

Mexico IMMEX Program: How to Defer Taxes on Imports

An Interview with Isis Gomez, International Trade and Compliance Director for Co-Production International



About Isis Gomez

Isis has worked in the industry for fifteen years and holds a bachelor's degree in International Trade and Customs from Instituto Tecnológico de Baja California (TBC). As CPI's in-house International Trade and Compliance Director, she assists manufacturers with import/export compliance and customs processes, including minimizing or deferring VAT and duties costs for IMMEX certified companies under [CPI's shelter program](#). Isis is Six Sigma Green Belt Certified.

From highly skilled, low cost labor to proximity to major markets reducing costs and time in transit, there are a myriad of benefits when [manufacturing in Mexico](#). Additional cost savings benefits also exist for foreign companies with manufacturing operations in Mexico with tariff free import-export under the United States-Mexico-Canada Agreement ([USMCA, formally NAFTA](#)) and Mexico IVA exemptions.

In order to encourage exports, stimulate manufacturing and boost employment, Mexico's **IMMEX program** was created to promote foreign investment. What isn't covered by the IMMEX Maquiladora Program and the USMCA is the VAT Certification in Mexico (value added tax), known in Mexico as the IVA (impuesto de valor agregado), which currently stands at 16%.

Import/Export Costs in Mexico: Duties and VAT

Typical Cost Burdens	Methods for Elimination/Deferment
Customs Duties	USMCA (NAFTA), Free Trade Agreements
IVA/VAT	IMMEX // VAT Certification



Let's get right down to it, what is the IMMEX Maquiladora program?

The IMMEX program allows companies with the VAT Certification defer the 16% VAT on the temporary importation of raw materials and components to Mexico as long as they are transformed to finished goods or processed, and then exported within 18 months (in most cases). IMMEX also allows you to consolidate import declarations on a weekly basis. Think of it this way, the IMMEX Program overseas the import process, the VAT Certification is what eliminates the 16% VAT.

What are the IMMEX Program Requirements?

Here are some of the main requirements to be approved as an IMMEX Company. Remember, we help you handle all of these details under [CPI'S Maquiladora Shelter Program](#).

- To be a legal entity in Mexico with the obligation to pay income tax (ISR)
- To export US\$500,000 in a one-year period
- To respect the terms under the law (Article 108 Mexico Customs Law & Article 4 IMMEX Decree)
- To have the good and services in the registered & approved addresses
- To use the goods solely for what they have been approved

Sounds easy enough – Can any foreign company take advantage of the IMMEX Program?

Not so fast. Before a company can take advantage IMMEX Program, it must meet certain requirements, including obtaining the VAT Certification and being approved by the Mexican government as an IMMEX Company.

Is the IMMEX Program Authorization and VAT Certification process difficult?

As with any government process there is a paperwork and documentation burden This process can take up to 6 months or more and should be factored at the beginning stages of your ramp-up so you aren't caught short once you begin your import/export activities in Mexico.

The IMMEX Program and the VAT Certification are just two of the benefits CPI's Maquiladora Shelter Company Program. We already have the Certification and IMMEX Program, avoiding months of waiting, allowing you to focus on more important things like training personnel and getting your production floor ready to go online.

Where do I go from here to learn more?

Just ask – we love questions! We provide more information on the maquiladora industry: Mexico industries expertise, industrial market, Mexican laborers, strategic locations and a labor savings cost analysis.

Additionally, we invite you to learn more about our One-Day Baja Manufacturing Tour where you'll learn about all the ins and outs to manufacturing in Mexico, including IMMEX. Learn more [here](#).