



HANDBOOK OF PROCEDURES FOR INVESTING IN MEXICO

DIRECTORATE OF INTERNATIONAL AFFAIRS AND

PUBLIC POLICY

June 7, 2018

This manual provides clear and timely information about the regulatory regime applicable to foreign investment in Mexico and about the procedures that must be carried out to legally establish in the country, with the purpose of facilitating that individuals and corporations invest in Mexico.

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The main source of the information contained in this manual is the current regulations as of the date of its modification (June 7, 2018). The fees for payment of rights of the procedures established in the Federal Law of Rights and updated in the Miscellaneous Fiscal Resolution for 2018 and its annexes 1-A and 23, may be consulted directly on the official internet sites of each dependency, as well as in the e5cinco portal of the Secretariat of the Interior, whose objective is to facilitate the Payment of Rights, Products and Utilization (DPAs) of all the Dependencies of the Federal Public Administration.

Mexico City, June 7, 2018.

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INTRODUCTION

Mexico is an attractive and convenient destination for investments, considering the advantages offered by its highly qualified population; its strategic geographical location; the size and strength of its internal market; its production capacity; the existence of specialized clusters in certain sectors; and, the constant development of the services and infrastructure necessary to participate actively in international markets.

Likewise, Mexico enjoys an open economy that guarantees access to the most important international markets through an extensive network of free trade agreements.

In the Global Competitiveness Report 2017-2018 of the World Economic Forum, Mexico obtained a rating of 4.44, ranking in place 51¹, this rating was a reflection of the increase in the variables: macroeconomic environment, higher education and training and technological availability, as well as of the stability in the efficiency in the markets of goods, the efficiency in the labor markets and the size of the market. According to the Foreign Direct Investment Trust Index of A.T. Kearney 2017, Mexico climbed one position as a Foreign Direct Investment destination to occupy 17th place, with a rating of 1.47². With this result, the country positioned itself as the fourth most attractive economy in the continent and the second in Latin America.

It should be noted that the procedures referred to in this manual are federal and that there are others at the state and municipal level that must be performed in order to operate, according to local regulations. Additionally, there are other procedures that must be performed depending on the economic activity, such as permits in environmental or health matters, which are not analyzed in this document.

¹ <http://reports.weforum.org/global-competitiveness-index-2017-2018/countryeconomy-profiles/#economy=MEX>

² <https://www.atkearney.com/foreign-direct-investment-confidence-index>

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1 DEFINITIONS

Deconcentrated Administration of Taxpayer Services (ADSC)

National Commission of Foreign Investment (CNIE)

General Directorate of Foreign Investment (DGIE)

National Institute of Migration (INM)

National Institute for Older Persons (INAPAM)

Foreign Direct Investment (FDI)

Foreign Investment Law (LIE)

Migration Law (LM)

Federal Labor Law (LFT)

Multiple Migration Form(FMM)

Federal Taxpayers Registry (RFC)

National Registry of Foreign Investment (RNIE)

Public Registry of Commerce (PRC)

Regulation of the Foreign Investment Law and the National Registry of Foreign Investments (RLIERNIE)

Secretariat of Economy (SE)

Secretariat of the Interior (SEGOB)

Secretariat of the Environment and Natural Resources (SEMARNAT)

Secretariat of Foreign Affairs (SRE)

Secretariat of Labor and Social Security (STPS)

Tax Administration Service (SAT)

Mexican Business Information System (SIEM)

Integral Registry Management System (SIGER)

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2 ESTABLISHMENT OF FOREIGN INVESTMENT IN MEXICO

2.1 SCHEMES OF PARTICIPATION OF FOREIGN INVESTMENT

INDIVIDUALS OF A NATIONALITY OTHER THAN MEXICAN

- Individuals of a nationality other than Mexican who intend to invest in Mexico through the opening of an establishment or the acquisition, expansion or relocation of an existing one.

FOREIGN LEGAL ENTITIES

- Companies and corporations that were created in accordance with laws other than those of Mexico, intend to invest in Mexico through the opening of an establishment or the acquisition, expansion or relocation of an existing one.

