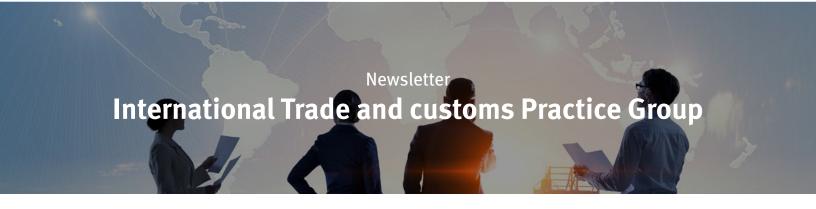


October 09, 2024



Benefit for the import of electric vehicles

On September 3, 2020, the Ministry of the Economy published in the morning edition of the Federal Official Gazette (DOF) the "DECREE amending the Tariff Schedule of the General Law of Import and Export Duties," which came into force the day after its publication. It can be consulted here.

This Decree introduced new tariff classifications to identify electric motor vehicles, establishing import duties ranging from 15% to 20%, depending on the type of vehicle. However, it temporarily exempted these duties, regardless of the country of origin, for three types of new electric vehicles: those for transporting ten or more passengers, light vehicles, and those intended for transporting goods. This exemption was valid until September 30, 2024.

Originally, a period of just over four years was determined with two objectives: i) to observe consumer preferences and ii) to guide the national industry towards the production of these types of vehicles, allowing consumers access to new clean transportation technologies.

The exemption from tariffs for these vehicles was intended to prevent these payments from discouraging the trade of electric vehicles, which help Mexico meet the commitment it made in 2016 through the Paris Agreement to reduce its greenhouse gas emissions by 2030, using the transportation sector as a key strategy.

Although, to date, the Mexican government has not made an official statement regarding whether this benefit will be renewed, various government incentives are currently available for consumers of these types of vehicles, such as preferential parking, exemption from paying vehicle taxes and emissions inspections, permission to drive every day due to their low gas emissions, and even tax deductions. These incentives could positively influence consumer preferences, thereby increasing demand and competition.

This Decree and the aforementioned government benefits represent a significant effort to encourage the adoption of electric vehicles. Although the continuity of these benefits remains uncertain, their impact on demand and competitiveness is evident as they promote a shift towards more sustainable transportation at the national level.

Our Foreign Trade and Customs practice group is at your service to discuss the effects of the Decree on your operations in greater detail, as well as to evaluate and implement actions in compliance with the new tariffs described above.

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