

Intensive NAFTA origin verification procedures



NAFTA ongoing verification procedures:

There has been an increase in the NAFTA verification procedures started by the Mexican authorities to companies based in the US and Canada, which are expected to continue even after the agreement is terminated.

KPMG can assist companies during NAFTA verification procedures, and, if required, collaborate to diminish the applicable fines through a conclusive agreement before the PRODECON (Tax Ombudsman).

NAFTA origin assessment:

KPMG can assist companies by reviewing their existing origin calculations and supporting documentation, advising on whether there are sufficient elements to achieve the originating status.



Transition from NAFTA to USMCA

NAFTA and USMCA coexistence:

Special attention must be paid to the NAFTA's recordkeeping requirements and current verification procedures which will still be effective, even though the USMCA enters into force.

Eligibility under USMCA:

KPMG can support companies with the analysis required for the qualification of their products under the new USMCA provisions, suggest alternative approaches for qualifying and provide recommendations on preserving the documents required for proving the originating status of eligible products.

Automotive industry:

The new origin provisions of the USMCA may particularly affect the automotive and auto parts industries; for which reason, greater attention is required.

Foreign trade operations in Mexico

Strict controls by the Mexican government:

The current Mexican government has installed stricter controls and requirements related to the enrollment and operation of the foreign trade programs available. Additionally, an increase in the foreign trade and customs audits is tangible and it is expected to continue in the near future.

New requirements for foreign trade programs:

A new requirement (Certification of Facts issued by a public notary) for certain programs authorized by the Ministry of Economy, implies that companies must provide, through a third party, detailed information and documentation regarding many aspects of their operations.

Increase in IMMEX & VAT Certification audits:

The Customs authorities have been conducting several audits to verify compliance with the obligations and requirements of the IMMEX Program and VAT Certification, which may jeopardize the authorizations in case of a lack of compliance.

Closer involvement of parent companies:

US and Canadian corporate offices of Mexican companies should be aware of the changing operating climate in Mexico. An exhaustive assessment to the Mexican companies is recommended, in order to validate their compliance with their foreign trade obligations.

Compliance assessments:

KPMG performs trade and customs assessments to Mexican companies and feasibility analysis regarding the different foreign trade programs and customs schemes. Our work allows companies to recognize potential opportunities, liabilities, risks and contingencies related to their trade and customs operations.



Contact KPMG in Mexico

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