



JA Del Río

Tax and Customs Strategies: USMCA and Plan Mexico

Agenda

TAX

- Plan Mexico

CUSTOMS

- Tariff Changes
- Special Tariff Exemptions
- Risks of Audits by Customs and Border Protection (CBP)
- Penalties

RECOMMENDATIONS AND FINAL REMARKS

- Strategic actions
- Final outlook

Speakers



Blanca Montaña
Maquiladora Industry Lead Partner



Antonio Ávila
Foreign Trade Partner

Plan Mexico

Plan Mexico is a national strategy promoted by the government of President Claudia Sheinbaum, aiming to strengthen the economy through concrete actions that directly benefit businesses.

World Competitiveness Ranking

<https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-competitiveness-ranking/rankings/wcr-rankings/e>



México | Desempeño en ranking de competitividad IMD por eje temático, 2024

SECTOR	LUGAR	CAMBIO
Desempeño económico	25	(+5)
Economía doméstica	22	(+19)
Comercio internacional	57	(-3)
Inversión internacional	19	(+8)
Empleo	9	(-1)
Precios	35	(-6)
Eficiencia gubernamental	60	(=)
Finanzas públicas	48	(-4)
Política fiscal	20	(+26)
Marco constitucional	61	(-2)
Legislación comercial	63	(-3)
Marco social	58	(=)

Eficiencia empresarial	53	(-2)
Productividad y eficiencia	47	(=)
Mercado laboral	48	(-8)
Finanzas	62	(-2)
Prácticas de gestión	50	(+3)
Actitudes y valores	48	(-2)
Infraestructura	62	(-2)
Infraestructura básica	54	(-1)
Infraestructura tecnológica	58	(-1)
Infraestructura científica	45	(+8)
Salud y medio ambiente	53	(-2)
Educación	62	(-1)

* / De no considerarse la incorporación de Nigeria, Ghana y Puerto Rico en el ranking, México habría subido un peldaño, a la posición 55.

FUENTE: IMD. EL ECONOMISTA

<https://www.eleconomista.com.mx/empresas/Mexico-subes-una-posicion-neta-en-competitividad-mundial-IMD-20240617-0057.html#:~:text=En%20t%C3%A9rminos%20absolutos%2C%20M%C3%A9xico%20se,de%20M%C3%A9xico%2C%20Puerto%20Rico>

State Competitiveness Index

<https://imco.org.mx/indice-de-competitividad-estatal-2024/>



Key points of Plan Mexico



Increase national and regional content in strategic sectors.

Create well-paying jobs in specialized manufacturing and innovation.

Increase added value in local supply and global chains.

Promote industrial careers in strategic regional development zones.

Define local and foreign investments focused on competitiveness and well-being.

Promote regional integration in the Americas.

Plan Mexico

A more competitive Mexico Goals for 2030:

1. Be part of the Top 10 world economies.
2. Reach **100 billion USD** in Foreign Direct Investment (FDI) annually.
3. Generate **1.5 million additional jobs** in specialized manufacturing.
4. Ensure that **50% of supplies** in key sectors such as textiles, footwear, furniture, and toys are made in Mexico.
5. Increase **domestic content by 15%** in strategic sectors such as automotive, aerospace, and pharmaceuticals.
6. Allocate **50% of public procurement** to domestic products.
7. Comprehensive development of vaccines in Mexico.
8. Reduce **through digital procedures**, the time required to finalize investments.
9. Train **150,000 professionals and technicians annually** in strategic sectors.
10. Promote **corporate environmental sustainability**.
11. Ensure that **30% of small and medium-sized companies** have access to financing.

Plan Mexico

How will companies be supported?

Plan Mexico includes key incentives for national and international companies:

Development Bank

- Financing programs designed for micro, small and medium-sized businesses with anchor vendors.

IMMEX 4.0: [in English: Decree for the Development and Operation of the Maquiladora Export Industry]

- Consolidation of the “IVA and IEPS Certification”, [in English VAT and Special Tax on Production and Services respectively], process with the new program for manufacturing IMMEX 4.0, thereby reducing the start-up time for new companies by 50%.










Strategic Regional Development Zones

- Tax incentives, special customs regime, digital one-stop shop.

Plan Mexico



Sectores estratégicos

- | | |
|---|---|
|  Textil y zapatos |  Automotriz y electromovilidad |
|  Farmacéutica y dispositivos médicos |  Química y petroquímica |
|  Agroindustria |  Bienes de consumo |
|  Semiconductores |  Aeroespacial |
|  Energía | |

Polígonos

100 nuevos
parques industriales

Plan Mexico

How will companies be supported?

