

The background is a black and white photograph of an industrial facility. In the foreground, a worker is seen from the side, working on a piece of equipment labeled 'TECHNIC 15000 TE'. In the background, there are shelves filled with components, a sign that reads 'BANC D'ESSAI PORTABLES', and various industrial structures and pipes. A large green diagonal shape covers the left and bottom-left portions of the image, serving as a background for the text.

Business Cases

VMI Solutions: IMMEX

SB Logistics

What is Vendor/Supplier Managed Inventory?

Optimizing Supply Chain performance by maintaining inventory at an SBL hub in an efficient level due to close collaboration between vendor and manufacturer.

Vendor has access to manufacturer's inventory data and is responsible for generating purchase orders. Both parties agree on an objective that the vendor will use to guide replenishment decisions.

Vendor / Supplier	Manufacturer
<ul style="list-style-type: none"> • Visibility of Stock Levels at an SBL hub helps to identify priorities • Forecasting demand / Material requirement • Greater profit • Reduction in Distributor ordering errors • Improved ability to respond demand fluctuations • PO's timing, generated on a predefined basis 	<ul style="list-style-type: none"> • Better service to the end customer • Improvement in demand satisfaction rate • Decrease in Stock Outs, Decrease in Inventory Levels --> Greater profit • Decrease rush demand and expedite shipments, lowering costs • Planning and ordering cost will decrease

Where can we perform VMI solutions?



What is IMMEX?

Instrument which allows the temporary importation of raw material that are used in an industrial process or service to manufacture, transform or repair foreign goods imported temporarily for subsequent export, without covering the payment of general import tax, value added tax and, where appropriate, countervailing duties. (Secretaría de Economía, 2016)

IMMEX Program Benefits:

Services	Time limit
<ul style="list-style-type: none"> • Concept definition: Non resident program / VMI / SMI • Raw material (storage, picking, kitting, value added services, distribution and production line fitting) • Scrap recycling 	<ul style="list-style-type: none"> • 36 months*

Important: These products must be exported directly or exported indirectly to another IMMEX company.

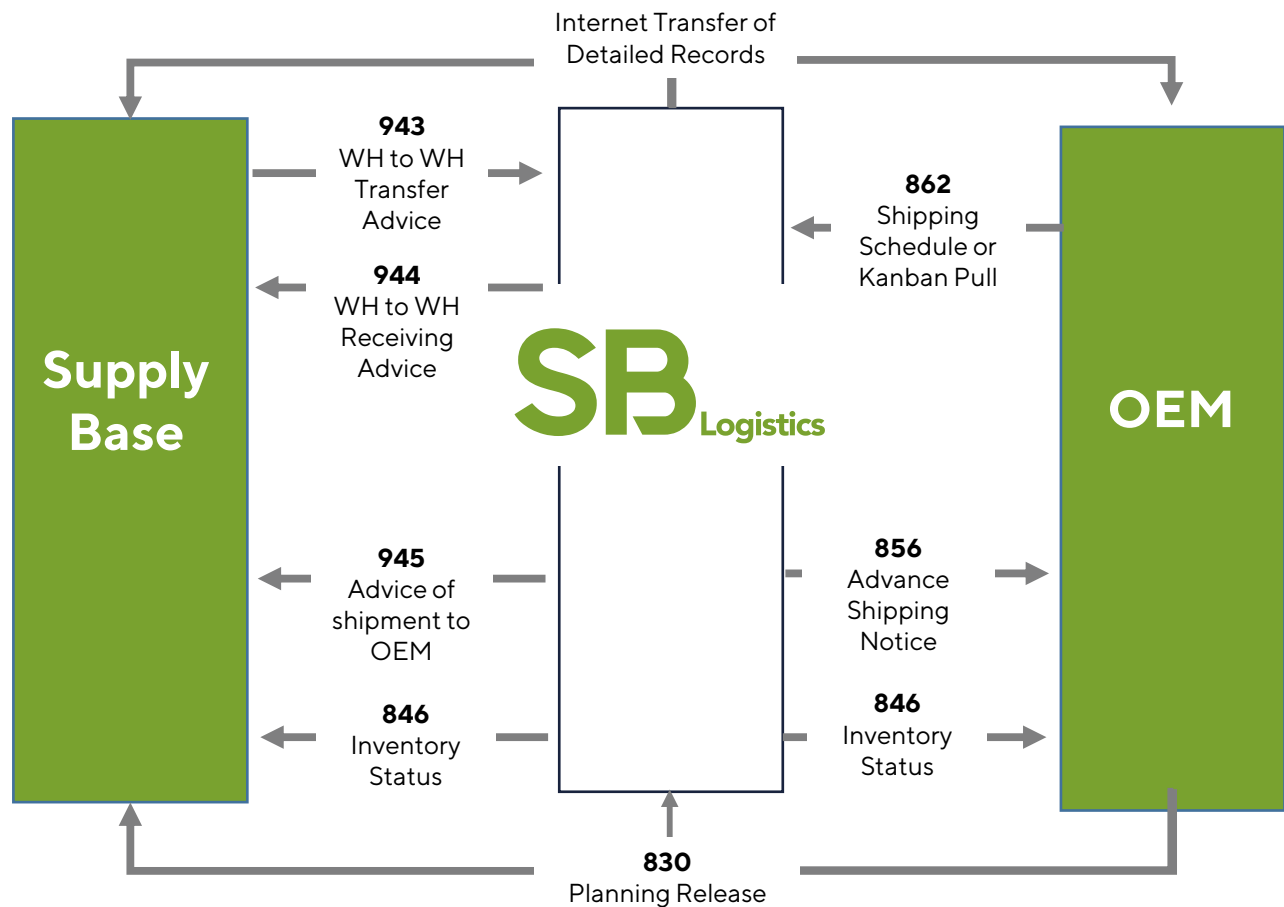
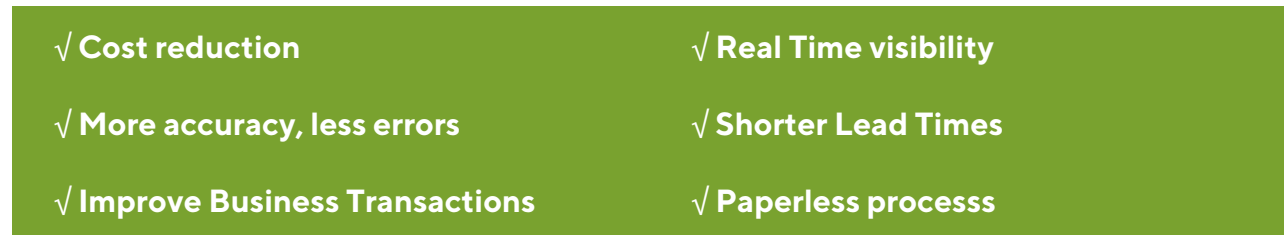
*NOTE: Due to AEO certification our time limit is 36 months. Normally Time Limit is 18 months

