

Information guide Chetumal Free Zone, Customs Bonded Warehouse, Border Region South and Border Region

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With the pleasure of greeting you, I present this Informative Guide that will be particularly useful to make a reasoned and correct investment decision.

This document highlights the particularities, potentialities and benefits that allow any interested party to participate in the investment and operation opportunities in the Chetumal Industrial Park within its Strategic Bonded Warehouse.

In today's global world, new regions of the world are beginning to stand out as spaces to make productive investments, find new markets and new suppliers in global value chains, among these, the southern region of Quintana Roo, positioned as an incredibly attractive place for investment.

Quintana Roo has a great development in tourism, our tourist destinations are widely developed and stand out internationally for their beauty, causing us to be the preferred travel destination of millions of tourists who arrive each year by air, by sea and by land, but obviously the State has much more to offer throughout its geography.

Precisely in those areas located in the center and south of the State, all with enormous growth potential, are the ones that we are promoting to achieve the diversification of the economy.

The city of Chetumal, considered by us to be the heart of this strategy, brings together many strategic and commercial advantages that give certainty to the investment.

First, Chetumal is a medium-sized city, with a significant population growth and has an adequate urban, educational, cultural and connectivity infrastructure that corresponds to its status as a state capital. Its international airport was recently expanded and remodeled, and a Mayan Train terminal is planned, which will also be connected to the Industrial Park to facilitate the shipment of goods to the center and north of the country.

Other important advantages are its status as a free zone, which was recently granted, and the reduction in fiscal and administrative burdens that the three levels of government grant to investors who decide to be part of our economic and productive diversification project, including the reduction or elimination of the main federal taxes (VAT and Income Tax) and the state payroll tax.

This joint effort is reinforced by the concession of a Strategic Bonded Warehouse, obtained by the State Government, with the aim of improving opportunities to do international business from this special customs regime that grants great operational and administrative benefits for those who are interested. in achieving adequate levels of competitiveness to participate in the dynamic global markets.

So, the invitation is to work together, to form a great alliance that will make the south of Quintana Roo the new business center of the Mexican Caribbean, where projects of technological development, expansion, or industrial relocation, as well as trade and logistics distribution, take advantage of all the resources, elements, and advantages that we established to ensure many growth opportunities for companies and of course for Quintana Roo and for Mexico.

C.P. Carlos Manuel Joaquín González
Constitutional Governor of the State of Quintana Roo





Quintana Roo has always been a privileged place by nature and full of opportunities for the development of successful world-class businesses in the fields of tourism, recreation, rest, and culture.

Now, our region has opened its productive horizon in the search for a more consolidated, integrated, and balanced economy, triggering new opportunities for industrial entrepreneurship, logistics distribution activities, foreign trade, and technological development in the south of the state.

In the Industrial Park with Customs Bonded Warehouse, located in our state capital, the city of Chetumal, we have carefully prepared an investment option for those who wish to take advantage of the multiple fiscal and administrative incentives granted by the federal government in matters of foreign trade, value added and income taxes, among others; by the state government in matters of payroll tax and other rights and by municipal authorities in relation to property tax and other charges.

In particular, the Government of the State of Quintana Roo has obtained the concession to manage a Customs Bonded Warehouse that registers, those who operate within it, in a special customs regime that greatly facilitates the introduction into the country of merchandise to operate them with the purpose of their handling, storage, custody, exhibition, sale, distribution, elaboration, transformation or repair, with the benefit of not paying foreign trade taxes or compensatory fees.

This document is intended to be a useful tool to guide those who are interested in investing and settling in the Chetumal Industrial Park and operating within its Customs Bonded Warehouse, complying with all federal regulations that control this special regime and taking full advantage of the insurmountable compensations of doing it in the south of Quintana Roo.

Our greatest desire is to serve you and be your allies in your investment decisions, confident that together we can build a much more prosperous future for the benefit of each and everyone.

We are certain that this can be a good beginning to start forging another success story in the only lands of Mexico that bathe the incomparable Caribbean Sea.

Welcome to the new frontier of progress, welcome to Quintana Roo.

Mtra. Rosa Elena Lozano Vázquez

Secretary of Economic Development





Amenities and General Features

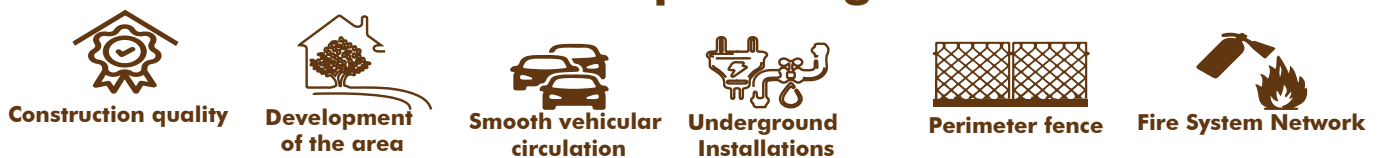
Business model



Services



Town planning



Equipment and amenities





Incentives and guarantees for investors in Quintana Roo

STATE INCENTIVES

Applies exclusively for companies settled in the Industrial Park with CBW and Chetumal Supply Center, as published in the O.G. Q.ROO dated 31/07/2019 and 31/12/2020, respectively ⁽¹⁾:

- Payroll tax.
- Vehicle Use or Tenure Tax.
- Rights for Countersigning, Commodity and Renewal of Licenses for Alcoholic Beverages.
- Proof of territorial compatibility.
- Resolution of the environmental impact manifestation.
- Public registry of property and commerce.

(1) Subject to the rules of application of the Agreements issued by the Ministry of Finance and Planning





Incentives and guarantees for investors in Quintana Roo

MUNICIPAL INCENTIVES

Applies exclusively for companies settled in the Industrial Park with CBW, as published in the O.G. Q.ROO 07/08/2020 ⁽²⁾

- Property tax payment.
- Right of cooperation for public works carried out by the municipality.
- Land use construction license.
- License and endorsement of commercial, industrial, service and advertising operation.
- Services provided in civil protection affairs.
- Services in ecology and environmental protection.
- Use of public roadways or other goods of common use.

(2) Subject to the rules of application of the Agreement of the H. Ayuntamiento de Othón P. Blanco, Quintana Roo.





Information guide Chetumal Free Zone, Customs Bonded Warehouse, Border Region South and Border Region

The nature of this document is informative, therefore, it does not establish obligations or create rights of the contents in the decrees listed in the legal framework of this document, nor in the applicable tax and customs regulations.



Chetumal Free Zone, Custom Bonded Warehouse and Border Region

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1. Legal Framework

- Customs law.
- Federal Law of Rights.
- Rules of the Customs Law.
- General Rules of Foreign Trade (GRFT) for 2020.
- Processing sheets of Annex 1-A of the rules.
- Decree of the Chetumal Free Zone, published in the Official Gazette of the Federation (OGF) on December 31, 2020, effective as of January 1, 2021, effective until December 31, 2024.
- Decree for the promotion of the customs bonded warehouse and the customs bonded regime", published in the OGF on February 4, 2016.
- Decree on fiscal incentives for the southern border region, published in the OGF on December 30, 2020.
- Decree establishing the general import tax for the border region and the northern border strip", published in the Official Gazette of the Federation on December 24, 2008, last reform published in the OGF on December 20, 2019.
- Agreement by which the Ministry of Economy issues general rules and criteria on Foreign Trade, published in the OGF on December 31, 2012, and its last modification published on March 5, 2021.
- Infrastructure, Control and Security Guidelines for Administrators of Customs Bonded Warehouse:
http://omawww.TAS.gob.mx/aduanasPortal/Paginas/Documents/tramites_autorizaciones/recintos_fiscalizados/LinInfraCtrlSegAdmdeRFE_11062020.pdf
- Infrastructure, Control and Security Guidelines for Operators of Strategic Controlled Enclosures:
http://omawww.TAS.gob.mx/aduanasPortal/Paginas/Documents/tramites_autorizaciones/recintos_fiscalizados/LinInfraCtrlSegOperadoresRFE_11062020.pdf



2. Chetumal Free Zone

To promote consumption and favor imports in Chetumal and generate favorable conditions that allow companies to strengthen their competitiveness, on December 31, 2020, the "Decree of the Chetumal Free Zone was published in the Official Gazette of the Federation.", with a validity from January 1, 2021, to December 31, 2024, in which the Chetumal Border Region is established, in the Municipality of Othón P. Blanco of the State of Quintana Roo, through which fiscal incentives are granted.

