

## Fernanda Ruizesparza in Reach Further: How Mexico's Maquiladora Program can Help During the U.S.-China Trade War

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*Reach Further* magazine talked with Haynes Boone Associate [Fernanda Ruizesparza](#) about how U.S. businesses can use Mexico's maquiladora program as an effective tool for navigating U.S.-China tariffs.

Here is an excerpt:

With many U.S. businesses looking for other options, some are looking to Mexico's IMMEX maquiladora program as a possible solution to mitigate tariff woes. A maquiladora, also known as maquila, is a foreign-owned factory located in Mexico, usually near the United States border, that doesn't have to pay duties on imported materials. Combined with preferential tax treatment from the Mexican government, lower labor costs and faster and cheaper transportation to the U.S., maquiladoras could be a useful and cost-saving alternative for companies affected by President Trump's China tariffs. ...

If a business does want to set up a maquila in Mexico, there are a number of legal requirements and permits that they need to get first, says Fernanda Ruizesparza, an associate at corporate law firm Haynes Boone.

"You have to incorporate in Mexico and be up-to-date with all the tax evaluations, such as registering in Mexico's federal taxpayer registry (Registro Federal de Contribuyentes, or RFC), and filing articles of incorporation and powers of attorney. And, you have to provide the investment plan, maquila agreements, everything, to provide certainty to customs and securities that you are going to make a manufacturing process," she adds.

Although maquiladoras are not subject to duties (depending on the products being imported), they are required to pay taxes. There are two options that foreign companies can choose between, says Ruizesparza.

To read the full article, click [here](#).