



YOUR COMPREHENSIVE GUIDE TO SHIPPING **MEXICO CROSS- BORDER FREIGHT**



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COVERED IN THIS WHITEPAPER:

Driven by shifting economic dynamics, supply chain disruptions, and an emphasis on nearshoring, Mexico has become an attractive alternative to distant manufacturing hubs like China in recent years. Companies are increasingly turning to Mexico for its proximity, competitive production costs, and the added benefit of reducing transit times to key North American markets.

While the benefits of nearshoring to Mexico are clear, shipping freight between Mexico, the US, and Canada, remains a complex endeavor. Success in this area requires meticulous planning and specialized expertise, from selecting the right customs broker to preparing accurate, compliant documentation. These factors are critical in avoiding delays, minimizing costs, and ensuring seamless transport of goods.

Selecting an experienced transportation partner is equally essential. A knowledgeable partner can streamline processes, help navigate regulatory requirements, and leverage cross-border carrier relationships to deliver dependable results. This article will provide you with:

A guide to shipping Mexico cross-border freight:

- **Step 1:** Setting up your customs broker.
- **Step 2:** Completing your paperwork.
- **Step 3:** Choosing the right Mexico cross-border transportation partner.

We will also offer insights on:

- **Border Crossing Fees**
- **Transload vs Through-Trailer**
- **Worst practices: What you should avoid**

BEFORE YOU GET STARTED

Before shipping between Mexico, the US, and Canada, it's essential to assess your freight carefully, as different commodities often have specific import and export requirements.

For example, importing fresh vegetables or fruits from Mexico to the US requires additional documentation beyond standard import paperwork. This may include a phytosanitary permit, a plant permit, proof of food facility registration, and other related certifications to ensure compliance with US customs regulations.

Rules regarding the country of origin are also crucial, as they determine whether products qualify for duty-free or reduced duties under trade agreements. While determining origin is usually straightforward for items entirely grown or manufactured in a single country, it can become complex if a product includes components from multiple countries.

When uncertain, consult your customs broker for guidance.

HOW IS FREIGHT SHIPPED FROM MEXICO TO THE US?



STEP 1: SETTING UP A CUSTOMS BROKER

Before shipping freight to or from Mexico, setting up a customs broker is essential. While handling customs documentation independently is technically possible, the expertise of an experienced customs broker is invaluable. A seasoned broker not only ensures compliance with evolving import and export regulations but also verifies that all paperwork is accurately completed. This expertise minimizes delays and facilitates a smooth, efficient border crossing.

What does your customs broker do?

- **Prepare and Submit Documentation:** Your broker collects, reviews, and submits all necessary paperwork to facilitate customs clearance for your shipment.
- **Coordination with your Transportation Provider:** Customs brokers work closely with your transportation provider(s) to align shipment and customs requirements.
- **Handle Payment of Duties and Taxes:** The broker will manage the calculation and payment of applicable duties and taxes.
- **Maintain Records:** Customs brokers ensure that all customs filings and transportation records are securely maintained.
- **Resolve Customs Issues:** Your customs broker will handle any potential customs issues that may arise, both during and after the payment of duties and taxes.



How do you find a licensed customs broker?

You can locate a licensed customs broker through the following agencies:

United States: US Customs and Border Protection (CBP)

Mexico: Mexican Tax Administration Service (SAT)

Canada: Canada Border Services Agency (CBSA)

Once you've selected a customs broker, allow approximately two weeks for setup. The following documents are typically required:

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|---------------------------------------|---|
| ✓ Power of Attorney (POA) | ✓ Bond (if applicable) |
| ✓ Tax Documents (e.g., W-9 or W-8BEN) | ✓ Commercial Invoice |
| ✓ Account Number | ✓ Acta Constitutiva (for U.S. non-resident importers) |
| ✓ Company Profile | ✓ Additional Requirements for Canada: |
| ✓ Certificate of Origin | ✓ Canadian Import/Export Number |
| | ✓ CARM Account (CBSA Assessment & Revenue Management) |

Maintaining clear and consistent communication with your customs broker is essential to stay informed of any changes to import/export regulations and to ensure all documentation is accurate and complete. Proper communication helps to avoid potential delays, fines, and fees.

