

**INTERNATIONAL
TRADE AND
CUSTOMS**



International Trade and Customs



This practice has robust experience advising multinational companies doing business in Mexico, on diverse international trade and customs matters, structuring and optimizing their import export operations in Mexico, having a diverse client base including industries such as the automotive, aerospace, IMMEX (maquiladoras), heavy industries, trading companies, retail, energy, chemical, apparel, shoe wear, luxury goods, food, beverages, pharmaceutical, cosmetics, electric and electronics, house appliances, medical devices among others.

Our International Trade Group provides practical, sophisticated advice and cross-disciplinary counsel, in a complex global business environment, in matters related to customs strategic planning, import regimes, export promotion programs (such as IMMEX, PROSEC, Value Added Tax Certification),

country of origin studies, tariff item classifications, tariff and non-tariff regulations;

We also can advise clients on Structure, application and maintenance of the Economic Authorized Operator (OEA) register; E-commerce holistic trade & tax structure; Structure trade facilitation policies.

Our specialists can provide Comprehensive advisory and application of Free Trade Agreements (FTA); Attention, management and litigation of customs audit triggered by the SAT or any other Mexican authority with legal faculties on international trade on matter related to, custom valuation, country of origin, customs compliance and anti-counterfeiting.



Industries we serve

The International Trade and Customs team serves companies in most industries and particularly in: Manufacturing, Automotive and Autoparts, Life Sciences, Retail, Food and Beverage, Energy and Services, Steel, among others.

REPRESENTATIVE EXPERIENCE

- » We advise one of the largest retail companies of clothing and footwear in an audit initiated by the foreign trade audit area of the Tax Administration Service, focused on verifying the customs values declared upon the importation into Mexico for several years.

Our representation involved accompanying the company throughout the audit until the closure of the audit procedure without any observation by the authority.

We guided the company in preparing the information necessary to support the declared transaction values that constituted customs value; and we prepare the integration and explanation for the authorities regarding concepts that were added to the transaction value, such as global insurance policies, global transport contracts, design quotas, among other concepts and their interrelationship with the audited operations, in order to support declared customs values.

- » We advised a world leader in electrical systems technology for the quality, distribution and control of energy in a procedure through which the IMMEX program of one of its subsidiaries in Mexico was suspended, which involved various scenarios such as the management

of temporary import operations open during such suspension, the advice related to the suspension of VAT certification in connection with the suspension of the IMMEX program and the design of a legal strategy to obtain a suspension of protection and subsequently, to revoke the cancellation of the IMMEX program through a revocation appeal initiated before the Ministry of the Economy.

Our participation also included the approach with the relevant authorities in order to discuss the matter in question, with the aim of reviving the company's operations.

- » We have advised one of the largest vaping companies in the constitutional remedies available against the prohibition to import these kind of products into Mexico.

Our participation included the determination of available legal remedies to challenge new tariff classification numbers included in the Mexican Tariff Schedule and the prohibition for their importation into Mexico.

We prepared the relevant legal arguments regarding international free trade agreements violations derived from such restrictions as well as the relevant constitutional principles violations.

REPRESENTATIVE EXPERIENCE

- » We advised one of the largest international companies engaged in the production of renewable energy through solar and wind farms in the importation of the necessary goods (solar panels) for their use in productive processes under the Sectoral Promotion Programs (PROSEC).

We registered such Company with the corresponding Sectoral Promotion Program before the Ministry of Economy and the Tax Administration Service in order to permit it to import solar panels under preferential tariff treatment irrespective of their country of origin.

- » We advised one of the largest Japanese Auto Manufacturers in connection with the importation of vehicles into Mexico under preferential import duties granted through the issuance of quotas by the Mexican Ministry of Economy.

We advised the company in connection with the proper interpretation of the applicable provisions and determination of import duties and value added tax arising from imports under bonded warehouse regime for vehicles manufactured in countries with which Mexico has not entered into Free Trade Agreements.

