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EY TAX Flash

Decree that modifies the Tariff of the General Import and Export Tax Law and Agreement that modifies the Ministry of Economy Rules and Criteria in Foreign Trade Matters

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On August 15, the "Decree that modifies the Tariff of the General Import and Export Tax Law" ("Decree") was published in the Federal Official Gazette ("Diario Oficial de la Federación" in Spanish). The main changes of the Decree entered into force in the same day and their validity ends on July 31, 2025.

Below are the relevant changes.

Temporary import tariffs

Temporary tariffs on the importation of merchandise were modified and established ranging from 5% to 25% for products classified in 392 Harmonized Tariff System (HTS) codes of various sectors such as: steel, aluminum, bamboo, rubber, chemical products, oils, soap, paper, cardboard, products ceramics, glass, electrical material, musical instruments, and furniture, among others.

Relating to the goods of the steel sector, 91 HTS codes were affected, which experienced an increase in the import tariff from 10% to 25%.

Some of the merchandises included within said HTS codes are:

- Flat rolled products of iron or non-alloy steel.
- Wire of iron or non-alloy steel.
- Bars, profiles, and wire of iron or non-alloy steel.
- Stainless steel flat rolled products.
- Flat rolled products of other alloy steels.

On the other hand, 76 HTS codes in the textile sector were affected with an increase in the applicable tariff from 10% to 25%. Some of these merchandises are:

- Cotton.
- Synthetic or artificial filaments.
- Synthetic or artificial staple fibers.
- Knitwear.
- Clothes and accessories.

As established in the Decree itself, the objective is to provide security and fairness in the market to vulnerable sectors, promote the recovery of the country's industry, stimulate its growth, and support the local economy.

Exceptions and additional modifications

It is established that, for the import of flat rolled products of iron or non-alloy steel painted, varnished, or covered with plastic, which is merchandise classified in HTS codes 7210.70.02 and 7212.40.04, a tariff of 10% will be applied from the entry of this Decree and until December 31, 2023. Thereafter, the 25% tariff will be applied.

Likewise, some HTS codes are added to article 5 of the "Decree establishing various Sector Promotion Programs" (PROSEC Program, such as:

- Flat rolled products of iron or non-alloy steel.
- Flat rolled products of other alloy steels.

These goods were integrated into the sectors of the Electrical Industry, Electronic Industry and the Automotive and Auto Parts Industry of the PROSEC Program.

Transitory dispositions

Through a transitory provision, it is established that as of August 16, 2023, the tariffs established in the Decree itself will be applicable for the merchandise indicated, instead of the rates established on November 2022 in the *"Decree that modifies the Tariff of the Law of General Import and Export Taxes, the Decree to support the competitiveness of the automotive terminal industry and the promotion of the development of the domestic automobile market, the Decree for the Promotion of the Manufacturing, Maquiladora and of Export Services, the Decree establishing the general import tax for the border region and the northern border strip, the Chetumal Free Zone Decree, the Decree establishing various Sectoral Promotion Programs, the Decree regulating the definitive importation of used vehicles and the various ones establishing tariffs-quota"*.

Agreement that modifies the Ministry of Economy Rules and Criteria in Foreign Trade Matters

On August 16, the "Agreement that modifies the Ministry of Economy Rules and Criteria in Foreign Trade matters" was published in the Official Gazette of the Federation, the main modifications of this Agreement entered into force the day of its publication.

Addition of Commercial Identification Numbers (known in Spanish as “Número de Identificación Comercial” or “NICO”)

Commercial Identification Numbers are added to some HTS codes of merchandise subject to prior import and export permits and/or automatic notices, as well as merchandise that is subject to compliance with Official Mexican Standards (Normas Oficiales Mexicanas in Spanish). The NICOs that were added correspond to HTS codes of merchandise from the steel and textile sectors.

Elimination of Commercial Identification Numbers

Commercial Identification Numbers are eliminated from some HTS codes related to merchandise subject to prior import and export permits and/or automatic notices, as well as merchandise that is subject to compliance with Official Mexican Standards. The suppressed NICOs correspond to HTS codes of merchandise from the steel and textile sectors.

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