



Voluntary Report – Voluntary - Public Distribution **Date:** October 08,2020

Report Number: MX2020-0058

Report Name: Modifications to the Mexican Foreign Trade Law Removes Prior Exemptions to Front-of-Package Labeling

Country: Mexico

Post: Mexico CIty ATO

Report Category: Food and Agricultural Import Regulations and Standards - Narrative

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Report Highlights:

On October 1, 2020 Mexico modified its Foreign Trade Law Agreement to comply with its new Front-of-Package Labeling (FOPL) law that also went into effect on October 1. The modifications require shipments of prepackaged food products previously exempted from labeling to immediately comply with the new labeling law by removing exemptions for: imported goods that would not be sold to the public in the form in which they were imported; imported goods to be used directly by a company not subject to commercialization; products destined to remain in the border area or regions of Mexico; and products imported by those who carry out marketing activities and provides restaurant, hotel, leisure, cultural, recreational, sports, educational services, research, medical and social assistance. Prepackaged products within those categories—including foodservice products—must now comply with the new labeling standard.

General Information:

Domestic and imported retail prepackaged, processed foods and non-alcoholic beverages in Mexico are subject to labeling regulations including the new Front-of-Package Labeling (FOPL) requirement.

Modifications to the Foreign Trade Law

On October 1, 2020, the Government of Mexico published in the Federal Registry modifications to the Foreign Trade Law Agreement that changes 14 Mexican Official Standards (NOM in Spanish) regarding Commercial Information. The scope of purpose of the Agreement is to regulate import operations at the points of entry, and to establish compliance standards regarding commercial information so that product labels inform the Mexican consumer about possible health risks and general wellbeing associated with the product.

The agreement entered into force on October 1, 2020, the same day that the first implementation phase of NOM-051—which modifies FOPL standards—began. NOM-051 applies to prepackaged food products and non-alcoholic beverages that contain critical nutrients that can cause a risk of certain health conditions.

As of October 1, 2020, the following options that were available as exemptions for the compliance with NOM-051 no longer exist:

- 1. Imported goods that would not be sold to the public in the form in which they were imported.
- 2. Imported goods to be used directly by a company, and that will not be subject to commercialization.
- 3. Products destined to remain in the border area or regions of Mexico.
- 4. Products imported by a corporation or person who carries out marketing activities and provides restaurant, hotel, leisure, cultural, recreational, sports, educational services, research, medical and social assistance.

Products that were imported under those circumstances will now need to fulfill FOPL labeling requirements at the point of entry to Mexico. This includes foodservice items, though the application of NOM-051 has always been intended for prepackaged food and non-alcoholic beverages intended for the final consumer. For general information on NOM-051, see FAS GAIN reports <u>MX2020-0008</u>, and <u>MX2020-0004</u>.

Note: Bulk products are not subject to NOM-051 labeling standards.

Compliance with the Foreign Trade Law Agreement

FAS recommends that exporters work closely with their **importers**, **distributers**, **and customs agents** to determine what products will be impacted by this change and how to comply with the most current regulations. In addition, we recommend referencing the *Servicio Nacional de Information Comercio*

Exterior (*SNICE*) website, which provides information on the labeling regulation, to which products it applies, and how companies can comply.

The options for Mexican importers to comply are:

- A certificate called *constancia*—a document that is issued to producers, manufacturers, importers, traders or service providers as a result of the evaluation of conformity to a label—which is proof of compliance, non-compliance, or that the product is not subject to compliance with the requirements established in the standard NOM-051.
- NOM compliance at a Fiscal General Warehouse where a verification unit approved by the Ministry of Economy may determine the compliance of the labels of processed foods and non-alcoholic beverages subject to the FOP labeling.
- NOM compliance at the importer's warehouse where a verification unit approved by the Ministry of Economy may determine the compliance of the labels of processed foods and non-alcoholic beverages subject to the FOP labeling.

If compliance cannot be established because the information provided by the producer, manufacturer, traders, or service provider is not sufficient or is inadequate, the verification unit is exempted from issuing an opinion or *constancia*.

As noted previously, the benefit that allowed importers not demonstrating compliance with the NOMs of security or commercial information to the customs authorities during customs clearance has been eliminated for the following imports of October 1, 2020:

- Imports of goods used by individuals
- Imports of goods that will not be sold to the public as they are imported
- Imports of goods intended to remain in the strips and border regions of the country

The Agricultural Trade Office was notified the same day that the agreement entered into force that foodservice products are now subject of compliance with the Front of Pack Labeling.

It is important to bear in mind that the Mexican importer will responsible for compliance with the labeling regulation as it is the company representative in country. Again, we stress that U.S. companies maintain good communication with their Mexican importers, distributors and customs agents in order to have the proper paperwork to comply with the regulation.

For further information and to learn more about the services provided by the Agricultural Trade Office (ATO) in Mexico, please contact us at:

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Attachments:

No Attachments.