

NEWS IN BRIEF

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January 9 Declared a Day of Mourning for Jimmy Carter

President Joe Biden has issued an executive Order declaring Thursday, January 9, to be a day of mourning for the passing of former President Jimmy Carter. All Federal Agencies will be closed except for essential personnel as is followed for all federal holidays.

Mexico will Restrict Some Temporary Imports Under IMMEX

Under the IMMEX program goods are temporarily imported into Mexico duty-free as materials for production of finished goods in Mexico. However, many companies have been importing finished products that are sorted into separate shipments and then are re-exported to individuals using the benefits of Ecommerce. This is not the intent of IMMEX. The new decree will exclude from temporary importation finished clothing and textile articles found in HTS Chapters 61, 62, and 63. The listing of the expanded HTS numbers can be found in Annex I.

The exclusions do not include garment parts under HTS subheadings 6117.90, 6217.90 along with items under HTS 6302.91, 6302.93 and 6302.99 and other products on HTS Chapters 50 to 60 are not subject to this decree and are permitted to be imported under the IMMEX program. We are trying to get English version copies of Annex I and Annex II for full details of what restricted for IMMEX. The main categories of the tariffs impacted by the decree are clothing and textile accessories under Chapters 61 and 62 and made-up textile articles under Chapter 63.

Mexico has Issued a Decree with Two Important Changes

The Mexican Government has identified several companies not in compliance with the IMMEX program by failing to return goods temporarily imported under the program and keeping them causing and avoidance of paying proper duties. While the IMMEX rules require that 80% of the goods imported must be returned, data shows that 48% of the imports have not been sent out. These practices have led to economic losses in the Mexican textile industry causing losses in jobs and a 4.8% annual reduction in its gross domestic product. Mexican President Claudia Sheinbaum has issued a decree to protect Mexico's textile and apparel industries.

Tariff Increase

Mexico will increase import tariffs from 20-25% on 121 apparel products and 17 made up textile articles. This increases are a temporary protection from lower priced goods from countries that do not have a free-trade agreement with Mexico. The increases are intended to level the trade playing field and will expire in April of 2026.

Ethiopia Still Excluded for AGOA

The Office of the U.S. Trade Representative (USTR) announced that this year's review of participants in the African Growth and Opportunity Act (AGOA) will not change. Ethiopia had petitioned to be allowed to rejoin AGOA and was not approved. Ethiopia was barred from the program in 2022 and the USTR did not accept their petition. The participants in AGOA have not changed.

Food Refused Entry Cannot Receive Duty Refund if Importer Could Have Reconditioned It

U.S. Customs and Border Protection CBP issued a ruling confirming that food released in good faith, but later determined by the Food and Drug Administration to be denied entry and refused if not brought into conformity is not eligible for duty and fees refunds if re-exported or destroyed. Ruling number H282725 confirms that goods held by importers for FDA review and refused after not being brought into possible conformity are only eligible for duty refund under Duty Drawback. The ruling does cite an exception for goods that did not leave Customs custody during the FDA review and refusal would be eligible for a duty refund claim under a post summary correction or protest.

This lengthy ruling was a response to an internal advice request that was submitted in 2015 and was just decided and released on December 5 of this year. It explains the confusion in understanding the decision for denying automatic refunds on FDA refusals and when a drawback should be used. The ruling can be found at:

<http://www.carmnet.com/wp-content/uploads/2025/01/H282725-1FDA-refusals-refunds.doc>



By **Todd Boice**, President