

## Warehousing

A growing number of Mexican companies now offer public bonded warehousing services in Mexico, often in partnership with American firms. These facilities make it possible for exporters to ship full truckloads to the warehouses, and avoid the cost of less-than-truckload (LTL) shipping. This arrangement also makes carriage and insurance paid to (CIP)-destination pricing more practical. It allows the exporter to maintain inventories in Mexico for more reliable delivery. The payment of duties and taxes is postponed until the goods are sold and withdrawn from the warehouse.

Moreover, once the goods are in the bonded warehouse, they are immune to any subsequent limitations on imports or changes in customs regulations. For the purpose of assessing import duties, the value of the merchandise is frozen when the merchandise enters the warehouse. Any subsequent devaluation of the Mexican currency does not increase the dutiable value in pesos.

Shipments to a bonded warehouse must be accompanied by a letter from the warehousing company certifying that space is available. This letter must be presented to customs officials when the shipment enters Mexico.

## Distribution

Distribution requires that the exporter establish a relationship with an importer. Under Mexican law, goods may be imported only by a person or company that has a *Registro Federal de Causantes (RFC)*, taxation registration number.

The importer must have a business address in Mexico. Canadian companies can establish a Mexican office to import their own products. Most companies, however, choose to use the services of an agent or a distributor, or else sell directly to a large retailer.