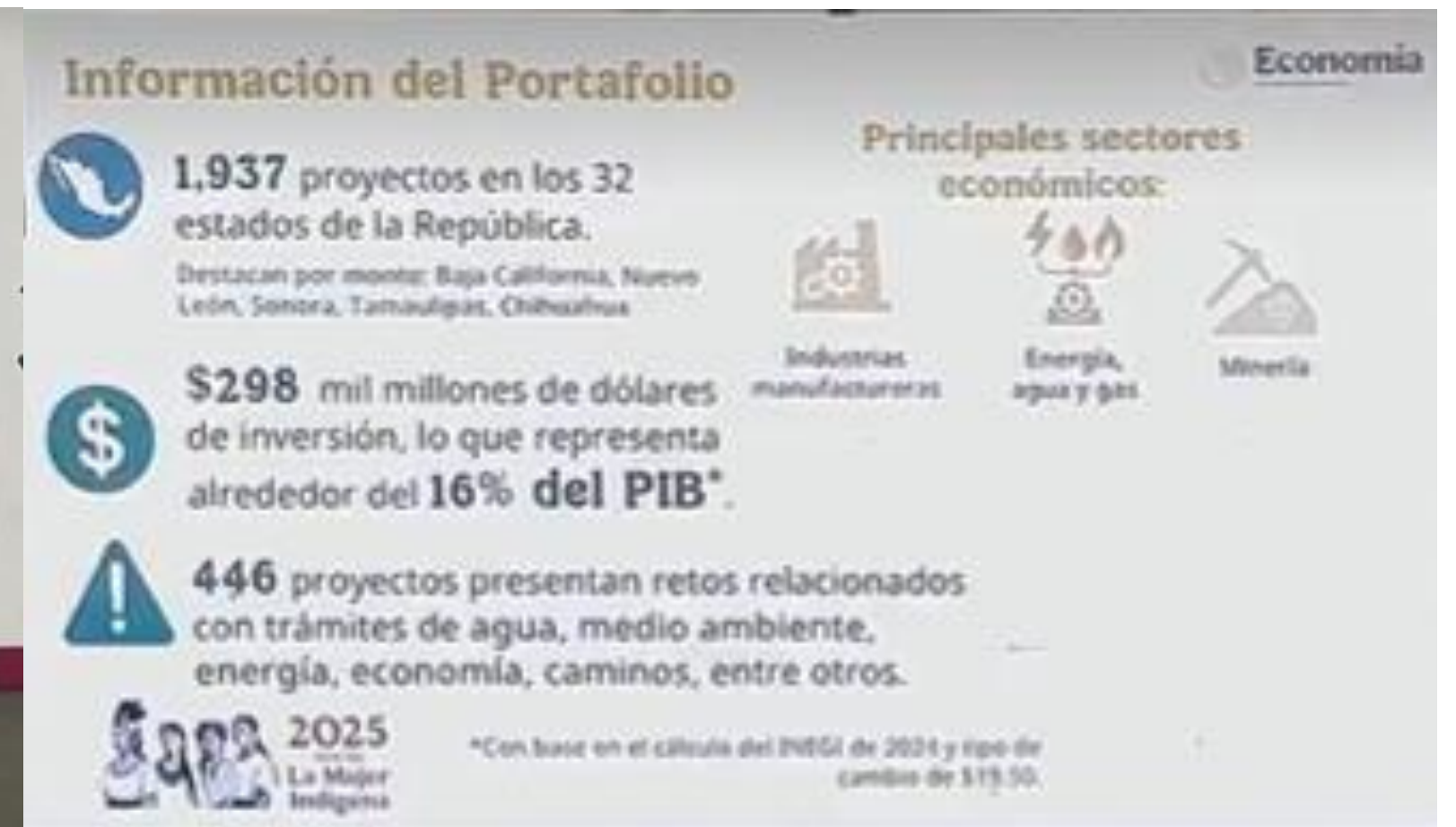
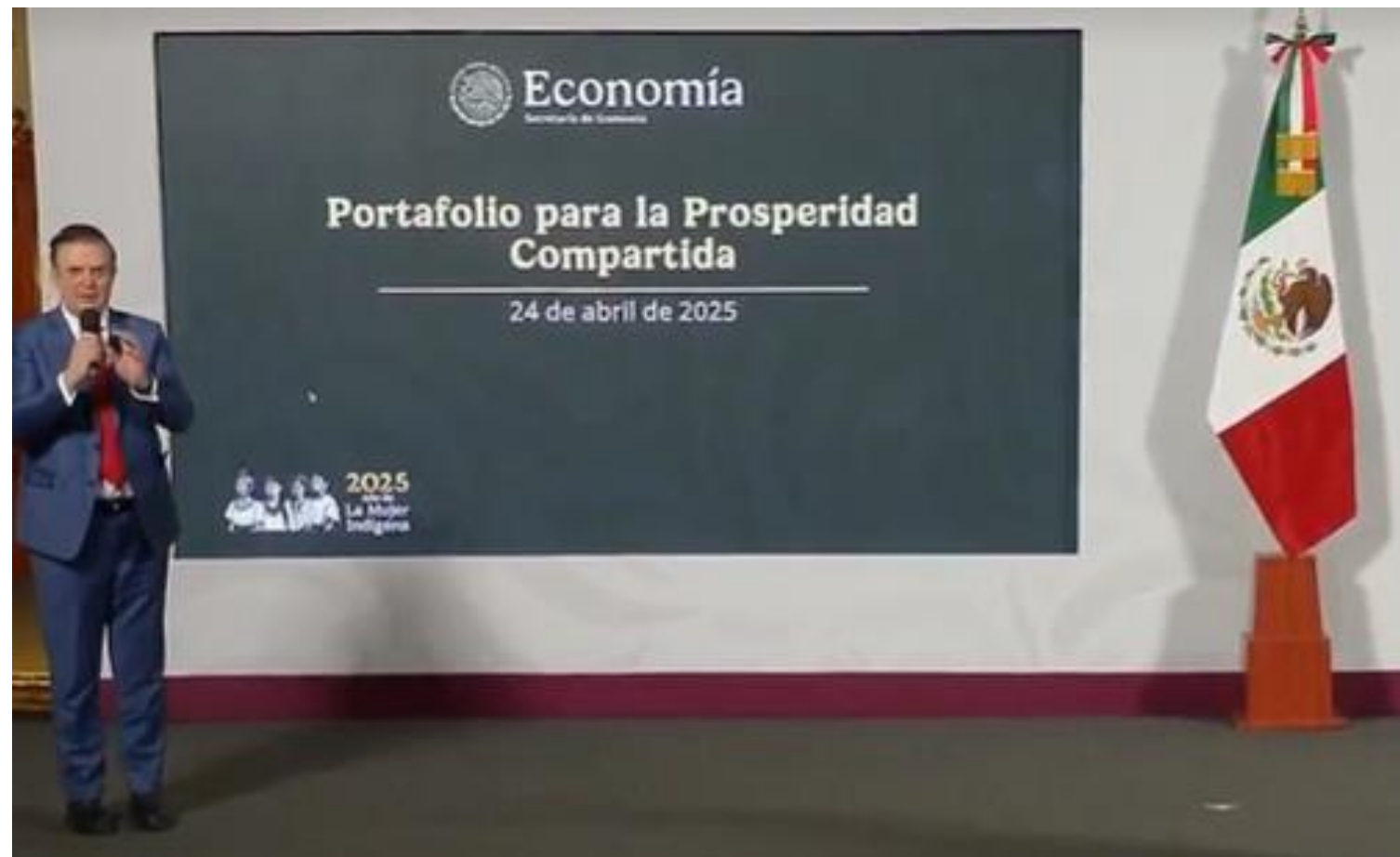
Plan Mexico includes key incentives for national and international companies:

Nearshoring decree

- Immediate deduction of investments in fixed assets (56-89%) for any industry.
- Additional deduction (50%-75%) for training of workers linked to educational institutions.

