



**International trade and customs Newsletter**  
**June 06, 2018**

**Retaliatory measures on goods originating from the U.S.**

On June 5, 2018, the **“DECREE modifying Mexico’s Import and Export Tariff, the Decree that establishes the applicable Duty Rate for goods originating in North America and the Sector Promotion Program Decree” (“Decree”)** was published in the Federal Official Gazette, entering into force on June 5, 2018, with certain exceptions highlighted below.

Through this publication, **the Mexican government imposes retaliatory measures on the imports of several goods originating in the U.S.**, proportionate to new tariffs imposed by the U.S. on imports of steel and aluminum products originating in Mexico, of 25% and 10%, respectively. For further information on this topic, please review our newsletter from May 31, 2018 ([Click here](#)).

The Decree includes, in article 1, a **list of Mexican tariff codes for which the preferential duty treatment is suspended for goods originating in the U.S.** Likewise, in article 2, **duties applicable to imports of said tariff codes are modified, with rates ranging from 7% to 25%.** This duty rate will apply only when the listed goods originate in the U.S. and are imported under a definitive regime.

These duties will be applicable even for tariff codes listed under the PROSEC Decree and subsequent amendments. The Decree also establishes that this rate will not be applicable for those goods originating in Mexico, which were imported under a duty referral program in cases set forth by Customs Law Article 63-A.

This list **includes several tariff codes corresponding to diverse goods such as pork ham and shoulders, cheese, charcuterie, potatoes, apples, “Tennessee” whiskey or bourbon, several steel products, aluminum articles, fans, and motor boats,** among others. This list is available by [click in here](#).

Furthermore, another list is included in article 3 for several tariff codes of steel products for which the corresponding import duty is modified, valid until January 31, 2019. This list corresponds to several modifications since October 2015 to impose a 15% duty on several tariff codes to protect the Mexican steel industry. For some tariff codes included in the list, in article 8 of the Decree, certain industrial sectors are exempted from the import duty, under PROSEC, also valid until January 31, 2019.

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Lastly, Mexico's Import and Export Tariff (TIGIE) was modified to create a new tariff code for pork food products; to modify the description of tariff codes related to steel tubing; to remove certain tariff codes for sheet iron and steel; and to add an explanatory note for national application to Chapter 73 of the TIGIE.

Import duties of 20% for pork meat and cheese enter into force on July 5, 2018. Until then, a lesser rate, ranging from 10 to 15%, depending on the product, will be applicable. In addition, a quota of up to 350,000 tons for imports until December 31, 2018, through tariff-quota, for tariff codes related to pork meat originating from the U.S., was published as a measure of protection for consumers.

Companies should analyze the effect of this publication on their operations, particularly regarding importation, exportation, manufacturing, rules of origin, and sourcing alternatives.

Our team of experts is prepared to analyze and determine the effect of the aforementioned measures on your international trade operations, as well as to advise you on strategies to reduce the effect on the export and import of these products to Mexico from the US, and the legal remedies that could be applicable. It should be noted that if it is deemed appropriate to seek legal remedies, they must be sought within 15 to 30 days following entry into force of the corresponding provisions.

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