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2.2 PROCEDURES TO BE CARRIED OUT BY INDIVIDUALS OF NATIONALITY OTHER THAN MEXICAN TO INVEST IN MEXICO

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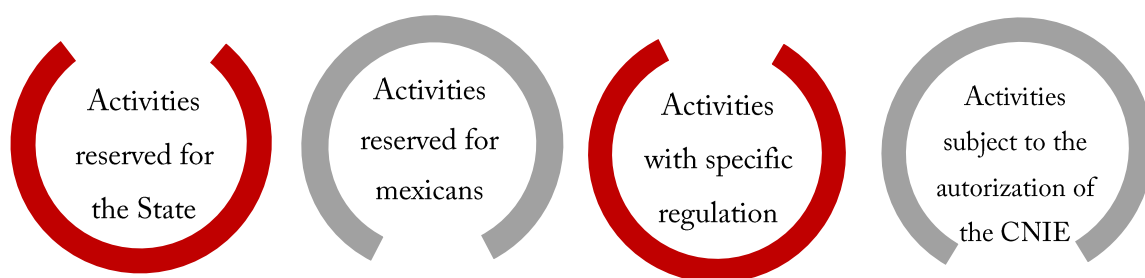
3 DIRECT FOREIGN INVESTMENT REGIME IN MEXICO

The Foreign Investment Law (LIE) determines the rules that allow the entry of Foreign Direct Investment (FDI) into the country and encourage it to contribute to national development.

Article 4 of the LIE states: "Foreign investment may participate in any proportion of the capital stock of Mexican companies, acquire fixed assets, enter new fields of economic activity or manufacture new lines of products, open and operate establishments, and expand or relocate existing ones, except as provided in this Law." Therefore, foreign investment can participate or carry out any economic activity, as long as there is no restriction expressly specified in the LIE.

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The LIE regulates the following activities:



3.1 ACTIVITIES RESERVED TO THE STATE

There are activities that are constitutionally and legally considered strategic, so that only the mexican state can carry them out. These activities are listed in Article 5 of the LIE:

- a) Exploration and extraction of oil and other hydrocarbons, in terms of the provisions of articles 27, seventh paragraph and 28 fourth paragraph, of the Political Constitution of the United Mexican States and the respective regulatory Law.
- b) Planning and control of the national electrical system, as well as the public service of transmission and distribution of electrical energy, in terms of the provisions of articles 27, sixth paragraph and 28, fourth paragraph of the Political Constitution of the United Mexican States and the Law respective regulations.
- c) Generation of nuclear energy.
- d) Radioactive minerals.
- e) Telegraphs
- f) Radiotelegraphy.
- g) Postal Service
- h) Emission of bills.

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- i) Coinage of currency.
 - j) Control, supervision and surveillance of ports, airports and heliports.
 - k) The others that expressly indicate the applicable legal provisions.

3.2 ACTIVITIES RESERVED FOR MEXICAN INDIVIDUALS OR MEXICAN COMPANIES

According to article 6 of the LIE, some economic activities can only be carried out by mexican individuals or by mexican companies with a foreigner exclusion clause³:

- a) National land transport of passengers, tourism and cargo, not including courier and parcel services.
- b) Development banking institutions, in the terms of the Law of the matter.
- c) Provision of professional and technical services that expressly indicate the applicable legal provisions.

3.3 ACTIVITIES WITH SPECIFIC REGULATION

These are activities in which foreign investment can participate up to a maximum limit. They are listed in Article 7 of the LIE, with the participation limits indicated below:

- a) Up to 10% in cooperative production societies.
- b) Up to 49% in:
 - Manufacture and commercialization of explosives, firearms, cartridges, ammunition and fireworks, not including the acquisition and use of explosives for industrial and extractive activities, nor the elaboration of explosive mixtures for the consumption of said activities.
 - Printing and publication of newspapers for exclusive circulation in national territory.

³ The foreigners' exclusion clause is the express agreement or pact, which is an integral part of the bylaws of a company, which establishes that the latter will not admit foreign investors or partners that admit foreigners as partners or shareholders.

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- Series "T" shares of companies that own agricultural, livestock and forestry lands.
 - Fishing in freshwater, coastal waters and in the exclusive economic zone, not including aquaculture.
 - Integral port administration.
 - Port services for piloting vessels to carry out inland navigation operations under the terms of the Law on the matter.
 - Shipping companies engaged in the commercial exploitation of vessels for inland navigation and cabotage, with the exception of tourist cruises and the exploitation of dredges and naval devices for port construction, conservation and operation.
 - Supply of fuels and lubricants for ships and aircraft and rail equipment.
 - Broadcasting. Within this maximum amount of foreign investment, there will be reciprocity that exists in the country in which the investor or the economic agent that ultimately controls the latter is directly or indirectly constituted.
 - Regular and non-regular national air transport service; non-regular international air transport service in the air taxi mode; and, specialized air transport service.