Plan Mexico

Current Status



Plan Mexico



Recently
announced
investments

Period

5,000 MDD



2,000 MDD

NETFLIX

1,000 MDD

2025-2028



1,300 MDD

2025-2028

Walmart 

Recently
announced
investments

Period

6,000 MDD

2025

mabe

668 MDD

2025-2027



30,000 MDD

2025-2030



3,600 MDD

2025-2027

Plan Mexico

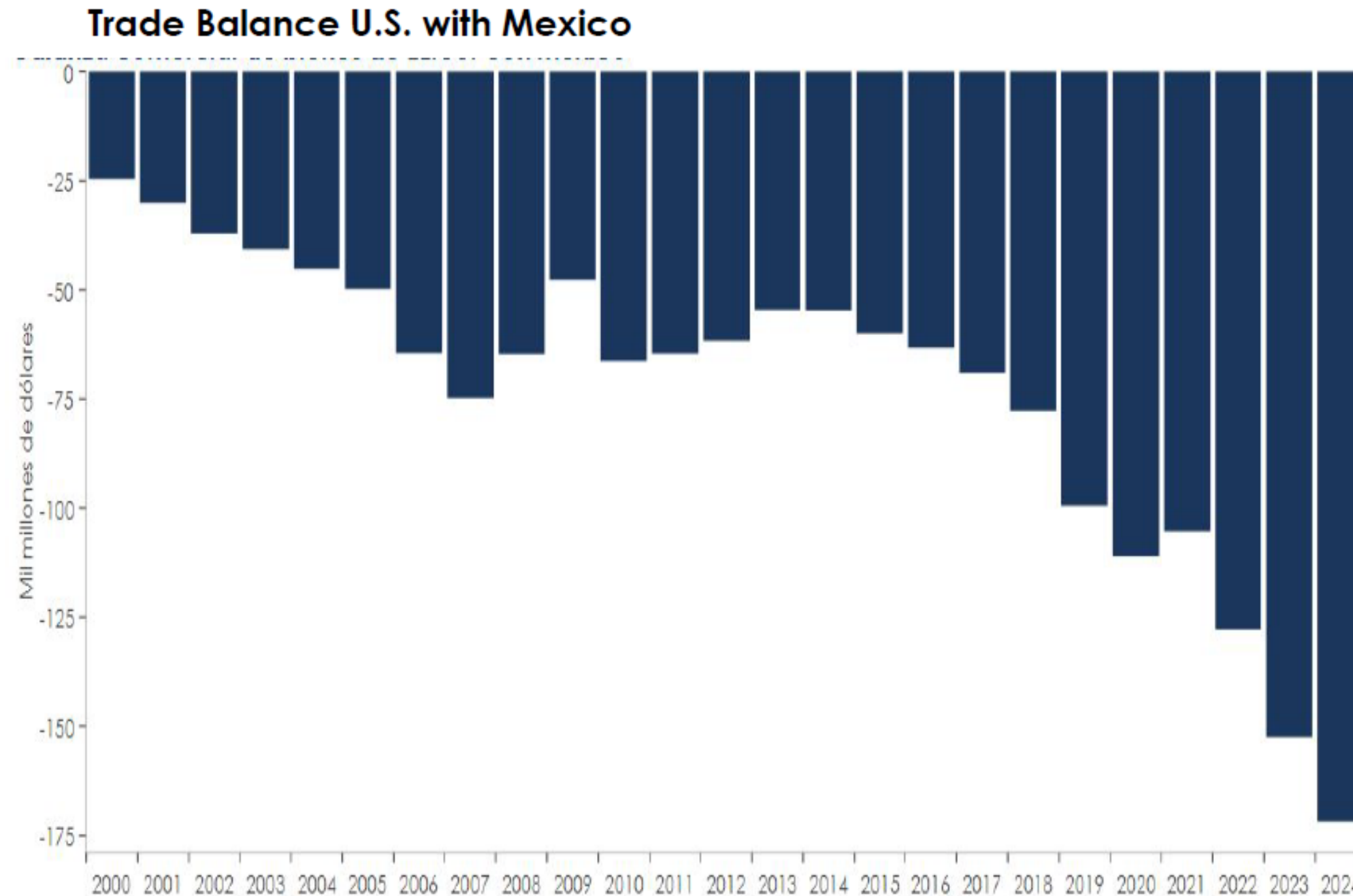
Upcoming Milestone



Tariff Changes



Trade Balance



Produced by AMCHAM/Mexico. Source: US Census Bureau

At the start of President Trump's first term (2016), the U.S. trade deficit with Mexico was -\$63.27 billion USD. Today (2024), it stands at -\$171.80 billion USD; 2.7 times larger.

