

WORLD TRADE ORGANIZATION

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Committee on Anti-Dumping Practices
Committee on Subsidies and
Countervailing Measures
Committee on Safeguards

Original: Spanish

NOTIFICATION OF LAWS AND REGULATIONS UNDER ARTICLE 18.5 AND ARTICLE 32.6 OF THE RELEVANT AGREEMENTS

NOTIFICATION OF LAWS, REGULATIONS AND ADMINISTRATIVE PROCEDURES RELATING TO SAFEGUARD MEASURES

MEXICO

Supplement

The following communication, dated 24 February 2006, has been received from the Permanent Mission of Mexico.

In conformity with Article 18.5 of the Anti-Dumping Agreement, Article 32.6 of the Agreement on Subsidies and Countervailing Measures, and Article 12.6 of the Agreement on Safeguards, I hereby notify the Committee on Anti-Dumping Practices, the Committee on Subsidies and Countervailing Measures, and the Committee on Safeguards of the following amendments to our laws in those areas.

In that connection, I submit a copy of the Decree amending and supplementing various provisions of the Foreign Trade Act published in the *Diario Oficial de la Federación* (Official Journal) of 24 January 2006.

MINISTRY OF THE ECONOMY

DECREE amending and supplementing various provisions of the Foreign Trade Act

In the margin, a stamp with the national emblem and the words United Mexican States – Office of the President of the Republic.

I, **VICENTE FOX QUESADA**, President of the United Mexican States, hereby inform Mexican citizens:

That the Honourable Congress of the Union has notified me of the following

DECREE

"THE CONGRESS OF THE UNITED MEXICAN STATES DECREES:

THAT VARIOUS PROVISIONS OF THE FOREIGN TRADE ACT SHALL BE AMENDED AND SUPPLEMENTED

Single article – The following are **amended**: Articles 1, 2, 3; the heading of Title II and Chapter II thereof; subparagraphs II, VIII, IX and XI of Article 5; Articles 6, 7, 75, 84, 90, 91, 92, and subparagraph VI of Article 94; and the following are **supplemented**: Article 4 by a subparagraph VII; Article 5 by a subparagraph XII, the existing subparagraph XII becoming subparagraph XIII; Article 6 by a second paragraph; and Title IV, Chapter II by an Article 17A and an Article 20A; all of the foregoing being part of the Foreign Trade Act, which now reads as follows:

Article 1 – The purpose of this Act is to regulate and promote foreign trade, boost the competitiveness of the national economy, foster the efficient use of the country's productive resources, ensure the proper integration of the Mexican economy in the international economy, **defend the productive system against unfair international trade practices**, and contribute to enhancing the welfare of the population.

Article 2 – The provisions of this Act are a matter of public policy and applicable throughout the Republic without prejudice to the provisions of international treaties or agreements to which Mexico is a party. These provisions shall be applied and interpreted for administrative purposes by the Federal Executive through the **Ministry of the Economy**.

Article 3 – For the purposes of this Act:

- I.** Ministry means **Ministry of the Economy**;
- II.** Commission means the Foreign Trade Commission;
- III.** Countervailing duties mean those duties that are applied to goods imported under conditions of price discrimination or subsidization in the country of origin in accordance with the provisions of this Act;

IV. The term "Rules" means those of a general nature issued by the Ministry concerning non-tariff regulations and restrictions, and foreign trade programmes and instruments;

V. The term "Regulations" means the Regulations to this Act.

...

TITLE II

Powers of the Federal Executive, of the Ministry of the Economy, and of the Auxiliary Commissions

Article 4.- ...

I to IV. ...

V. To conduct international trade negotiations through the Ministry, without prejudice to the powers of other departments of the Federal Executive;

VI. To coordinate, through the Ministry, the participation of the departments and entities of the Federal Public Administration and of the state governments in foreign trade promotion activities, and to agree on action in that area with the private sector;

VII. To ensure, through the Ministry, that the departments and entities of the Federal Public Administration responsible for the administration or control of a non-tariff restriction or regulation are electronically interconnected with the Ministry of the Economy and with the Ministry of Finance and Public Credit.

CHAPTER II

Powers of the Ministry of the Economy

Article 5.- ...

I. ...

II. To conduct and resolve safeguard investigations, and **impose** the measures resulting from such investigations;

III. to VII. ...

VIII. To advise Mexican exporters involved in investigations abroad of unfair international trade practices and safeguard measures **or in any other procedure that could result in an import restriction in other countries;**

IX. To coordinate the international trade negotiations with the competent departments **and, at the request of the Ministry, with the productive sectors;**

X. ...

XI. To establish **programmes and mechanisms** to foster and **promote exports as well as the provisions governing those programmes and mechanisms, with an ear to the productive sectors and to the public and private sector promotion institutes;**

XII. To issue rules establishing general provisions within its field of competence, as well as the requisite criteria for compliance with laws, international trade agreements or treaties, decrees, regulations, and other general rules falling within its jurisdiction;

XIII. Other matters expressly entrusted to it under the laws and regulations.

Article 6 - ...

Similarly, under the Federal Law on Transparency and Access to Public Governmental Information, the departments and entities of the Federal Public Administration shall publicize any preliminary draft provisions submitted under the present Act. The business organizations recognized under the Law on Chambers and their Confederations as public interest organizations as well as associations, institutions, and groupings that coordinate them *vis-à-vis* the Federal Government, which represent, at the national level, the interests of the country's industrial, commercial, agricultural, services and customs professions, as well as any other interested party, may issue an opinion on the above-mentioned preliminary draft provisions.

