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Embassy of Switzerland
Swiss Business Hub Mexico



MEXICO

Legal Provisions

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GENERAL REMARKS

Investing in Mexico means several and particularly important regulatory laws that need to be submitted before jumping into the market. By gathering and analyzing comprehensive data will provide you with a wider perspective on how to establish a Swiss company in the territory. The business regulation environment encourages your company to be one of the most important ones in the Latin American region, since once completed and fully engaged with the local laws your Swiss capital will be able to expand your market scope towards North America and South America.

The jurisdiction depends on the type of company and type of operations. In all cases you must obtain a SAT (Tax Administration Service) permit. This will depend on your activity.

CUSTOMS

Mexico is a member of the World Trade Organization and adopts the Harmonized System Code for Customs Tariff. Also, Mexico submitted an International Trade Agreement with ASEAN countries since 2000.

Regarding calculation of import and export tariff, the SAT website provides a basis for this assessment, the "Guide for Importation and Exportation" will give you a general outlook about requirements and how to do it. Equally, it is highly recommended to refer to WTO (World Trade Organization) to check past tariffs on specific products.



Mexico has 49 customs offices located as follows: 19 on the northern border 2 on the southern border 17 maritime 11 interiors.

LEGAL FRAMEWORK

The legal framework of customs in Mexico is regulated, among others, by:

- Customs Law and its regulations,
- Foreign Trade Law and its regulations,
- General Rules on Foreign Trade,
- Agreement by which the Secretary of Economy issues Rules and Criteria of a General Nature in the Field of Foreign Trade,
- Customs Agreements (Bilateral, Multilateral)
- Free Trade Agreements Signed by Mexico,
- General Import and Export Tax Law,
- Law of Added Value,
- Internal Regulations of the Tax Administration Service,
- Internal Regulations of the Ministry of Finance and Public Credit (SHCP), etc.

IMPORT AND EXPORT REGULATIONS

Import

Certain sensitive products entering Mexico must obtain an import license, for which the difficulty varies according to the nature of the product. Periodically, the Mexican Government publishes lists that identify the different items that have a specific import control. Items are identified according to their Harmonized System (HS) code number; therefore, it is important that swiss exporters have their products correctly classified. Swiss exporters are encouraged to check with customs brokers as to the accurate classification of their products.

The import procedure is simple and roughly summarized in the following:

- Be registered in the Federal Taxpayers Registry
- Find out about your tax situation
- Have an Advanced Electronic Signature. For more information it is suggested to enter the Internet page www.sat.gob.mx
- Contract the services of a customs agent.
- Register in the list of importers (Rules 1.3.2., 1.3.1. And 1.3.6. Of the General Rules of Foreign Trade for 2017).
- Register in the sectorial importer register, if the merchandise is in Annex 10, section A of the General Rules of Foreign Trade for 2017, according to its tariff classification. (Rule 1.3.2. Of the General Rules of Foreign Trade for 2017).



- Carry out the order conferred to the customs agent. (Rule 1.2.4. Of the General Rules of Foreign Trade for 2017).
- Comply with the payment of the contributions and applicable uses, as well as the costs of storage, loading, unloading and transportation of the merchandise.
- Comply with the regulations and non-tariff restrictions that the merchandise is subject to in its case (notices, official Mexican regulations, permits, etc.).

As for the non-tariff restrictions, it could be one of the following:

- The Secretariat of National Defense (SEDENA) requires an authorization to import guns, arms, munitions, explosives, and defense equipment, as well as special military vehicles (new or used). This would be in addition to the export license required by Swiss Export Control.
<https://www.gob.mx/sedena>
- The Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) requires the *Hoja de Requisitos Zoo-Sanitarios*, which acts as an import permit prior to import authorization for some leather and fur products, and fresh/chilled and frozen meat. Agricultural machinery does not require approval from SAGARPA.
<https://www.gob.mx/agricultura>
- The Secretariat of Health (SSA), through its Federal Commission for the Protection Against Sanitary Risks (COFEPRIS), requires either an “advance sanitary import authorization” or “notification of sanitary import” for medical products and equipment, pharmaceuticals, diagnostic products, toiletries, processed food, and certain chemicals. Food supplements and herbal products are highly regulated in Mexico.
<https://www.gob.mx/salud> and <https://www.gob.mx/cofepris>
- The Secretariat of Environment and Natural Resources (SEMARNAT) requires import authorizations for products made from endangered species, such as certain eggs, ivory, certain types of wood, and furs.
<https://www.gob.mx/semarnat>
- Toxic and hazardous products require an import authorization from an interagency commission called CICOPALFEST which has representation from the four agencies mentioned above (SEDENA, SAGARPA, SSA, and SEMARNAT). This list includes many organic and inorganic chemicals.
- Commercial samples of controlled products shipped by courier are also subject to these regulations. Liquid, gas, and powdered products cannot be shipped by courier, even in small quantities. Instead, these products must be shipped as a regular shipment by a customs broker. Some special treatment may apply in the case of samples intended for research, product registration, or certification. Unless returned at the sender's expense, customs often confiscate or destroys samples lacking the proper documentation.



