

Mexico: Essential rules for a correct tariff classification

June 2025

Correctly classifying a good in foreign trade involves understanding its nature, function, composition and processing degree. This process is governed by the TIGIE and the rules established by organizations such as the World Customs Organization (WCO) and national authorities such as AGACE. The correct identification of the heading, subheading and tariff fraction ensures that the merchandise receives the appropriate tax, regulatory and statistical treatment, avoiding legal and operational risks in import and export operations.

As mentioned in the previous article, "[Keys to International Trade and Import Processes](#)", tariff classification is probably the most important part of foreign trade at the national level, since it is the basis on which both contributions and tariff restrictions are determined in the import and export of goods to Mexico.

Since the exchange of goods and international trade between countries began to take place, there was a need to establish rules in order to regulate this exchange and codify all goods to facilitate commercial exchange.

Tariff classification consists of assigning a numerical code, called a tariff fraction, to any type of merchandise for the purpose of identifying it worldwide.

This classification is used internationally and was issued by the International Convention on the Harmonized Commodity Description and Coding System (CSA). This convention is applied in most of the member countries of the World Customs Organization (WCO) and its main purpose is to identify goods to establish tariff regulations (taxes, duties and governmental fees) and non-tariff regulations and restrictions applicable to the import or export of goods both in Mexico and in other WCO member countries.

The World Customs Organization (WCO) was created in 1952 under the name of the Customs Cooperation Council. In 1988, Mexico became a member and in 1994 the organization adopted its current name. Currently more than 200 countries use this tariff classification and, according to WCO data, almost 98% of foreign trade goods are classified according to these terms, which results in the benefit of having a uniform classification in international operations and establish the basis for determining rules of origin in international trade treaties.

In Mexico, tariff classification is determined not only upon the CSA established by the WCO, but also on the basis of the nomenclature system established by the General Import and Export Tax Law (LIGIE).

At the international level, through this system, the tariff item is determined at the six-digit level, with the possibility of adding more pairs of digits at the national level.

In Mexico, products are identified by a tariff item composed of 10 digits, which correspond to:

- Digits 1 and 2: Chapter (01)
- Digits 3 and 4: Tariff heading (0101)
- Digits 5 and 6: Tariff subheading (0101.11)

- Digits 7 and 8: Tariff Item (0101.11.01)
- Digits 9 and 10 Commercial Identification Number -NICO- (0101.11.01.00)

On the other hand, this classification is based on the harmonized system, which divides the universe of goods into 21 areas or sections. Throughout these sections, goods are grouped according to their origin (animal, vegetable or mineral kingdom), degree of transformation, their function and their commercial importance. Numerically, they range from the simplest to the most highly processed goods.

This division derives from the scheme of the Harmonized Commodity Description and Coding System according to Article 3 of the Harmonized System Convention which, within its various concepts, establishes:

- General rules.
- Sections.
- Chapters.
- Headings.
- Subheadings.
- Legal notes of section and chapters.
- Subheading notes.
- Explanatory notes.

Another essential aspect of understanding tariff classification is the determination of the nature, origin, composition or function of the goods susceptible (or not) to trade, and, accordingly, their classification.

This determination can be achieved through three fundamental questions about such goods, which are: What is it? What is it for? and What is it made of?

At the national level, the Law of General Import and Export Taxes (LIGIE) is the basis for determining the tariff classification of goods and is made up of 2 articles:

1. The first article corresponds to the Tariff of the Law of General Import and Export Taxes, known as TIGIE, which is made up of 22 sections, 98 chapters, approximately 1,200 headings, 5,500 subheadings and 8000 numbers.
2. The second article is divided into two sections: the first contains the six general rules and the second defines the ten complementary rules.

Thanks to this law and the tariff, we can determine the corresponding tariff item for each product, which is composed of six digits used by all WCO member countries; in Mexico, the tariff item is composed of 10 digits: 6 international and 4 national.

In December 2020, with the publication of the LIGIE, the Commercial Information Numbers (NICO's) came into effect in Mexico, which main objective is to facilitate the identification of merchandise and provide greater precision in foreign trade statistical information.

