

# CCN NEWSFLASH

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## **New General Agreement to regulate the permanent International Cargo Transportation Permit for United States of America and Canada carriers in Mexico (the “Agreement”), issued by the Department of Infrastructure, Communications and Transport (“SICT” for its Spanish acronym).**

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*On July 31, 2024, the Agreement was published in the Federal Official Gazette and will be in effect the next day.*

The purpose of this Agreement is to substitute the original Agreement published in the Federal Official Gazette on July 7, 2011.

In general, the new Agreement is very similar to its prior counterpart. As drafted, the new Agreement creates open issues that will need to be addressed by the authorities such as which formats will be used in order to: apply for the permit; report changes; and register new trucks. The following are the biggest changes that need to be considered by existing permit holders and by new applicants:

1. All new applicants will be allowed to file the permit application before the SICT local offices in Tijuana, Mexicali, Nogales, San Luis Rio Colorado, Piedras Negras, Monterrey, Nuevo Laredo, Matamoros and Reynosa, including the general SICT Metropolitan office in Mexico City. The prior Agreement required all permits to be filed and processed at the Mexico City office.
2. There is now a pre-registration requirement that needs to be completed electronically via the web in order for the applicant to provide an email address for the receipt of all notices from the SICT. The foregoing was part of the regular application process in the prior Agreement.
3. The new permit will allow authorized carriers to provide cargo services, including some specialized cargo services such as hazardous materials, hazardous residues or waste, large or heavy objects that were not allowed under the prior permit application. (It will be interesting to see how the SICT will handle carriers with previously issued permits when they try to perform the above-mentioned services, as technically, they will be allowed to do so under the new Agreement.

4. All vehicles to be registered under the new permit will be required to have a Vehicle Inspection Connection (VIC) Certificate to comply with the gas emissions test of the United States of America or Canada and must provide the necessary documentation issued by the manufacturer proving that the vehicle has the auxiliary engine brake and ABS system in accordance with NOM-012-SCT-2-2017. This requirement is new as the prior Agreement allowed applicants or permit holders to obtain the certificate of gas emission from Mexican SICT inspectors. The new Agreement is silent as to the Mexican SICT inspection requirement, and we will have to wait and see if they will allow such in practice.
5. If there is something missing or incorrect with respect to the application, the SICT may request additional information or corrections from the applicant and will grant the applicant 10 business days to comply. The prior Agreement granted 15 business day to comply.
6. The new Agreement states that the SICT has 45 business day to process the application and issue a ruling. If no ruling has been issued after the 45 day period, the application will be considered denied by operation of law. The prior Agreement gave the SICT only 30 business days to process the application and if the ruling was not issued during such term, the application was considered to be approved by operation of law. Be advised that for any vehicle registration, the SICT has 30 days to issue the ruling and if not issued, it is also considered to be denied by operation of law. The prior Agreement had the same term, but the consequence of no ruling was the approval of the registration by operation of law.
7. There are new requirements to cancel a vehicle registration that were non-existent under the prior Agreement: i) need to file a pre-registration of cancellation form (the format has not been issued and until it is issued, permit holders can file a free style form); ii) applicant ID and powers of attorney when needed; and iii) metallic plates and circulation certificate, and in case such are lost or stolen, applicant must present the police report as to such duly ratified. The SICT has 30 days to issue the ruling on cancelation and it is silent as to the consequences in case the SICT does not issue the ruling.
8. There is a new document requirement that all drivers must always have with them while driving under the permit. The new Agreement provides that all drivers must have a copy of their employment agreement with the US or Canadian carrier listed on the permit or a service certificate issued by the permit carrier, and the corresponding driver's social security number. This a very important requirement, because if not met, the carrier can lose its permit as set forth in section Eleventh of the new Agreement.

This new Agreement intends to comply with the new USMCA requirements and to update and fulfill the agreements entered into by Mexican authorities and the US and Canadian authorities.