2.1. What is a Chetumal Border Region company?

They are natural or legal persons who have the current registration as "Company of the Region", which is issued by the Ministry of Economy (ME), for companies dedicated to:

- Commercialization of food, groceries, and self-service stores.
- Commercialization of clothing, jewelry, and clothing accessories.
- Commercialization of pharmaceutical products, lenses, and orthopedic items.
- Commercialization of machinery and equipment.
- Commercialization of construction goods.
- Restaurants and other food and beverage preparation establishments; hotels, motels, and other temporary accommodation services.
- Companies that offer educational services; medical and hospital services; cultural and sports entertainment services, as well as recreational services; automobile repair and maintenance services; rental of real estate, machinery, and equipment.

It is not applicable, for those individuals or legal entities that are taxed as: Groups of integrated and integrated companies, coordinated legal entities, legal entities with agricultural, livestock, forestry and fishing activities, individuals of the tax incorporation regime, residents abroad with income from a source of wealth located in the national territory, taxpayers dedicated to the construction and disposal of developments, cooperative production companies, assembly plant companies, as well as operations carried out through courier and haberdashery companies. (Article Six of the Decree on Fiscal Incentives for the Southern Border Region, published in the OGF on December 30, 2020, http://OGF.gob.mx/nota_detalle.php?codigo=5609182&fecha=30/12/2020)

2.2. Requirements, terms, and procedures applicable to obtain registration as a Company of the Region

It should be noted that the administrative unit in charge of granting the registration is the General Management of Trade Facilitation and Foreign Trade (GMTFFT), of the Ministry of Economy, with address at Avenida Insurgentes Sur No. 1940. Colonia Florida, Delegación Álvaro Obregón, México City, CP 1030.



A) Requirements:

Individuals or legal entities interested in requesting the "Registration as a Company of the Region" may request it by complying with the following:

1. Be registered and active in the registry of importers of the TAS (Tax Administration Service);
2. Have the activities for which the Registry requests registered with the TAS;
3. Have registered with the TAS the address that you intend to register in your application for Registration as a Company of the Region;
4. Have members and shareholders registered and updated in the Digital Window, in the case of legal entities.
5. Attach the following digitized documents to your request:

I. Free writing addressed to the GMTFFT signed by the interested party or legal representative of the company, by means of which the person expressly states under protest of telling the truth the following:

- a) That the person knows the content of the Decree of the Chetumal free zone.
- b) That it is not taxed under the regimes provided for in Title II, Chapters VI, VII and VIII; Title IV, Chapter II, Section II; Title V and Title VII, Chapters III, IV, V, VI, VII, IX and X of the Income Tax Law, as well as those that carry out assembly plant operations referred to in articles 181, 182, 183 and 183-Bis of said Law.
- c) The names and FTR (Federal Taxpayer Registry) of the partners and shareholders at the time of submitting their request, in the case of legal entities.
- d) The address in which the economic activity will be carried out and the status of possession of the property.
- e) Inventory of machinery or equipment, as applicable, through which the economic activity for which the Registry is requested is carried out.
- f) The description of the merchandise to be imported under its Registry, including its tariff section and its BIN (Business Identification Number), as well as the description of the physical space where they will be stored and / or sold.
- g) The activities related between the merchandise to be imported under its Registry and its economic activity, from the arrival of the merchandise to its storage, departure, and destination;
- h) The number of employees hired and subcontracted, if applicable, and the number of employees who work at the address stated in their application for Registration as a Company of the Region, as well as the description of the activities that the latter carry out.
- i) That it will not carry out under the protection of the Registry operations that in terms of customs legislation are carried out by or through courier and haberdashery companies.
- j) That it will not incur directly or indirectly, by itself or through a third party, in activities that imply breach of the provisions of the Decree of the Chetumal free zone.
- k) That the attached documents were digitized from their original or certified copy, and will be presented to the authority when required;



- l) That the information and documents provided are lawful, reliable, and verifiable,
- m) That you agree that the statement in your application and the attached documents, when presented to the GMTFFT, will have the effect of declaration before an authority other than the judicial one.

II. In the case of legal entities, the articles of incorporation, or its latest modifications, in which it is proven that the corporate purpose comprises the activities for which the Registry is requested, and from which the shareholding structure is derived at the time of requesting it, which must contain the registration data in the corresponding Public Registry.

III. Proof of address shown in your application for Registration as a Company of the Region in the name of the applicant, (Receipt of payment of property tax, electricity, telephone or water, account statement from an institution of the financial system, current lease or sublease contract, with the last receipt of payment of the corresponding lease or sublease, Payment, to the Mexican Institute of Social Security, of the employer's worker fees, provided that it is not older than 3 months).

IV. Document that proves the legal possession of the property.

V. Documentation that proves the legal possession of the machinery or equipment, as applicable, through which it carries out its economic activity.

VI. Documentation that proves the legal hiring of all employees (payment of worker-employer fees before the Mexican Institute of Social Security) of the last two months prior to the date of the application. If the hiring of the company's staff is through a third party (Outsourcing), you must provide a copy of the service provision contract between the third party and the applicant, as well as the document that proves the legal hiring of employees. (Payment of worker-employer fees before the Mexican Institute of Social Security for the last two months prior to the date of the application).

VII. Positive opinion on compliance with current tax obligations, issued by the TAS in accordance with article 32-D of the Federal Tax Code.

B) Deadlines:

The Ministry of Economy has a maximum period of 5 business days to issue the resolution regarding the application for registration as "Registration as a Company of the Region", counted from the business day following the submission of the application.

C) Procedure for registration:

For the registration as "Company of the Region", interested parties can submit their application by two means:



1.- Personally, through the customer service window of the corresponding Representative Office (Federal Subdelegation of the Ministry of Economy in Cancún Q. Roo. Avenida Yaxchilán No. 69, Cancún, Quintana Roo, C.P: 77500.

2.- Through the Digital Window (DW), which is already enabled for said procedure at the following electronic address:

<https://www.ventanillaunica.gob.mx>

When the requests submitted by the interested parties do not contain the data or do not comply with the applicable requirements, the authority will warn the interested parties in writing and only once within two business days following the one in which the request was received, so that rectify the omission within the term of five business days from the notification of the request, the term to issue the resolution will be computed from the day following the one on which the term for the attention of the same has expired.

Once the corresponding period has elapsed without venting the prevention, the procedure will be discarded.

If the resolution is negative, the corresponding resolution will be issued indicating the reasons for the opinion.

2.3. Obligations to be fulfilled by authorized persons.

The obligations to fulfill by the companies that have a "Registry as a Company of the Region" are the following, established in the sixth article of the Decree of the Chetumal Free Zone, published on December 31, 2020.

https://www.dof.gob.mx/nota_detalle.php?codigo=5609265&fecha=31/12/2020:

1. Cover the contributions other than the GIT (General Import Tax) and CPF (Customs Procedure Fee), in addition to complying with the non-tariff regulation and restriction measures, countervailing duties and Official Mexican Standards, and other requirements established by the legal provisions applicable in foreign trade operations processed at the under the "Decree of the Free Zone of Chetumal".
2. Attach a digital document, as an annex to the corresponding import request, a copy of the current registration as a Company of the Region.
3. Check, at the request of the competent authority, that sales to the public were issued with the Digital Fiscal Invoice (DFI) for the goods imported under the "Decree of the Chetumal Free Zone", which were sold exclusively in the Chetumal border region.
4. Comply with the provisions applicable to companies in the terminal vehicle industry in the importation of automobiles.
5. Provide the required information at the request of the competent authority.
6. Be signed up in the Register of Importers in charge of the TAS.
7. Inform the Ministry of Economy and the TAS, the change of your fiscal address and / or the address stated for the storage or commercialization of merchandise imported under the "Decree of the Free Zone of Chetumal".