In this same sense, the inclusion of the NICO's also achieved the following:

- Greater alignment with the most modern classification system used by countries such as the United States and Canada.
- Faster identification of merchandise without modifying the tariff code.
- Facilitate the request for the creation and modification of NICO's.

Likewise, for the correct interpretation of the tariff of the General Import and Export Tax Law, the legal and national notes must be taken into account.

The legal notes are an extension of the texts of the sections, headings and subheadings, and define the scope, limits and content of each heading.

Together with the publication of the new LIGIE, the national notes were published, which are intended to assist in the interpretation and uniform application of the tariff classification of goods.

These notes, in turn, are classified according to their function, which may be:

- **Definitional:** They give meaning to some expressions or words and limit the scope of sections, chapters, headings or subheadings.
- **Illustrative:** List examples of goods mentioned in a section, chapter, heading or subheading.
- **Excluding:** Exempt certain goods or articles from a section, chapter, heading or subheading and indicate where these are to be considered.
- **Inclusive:** Indicate goods to be considered within a section, chapter, heading or subheading.
- **Classificatory:** Indicate the rule to follow in case of the possibility of including goods in two or more sections, chapters, headings or subheadings.
- **Expanding:** Extend the content of sections, chapters, headings or subheadings.
- **Mixed:** Combine two or more of the above functions in some note of a section, chapter, heading or subheading.

Another relevant point for a correct tariff classification are the general rules for the application of the LIGIE tariff. These are the criteria to be followed to achieve a proper classification according to the law.

According to Article 2 of the LIGIE, the 6 general rules are:

- **Rule 1**

The titles of the sections, chapters or subchapters have only an indicative value, since the classification is legally determined by the texts of the headings and of the section or chapter notes and, if they are not contrary to the texts of these headings and notes, in accordance with the following rules:

- **Rule 2**

- a. *Any reference to an article in a given heading extends to the article even if incomplete or unfinished, provided that it has the essential characteristics of the complete or finished*

article. It also covers the complete or finished article, or considered as such under the preceding provisions, when it is presented disassembled or not yet assembled.

- b. Any reference to a material in a given heading covers that material even if it is mixed or associated with other materials. Likewise, any reference to articles of a given material also covers articles made wholly or partly of that material. The classification of these mixed products or composite articles shall be carried out in accordance with the principles set out in the rule.*

■ Rule 3

When a good could, in principle, be classified under two or more headings by application of Rule 2(b) or in any other case, classification shall be effected as follows:

- a. The heading with the most specific description shall have priority over headings of more generic scope. However, when two or more headings each relate only to a part of the materials constituting a mixed product or composite article or only to a part of the articles in the case of goods put up in sets put up in sets for retail sale, such headings are to be considered equally specific for such product or article, even if one of them describes it more precisely or completely.*
- b. Mixed products, articles composed of different materials or made up by joining different articles and goods put up in sets put up for retail sale, the classification of which cannot be made by applying Rule 3(a), shall be classified according to the material or article which gives them their essential character, if it is possible to determine it.*
- c. When Rules 3 (a) and 3 (b) do not permit classification, the goods shall be classified under the last heading in order of numbering among those which can reasonably be taken into account.*

■ Rule 4

Goods that cannot be classified by applying the above rules are classified in the heading that includes those to which they are most similar.

■ Rule 5

In addition to the preceding provisions, the following rules shall apply to the goods referred to below:

- a. Cases for cameras, musical instruments, weapons, drawing instruments, necklaces and similar containers, especially suitable for containing a particular article or set or assortment, capable of prolonged use and presented with the articles for which they are intended, are classified with such articles when they are of a kind normally sold with them. However, this rule does not apply in the classification of containers which give the set its essential character.*
- b. Except as provided in Rule 5(a) above, packages containing goods are classified with such goods when they are of the types normally used for that class of goods. However, this provision is not mandatory when the packages are reasonably likely to be used repeatedly.*

■ Rule 6

The classification of goods in the subheadings of the same heading is legally determined by the wording of these subheadings and the subheading notes, as well as, mutatis mutandis, by the

above rules, it being understood that only subheadings at the same level may be compared. For the purposes of this rule, section and chapter notes also apply, unless otherwise provided.

