



IGNIA

GUIDE TO ENTERING MEXICO

This guide will help you understand the process to:

1. Decide on a company structure
2. Write and submit Articles of Incorporation
3. Obtain a stamp from the *Registro de Público de Comercio*
4. Obtain an RFC or tax ID
5. Set up a bank account
6. Setup your payroll

First, Do You Need a Mexican Entity?

You do if you answer yes to any of the following:

1. Do you need to emit invoices, charge other companies locally, or accept local transactions?
2. Do you need to have an office and local staff?
3. Do you need a Mexican bank account?

If you answer yes to the above questions, then continue.

If you answer no to the above questions, then you don't need this guide.

Steps	How Long It Will Take
Identify a lawyer	1 week
Conduct a legal business name search (have 5-6 suggestions ready)	1 week
Write Articles of Incorporation (AOIs) (use lawyers)	1 week
Submit Articles of Incorporation to <i>Registro Público de Comercio</i> (at the end, receive a stamp).	2 weeks
Use that stamp to get an RFC or Tax ID (use lawyers)	2 weeks
Register for bank account (With AOIs, stamp, Tax ID)	< 4 weeks
You can now start operating.	-

1. You'll need to choose a type of company you want to incorporate (Appendix 1).
2. You can have a lawyer follow this process, or if cash-strapped, go directly to a public notary yourself (here are lists for public notaries in [Mexico City](#) or [Nuevo Leon](#)). You can find a list of lawyers [here](#).
3. The public notary or your lawyer will likely ask you for a list of documents included in Appendix 2. To capture everything, see this [Company Incorporation Checklist](#).
4. The lawyers or public notary will draft the Articles of Incorporation. The Articles of Incorporation contain the by-laws (*Escritura Constitutiva*), and will specify a certain date for the shareholders to sign the *Escritura Constitutiva*. If any of the shareholders is not in Mexico, they can grant a proxy to sign the *Escritura Constitutiva*, the proxy must be notarized, or if granted abroad it should have an apostille.
5. Once the *Escritura Constitutiva* is signed it should be registered before the *Registro Publico de Comercio (Registro Mercantil)* and in the *Secretaría de Hacienda y Crédito Público* in order to obtain the *Registro Federal de Contribuyentes (RFC)*.

6. Your Articles of Incorporation need to grant powers of attorney to legal representatives, who can sign on behalf of the company before authorities like Servicio de Administración Tributaria (SAT). We recommend that you have a Mexican citizen as one of these representatives.
7. If any of the shareholders is not a Mexican citizen, the corporation should be registered before the *Registro Nacional de Inversión Extranjera* of the *Secretaría de Economía*.
8. Depending on the type of business you might have to register the company before other governmental registries, the most common are: *Secretaría de Salud*, *Secretaría de Ecología y Medio Ambiente*, *Instituto Mexicano de la Propiedad Intelectual*, etc.
9. To get an RFC or Tax ID, you need to have a Mexican address. The *Secretaría de Hacienda* may visit your physical address for verification, and if there is no business activity then you run the risk of cancellation of your RFC or tax ID or seizure of bank accounts.
10. Your bank account will be easier and faster to create if you have a Mexican citizen as legal representative. Banks may ask you for additional documentation as a foreigner, and to verify your business they may ask you for commercial references, proof of physical address, and other documents.
11. You need to buy a seal from the SAT to emit electronic invoices.

1. You must register with Instituto Mexicano de Seguro Social (IMSS) and obtain a *Registro Patronal* (RP) in order to contract employees directly.
2. You must pay SAT obligations both monthly and annually – there will be federal taxes as well as state taxes depending on where your physical address is located.
3. Your accounting must be calculated and emitted to SAT monthly, even if you don't have operations.
4. Another common option is to hire your employees not directly but through an outsourcing firm, which can consolidate and lower your social security payments. Vet these firms carefully, and consult with a labor office to know what is right for you.

