

*Import Requirements for Computer Equipment - Mexico:
Telecom & IT Trends Mexico 2004*

**International Market Insight
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This report provides customs procedures and regulations to import new and refurbished computer equipment, as well as re-imports of repaired equipment.

Under the NAFTA, imports of most computer equipment are duty free but subject to a 15-percent Value Added Tax (VAT, or IVA in Spanish) of the CIF invoice value and the Customs Processing Fee (CPF). The CPF in Mexico is approximately US\$13, and it is assessed on the invoice value. However, as of July 1, 1999, definitive imports with a certificate of origin from NAFTA countries are no longer subject to payment of the CPF.

The participation of a customs broker is not obligatory for imports if all legal and technical requirements are met. However, the participation of a customs broker is suggested when the exporter is not familiar with the Mexican standards and customs processing procedures.

The documentation requirements for the import of most IT products include:

- Certificate of Origin
- Labeling Requirements
- NOM Certification

The requirements and regulations for importing are still evolving under the NAFTA. It is the responsibility of the importer to define what certificates are required and from whom to obtain them. The Mexican government strictly enforces all customs regulations, particularly when it comes to potentially under-valued Asian-origin goods.

CERTIFICATE OF ORIGIN: A certificate of origin is required from all foreign suppliers or exporters. If the product qualifies as North American in content, the exporter must use the NAFTA Certificate of Origin in order to benefit from preferential treatment under the NAFTA. This document may be issued by the exporter or broker and does not have to be validated or formalized.

NOM CERTIFICATION: (Normas Oficiales Mexicanas - Mexican Official Standards). Mexico has mandatory standards, called NOMs, that certain products must meet. Most IT products are subject to NOM-019-SCI-94 (security requirements) and NOM-024-SCI-94 (commercial information, instructions, and guarantee criteria for electric and electronic products). Compliance with these standards must be demonstrated for all equipment and technologies by being tested in

an accredited Mexican laboratory prior to importation, and a certificate of compliance must be obtained from the Ministry of Economy.

LABELING REQUIREMENTS: Information Technology products are required to have a label in Spanish. Listing the required information in Spanish on the shipping container will satisfy the labeling requirement. This labeling requirement is continuously evolving. The Spanish information on the box must contain, at a minimum, the following information:

- Name and address of the importer
- Importer's Ministry of Finance Taxation Number (RFC number and/or their Industry Association registration number)
- Exporter's name and address
- Trademark or commercial brand name of the product
- Product description whenever the product is packaged in such a form that it is not visible to the consumer
- Use, handling, and care instructions for the product, as required
- Country of origin

Imports of refurbished computer hardware, parts and accessories.

Used or refurbished computer hardware equipment cannot be imported into Mexico. Exemptions may apply for equipment that is NOT manufactured in Mexico. However, a previous import permit from the Ministry of Economy is required, which is extremely difficult to obtain and, from a practical standpoint, not a recommended approach. It should be noted that there are very few computer hardware products not already manufactured in Mexico, and thus very few products would qualify for an exemption.

Donations of used equipment are authorized if the proper documentation to prove that the transaction is, in fact, a donation is submitted. Equipment to be donated also requires a previous import permit and needs to comply with the NOMs mentioned above. In practice, it is very difficult to meet the requirements for even donated used equipment.

Annex 3081 of the NAFTA states that the liberalization of used computer equipment may occur in 2004. That is, there is no obligation to liberalize the importation of used computer equipment. There is resistance to the liberalization among IT manufacturers in Mexico. However, recently, the industry association representing most IT manufactures in Mexico (CANIETI) stated that it no longer opposes liberalization, but rather supports the implementation of controls to ensure quality of the equipment and conformance with Mexican standards. Some individual manufacturers have stated the same. However, the Ministry of Economy maintains that it has not decided upon whether to liberalize the market in 2004, and if so, to what extent.

Re-import of repaired computer equipment.

This process requires the services of a customs broker. When sending the equipment back to the United States, the customs broker will process a temporary "pedimento de exportación" (export

permit), in which it must be clearly stated that the equipment will be repaired or substituted. This document must accompany the repaired or substituted equipment when entering Mexico. The equipment is subject to import duties and VAT assessed on the value of the repair service and not the equipment. If the equipment is covered by a guarantee program, a copy of the guarantee statement must accompany the equipment when it is returned to Mexico in order to avoid the imposition of import duties and VAT.

EXPO COMM MEXICO 2004

The U.S. Commercial Service, U.S. Embassy in Mexico encourages U.S. companies interested in market opportunities in Mexico to participate in the USA Pavilion and Product Literature Center at EXPO COMM MEXICO 2004, February 10 to 13. EXPO COMM MEXICO 2004, a U.S. Department of Commerce certified trade show and in its 13th year, is Mexico's leading telecom, IT, wireless, networking and Internet technologies exhibition and conference. For more information, contact Beth Horton of E.J. Krause at Horton@ejkrause.com or 301-493-5500 x3312 or Angeles Avila of the U.S. Embassy in Mexico at Angeles.Avila@mail.doc.gov or 011-52-55-5140-2621.

TELECOM & IT TRENDS MEXICO 2004

This International Market Insight, produced as part of the Telecom & IT Trends Mexico 2004 project, is one in a series of special reports on the telecommunications, Internet, and IT market in the country. Telecom & IT Trends Mexico 2004 is an inter-agency collaborative project of the U.S. Commercial Service, and the International Trade Administration's Office of Telecommunications Technology. We would like to acknowledge the participation and support of Select Mexico (www.select.com.mx) for assistance provided in reviewing this report for accuracy and welcome the assistance of other qualified private-sector telecommunications research firms. This project, now in its second year, is in support of EXPO COMM MEXICO 2004, a U.S. Department of Commerce certified trade show organized by E.J. Krause.

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