We also determined the possible tax and customs liabilities arising from the prior import operations as well as the available alternatives for self-correction and payment with no fines or penalties.

- » We represented a Cosmetic Products company. We have advised and represented the Company in a complex and high level litigation associated to a tax assessment issued by the Tax Administration Service (SAT) regarding royalty payments supposedly not added to the customs value of several goods imported during 2009. These royalty payments derived from trademark license agreements of Clinique, MAC, Estee Lauder and Aramis trademarks. After a long nullity trial before the Federal Court on Administrative Matters (TFJA) the Company has obtained a favorable resolution that establishes the latter was not obliged to add such royalty payments to the customs value upon importation. This matter is extremely relevant derived from the fact that a negative judgement by the TFJA, would have potentially jeopardized and triggered a different audit to all other

foreign trade operations and Estee Lauder's trademarks imported by the Company during the last 5 years (which is the authority's statute of limitation). It is expected for the SAT to appeal this judgement, however, since the same was issued based on a new Jurisprudence of January 2017 published by the Collegiate Circuit Courts, it is most likely that such appeal will not succeed.

- » Our specialists advised an Automotive Manufacturer. The Company imports natural gas for its operation in Mexico. Natural gas is subject to specific permits and authorizations based on its tariff classification. The Company was issued a permit with an incorrect tariff classification under which it imported gas during the last two years. The use of an incorrect tariff classification in the permit could have triggered fines and penalties greater than the value of the product itself, as well as cancellation of importer's registry and certifications for VAT and manufacturing purposes. The necessary clarifications were filed with the tax authorities in order to obtain the rectification of all import manifests filed using the permits including an incorrect tariff classification number.
- » We represent a Japanese Steel Products Company. Assisted the Company in determining the most efficient business structure for its operation in Mexico considering the activities to be executed as well as the clients that will be served in Mexico. Further to the determination of the most efficient tax and foreign trade and customs structures, we helped the Company obtain the necessary licenses and registries to carry out import and export operations, as well as execute the necessary agreements with customs brokerage agencies and transportation companies for the importation and delivery of products to its manufacturing premises in Mexico. We obtained the necessary IMMEX and certification program for the Company in order to meet the commercial requirements set forth by its clients in Mexico. We are currently helping the company with the management of the inventories control systems providers in Mexico as well as the importation of the machinery and equipment required to carry out its manufacturing operations in Mexico.



Our International Trade and Customs Team

The team in this practice area is integrated by attorneys with extensive experience in foreign trade operations and procedures regarding the import and export of goods. The team has extensive experience in dealing with governmental offices related with international trade regulations such as the Customs Authorities (SAT) and Ministry of Economy and other authorities engaged in non-tariff regulations and restrictions to the importation and exportation of goods.

Alberto Campos-Vargas

José Alberto co-heads the International Trade and Customs Practice Group. He has more than 20 years of experience advising clients foreign trade and customs operations in all business sectors and particularly those in highly regulated sectors. Alberto is highly skilled in international trade issues related with life sciences, food, non-alcoholic and alcoholic beverages, medicines and medical devices, cosmetic perfume, beauty products, and tobacco products as well as automotive and retail industries. He has advised clients on free trade agreements, import duties, export development programs including IMMEX and PROSEC, among other, customs and non-customs requirements for all kind of products, and international trade issues in mergers, acquisitions, restructurings and privatizations. He has successfully represented national and foreign clients in customs and international trade administrative proceedings and litigation, as well as in negotiations with governmental authorities and in verification processes related to customs and foreign trade.

Eduardo Sotelo-Cauduro

Eduardo co-heads the firm's International Trade and Customs group, He has more than 15 years of experience advising domestic and international companies in many different industries in their international trade and customs operations, including automotive, textiles, retail, chemical, electronics, medical devices, petrochemical, luxury goods, pharmaceutical, software, cosmetics, aerospace, maquiladoras (IMMEX) and trading companies, among others. Eduardo has advised multiple IMMEX companies in several preventive audit procedures destined to verify the proper compliance with applicable legal provisions, with the purpose of identify risks and/or contingencies and consequently, regularize or minimize such before an official audit procedure from the authorities. Based on this, he constantly advises these type of companies in official audit procedures initiated against them by the tax and customs authorities, focused to the duly compliance to which such IMMEX entities are subject.