Table – US Imports Coming From Mexico (Billions of USD)

	Sector	Description	Value 2023	Value Jan – Nov 2024	Percentage 2023	Percentage 2024
1	87	Transport vehicles (excludes trains, planes and ships)	129	126	27%	27%
2	85	Electrical equipment	85	81	18%	17%
3	84	Machinery	81	96	17%	21%
4	27	Fuel and mineral oils	24	15	5%	3%
5	90	Optical, photographic and measurement equipment; medical instruments	22	21	5%	5%
6	94	Manufactured goods	13	12	3%	3%
7	22	Beverages, spirits, vinegar	12	12	2%	3%
8	08	Fruits and nuts	11	10	2%	2%
9	07	Vegetables	9	9	2%	2%
10	39	Plastics	8	8	2%	2%
TOP 10			394	390	83%	84%
TOTAL			475	467	100%	100%

Source: https://media.licdn.com/dms/document/media/v2/D4E1FAQFJooBV08NjCw/feedshare-document-pdf-analyzed/B4EZTE7nclGgAY-/0/1738470756143?e=1739404800&v=beta&t=imDmp_Yr-TR9npB3miW3rjnb8OKji3-v8qd6lNdt7SI

Tariff Measures

1.Overall Rate (Most Favored Nation)

1.International Emergency Economic Powers Act (IEEPA) / Tariffs due to border situation 25% / 20%

- Mexico, Canada and China.

2.Section 232: Steel, Aluminum and Derivatives 25%

3.IEEPA / Multiple Reciprocal Tariffs

4.Section 232: Cars and Automotive Parts 25%

5.Section 301: Chinese Products

6.Section 201: Solar Panels (Safeguards)

7.AD/CVD: Compensatory Fees

Source: U.S. Customs and Border Protection. (n.d.). U.S. Customs and Border Protection. U.S. Department of Homeland Security. <https://www.cbp.gov/>

1. Overall Rate (Most Favored Nation)

Harmonized Tariff Schedule of the United States Revision 10 (2025) Annotated for Statistical Reporting Purposes

XI
63-2

Heading / Subheading	Stat. Suf - fix	Article Description	Unit of Quantity	Rates of Duty	
				1	
				General	Special
6301 6301.10.00	00	I. OTHER MADE UP TEXTILE ARTICLES Blankets and traveling rugs: Electric blankets (666)....	No..... kg	o11.4%	oFree (AU, BH, CL, CO, E*, IL, JO, KR, MA, OM, P, PA, PE, S, SG)

Source: U.S. International Trade Commission. (2025). Harmonized Tariff Schedule of the United States (HTSUS). <https://hts.usitc.gov/>

2. 2025 Tariffs - IIEPA International Emergency Economic Powers Act.

2025 Tariffs – United States					
Effective Date	Affected countries	Tariff %	Tariff Type	Goods impacted	Considerations
February 4, 2025*	China and Hong Kong	10%	IEEPA / Tariffs due to border situation	All from China	No considerations
March 4, 2025	China and Hong Kong	+10% Additional	IEEPA / Tariffs due to border situation	All from China	No considerations
March 4, 2025	Mexico	25%	IEEPA / Tariffs due to border situation	All from Mexico, excepting USMCA goods starting on March 7, 2025	Except for donated goods such as food and clothing, printed matter, movies, compact discs, works of art, news delivery products, minimis products.
March 4, 2025	Canada	25%	IEEPA / Tariffs due to border situation	All from Canada, excepting USMCA goods starting on March 7, 2025	10% energy products and potash

Source: The White House. (2025, February 4). Presidential Proclamation on the Exercise of the International Emergency Economic Powers Act Authorities Regarding Trade with China. <https://www.whitehouse.gov/presidential-actions/2025/02/04/presidential-proclamation-ieepa-trade-china/>

3. Section 232: Steel, Aluminum and Derivatives

2025 Tariffs – United States					
Effective Date	Affected Countries	Tariff %	Tariff Type	Goods Impacted	Considerations
March 12, 2025	General	25%	Section 232: Steel, Aluminum and Derivatives	Steel and aluminum imports	<div>Tariff calculation: Total value vs. metallic content</div> <ul style="list-style-type: none">Some tariffs are levied based on the total value of the good while others only over the steel or aluminum contentWhen the tariff applies only to the metallic content, the weight (kgs) and value must be reported separately in the import documents.
<div>Steel</div> <ul style="list-style-type: none">Elimination of alternative agreements with Mexico, Canada, European Union, Japan, United Kingdom, South Korea, Argentina, Australia and Brazil.Elimination of quotas and exemptions.Products originating in the United States: Smelted and cast (steel) in the United States may qualify for exemptions.				<div>Aluminum</div> <ul style="list-style-type: none">Elimination of quotas and exemptions.Extension of tariffs to products derived from aluminum.Strict "Smelted and Cast" rules of origin (smelted and cast)Only exemption applies to products processed with steel smelted and cast in the United States.Importers must provide detailed information on origin to the CBP.	
<div>Russia</div> <ul style="list-style-type: none">Additional Trade restrictionsA 200% tariff applies to the following:<ul style="list-style-type: none">Aluminum products originating in Russia.Aluminum products that contain primary aluminum smelted and cast in Russia.					

Source: The White House. (2025, February). Adjusting imports of steel into the United States. <https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/>

