

consult their agents, or importer, or a Canadian customs broker to make sure that they are aware of the most current requirements. Copies of the decrees can be obtained from the Department of Foreign Affairs and International Trade (DFAIT) InfoCentre, trade commissioners in Mexico, the Mexican Embassy and from other Mexican government officials.

## THE ROLE OF CUSTOMS BROKERS

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 its counterparts in the United States and Mexico to handle the shipment every step of the way. Nonetheless, it is useful for the exporter to understand the role of brokers.

Under Mexican law, all imports valued at more than US \$1,000 must be handled by a customs broker. Only Mexican customs brokers are authorized to issue a *pedimento aduanal*, a petition for import into Mexico. Most Canadian exporters ship to Mexico using Incoterms of cost, insurance and freight (CIF) or cost and freight (C&F) 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 services such as drayage tractors that are used to transfer the goods over the border for unloading and reloading, and for 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 their operating expenses. The minimum fee is US \$40. This increases with weight and/or value to a maximum of approximately US \$300.

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 broker deals with an associated American broker to travel through the United States. This bond must be cancelled by American authorities at the export yard, before the goods cross into Mexico. The Canadian broker also sends the necessary documents to the Mexican broker, before the shipment arrives at the border. Some Canadian brokers verify receipt of the documents by the Mexican broker before the shipment leaves Canada.