

International Trade and Customs Bimonthly Newsletter

May - June

DOMESTIC SCOPE

1. Decree that amends the Tariff of the Law of General Import and Export Taxes (“TIGIE”, for its acronym in Spanish).

On May 8, 2024, a Decree issued by the Mexican President was published in the Federal Official Gazette (“Official Gazette”) which amends two previous Decrees (the Decree published in the Official Gazette on April 22, 2024, which established temporary tariffs on 544 code numbers of the Harmonized Tariff System (“HTS Code Numbers”) and the Decree published on January 6, 2023, which exempted the payment of import duties and granted administrative facilities to products of the families’ food basket):

a) Through the Decree published on April 22, 2024, temporary tariffs ranging from 5% to 50% were established for 544 HTS Code Numbers. In the case of unalloyed aluminum (classified under HTS code number 7601.10.02) and aluminum alloys (classified under HTS code number 7601.20.02), tariffs of 35% and 20% were established. In connection with the

above, through the Decree issued on May 8, 2024, the aforementioned HTS Code Numbers were eliminated to prevent disruptions in the supply chains of crucial industries such as automotive and electronics, due to insufficient domestic production of unwrought aluminum.

b) On the other hand, through the Decree issued on January 6, 2023, import duties were exempted, and administrative facilities were granted for products in the family food basket. In relation to the above, the Decree of May 8, 2024, increased the tariff on ammonium sulfate (classified under HTS code number 3102.21.01) to 35% due to a significant increase in its domestic consumption between 2019 and 2023. This measure seeks to mitigate inflation and support the competitiveness of the domestic fertilizer industry, which can meet domestic demand.

2. Decree Amending the Federal Animal Health Law.

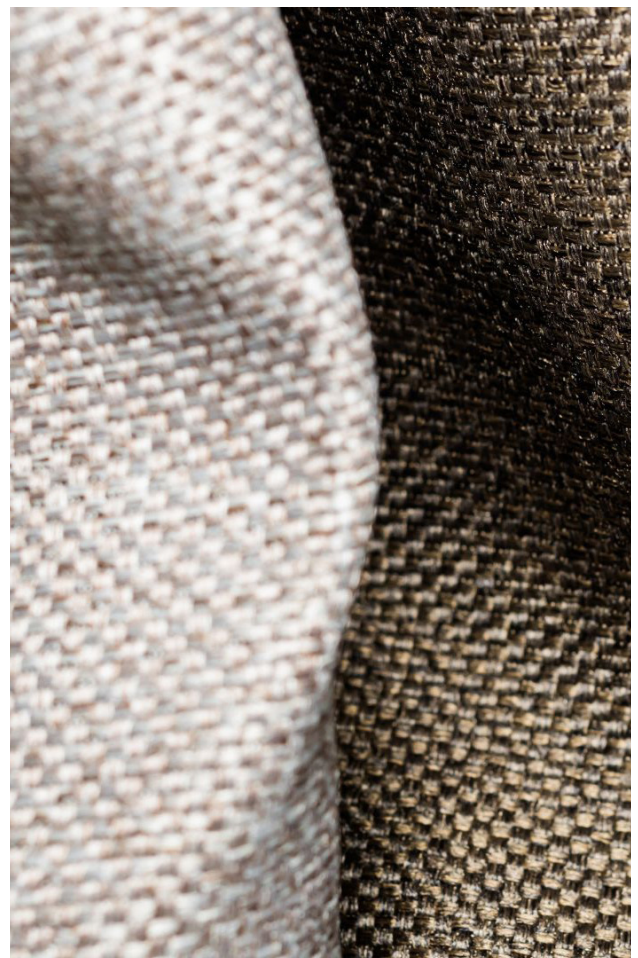
On May 21, 2024, the Decree amending Articles 169, 171, 172, 173, 174, and 175, and adding Article 172 Bis to the Federal Animal Health Law, was published in the Official Gazette. This amendment updates the criteria for imposing fines by using the Unit of Measurement and Actualization (“UMA”). It also prohibits the use of 32 substances in animals intended for human consumption, including in foreign trade operations.