3.4 ACTIVITIES REQUIRING THE AUTHORIZATION OF THE CNIE FOR MAJORITY FOREIGN INVESTMENT INVOLVEMENT

In some activities and companies, foreign investment can participate, in principle, only up to 49% of share capital. However, if foreign investment would like to acquire a higher percentage, even up to 100%, it can be done only if previously they obtain do so provided that, previously, it obtains a favorable resolution from the CNIE.

These activities, registered in Article 8 of the LIE and are:

- a) Port services to vessels to carry out their internal navigation operations, such as towing, rope lashing and lanchaje.
- b) Shipping companies engaged in the operation of vessels exclusively in high altitude traffic.
- c) Concessionary or permitting companies of aerodromes serving the public.

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- d) Private preschool, primary, secondary, upper secondary, superior and combined education services.
- e) Legal services.
- f) Construction and operation of railways that are a general means of communication, and provision of public rail transport services.

Additionally, in accordance with article 9 of the LIE, a favorable resolution of the CNIE must be obtained in those cases in which the foreign investment intends to acquire, directly or indirectly, any interest or shareholding greater than 49% of the capital stock of Mexican companies whose total value of assets exceeds the amount determined annually by the Commission itself. This amount is published annually in the Official Gazette of the Federation and can be consulted in the electronic portal of the SE, in this case, the General Resolution by which the amount of the total value of the assets referred to in article 9 is determined. of the LIE, which is in force⁴.

4 MIGRATORY PROCEDURES

The natural person of a nationality other than mexican who intends to enter the country must comply with the requirements of the Migration Law (LM), its regulations and other applicable legal provisions.

The natural person of a nationality other than the mexican that intends to invest in Mexico and is a national of a country with which Mexico has signed a suppression agreement for Visa or that has been removed from the Visa by a unilateral decision, does not require obtaining a Visa to appear in the immigration screening filter and apply for admission to Mexico under the condition of visitor's stay without permission to perform paid activities⁵.

Mexican Visa will not be necessary for the natural person of a nationality other than mexican who submits any of the following documents:

⁴ General Resolution by which the amount of the total value of the assets referred to in article 9 of the LIE is determined.

⁵ National Institute of Migration, countries and regions that do not require a visa to travel to Mexico

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- a) Visa or document proving permanent residence in Canada, the United States of America, Japan, the United Kingdom of Great Britain and Northern Ireland or any of the countries that make up the Schengen Area⁶, or a document proving permanent residence in the countries members of the Pacific Alliance: Chile, Colombia and Peru.
- b) Valid Visa of Canada, the United States of America, Japan, the United Kingdom of Great Britain and Northern Ireland or any of the countries that make up the Schengen Area.
- c) APEC Business Traveler Card (ABTC) adopted by Mexico.
- d) Certificate accrediting the person of nationality other than the mexican, as a member of the crew of the aircraft in which he / she is traveling.
- e) Sea notebook, if you are a member of the crew of the vessel that arrives at the mexican port on an international voyage.

4.1 VISAS

Natural persons of nationality other than mexican who intend to invest in Mexico and are nationals of countries to which the mexican state requires Visa to enter under the condition of visitor's stay without permission to engage in remunerated activities, as well as those foreigners who, regardless of their nationality intend to enter and remain in Mexico for a period of time greater than 180 days, without implying that they will receive economic compensation in national territory, they must request one of the following Visas:



⁶ <https://www.gob.mx/sre/documentos/espacio-schengen>

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4.2 GENERAL ASPECTS OF THE PROCESS OF OBTAINING VISA

Where are they obtained?

Visas are processed and obtained personally in any consular office or embassy of Mexico abroad⁷.

You can schedule an appointment via telephone or online (MEXITEL)⁸.

What is the cost of the procedure?

Consult the updated rates through the portal of procedures and services of the National Institute of Migration (INM)⁹.

