Mexico: Sending Samples To Mexico

Manuel Velazquez
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Summary

The U.S. exporter visited Mexico to promote their products and services, probably through the U.S. Commercial Service's matchmaking program, or perhaps in a Trade Mission. Or moved by their own exporter spirit they got in contact with several important prospects. As a result, could be the Mexican company asked for samples to be tested in their local environment. What to do?

Whichever the case, these questions come to mind: How to send the samples to Mexico? What qualifies as a sample? Is there a special process under NAFTA procedures for sending samples? How much does it cost? Can the U.S. exporter send the samples through a regular courier service? What are the steps the U.S. exporter needs to follow to send samples successfully to Mexico?

This market research focuses on the basic procedures for U.S. companies who want to ship their U.S. samples to Mexico. Due to the nature of the subject, this report also touches on some Customs topics.

Exporting Logistics / First Steps and Costs

Once the American company negotiates the important matter of who is going to pay the shipment cost of the samples, the company should take note of the following information for the shipment of their samples:

One of the first things to know is that everything has a value for customs purposes, even if a transaction (sale) did not occur. Consequently, the importer must pay duties and taxes on any item sent from the U.S.

Sending samples from the U.S. to Mexico is a formal import for the Mexican Customs Authority, since one needs to follow official channels. As a U.S. exporter this transaction can help you understand Mexican Customs procedures if you haven't exported to Mexico before.

Keep in mind that sometimes the procedures for sending samples frequently can be as equally time consuming and in some cases as costly as if the U.S. exporter had been sending a full shipment of their products to Mexico.

Customs Broker Services

Goods imported into Mexico must be imported by an accredited importer, listed on the "Padrón de Importadores" (Import Registry) maintained by the Secretariat of Finance and Public Credit (Secretaría de Hacienda). Your customer, the Mexican company, is required to be listed on this official national registry of importers.

All commercial imports into Mexico, whether they are temporary or permanent, must be executed by a qualified Mexican Customs broker.

The Customs Broker is responsible for submitting all paperwork and paying all duties and taxes, but they are not government employees. In the case of any mistakes, such as improper tariff classification due to submitting incorrect information, the Customs Broker is liable. However, frequently, the customs broker will pass on any of these costs to the customer. It is important to provide complete and accurate information to the customs broker, and to verify that the broker has everything needed to have your export products properly assessed. The Customs Broker can also help clients choose modes of shipping and specific carriers.

What Qualifies as a Sample?

There is a clear difference between sending pencils as samples compared sending an ice cream freezer, or a chemical substance. In order to clarify this issue, the Mexican Customs law establishes:

Samples are considered all the items and/or products, which due to quantity, weight, volume or other appearance conditions, indicate without any doubt that the items could only be used as a merchandise sample or to set up purchase orders.

In order to be considered as samples, the items, articles or goods are required to meet the following requirements:

1) The sample unit price does not exceed one U.S. dollar in value;

2) The samples most be marked, meaning cut, torn, pierced, permanent colored or otherwise unusable for retail sale within the country;

3) The samples cannot be in commercial packaging unless the commercial packaging has been marked, cut, torn or pierced and with the word "SAMPLE" printed on it;

4) The samples cannot be difficult to identify, which due to their appearance (e.g. liquids, powders, etc.) require physical and/or chemical analysis in order to determine the nature, composition and other necessary characteristics to establish their harmonized code.

Since samples are not classified as a merchandise to be sold, they are exempt from paying some import taxes because the sample or the samples catalogues don't have commercial value.

Another advantage for the U.S. exporter is that the Customs broker can provide the Mexican Customs authorities with an official request through a letter to exempt the samples from compliance with the Mexican Official Standard, NOM 50 and/or NOM 24 related to labeling procedures.

One of the major facts to be aware of is that all the samples that will be imported into Mexico must be categorized into the Harmonized Code 9801.00.01. The import of the samples can be classified as definitive or temporary imports.

Sending Samples for a Trade Show

In the specific case that the U.S. company is sending samples for a trade show, it is recommended that the company get in contact with the show organizers. In most cases, the show organizers make arrangements to bring merchandise into Mexico via a single freight forwarder. It is recommended that the U.S. exhibitor use the channels set up by the trade show organizers to get their samples into Mexico. Many of the show organizers have a strategic plan that includes logistics, transportation and the services of specialized customs brokers.

Sending Samples Through Courier Companies

For some U.S. exporters who are informed by their Mexican customers or by their Customs broker about samples regulations, this procedure can be smooth, quick and easy. They can send their samples through a courier / packaging delivery service, without any delay, assuming that their products can be defined as a sample by the Mexican Customs Authority.

It is recommended that the U.S. exporter confirm with the courier company that their package with samples will be cleared in Mexico without problems.