3. Amendment to the Decree which establishes several Sectorial Promotion Programs (“PROSEC”).

On May 22, 2024, a Decree amending the Decree which establishes several Sectorial Promotion Programs was published in the Official Gazette. This amendment added five HTS Code Numbers of finished products (5402.33.01, 5402.46.91, 5402.47.91, 5402.52.03, 5402.62.02) to the Textile and Apparel Industry sector, allowing them to obtain preferential tariff treatment under the PROSEC Decree. This inclusion aims to facilitate the efficient operation of producers of polyester yarn, a crucial input for the manufacture of fabrics, ribbons, ropes, clothing, and other products.

Additionally, this amendment eliminated the HTS code number that previously classified polyesters in primary forms with a viscosity index greater than or equal to 78 ml/g because the domestic market is now capable of supplying this material, and as a result, the preferential tariff treatment for its importation has been eliminated.



4. Issuance of the Mexican Official Standard “NOM-006-SCT-2-2023: Basic aspects for the visual inspection of the unit intended for the transportation of dangerous goods”.

On May 23, 2024, the Official Mexican Standard NOM-006-SCT-2-2023, which establishes the essential guidelines for the visual inspection of dangerous goods transport units in Mexico, was published in the Official Gazette. Its main objective is to ensure that these units are in optimal condition to operate safely on federal roads. This standard is mandatory for shippers, carriers, and their respective drivers traveling on federal roads.

The main components to be inspected include both internal and external aspects of the vehicle, as well as specific areas such as lights, trailers, semi-trailers, and tankers.

Additionally, it requires the maintenance of a visual inspection log that documents the inspections performed before each trip. This log is the responsibility of both the driver and the shipper. The standard clearly specifies the responsibilities of each party involved: drivers must perform and sign the visual inspection, while shippers must verify and sign that the inspection was carried out correctly.

The above is relevant in foreign trade operations, since in imports or exports of dangerous goods, regulations must be complied with to ensure that the units are in optimum operating and safety conditions on federal roads.



INITIATION OF INVESTIGATIONS INTO UNFAIR INTERNATIONAL TRADE PRACTICES, SUNSET REVIEW PROCEDURES OR INITIATION OF THE REVIEW OF ANTI-DUMPING AND COUNTERVAILING DUTIES .

5. Resolution that accepts the request of interested party and declares the initiation of the sunset review proceeding of the anti-dumping duties imposed on imports of steel beams type I and type H originated in Spain, regardless of the country of export.

On June 19, 2024, the Ministry of Economy published in the Official Gazette the Resolution that declares the initiation of the sunset review proceeding of the anti-dumping duty imposed on imports of steel beams type I and type H originated in Spain, regardless of the country of export, that enter through HTS Code Numbers 7216.32.99 and 7216.33.01, or through any other. The initiation of the review is a result of the request made by AMOB and AcerlorMittal Commercial Sections, S.A.

The Ministry of Economy established as review period from January 1st to December 31, 2023. The definitive anti-dumping duties will remain in force while the review procedure is being processed. Domestic producers, importers, exporters, foreign legal entities, or any person with a legal interest in the investigation's outcome, have a period of 23 business days to submit their response to the official form, along with arguments and relevant evidence.



6. Resolution that declares the initiation of the sunset review proceeding of the anti-dumping duties imposed on imports of cold rolled steel sheet originated in Russia and Kazakhstan, regardless of the country of export.

On June 28, 2024, the Ministry of Economy published in the Official Gazette the Resolution that declares the initiation of the sunset review proceeding of the anti-dumping duties imposed on imports of cold rolled steel sheet originated in Russia and Kazakhstan, regardless of the country of export, that enter through HTS Code Numbers 7209.16.01 and 7209.17.01, or through any other.

The Ministry of Economy established as review period from April 1st, 2023 to March 30, 2024, and as period of analysis from April 1st, 2019 to March 30, 2024. The definitive anti-dumping duties will remain in force while the review procedure is being processed. Domestic producers, importers, exporters, foreign legal entities, or any person with a legal interest in the investigation's outcome, have a period of 23 business days to submit their response to the official form, along with arguments and relevant evidence.