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Exportation

Thanks to Mexico's geographical position, once you have entered the market you can easily reach other countries, such as the North America region or Central America. Special licenses are required for the export of products.

General Requirements

It is only required to be registered and active in the Federal Taxpayer Registry. Only a small group of products requires the company to register in the Sectorial Exporters Registry, these products are: alcoholic beverages, beer, alcohol, denatured alcohol, non-crystallizable honeys and carved tobacco.

When exporting a product, you must know the code with which it is identified based on an internationally adopted system known as the Harmonized Commodity Designation and Coding System. This code, made up of 6 international homologous digits plus two additional ones assigned by each country, allows you to determine the tariff regulations and non-tariff restrictions that your product will be subjected to in the importing market. It also facilitates commercial transactions by using the same code for a product in any country, regardless of language differences.

The customs law authorizes only the Customs Agent and the SHCP to determine the tariff fraction, given the degree of specialization, technical complexity and the risks and responsibilities that a bad classification implies.

The basic documentation required in any export process is as follows:

- Commercial invoice
- Order conferred (authorization before the customs authority for the customs agent to carry out the clearance on behalf of the exporter)
- Letter of instructions to the customs agent (specific and detailed information of the operation and delivered directly to the customs agent)
- Packing list
- Certificate of origin
- Transport document
- Documents that guarantee compliance with non-tariff regulations and restrictions, such as: health certificates, quality certificates, permits, etc.

REGISTRATION PROCEDURE FOR PRODUCTS

Different products would require a registration with different government agencies. Depending on the type, as it was mentioned beforehand. However, some of them are exempted of it. For example, The Ministry of Health made modifications to the law to buy medicines, and although it will not be mandatory that they have the Mexican sanitary registry endorsed by COFEPRIS, it must be a medicine authorized by international regulatory authorities, pharmaceuticals and medical devices that comply the regulations from the World Health Organization -WHO-, Federal Drugs Agency -FDA-, Pharmaceutical Inspection Co-Operation Scheme -PIC/S-, Swissmedic among others are eligible to enter Mexico.

STANDARDS AND LABELLING REGULATIONS

Mexico has implemented the National Standardization, Metrology and Conformity Assessment System, which is coordinated by the Dirección General de Normas (DGN) of the Ministry of Economy. The general aim of the system is to coordinate the development of standards and regulations and to promote their use. The system consists of three fundamental activities: standardization national (including regulations) and international, metrology and accreditation, and conformity assessment.

For further information on ISO, please contact iso.dgn@economia.gob.mx

Labeling:

Labelling is required for Food and Non-Food Products

A new reform regarding the labeling food has been included in the NOM-051, which states that all products require all producers, importers and/or distributors of food products to attach labels with the information of nutritional value. Also, companies are obligated to stop making use of characters, animations, drawings, cartoons, celebrities, athletes or pets, interactive elements, such as visual-space games or digital downloads. The aim of the new regulation is to inform people in a simple and quick way the content of ultra-processed products and thus determine if it is high in sugars, sodium, or saturated fats, which represents health risks in excessive consumption.

For this purposes, black octagons with a white outline will be used, which must be placed in the upper right corner of the main display surface of the product. See example below:





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SOURCES OF INFORMATION AND LINKS

- Tax Administration Service (SAT): www.sat.gob.mx
- Guide for Importation and Exportation:
http://omawww.sat.gob.mx/aduanas/importando_exportando/guia_importacion/Paginas/default.aspx
- The Secretariat of National Defense (SEDENA): <https://www.gob.mx/sedena>
The Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA):
<https://www.gob.mx/agricultura>
- The Secretariat of Health (SSA): <https://www.gob.mx/salud>
- Federal Commission for the Protection Against Sanitary Risks (COFEPRIS):
<https://www.gob.mx/cofepris>
The Secretariat of Environment and Natural Resources (SEMARNAT):
<https://www.gob.mx/semarnat>
- Import of Drugs and Supplies with or without registration in Mexico:
https://www.dof.gob.mx/nota_detalle.php?codigo=5585043&fecha=28/01/2020
- The Secretariat of Economy: <http://www.economia-noms.gob.mx/noms/inicio.do>
& <https://www.sinec.gob.mx/SINEC/>
- International Organization for Standardization: <https://www.iso.org/member/1954.html>

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