

DOCUMENTATION OF ORIGIN

All products imported into Mexico must be supported by documentation which identifies its origins. For shipments from Canada, the required documents are: a North American Free Trade Agreement (NAFTA) Certificate of Origin, a NAFTA Certificate of Eligibility, or a declaration of origin from a non-NAFTA country which meets the requirements of the Mexican government. Otherwise, the goods may be subject to countervailing duties like those assessed against certain Asian countries. For example, some products from China are subject to duties of more than 500 percent.

In the case of apparel products, the requirements needed to qualify for the NAFTA preference are relatively complex. An original certificate must be presented: a copy is not acceptable. The exporter must consult the detailed rules of origin for the product involved.

DUTY DRAWBACKS

Under the North American Free Trade Agreement (NAFTA), the duty drawbacks for Canadian goods exported to the U.S. have been extended until January 1, 1996. Mexico-U.S. and Canada-Mexico duty drawback programs must terminate by January 1, 2001 under the terms of the NAFTA.

QUOTAS AND TARIFF PREFERENCE LEVELS

Under the North American Free Trade Agreement (NAFTA), there is a provision for certain goods made with imported fabrics to be exported duty-free up to each country's Tariff Preference Levels (TPLs). This is an expansion of the Tariff Rate Quotas (TRQ) program included in the former Canada-U.S. Free Trade Agreement (FTA). The TRQs for selected products are shown in an accompanying table.

Apparel products that qualify for reduced duties under TPLs must be listed on a Certificate of Eligibility issued by the country of export. These certificates must be presented to Customs at time of entry. They must be the originals — photocopies or fax copies are not acceptable. In Canada, Certificates of Eligibility are issued by the Director, Import Controls, Textiles and Clothing Trade Policy Division from Department of Foreign Affairs and International Trade (DFAIT). In Mexico, they are issued by *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.