

# BUYING A COMMERCIAL TRUCK OR TRAILER FROM CANADA AND IMPORTING TO THE USA

You may have heard from others that the process of buying a vehicle from Canada and getting it across the border into the United States isn't as difficult as you might think. But when you start doing more research you find the process seems daunting so you give up. Don't. Rather, buy from a Canadian dealer with extensive experience successfully navigating the cross border selling process – and doing all the heavy lifting for you to make the process smooth and easy.

Maxim Truck & Trailer is a Canadian heavy duty dealership group with extensive experience helping US customers buy and import semi trucks and trailers from Canada into the US. Our dealership has successfully sold hundreds of vehicles into the US from Canada. And we've moved thousands of vehicles from the USA into Canada so we understand the import and export process.

Maxim Truck & Trailer is one of the largest dealership groups in Canada with one of the largest Idealease fleet of commercial lease and rental vehicles. This large fleet allows us to generate hundreds of used vehicles each year. Our head office is centrally located in Winnipeg, Manitoba. We are among the Top 15 International Truck OEM dealers in North America and have been in business for over 40 years.

This Guide includes the most common questions we get asked by Americans about the process of selling vehicles from Canada into the US – and some of the questions that SHOULD get asked as well. This information will give you the most comprehensive and up to date look at the process to guide US customers buying and taking ownership of commercial semi trucks or trailers from Canada. The following guide deals primarily with the truck sales process as it is more complex than the trailer process.

We sat down with two of Maxim's foremost experts with up-to-date and hands-on experience selling vehicles from Canada into the United States.

Mark Carlson is an Account Manager in Maxim's Truck Division with over 15 years experience selling heavy duty trucks. He has sold many vehicles to the USA and he is intimately involved in the process from beginning to end. And Mark is backed up by the knowledge and expertise of Maxim's Customs Broker who helps with the entire process.

Ron Seniuk is the Unit Transfer Coordinator at Maxim and he physically drives the sold trucks across the Canada/US border with all the necessary paperwork and hands over the keys to US customers on their side of the border. Unlike some dealers or private sellers, Maxim doesn't outsource the all-important cross border delivery process – this is key to the entire process. Ron ensures customers receive their vehicle in good condition with no warning codes. He is uniquely qualified because he handles the import and export of our vehicles across the Canada/US border on a weekly basis.

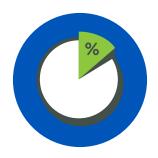


Mark Carlson Account Manager



Ron Seniuk Unit Transfer Coordinator





Nearly a
30% discount
by buying from
a Canadian dealer
vs a US dealer

### Will you ship semi trucks and semi trailers to the USA?

The answer is yes. However, the sale of NEW semi trucks are much more uncertain. Not because of customs issues but rather because Original Equipment Manufacturers (OEMs) are keen to keep sales territories for their dealers intact. Generally, trailer OEMs are not as stringent as truck OEMs but it does vary from OEM to OEM.

## Why would a US customer buy a truck or trailer from Canada?

In short – because of the favorable exchange rate. For example, a used 2018 International LT Sleeper Truck that sells for \$110,000 in Canada will cost you less than \$87,000 US based on the current exchange rate of \$1.29 US for every \$1.00 Canadian dollar. That's nearly a 30% discount buying from a Canadian dealer vs a US dealer. The motivation for most US customers buying vehicles from Canada is the price advantage.

### I will be buying the vehicle sight unseen – what assurance do I have that it will not be a lemon?

Leading up to the sale, our website includes all of the specs and pictures of the actual units you are purchasing. Many of the used units we have for sale are lease returns or from our current rental fleet – all of which we maintain at our dealerships from new. Maxim has among the largest Idealease fleet in Canada which provides a steady supply of quality used vehicles. If you need additional information like vehicle service history, ECM download or even additional photos, we can provide that to you. Further, each truck or trailer we sell into the US will receive a fresh commercial vehicle safety in the Canadian province where it's sold. When you license the vehicle in your home state you may need a local safety but you can be assured our safeties are as stringent or more stringent than your local state. We cover all the major truck or trailer's components – see here for more information on our safety process. In addition, we physically drive the vehicle across the border which is 2-3 hours from our dealership, so we make certain it's safe and roadworthy. And every truck we ship to the US gets thoroughly cleaned and detailed inside and out just like we do for local customers that come to our dealerships.



Maxim Truck & Trailer has the experience and can handle all the paperwork for you

### What additional fees or costs can I expect to pay to import a truck from Canada to the US?

You should budget approximately 4.5% of the purchase price of the vehicle for export duties, permits, stickers, broker fees and miscellaneous expenses. So in the example above, the export fees on the \$87,000 US truck would be about \$3,500 US. There will not be any USA or Canadian taxes included or charged on your Bill of Sale.

Another additional fee to factor in is the drop fee. We strongly advise that you get the dealership or the seller to drive your vehicle across the border for you, so you are taking possession of it on your home country. Our dealership in Winnipeg for example will deliver your truck or trailer across the border to your choice of either Pembina, Grand Forks or Fargo, North Dakota – for a drop delivery fee of approximately \$1,000 US.

### Who does all the Paperwork

Our dealership at Maxim Truck & Trailer has the experience and can handle all the paperwork for you with the help of our Customs Broker. This is included in the 4.5% fee indicated earlier. For those who wish to use their own customs broker, you'll pay over \$1,500 just to get a broker account set up on top of all the other fees so most customers find it more economical to use our broker to save money, time and hassle.