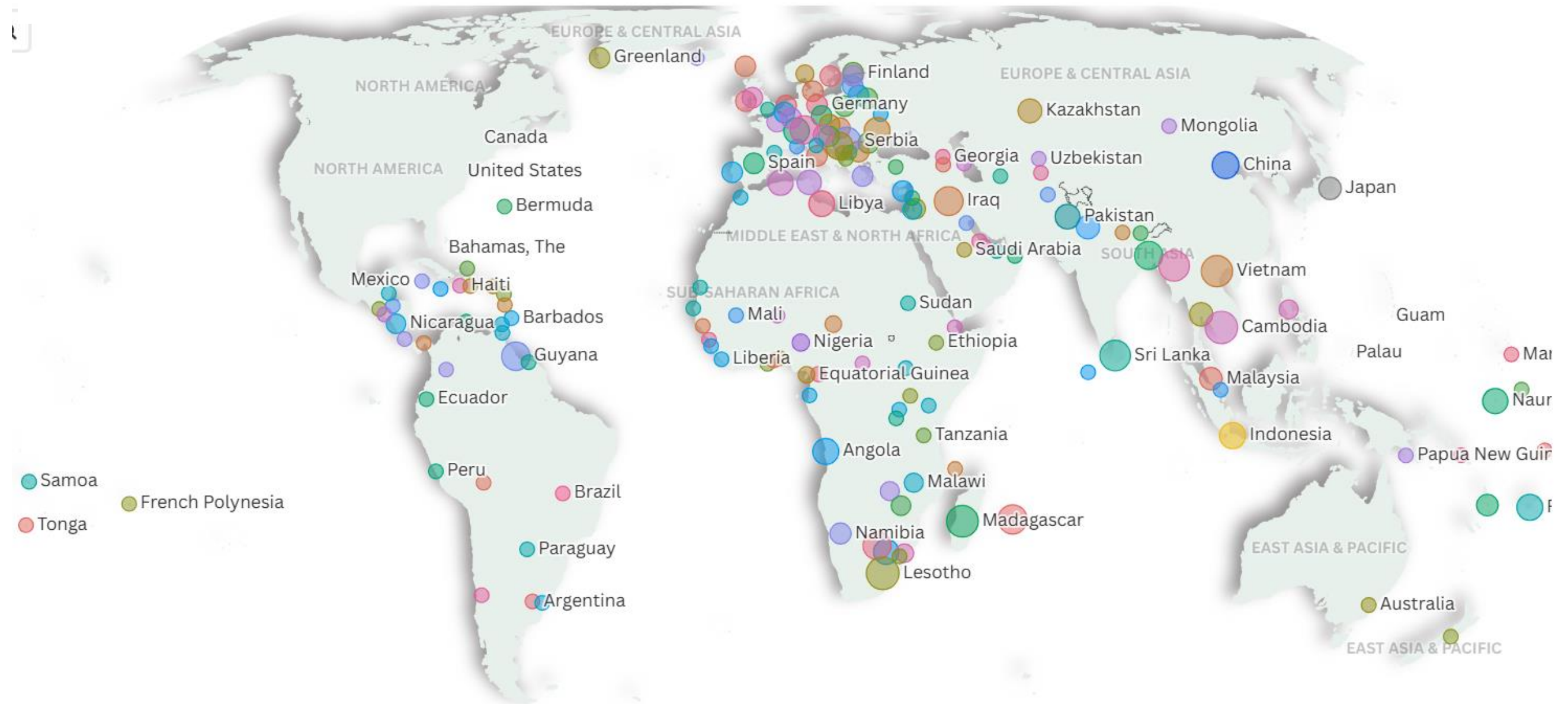
4. IEEPA / Multiple Reciprocal Tariffs



Phases	Countries	Reciprocal Tariff	Date of Entry into Force	Special Provisions
1	Worldwide (except for countries with a specific reciprocal tariff)	10%	April 5, 2025	<ul style="list-style-type: none">◦This tariff applies in addition to other imposed by the US. <u>See exceptions</u>◦12% for Mexico and Canada (will apply until the end of the 25% tariff)◦US content applies globally◦Tariffs apply only to the non-US content in case of the following:◦At least 20% of the value has US origin◦It is documented and validated at the CBP
2	Countries with specific reciprocal tariff	See tariff rates in Annex I*	April 9, 2025	<ul style="list-style-type: none">◦A potential tariff increase is contemplated◦This tariff is in addition to other tariffs imposed by the US◦ <u>See suspension</u>

Source: The White House. (2025, April 2). Regulating imports with a reciprocal tariff to rectify trade practices that contribute to large and persistent annual United States goods trade deficits. <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/>

Reciprocal Tariffs 2025



Source: World Bank Official Boundaries

<https://public.flourish.studio/resources/embed.js> data-src="visualisation/22524681"><script src="https://public.flourish.studio/resources/embed.js"></script><noscript></noscript></div>

Reciprocal Tariffs (Specific)

#	Countries and Territories	Reciprocal Tariff	#	Countries and Territories	Reciprocal Tariff	#	Countries and Territories	Reciprocal Tariff
1	Algeria	30%	20	Iraq	39%	39	Nigeria	14%
2	Angola	32%	21	Israel	17%	40	North Macedonia	33%
3	Bangladesh	37%	22	Japan	24%	41	Norway	16%
4	Bosnia and Herzegovina	36%	23	Jordan	20%	42	Pakistan	30%
5	Botswana	38%	24	Kazakhstan	27%	43	Philippines	18%
6	Brunei	24%	25	Laos	48%	44	Serbia	38%
7	Cambodia	49%	26	Lesotho	50%	45	South Africa	31%
8	Cameroon	12%	27	Libya	31%	46	South Korea	26%
9	Chad	13%	28	Liechtenstein	37%	47	Sri Lanka	44%
10	China	34%	29	Madagascar	47%	48	Switzerland	32%
11	Côte d'Ivoire	21%	30	Malawi	18%	49	Syria	41%
12	Democratic Republic of the Congo	11%	31	Malaysia	24%	50	Taiwan	32%
13	Equatorial Guinea	13%	32	Mauritius	40%	51	Thailand	37%
14	European Union	20%	33	Moldova	31%	52	Tunisia	28%
15	Falkland Islands	42%	34	Mozambique	16%	53	Vanuatu	23%
16	Fiji	32%	35	Myanmar (Burma)	45%	54	Venezuela	15%
17	Guyana	38%	36	Namibia	21%	55	Vietnam	46%
18	India	27%	37	Nauru	30%	56	Zambia	17%
19	Indonesia	32%	38	Nicaragua	19%	57	Zimbabwe	18%

Source: The White House. (2025, April 2). Regulating imports with a reciprocal tariff to rectify trade practices that contribute to large and persistent annual United States goods trade deficits.

