
The General Rules for the Import and Export of Goods in Mexico

by Alejandro Aguirre.

There are five different sets of rules under the Mexican custom's system in order to import goods into, or export goods from, Mexico: The Mexican Custom's Law classifies these sets of rules as follows:

I. Definitive Regime:

- A. For Imports, or
- B. For Exports.

II. Temporary Regime:

- A. For Imports:
 - 1. For the return of the goods abroad in its same condition, or
 - 2. For the manufacturing, transformation or repairing under an exporting program.
- B. For Exports:
 - 1. For the return of the goods to Mexico in its same condition, or
 - 2. For the manufacturing, transformation or repairing.

III. Fiscal Warehousing.

IV. Transit of Goods:

- A. Domestic, or
- B. International.

V. Manufacturing, Transformation or Repairing within an In-Bond Facility.

We will analyze each of one briefly:

Definitive Regime. This regime is for the entry or exit of foreign or Mexican goods, as the case may be, in order for them to stay in Mexico for an unlimited period of time (Definitive Importation), or in order for them to stay abroad for an unlimited period of time (Definitive Exportation).

This two regimes are subject to the payment of the corresponding tariffs and, as the case may be, the countervailing duties, and are also subject to the fulfillment of any others non-tariffs obligations and restrictions and other applicable dispatch formalities.

Temporary Regime. This regime relates to the entry of goods in order for them to stay in Mexico for a limited period of time (Temporary Importation) and with a specific purpose,

provided that the goods will be returned abroad in the same condition that the goods were imported; or for the exit of Mexican goods in order to stay abroad for a limited period of time (Temporary Exportation) and with a specific purpose, provided that the goods are returned to Mexico without any modification.

The Temporary Importations and Exportations are neither subject to the payment of Tariffs or countervailing duties, but are subject to the fulfillment of any others non-tariff obligations and the applicable dispatch formalities.

The ownership or use of the goods temporarily imported into Mexico cannot be assigned or transferred, with the exception of transfers among companies with an appropriate import/export program ("Export Program") authorized for such purposes by the Secretary of Economy. Companies with an Export Program can temporarily import goods in order to return them to abroad even though the goods have undergone a manufacturing, transformation or repairing process, in the respective terms and conditions stipulated by the relevant Export Program.

Goods temporarily imported should be returned abroad in the terms stipulated in Law, since otherwise, if the return term expires, then the goods will be deemed illegally introduced into Mexico. Any entity which temporarily imports goods can switch from this regime to a Definitive Importation's regime, but the updated Tariffs and the current countervailing duties must be paid at the time the switch is formalized. In the same way, goods temporarily exported which do not return to Mexico in the respective terms will be deemed as Definitive Exports and the updated General Exports Tariff must be paid.

Fiscal Warehousing Regime. This regime consists in the storing of foreign or Mexican goods, as the case may be, in any General Warehouse, or *Almacén General de Depósito* ("GW"), authorized for such purposes by the corresponding authorities, without the obligation of paying Tariffs or countervailing duties as long as the goods are in the GW and any other non-tariff obligations or non-tariff restrictions have been complied with. This is a useful instrument in order to introduce goods into Mexico without paying the Tariffs and the applicable countervailing duties immediately.

Goods subject to Fiscal Warehousing can be subject to acts of preservation, exhibition, stamping of commercial identification signs, packaging, examination, demonstration and sample-taking; goods stored at a GW can be even removed by parts, provided that the Tariffs and countervailing duties relating to the corresponding portions of goods are paid. That is, the goods can be imported (or exported) by batches; this result in an attractive alternative for logistic and financial planning perspective.

It is important to mention that not all kinds of goods may be store at a GW. Generally perishable or hazardous goods, or goods involving a risk to health or to the environment, may not be stored at a GW.