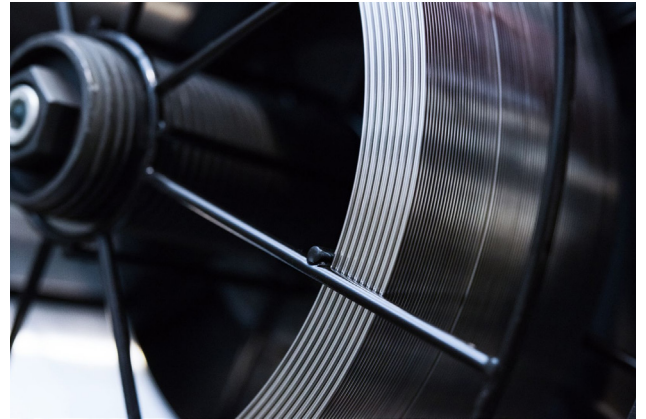
PRELIMINARY RESOLUTIONS INTO UNFAIR INTERNATIONAL TRADE PRACTICES, SUNSET REVIEW PROCEDURES OR REVIEW OF THE VALIDITY OF ANTI-DUMPING AND COUNTERVAILING DUTIES .

7. Preliminary Resolution of the anti-dumping investigation proceeding on imports of welding micro-wire originated in Vietnam, regardless of the country of export.

On May 2, 2024, the Ministry of Economy published in the Official Gazette the Preliminary Resolution of the anti-dumping investigation on imports of welding micro-wire originated in Vietnam, regardless of the country of export that enter through HTS Code Numbers 7229.20.01, 7229.90.99, 8311.10.99, 8311.30.01 and 8311.90.01, or through any other.

This investigation was requested in June 2023 by Electrodo Infra, S.A. de C.V. and Plásticos y Alambres, S.A. de C.V., and was formally initiated in October 2023. The period of investigation was established as February 1st, 2022 to January 31, 2023, and the period of injury analysis as February 1st, 2020 to January 31, 2023.

By means of the Preliminary Resolution, the Ministry of Economy ruled that the anti-dumping investigation continues in its price discrimination modality without the imposition of provisional anti-dumping duties. The interested parties have a period of 20 business days from the publication of the Preliminary Resolution in the Official Gazette to appeal before the Ministry of Economy and submit the arguments and evidence they deem pertinent.



8. Preliminary Resolution of the sunset review proceeding of the anti-dumping duty imposed on imports of seamless steel pipe originated in China, regardless of the country of export.

On May 27, 2024, the Ministry of Economy published in the Official Gazette the Preliminary Resolution of the *ex officio* review of the anti-dumping duty imposed on imports of seamless steel pipe originated in China, regardless of the country of export, goods that enter through HTS Code Numbers 7304. 19.01, 7304.19.04, 7304.19.99, 7304.31.01, 7304.31.10, 7304.31.99, 7304.39.01, 7304.39.10, 7304.39.11, 7304.39.91, 7304.39.92 and 7304.39.99, or through any other.

By means of the Preliminary Resolution, it was determined that the review procedure will continue without modifying the anti-dumping duty of \$1,568.92 dollars per metric ton, which remains in force. The interested parties have a period of 20 business days from the publication of the Preliminary Resolution in the Official Gazette to appeal before the Ministry of Economy and submit the arguments and evidence they deem pertinent.



9. Preliminary Resolution of the sunset review proceeding of the anti-dumping duty imposed on imports of emulsion polybutadiene styrene rubber originated in the United States, Korea and Japan, regardless of the country of export.

On June 14, 2024, the Ministry of Economy published in the Official Gazette the Preliminary Resolution of the ex officio review of the definitive anti-dumping duties imposed on the definitive and temporary imports of emulsion polybutadiene styrene rubber originated in the United States, Korea and Japan, regardless of the country of export. This measure covers goods classified under HTS Code Numbers 4002.19.01, 4002.19.02, 4002.19.03 and 4002.19.99, or any other.

By means of the Preliminary Resolution, it was determined that the review procedure continues without modification, maintaining the following anti-dumping duties: (i) \$0.34075 per kilogram for imports from the United States; (ii) \$0.11378 per kilogram for imports from Korea, except those made by LG Chem Ltd.; and (iii) \$0.23556 per kilogram for imports from Japan, including those from Zeon Corporation and other exporters from Japan.

The interested parties have a period of 20 business days from the publication of the Preliminary Resolution in the Official Gazette to appeal before the Ministry of Economy and submit the arguments and evidence they deem pertinent.



