

International Trade and Customs Practice Group Newsletter



Previous Automatic Permits for Exports of Silicon Steel Laminations and Silicon Steel Cores for Transformers

On November 26, 2020, the Ministry of the Economy published on the website of the National Commission of Regulatory Improvement (CONAMER, by its acronym in Spanish) the draft of the agreement which makes exports of silicon steel laminations and silicon steel cores for transformers subject to a previous automatic permission. This was to avoid the export of foreign steel from Mexico being passed off as national.

Therefore, the Ministry of the Economy intends to subject to the requirement of a previous automatic export permit the silicon steel laminations and silicon steel cores for transformers included in tariff code 8504.90.99 - Others.

It is important to mention that, in accordance with the decree issuing the General Law of Taxes on Imports and Exports, and amending and adding several provisions of the Customs Law published on July 1, 2020, in the Federal Official Gazette, as of December 28 of this year, the tariff code mentioned in the previous paragraph will be modified in terms of its 10-digit nomenclature to the tariff code 8504.90.99.99.

Likewise, the draft establishes the documents to be provided by the exporter to the General Directorate

of Commercial Facilitation and Foreign Trade in order to obtain the permit in question, which are indicated below.

Requirements for individuals or legal entities, incorporated under the Mexican laws, who are up to date with their tax obligations and can demonstrate the origin of the merchandise that is the subject of the request:

I. In the case of merchandise exported to the United States of America:

- » Notarial deed certifying the legal representation in the case of legal entities.
- » Incorporation deed of the company.
- » Certificate of Registration in the Federal Taxpayers Registry.
- » Identification of the legal representative.
- » Positive opinion of compliance with fiscal obligations issued by the Tax Administration Service.
- » Purchase invoice of the merchandise used as input to manufacture the product to be exported.

- » Invoice of sale of the merchandise that was produced from said input.
- » Mill certificate.
- » Import manifest, if applicable, of the steel input of the merchandise to be exported.
- » Monthly projection of the amount and value of the merchandise to be exported in one trimester.

II. Regarding merchandise exported to countries other than the United States of America:

- » Notarial deed certifying the legal representation in the case of legal entities.
- » Incorporation deed of the company.
- » Certificate of Registration in the Federal Taxpayers Registry.
- » Identification of the legal representative.
- » Positive opinion of compliance with fiscal obligations issued by the Tax Administration Service.

In addition to the requirements mentioned above, an Excel document (which will be published on the SNICE website www.snice.gob.mx) must also be attached to the export request with the following information:

- » Exporter's Federal Taxpayer Registry
- » Type of export
- » Whether the applicant is an individual or a legal entity
- » Mill certificate number of the steel used as input
- » Tariff code of the product's input to be exported
- » Quality certificate number of the product to be exported
- » Country of origin
- » Heat number
- » Detailed description of the goods subject to the corresponding tariff code
- » Quantity in kilograms
- » Dollar value of the product to be exported
- » Unit price in dollars per kilogram
- » Country of destination
- » Period

It is important to mention that these applications for previous automatic export permits will be resolved in a maximum of five business days and, in case of complying with the aforementioned requirements, they will be granted per tariff code, description of the merchandise, volume, value and country of destination, which will be valid for 15 calendar days.

Furthermore, the draft in question establishes that such applications must be sent to the email permisosexportacion.acero@economia.gob.mx together with a writing signed by the legal representative, through which two contacts with two email accounts are designated, who will receive the corresponding information to request the previous automatic export permit.

In said writing, the applicant must expressly agree to receive information and notifications related to the application through the emails provided by the contacts, as well as to state under oath that no activities will be carried out that may elude compliance with the provisions contained in the draft and that no steel goods will be exported directly or indirectly to the United States of America without the corresponding previous automatic export permit.

It is important to note that, if an individual or legal entity exports steel goods without the corresponding previous automatic export permit to the United States of America, it will not be eligible to apply again for a previous automatic export permit under this draft.

Likewise, the sixth paragraph of said draft establishes that all exporters must send to the email address mentioned in previous paragraphs a monthly report of the exports within the first five business days of each month.

In the event that it is required to cancel a previous automatic export permit, a writing must be sent to the above-mentioned email address, attaching a copy of the current official identification of the legal representative who signed the request.

Finally, it is important to point out that, since this is a draft, the date of entry into force of this agreement is not yet known; however, it is established that such agreement will be in force until December 31, 2021.

We are at your disposal for any additional information or clarification you may require in connection with the aforementioned.

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