# **Information on Importing Used Cars**

The United States Government (USG) does not prohibit the importation of used vehicles. However, imported used vehicles must comply with the same safety and environmental regulations as any other vehicle sold in the United States during the year it was produced.

## Safety Regulations

Any vehicle sold in the United States is required to meet Federal Motor Vehicle Safety Standards (FMVSS) as set by the federal government and administered by the Department of Transportation, (DOT). FMVSS requires vehicles to have certain safety equipment and to be engineered in a manner that is codified by the standards, to mitigate personal injury in the event of an accident. Motor vehicles not more than 25 years old must conform to the DOT motor vehicle safety standards that were in effect when these vehicles were manufactured. There are no separate regulations for imported vehicles.

Importers of motor vehicles must file a form (HS-7) at the time a vehicle is imported into the U.S. to declare whether the vehicle complies with DOT requirements. A vehicle without a certification label must be imported as a nonconforming vehicle and the importer must then register with a DOT-Registered Importer (RI) and post a bond with DOT for one and a half times the vehicle's dutiable value. The cost and time needed to bring a vehicle into conformance can be substantial.

The National Highway Traffic Administration's home page provides an excellent description of what you need to do. National Highway Traffic Safety Administration;

The Customs and Border Protection website also describes what is necessary to import vehicles and parts. From a CBP standpoint, you must file an entry on the vehicle to receive the entry summary document CBP Form 7501. For information, visit: The Customs and Border Protection.

#### **Environmental Regulations**

Any imported motor vehicle must meet U.S. standards for the corresponding year that it was manufactured. The Environmental Protection Agency (EPA) requires U.S. version vehicles to comply with Federal emission requirements. Non-U.S. version vehicles generally are vehicles sold in foreign countries or a vehicle that has been modified or altered. Non-U.S. version vehicles will not meet U.S. EPA emission requirements. The manufacturer must prove compliance by attaching a label in the engine compartment that states the vehicle conforms to all U.S. EPA regulations. A vehicle without this documentation is considered non-complying.

The EPA has developed a one-stop Web portal to help importers and exporters of goods meet requirements to protect human health and the environment. The EPA's new Web portal is available at: http://www.epa.gov/compliance/international/importexport.html

EPA does not accept passing a state inspection test or having a catalytic converter as proof of compliance. The vehicle owner may contract with an EPA-certified Independent Commercial Importer to import the vehicle as a non-U.S. version vehicle and to convert it to meet EPA requirements. EPA will permit the importation of nonconforming vehicles only if it qualifies for an exclusion, an exemption, or is imported by an independent commercial importer (ICI) who currently hold a valid EPA certification of conformity. Nonetheless, EPA does not recommend the importation of nonconforming vehicles as conversion of nonconforming vehicles is usually very expensive and sometimes impossible or impractical. More detailed information on EPA's requirements can be found on the Environmental Protection Agency website.

If the vehicle is 21 years old, there are no EPA compliance requirements upon importation. However, the importer must prove to customs that the vehicle or engine was manufactured prior to EPA regulation.

Certain vehicles are excluded from the emission requirements of the Clean Air Act. These vehicles are excluded by either their age (i.e., manufactured prior to the regulations), the type of fuel the vehicle uses, the maximum speed of the vehicle, or the lack of features associated with safe and practical street or highway use. Excluded vehicles may be imported by anyone. No bond is required by EPA.

Foreign-made vehicles imported into the United States are dutiable at the following rates:

- Auto 2.5 %
- Trucks 25 %
- Motorcycles Either free or 2.4 %

# The following passenger cars, light-duty trucks, heavy-duty engines and motorcycles are subject to Federal emission standards:

- Gasoline-fueled cars and light-duty trucks originally manufactured after December 31, 1967.
- Diesel-fueled cars originally manufactured after December 31, 1974.
- Diesel-fueled light-duty trucks originally manufactured after December 31, 1975.
- Heavy-duty engines originally manufactured after December 31, 1969.
- Motorcycles with a displacement of more than 49 cubic centimeters originally manufactured after December 31, 1977.

## **NAFTA**

- NAFTA allows Mexico to continue to restrict imports of used vehicles until January 1, 2009, when a 10-year phase out based on vehicle age will commence.
- However, the Mexican government permits limited imports of used vehicles from the United States into its "border zones" (northern border of Mexico, free zones of the state of Baja, partial zones of Sonora and the state of Baja California del Sur, and the border city of Cananea. Used vehicles from 4 to 15 model years older than the current model year (in Mexico, Nov 1Oct 31) are eligible.
- In addition, a decree published by the Mexican government in its Diario Oficial de la Federacion on March 13, 2000 provides that beginning April 1, 2000, pickup trucks that were built in the United States or in Canada and that are at least 10 years old, may be imported for a fee of \$200 plus applicable customs duties (zero as of January 1, 2003).
- Mexican residents must apply directly to the Mexican government's Commerce Department and Customs Office to obtain the necessary license for this wavier, as well as for imports that enter under the border zone provision.