

COUNTRY GUIDE

MEXICO

Originally home to several advanced Amerindian civilizations, then conquered and colonized by Spain in the early 16th century, Mexico gained its independence after 300 years of Spanish rule. Today it is the second-largest economy in Latin America, the 15th-largest in the world, and one of the top global exporters of manufactured goods. Despite the damaging effects of the 2008 global financial crisis, income inequality, and its government's fight to eradicate cartels, Mexico remains an attractive destination for foreign investment and is projected to see continued economic growth.



GLOBAL AND REGIONAL TRADE

Mexico's emphasis on trade has helped position the country as highly competitive in the global marketplace and an attractive option for foreign investment. International trade accounts for over 75% of Mexico's GDP, much higher than its regional competitor Brazil (23%) or that of China (48%).

NAFTA

Because the United States is Mexico's top trading partner and the two countries share integrated supply chains, Mexico's economy remains vulnerable to the uncertainty surrounding the USMCA deal, which is set to replace NAFTA.

MANUFACTURING










Mexico is a major manufacturing center both regionally and globally, especially for electronics, automobiles, medical devices, and aerospace parts. It's the fourth-largest auto exporter and has recently surpassed Japan as the second-largest U.S. auto parts exporter. Mexico's trade agreements allow its manufacturers duty-free access to 60% of the world.

BANKING SECTOR

Mexico's banking sector is one of the more developed in Latin America. Reforms implemented by the country's government, along with a stable and growing private sector, have had a significant impact on the banking sector, encouraging steady growth.

SERVICES INDUSTRY

The services industry has become a dominant force in the Mexican economy representing about 63% of the country's GDP and employing about 61% of the labor force. Financial services are its main component attracting the most foreign investment. That sector is also largely foreign-owned. Tourism is another important segment of Mexico's service industry, with 31 locations on UNESCO's list of cultural or natural world heritage sites.

	Geography	Location: Mexico is located in the North American continent south of the United States, bordering the Caribbean Sea and the Gulf of Mexico to the east and the North Pacific Ocean to the west.
	Area: 1,964,375 sq. km.	Time Zone: Mexico has four time zones: Eastern Time (GMT-5), Central Time (GMT-6), Mountain Time (GMT-7) and Pacific Time (GMT-8)
	Population	126 Million
	Language(s)	Spanish
	Economy	Mexico's economy is highly focused on manufacturing. Automotive is its largest industry, as well as food, electronics, and oil. Other major industries include energy, tourism, finance, and banking sectors.
	Capital City	Mexico City
	Currency	Mexican Peso
	Political structure	Federal Presidential Republic
	Legal system	Civil law system with US constitutional law influence

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (S. de R.L. de C.V.)	STOCK CORPORATION (S.A. de C.V.)	STOCK CORPORATION FOR INVESTMENT PROMOTION (S.A.P.I. de C.V.)
Share capital			
Minimum paid-up	No minimum capital requirement	No minimum capital requirement	No minimum capital requirement
Maximum authorized	N/A	N/A	N/A
Usual currency	Mexican Peso (MXN)	Mexican Peso (MXN)	Mexican Peso (MXN)
Permitted currencies	No restrictions	No restrictions	No restrictions
Domiciliation			
Registered address	Local registered office required	Local registered office required	Local registered office required
Directors			
Minimum number	One	One	A board of directors is required
Minimum local	Not required, unless the director is granted a power-of-attorney in which case they will need to have the appropriate visa or residency.	Not required, unless the director is granted a power-of-attorney in which case they will need to have the appropriate visa or residency.	Not required, unless the director is granted a power-of-attorney in which case they will need to have the appropriate visa or residency.
Corporate directors	Permitted	Permitted	Permitted
Statutory			
Annual filing	Annual filing with the Foreign Investments Bureau required	Annual filing with the Foreign Investments Bureau required	Annual filing with the National Registry of Foreign Investments required
Company secretary	Not required, but advisable	Not required, but advisable	Not required, but advisable
Annual general meeting (AGM)	Annual meeting of partners required	Annual meeting of shareholders required	Annual meeting of shareholders required
Beneficial owner reporting	Required	Required	Required
Re-domiciliation	Permitted	Permitted	Permitted
Financial administration			
Audit required	Required if the company exceeds certain revenue thresholds	Required if the company exceeds certain revenue thresholds	Required if the company exceeds certain revenue thresholds
Filing of annual return	Required	Required	Required
Tax			
Tax rates	30%	30%	30%
VAT	16%	16%	16%
Tax treaties	16%	16%	16%
Other taxes	Other taxes include: Customs duties, excise tax, stamp taxes, social security contributions, compulsory profit sharing, and property taxes	Other taxes include: Customs duties, excise tax, stamp taxes, social security contributions, compulsory profit sharing, and property taxes	Other taxes include: Customs duties, excise tax, stamp taxes, social security contributions, compulsory profit sharing, and property taxes
Government fees			
Registry fee	No cost to register with the local authorities	No cost to register with the local authorities	No cost to register with the local authorities
License fee	Depends on the type of business conducted	Depends on the type of business conducted	Depends on the type of business conducted

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Incorporation process			
Summary	<ul style="list-style-type: none"> ➤ Search and registration of corporate name ➤ Company Articles of Incorporation ➤ Partners, directors and/or authorized representatives ➤ Notarize company documents with a Mexican notary public ➤ Registration with the Public Registry of Commerce 	<ul style="list-style-type: none"> ➤ Search and registration of corporate name ➤ Company Articles of Incorporation ➤ Partners, Directors and/or authorized representatives ➤ Notarize company documents with a Mexican notary public ➤ Registration with the Public Registry of Commerce 	<ul style="list-style-type: none"> ➤ Search and registration of corporate name ➤ Company Articles of Incorporation ➤ Partners, directors and/or authorized representatives ➤ Notarize company documents with a Mexican notary public ➤ Registration with the Public Registry of Commerce
Time	Approximately 10 business days	Approximately 10 business days	Approximately 10 business days
Other			
Are shelf corporations available?	Yes, but not widely used	Yes, but not widely used	Yes, but not widely used

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CT Service Offerings – Mexico

Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications and legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

Corporate Secretarial Services

- Annual compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/registered address
- Director services and legal representation



To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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