

# Sanctions Regime: Overview (Mexico)

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A Practice Note providing an overview of the regime for imposing, administering, and enforcing sanctions in Mexico. It discusses the types of sanctions, penalties for non-compliance, licensing procedures, and how restricted parties can challenge actions implementing sanctions designations.

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As the use of financial, trade, and other sanctions around the world continues to increase, there is a growing need for businesses to ensure compliance with multiple sanctions regimes and engage with sanctions authorities in different jurisdictions. This presents a unique challenge to ensure that compliance officers and legal advisers are familiar with sanctions rules and procedures in key territories.

This Note provides an overview of the sanctions regime in Mexico and the legislative, regulatory, and institutional framework that governs this. It also highlights the different types of sanctions that may be imposed, the designation of restricted persons, licensing procedures, information and reporting requirements, and the potential consequences of breaching sanctions rules.

In this context, sanctions refer to restrictive measures adopted to influence foreign governments, entities, or individuals, including by denying access to funds and key resources and signaling disapproval in the international community.

## Legislative and Regulatory Framework

As a member of the United Nations, Mexico is obligated to adhere to sanctions imposed by resolutions of the United Nations Security Council (UNSC). Mexico does not maintain an autonomous sanctions regime, that is, it does not impose sanctions other than those required to be implemented by the UNSC.

Nonetheless, the Executive Branch of the Federation (Executive Branch) has broad authority to adopt other types of restrictive measures to influence foreign governments, entities, and individuals. For example:

- The Executive Branch has implemented measures through the [Ministry of Defense](#) to give the president more restrictive controls in customs and corruption prevention.
- The [Federal Firearms and Explosives Law](#) (*Ley Federal de Armas de Fuego y Explosivos*) allows the Ministry of Defense to establish rules on acquiring firearms and ammunition.

Mexico's ability to influence foreign actors is also shaped by the country's:

- Foreign policy principles.
- Historical relationships.
- Strategic partnerships.

Several key principles in the [Political Constitution of the United Mexican States](#) (*Constitución Política de los Estados Unidos Mexicanos*) (Mexican Political Constitution) guide Mexico's foreign policy, including:

- Respecting international law.
- Not intervening in the domestic affairs of other countries.
- Promoting peaceful conflict resolution.

These principles reflect Mexico's commitment to maintaining sovereignty while engaging with other nations, which can enhance its diplomatic influence.

Historically, Mexico has focused its foreign relations primarily with the United States, Mexico's largest trading partner and a significant actor in global affairs. This relationship has allowed Mexico to leverage its geographical proximity and economic ties to influence policies of the United States, particularly in areas such as trade, immigration, and security.

Mexico actively participates in various international organizations and agreements to extend its influence. For example, Mexico's participation in:

- [Multilateral investment treaties](#) like the [United States-Mexico-Canada Agreement \(USMCA\)](#) and its predecessor, the [North American Free Trade Agreement \(NAFTA\)](#), allows Mexico to influence North American economic policies.
- Multilateral forums like the [United Nations](#) and the [Organization of American States](#) allows Mexico to advocate for regional issues and collaborate on global challenges, such as climate change and security.

## Implementation of UNSC Sanctions

Mexico does not have a specific statutory instrument for implementing UNSC sanctions. UNSC sanctions are incorporated into the Mexican regulatory system through the publication of a regulatory agreement in the [Mexico Federal Official Gazette \(Diario Oficial de la Federación\)](#) (Federal Official Gazette). Nevertheless, all treaties signed by Mexico and ratified by the Mexican Senate are the Supreme Law of Mexico and must be respected by Mexico's legal system (Article 133, Mexican Political Constitution).

The specific regulatory instrument that incorporates UNSC trade sanctions into Mexican law is the [Agreement Establishing an Embargo on Goods for Import or Export to Various Countries, Entities and Persons \(acuerdo que establece un embargo de mercancías para la importación o la exportación a diversos países, entidades y personas\)](#) (Embargo Agreement). The Embargo Agreement was originally published in the Federal Official Gazette on 27 December 2020 and has since been modified several times. The Embargo Agreement lists the sanctions resolutions adopted by the UNSC and sets out, for each UN sanctions regime, the country targeted (as applicable), the nature and scope of the sanctions, and the entities and individuals that are subject to the sanctions.

Mexico's customs authorities are responsible for controlling the import and export of items subject to the UNSC sanctions (see [UNSC Sanctions](#)).

## National Laws and Regulations Authorizing Other Restrictive Measures

While Mexico does not maintain an autonomous sanctions regime, the Executive Branch has broad authority to adopt restrictive measures apart from UNSC sanctions to influence foreign governments, entities, and individuals. The authority for issuing, administering, and enforcing these measures is based mainly on various secondary legislation that have their origin in the Mexican Political Constitution, including:

- The [Foreign Trade Law \(Ley de Comercio Exterior\)](#) and its [regulations \(Reglamento de la Ley de Comercio Exterior\)](#).

- The [General Import and Export Tax Law](#) (*Ley de los Impuestos Generales de Importación y de Exportación*).
- The [Customs Law](#) (*Ley Aduanera*).
- The [Federal Tax Code](#) (*Código Fiscal de la Federación*).
- The [Federal Criminal Code](#) (*Código Penal Federal*).

