

Local Agents

Canadian officials in San Juan or Atlanta will be pleased to assist any Canadian firm in locating a suitable representative and will recommend whether to engage an agent or a distributor. Caution should be exercised when appointing a representative in Puerto Rico because a local law, Law 75, was enacted to protect the interest of Puerto Rican representatives. The law stipulates that an agreement cannot be terminated unless "just cause" is given for cancellation of a contract, written or verbal.

To avoid the complications associated with Law 75, several companies have chosen to set up alternative marketing arrangements. Some firms still deal with the independent distributors but tend not to enter into exclusive contracts with them. Other firms will contract with a large company to handle their warehousing, billing and shipping, and thus fall out of the purview of Law 75. A third method is for a company to establish its own marketing and sales channels. Although this approach is usually the most expensive because of overhead and personnel expenditures, an increasing number of companies are using it.

Buying Season

The two most important buying months in Puerto Rico are February and August. Most firms do the bulk of their purchasing during these months to prepare for the Christmas and summer seasons.

Price Quotations

Because Puerto Rico lies within the U.S. Customs area, Puerto Rican buyers evaluate Canadian prices almost exclusively against U.S. mainland competition and are not in the habit of making their own calculations on duties. Therefore, it is best when dealing with Puerto Rico to quote prices c.i.f. San Juan, duty-paid in U.S. dollars, as this produces the quickest response. However, quotations f.o.b. New York or from other major U.S. cities are also acceptable. The f.o.b. factory value should be shown for customs appraisal purposes.