4.3 VISITING VISA WITHOUT PERMISSION TO CARRY OUT REMUNERATED ACTIVITIES

This Visa allows you to visit Mexico to carry out activities that do not involve receiving remuneration, such as:

- a) Carry out commercial exchanges of goods or provision of services.
- b) Establish, develop or manage a foreign capital investment.
- c) Provide specialized services previously agreed or contemplated in a technology transfer agreement, patents and trademarks, purchase and sale of machinery and equipment, technical training of personnel or any other production process of a company established in Mexico.
- d) Carry out activities at a professional level in terms of the Free Trade Agreements signed by Mexico.
- e) Attend meetings or board meetings of companies legally established in Mexico.
- f) Perform management, executive or specialized functions in a company or one of its subsidiaries that are established in Mexico.
- g) Tourist activities.

⁷ Consulates of Mexico abroad and Embassies of Mexico Abroad

⁸ <http://www.gob.mx/sre/acciones-y-programas/citas-telefonicas-y-a-traves-de-internet>

⁹ <https://www.gob.mx/inm/articulos/conoce-las-nuevas-tarifas-para-el-pago-de-derechos-migratorios-2018?idiom=es>

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- h) Transit through Mexico.
 - i) Activities related to the exercise of any cult.
 - j) Technical work in companies (without receiving payment in Mexico).
 - k) Philanthropic activities, sports, transport of goods.
 - l) To receive medical treatments, attend fairs and / or conferences, as well as carry out studies that do not imply a temporality greater than 180 days.

Which are the necessary documents?

- a) Visa application form.
- b) Valid passport or identity document and travel, in accordance with international law, in original and copy.
- c) A recent photograph with a maximum of 6 months old, with the face visible and without glasses, in color, passport size, whose measurements should be at least 32.0 millimeters x 26.0 millimeters and a maximum of 39.0 millimeters x 31.0 millimeters, with white background and front.
- d) Original and copy of the document that proves your legal stay, if the foreigner is not a national of the country where he applies for the Visa.
- e) It is essential to present proof of payment of corresponding fees (Consult the Consular Office of Mexico abroad to know where to do it).
- f) Documents that accredit any of the following assumptions:
 - o Rooting:
 - o Original and copy of the public deed of real estate duly registered in the name of the applicant with a minimum of two years and proof of stable employment with minimum of two years.
 - o Original and copy of the document proving the ownership or participation in business issued by the competent authorities of each country, in the same way, with a minimum of two years.
 - o Economic solvency:
 - o Original and copy of the documents that show that you have a job or pension with monthly income free of liens greater than the equivalent of 100 days of the general

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minimum wage in force in Mexico City, during the last three months and proof of stable employment with minimum of one year.

- Original and copy of proof of investment or bank accounts with average monthly balance equivalent to 300 days of the general minimum wage in force in Mexico City, during the last three months.
- In the case of individuals of a nationality other than mexican who study regularly in institutions of higher education, must submit original of proof of studies and original proof of stable employment, pension or scholarship with monthly income equivalent to 60 days of salary general minimum valid in Mexico City, during the last three months.

Payment of fees for the issuance of a Visa when applicable, in accordance with the provisions of the Federal Rights Law.

What is the cost of the procedure?

Consult the updated rates through the portal of procedures and services of SRE¹⁰.

What is the maximum term of resolution of the procedure?

10 working days.

4.4 VISITING VISA WITHOUT PERMISSION TO CARRY OUT REMUNERATED ACTIVITIES (LONG TERM)

This Visa has the same characteristics as the visitor without permission to perform paid activities, however, its validity is 10 years.

To whom is it directed?

- a) Persons of a nationality other than Mexican nationality with broad economic solvency.
- b) Frequent travelers.

¹⁰ <https://www.gob.mx/tramites/ficha/visa-de-visitante-sin-permiso-para-realizar-actividades-remuneradas/SRE232>

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- c) Prominent people.
 - d) Supervisors of a foreign company with a subsidiary in the national territory.
 - e) Executive staff of subsidiaries or commercial offices of Mexican companies abroad.
 - f) Family member of a Mexican, or of a temporary resident or a permanent resident, or a diplomatic or a consular official accredited in Mexico.

Which are the necessary documents?