In case of non-compliance, and / or fall into one of the cancellation cases indicated in the sixth article of the "Decree of the Chetumal Free Zone", the ME can initiate the administrative procedure of cancellation of the registration of "Company of the Region".

Causes for cancellation of registration of "Company of the Region", established in Article 7 of the Decree of the Chetumal Free Zone, published on December 31, 2020.

https://www.dof.gob.mx/nota_detalle.php?codigo=5609265&fecha=31/12/2020:

- Failure to comply with any of the obligations.
- Present a notice of suspension of activities or cancellation of the FTR.
- Do not make provisional payments or do not file the annual return of federal taxes to which they are required.
- Be found as not located at the tax address or at the address registered in your application
- When the ME and / or the TAS, in the exercise of their powers of verification or verification, determine that the goods imported for commercialization or storage in the Chetumal Border Region are not stored or sold at the address stated in the application for registration.
- Be in one of the assumptions established in article 69, penultimate paragraph of the FFC (Federal Fiscal Code).
- Be within the presumption established in Article 69-B of the FFC.

2.4. Benefits for companies and passengers.

Companies that have their registration of "Company of the Region", will have the following benefits:

- The definitive importation of the merchandise listed and identified in accordance with the 1,275 tariff fractions contained in the fifth article of the "Decree of the Chetumal Free Zone", which enter the Chetumal Border Region (Sub teniente López Customs), will not pay the General Import Tax (GIT).
- They will have a fiscal stimulus consisting of a credit equivalent to 100% of the Customs Procedure Fee (CPF); In other words, definitive imports, and the re-dispatch of said merchandise are exempt from CPF, which usually pays a rate of 8% per thousand on the customs value of the merchandise in foreign trade operations.

It is worth mentioning that the tax benefits will not be considered as accumulative income for the purposes of Income Tax (IT).

Passengers traveling to the Chetumal Free Zone will have the following benefits:

- A fiscal incentive is granted consisting of a credit equivalent to 100% of the GIT that has to be paid for foreign merchandise other than those that make up the passenger's luggage with a value of up to 1,000 USD (one thousand United States dollars) or its equivalent in national or foreign currency, that have been definitively imported into the



Chetumal Border Region and that are subsequently extracted from it to the rest of the national territory, provided that passengers carry said merchandise with them.

- When the members of the same family enter the rest of the national territory simultaneously and in the same means of transportation, they may apply the benefit, provided that the value of the merchandise does not exceed the equivalent in national or foreign currency to 2,500 USD (Two thousand five hundred dollars of the United States of America).
- Passengers may apply the benefit, provided that the value of the nationalized merchandise is accredited and that they were acquired in the Chetumal Border Region, through the Digital Tax Receipt by Internet (DTRI) issued in the referred Region.

The incentive may not be applied to operations that in terms of customs legislation are carried out by or through courier and haberdashery companies, to captains, pilots and crew members of air and maritime transport that carry out international traffic. Nor will it be applicable to the introduction of alcoholic beverages, processed tobaccos, or automobile fuel.

2.5. Free Zone Customs Operation

The companies that have the registration of "Company of the Region" must carry out their foreign trade operations in accordance with the provisions of rule 3.4.10. of the General Rules of Foreign Trade, which for quick reference is transcribed:

"Customs clearance of goods that will be definitively imported to the Chetumal Border Region, as well as their re-dispatch to the rest of the national territory

3.4.10. For the purposes of the Fifth and Ninth Articles of the "Chetumal Free Zone Decree", published in the OGF on December 31, 2020, the definitive importation of the merchandise to the Chetumal Border Region and, where appropriate, its subsequent Re-dispatch to the rest of the national territory, carried out by people who have the current registration as a Company of the Region, must be carried out by Sub teniente López Customs, declaring in the petition the codes that correspond according to Appendices 2, 8 and 15 of the Annex 22. Decree of the free zone of Chetumal 5, 9, Annex 22 "

Based on the foregoing, said operations will be carried out as follows:

- Process your foreign trade operations, under the definitive import customs regime through key C1 "DEFINITIVE IMPORT TO THE NORTH BORDER STRIP AND BORDER REGION UNDER THE" DECREE OF THE BORDER STRIP OR REGION "(OGF 12/24/2008 AND ITS SUBSEQUENT MODIFICATIONS). DEFINITIVE IMPORT OF GOODS UNDER THE DECREE OF THE FREE ZONE OF CHETUMAL (OGF 12/31/2020)", and in case of re-dispatch P1 "RE-EXPEDITION OF GOODS FROM THE BORDER STRIP OR BORDER REGION TO THE INTERIOR OF THE COUNTRY".
- They must clear the goods through Sub teniente López Customs.
- In the corresponding motion, it is considered appropriate to use the form of payment 9 "Exempt from payment", as a means of payment of contributions for GIT and CPF; In addition, the IF identifier "REGISTRATION BEFORE THE MINISTRY OF ECONOMY OF



COMPANIES LOCATED IN THE CHETUMAL BORDER REGION" must be declared, at a general level and by item of motion.

- Taxes other than GIT and CPF must be paid, as appropriate in accordance with the regulations on the matter (VAT / PSST).
- The non-tariff regulation and restriction measures, countervailing duties and Official Mexican Standards must be complied with, in accordance with the definitive import regime.
- They must issue the corresponding DTRI for sales made to passengers.

In the case of passengers, who buy merchandise definitely imported in the Chetumal Border Region, which is interned in the rest of the national territory, they will not be obliged to transmit a custom declaration in terms of article 39 of the Customs Law, as long as the merchandise that they acquire does not exceed the amount of 1,000 USD or 2,500 USD, as appropriate, since it is sufficient that they have the Digital Fiscal Invoice by Internet (DTRI), with which the value of the goods and that they were acquired in said Border Region of Chetumal.

If the purchase of merchandise **exceeds the amounts mentioned in the previous paragraph**, the custom declaration must be issued and make the payment of the corresponding taxes in terms of articles 58, 139 of the Law, in relation to rule 3.4 .4. of the General Rules of Foreign Trade.

As an example of the above, in the event that a passenger who travels alone to the Chetumal Border Region, and makes a purchase of merchandise that was definitively imported to the border region for an amount of 1,500 USD, exceeding the amount established in the "Decree of the Free Zone", it will be necessary for the surplus amount to transmit the corresponding request, in addition, you must take into account that if the merchandise you acquired was imported with the benefits of the aforementioned decree, that is, without the payment of the General Import Tax, at the time of determining the contributions for the importation of the merchandise to the rest of the national territory, the total amount of the indicated tax must be paid.

Similarly, it should be noted that the Customs Authority, in accordance with article 144, section XI of the Customs Law, has the power to verify exclusively during transportation, the legal importation or possession of goods of foreign origin throughout the country. national territory, noting that if the authority exercises said power, it will be the obligation of the passengers to prove the legal importation and possession of the merchandise through the DTRI when it does not exceed the amount established in the "Decree of the Free Zone", or through the motion when it exceeds the amount.

3. Customs Bonded Warehouse

The Customs Bonded Warehouse (CBW) is a scheme that provides certainty and favors international trade, becoming a trigger for industrial development, promoting the attraction of productive investments that contribute to scientific, technological, logistical, industrial and service development in our country, generating productive chains and



exploiting the geographic location of Mexico with respect to the largest markets in the world, offering facilitation and streamlining measures in customs operations in order to grant more competitive conditions to companies that are established and operate under this regime.