Goods that have been stored in a fiscal warehouse may only be removed from the GW for the following reasons: (a) in order to import them definitively; (b) in order to definitively export them; (c) in order to return them abroad if the goods are foreign (that is, if the goods have not been imported into Mexico); (d) in order to reincorporate them into the Mexican market if the goods are Mexican (that is, if the goods have no been exported), or (e) in order to temporarily import them by a company with an Export Program.

Transit of Goods Regime. This regime governs the transit of goods under a strict fiscal control from one Mexican custom to another. Mexican law classify this regime in Internal Transit (“IT”) and International Transit (“Intl. T”) of goods.

IT is applied in the following cases: (a) when the entry custom of the foreign goods sends them to the custom that will take care of the goods’ dispatch for its import; (b) when the dispatch custom of the Mexican goods sends them to the exit custom that will take care of the export dispatch, or (c) when the dispatch custom sends the goods temporarily imported under an Export Program to the exit custom in order to be returned abroad.

The authority will determine the maximum term in which the goods must transit. For example, goods in IT before importation and which do not reach the import dispatch custom within the stipulated term will result in the custom’s determination of the applicable tariffs and countervailing duties that are appropriate in order for the import to be deemed as definitive.

The Intl. T is use in the following cases: (a) when the entry custom sends to the exit custom the foreign goods that arrive into Mexico bound abroad, that is, when for geographical reasons, or otherwise, the goods pass through Mexican territory for their transit abroad., or (b) when the Mexican goods are moved through a foreign territory for their return into Mexico.

Regime of Manufacturing, Transformation or Repairing in an In-Bond Facility. This regime allows the introduction of foreign or Mexican goods, as the case may be, into an In-Bond Facility where the goods will be used in Manufacturing, Transformation or Repairing procedures, provided that after such processes the foreign goods return abroad or the Mexican goods are exported abroad. Under this regime, the goods, together with the machinery and equipment necessary in order to manufacture, transform or repair them, can be introduced into Mexico on an in-bond basis.

An In-Bond Facility is a site specifically authorized by the custom authorities for the purpose of allowing the importers and exporters to introduce goods in order to subject them to processes of manufacturing, transformation or repairing, and the goods cannot leave the site unless the goods have been cleared to return abroad, are exported or definitively imported, as the case may be. These sites are usually located near the ports, borderline or interior custom areas.

It is very important to plan ahead and duly implement the most appropriate regime in which goods are to be imported or exported to and from Mexico. A properly structured import and export plan may greatly improve the financial condition and cash-flow of a business, avoiding or delaying the payment of the Tariffs and/or applicable countervailing duties. Additionally, from an operations point of view, it provides instruments for a good logistic and production

planning. The appropriate and efficient use of these instruments, under a suitable traffic control, can provide significant cost-related advantages to a business.

November 2012.

Originally published and updated as of 2001.

Please send any comments or questions to info@jatabogados.com. The author is a former Associate of JATA – J.A. Treviño Abogados. JATA is a Mexican law firm with offices in Monterrey, Mexico and Houston, Texas.

www.jatabogados.com

Disclaimer: J.A. Treviño Abogados S.A. de C.V. (the "Firm") does not necessarily endorse, and is not responsible for, any third-party content expressed in this article. Any article, quote, or any other type of information solely reflect the views and comments of their respective authors. Any article, comment, quote or any other information appearing under the authorship of any person or legal entity other than the Firm, even if related to the Firm, solely represents the opinion, comment or position of such author. The information contained in this article is provided for informational purposes only, and should not be construed as legal advice on any subject matter. The information contained in it is protected as property of the Firm. No recipient of this article, clients or otherwise, should act or refrain from acting on the basis of any content included in the article without seeking the appropriate legal or other professional advice on the particular facts and circumstances at issue from an attorney licensed in the relevant jurisdiction. This article contains general information and may not be updated nor reflect current legal developments, verdicts or settlements. The Firm expressly disclaims all liability in respect to actions taken or omitted based on any or all of the contents of this article.

© 2012 J.A. Treviño Abogados S.A. de C.V., Monterrey, N.L. Mexico.