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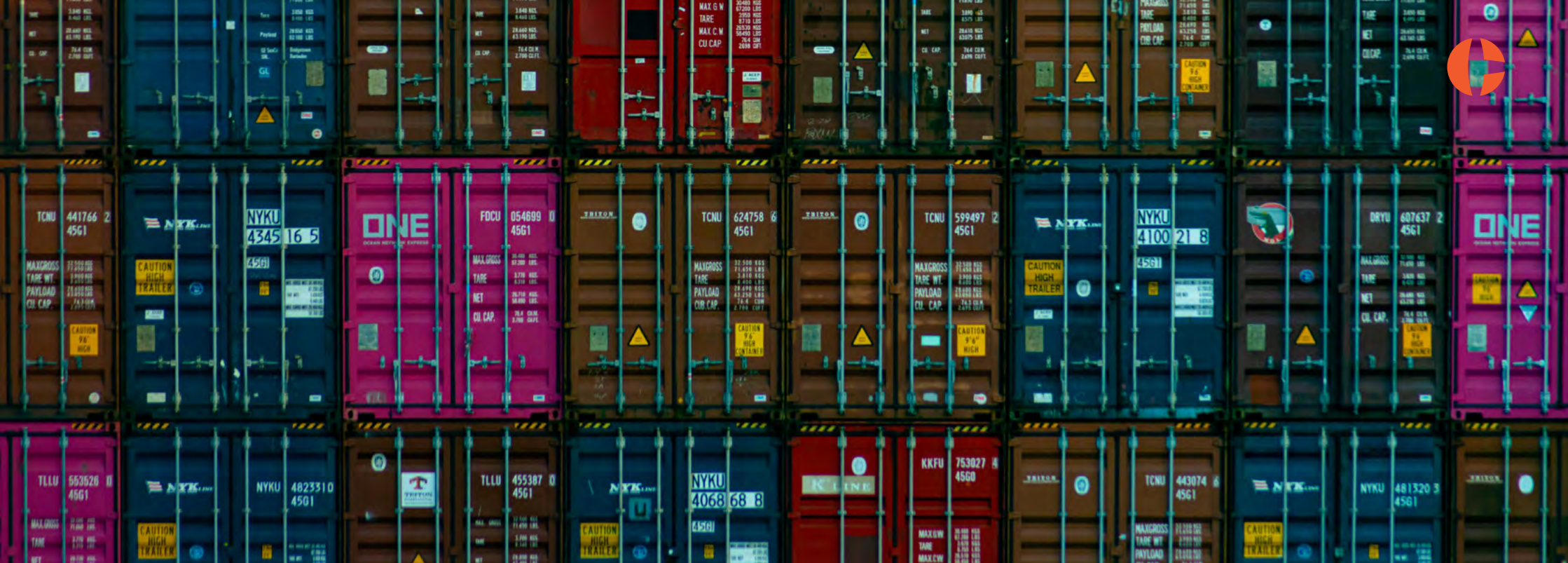
Exporting to Mexico

Legal requirements

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This publication summarises the laws and regulations applying to products imported into Mexico, including customs requirements and procedures, import duties, intellectual property, consumer protection and immigration.

Mexico is New Zealand's largest trading partner in Latin America and 21st largest export market overall and there are significant areas for opportunity and growth in this country of over 130 million people. This is especially so as both countries are foundation members of the free trade zone created by the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In 2019, bilateral trade between Mexico and New Zealand exceeded US\$539m and New Zealand's accumulated investment in Mexico was US\$512m (0.09% of Mexico's total FDI) New Zealand's largest exports into Mexico are: dairy products, meat, commercial services, and machinery, including health devices.

Overview

Mexico has 13 Free Trade Agreements (FTAs), 30 Agreements for the Promotion and Reciprocal Protection of Investments (APPRIs) and nine Economic Complementation Agreements and Partial Scope Agreements under the Latin American Integration Association (ALADI).

Mexico is the 15th largest economy in the world, with trade representing 73% of GDP. It is the 13th largest exporter in the world and the 1st in Latin America, and is the 5th largest recipient of FDI among emerging economies. It is the 6th largest manufacturer of vehicles worldwide.



Procedures and requirements to import into Mexico

Federal tax registration

Exporters must register with the Tax Administration Service, or SAT (*Servicio de Administración Tributaria*). The information provided includes the name of the company, the company's articles of incorporation and a tax domicile.

Importers' registry

After registering with the Tax Administration Service, the exporter must register with the importers' database or registry. This will require providing the names of your customs broker or legal representative for customs purposes, an electronic signature and tax domicile verification from the SAT, and an electronic tax mailbox address.

HS Code

Once the above steps have been completed, an exporter will need to verify the "HS Code" under which the goods are classified. The Mexican HS Code consists of 10 digits, available on the website of the National Service of Foreign Trade Information (*Servicio Nacional de Información de Comercio Exterior* or SNICE). (www.snice.gob.mx/)

Non-tariff regulations

These include import permits and standards compliance regulations. Permits will depend on the HS Code classification. For example, a permit from the health authority will be required for milk.

Customs broker

The final step is to retain the services of a Mexican customs broker or legal representative to take charge of customs clearance.