STEP 2: COMPLETING YOUR PAPERWORK

For a smooth and timely border crossing, you must ensure that all information is consistent and accurate across documents. Double-checking details is essential, with an important initial step being the identification of the correct Incoterm.

According to the US Trade Administration, Incoterms are “a set of internationally recognized rules which define the responsibilities of sellers and buyers,” outlining who is responsible for costs related to export duties, shipment management, insurance, documentation, customs clearance, and other logistics.

If you do not know your incoterms, you should speak with your customs broker for help choosing the appropriate Incoterm. They will also be able to spot potential errors or documentation gaps that could lead to delays at the border.

For Mexico cross-border shipments, you'll need at least the following documents, though some commodities may require additional paperwork beyond the standard requirements:

- ✓ **Bill of Lading (BOL):** A legal document that provides details about the shipment and serves as a contract between the carrier and shipper.
- ✓ **Complemento Carta Porte (CCP):** Also known as the Carta Porte, this is an electronic tax document required for goods transported within Mexico, including those crossing the border. It includes details about the shipment, such as the commodity, origin, destination, and mode of transport. The CCP verifies carrier authorization and confirms that the commodity is transported legally.
- ✓ **Commercial Invoice (CI):** Lists the description, value, quantity, and terms of sale for the exported goods. This is required in the US, Mexico, and Canada.
- ✓ **Certificate of Origin:** Specifies the product's country of origin, detailing its specifications and listing the exporter and importer. This document is essential for claiming preferential tariff treatment under the United States-Mexico-Canada Agreement (USMCA).
- ✓ **Document of Operations for Customs Clearance (DODA):** Issued by the customs broker on the Mexican Tax Administration Service's website on behalf of the carrier, this document is needed for clearing customs in Mexico for imports and exports.
- ✓ **US Customs Declaration:** Provides essential information about the US importer and the goods being imported.
- ✓ **Canadian Shipments:** Shipments moving between Canada and Mexico may also require:
 - ✓ Canadian Customs Invoice (CCI)
 - ✓ NAFTA Certificate of Origin / USMCA Certificate of Origin
 - ✓ Import Permit (if required)
 - ✓ CARM Account
 - ✓ Packing List
 - ✓ Canadian Import/Export Number
 - ✓ Proof of Payment or Sales Contract (if applicable)
 - ✓ Depending on your cargo, you may also require licenses/permits for specific products.



Customs Documentation Submission Channels:

Customs brokers typically submit documentation electronically to the appropriate customs agency:

- **United States:** Submitted to US Customs and Border Protection via the Automated Broker System (ACE).
- **Mexico:** Transmitted to the Mexican Tax Administration Service (SAT).
- **Canada:** Submitted through the Canada Border Services Agency's e-Manifest portal.

With all documentation in order and Incoterms accurately defined, you can prevent delays and ensure a smooth cross-border shipping process.

DOCUMENT MAINTENANCE

Maintaining accurate records is essential and often required for potential audits by customs authorities. Proper documentation helps resolve discrepancies and ensures compliance.



US 5 Years

Customs and Border Patrol
(CBP) Regulations



Mexico 5 Years

National Customs Agency
of Mexico (ANAM)



Canada 6 Years

Canada Border
Service Agency (CBSA)

STEP 3:

CHOOSING THE RIGHT MEXICO CROSS-BORDER TRANSPORTATION PARTNER

When shipping freight between Mexico, the US, and Canada, choosing the right transportation partner is critical for success.



Capacity Network: Selecting a provider with a robust, well-vetted capacity network is essential. Confirm how they screen their drivers—or if they're a broker, how they vet their carriers. Thoroughly vetted capacity reduces risks of theft, fraud, and damage.



Communication: Opt for a partner who prioritizes consistent, accurate communication via your preferred method (email, phone, or WhatsApp®), especially in regions where tech tracking is limited, like Mexico. Verify their operating hours to ensure support is available when you need it.



