99	United States Spain India	April 21, 2021	March 11, 2021
Mushrooms of the genus agaricus	2003.10.01	China	May 18, 2021	April 9, 2021
Steel plate in rolls	7208.10.02 7208.25.99 7208.37.01 7225.30.03	Russia	June 8, 2021	April 30, 2021

 $<sup>^1</sup>$  Tariff fraction through which the product subject to the countervailing duty or the exporters' commitment enters, according to the Tariff of the Law if General Taxes of Import and Export ("TIGIE") in force.

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Product	Tariff fraction <sup>1</sup>	Country of origin	Last day of validity	Deadline for receiving expression of interest
Steel wire rod	7213.10.01 7213.20.01 7213.91.01 7213.91.02 7213.99.01 7213.99.99 7227.10.01 7227.20.01 7227.90.01 7227.90.99 9802.00.01 9802.00.07 9802.00.13 9802.00.19 9802.00.23	China	July 29, 2021	June 23, 2021
Aluminum Cookware	7615.10.99	China	October 14, 2021	September 7, 2021
Ferrosilicomanganese	7202.30.01 9802.00.13	India	October 19, 2021	September 10, 2021
Ceramic coatings for walls and floors**2	6907.90.01 6907.90.02 6907.90.99 6908.90.02 6908.90.03	China	October 25, 2021	September 17, 2021
High Carbon Ferromanganese	7202.11.01 9802.00.13	Korea	December 16, 2021	November 9, 2021

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5602413&fecha=13/10/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5602413&fecha=13/10/2020</a>.

<sup>&</sup>lt;sup>2</sup> By means of a Resolution published in the Official Gazette of the Federation on October 24, 2016, definitive countervailing duties were imposed on imports of this product. Likewise, an exporter's commitment was accepted; therefore, the countervailing duties do not apply to the companies indicated in paragraph 405 of said Resolution.

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### XIV. Amendment to the General Rules for the application of the Free Trade Agreement between Mexico and Panama

On October 16, 2020, the "Resolution amending the general rules for the application of customs matters of the Free Trade Agreement between the United Mexican States and the Republic of Panama and its Anne", was published in the DOF.

Through such resolution, Section 13 of the Instructions Annex for filling out the certificate of origin was modified, providing that such certificate of origin needs to be completed by the competent authority of the exporting party, detailing the city, country, date, name, autographic signature and seal.

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5602950&fecha=16/10/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5602950&fecha=16/10/2020</a>.

#### XV. Amendment of the TIGIE

On October 22, 2020, the "Decree amending the Tariff of the General Import and Export Taxes Tariff Law", was published in the DOF (Mexican HTS Coding List), through which the following amendments were implemented:

- The tariff code 8702.90.08 was created to include "used trolleybuses", which will be subject to a general import duty rate of 15%.
- The description of the HTS tariff codes were modified to provide the following: 8702.90.01 "trolleybuses, except used" and 8702.90.06 "used, except for those included in the tariff codes 8702.90.01 and 8702.90.08".
- The general import duty rate applicable to the HTS tariff code 8702.90.01 was modified, to eliminate such rate to 0% (Exempted).

To review the complete official publication use the following link (available only in Spanish): <a href="https://dof.gob.mx/nota\_detalle.php?codigo=5603311&fecha=22/10/2020">https://dof.gob.mx/nota\_detalle.php?codigo=5603311&fecha=22/10/2020</a>

#### XVI. Amendment of the General Rules in Foreign Trade of the Tax Administration Service

On October 26, 2020, the "Second amendment resolution of the General Rules in Foreign Trade for 2020 and its annexes 1, 1-A, 19, 22 and 26", was published in the DOF, through which the following amendments were implemented:

The references to the Central Administration of Importers Registry Operation ("ACOP") were modified to be substituted by the General Administration of Taxpayer Services ("AGSC"), specifically in relation to all the procedures and forms of the importers registry, which includes, among others, the registry and revocation of

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custom agents, suspension and cancellation causes of the importers registry, reinstatement of the importers registry, and procedures to revoke the suspension of the importers registry.

Likewise, all the references to the General Administration of Communications and Information Technologies ("CAGCTI") were modified to be replaced by the General Administration of Customs ("AGA").

In the same sense, the text of certain Rules was modified, to make it clearer and to not be subject to different interpretations, separating the paragraphs from some fractions and subsections.

To review the complete official publication use the following link (available only in Spanish): <a href="https://www.dof.gob.mx/nota\_detalle.php?codigo=5603510&fecha=26/10/2020">https://www.dof.gob.mx/nota\_detalle.php?codigo=5603510&fecha=26/10/2020</a>.

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