As stated above, there are also complementary rules that must also be considered as part of the process for a correct tariff classification. These rules establish:

- *1^a The general rules for the interpretation of the tariff of this law are equally valid to establish, within each subheading, the applicable tariff item, except for Section XXII, in which goods subject to special operations are classified.*
- *2nd The Tariff of article 1 of this Law is divided into 22 Sections, which are identified with Roman numerals, ordered in a progressive manner, without such numbering affecting the codification of the tariff items. The tariff items are those that define the good and the quota applicable thereto within the corresponding subheading, and shall be formed by an 8-digit code, as follows:*
 - a. The chapter is identified by the first two digits, arranged in progressive order from 01 to 98.*
 - b. The heading code is formed by the two digits of the chapter followed by the third and fourth digits, arranged in progressive order.*
 - c. The subheading is formed by the four digits of the heading plus a fifth and sixth digit, separated from those of the heading by a period. Subheadings may be first or second level, which are distinguished by one or two dashes respectively, except those whose numerical subheading code is represented by zeros (00).*

First level subheadings are those in which the sixth number is zero (0).

Second level are those in which the sixth number is other than zero (0).

For the effects of General Rule 6, the first level subheadings referred to in this subsection shall be presented in the tariff as follows:

- i. When there are no second level subheadings, with 6 digits, the last one being "0", added to its text preceded by a hyphen.*
- ii. When there are second level subheadings, without codification, citing only their text, preceded by a hyphen.*

The second level subheadings are the result of breaking down the text of the first level subheadings mentioned in (ii) above. In this case the sixth digit shall be non-zero and the subheading text shall be preceded by two dashes.

- d. The six digits of the subheading plus a seventh and eighth digit, separated from those of the subheading by a period, form the tariff item. The tariff items shall be ordered from 01 to 99, reserving the ninety codes (90 to 99) to classify the goods that are not included in the specific tariff items with termination 01 to 89. The quota indicated in the tariff items of the tariff of this law shall be understood to be expressed exclusively in terms of percentage, unless otherwise provided, and shall be applied on the taxable base of the general import tax or the taxable base of the general export tax that corresponds.*
- *3^a For the purposes of interpretation and application of the tariff, the Ministry of Economy, jointly with the Treasury Department, shall make known, through agreements to be published*

in the Federal Official Gazette, the national notes, as well as their subsequent modifications, which application is mandatory to determine the tariff classification of products.

- *4th In order to maintain the unity of criteria in the classification of goods within the tariff of this law, the Treasury Department, prior opinion of the Foreign Trade Commission, shall issue, through publication in the Federal Official Gazette, the tariff classification criteria, the application of which shall be mandatory.*

Likewise, any differences in criteria that may arise in the matter of tariff classification shall be resolved in the first instance by means of a procedure established by the same Treasury Department.

- *5th The abbreviations used in the tariffs of this law are the following:...*
- *6th When weight limits are mentioned in this tariff, they shall refer exclusively to the weight of the goods, unless otherwise expressly provided.*
- *7^a They shall not be considered as merchandise and, consequently, shall not be taxed:*
 - a. Coffins and urns containing corpses or their remains.*
 - b. The obliterated postal items that the international postal conventions include under the denomination of correspondence.*
 - c. The effects imported by mail as established for such purpose by the Treasury Department, by means of general rules.*
 - d. Samples and samples that, due to their conditions, lack commercial value. It is understood that they have no commercial value:*
 - Those that have been deprived of such value, through physical operations of rendering them useless that prevent any possibility of being commercialized; or.*
 - Those that, due to their quantity, weight, volume or other conditions of presentation, indicate, without any doubt, that they can only be used as samples or samples, even in accordance with what the Treasury Department establishes by means of general rules.*
- *8^a With prior authorization from the Ministry of Economy:*
 - a. Goods that are imported in one or several shipments or through one or several customs offices, by companies that have a manufacturing company registration, approved by the Ministry of Economy, shall be considered as complete or finished articles, even if they do not have the essential characteristics thereof.*

Likewise, inputs, materials, parts and components of those articles that are manufactured or are going to be assembled in Mexico, by companies that have a manufacturing company registration approved by the Ministry of Economy, may be imported under the tariff item specifically designated for such purpose.

