

July 28, 2021

## International Trade and Customs Practice Group Newsletter



### Draft: USMCA Uniform Regulations

On July 26, 2021, the Ministry of the Economy (SE) published on the National Commission for Regulatory Improvement (CONAMER), the Draft of the Agreement by which the Ministry of the Economy publishes the Uniform Regulations Regarding Interpretation, Application and Administration of Chapter 4 (Rules of Origin), Chapter 5 (Origin Procedures), Chapter 6 (Textile Goods and Clothing), and Chapter 7 (Customs Administration and Trade Facilitation) of the Agreement between the United Mexican States, the United States of America and Canada.

The foregoing, derived from the fact that the USMCA Free Trade Commission adopted on May 18, 2021, Decision No. 2, whose Annex I includes the Uniform Regulations adopted by the Parties, **which replace** those attached as Annex I to Decision No. 1 of the USMCA Free Trade Commission **published on July 9, 2020**, in the Official Gazette of the Federation.

**Note:** It is important to highlight that, as a preliminary version, it may be subject to modifications until its final publication in the Official Gazette of the Federation.

The chapters to which this document refers are:

- Chapter 4: Rules of Origin.
- Chapter 5: Origin Procedures.

- Chapter 6: Textile Goods and Clothing.
- Chapter 7: Customs Administration and Trade Facilitation.

In this regard, the following modifications stand out, **which do not indicate substantial or substantive changes** to the previous document:

- ◇ The definitions contained in PART I SECTION 1. DEFINITIONS AND INTERPRETATIONS are rearranged alphabetically.
- ◇ The definitions of “non-originating material”, “originating material”, “originating merchandise”, and “subject to a requirement of regional value content” are modified to eliminate the reference to “Treaty” and limited only to the reference of the “Uniform Regulations”.
- ◇ Subsection 8 (6) is replaced by 8 (8) for the calculation of the total cost ((6)(b)(ii)).
- ◇ Subsection (a) of subsection (4) Exceptions to the requirement of change of tariff classification of SECTION 3, ORIGINATING GOODS, is modified to read as follows:

*“[...] a good is considered originating from the territory of one of the USMCA countries if:*

a) one or more of the non-originating materials used in the production of that good cannot satisfy the change in the tariff classification requirements established in Annex I (ROEP Annex) because both the good and its materials are classified in the same subheading or in the same heading that is not subdivided into subheadings [...]"

- ◇ The definition of subsection (7) of PART II, SECTION 3. ORIGINATING GOODS is modified to replace "products" with "merchandise."
- ◇ Subparagraph (b) of point (7) of PART III, SECTION 7. REGIONAL CONTENT VALUE is modified to replace the reference in section 5 of Annex VI with section 4 of Annex VI.
- ◇ "Interest not allowed" is modified by "Interest not admissible" of point (14) of PART III, SECTION 7. VALUE OF REGIONAL CONTENT.

Finally, it is expected that this Agreement will enter

into force the day following its publication in the Official Gazette of the Federation.

We are at your disposal for any further questions or clarifications you may require in relation to this document.

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