

Import permits are issued by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, and may take some time to be authorized. Valuation letters may also be necessary for used machinery, equipment or cars. These letters have to be legalized abroad and endorsed by a Mexican Consulate. Import licence applications usually require between one and two months to process and are valid for nine months. It is advisable to avoid shipping until receiving confirmation that the licence will be issued.

## CERTIFICATE OF ORIGIN

General certificates of origin are used by customs officials throughout the world to establish the country where the goods were manufactured. The country of origin affects the rate of duty that will be applied to the imported good. For products which are subject to countervailing duties, the ability to prove that the goods did not come from a targetted country is essential. In Mexico, countervailing duties exceed 300 percent for some Far Eastern countries.

As of May 31, 1994, Mexican authorities have been requiring that importers prove the country of origin for a wide range of goods which are subject to countervail action. Failure to do so results in the application of countervailing duties if the product is subject to countervail action. These requirements will rarely affect Canadian exports to Mexico, because the regulations state that compliance with the North American Free Trade Agreement (NAFTA) marking rules is sufficient to demonstrate the country of origin. For practical purposes this can be satisfied with a NAFTA certificate of origin.

The NAFTA certificate of origin is a uniform document established by all three countries. Its purpose is to demonstrate that the goods satisfy the NAFTA rules of origin and it is necessary only if preferential treatment under the NAFTA is being claimed. It can be completed in the language of the importer or the exporter, at the importer's discretion. These rules of origin are explained in section 7. The certificate must be signed by the exporter, and it is valid for shipments made within any 12-month period specified on the certificate. It remains valid for preference claims made up to four years after the date of signature. A NAFTA certificate of origin is not required for goods valued at less than US \$1,200, although a statement of origin should be included on the invoice.

Sometimes a NAFTA certificate of origin is not available, perhaps because the goods do not meet the NAFTA rules of origin. In this case, the exporter should consider including a general certificate of origin if there is any chance the goods may be subject to countervail action.

The NAFTA certificate of origin forms, along with completion instructions, can be obtained from Revenue Canada. A sample form and official guide are provided in Appendix B. More information can be obtained from the NAFTA Information Desk listed in the contacts section of this guide.

The regulations require that the certificate of origin be in the possession of the importer at the time of importation, and do not require that the certificate accompany the goods. Nonetheless, the certificate can help to avoid possible delays and many exporters elect to include a signed original with every shipment.