- b. Disassembled articles or articles that have not been assembled, which correspond to complete or finished articles or articles considered as such, may be imported in one or more shipments or through one or more customs offices.*

Goods imported under this rule must be used solely and exclusively to comply with the manufacture referred to in this rule, whether to expand an industrial plant, replace equipment or integrate an article manufactured or assembled in Mexico.

- *9th The competent customs authorities of the Treasury Department may require, in case of doubt or controversy, the elements that allow the tariff identification of the goods, which the interested parties must provide within a period of 15 calendar days, being able to request an extension for an equal term. Upon expiration of the term granted, the customs authority shall classify the merchandise as appropriate, based on the elements at its disposal.*
- *10th Commercial identification numbers (NICO) will be established in which the merchandise is classified according to the tariff fractions and the methodology for the creation and modification of such numbers, which will be determined by the Ministry of Economy, with the prior opinion of the Treasury Department.*

The classification of the merchandise will be integrated by the tariff fractions and the commercial identification number, which will be integrated by 2 digits, which are placed in the subsequent position of the corresponding tariff fraction to be declared, and which will be ordered in a progressive manner starting from 00 to 99, reserving the 90th codes (90 to 99) for the merchandise that are not included in the commercial identification numbers with termination 01 to 89.

The Ministry of Economy will announce, by means of an agreement published in the Federal Official Gazette:

- a. *The commercial identification numbers of the tariff items.*
- b. *The correlation tables of the tariff items of the tariff, as well as the commercial identification numbers.*

It is clear that, to achieve a correct tariff classification, there are many factors and rules that must be followed. However, in general, tariff classification tends to be fairly straightforward.

Products derived from new technologies are particularly complex to classify because, by their nature or use, they may be considered to fall under more than one tariff classification.

To achieve the most accurate tariff classification possible, it is necessary to have information on the use, materials and characteristics of the products, as well as their technical data sheet.

In the event that, even when such information is available, it is not possible to achieve a correct classification or there are doubts regarding the same, it is possible to file a ruling before the corresponding authorities, which may provide certainty to the importer or exporter of the goods regarding the use of the correct tariff classification for legal purposes.

Let us remember that a correct tariff classification will determine the following:

- a. *General Import and Export Tax on the merchandise (IGI) and other taxes applicable to the import of merchandise such as VAT and IEPS.*
- b.
- c. *Preferential tariffs established in free trade agreements, international trade treaties and export promotion programs (PROSEC).*
- d.
- e. *Countervailing and dumping duties identified on the basis of the tariff classification number in accordance with the Foreign Trade Law.*
- f.

- g. *The Non-Tariff Regulations and Restrictions (RRNA) to which a merchandise is subject both upon entry and exit of the national territory.*

Errors or omissions in the correct tariff classification can result in a number of unfavorable consequences ranging from longer times in the customs clearance of goods, omission of taxes, payment of updates and surcharges on omitted taxes, fines, seizure and destruction of goods, to the commission of crimes such as smuggling or equivalent smuggling.

Contact our professionals



José Alberto Campos Vargas

Partner

jacampos@sanchezdevanny.com

GARRIGUES

Corporativa Reforma Diana
Paseo de la Reforma, 412 – Piso 26
Col. Juárez – 06600
Ciudad de México (Mexico)
T +52 55 1102 3570
F +52 55 1102 3599

Paseo de las Palmas 525, Piso 6
Col. Lomas de Chapultepec – 11000
Ciudad de México (Mexico)
T +52 5029 8500

Av. Antea 1090 Piso 2 Int 206
Col. Jurica – 76100
Querétaro (Mexico)
T +52 442 296 6400

Torre Novo Piso 4 Desp. 401 José Clemente
Orozco 335, Col. Valle Oriente – 66269
San Pedro Garza García (Mexico)
T +55 5029 8500

mexico@garrigues.com

Follow us:



© 2025 J&A Garrigues, S.L.P. | This publication contains general information
and does not constitute a professional opinion, or legal advice.

garrigues.com