General procedures for importing

International trade is primarily regulated by:

- Customs Law (*Ley Aduanera*) and Regulations
- International Trade Law (*Ley de Comercio Exterior*) and Regulations
- General Import and Export Tax Law (*Ley de los impuestos generales de importación y de exportación*), and
- International Trade General Rules (*Reglas Generales de Comercio Exterior*).

Laws and regulations relating to taxes and duties are:

- Federal Law on Duties
- Value Added Tax Law
- Special Tax on Production and Services Law
- Income Tax Law
- Federal Tax Code, and
- Federal Tax on New Automobiles Law



Taxes

General Import Tax (*Impuesto General de Importación* or “IGI”)

The rate of this tax depends on the tariff line under which the merchandise is classified. Exemptions or reductions in payment are possible where an FTA applies. This can take one of three forms:

- ad valorem – expressed as a percentage of the customs value of the merchandise
- specific – expressed in monetary terms per unit of measurement, or
- mixed – a combination of ad valorem and specific.

Value Added Tax (VAT) (*Impuesto al Valor Agregado*)

The VAT rate is 16% or 0% for exempt goods, such as medicines and food.

Tax on New Automobiles (*Impuesto sobre Automóviles Nuevos* or “ISAN”)

This is a special tax on the sale of new automobiles or the importation of cars. It is paid at customs together with the General Import Tax.

Special Tax on Production and Services (*Impuesto Especial sobre Producción y Servicios* or “IEPS”)

This tax is paid on the production and sale or import of fossil fuels (gasoline, diesel, etc.), alcohol, beer and tobacco (this list of goods may vary).

Customs Processing Duty (*Derecho de Trámite Aduanero* or “DTA”)

This contributes to the cost of custom clearance services. Specific rules may apply on this Duty determination under each FTA subscribed by Mexico.

Fines and penalties

Sanctions for not complying with the applicable regulations when importing are civil and criminal as set under the Mexican Customs Law (art. 176 to art. 200. (www.diputados.gob.mx/LeyesBiblio/pdf/12_241220.pdf).

Intellectual property rights

Intellectual property is protected by Mexico’s industrial property and copyrights authorities. The Mexican Institute of Industrial Property (IMPI) (www.gob.mx/imp) is responsible for enforcing the Industrial Property Law, and the Mexican Copyright Institute (INDAUTOR) (www.indautor.gob.mx/index.php) is responsible for enforcing the Copyright Law. Both laws were recently updated to meet the requirements of the CPTPP and the United States–Mexico–Canada Agreement (USMCA).

Mexican law provides for patents (including utility models, industrial designs, and layout designs of integrated circuits); trademarks and commercial notices; trade names; denominations of origin and geographical indications; trade secrets; and copyrights.

Consumer protection and fair trade

Consumer protection law applies at federal, state and municipal government levels. Consumer rights in Mexico include:

- the right to information
- the right to complete information about goods and services offered to the public
- the right to choose
- the right to safety and quality in products
- the right to be treated free from discrimination, and
- the right to compensation.

The Federal Consumer Protection Law is enforceable before the Federal Consumer Protection Agency (PROFECO) and the Court of Administrative Justice.

Dispute resolution in Mexico

Decisions can be challenged directly before the responsible administrative authority or through the Federal Court of Administrative Justice for such matters as tax, international trade, intellectual property, antitrust and consumer protection.

Disputes between private parties can be heard before local courts or facilitated through private commercial arbitration as agreed by the parties. Mexico subscribes to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.



Visiting Mexico

A valid passport and immigration form is required for tourists, business persons and those transiting in Mexico. The form is free and can be obtained from travel agencies, airlines or at the point of entry.

On 7 September 2007, Mexico and New Zealand entered into a Working Holiday Visa agreement, whereby citizens of each country may enter the other country as a tourist and obtain temporary employment.

Applications for a Working Holiday Visa require:

- a valid passport
- a colour photograph, passport size
- medical insurance, and
- proof of economic solvency:
 - bank statements or payslips from the last three months, with a monthly income of NZ\$1,000, or
 - a credit card statement showing a credit limit of NZ\$1,500.



Where to obtain further information:

Embassy of New Zealand in Mexico

www.mfat.govt.nz/en/countries-and-regions/americas/mexico/new-zealand-embassy

Mexico requires visas from many countries including New Zealand, unless citizens from New Zealand have a visa from the United States of America, or they are permanent legal residents of the US, Canada, Japan, UK or the Schengen country members.

Embassy of Mexico in New Zealand

<https://embamex.sre.gob.mx/nuevazelandia/index.php/en/home/1-inicio>

Australia, New Zealand & Mexico Business Council

<https://anzmex.org/>

Ministry of Economy of Mexico

www.gob.mx/se

Mexico's Tax Authority

www.sat.gob.mx

Federal Consumer Attorney (PROFECO)

www.gob.mx/profeco

Industrial property and copyright authorities

www.gob.mx/impi

www.indautor.gob.mx/

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Every effort has been made to ensure accuracy in this publication. However, the items are necessarily generalised and readers are urged to seek specific advice on particular matters and not rely solely on this text.

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