

U.S. NAFTA Exporters Beware: No End in Sight for Taxing Mexico Audits

U.S. exporters face growing number of North America Free Trade Agreement (NAFTA) audits by Mexico's tax collecting agency.

MIAMI, June 12, 2013 /EINPresswire.com/ -- (Submitpressrelease123.com - press release) Frustration levels are rising among U.S. <u>exporters</u> as the number of North America Free Trade Agreement (<u>NAFTA</u>) audits by Mexico's tax collecting agency—the Servicio de Administracion Tributaria (SAT)—continue to grow. Despite the current administration's promises that it would change course from its predecessor by streamlining audit procedures, global traders are still facing costly and time-consuming NAFTA audits and re-audits as they attempt to interpret mixed messages from the Mexican government.

"Mexico's SAT, recently underwent a reorganization and everyone was hoping that the NAFTA audit process would be less time-consuming and costly," explains customs and trade attorney Elise Shibles, a partner with Sandler, Travis & Rosenberg, P.A. "Unfortunately, that doesn't seem to be the case, especially for companies in the textile and apparel trade" she says. "NAFTA rules of origin in this industry are very complex and require review of multiple levels of processing, which usually occurs at different companies. It's hard enough having to go through a NAFTA verification audit once, but being subjected to re-auditing when you've already passed with flying colors seems unduly harsh on business."

The SAT's policy inconsistencies are also tying many U.S. and Mexican companies up into knots, says trade expert Jorge Morales, Managing Director of STTAS de Mexico Servicios de Comercio Exterior, the Mexico City arm of leading global trade services provider Sandler & Travis Trade Advisory Services, Inc. "Despite the fact that SAT is telling us that Mexican importers can submit NAFTA documentation on behalf of U.S. exporters, only a small number of Mexican importers know about this important benefit because SAT is handling this issue only as an internal regulation that hasn't been properly disseminated among all involved companies. The lack of uniformity is confusing for our clients," he continues. "Without clear guidance there is no way a company can maintain compliance. You have to know what the rules are before you can be expected to follow them."

Shibles and Morales will shed light on best practices to handle this confusing situation in a webinar entitled "Mexico NAFTA Audit Updates - Protecting Your Company: Strategy & Tactics for NAFTA Textile & Apparel Exporters to Mexico," to be held on June 19. More information on the

webinar can be found at www.strtrade.com or by emailing ncook@strtrade.com.

Nancy Cook Shibles and Morales 305-702-3167 email us here

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