10. Preliminary Resolution of the review proceeding of the undertakings assumed by the exporters Posco and Hyundai Hysco Co. Ltd. on imports of cold rolled steel sheet originated in Korea, regardless of the country of origin

On June 17, 2024, the Ministry of Economy published in the Official Gazette the Preliminary Resolution of the ex officio review of the undertakings assumed by the exporters Posco and Hyundai Hysco Co. Ltd. on the imports of cold rolled steel sheet originated in Korea, regardless of the country of origin.

By means of the Preliminary Resolution, the Ministry of Economy determined that the export volumes assumed for the products entering under HTS Code Numbers 7209.16.01, 7209.17.01, 7209.18.01, and 7225.50.91, as well as through any HTS Code Number under the mechanism of the Eighth Rule, or any other, remain unchanged.

The export volumes assumed in the undertakings are as follows: for Hyundai Hysco, 10,000, 15,000, 20,000, 25,000, and 30,000 metric tons during the years 2014 to 2018, respectively; for POSCO, 400,000, 450,000, 480,000, 500,000, and 500,000 metric tons during the same period.

The interested parties have a period of 20 business days from the publication of the Preliminary Resolution in the Official Gazette to appeal before the Ministry of Economy and submit the arguments and evidence they deem pertinent.



11. Preliminary Resolution of the sunset review proceeding on anti-dumping duty imposed on imports of ceramic tableware and individual pieces, including porcelain, originated in China, regardless of the country of origin.

On June 21, 2024, the Ministry of Economy published in the Official Gazette the Preliminary Resolution of the ex officio review proceeding of the anti-dumping duty imposed on imports of ceramic tableware and single pieces of ceramic tableware, including porcelain, originated in China, regardless of the country of origin. This measure covers the merchandise under HTS Code Numbers 6911.10.01 and 6912.00.01, or any other.

By means of the Preliminary Resolution, it was determined that the anti-dumping duties imposed will remain unchanged. These anti-dumping duties apply if the import price is less than \$2.61 per kilogram. Goods will not be subject to anti-dumping duties if the import price equals or exceeds \$2.61 per kilogram.

Additionally, imports of jars or mugs with polymer/polyester coating, without printed decoration and intended for sublimation printing, are exempt from the payment of anti-dumping duties.

The interested parties have a period of 20 business days from the publication of the Preliminary Resolution in the Official Gazette to appeal before the Ministry of Economy and submit the arguments and evidence they deem pertinent.



FINAL RESOLUTIONS ON UNFAIR INTERNATIONAL TRADE PRACTICE INVESTIGATIONS, SUNSET REVIEW PROCEDURES OR REVIEW OF THE VALIDITY OF ANTI-DUMPING AND COUNTERVAILING DUTIES

12. Final Resolution of the anti-dumping investigation on imports of vinyl chloride polymer rigid film originated in China, regardless of the country of export.

On May 23, 2024, the Ministry of Economy published in the Official Gazette the Final Resolution that declares concluded the anti-dumping investigation. The Ministry of Economy imposed a definitive anti-dumping duty of 57.63% on imports, both definitive and temporary, of rigid PVC (vinyl chloride polymer rigid film), originated in China, regardless of the country of export, that enter through HTS Code Numbers 3920.49.99, or through any other. Importers subject to the definitive anti-dumping duties will be exempt from paying them if they can prove that the country of origin of the goods is other than China.



13. Final Resolution of the sunset review proceeding, and review of the anti-dumping duty imposed on imports of metallized plastic balloons originated in China, regardless of the country of export.

On June 10, 2024, the Ministry of Economy published in the Official Gazette the Final Resolution that declares concluded the sunset review proceeding and the ex officio review of the definitive anti-dumping duty imposed on imports of metallized plastic balloons originated in China, regardless of the country of export, that enter through HTS Code Numbers 9503.00.23 and 9505.90.99, or through any other.

The Ministry of Economy determined to extend for five more years the definitive anti-dumping duty of 161% on imports of metallized plastic balloons from China, starting on June 8, 2023. Importers subject to the definitive anti-dumping duties will be exempt from paying them if they can prove that the country of origin of the goods is other than China.



14. Final Resolution of the sunset review proceeding, and the ex officio review of the anti-dumping duty imposed on imports of cut bond paper originated in Brazil, regardless of the country of export.

On June 19, 2024, the Ministry of Economy published in the Official Gazette the Final Resolution that declares concluded the sunset review and the ex officio review of the anti-dumping duty on imports of cut bond paper originated in Brazil, regardless of the country of export.