A two step process that we handle on your behalf

### What documentation is required going from Canada to the US?

The bundle of documents required are substantial but in our case, we handle it all for you. The requirements are basically a two step process that we handle on your behalf:

## 1 Provide the bundle of completed documents below and fax them in advance (usually 3 days) to the Border:

- ACE eManifest Fax Request Form
- Signed Bill of Sale
- TOD/Title otherwise known as the Canadian Ownership Registration
- OEM Compliance Letter This is a letter from the vehicle manufacturer stating where the vehicle was built and that it complies with current US EPA regulations
- Bill of Lading
- Declaration Form HS-7
- EPA Engine Declaration EPA Form 3520
- Current local Vehicle Safety Inspection

# 2 In response to the package above, you will receive back from the Border the following documents:

- ACE eManifest that includes a barcode. Make this your top document as the border agent will scan this document and everything regarding your file will appear on his/her screen when you arrive at the border.
- Entry Summary CBP Form 7501
- Cargo Release Form

All documents in Steps 1 and 2 must be included in your package and presented to the border agent when you cross the border. Keep in mind that rules and requirements for importing vehicles into the USA changed a few years ago and may change again in the future. All the more reason to buy from an experienced exporter.





One missed step or document can derail the entire process and cause massive delays.

# Can I come to Canada and drive the vehicle across the border myself?

Yes you can but just realize that no seller will release the vehicle to you without full payment. Then the risk and responsibility is all on you to navigate the entire process above on your own and at your own expense. And you'll need to work with your own customs broker. It's not impossible but if you're looking to buy a semi truck or trailer from Canada, most buyers will recommend you work with a dealer experienced with the process who has done it many times before instead of taking this on yourself. It is a very steep learning curve and one missed step or document can derail the entire process and cause massive delays.

### How does the transfer happen and where?

We make arrangements in many cases to bring the truck(s) either just across the border and into the USA and meet you. Or we can meet you at your hotel parking lot in Grand Forks or Fargo, North Dakota for example. Or at a truck stop nearest to your hotel if road restrictions prevent us from meeting you at your hotel. That way you don't need an extra travel vehicle and driver. Just let us know when you'll be flying in, and we'll arrange to meet you. Once there, you can do a final inspection of your vehicle and take possession of the keys and get home with the 7 Day license permit we provide you with.

## What happens when I get the vehicle home in the US – how do I get it registered and licensed?

Once you arrive home, you'll need to use the documentation provided to get your vehicle ownership registered in your name or company name and licensed in your home state. Local state tax rules on the purchase of vehicles apply and this is the point where any sales tax owing would be assessed. In the event that your local jurisdiction needs additional information not provided – we will work with you and our customs broker to courier you any specific outstanding requirements – at our cost. Again, this is covered in the 4.5% fee mentioned earlier. Our process is not complete until your vehicle has been registered and licensed in the USA.



"The process of buying from Maxim and importing the truck from Canada was very smooth and very professional"

Charles Brewer
Brewer & Sons, South Dakota

Contact Maxim Truck & Trailer at 1-800-305-8785 or view our inventory at www.maximinc.com

## Are there particular states where things get a little more complicated?

In some states - New Jersey, New York and Illinois that we know of – state licensing authorities seem to be looking for border stamped Entry Summary CBP Form 7501. Border Agents are reluctant to stamp these documents and if those stamps are not present, the local authorities won't transfer ownership and license the newly purchased vehicles. In these instances, our customs broker will prepare the additional necessary paperwork and courier it directly to the customer in the USA. As part of our sales process, we follow through and ensure the customer has everything they need to get things settled when they get their vehicle home - without being left high and dry or having to pay extra fees.

### What do previous US customers say about the experience?

Larry Janssen of A&L Freight in Crofton, Nebraska recently purchased a used International Prostar day cab semi truck from Maxim Truck & Trailer in Canada. "It was my first time buying a truck from Canada and I'm very happy with the purchase, It's a good truck," says Larry who is using the truck to haul grain. Adds Larry, "I looked North because the trucks are a lot cheaper up in Canada."

Another recent buyer was Charles Brewer of Brewer & Sons based in Wessington, South Dakota. Charles has a mail route contract with the US Postal Service. He was looking for a sleeper semi truck to match his existing fleet and found the perfect unit online at Maxim Truck & Trailer in Canada. "The process of buying from Maxim and importing the truck from Canada was very smooth and very professional," says Charles. "The Maxim Rep, Mark Carlson, was great to work with and he had all his ducks in a row so there were no issues. I'd definitely buy from Maxim again in the future," Charles added.

### Why don't more US customers buy vehicles from Canada?

Frankly, in the past, it hasn't even been on most people's radar in the US. But with recent supply shortages and more and more customers comfortable with sourcing equipment online, we have seen a massive uptick in units being sold to the US from our dealerships. We have refined our processes and we make it easy for USA customers to buy semi trucks and trailers from Canada.

#### See our other books in this series:

The Ultimate Guide to Financing a Semi Truck or Trailer
The Ultimate Guide to Leasing a Semi Truck or Trailer
The Ultimate Guide to Servicing New Emission Engines
The Ultimate Guide to Buying a Used Semi Truck
The Ultimate Guide to Buying a Used Semi Trailer