<https://www.whitehouse.gov/presidential-actions/2025/04/amendment-to-recipricol-tariffs-and-updated-duties-as-applied-to-low-value-imports-from-the-peoples-republic-of-china/>

Reciprocal Tariff Pause

Presidential Proclamation titled "Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment", issued on April 10, 2025.

- **Reciprocal tariffs were suspended for all countries** except China for a 90-day period starting on April 10, 2025 at 12:01 a.m
- **Increase of tariffs on China:** Simultaneously the tariffs on imports from China increased to 125%.
- **Rationale behind the proclamation:** It was based on the necessity to adjust reciprocal tariffs to reflect the reprisals from trade partners and align tariff policy.

Tariffs in place remain at 10% for all countries except China



Source: The White House. (2025, April 10). Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment. <https://www.whitehouse.gov/presidential-actions/2025/04/modifying-reciprocal-tariff-rates-to-reflect-trading-partner-retaliation-and-alignment/>

Temporary Exemption from Reciprocal Tariffs

- Various electronic products—including smartphones, computers, chips and TV screens—have been exempted from the “reciprocal” tariffs announced on April 2 by President Trump.
- **This exemption is retroactive** starting on April 5 and applies to goods classified in specific codes of the HTSUS.
- The exemption could be short. The Commerce Department will start an investigation under Section 232 focused on semi-conductors and possible other electronic products.
- Tariffs based on Section 232 have a national security rationale and are not subject to negotiation, which increases the possibility that they will develop into permanent tariffs that are hard to eliminate.
- The current exemption covers products classified under the following tariff codes:
8471, 8473.30, 8486, 8517.13.00, 8517.62.00, 8523.51.00, 8524, 8528.52.00, 8541.10.00, 8541.21.00, 8541.29.00, 8541.30.00, 8541.49.10, 8541.49.70, 8541.49.80, 8541.49.95, 8541.51.00, 8541.59.00, 8541.90.00 y 8542.

Source: U.S. Customs and Border Protection. (April 11, 2025). *Updated Guidance – Reciprocal Tariff Exclusion for Specified Products; April 5, 2025 Effective Date*. U.S. Department of Homeland Security. https://content.govdelivery.com/bulletins/gd/USDHSCBP-3db9e55?wgt_ref=USDHSCBP_WIDGET_2

Suspension of the Application of Cumulative Tariffs and its Scope

To the extent that these tariffs are applied to the same item, they should not have a cumulative effect (or "stack" on one another) because the resulting tariff rate from such cumulation would exceed what is necessary to achieve the intended policy objectives.

Subsection	Product	Action / Presidential Proclamation or Executive Order	Date	Description / Theme	Tariff	Non-cumulative with:
(a)	Vehicles and car parts	Proclamation 10908	March 26, 2025	Adjustment regarding imports of cars and car parts into the United States	25% - See USMCA exemption and its application	(b) to 2(e) of this proclamation.
(b)	IIEPA - Canada	Executive Order 14193	February 1, 2025	Obligations to confront the flow of illicit drugs in the northern border	25% - See USMCA exemption and its application	2(d) o 2(e) of this order
		Executive Order 14197	February 3, 2025	Progress in the northern border situation (amendment)		
		Executive Order 14226	March 2, 2025	Amendment to obligations over the flow of drugs in the northern border		
		Executive Order 14231	March 6, 2025	Supplementary amendment on the northern border		
(c)	IIEPA - México	Executive Order 14194	February 1, 2025	Responsibilities to confront the situation in the southern border	25% - See USMCA exemption and its application	2(d) or 2(e) of this order
		Executive Order 14198	February 3, 2025	Progress in the southern border (amendment)		
		Executive Order 14227	March 2, 2025	Amendment to obligations in the southern border		
		Executive Order 14232	March 6, 2025	Amendment over the flow of illicit drugs in the southern border		
(d)	Aluminum and derivatives	Proclamation 9704	March 8, 2018	Adjustment on aluminum imports	25% - See USA exemption and its application	May be subject to additional tariffs from the EO 2025 (e)
		Proclamation 9980	January 24, 2020	Goods derived from aluminum and steel		
		Proclamation 10895	February 10, 2025	New amendment on aluminum		
(e)	Steel and derivatives	Proclamation 9705	March 8, 2018	Steel imports adjustment	25% - See USA exemption and its application	(Sec. 232 tariffs on steel), and the goods subjects to (e) may be subject to (d).
		Proclamation 9980	January 24, 2020	Goods derived from alumimum and steel		
		Proclamation 10896	February 10, 2025	New amendment on steel		

Suspension of the Application of Cumulative Tariffs and its Scope

Non-Applicability to Other Tariff Measures

A good that is subject to tariffs according with the action stipulated in section 2 of this Order may still be subject to other tariffs, taxes, levies, duties and fees such as, but not limited to, those mentioned in column 1 of the Harmonized Tariff Schedule Program of the United States (HTSUS); duties established in accordance with Section 301 of the Commerce Act of 1974 as amended; duties established in accordance with Executive Order 14195 of February 1, 2025 (imposition of duties to confront the supply chain of synthetic opioids in the Popular Republic of China) as amended, and anti-dumping and supplementary fees.

Entry into force

Any change to HTSUS necessary to comply with this order must be carried out by the latest at 12:01 a.m. on May 16, 2025 at the latest. This order will be applied retroactively to all entry of goods subject to tariffs describe in section 2 of this order and carried out starting on March 4, 2025.

The White House. (2025, April 4). Addressing certain tariffs on imported articles. <https://www.whitehouse.gov/presidential-actions/2025/04/addressing-certain-tariffs-on-imported-articles/>

Reciprocal Tariffs China

- **Minimis:**

- The ad valorem tariff on goods sent from China will increase from 30% to 90%.

