

characteristics, material of manufacture, weight, measurements, type of use, etc. (1)

- e) F.O.B. unit value and total value of each item listed on the invoice. The F.O.B. value will be used to determine tax payments. F.O.B. is taken to mean price at the Canadian port or airport of exit in the case of maritime and air shipments or at the Mexico-U.S. border in the case of land shipments. Itemized charges making up the C.I.F. value to the Mexican port of entry (transportation and insurance) should also be included in the invoice. In the case of rail and truck transportation, all charges to place the merchandise at the Mexican border should be included as well. The value to be shown is the true value of the merchandise at the place or market where the invoice is drawn. Heavy fines (including jail) are imposed if the value stated does not correspond with the actual value of the merchandise (i.e. import duties are evaded).
- f) Signature of seller, name and position.
- g) Shipper's invoice number and customer's order number.

All shipments to Mexico must be insured. It is important to insure the goods shipped from departure through their final destination, that is, placed in the customer's warehouse, in his offices or at a trade show site, rather than at the airport or on the docks. The Canadian freight forwarder can usually arrange for appropriate insurance. In many cases, the exporter only covers transportation and insurance costs to the Mexican border, while the importer is responsible for all costs involved to get the goods to their final destination. This is usually negotiated between both parties.

In the case of maritime shipments, the commercial invoice, together with the packing list and the bill of lading should be sent to the Mexican importer through an international messenger service (DHL, Federal Express, etc.). It is also recommended to send a copy to the customs broker, otherwise the importer then sends him a copy to clear the goods. On land shipments, the same documents should be sent to the importer or to his customs agent as consignee, with a copy to the other party. This should be done before the shipment of the goods is made, in order to allow for the revision of the documents and to obtain any special permits,

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1 This is extremely important, since products are listed within the Harmonized System of Tariff Nomenclature used to determine the import duty rate according to their specific characteristics. The duty rate payable may vary from 0 to 20% according to very detailed and specific characteristics. If the merchandise cannot be properly identified and/or classified, it will usually be classified as "other" and will pay a higher rate. This is also why a detailed catalog of the product(s) may be useful in addition to the invoice.