

RE-EXPORTS: Exporters can avoid import duties on goods if they are to be re-exported. This can include rental equipment, containers, material to be used in exhibits, material to be used for processing or repairs, and goods going to designated industrial areas where they will be incorporated into products that will be exported from Mexico. In most cases, it will be necessary to post a bond or other form of guarantee. However, companies should be cautioned about posting bonds, as most often returning the bond money is very difficult and may take months or years. Therefore, Canadians are advised to resort to their Mexican partner to apply for a "PETIX" (*Programs de Importacion Temporal Para Producir Articulos de Exportacion*) permit to allow products to enter Mexico for re-export tax free.

This program was established in 1990 to improve the competitiveness of Mexican agricultural producers and industrials as exporters in the international market. It is a temporary import program for the production of products destined for exports. Companies or individuals eligible for this permit must be registered with SECOFI as producers and exporters of their product.

Depending on the type of the product imported under this program, there is a time limit by which the final product must be exported (e.g. packaging materials, two year machinery up to 12 years, etc.).

Canadian exporters should consult with SECOFI's office in Ottawa, Canada for details of this program to benefit from it in the best possible way.

DUTY DRAWBACK: In some cases, Mexican companies or persons who are involved in exporting may be eligible for a refund or a drawback of duties or taxes on raw materials, parts and components if they are incorporated into goods for export. This is also true of components, parts and raw materials imported into the free trade zones. These drawbacks are due to be eliminated by 2001.

BONDED WAREHOUSES: Goods stored in a bonded warehouse operated by private companies under government supervision may avoid duties until they are removed from the warehouse. As well, goods in a bonded warehouse are immune to any changes in duties or taxes resulting from changes in the rates or in exchange rates.

SAMPLES: Samples are usually subject to duties, and must be accompanied by normal health and sanitary certificates. All samples must be accompanied by an invoice stating that they are not for commercial use. However, samples are exempt from some product certification requirements. Personal use samples can be imported without prior authorization or documentation. Similarly, samples for exhibition or tasting can be imported as long as they are accompanied by the appropriate sanitary authorisation, and a declaration that they are samples not for commercial use. Temporary Import permits can be obtained through *SECOFI (Secretaría de Comercio y Fomento Industrial)*.

GOODS DESTINED FOR FREE TRADE ZONES: Products entering the free trade zones, or *maquiladoras*, are exempt from some or all taxes and duties and import permit requirements, and may enter the zone with little control and documentation.