The Ministry of Economy imposed a definitive anti-dumping duty of 31.58%. This measure covers goods under HTS Code Numbers 4802.56.99 and 4823.90.99, or any other. Importers subject to the definitive anti-dumping duties will be exempt from paying them if they can prove that the country of origin of the goods is other than Brazil.



MULTILATERAL SCOPE

15. Progress in the reform process of the Dispute Settlement System of the World Trade Organization (“WTO”).

On April 18, 2024, Ambassador Usha Dwarka-Canabady of Mauritius was appointed as the facilitator of the reform process of the WTO Dispute Settlement System, marking the formal commencement of this reform.

As of May 14, 2024, Ambassador Dwarka-Canabady consulted on the work plan with 34 delegations and group coordinators representing more than two-thirds of WTO Members. Based on these consultations, it was decided that the work would proceed through two configurations:

1. Monthly Meetings of Heads of Delegation:

Initiated on May 30, 2024, focusing on appeal/review issues and accessibility, with remote participation of officials from capitals.

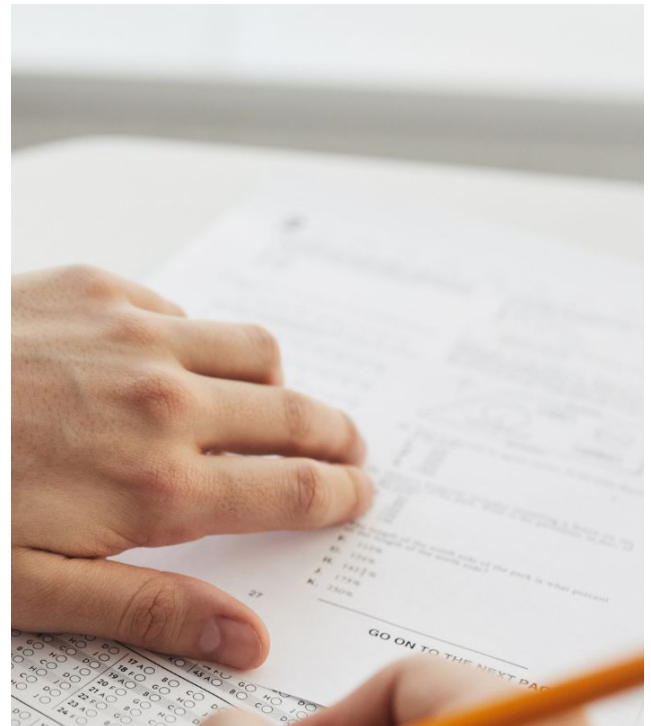
2. Technical Work by Experts:

Includes drafting texts in thematic meetings, allowing remote participation of officials in at least one of these sessions.

It was agreed that technical discussions would initially focus on the following topics:

- **Appeal or Review:** Access to the mechanism, Members’ expectations, mechanism format, appeal incentives, scope of review, and standard of review.
- **Accessibility to the dispute settlement system:** Meaning of accessibility, costs and administrative burdens, technical assistance and capacity building, aid mechanisms, and accelerated and alternative dispute resolution procedures.

Finally, on June 19, 2024, the first technical meeting on appeal/review took place, followed by one on accessibility on June 21, 2024. At least two meetings on each topic have been scheduled until mid-July 2024, with additional consultations.



16. United States increases tariffs on imports of Chinese origin products.

On May 14, 2024, President Biden’s administration announced prospective increases in tariffs on imports originated in China under Section 301 of the Trade Act of 1974 (“Section 301”) in strategic manufacturing sectors, including electric vehicles, batteries, solar cells, semiconductors, and other critical minerals and materials such as steel, aluminum, and medical products.

The decision follows a statutory review conducted by the United States Trade Representative (“USTR”) pursuant to the Section 301 Investigation on China’s technology transfer, intellectual property policies, and innovation practices. The investigation was initiated on May 2022 and was aimed to address concerns about unfair competition and safeguard U.S. intellectual property rights.

Based on this review, President Biden directed the USTR to maintain current tariffs on Chinese imports and introduce new tariffs on additional

products. These new tariffs, issued under Section 301, will see gradual increases to be implemented in 2024, 2025, and 2026.

According to the Federal Register Notice issued by the USTR on May 22, 2024, some of these tariffs will take effect on August 1st, 2024, while others will come into force in 2025 and 2026.