Keep in mind, that the Mexican Customs law permits sending sample packages through courier services if the shipment is under USD $2000. However sometimes the U.S. exporters don't verify before with their courier provider that their products are classified as a sample, so they run the risk of facing logistics problems and even losing their package in some of the Mexican Customs ports. If the courier company can't assure this, it would be a good idea to think twice before sending the package this way.

Definite and Temporary Imports / Mexican Customs Regimes

With the information provided until now, it is clear that the concept of "sample" for Mexican Customs laws is very limited.

As an example, suppose that an American company sent their products without charge to their Mexican customer. The U.S company is thinking that they are sending a sample. However, if the products or the equipment don't meet the criteria set by the Mexican Customs Bureau, the products exported to Mexico can't be classified as samples and must enter Mexico as a regular import.

Therefore it is important to know the difference between definite and temporary import regimes. If the U.S. exporter's samples don't apply to the definition provided by The Mexican Customs Authority they can take advantage of NAFTA procedures, particularly via the temporary import regime:

1. **Definite Imports** – goods imported into Mexico that are expected to be used in Mexico and not re-exported. They are defined as the entry of foreign source merchandise intended to remain in national territory for an unlimited time. Importers under this regime must pay tariffs and/or any other countervailing duties, and shall comply with all other non-tariff regulations, restrictions and Customs clearance formalities. Pursuant to: Articles 96, through 101 under the Customs Law.

2. **Temporary Imports** – goods imported into Mexico on a temporary basis. That could be the case for American equipment that going to be tested in the local environment, and could be also the case of the machinery that will be exhibited during trade shows. A temporary Import is the entry of items or merchandise into the country that will only enter for a limited time and for a specific purpose, provided that it will return abroad in the same condition established under the Customs. The document to carry out temporary import operations is the "pedimento" (Customs Entry Form), which must be filled out with the applicable codes for this type of importation. Pursuant to: Articles 104, 106 through 112 under the Customs Law.

The valuation and taxation of definite imports is straightforward. But in the case of temporary imports, they're more closely scrutinized by Mexican Customs. Those who are intending to send temporary imports to Mexico should understand how the regimes work so they can take advantage of preferential treatment under them.

In order to facilitate and expedite temporary importation into Mexico, it is helpful to plan ahead. The 15 percent Value Added Tax (IVA) for Mexico does not apply to temporary imports.

Temporary imports should not pay tariffs or countervailing duties, unless they are introduced under a duty deferral, duty drawback, maquiladora, or IMMEX program. All other obligations regarding non-tariff regulations and restrictions as well as customs clearance formalities of the merchandise under this regime should be fulfilled. Pursuant to: Articles 104, 106, and 108 through 112 under the Customs Law.

Required Documentation

All imports into Mexico require a "Pedimento de Importación" (Customs entry authorization), an invoice in Spanish and a bill of lading. To qualify for preferential tariff treatment under NAFTA, a NAFTA Certificate of Origin must also be included.

At a minimum, U.S. exporters of equipment and products to Mexico must affix a label to each package of the product prior to its entering the country. All the information on the label must be in Spanish and include the following information:

- Brand name
- Producer name and address
- Exporter name and address
- Country of origin

- Importer name, address and RFD number (taxation number)
- Product description in Spanish
- Product description in English
- Preparation and handling instructions
- Net weight in metric units
- Date of expiration
- Ingredients
- Special Warnings
- Instructions sheet
- Power of attorney
- Contact person and e-mail address

Once the broker has approved your documents, it is important that no additions or deletions be made to the shipment. Any problems due to improper documentation, piece count, weight, value, etc. could subject the shipment to delays.

This report is based on the latest information available as per official Mexican Customs policies and is designed to provide general information. However, given the changing nature of trade regulations, companies who will be sending samples to Mexico are encouraged to check / and or consult with Customs Brokers if there are specific questions.

Resources & Contacts

United States Commercial Service in Mexico
www.buyusa.gov/mexico/en/

Servicio de Administración Tributaria SAT
(Mexican IRS Office)
Representation Office
Embassy of Mexico
1911 Pennsylvania Ave. NW
Washington DC 20006
Tel. (202) 728-1621
Fax. (202) 728-1664
www.sat.gob.mx

Administración General de Aduanas

(General Customs Administration)
Av. Hidalgo 77, Módulo IV, Piso 3, Col. Guerrero,
Deleg. Cuauhtémoc, 06300, México, D.F.
(011-52-55) 9157-3436
(011-52-55) 9157-3437
(011-52-55) 9157-3439
www.aduanas.sat.gob.mx

Confederation of Custom Brokers Associations of the Republic of Mexico (CAAAREM)
www.caaarem.org.mx

For More Information

The U.S. Commercial Service in Monterrey, Mexico can be contacted via e-mail at: Manuel.Velazquez@mail.doc.gov ; Phone: 011 (5281) 8345-2120 Ext. 373; Fax: 011 (5281) 8342-5172 or visit our website: www.buyusa.gov/mexico.

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