Roberto Serralde-Rodríguez

Roberto heads the International Trade and Customs practice in our Monterrey Office and has wide experience advising clients in complex international trade matters. He has a strong focus on compliance and a keen ability to identify and prevent potential problems. Business advisor and risk management professional. Promoter of the conciliation between business goals and legal compliance. Top-down and across understanding of business and industry. Roberto has more than 19 years of experience in Tax-customs and international trade compliance, advisory and litigation, business development, legal counseling, managing compliance teams, and supervising outside counsel.

Team

Alberto Campos-Vargas – Partner
jacampos@sanchezdevanny.com

Eduardo Sotelo-Cauduro – Partner
esotelo@sanchezdevanny.com

Roberto Serralde-Rodríguez – Partner
rserralde@sanchezdevanny.com

Who we are

Sánchez Devanny is a leading Mexican law firm that provides full-service legal advice both to Mexican and international clients.

More than attorney-client services

We build enduring client relationships that go beyond individual service contracts because we make every effort to understand our clients' businesses and expectations, to serve as an ally, and to provide complete, accessible and personalized advice. As a testament to these efforts, we continue to advise clients today who have trusted us with their legal matters since the firm was founded in 1996.

Experience and creativity

Throughout the firm, we take pride in serving our clients with a combined approach of experience and creativity because we recognize that when you know how things are done it is easier to think outside the box. Our partners offer a wealth of experience, including in prior roles as in-house counsels at global companies and government agencies, and key roles within international law firms.

With offices in Mexico City, Monterrey, and Querétaro, as well as several strategic alliances worldwide, the firm is well-positioned to quickly and efficiently represent and respond to clients' needs, shortening the distance between us and our clients. Our services are delivered in an efficient, professional, cost effective and timely manner, keeping always in mind that, as lawyers, we are business facilitators for our clients and must maintain a proactive and preventive approach.

Location

México City:

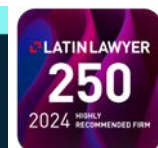
Av. Paseo de las Palmas #525 Piso 6
Col. Lomas de Chapultepec, 11000
Ciudad de México
T. +52 (55) 5029 8500

Monterrey:

José Clemente Orozco #335 Piso 4
Despacho 401 Col. Valle Oriente, 66269
San Pedro Garza García N.L.
T. +52 (81) 8153 3900

Querétaro:

Av. Antea #1090 Piso 2 Int 206
Col. Jurica
Querétaro, Qro
T. +52 (442) 296 6400



www.sanchezdevanny.com

© Sánchez Devanny ® | Sánchez Devanny refers to Sánchez-Devanny Eseverri, S.C., a leading Mexican law firm that provides full-service legal advice both to Mexican and international clients.

This publication contains general information only and is just for informative purposes. Sánchez Devanny is not rendering legal advice or services by means of this publication. To obtain legal advice or services and before making any decision or taking any action that may affect your business you should consult a qualified professional advisor.

Sánchez Devanny provides legal services in the areas of Corporate and M&A; Banking and Finance; International Trade and Customs; Real Estate, Infrastructure and Hospitality; Tax; Labor, Social Security and Immigration; Corporate Governance and Regulatory Compliance; Energy and Natural Resources; Environmental; Life Sciences; Intellectual Property, Entertainment and Sports Law; Litigation and Alternative Dispute Resolution; Antitrust; Capital Markets; Private Wealth Management and Estate Planning; Administrative Strategic Litigation and Data Privacy and Information Technology to both public and private clients, especially in the automotive, retail, pharmaceutical, manufacturing, real estate and energy industries among others.