DOING BUSINESS IN MEXICO

Do's

01 Register your IP before you launch

Mexico is first-to-file. File with IMPI and the 3-year declaration of use.

02 Choose the vehicle with care

S.A. de C.V. (corporation), S.A.P.I. (VC-ready corporation) or S. de R.L. (LLC).

03 Appoint a legal representative in Mexico

Tax Id and bank onboarding need in-person appearance and tailored powers.

04 Keep corporate books and filings current

Minutes, share registry, ownership records and foreign investment filings.

05 Map federal, state and local permits

Land use, operating licenses and environmental permits.

06 Build compliant payroll from day one

Contracts, social security and compliance with local regulation.

07 Adopt anti-corruption and AML controls

Companies answer for bribes paid on their behalf; some sectors have AML reporting duties.

08 Follow Mexico's data privacy rules

Privacy notices, consent and transfers of customer and employee data under the 2025 law.

09 Plan taxes and repatriation up front

Invoicing, transfer pricing, dividend and royalty withholding, treaties.

10 Lock in arbitration and governing law

Define seat, rules and language in every contract.

DOING BUSINESS IN MEXICO

Don’ts

01 Grant broad, open-ended powers

No catch-all “poder general amplísimo”: split powers, add caps and expiry.

02 Skip due diligence on partners

Vet distributors and JV partners: litigation, SAT 69-B list, owners, FTO risk.

03 Buy a Mexican business blind

The buyer takes on labor debts, plus tax and IMSS exposure.

04 Rely on a thin distribution template

Mexico has no distribution statute: cover territory, minimums, IP and exit.

05 Translate contracts word for word

Adapt them to Mexican law, with a Spanish version and enforceable jurisdiction.

06 Assume at-will employment

Dismissal without proven cause costs 3 months’ pay plus seniority-based pay.

07 Settle terminations off the record

Settlements must be ratified before the Conciliation Center or labor court.

08 Disguise employees as contractors

Staff outsourcing is banned; permanent sales agents can be employees.

09 Buy or lease land without title review

Communal (*ejido*) land, restricted-zone rules and zoning can derail a plant or warehouse.

10 Operate from abroad without tax advice

Invoicing from abroad or using dependent agents can create a taxable presence.

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Thank you

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