

- preparing documents for shipping and customs, as well as translating, certifying and transmitting documents, and obtaining permits, licences and certificates;
- providing financial assistance such as negotiating letters of credit, arranging collections, placing insurance, and filing insurance claims;
- pre-paying and collecting freight charges;
- providing advice about foreign requirements, transportation, government regulations, customs procedures, and project management; and
- assisting with transportation arrangements, including selecting routes and carriers, negotiating rates, booking transportation space, securing charters, consolidating shipments, arranging local delivery, tracing shipments, and leasing equipment.

CUSTOMS BROKERS

SERVICES OFFERED BY CUSTOMS BROKERS

- customs valuation;
- tariff classification;
- customs clearance;
- international trade consulting;
- electronic data interchange (EDI);
- freight management and consolidation;
- import/export management;
- obtaining permits and authorizations;
- reviewing documents sent by the exporter, making the import petition and preparing the customs declaration;
- inspecting shipments at the border to ensure that they correspond to the invoice and packing list;
- obtaining a guarantee or bond on temporary imports;
- covering all expenses related to the operation on behalf of the customer;
- providing advice on letters of credit, insurance, taxes, warehousing and duty drawbacks;
- providing information on modes of transportation and carriers, as well as on tariffs and transportation time;
- shipping merchandise from the port of entry to the final destination;
- regional and national warehousing;
- non-resident import services;
- rulings requests; and
- other specialized logistics services.

Customs brokers facilitate the importation process and can be a valuable business tool. They are familiar with complex international trade laws and regulations, not only in Mexico, but elsewhere in the world. Typically, the Canadian exporter will deal with a single Canadian broker who will make arrangements with counterparts in the U.S. and Mexico to handle the shipment every step of the way. Nonetheless, it is useful for the exporter to understand the respective roles of the three brokers.

MEXICAN BROKERS

Under Mexican law, all imports valued at more than US \$1,000 must be handled by a customs broker, and only Mexican customs brokers are authorized to issue a *pedimento aduanal*, which is a petition for import into Mexico. Most Canadian exporters ship to Mexico on terms of CIF (cost, insurance, freight) or C&F (cost and freight) Laredo, Texas. The importer takes possession of the goods in Laredo and is responsible for clearance through Mexican customs, using a Mexican broker. The reason for this is that costs and risks vary widely beyond Laredo, and it can be difficult to provide accurate cost quotations. For example, fees for such services as drayage tractors to transfer the goods over the border, unloading/reloading and temporary storage can run into hundreds of dollars. Nonetheless, some Canadian firms ship CIF or C&F destination and retain their own Mexican broker to make the arrangements.

Mexican customs brokers charge a fee of 0.45 percent of the invoice value, plus expenses incurred by the broker, plus a service fee set by each broker to cover operating expenses. The minimum fee is US \$40, increasing with weight and/or value to a maximum of about US \$300. A list of associations for customs brokers in Mexico is included in section 9.

CANADIAN BROKERS

Regardless of the arrangements at the Mexican border, the Canadian exporter is responsible for preparing a commercial invoice and other documents before the goods leave Canada. The requirements are very detailed and the documentation must be in Spanish. Many exporters retain a Canadian customs broker to complete most of these documents. Although the broker can provide advice, the preparation of the North American Free Trade Agreement (NAFTA) certificate of origin is the responsibility of the exporter. If the shipment will travel by land, the Canadian