

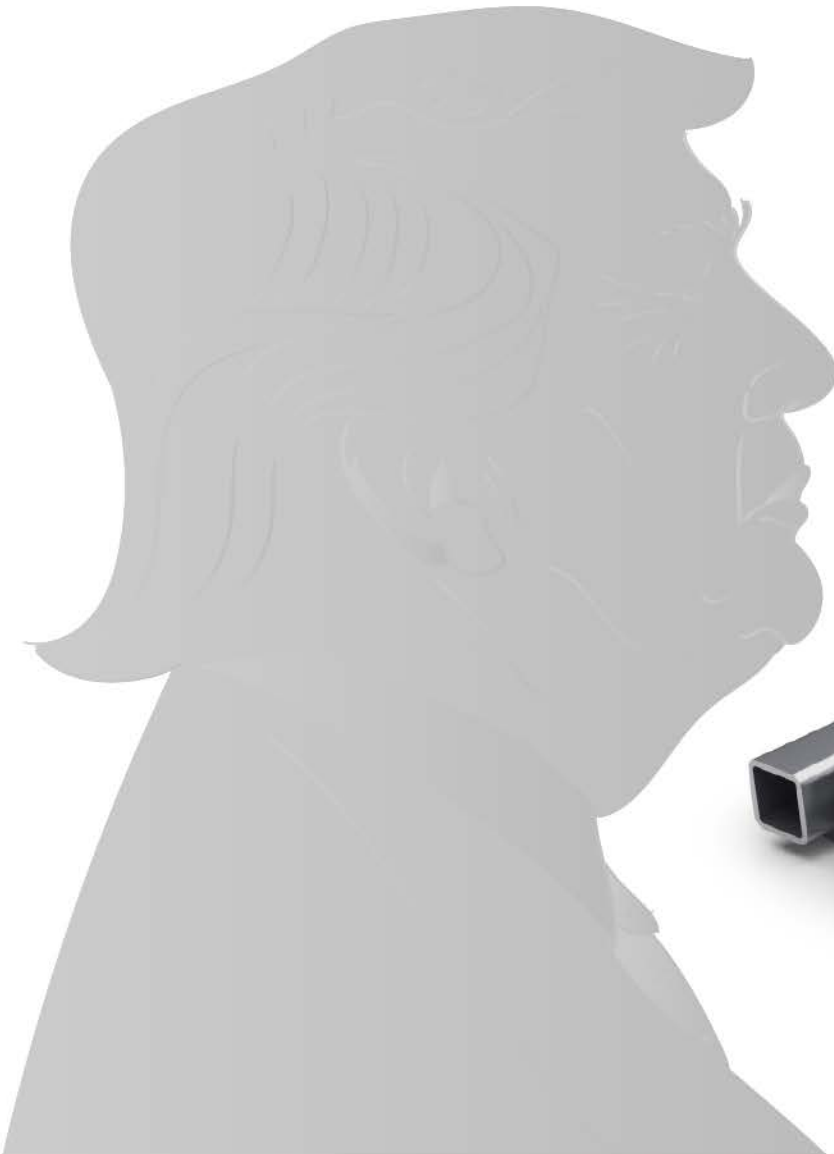
ALUMINUM AND STEEL:

7 OPERATION SCENARIOS.

DOES TRUMP'S

MEASURES **IMPACT YOURS?**

BILATERAL PERSPECTIVE



IMPACT OF ALUMINUM AND STEEL ON NAFTA

STRATEGIC ANALYSIS



ITEMS TO CONSIDER:

- 1.** Identify the tariff code of the raw matter.
- 2.** Identify the origin of the raw matter.
- 3.** Identify the provenance of raw matter (direct or indirect transportation).
- 4.** Have a Mill or Origin of the goods.
- 5.** Know the production process to which the raw matter will be subjected.
- 6.** Identify the tariff codes of the finished product.
- 7.** Identify the rating of the origin of the finished product.
- 8.** Know the destination country of the goods.
- 9.** Some tariff preferences has been applied on Mexico (8th Rule, PROSEC, FTA).
- 10.** Taxes have been paid in Mexico.



ADDITIONAL TARIFFS ALUMINUM AND STEEL UNDER SECTION 232 OF THE 1962 COMMERCE LAW OF THE UNITED STATES OF AMERICA

SECTION XV:

Common metals and manufacturing of such metals.

CHAPTER 72 Foundry, iron and steel.

CHAPTER 73 Manufacturing of foundry, iron or steel.

CHAPTER 76 Aluminum and manufacturing.

Current tariffs and measures of antidumping and countervailing are in effect and are additional to the enunciated tariff.

IN TARIFFS.

STEEL

Starting in June 1st, 2018 applicable to all countries except *Argentina, Australia, Brazil and South Korea*.

ALUMINUM

Starting in June 1st, 2018 applicable to all countries except *Argentina and Australia*.

ABSOLUTE QUOTA APPLIES.

STEEL

Starting June 1st, 2018 *Argentina, Brazil and South Korea*.

ALUMINUM

Starting June 1st, 2018 *Argentina*.



ADDITIONAL TARIFFS FOR ALUMINUM AND STEEL

- Impact only on enunciated codes.
- Manufacturing that contains steel or aluminum where the code of the finished product are not enunciated will not be impacted, regardless of the origin. NAFTA and other treaties, programs and tariffs are applicable.
- The measure only applies to entries of consumption (definite) and of extraction of warehouse for consumption.
- Other forms of entry, such as international transit through the United States (Inbond Transportation) Tariffs do not apply to them.