Also, the tariff per item will increase from 25% to 75% starting on May 2, 2025, and later to \$150 on June 1, 2025.



Source: The White House. (2025, April 8). *Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports from the People's Republic of China*. The White House.

<https://www.whitehouse.gov/presidential-actions/2025/04/amendment-to-recipricol-tariffs-and-updated-duties-as-applied-to-low-value-imports-from-the-peoples-republic-of-china/>

Reciprocal Tariffs on China

Countries	% tariff (synthetic opioids) IIEPA	Reciprocal Tariff	Affected Goods
China	20%	125%	<p>All Chinese products</p> <p>There are goods sanctioned under Section 301 that may be affected by tariffs due to trade remedies, in addition to those mentioned previously. The reciprocal tariff will also apply to Hong Kong and Macao.</p>

*US Tariffs on countries that buy oil to Venezuela (2025)

Source: The White House. (2025, April 10). Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment. <https://www.whitehouse.gov/presidential-actions/2025/04/modifying-reciprocal-tariff-rates-to-reflect-trading-partner-retaliation-and-alignment/>

5. Section 232: Vehicles and car parts

Affected Countries	% Tariff	Sector	Affected Goods
General	25%	Automotive - Vehicles	All imported cars USMCA: The 25% tariff will apply only to the value of parts not originating in treaty countries. Entry into force: April 3, 2025.
General	25%	Automotive – Car Parts	All the following car parts: <ul style="list-style-type: none">• Engines and motor parts• Transmissions and power train parts.• Electrical components including batteries and advanced electronics. USMCA: This tariff does not apply to USMCA goods Entry into force on May 3, 2025. Subject to changes or adjustments in the Federal Registry Compensation applies.

6. Section 301: Unfair Trade Practices

What is Section 301?

It is a provision included in the Trade Act of 1974 which authorizes de United States Trade Representative (USTR) to impose tariffs in response to unfair trade practices. It has been applied mainly in China since 2018.

Category of Goods	Examples	Tariff %	Origin	Relevant Notes
Electronics	Computers, semiconductors	25%	China	See lists
Machinery	Industrial machinery, tools	25%	China	See lists
Chemical Products	Pharmaceutical polymers	25%	China	Critical industrial inputs
Industrial Inputs	Steel, aluminum, wood	25%	China	Construction and durable goods
Consumer Goods	Furniture, textiles, sporting goods	7.5%	China	See lists
Automotive	Automobile parts and components	25%	China	Seel lists
Agricultural Goods	Seafood, dried fruits	15%-25%	China	Selected agricultural products in Lists

Source: Office of the United States Trade Representative. (2024). Section 301 Investigations: Enforcement of U.S. Rights. <https://ustr.gov/issue-areas/enforcement/section-301-investigations>

7. Section 201 – Safeguard Measures

What is Section 201?

- Part of the Trade Act of 1974
- Allows the imposition of safeguards to protect US industries that are seriously being affected by a surge in imports.
- For its activation it does not require evidence of unfair practices, only of serious damage.


Category of Goods	Examples	Tariff %	Origin	Relevant Notes
Solar panels	Photovoltaic cells	30% initially (to be lowered annually)	All countries except for Australia, Argentina, Brazil, Corea del Sur	Implementation started in 2018, falling 5% every year until attaining 15%
High-volume washing machines	Home washing machines	20% to 50% (depending on quantity)	All countries except for South Korea	Tariffs decrease after the first year
Washing machine components	Motors, controls, barrels	20%	All countries except for South Korea	Protection of national manufacturing

Source: Office of the United States Trade Representative. (2024). *Safeguard Measures under Section 201*. <https://ustr.gov/issue-areas/enforcement/safeguard-measures>

8. AD/CVD Compensatory Fee 20.91% July 14, 2025)

Source: U.S. Department of Commerce. (2025, April 18). Fresh tomatoes from Mexico: Intent to terminate suspension agreement; Rescind an administrative review. Federal Register.
<https://www.federalregister.gov/documents/2025/04/18/2025-06676/fresh-tomatoes-from-mexico-intent-to-terminate-suspension-agreement-rescind-an-administrative-review>

Barcode: 4747446-01 A-201-820 SUSP. - Suspension Agreement



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

A-201-820
2019 Suspension Agreement
Public Document
ITA/E&C/P&N/OP/BAU: WCS

DATE:

April 14, 2025

MEMORANDUM TO:

Interested Parties

THROUGH:

Steven Presing
Acting Deputy Assistant Secretary
for Policy & Negotiations
Enforcement and Compliance

FROM:

Sally C. Gannon
Director for Bilateral Agreements
Office of Policy
Enforcement & Compliance

SUBJECT:


Intent to Withdraw from the 2019 Agreement Suspending the Antidumping Duty Investigation on Fresh Tomatoes from Mexico

At this time, Commerce is notifying all interested parties of its intent to exercise its option under Section XI.B of the 2019 Agreement Suspending the Antidumping Duty Investigation on Fresh Tomatoes from Mexico (2019 Agreement) to withdraw from the 2019 Agreement.

Section XI.B of the 2019 Agreement provides that Commerce may withdraw from the 2019 Agreement upon ninety days' written notice. On April 14, 2025, Commerce is notifying all Mexican Signatory producers/exporters to the 2019 Agreement that it intends to terminate the 2019 Agreement, issue an antidumping duty order, and rescind one of two ongoing administrative reviews on July 14, 2025.¹ With respect to the ongoing administrative reviews of the 2019 Agreement, Commerce expects the reviews to continue on schedule during the 90-day period.

¹ The current deadline for Commerce to issue the preliminary results for the review to be rescinded, covering the period of review (POR) from September 1, 2023 to August 31, 2024, is September 2, 2025. The deadline for Commerce to issue the final results of the second administrative review, covering the POR from September 1, 2022 to August 31, 2023, is July 8, 2025.

