

Under the first option, the exporter shifts all responsibility for transportation to the importer, but at the same time loses control over choice of carrier, routing, freight rates and transit time. Under the second option, CIF at the U.S.-Mexico border, the exporter's responsibilities end when the shipment reaches a border crossing; for example, Laredo. Matters such as customs clearing, import licensing, import duties, transportation, warehousing and distribution within Mexico become the responsibility of the Mexican importer.

Increasingly the exporter is being asked to offer the third option, a landed price at the Mexican destination. In this case, the services of either a carrier offering door-to-door service or a freight forwarder will be especially useful.

Exporters should be aware that there is a 10 percent value-added tax (IVA) on the total freight charges within Mexico.

### ***Registration as a Supplier to the Mexican Government***

As of June 1992, changes in Mexican procurement law removed the requirement that contractors first register with the Mexican federal government before competing for government contracts. Each government entity is responsible for its own procurement program; however, many have adopted the old federal registration procedure internally. An investigation of the registration formalities of the various entities you wish to do business with should be undertaken at the outset of your marketing program intended for Mexico. For more information, contact the Commercial Division of the Canadian Embassy in Mexico.

### ***Appointment of an Agent***

An agent can be important to successful marketing in Mexico. Normally, a local agent will promote the sale of products and services of a Canadian principal, identify new customers and opportunities and generally protect a client's interests. Under Mexican law, either party may revoke an agency agreement at any time unless otherwise agreed to in the contract. The Commercial Division of the Canadian Embassy can recommend suitable and potentially interested agents to Canadian companies.