9903.80.01 STEEL / TARIFF OF 25%

Applied to the following products:

- (i) flat-rolled products provided for in headings 7208, 7209, 7210, 7211, 7212, 7225 or 7226;
- (ii) bars and rods provided for in headings 7213, 7214, 7215, 7227, or 7228; angles, shapes and sections of 7216 (except subheadings 7216.61.00, 7216.69.00 or 7216.91.00); wire provided for in headings 7217 or 7229; sheet piling provided for in subheading 7301.10.00; rails provided for in subheading 7302.10; fish-plates and sole plates provided for in subheading 7302.40.00; and other products of iron or steel provided for in subheading 7302.90.00;
- (iii) tubes, pipes and hollow profiles provided for in heading 7304 or 7306; tubes and pipes provided for in heading 7305;
- (iv) ingots, other primary forms and semi-finished products provided for in heading 7206, 7207 or 7224; and
- (v) products of stainless steel provided for in heading 7218, 7219, 7220, 7221, 7222 or 7223.



9903.85.01 ALUMINUM ADDITIONAL TARIFF OF 10%

Applied to the following products:

- (i)** unwrought aluminum provided for in heading 7601;
- (ii)** bars, rods and profiles provided for in heading 7604; wire provided for in heading 7605;
- (iii)** plates, sheets and strip provided for in 7606; foil provided for in heading 7607;
- (iv)** tubes, pipes and tube or pipe fittings provided for in heading 7608 and 7609; and
- (v)** castings and forgings of aluminum provided for in subheading 7616.99.51.




PRODUCTS MANUFACTURED WITH STEEL OR ALUMINUM SUPPLIES CODE OF THE FINISHED PRODUCT

NOT INCLUDED IN PRESIDENCIAL PROCLAMATION

SCENARIO #1

USA VS MEX.

1. Importation of supplies from any country or origin.
2. Temporary/ definite importation to Mexico.
3. Finished product with mexican origin with or without NAFTA preference or origin of a third country.
4. Exports of mexico in any modality.
5. Definitive imports to USA.




Does not pay special
tariffs of section 232.

Pays taxes in USA.
Application of 303
NAFTA.

SCENARIO #2

USA VS MEX.

1. Imports of supplies from any country or origin.
2. Temporary / definite imports to Mexico.
3. Finished product Mexico as origin with or without NAFTA preferences or origin of third countries.
4. Exports of any modality in Mexico.
5. Entry via Inbond (Inbond T&E - IT) to USA for the subsequent export or entry to a Bonded Warehouse or Foreign trade zone (no consumption entry).



Does not pay special
tariffs section 232.

Does not pay taxes
in USA application of
303 NAFTA.

STEEL PRODUCTS OR ALUMINUM CODE FINISHED PRODUCT

INCLUDED IN PRESIDENCIAL PROCLAMATION

ORIGEN USA / US ORIGIN



SCENARIO #3

USA VS MEX.

1. Supplies USA origin.
2. Definite exports to USA.
3. Temporary / definite imports to Mexico.
4. Direct return to USA material was not transformed nor did it receive further value (added value).

Pays special tariffs of
Section 232.

Pays taxes in USA
application of 303
NAFTA.

SCENARIO #4

USA VS MEX.

1. Supplies of US origin.
2. Definitive exports to USA.
3. Temporary / definitive imports to Mexico.
4. Direct return to USA. transformed materia, has received further value that acquires origin in Mexico (added value).

Pays special tariffs of
Section 232.

Pays taxes in USA
application of 303
NAFTA.

STEEL PRODUCTS OR ALUMINUM CODE FINISHED PRODUCT

INCLUDED IN PRESIDENCIAL PROCLAMATION

SCENARIO #5

USA VS MEX.

1. Supplies from countries of origin:
Steel: Argentina, Australia, Brazil, South Korea.
Aluminum: Argentina and Australia.
2. Definitive Exports from USA or using the Inbond/
International transit scheme through the United
States or from third countries.
3. Temporary / Definitive Imports in Mexico.
4. Change of origin Mexico, under the rules of
origin.
5. Definitive Imports to USA.




Pays special tariffs
from section 232.

Pays taxes in USA,
application of 303
NAFTA.

SCENARIO #6

USA VS MEX.

1. Supplies from the countries of origin:
Steel: Argentina, Australia, Brazil, South Korea.
Aluminum: Argentina and Australia.
2. Definitive Exports from USA or using the Inbond/
International Transit scheme through the US or
from third countries.
3. Temporary/ Definitive Exports in Mexico.
4. Change of origin Mexico under the origin rules
maintaining initial origin.
5. Definitive Imports to USA.



Does not pay special
tariffs section 232/
Definitive Quotas
apply to imports.

Pays taxes in the US,
application of NAFTA
303.

STEEL PRODUCTS OR ALUMINUM CODE FINISHED PRODUCT

INCLUDED IN PRESIDENCIAL PROCLAMATION

SCENARIO #7

USA VS MEX.

- 1.** Third Countries Origin.
- 2.** Definitive Exports from USA or using the Inbond/ International Transit through the US.
- 3.** Temporary / Definitive Imports in Mexico.
- 4.** Returns via Inbond (Inbond T&E-IT) to USA for subsequent exportation or entry to Bonded Warehouse or Foreign Trade Zone (No consumer entries)

Does not pay special tariffs section 232 / Does not pay taxes in the US, Application of 303 NAFTA.





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