The most significant increases include:

- Electric vehicles: Increase from 25% to 100% effective from August 1st, 2024.
- Non-lithium-ion battery parts: Increase from 7.5% to 25% effective from August 1st, 2024.
- Lithium-ion batteries for electric vehicles: Increase from 7.5% to 25% effective from August 1st, 2024.
- Personal protective equipment: Increase from 7.5% to 25% effective from August 1st, 2024.

- Syringes and needles (face masks): Increase from 0% to 50% effective from August 1st, 2024.
- Port cranes: Increase from 0% to 25% effective from August 1st, 2024.
- Solar cells: Increase from 25% to 50% effective from August 1st, 2024.
- Steel and aluminum products: Increase from 7.5% to 25% effective from August 1st, 2024.
- Semiconductors: Increase from 25% to 50% effective from January 1st, 2025.
- Non-electric vehicle lithium-ion batteries: Increase from 7.5% to 25% effective from January 1st, 2026.
- Medical and surgical gloves: Increase from 7.5% to 25% effective from January 1st, 2026.
- Permanent magnets and natural graphite: Increase from 0% to 25% effective from January 1st, 2026.
- Other critical minerals: Increase from 0% to 25% effective from August 1st, 2024.



17. The European Union (“EU”) requests consultations with Colombia concerning its compliance with a panel ruling and an arbitral decision.

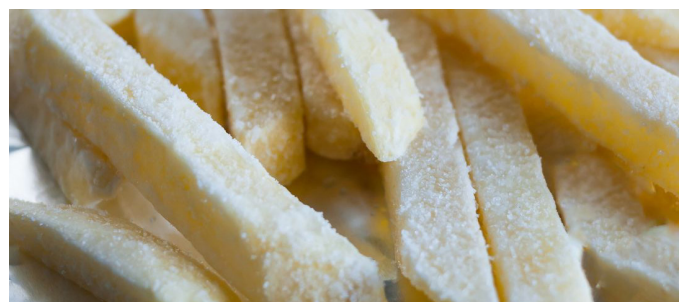
On May 31, 2024, the EU formally requested WTO consultations with Colombia regarding measures taken by Colombia following a previous WTO panel ruling and arbitral decision. These measures specifically concern anti-dumping duties imposed by Colombia on imports of frozen French fries from Belgium, the Netherlands, and Germany. The request for consultations was circulated to WTO Members on June 4, 2024.

In its request, the EU alleged that Colombia used flawed methodologies for calculating dumping in its compliance measures, these methodologies appear to be inconsistent with various provisions under the WTO Anti-Dumping Agreement. This proceeding was initiated under Article 21.5 of the Dispute Settlement Understanding (“DSU”).

Article 21.5 of the DSU provides that disputes regarding the existence or consistency of

compliance measures should be resolved through WTO dispute settlement procedures, ideally involving the original Panel that examined the issue. This request marks the first of its kind in relation to a compliance proceeding following a ruling in an arbitration under Article 25 of the DSU.

Colombia and the EU agreed to arbitration proceedings under the interim multiparty appellate mechanism, to which both parties are members, to address an appeal related to the Panel report.



18. South Africa requests the establishment of WTO Panels to examine EU measures impacting citrus imports.

On June 24, 2024, South Africa formally requested the establishment of two WTO Dispute Settlement Panels to investigate EU measures impacting citrus imports from South Africa. This marks the first time South Africa has initiated such proceedings within the WTO dispute settlement system.

The EU measures are aimed at preventing the spread of the false apple moth (*Thaumatotibia leucotreta*) and citrus black spot (*P. citricarpa*). South Africa argued that these restrictions lack scientific basis, insufficient evidence, and unnecessarily hinder trade. Additionally, South Africa emphasizes that the EU failed to account for regional variations in pest risk, severely impacting its citrus exports and related employment.

Despite previous consultations, a mutually agreed solution was not reached, prompting South Africa to proceed with the formal Dispute Settlement Procedure. During the WTO Dispute Settlement Body (“DSB”) meeting, the EU declined the establishment of Panels, defending its pest control measures as justified and expressing confidence in their compliance with WTO rules. According to protocol, the Panels are anticipated to be established at the upcoming DSB meeting scheduled for July 2024.



Sincerely,

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