3.1. What is a Customs Bonded Warehouse?

It is a property located within the customs district, which is enabled for the introduction of merchandise under the customs regime, also known as a strategic fiscal facility. (It is not required to be adjacent to customs)

Once the authorization of the property is granted, it is possible for a third person to obtain authorization to allocate, within it, the goods to the customs regime of a strategic controlled area, known as regime operators.

3.2. Authorizations

There are two legal figures within the CBW:

- **Administrator (jointly responsible).** - Legal person to whom a property (CBW) is authorized for the introduction of merchandise under the regime of customs bonded warehouse and its administration is authorized. Said legal figure cannot act as an operator. (Article 14-D of the Customs Law)
- **Operator (directly responsible).** - Legal person who has the use or enjoyment of a surface located within a property authorized as CBW and who are authorized to allocate goods to the CBW regime. (Article 135-A of the Customs Law)

Note: The Administrator cannot act as an operator.

3.3. Customs Bonded Warehouse Regime.

Article 90 of the Customs Law establishes that the goods that are introduced into the national territory or are extracted from it, may be destined for a customs regime within which is that of the strategic controlled area.

In accordance with article 135-B of the Customs Law, the customs bonded warehouse regime consists of the introduction, for a limited time of 60 months of foreign, national, or nationalized merchandise, without the payment of foreign trade taxes, as well as national or nationalized, to the strategic audited precincts, so that they are subject to:

- Handling
- Storage
- Custody
- Exhibition



- Sale
- Distribution
- Elaboration
- Transformation
- Repair

To allocate the merchandise to the regime of customs bonded warehouse, the respective petition must be processed, or the registration must be carried out through electronic means indicated by the Tax Administration Service through rules, determining the contributions and, where appropriate, the corresponding compensatory fees.

As of the date that national or nationalized goods remain under this regime, they will be understood to be definitively exported.

3.4. Basic concepts

Goods introduced under this regime will have the following characteristics:

- Taxes on foreign trade will not be paid, except in the case of foreign merchandise, which is indicated in article 63-A of the Customs Law, which says: Those who introduce merchandise into the national territory under a tariff deferral or refund program, will be obliged to the payment of the corresponding foreign trade taxes, in accordance with the provisions of the Treaties to which Mexico is a party, in the manner established by the Secretariat through rules.
- They will be subject to compliance with the regulations and non-tariff restrictions indicated by the Ministry of Economy and issued in terms of the Foreign Trade Law.
- The losses resulting from the manufacturing, transformation or repair processes will not cause any contribution.
- Waste not returned will not cause contributions if it is shown that they have been destroyed in compliance with the control provisions established by the TAS through rules for such purposes.
- To allocate the goods to said regime, the respective petition must be processed, or the registration carried out through electronic means, determining the contributions and, where appropriate, the corresponding compensatory fees.
- Petroleum products are merchandise that cannot be subject to this regime.

3.5. Requirements for obtaining authorization from an CBW operator.

Administrator (Article 14-D CL)

- Proof of being a legal corporation constituted in accordance with Mexican laws.
- Have economic solvency, technical, administrative, and financial capacity, as well as that of its shareholders
- Be up to date in the fulfillment of their tax obligations and comply with the requirements indicated by the Tax Administration Service through rules.
- Have an investment program, the documentation that proves the legal use or enjoyment of the property.



- That the property complies with security requirements, control, access roads and other conditions determined by the TAS through rules.
- The authorization may be granted up to a period of twenty years.
- The legal corporation that obtains said authorization will be responsible for managing, supervising, and controlling said controlled area. complying with the guidelines determined by the TAS through rules.
- In addition to the above, they must comply with the infrastructure requirements stipulated in the Infrastructure, Control and Security Guidelines for Administrators of Customs Bonded Warehouses, which can be consulted at the following link:
http://omawww.sat.gob.mx/aduanasPortal/Paginas/Documents/tramites_autorizaciones/recintos_fiscalizados/LinInfraCtrlSegAdmdeRFE_11062020.pdf

Operator (Article 135-A CL)

- Proof of being a legal corporation constituted in accordance with Mexican law.
- Have economic solvency, technical, administrative, and financial capacity, as well as that of its shareholders
- Be up to date in the fulfillment of their tax obligations and comply with the requirements indicated by the Tax Administration Service through rules.
- The authorization may be granted for up to a period of twenty years.
- In addition to the above, they must comply with the infrastructure requirements stipulated in the Infrastructure, Control and Security Guidelines for Operators of customs bonded warehouses, which can be consulted at the following link:
http://omawww.sat.gob.mx/aduanasPortal/Paginas/Documents/tramites_autorizaciones/recintos_fiscalizados/LinInfraCtrlSegOperadoresRFE_11062020.pdf

3.6. Obligations to be fulfilled by authorized persons.

Article 15 of the Customs Law indicates the obligations that individuals who obtain a concession or authorization to provide handling, storage and custody services of foreign trade goods must comply with the guidelines determined by the customs authorities to the control, surveillance and security of the customs bonded warehouse and foreign trade merchandise, as well as the following:

I. Guarantee annually, in the first fifteen days of January, the tax interest in an amount equivalent to the average value of the goods stored during the previous calendar year or enter an insurance contract that covers said value. In the latter case, the main beneficiary must be the Secretariat, so that, where appropriate, it collects the contributions that are owed for foreign trade merchandise. Once the corresponding contributions have been covered, the remainder will remain in favor of the beneficiary.

The foregoing shall not apply in the case of general deposit warehouses.

II. Set up facilities for customs recognition of goods, to which only the personnel authorized by the customs authorities will have access. Said facilities must meet the specifications indicated by the Tax Administration Service and others provided for in the applicable legal provisions. Facilities common to several warehouses may be built to carry out the survey.



III. Have closed circuit television cameras, an electronic system that allows the link with that of the Tax Administration Service, in which it keeps control of inventories, by means of a simultaneous record of the operations carried out, as well as the merchandise that had caused abandonment in favor of the Federal Treasury. Through said system, the customs authorities must be notified of the violation, damage, or loss of the stored packages, as well as the merchandise that may have caused abandonment.

The Tax Administration Service, through rules, will establish the guidelines to carry out the link of said system, as well as the means of control that ensure the correct handling of the merchandise.

IV. Provide handling, storage and custody services for merchandise seized by customs authorities or those that have become property of the Federal Treasury, without in any case the space occupied by this merchandise exceeding 20% of the volumetric storage capacity. For these services, a fee equal to that to be covered by individuals will be charged if it is not higher than the fee established in the Federal Law on Rights for the same services, when provided by the customs authority in the tax areas. The payment of the fee will only be made through compensation against the use referred to in section VII of this article, without giving rise to a refund.

When the goods are not withdrawn for reasons attributable to the customs authorities, the service will not be charged to the affected individual and the uncollected consideration may be offset against the use.

The compensation indicated in this section will apply from the date on which the customs authority informs the controlled area that the merchandise is in its custody and until it notifies the owner, donee, or consignee of its release, in the following cases:

- a)** In the case of merchandise that has become the property of the Federal Treasury, until it must be withdrawn by the Property Administration and Disposal Service.
- b)** When the goods are withdrawn by the assignees or donees, who will have a period of up to ten days for such purposes, counted from the signing of the assignment or donation act, in the case of the goods available to the Service of Tax administration.
- c)** On the date that the controlled premises are instructed to destroy the goods.

In the above cases, the services generated from when the goods are available to the owner, donee, or consignee, or from the date on which they must be withdrawn by the Property Administration and Disposal Service, will oversee them, whose fee will be charged in accordance with the provisions of the first paragraph of this section, without being subject to compensation.