## Institutional Framework

Several departments and agencies are responsible for the administration and enforcement of UNSC sanctions and other restrictive measures under the Foreign Trade Law, General Import and Export Tax Law, and Customs Law, including:

- The [Ministry of Foreign Affairs](#) (SRE). The SRE is primarily responsible for Mexico's foreign policy, including implementing international sanctions. The SRE coordinates with international bodies like the United Nations to ensure compliance with UNSC resolutions.
- The [Ministry of Finance and Public Credit](#) (SHCP). The SHCP oversees financial regulations and is involved in the enforcement of economic sanctions. The SHCP plays a crucial role in administering financial measures, including asset freezes and restrictions on financial transactions.
- The [Tax Administration Service](#) (SAT). The SAT is responsible for customs and tax regulations, including enforcing import and export restrictions. The SAT ensures compliance with the General Import and Export Tax Law and monitors trade activities to prevent violations.
- The [Ministry of Economy](#) (SE). The SE is involved in the regulation of trade and economic policies, including the licensing of imports and exports. The SE works closely with other agencies to ensure that trade practices comply with both national laws and international sanctions.

These agencies work collaboratively to ensure that Mexico adheres to international sanctions and maintains the integrity of its trade and economic policies.

## Types of Restrictive Measures Enforced by Mexican Authorities

### UNSC Sanctions

UNSC sanctions can include:

- Financial sanctions, such as freezing assets and prohibiting financial transactions (see, for example, [paragraphs 1\(a\) and 3, UNSC Resolution 1988](#)).
- Immigration sanctions, such as restricting sanctioned individuals from travel within a United Nations member country (see, for example, [paragraph 1\(b\), UNSC Resolution 1735](#)).
- Trade sanctions, such as a prohibition on:
  - using ships and aircraft to supply restricted items to a sanctioned country (see, for example, [paragraph 15, UNSC Resolution 1701](#));
  - importing items from a sanctioned country (see, for example, [paragraph 26, UNSC resolution 2321](#));
  - exporting items to a sanctioned country (see, for example, [paragraph 4, UNSC Resolution 2428](#)); and
  - providing technical assistance related to restricted activities within a sanctioned country (see, for example, [paragraph 4, UNSC Resolution 2428](#)).

For more information on specific UNSC sanctions regimes, see [UNSC: Sanctions](#).

## Other Restrictive Measures Imposed by the Executive Branch

The Executive Branch has broad authority to adopt various targeted restrictive measures apart from UNSC sanctions to influence foreign governments, entities, and individuals. For example, Article 131 of the Mexican Political Constitution gives the Executive Branch the authority to impose various trade restrictions. These powers are exercised through the Foreign Trade Law and its regulations, the General Import and Export Tax Law, and the Customs Law. Trade restrictions may include:

- Increases in export and import tariffs or fees.
- Restrictions and prohibitions on imports and exports.
- Imposition of technical trade barriers.
- Anti-dumping duties.

For more information on export controls in Mexico, see [Practice Note, Export Control Regime: Overview \(Mexico\)](#).

## Restricted Persons

### Persons Subject to UNSC Sanctions

The UNSC can issue various types of sanctions that impose restrictions on individuals or entities (see [UNSC Sanctions](#)). The UNSC website includes sanctions list materials for currently implemented sanctions regimes. These materials typically summarize:

- The relevant UNSC resolutions and guidelines that create restrictions.
- The UNSC procedural requirements to sanction an individual or entity.
- The information required to support a proposed listing.
- The procedures for delisting a restricted person.

(See, for example, [UNSC Sanctions List Materials, ISIL \(Da'esh\) & Al-Qaida Sanctions Committee](#).)

No statute or regulation authorizes parties to apply to Mexican courts or agencies to challenge UNSC sanctions designations. However, parties that are subject to a Mexican action implementing a UNSC sanction designation can challenge that action in federal court.

## Exceptions and Licensing

### UNSC Exceptions

Exceptions to UNSC sanctions are typically found in the UNSC resolution establishing the sanctions regime and the committee guidelines for the regime. The UNSC website provides summary information on sanction exceptions, including:

- The relevant resolutions and guidelines.
- The process to request an exception.
- The information necessary to submit a request for an exception.

(See, for example, [UNSC Sanctions List Materials, ISIL \(Da'esh\) & Al-Qaida Sanctions Committee](#).)

A license to undertake an activity that violates a UNSC sanction is not available in Mexico.

## Information and Reporting Requirements

### Recordkeeping

An exporter who must obtain a prior export permit must have custody of records confirming the fulfillment of the exporter's obligations for a period of five years (Article 30, Federal Tax Code). The Mexican authorities have five years to subject an exporter to verification procedures or audits for export control compliance (Article 67, Federal Tax Code).

## Voluntary Self-Disclosure

A person can report a sanctions violation voluntarily to prevent or limit penalties. Voluntarily reporting a violation demonstrates goodwill and may be considered a mitigating factor in any criminal or administrative action initiated by a Mexican authority.

## Enforcement

### Trade Sanctions

Mexico's customs authorities enforce the Customs Law, which prohibits the export and import of items in violation of Executive Branch restrictions or UNSC trade sanctions. Penalties for violating the Customs Law include:

- Seizure of the items.
- Cancellation of export and import registrations.
- A penalty of 100% of the value of the goods.

(Articles 151, 176 III, and 178 III, Customs Law.)

Exporting or importing items that violate Executive Branch restrictions or UNSC trade sanctions is the federal crime of smuggling, which is punishable by three to six years in prison ([Articles 102\(II\) and 104\(IV\), Federal Fiscal Code \(Código Fiscal de la Federación\)](#)).

Mexico's customs authorities, including the SAT's Customs Administration and local audit administrations, can conduct verification and inspection activities to ensure adherence with tax and customs regulations. These activities include:

- Inspecting imported and exported goods to verify their classification, valuation, and adherence to applicable regulations.
- Assessing the transportation of goods to ensure that shipments comply with legal requirements and are accurately documented.
- Conducting on-site inspections at the premises of taxpayers and businesses involved in foreign trade to review compliance with customs and tax obligations.

- Examining documents related to foreign trade, such as invoices, shipping manifests, and customs declarations, to ensure accuracy and compliance with legal standards.