Own IMMEX certified and depending on material imported

- SBLogistics
- SABMEX & CO
- Maquila Solutions
- **No Value Added Tax (VAT)** in importing materials (certified)
- **Import Processing Fee (IPF)** Flat rate (\$341.00 mxn /adjustable yearly) per import entry per customer. Instead of 0.8% on customs value in definitive imports.
- **Ad-valorem Tax does not apply** for "IMMEX de Servicios"
- Raw material can be available for **36 months*** before they are used in production and/or returned to origin or other destination
- Product **ready to be used** in the production line 24/7.
- Sales and/or Transfer of raw material with **0% of VAT with virtual export** entry summary to CM or OEM's
- **One single virtual export entry** summary application declaration per month

WMS & EDI Connection - Benefits

Automation for greater productivity. Faster decision making in your supply chain.

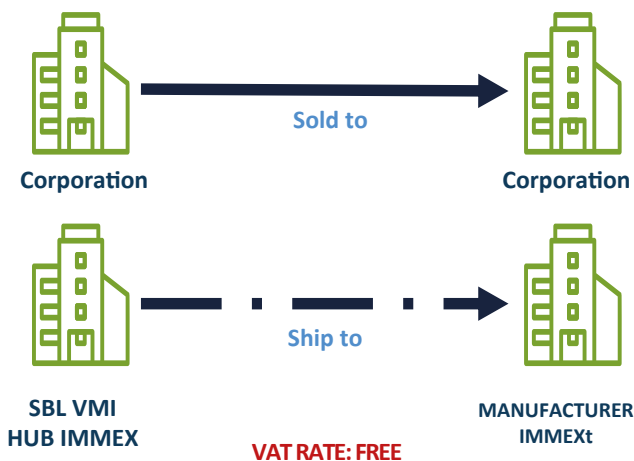


Our ERP is Wisetech: CargoWise

IMMEX Virtual Process

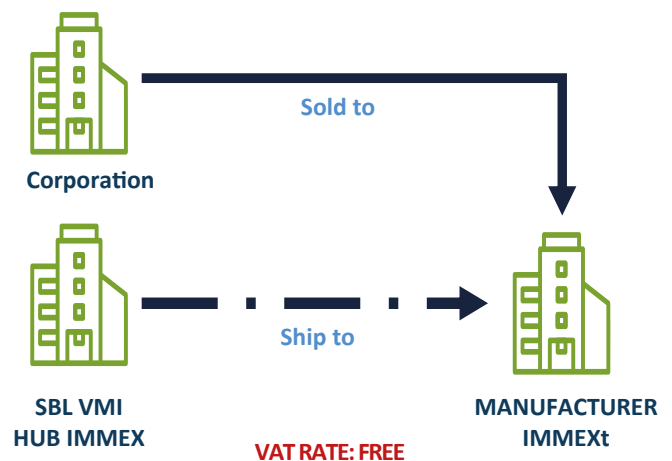
**Diagram 1 –
Virtual export customs process**

Sales between Foreign corporations and deliveries between IMMEX companies in Mexico (merchandise under temporary import)

