

concessions for the exploitation of national mining reserves. Foreigners may participate in the management of such enterprises only up to the limit of their equity participation.

These restrictions are overridden by other provisions of the mining law that allow the temporary majority ownership of new mining ventures. The law allows up to 100 percent foreign ownership for an initial 12-year period. During this period investors enjoy substantial tax concessions, but they must subsequently reduce their ownership to less than 50 percent.

The *Dirección General de Inversión Extranjera*, National Commission of Foreign Investment, has the power to increase the allowed foreign participation in cases where this is judged to be "in the interest of the country's economy". *Inmigrados*, foreigners who have been granted permanent immigrant status, have the same rights as Mexican citizens, unless they are associated with "foreign centres of economic decision making".

## STANDARDS AND LABELLING

Mexico's general labelling law, which sets out specific content requirements for product labels, exempts capital goods. Many products are subject to official technical standards known as *Normas Oficiales Mexicanas (NOMs)*, official standards. Some *NOMs* include their own labelling requirements, in addition to technical requirements. Products covered by *NOMs* must be tested in Mexico and must be accompanied by a certificate of compliance when they enter Mexico.

Technically, compliance with the certification requirements is the responsibility of the importer. But in most cases, assistance from the exporter will be required. The regulations change frequently, and exporters should verify whether equipment is covered by a *NOM* before the shipment leaves Canada.

## DUTIES

Imports of mining equipment are subject to an ad valorem duty, which is being phased out under the North American Free Trade Agreement (NAFTA). Prior to the implementation of the NAFTA, the maximum duty was 20 percent. The duties have already been eliminated for several types of equipment, including pneumatic conveyors, coal cutters, as well as crushing and grinding machines. Most other types of mining equipment will be duty free by the end of 1997. A few categories, including pit-head winding gear, and most cranes, will be duty free by 2002. All types of equipment are subject to a 15 percent value-added tax.