

Implementation Issues Arise Following Mexico's Customs Agency Reorganization Under Military Authority

September 9, 2022

Key Points

- On January 1, 2022, Mexico eliminated its General Customs Administration (AGA, by its initials in Spanish), which had operated under the authority of Mexico's central Tax Administration Service. In its place, Mexico established a new National Customs Agency of Mexico (ANAM, by its initials in Spanish) under the Secretariat of Finance and Public Credit. ANAM is now responsible for the management, organization and operation of Mexican customs and border inspection functions.
- While ANAM has administrative authority over customs functions, it operates in conjunction with the Mexican armed forces. Specifically, ANAM's border offices are supervised by the Secretariat of the National Defense and its maritime customs offices are supervised by the Secretariat of the Navy, while ANAM independently operates only its interior customs offices.
- The implementation of this reorganization of customs functions has begun to cause legal and practical concerns for companies importing into Mexico. The lack of capacity at ANAM offices and the lower customs expertise of military personnel that have been transferred to ANAM offices are causing processing delays, even on routine matters. Further, some industries have become concerned that legal interpretations issued by ANAM are incompatible with prior interpretations by the AGA.
- Akin Gump will host a panel discussion, co-sponsored by the Organization of Women in International Trade, on these developments on Wednesday, September 21, 2022, from 9:30-11 a.m. in our Washington, D.C. office with a virtual attendance option. An invitation will follow, and more information is provided below.

Background: The Creation of ANAM and its Authorities

On January 1, 2022, Mexico eliminated its General Customs Administration (AGA, by its initials in Spanish), which had operated under the authority of Mexico's central Tax Administration Service (SAT, by its initials in Spanish). In its place, Mexico established

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a new National Customs Agency of Mexico (ANAM, by its initials in Spanish) under the Secretariat of Finance and Public Credit (SHCP, by its initials in Spanish).

ANAM is now responsible for the management, organization, and operation of Mexican customs and border inspection functions. In particular, ANAM is charged with, among other responsibilities:

- Collecting import and export taxes from international trade operations, including any and all special duties and customs processing fees.
- Implementing and enforcing compliance with Mexican customs laws, including through inspections, verifications and other means.
- Overseeing special tax areas, customs houses and associated assets.
- Educating the public about Mexico's customs laws and proper compliance.
- Maintaining security at ports and other access points throughout Mexico, in coordination with the Mexican armed forces and other national security interests.

While ANAM has general administrative authority over these customs functions, it operates in conjunction with the Mexican armed forces, particularly in the execution of the last function listed above. In that regard, ANAM's border offices are supervised by the Secretariat of the National Defense (SEDENA, by its initials in Spanish) and its maritime customs offices are supervised by the Secretariat of the Navy (SEMAR, by its initials in Spanish), while ANAM independently operates only its interior customs offices. As a result, many military personnel have been transferred to ANAM to execute customs functions, and the law permits most director-level positions within ANAM to be filled by present or former officers in the Mexican armed forces.

By contrast, SAT has retained only certain customs and international trade authorities associated with tax law compliance and tax collections, particularly after customs clearance.

Implications for Companies Importing into Mexico

While the creation of ANAM and its military oversight was a tactic by the Mexican government to combat corruption in customs administration, this strategy has instead begun to cause myriad implementation challenges for Mexican importers. For example, military personnel have been transferred to ANAM offices who lack experience and expertise on even the most routine customs matters. We understand that this has begun to cause substantial administrative processing delays. Concerns have also been raised about potential decreases in transparency of customs offices under the responsibility of military personnel.

Mexican importers have also begun to raise concerns about potential discrepancies in legal interpretations and conflicting compliance procedures between ANAM and SAT. In particular, we understand that the Mexican Association of the Automotive Industry (AMIA, by its initials in Spanish) sent a letter to the heads of ANAM and SAT, as well as the Secretaries of the Economy and the Treasury complaining of conflicting and additional procedures, intellectual property issues with imports and exports, customs administration delays and lack of clear guidance from the government.¹ The automotive industry represents a significant portion of Mexico's total imports and exports, so it is very unlikely that these issues are isolated. Importers into Mexico should remain vigilant for the clearance of shipments through ANAM and should

engage support from their customs brokers or legal counsel early if problems are detected.

Event Information

U.S.-Mexico Bilateral Customs Panel

Wednesday, September 21st 9:30-11am ET

Akin Gump- DC Office

Speakers will include: Ricardo Aranda Girard, former Director General of International Trade Rules at Mexico's Secretariat of Economy, Carlos Martínez, Vice President of the International Affairs Commission at the Mexican Confederation of Associations of Customs Brokers (CAAAREM, by its initials in Spanish), and Maria Luisa Boyce, Vice President of Government Affairs for the Latin America Region at UPS.

¹ <https://www.milenio.com/negocios/automotrices-culpan-a-anam-de-perdidas-con-nuevas-reglas>;
<https://www.milenio.com/politica/diputado-urge-sat-anam-agilizar-procesos-aduanales>.

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