Experience: An experienced partner offers valuable insights into complex regulations and requirements. Working with a provider like TRAFFIX can help reduce costs, avoid delays, and prevent disruptions.



Accurate Tracking and Updates: Dependable updates and ETAs support effective supply chain planning, allowing for proactive issue resolution and ensuring smoother cross-border shipping.

WHAT ELSE DO I NEED TO CONSIDER?

Border crossing fees

Fees associated with crossing the US-Mexico border include:



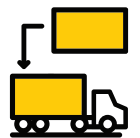
Customs Broker Fee: The fee charged by your customs broker for their services in preparing and submitting required documentation.



Taxes: Import taxes are based on the country and may be called Value-Added Tax (VAT) or Goods and Services Tax (GST). VAT and GST are very similar in terms of their implementation, but each is applied to different products based on the country the goods are being imported into.



Duties: Duties are import fees (tariffs) charged on goods entering a country, based on the country's tariff schedule. Customs will calculate duties using your commodity's Harmonized Tariff Schedule (HTS) code, which your customs broker can help you obtain. Goods must meet USMCA requirements to qualify for duty-free treatment.



Border Crossing Fee or Drayage Fee: The fee for a drayage carrier to pick up the trailer carrying your cargo at the Mexico border and haul it into the USA where it is dropped for pickup by the US Domestic carrier or Canadian cross-border carrier.

Transloading vs Through-Trailer

Transloading involves transferring cargo from one trailer to another at the border. In Mexico cross-border shipping, a drayage carrier hauls the trailer into the US, where the cargo is offloaded at a cross-docking facility and reloaded onto a long-haul carrier for final delivery. Important to consider about transloaded shipments:

- **Increased Carrier Capacity:** Transloading opens up more carrier options, providing greater flexibility.
- **Rate Flexibility:** With more capacity, transloading can offer more competitive rates.
- **Minimal Impact on Transit Times:** The transloading process typically adds only a few hours, making it a time-efficient option.

Through-Trailer Shipping means the shipment stays in the same trailer from origin to its final destination. Important to consider about transloaded shipments:

- **Lower Capacity:** Fewer carriers offer through-trailer service, limiting options.
- **Higher Rates:** Limited capacity can drive up rates.
- **Slightly Faster Transit:** Through-trailer shipping is usually only hours faster than transloading.
- **Seal Integrity Not Guaranteed:** Customs inspections may require breaking security seals, as officials are authorized to open trailers.
- **Ideal for Special Handling:** Through-trailer shipping is better for hand-loaded, fragile, high-value, or specialized cargo that may require unique equipment or minimal handling.





Worst Practices: What should you avoid?

In this article, we've covered best practices for successful Mexico cross-border shipping, including essential steps and key information. Equally important is understanding some of the most common mistakes made when shipping between Mexico, the US, and Canada.

- **Paperwork Errors:** When shipping cross-border freight, accuracy in paperwork is essential. Ensure all information across documents matches exactly.
- **Last-Minute Broker Setup:** First-time Mexico cross-border shippers often make the mistake of setting up their customs broker too close to the shipping date. It's recommended to allow at least two weeks to properly set up your customs broker.
- **Communication:** Successful shipping between Mexico, the US, and Canada depends on clear, consistent communication between the shipper, receiver, customs broker, and transportation providers. To avoid issues, share contact information for all parties involved, including after-hours contacts.
- **Miscalculating Transit Time:** Estimating transit time is essential, yet underestimating it is a common error. This can lead to line-down or stock-out situations. To avoid these risks, consult with your transportation provider and customs broker to confirm accurate transit times.

Efficient cross-border shipping between the US, Canada, and Mexico requires careful planning and coordination. Every step, from preparing necessary documentation to maintaining open communication among all involved parties, is essential to ensure smooth, delay-free shipments. Key elements like selecting the right customs broker, keeping precise records, and partnering with a reliable transportation provider are crucial for optimizing your Mexico cross-border supply chain. Contact us today to learn how we can help enhance your Mexico cross-border logistics!

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