

802.50

Verne, B. Michael

From: [REDACTED]
Sent: Tuesday, October 22, 2013 10:08 AM
To: Verne, B. Michael; Walsh, Kathryn
Cc: [REDACTED]
Subject: Question regarding Maquiladoras

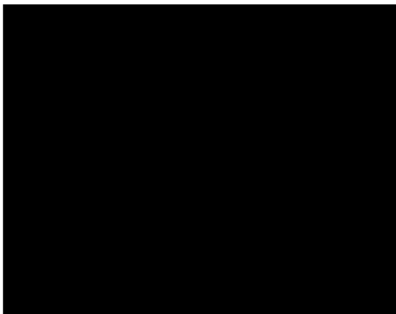
Hi, Mike and Kate –

We have some questions regarding maquiladoras, as there do not seem to be any post-2008 interpretations online.

- (1) Does the PNO still consider the assets of a maquiladora to be foreign assets?
- (2) Consequently, if the sales of a maquiladora into the U.S. do not exceed \$50M (as adjusted), are the maquiladora's assets exempt under 802.50?
- (3) Does the PNO still consider that sales of a maquiladora to its U.S. sponsor do not count as sales in or into the U.S. for purposes of 802.50?

Many thanks, as always, for your guidance.

Best,



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- 1) Yes – the assets of a maquiladora are assets located outside of the US
- 2) Yes – If sales into the US (other than to its US sponsor) do not exceed \$50 million (as adjusted) the acquisition is exempt under 802.50 - I'm not sure how likely this is to happen. I think most (if not all) sales of a maquiladora are captive to the sponsor.
- 3) Yes – sales of a maquiladora to its US sponsor are not counted as sales into the US for purposes of 802.50. This is because the maquiladora does not have any independent nexus with US commerce. It is merely acting as a conduit for the US sponsor to make sales into the US.

Bm

10/22/13

FW COMMENTS