For the purposes of this section, it is understood that the goods are at the disposal of the Property Administration and Disposal Service, once sixty days have elapsed from the customs authorities requesting the transfer of the goods in accordance with the provisions of the Law. Federal Government for the Administration and Disposal of Public Sector Assets, having to inform the audited precinct of the date on which said request was made, a period in which its withdrawal must be made according to the provisions of the Law, so



that the Compensation may not extend beyond the three-month period, and must cease on the date on which the merchandise is removed or after said period, whichever comes first.

The storage, handling, and custody of goods subject to procedures under the jurisdiction of authorities other than customs may not be subject to compensation.

V. Allow free storage and custody of goods, in accordance with the following:

a) In imported goods, two days, except in controlled areas that are in maritime traffic customs, in which case the term will be seven days.

b) In export merchandise, fifteen days, except minerals, in which case the term will be thirty days.

The periods referred to in this section will be computed in calendar days from the day following the day on which the warehouse receives the goods, regardless of whether they have been transferred or transshipped. In the case of imports that are made by sea or air, the period will be calculated from the day the consignee receives the communication that the goods have entered the warehouse.

During the period in which the free storage and custody of the goods is allowed, only the handling service of these and the maneuvers for prior recognition will be paid.

VI. Allow the transfer of merchandise from one warehouse to another, when a written request is submitted from the importer, exporter, consignee, or recipient of these, provided that the corresponding charges to the carrier have been settled, which appear in the respective transport contract and are accompanied the acceptance of the warehouse to which they will be transferred. The transfer must be made by the warehouse that has accepted it.

In the cases of merchandise transfer referred to in this section, when the warehouse that allows the transfer has carried out the deconsolidation of the merchandise, the deconsolidation charges may not exceed the amount of the charges charged by the warehouse with respect to the merchandise that are subject to deconsolidation and remain in said warehouse. The transfer and deconsolidation will only proceed when the requirements and controls established by the Tax Administration Service through rules are met for such purposes. The collection of additional charges for the mere fact of allowing the transfer of goods will not proceed.

VII. The persons who obtain the authorization in accordance with article 14-D fifth paragraph of the Customs Law, will not be subject to the payment of the use referred to in article 15, section VII of the Law.

VIII. Keep absolute confidentiality of the information related to the goods that are in storage with customs and can only provide it to the customs authorities.

When the people who provide the services referred to in this article, totally or partially allocate the warehouse for their own use, the use referred to in section VII of this article must be calculated according to the proportion that the part destined for their own use



represents with respect to the total volume susceptible to storage. In this case, to determine the basis of the use, the income will be estimated considering the volume of the stored goods, the storage period and the rate that corresponds to the warehouse itself or to one of similar characteristics to it that provides services to the public in the same tax area.

The revocation of the concession or the cancellation of the authorization will proceed in accordance with the procedure provided for in article 144-A of this Law, when it is breached on more than two occasions, within a period not exceeding one year, with any of the obligations established in the first paragraph and in sections II, III, IV, V and VI of this article, in sections VII and VIII of article 26 of this Law.

3.7. Benefits.

According to the Third Article of the Decree for the promotion of the customs bonded warehouse and the customs bonded warehouse regime published in the OGF on February 4, 2016, the persons who obtain authorization to allocate merchandise to the customs bonded warehouse regime referred to Article 135-A of the Customs Law, in addition to the provisions of said Law and the other applicable legal provisions, will have the following administrative facilities:

I. They will obtain immediate registration in the Register of Importers of Specific Sectors, submitting the corresponding application.

II. They will be able to carry out the dispatch of the merchandise for its introduction to the regime of customs bonded warehouse and its extraction from it, before any customs office, on a non-working day and hour.

III. In accordance with the current General Rule 4.8.2 of Foreign Trade, foreign merchandise that is introduced to the customs bonded warehouse regime may remain in the area for a period of up to 60 months; in the case of the merchandise of sections I, II and III of article 135-C of the Customs Law, the period of permanence will be for the validity of the authorization.

IV. For the purposes of article 89 of the Customs Law, when the result of the automated selection mechanism has determined free customs clearance, they may rectify the origin of the goods within 3 months after the one in which the dispatch is made, without requiring authorization from the Tax Administration Service, provided that the customs authority has not begun to exercise its powers of verification.

V. For the purposes of the provisions of article 135-B, section I of the Customs Law, in relation to article 63-A of the Law, to determine the corresponding foreign trade taxes, they may choose to apply any of the following rates:

- a)** The one provided for in the General Import and Export Tax Law;
- b)** The preferential in accordance with free trade agreements and trade agreements signed by Mexico, or



c) That established by the sectoral promotion programs, provided that the importer has the corresponding authorization.

VI. They may extract national or nationalized merchandise from the customs bonded warehouse, to rejoin the national market without considering that there is an import, if it has not been subject to modifications, nor have the terms referred to in section III of this article have elapsed.

VII. They may introduce national or ultimately imported merchandise to the customs bonded warehouse for storage, display, sale, and distribution purposes, without being destined for the strategic fiscal premises regime. In this case, these goods will not be considered exported.

VIII. The goods that are destined to the regime of customs bonded warehouse may enter the national territory through the internal transit regime using any means of transport.

IX. They will be able to carry out the transfer of merchandise destined to the regime of a customs bonded warehouse from a property located within the circumscription of an internal customs office, to one located in the border area or region.

X. They may carry out the transfer of merchandise between taxpayers who have authorization to allocate merchandise to the customs bonded warehouse regime and manufacturing companies, assembly plants and export services that have a current program under the Decree for the promotion of the manufacturing, assembly plant and export services industry in force.

XI. They will immediately obtain the certification referred to in articles 28-A of the Law of Value Added Tax and 15-A of the Law of Special Tax on Production and Services, provided that the corresponding application is submitted.

The authorization referred to in this article may be automatically extended by submitting the corresponding application in accordance with the applicable provisions, provided that the taxpayer is up to date in complying with his tax obligations and the obligations inherent to the authorization.

If they request authorization to allocate merchandise to the customs bonded warehouse regime in a property other than the one indicated in a prior authorization that is in force, the requirement of proving being a legal entity incorporated in accordance with Mexican law will be understood as having been fulfilled, with economic solvency, technical, administrative, and financial capacity, as well as that of its shareholders.

XII. They will not be subject to the payment of the use of 5% of the total income obtained, for the provision of the services of handling, storage, and custody of the merchandise in the immediately previous month, without any deduction.

Operators of the Customs Bonded Warehouse may introduce the goods through any port, airport, strip, and border region of the country, to said regime if the Customs Agent files the corresponding petition, in accordance with the petition codes established in Appendix 2 of Annex 22 of the GRFT.



In accordance with GRFT 4.8.7 section II, when merchandise is returned or exported through a border, maritime or air customs office and said merchandise comes from a customs bonded warehouse located in a maritime or internal customs office, the merchandise must be presented at the Customs office or the customs module assigned to the customs bonded warehouse, as well as in the customs office of departure from the national territory.

Now, section III of GRFT 4.8.7 indicates that in the operations of extraction of merchandise for its definitive importation, of companies located in a property that is not within or adjacent to a tax, controlled or port area, in the case of maritime, border, internal rail or air traffic customs, the requests with the corresponding codes must be submitted to the automated selection mechanism in accordance with Appendices 2 and 8 of Annex 22, which covers the withdrawal on behalf of the operator of the customs bonded warehouse and the final importation in the name of the company resident in the national territory that receives them, without the physical presentation of the same.

3.8. Transfer of merchandise in the CBW

In the GRFT 4.8.5. The procedure for introducing assets to the customs bonded warehouse regime is described.

For the purposes of article 135-B of the Law, persons who have authorization to allocate merchandise to the customs bonded warehouse regime to be the object of elaboration, transformation, repair, handling, storage, custody, exhibition, sale, distribution, and courier for the introduction of foreign, national, or nationalized merchandise to said regime, must comply with the following:

I. Process through a customs agent or agency, or customs representative or accredited legal representative, a request for the introduction of merchandise, indicating the corresponding request code as indicated in Appendix 2, entering in the identifier block the one that corresponds according to Appendix 8, both of Annex 22.