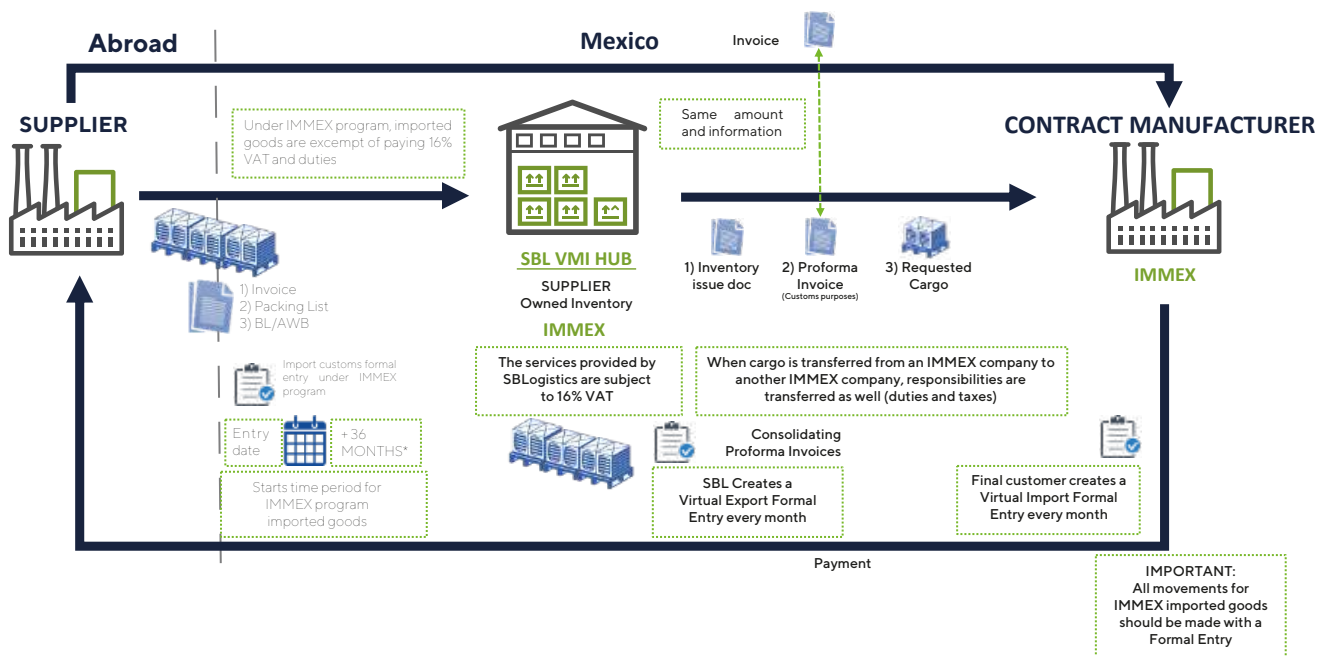


**Diagram2
Virtual export customs process**

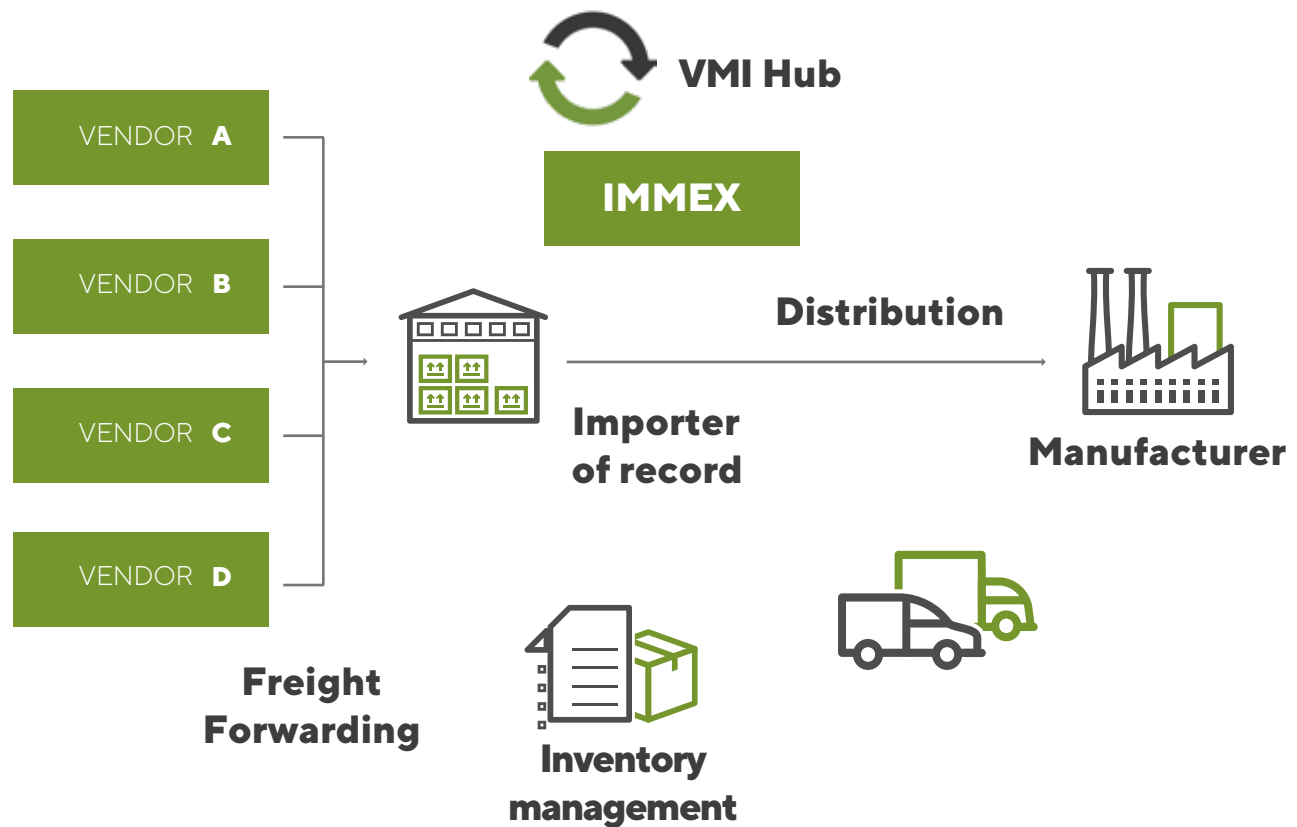
Sales between Foreign corporation to IMMEX Company and Delivery inside Mexico (merchandise under temporary import)



General Flow:



SBL Services



Value Added Services

- Labeling
- Special packaging
- Legal and compliance import labeling
- Quality Inspections
- Assembling
- Kitting
- Repalletizing
- Visual Inspections

FAQ's

1) How is the service charged for IMMEX scheme?

The concepts charged for an IMMEX scheme service are Storage, Virtual Export formal entry, Handling (pallet in-pallet out) and IMMEX fee based on inventory level, all of them subject to 16% VAT.

2) Who is the importer of record? Sabmex or Final Customer?

Sabmex, SBLogistics or Maquila Solutions, depending on type of material Will be IOR.

3) Is 16% VAT applicable for this IMMEX scheme service?

All of the services provided in Mexican soil are subject to 16% VAT

4) How 16% VAT is calculated on an Definitive Import scheme?

They are charged upon the INCOTERM agreed

5) How to be sure if a company in Mexico is under IMMEX manufacturing regime?

The recommendation would be to ask directly to final customer and if it is applicable for the project you're implementing.

6) IF material is sent back to origin, is 16% VAT applicable in this case?

No, the material won't pay 16%VAT for exporting it. (Always within the 36-month* period since arrival)

7) When the 36 months – period starts for importing under IMMEX regime?

The time begins from the date SBLogistics makes Import Formal Entry

8) What happens when the period of 18 months (36 months for AEP) is finished and some material has not been transferred to another IMMEX company or returned to origin?

The payment for 16%VAT and duties should be made on the material remaining.



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