The Commission shall, **ex officio or at the request of the organizations mentioned in the preceding paragraph**, review the foreign trade regulation and restriction measures in force with a view to recommending amendments as appropriate. It may also hold public hearings with the interested parties.

Article 7.- The Joint Commission for the Promotion of **Exports** shall assist the Federal Executive in respect of the powers referred to in Article 4, subparagraph VI of this Act.

The said Commission shall be responsible for analysing, assessing, proposing and organizing activities between the public and private sectors with respect to exports of goods and services **with a view to facilitating, promoting, diversifying and strengthening trade, and reinforcing the national production system.**

Article 17A.- Non-tariff restrictions and regulations shall be complied according to the applicable rules.

Such compliance shall be demonstrated either through documents containing security measures or electronically, or both, as determined by the Ministry together with the appropriate departments and entities of the Federal Public Administration, except in the case of arrangements involving the countries with which Mexico has concluded some kind of free trade agreement.

The documents referred to in this article must accompany the request submitted to customs through the customs broker or clearance agent in accordance with customs legislation.

Article 20A.- The Ministry shall accept electronic signature certifications issued by the certification service providers accredited under the Commercial Code, as well as those which it

issues itself, for the purposes of the formalities and notifications relating to non-tariff regulations and the programmes provided for in this Act.

Article 75.- Safeguard measures shall be determined within a period not exceeding 210 days from the day following publication of the initiating resolution in the *Diario Oficial de la Federación*, subject to the provisions of the international treaties and conventions to which Mexico is a party.

Article 84.- The notifications referred to in this Act shall be transmitted to the interested party or his representative personally at his domicile by registered mail with acknowledgement of receipt or by any other direct means such as a specialized messenger service, **or electronically, or using any other technology.** The notifications shall enter into force on the working day following the day on which they are issued. The Regulations shall establish the form and content of the notifications.

Article 90.- The objective of export promotion shall be **the consolidation and quantitative and qualitative improvement of exports of Mexican manufactured and agro-industrial goods, services, and technology** to international markets. To that end, annual programmes will be agreed with the organizations representing the productive sectors with a view to the efficient allocation of resources.

Export promotion activities shall seek to:

- I. Take advantage of what has been achieved in international trade negotiations;
- II. Facilitate export projects, **giving priority to support for micro, small and medium-sized enterprises;**
- III. **Contribute to** solving the problems facing enterprises when it comes to competing on international markets **and set up a permanent programme for the deregulation and streamlining of administrative formalities in the area of exports,** including those relating to the dispute settlement mechanisms provided for under the international agreements to which Mexico is a party;
- IV. Ensure that the foreign trade support services **and the benefits provided for under the official export promotion programmes are rapidly put into place;**
- V. Take any other action expressly provided for in other laws or regulations.

...

Article 91.- The Federal Executive, acting through the Ministry, **shall establish the measures and mechanisms necessary for the implementation of the foreign trade programmes and instruments.** To that end, in coordination with the departments concerned, it shall issue decrees setting up promotion programmes relating to infrastructure, training, coordination, organization, financing, tax and customs administration and the modernization of foreign trade mechanisms, provided that this involves internationally accepted practices.

At the same time, the Ministry shall establish, through agreements, the measures needed to implement the programmes and instruments mentioned in the paragraph above.

Article 92.- The National Export Award shall be conferred on a yearly basis in recognition of the efforts of national exporters and of institutions that support export activities. The procedure for the selection of the winners, **the different categories**, the uses to be made of the award, and any other provisions relating thereto shall be set forth in the Regulations.

Article 94.- ...

I. to V. ...

VI. Responding to requests by the interested parties pursuant to Article **89A**;

VII. to XII.- ...

...

TRANSITIONAL PROVISIONS

First.- This Decree shall enter into force on the day following its publication in the *Diario Oficial de la Federación*.

Second.- For the purposes of Article 4, Section VII of this Act, the departments and entities of the Federal Public Administration that administer or control a non-tariff restriction or regulation shall draw up, within a period not exceeding 12 months from the entry into force of this Decree, a work plan establishing responsibilities, targets, committed deadlines, and measures needed to interconnect electronically with the Ministry of the Economy and with the Ministry of Finance and Public Credit.

Similarly, electronic interconnection shall be established with the pre-validation entities authorized under Article 16-A of the Customs Law so that the customs broker or clearance agent is able to verify compliance with the non-tariff restrictions or regulations in question.

Mexico City, Federal District, 14 December 2005.- Mr **Enrique Jackson Ramírez**, Presiding.- Dep. **Heliodoro Díaz Escárraga**, Presiding.- Ms **Sara Isabel Castellanos Cortés**, Secretary.- Dep. **Ma. Sara Rocha Medina**, Secretary – Signed."

Pursuant to Article 89, subparagraph I, of the Political Constitution of the United Mexican States, and for due publication and observance, I issue this Decree at the seat of the Federal Executive in Mexico City, Federal District, on the twentieth day of the month of January of the year 2006.- **Vicente Fox Quesada**.- Signed - Minister of the Interior, **Carlos María Abascal Carraza**.- Signed.