For the purposes of the previous paragraph, they may choose to process a consolidated petition referred to in articles 37 and 37-A of the Law, which covers all the operations of introduction of merchandise of the previous week or month, owing for each consignment, transmit to the CCAS (Comprehensive Customs Automation System) the "Electronic Import and Export Notice" in Annex 1, submit the goods with the notice to the automated selection mechanism without it being necessary to attach the DTRI or equivalent document referred to in article 36-A of the Law, in accordance with the "Guidelines for the transmission of electronic import and export notice" issued by the GCA (General Customs Administration), which can be consulted on the TAS Portal. Likewise, they must present each week or within the first 10 days of each month, depending on the option exercised, the consolidated weekly or monthly requests, as appropriate, that cover all the operations of introduction of merchandise registered in the automated inventory control system. of the person who has the authorization to allocate the merchandise to the strategic controlled area regime, during the week or the immediately preceding month, having to declare the exchange rate of the date of presentation of the consolidated petition and as the date of entry of the merchandise, the date of the first consignment.



The provisions of the preceding paragraphs may be applicable to merchandise introduction operations carried out by merchandise transfers, in accordance with the provisions of rules 4.3.21., And 5.2.8. If the company that transfers the merchandise does not have the authorization to allocate merchandise to the customs bonded warehouse regime, it must process the corresponding motion under the terms of rules 4.3.21., and 5.2.8., as appropriate.

In the case of operations for the introduction of merchandise to the regime of customs bonded warehouse by companies that have an MAEX Program (Manufacturing Industry, Assembly plants and Export Services Program), they may indicate in the identifier block the corresponding code according to Appendix 8 of Annex 22.

In the case of operations carried out by companies located in customs bonded warehouse that are not within or adjacent to a tax, controlled or port precinct, in the case of maritime, border, internal rail or air traffic customs, it must be submitted to the mechanism of automated selection, the consolidated motion or notice referred to in rule 3.1.32., with the corresponding codes in accordance with Appendices 2 and 8 of Annex 22.

II. Present the merchandise before customs or the customs module assigned to the strategic fiscal area, with the request or notice referred to in the previous section. The provisions of this rule will also be applicable for the introduction of merchandise referred to in article 135-C, sections I, II and III of the Law.

In the case of the merchandise referred to in article 135-C, first paragraph of the Law, other than those indicated in the previous paragraph, the payment of the IGI may be made in the request for the introduction of merchandise referred to in this rule, in the terms of rules 1.6.11., and 1.6.12.

For the purposes of article 56, section I, last paragraph of the Law, special facilities are considered to carry out additional operations to the handling, storage, and custody of foreign trade merchandise in controlled areas, to strategic controlled areas.

In the case of operations carried out by companies located in strategic controlled areas that are not within or adjacent to a tax area, controlled area, or port area, in the case of maritime, border, rail or air traffic internal customs, they must be presented at customs. of entry to national territory.

III. Arrive at the customs bonded warehouse in which it operates, within a period of 10 days, counted from the date of presentation of the corresponding motion or notice, in accordance with what is indicated in section I of this rule, before the mechanism of automated selection, in the customs of entry to national territory.

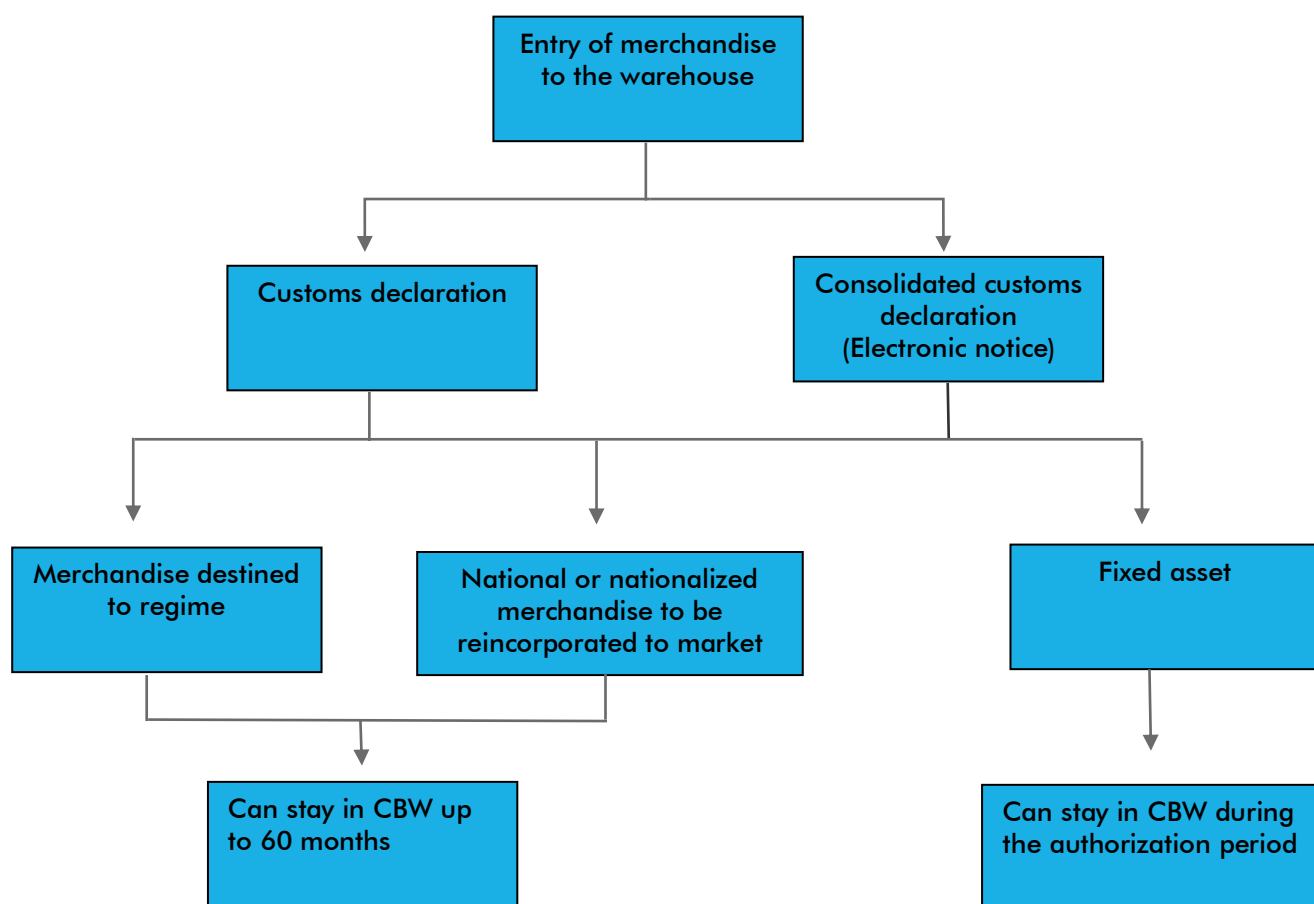
In addition to what is mentioned in GRFT 4.8.5, the following points may be considered:

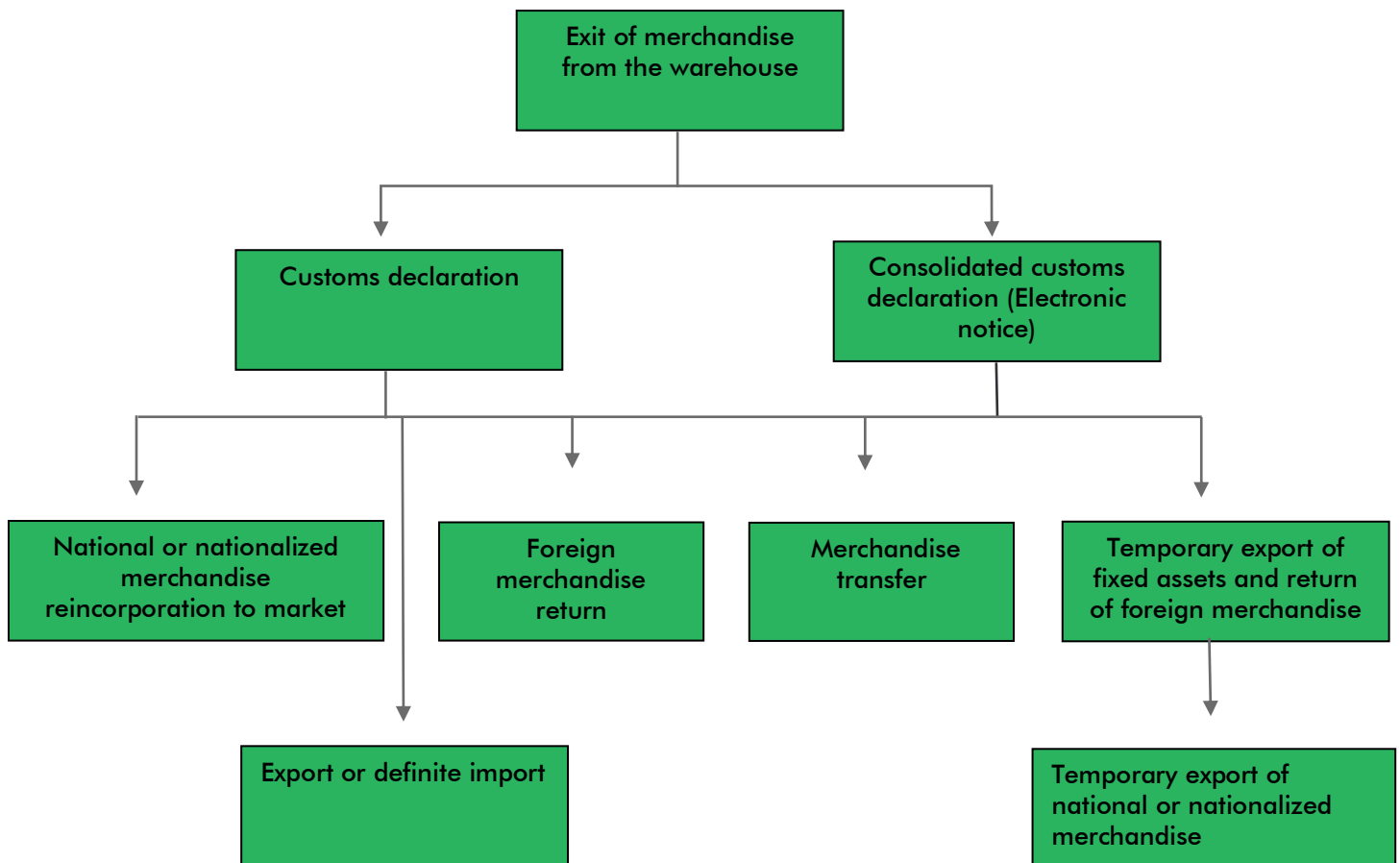
- From the customs bonded warehouse regime for its re-dispatch to the Free Zone, tariff section.
- Coming from the customs bonded warehouse for forwarding to the Border Region, in accordance with the tariff items.
- Coming from the customs bonded warehouse for its re-dispatch to the national territory, in accordance with the tariff fractions.



- Commercialization procedures to foreign tourists.
- Commercialization procedures for locals and nationals,
- Procedures for the commercialization of customs operation schemes.

3.9 Customs operation in CBW







4. Southern Border Region

In accordance with the "Decree of Fiscal Incentives for the southern border region", published in the Official Gazette of the Federation on December 30, 2020, the Federal Executive considered the regional development of the southern border region as a priority and for that purpose with the purpose of encourage and protect the economic activity carried out by individuals specifically in the trade that takes place in the southern region of the country, granted two fiscal incentives, the first one in terms of Income Tax, according to Chapter II "Incentive On Income Tax", and the second on Value Added Tax, provided for in Chapter III "On the fiscal incentive on Value Added Tax", both of the aforementioned Decree.

4.1. Applicable requirements

a) To import or export in the Southern Border Region it is necessary:

- Have a registry as a company in the Border Region.
- Enroll in the Registry of beneficiaries of the incentive for the Southern Border Region.

b) Requirements to have the fiscal incentive in terms of Income Tax (IT):

- Prove to have had a fiscal address in the southern border region, for at least eighteen months immediately prior to the date on which the registration notice is submitted in the "Register of beneficiaries of the incentives for the southern border region."
- Receive income exclusively in the southern border region, with the understanding that this requirement is met when the income obtained in said region represents at least 90% of the total income of the taxpayer in the previous fiscal year, in accordance with the general rules issued for this purpose by the Tax Administration Service.
- Be taxpayers natural and legal persons residing in Mexico.
- Be residents abroad with a permanent establishment in Mexico.
- Receive income exclusively in the Southern Border Region.
- Have your tax address in the Southern Border Region or;
- To have branches, agencies, or any other establishment within the Southern Border Region (and that they have been registered with the Federal Taxpayers Registry (FTR) of their location in the Southern Border Region).
- Be enrolled in the Registry, in accordance with the provisions of the general rules issued for this purpose by the Tax Administration Service.

c) Requirements to have the fiscal incentives regarding Value Added Tax (VAT):



- Carry out the material delivery of the goods or the provision of services in the Southern Border Region referred to in section III of Article One of this Decree.
- Submit a notice to the Tax Administration Service within 30 calendar days following the entry into force of the Decree (January 1, 2021).

4.2 Benefits

a) Tax incentives:

- Tax credit equivalent to 50% of VAT that, as a facility, will be applied directly on the rate of 16%, to result in a reduced rate of 8%, provided that the premises or establishment of the taxpayer who the application is within the northern or southern border region of the country and that the delivery of the good or service is within those regions.
- Tax credit equivalent to one third of the IT caused in the fiscal year or in the provisional payments, which will be credited against the tax caused in the period in question; This will allow taxpayers, individuals, and legal entities, who carry out business activities in the northern and southern border regions, to pay only two-thirds of the income tax caused by the income obtained from carrying out activities in those regions.

b) Goods totally or partially deducted from foreign trade taxes.

- The Ministry of Economy, with the prior opinion of the Ministry of Finance, will determine, by means of general provisions, the merchandise that will be totally or partially exempted from foreign trade taxes in the Border Strip or Region.

The list of tariff fractions contained in the Decree establishing the general import tax for the border region and the northern border strip (published in the OGF on December 24, 2008, and its latest reform published in the OGF in December 2019).

The Ministry of Economy itself, based on the Foreign Trade Law, will determine the goods whose import or export to said strip or region will be subject to non-tariff regulations and restrictions (Article 137 of the Customs Law, Article 90 and 174 of the Regulation of the Customs law).

c) Reissue of merchandise. (Apply to CBW and Free Zone)

Re-dispatch is understood as the entry into the rest of the country of goods of foreign origin imported to the border strip or region. Said reissue may be carried out in the following cases:

The entry into the rest of the country of merchandise of foreign origin imported to the border strip or region. Said re-dispatch may be carried out in the following cases:

- In the case of definitively imported goods in which a preferential rate has been applied for the border strip or region, a petition must be prepared to cover the differences that correspond to the GIT and other contributions that are caused, in accordance with the



Articles 137 and 139 of the Law, as well as complying with the requirements regarding non-tariff regulations and restrictions.

The differences in the GIT will be determined according to the corresponding fee to be paid according to the General Import and Export Tax Rate (GIETR), subtracted from the GIT that would have been caused by its introduction to the Southern Border Region.

