

**MEXICO – TAX MEASURES ON SOFT DRINKS
AND OTHER BEVERAGES**

Status Report by Mexico

The following communication, dated 11 January 2007, from the delegation of Mexico to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the DSB Recommendations and Rulings
in the Dispute *Mexico – Tax Measures on Soft Drinks and Other Beverages*
(WT/DS308)

Mexico submits this report in accordance with Article 21.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU).

On 24 March 2006, the Dispute Settlement Body (DSB) adopted its recommendations and rulings in *Mexico – Tax Measures on Soft Drinks and Other Beverages* (DS308), which Mexico unconditionally endorsed, as provided for in the DSU, having previously informed the DSB that it intended to comply with the obligations arising from this dispute.

On 21 April 2006, Mexico reaffirmed to the DSB its intention to implement the recommendations and rulings of the DSB in this dispute in a manner that respects its WTO obligations, for which it would require a reasonable period of time, and proposed a date in advance for this purpose. The United States and Mexico subsequently notified the period in question to the DSB on 3 July 2006, in accordance with Article 21.3(b) of the DSU, stating that it would come to an end on 31 January 2007 at the latest, were the Mexican Congress to approve the amendments to the relevant law in December 2006, as proved to be the case.

Indeed, the Federal Revenue Law for 2007 was published in the Official Journal of the Federation on 27 December 2006. This Law repeals the provisions of Section I, Article 2, paragraphs G and H of the Law on the Special Tax on Production and Services, thus abolishing the tax found to be inconsistent.

Mexico has thus met the obligations arising from this dispute within the mutually agreed reasonable period of time, thereby contributing once again to the strengthening of the WTO dispute settlement mechanism.
