

Increase in Textile and Apparel Tariffs; Restrictions on IMMEX Imports

Mexico City, December 20, 2024

On December 19, 2024, the evening edition of the Federal Official Gazette published the "Decree amending the Tariff Schedule of the General Import and Export Tax Law and the Decree for the Promotion of the Manufacturing, Maquiladora, and Export Services Industry" (hereinafter, the "Decree"). Through this Decree, the Federal Executive implements the following measures:

- a) The general import tax rates is temporarily increased to 35% for 138 harmonized tariff schedules (herein after "HTS") in the garment sector and to 15% for goods classified under 17 HTS codes in the textile industry. These tariff rates will remain in effect until April 23, 2026.
- b) A total of 302 HTS codes have been removed from Section C (sensitive goods in the textile and apparel sector) of the "Decree for the Promotion of the Manufacturing, Maquiladora, and Export Services Industry" (hereinafter "IMMEX Decree"). These classifications correspond to Chapters 61, 62, and 63 of the HTS under the Law on General Import and Export Taxes. Additionally, the tariff classifications related to the textile and apparel sectors have been included in Annex I of the IMMEX Decree, which lists goods that cannot be temporarily imported under the decree. As of the effective date of the Decree, these tariff classifications can no longer be imported under an IMMEX Program.

The tariff increase is justified by the need to implement measures that create favorable market conditions for the development of the domestic textile and apparel industries, which are considered to be at a disadvantage due to lower-priced international competition.

The Decree further states that these measures are justified since, according to national indicators, the return of textile and apparel goods temporarily imported under IMMEX Programs has not been fulfilled. This situation harms the competitiveness of the domestic industry and may lead to practices that negatively impact employment.

It is important to note that the implemented measures do not affect the tariff preferences established under Mexico's Free Trade Agreements for goods that qualify as originating from the signatory countries of such agreements, as long as the corresponding valid certificates of origin are provided.

The aforementioned Decree will come into force today, December 20, 2024, and is available for consultation at the following link:

https://www.dof.gob.mx/nota_detalle.php?codigo=5745788&fecha=19/12/2024#gsc.tab=0.

For further information regarding the content of this update, please contact the specialists in Customs & International Trade from our Firm.

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