- In the case of definitively imported merchandise for which the contributions, countervailing duties have been paid and the requirements regarding non-tariff regulations and restrictions applicable within the country have been met and are not subject to elaboration or transformation in the band or border region.

(Articles 36, 36-A, 58, 137, 138, 139, 146 of the Customs Law; 196 of the Regulation of the Customs Law and Rule 3.4.4. of the General Rules of Foreign Trade).

h) Review points.

The Ministry of Finance and Public Credit will establish checkpoints in the places that are set, near the limits of the border strip or region, so that passengers and merchandise from said zones can be introduced to the rest of the national territory.

Goods destined for the interior of the country and whose importation is carried out through a strip or Border Region, to transit through these, must use the same boxes and trailers in which they are presented for dispatch, keeping intact the seals, stamps, marks, and other means of control required for it. The foregoing shall not be applicable in the case of merchandise consolidation or deconsolidation maneuvers, as well as in other cases established by the Secretariat through rules.

(Articles 140 and 144 section I, as well as Article 173 of the Customs Law Regulations).

4.3 Customs declaration:

A customs declaration is a kind of tax declaration related to the fulfillment of tax obligations in foreign trade, by means of which the importer or exporter declares to customs the merchandise to be imported or exported.

The customs declaration is a fiscal document prepared in a format approved by the MFPC, this format is dynamic, made up of blocks in which importers, exporters and customs agent or attorney, must only print the blocks corresponding to the information that must be declared as: the quantity and type of merchandise, the data that allow the identification of the merchandise, the origin, value and taxable base, in addition to compliance with non-tariff regulations and restrictions, the customs or customs section of entry and dispatch, the type of operation, the customs regime, among other data and documents that must be attached to the aforementioned request.



Likewise, there are consolidated customs declarations, which guarantee several foreign trade operations of a single importer or exporter.

To prepare the petition, it is recommended to use the services of a customs agent. The petition codes that can be used for "border region" operations are listed below:

CODE	DEFINITION
C1	Definitive import to the northern border strip and border region under the "decree of the border strip or region" (OGF 12/24/2008 and its subsequent modifications).
C3	Extraction of fiscal deposit warehouse from the border area or region. (GDW).
CF	Registration before the Ministry of Economy of companies located in the border area or region.
CF	Tariff preference for companies located in the border zone or region.
FR	Merchandise exempted from proving compliance with the technical provisions at the point of entry into the country, for companies located in the border region.
L1	Small definitive import. Small definitive export.
P1	Re-dispatch of goods from the border strip or border region to the interior of the country.
RT	Reissue by third parties.

4.4 Additional information

To obtain more details of the tax incentives applicable to the southern border region, you can consult the information contained in the following link, located on the TAS Portal:

- <http://omawww.sat.gob.mx/EstimulosFiscalesNorteSur/Paginas/index.html>

5. Border Region

In accordance with the "Decree establishing the general import tax for the border region and the northern border strip", published in the Official Gazette of the Federation on December 24, 2008, the Federal Executive determined that it is essential adapt the tariff policy, in order to generate favorable conditions that allow companies to strengthen their



competitiveness and reconvert to respond to market trends, while encouraging investment and the preservation of the productive plant and employment.

Due to the above, through the decree, benefits are established, among others, for the border region, consisting of the total or partial reduction of the general import tax, to certain goods listed in the Decree.

5.1. Applicable requirements:

To access the benefit of total or partial deduction of the goods listed in the "Decree establishing the general import tax for the border region and the northern border strip" you must have the requirements listed below:

- a) Have a registry as a company in the Border Region.
- b) Submit the corresponding request in writing.

5.2 Benefits:

The benefits contemplated in the "Decree establishing the general import tax for the border region and the northern border strip" are established in article 5 and consist of the total or partial reduction of the General Import Tax (GIT) , of the goods listed therein.

The above is established as follows:

a) Goods fully deducted from trade taxes in the Border Region:

Tax-free merchandise is provided for in Article 5, section I, of the "Decree establishing the general import tax for the border region and the northern border strip", among which the following stand out:

- Meat for human consumption.
- Fish.
- Cheeses.
- Spices (Turmeric, saffron, thyme, etc).
- Vegetables (Potatoes, vegetables, etc.)
- Medicines.
- Resins and polymers.
- Paper.
- Clothing.
- Textiles.
- Materials (hats, headdresses, caps, etc.).
- Furniture.
- Miscellaneous manufactures (tableware, anchors, tacks; etc.)



The relief referred to above will be in force until September 30, 2024, and it will only apply to those goods listed according to their tariff section established in article 5, section I.

b) Goods taxed at a rate of 5% of trade taxes in the Border Region:

Goods taxed at a rate of 5%, are provided for in article 5, section II, of the "Decree establishing the general import tax for the border region and the northern border strip", among which the following:

- Fruits (pear, strawberries, etc).
- Scented bath salts.
- Bathtubs, showers, sinks.
- Textiles (fabrics, plain weave, etc.).
- Footwear.
- Glassware.
- Materials (hammers, presses, etc).
- Air pumps.
- Measuring tapes.

The benefit of the goods being taxed at a rate of 5%, will be in force until September 30, 2024, and will only apply to those goods listed according to their tariff section established in article 5, section II.

c) Goods totally deducted in the annual quotas:

The goods that will be totally tax-deductible are provided for in article 5, section III, of the "Decree establishing the general import tax for the border region and the northern border strip", and are as follows:

- Powdered milk and pills provided for in tariff item 0402.10.01
- Powdered milk and pills provided for in tariff item 0402.21.01

The benefit of the merchandise being totally tax-deductible will be in force until September 30, 2024 and will only apply to those merchandise listed according to their tariff section established in article 5, section III.

5.3 Obligations:

People who are registered as a border company will be obliged to do the following:

a) Observe the non-tariff regulation and restriction measures, cover the contributions, and comply with the requirements established by the legal provisions on the matter;

b) Accompany a copy of the registration as a border company to the corresponding import petition that they present to the respective customs office, to be able to apply the tariff rate established in this Decree;



c) Check sales to the public in the terms established in article 29 of the Federal Tax Code and consume and dispose of imported merchandise under this Decree, exclusively in the northern border strip or in the border region;

d) Comply with the provisions applicable to the automotive industry in the importation of automobiles;

e) Provide the information required by the Ministry of Economy and the MFPC, in the terms that said agencies determine through publication in the Official Gazette of the Federation;

f) Be enrolled in the Registry of Importers, competence of the TAS, and

g) Inform the Ministry of the Economy of the change of your tax address and / or address stated for the storage of merchandise.

5.4. Reasons for cancellation:

The grounds for canceling the registration as "Border Company" are provided for in Article 7, and are as follows:

a) Failure to comply with any of the obligations set forth in the Decree.

b) Present a notice of suspension of activities or cancellation of the FTR.

c) Do not file the annual federal tax statement for which you are obligated.

d) To not be located at tax domicile; or said address is in the case of "not located" or "non-existent".

e) When the Ministry and / or the TAS determine within their powers of verification that the goods imported under the Decree are not at the stated address.

5.5. Customs declaration:

It is important that the identifiers from Appendix 8 "Identifiers" of Annex 22 "Instructions for filling out the motion" of the General Rules of Foreign Trade for 2020 are declared in the customs declaration:

CODE	DESCRIPTION
DC	Classification of the quota.
IF	Tariff preference for companies located in the border region of Chetumal.

Similarly, in the customs declaration, the corresponding code must be declared in accordance with Appendix 15 "Merchandise destinations", Annex 22 "Instructions for filling out the petition", of the General Rules of Foreign Trade for 2020:



Information guide Chetumal Free Zone, Customs Bonded Warehouse, Border Region South and Border Region

The nature of this document is informative, therefore, it does not establish obligations or create rights of the contents in the decrees listed in the legal framework of this document, nor in the applicable tax and customs regulations.



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