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APPENDIX 1: TYPES OF COMPANIES

The main characteristics of a *Sociedad Anónima* (legal template) are:

- It is regulated by the *Ley General de Sociedades Mercantiles*.
- The liability of the shareholders is limited to their investment in the company and directors are fully responsible for the loyal and diligent administration of the company.
- The minimum number of shareholders is two and there is no maximum limit.
- The administration of the company can be taken by a board of directors or a sole director.
- The company must have a statutory auditor (*comisario*) as an independent person who will be in charge of supervising the operations of the company and represents the shareholders' interests.
- The capital is represented by shares, which can be transferred freely and publicly traded.

The main characteristics of a *Sociedad de Responsabilidad Limitada* ([legal template](#)) are:

- It is regulated by the *Ley General de Sociedades Mercantiles*.
- The liability of the shareholders is limited to their investment in the company and directors are fully responsible for the loyal and diligent administration of the company.
- The shareholders are named Partners and the minimum number of partners is two and a limit of fifty partners.
- The administration of the company can be taken by a board of directors or a sole director.
- The company does not need a *comisario*.
- The capital is not represented by shares but by social parts. The social parts cannot be transferred freely and cannot be traded publicly.

Sociedad Anonima Promotora de Inversión de Capital Variable – S.A.P.I. (TEMPLATE)

The main characteristics of a *Sociedad Anonima Promotora de Inversion de Capital Variable* ([legal template](#)) are:

- It is regulated by the *Ley del Mercado de Valores*.
- The liability of the shareholders is limited to their investment in the company and the directors are fully responsible for the loyal and diligent administration of the company.
- The main goal of the SAPI is to protect the minority shareholders, so certain rights are granted to them, such as: i) each minority shareholder holding 10% or more shares may appoint or revoke a member of the board of directors; and ii) each minority shareholder holding 10% or more shares can appoint a statutory auditor; iii) each minority shareholder holding 10% or more shares can call for shareholders meetings; and iv) if a shareholder or group of shareholders holding individually or jointly 15% or more shares, determine it is in the best interest of the company, they can bring civil liability action against the administrators, without the resolution being taken on a shareholders meeting.
- The minimum number of shareholders is two and there is no maximum limit.
- The administration of the company must be taken by a board of directors.
- The capital is represented by shares.

2**APPENDIX 2: WHAT A NOTARY WILL NEED**

A Notary Will Ask You For The Following

- At least 3 possible names for the company.
- Purpose (selecting a purpose is key, keep it as broad as possible).
- Names of the shareholders (at least two).
- Capital and structure
- Duration (it can be indefinite).
- If the company will have a board of directors or administrator, and their names.
- The name of the statutory auditor (it should be a public accountant).
- Principal place of business.
- Name of people who will have powers of attorney and their powers (we recommend at least two). In México this are the general powers that can be granted:
 - General power for *Actos de Dominio*, to use the assets of the company;
 - General power for *Actos de Administración*, to manage the company;
 - General power for *Pleitos y Cobranzas*, to manage lawsuits;
 - General power for *Actos de Administración en Materia Laboral*, to represent the company before any governmental authorities;
 - General power for *Títulos y Operaciones de Crédito*, to sign negotiable instruments.
 - Power to open and manage bank accounts;
 - Power to act before the tax authorities, e.g. the *Registro Federal de Contribuyentes*; and
 - Power to grant and revoke powers of attorney.

3**APPENDIX 3: ADDITIONAL RESOURCES**

1. Mexican Government Guide for Starting and Operating a Business
<https://www.gob.mx/tuempresa?tab=Abre>
2. SERVIAP - How to expand your business in Mexico
<https://blog.serviapgroup.com/how-to-expand-your-business-in-Mexico>
3. PWC - Industria Mexicana
<https://www.pwc.com/mx/es/industrias.html>
4. Opening a Business in Mexico
<https://www.escapeartist.com/mexico/work/opening-business-mexico/>
5. How to Incorporate a Business in Mexico and Open a Corporate Bank Account
<https://www.bizlatinhub.com/incorporate-business-mexico-bank-account/>
6. Advantages and Disadvantages of Mexican Outsourcing
<https://www.occ.com.mx/blog/ventajas-desventajas-outsourcing/>