

DOF (Official Gazette of the Federation) 29/06/2022

Decree that reforms the diverse by which the Rate of the Law of General Import and Export Taxes is modified, published in the Official Gazette of the Federation on November 22, 2021.

ANDRÉS MANUEL LÓPEZ OBRADOR, President of the United Mexican States, in exercise of the power conferred on me by article 89, section I of the Political Constitution of the United Mexican States, based on articles 131 of the Constitution; 31 and 34 of the Organic Law of the Federal Public Administration; 2nd., 4th., Sections I and 12 of the Foreign Trade Law, and

CONSIDERING

That through various decrees published in the Official Gazette of the Federation (DOF) respectively on October 7, 2015, April 4, 2016, October 7, 2016, April 6, 2017 and October 17, 2017, the Tariff of the Law of General Import and Export Taxes (Tarifa), published in the Official Gazette of the Federation on June 18, 2007 and its subsequent modifications, was modified, in order to temporarily increase the import tariff of 97 tariff fractions for steel products related to slab, sheet plate, coil plate, cold rolled sheet, hot rolled sheet and wire rod, to deal with the crisis facing the international market in the steel sector, caused by the reduction of global demand and production overcapacity;

That, in the same way, through decrees published in the DOF respectively on June 5, 2018 and March 25, 2019, the Tariff was modified to establish the temporary increase of the import tariff of 186 tariff fractions of products of the iron and steel sector of merchandise, such as slab, sheet plate, coil plate, cold rolled sheet, hot rolled sheet, wire rod, seamless tubes, welded tubes, coated sheet, corrugated rod and profiles, in order to encourage the national industry steel company had the capacity to face the challenges derived from the oversupply in steel production worldwide;

That on May 17, 2019, the governments of Mexico and the United States of America (USA) signed an agreement in which it was established that both governments would withdraw the increase in tariff rates of Section 232 imposed by the USA, as a retaliatory measure; therefore, the commitment to generate monitoring was established to follow up on trade flows between both countries, from which Mexico was excluded from the measure of Section 232;

That the National Development Plan 2019-2024 published on July 12, 2019 in the DOF, provides in its General Axis III. Economy "Promote economic reactivation, the internal market and employment" that one of the central tasks of the current federal government is to promote economic reactivation and ensure that the economy grows again at acceptable rates, which requires the strengthening of the internal market and support for national producers;

That by means of the "Decree by which the Tariff of the Law of General Import and Export Taxes is modified, the Decree by which the general import tax is established for the border region and the northern border strip, the Decree by which establishes various Sectoral Promotion Programs and the Decree for the Promotion of the Manufacturing, Maquiladora and Export Services Industry"

published on September 20, 2019 in the DOF, a temporary import tariff of 15% was established at 228 tariff fractions with a tariff reduction scheme that would end on August 22, 2024, in order to create a favorable environment that would allow the steel industry to adjust to the international economic context, encourage the internal market and define a tariff policy in the medium and long term;

That the Law on General Import and Export Taxes published on July 1, 2020 in the DOF, establishes the tariff rate applicable to the import and export of goods in national territory, which was modified by means of decrees published respectively in the same official broadcast organ on December 24, 2020; on February 22, 2021, July 16, 2021, October 22, 2021, November 18, 2021 and November 22, 2021;

That the "Decree amending the Rate of the General Import and Export Tax Law, the Decree to support the competitiveness of the terminal automotive industry and the promotion of the development of the internal automobile market, the Decree by which the general import tax is established for the border region and the northern border strip, the Decree by which various Sectoral Promotion Programs are established and the various ones by which tariff-quotas are established" published on December 24, 2020, in the DOF, among other measures, adjusted the classification of the goods indicated in the decree published on September 20, 2019, and it was established that as of December 28, 2020, it would be repealed;

That, derived from the publication indicated in the previous recital, and in accordance with the same, it was necessary to adjust the classification in 112 tariff fractions of steel products, and the effective date of the measure to extend it to September 30, 2024, with the purpose that all measures on tariff issues agree with the conclusion of the current Administration;

That through the "Decree amending the Rate of the General Import and Export Tax Law" published on November 22, 2021 in the DOF, a 15% tariff was established for the steel sector until 29 of June 2022, and the medium-term tax relief scheme provided for in the decree of December 24, 2020 was continued, due to the fact that the context and global situation of the steel market that led to the establishment of the temporary tariff of 15 % to various tariff fractions of the aforementioned sector, derived from the fact that the international economic situation continued to recover from the adverse effects of the pandemic generated by SARS-CoV-2 (Covid-19);

That, as a result of the prevailing adverse effects in the international economic context, as a result of the aforementioned pandemic, the International Monetary Fund (IMF) has reported that world growth is estimated to slow down from an estimated 6.1% for 2021 to 3.6% in 2022 and 2023, in addition to the fact that the Section 232 measure established by the US in which Mexico is excluded from its application remains in force, which makes it a vulnerable market for steel from countries without a trade agreement, without date there is certainty regarding the conclusion of said measure;

That, derived from the foregoing, it is convenient to adjust the tax relief schedule previously established to maintain the temporary tariff of 15% for various steel products until May 31, 2023 and, subsequently, continue with the tax relief scheme in accordance with what is established in the decree published on November 22, 2021, and

That in accordance with the provisions of the Foreign Trade Law, the tariff measures referred to in this decree have the opinion of the Foreign Trade Commission, for which I have seen fit to issue the following

DECREE

Single Article. - The heading of subsections a and c, as well as subsections b and d of the Second transitory article of the "Decree amending the Tariff of the General Import and Export Tax Law" is amended, published in the Official Gazette of the Federation on November 22, 2021, as follows:

“TRANSITORY

First.-...

Second.-...

- a) For the tariff fractions listed below, the applicable tariff will be 10% as of June 1, 2023, 5% as of September 22, 2023 and exempt as of October 1, 2024:
...
- b) The applicable tariff for tariff fractions 7308.30.02 and 7308.90.99 will be 10% as of June 1, 2023 and 7% as of September 22, 2023.
- c) The applicable tariff for the tariff fractions listed below will be 10% as of June 1, 2023 and 5% as of September 22, 2023:
...
- d) The applicable tariff for tariff fraction 7210.41.01 will be 10% as of June 1, 2023, 5% as of September 22, 2023 and 3% as of October 1, 2024.

Third.-...”

TRANSITORY

SINGLE. - This decree will enter into force the day after its publication in the Official Gazette of the Federation.

Given at the residence of the Federal Executive Power, in Mexico City, on June 29, 2021.- Andrés Manuel López Obrador. - Signature. - The Secretary of Finance and Public Credit, Rogelio Eduardo Ramírez de la O.- Signature. - The Secretary of Economy, Tatiana Clouthier Carrillo. - Signature.

SOURCE:

https://dof.gob.mx/nota_detalle.php?codigo=5656605&fecha=29/06/2022#gsc.tab=0