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INTERNATIONAL
TRADE
ADMINISTRATION

Implications and Next Steps

Operational and Compliance Challenges

- Stricter origin verifications (for example, “Smelted and Cast” and “Melted and Poured” requirements).
- Questionnaires and USMCA verification visits due to false or inaccurate statements.



Risk of Audits by Customs and Border Protection (CBP)



Origin Criteria

Origin Criteria	General Considerations	USMCA	Examples
Obtained in its entirety	A	A	Goods from nature (minerals, livestock, fish, fruits, etc.)
Goods produced of material originating in the region	B	C	The final good in its entirety is made with material from Mexico and/or USA and/or Canada. The origin of materials can be proved.
Goods that comply with specific rules of origin	C	B	In its manufacture it utilizes one or some materials that do not come from Mexico, Canada or the USA. The rules of Annex 4 B apply
Regional content value	D	D	Unassembled or disassembled materials that do not comply with criterion B but meet regional value content (special cases)
Technology transfer	---	E - Art. 2.10 (2)	Lists and criteria included in Section. 2.10 (2) of the USMCA

Certification Data: Producer Linked to a Merchandise

USMCA

Article 5.3: Bases of an Origin Certification

1. Each Party shall provide that if a producer certifies the origin of a good, the certification of origin is completed on the basis of the producer having information, including documents, that demonstrate that the good is originating.
2. Each Party shall provide that if the exporter is not the producer of the good, the certification of origin may be completed by the exporter of the good on the basis of:
 - a) having information, including documents, that demonstrate that the good is originating; or
 - b) reasonable reliance on the producer's written representation, such as in a certification of origin, that the good is originating.

Example of Rule of Origin

A rule of origin must require the following:

- 1.Change of customs classification= merchandise transformation
- 2.Regional content value= Integration value in the treaty countries.
- 3.Specific manufacturing procedures
- 4.Combination of 1,2 OR 3.

Subheading(s)	Applicable rules(s)
2933.79	A change to subheading 2933.79 from any subheading outside the group within heading 29.33, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: a.60 percent under the transaction value method, or b.50 percent under the net cost method.

Red Text: Change of customs classification

Text: Regional content value

Audits by government authorities

Origin Verifications

Compliance with origin verification procedures for foreign exporters and producers, in order to determine whether goods imported into national territory under preferential tariff treatment comply with the Rules of Origin established therein.

Verification Methods

1. Requirement in writing or questionnaire.

- In the Trans-Pacific Partnership Agreement (TPPA) and USMCA the Customs Authority of the Importing Party may initiate the Verification of Origin with the importer

2. Verification visits.

3. Surprise visit –illegal actions. (Textiles)

4. Petition to the customs authority of the exporting country

CBP Audits and Revisions

USMCA QUESTIONNAIRE



U.S. Customs and
Border Protection

SECTION VI: Questionnaire

For documentation request below, when possible, please provide documents relating to the following shipment:

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1	Was the de minimis provision (USMCA Article 4.12, 6.1(2), and 6.1(3) and 19 C.F.R. § 182.61-182.62) used to determine whether the good being verified was originating?	<input type="checkbox"/> Yes, provide the percentage which is de minimis: _____% <input type="checkbox"/> No.
2a	Did any of the originating materials used in the production of the good qualify as an originating fungible material under USMCA 4.13 or 19 C.F.R. § 182?	<input type="checkbox"/> Yes, attach a list of the materials that qualified as originating materials under the fungible materials provisions and identify the inventory management method (e.g., last in, first out (LIFO), first in, first out (FIFO), Average, Specific Identification) <input type="checkbox"/> No.
2b	Did the non-originating materials satisfy the product-specific rule of origin set forth in Annex 4-B of the USMCA and General Note 11 of the HTSUS?	<input type="checkbox"/> Yes, provide evidence and explanation <input type="checkbox"/> No, provide explanation
3a	Was the finished good produced in the territory of one or more of the USMCA countries?	<input type="checkbox"/> Yes, provide evidence that the good was finished in the territory of one or more of the USMCA countries <input type="checkbox"/> No, provide explanation

Penalties



Penalty for Merchandise Export



Sanctions will be issued with similar penalties to those that apply to the crime of contraband

If the exporter or producer of goods falsely certifies their origin, with the aim of importing them under preferential tariff treatment into the territory of a country with which Mexico has signed an international treaty or agreement, provided that the respective treaty or agreement provides for the application of sanctions and there is reciprocity.

The crime established by this section shall not be considered committed when the exporter or producer notifies in writing to the customs authority and the persons to whom the certification was delivered that a false certificate of origin was presented, in accordance with the provisions of the treaties and agreements to which Mexico is a party.

Art. 105, Section X. Federal Tax Code

Recommendations and Final Remarks



Strategic Actions



Area	Services
Foreign Trade	<ul style="list-style-type: none">• Determination of Origin and Country of Origin Marking of the USMCA.• USMCA Preventive Verification of Origin Audit• General Analysis of origin (markets)
Transfer pricing	<ul style="list-style-type: none">• Functional analysis and intercompany transactions recharacterization .• Evaluation and adjustment of transfer pricing policies
Tax	<ul style="list-style-type: none">• Domestic, international and cross-border tax diagnostic from operating restructurings, disposal of assets and exit strategies
Consulting	<ul style="list-style-type: none">• Analysis and strategies to mitigate the impact of tariffs• Cost model in response to tariff impact.

Final Remarks

Outlook:

- A possible renegotiation of the USMCA could stiffen rules of origin
- Possible changes on trans-shipment stipulations.
- The copper investigation under Section 232 signals expansion of the scope to protect US industries.
- There is potential for expanded sanctions (semiconductors, wood products and others)





JA Del Río

¡Thank you!

jadelrio.com

Blanca Montaña

Maquiladora Industry Lead Partner
blanca.montano@jadelrio.com

Antonio Ávila

Foreign Trade Partner
antonio.avila@jadelrio.com