The same as to process the visitor's visa application without permission to perform remunerated activities, and adding documents that accredit any of the following assumptions:

- a) Frequent traveler.
 - Copy of the pages corresponding to the passport that holds three valid visas or immigration control stamps, provided that they are countries not bordering on their country of residence.
- b) Prominent person.
 - Document written by the applicant accompanied by supporting documentation in which the activities or specialties with international recognition are indicated, or that is a person of recognized national or international prestige or another prominent person, such as, scientist, researcher, humanist, artist, athlete, or journalist of national or international prestige.
- c) Supervisor of a foreign company with a branch in national territory or executive staff of commercial offices or mexican companies abroad.
 - Original and copy of the document proving the legal constitution of the company or subsidiary; and original of the letter of the company or branch in which it expressly indicates that it is a supervisor of it and that the payment of the services it will provide in the country will be paid by the company.
 - Original and copy of the articles of incorporation or of the document that certifies the legal constitution of the mexican company subsidiary or of the document that accredits the commercial representation; and original of the letter of the company or commercial office in which it is expressly indicated that it is an executive thereof, or that it has an appointment as a commercial representative.

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- For the case of a relative of a mexican, or a temporary resident or a permanent resident, or of a diplomatic or consular official accredited in Mexico, consult the necessary documentation established for this procedure, in the general guidelines for the issuance of visas issued by the Secretariats of the Interior and Foreign Affairs¹¹.

What is the cost of the procedure?

Consult the updated rates through the portal of procedures and services of the SRE¹².

4.5 ELECTRONIC AUTHORIZATION SYSTEM (SAE)

To whom is it directed?

To foreigners of russian, turkish and ukrainian nationalities traveling to Mexico by air, seeking to enter the country for tourism, transit or business purposes, under the condition of a visitor's stay without permission to engage in remunerated activities, to remain in the country for an uninterrupted time not greater than 180 days.

Which are the necessary documents?

- a) Valid passport.
- b) Fill out an electronic application through the INM website¹³.

What are the main characteristics of the electronic authorization?

- a) The SAE information and the application are available in spanish, english, russian and turkish.
- b) It is not necessary to obtain a consular Visa.
- c) The electronic authorization has not cost.

¹¹ DOF 10/10/2014 http://dof.gob.mx/nota_detalle.php?codigo=5363603&fecha=10/10/2014

¹² <https://www.gob.mx/sre>

¹³ <https://www.inm.gob.mx/sae/publico/solicitud.html>

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What is the validity of the authorization?

The electronic authorization is valid for 180 days from its issuance. It is valid only for one trip to Mexico and there is no limit on the number of authorizations that a foreigner can obtain.

What is the maximum term of resolution of the procedure?

The same working day.

4.6 VISA OF TEMPORARY RESIDENCE

Applicable to persons of nationality other than mexican who intend to enter Mexico as a temporary resident with the objective of staying for a period of time greater than 180 days and less than 4 years. It is essential that the foreigner, once in Mexico, process his/her temporary resident card, which he/she can manage in the office of attention to procedures of the INM closest to the domicile of the foreign person¹⁴, within the following 30 calendar days counted from its entry into the national territory.

a) Investor

- Deed or policy of the mexican legal entity granted before a Public Notary, or document duly certified by the administrative body or competent official thereof, stating that the foreign person participates in the capital stock of said mexican legal entity, and that the amount of the investment effectively disbursed for the participation of the foreign person in the mexican legal entity exceeds twenty thousand days of the general minimum wage in force in Mexico City, which may be accredited, but not limited to, by means of a sales contract, shares or social shares, contract of transfer of assets or rights in favor of the mexican legal entity or document issued by the latter that proves the amount contributed by way of the participation in the capital stock, in original and copy.
- Document proving the ownership of personal property or fixed assets in favor of the foreign legal entity, used for economic or business purposes, with a value that exceeds

¹⁴ National Institute of Migration (INM) Hours and offices

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twenty thousand days of the general minimum wage in force in Mexico City, in original and copy.

- Documentation that proves the development of economic or business activities in the national territory, which may be accredited, but not limited to, contracts, service orders, invoices, receipts, business plans, licenses or permits, or proof issued by the Mexican Social Security Institute that proves that the natural or legal person with the admission clause for foreigners is an employer of at least three workers, in original and copy.

Payment of fees for the issuance of a Visa What is the maximum term of resolution of the procedure?
10 working days.

4.7 PERMANENT RESIDENCE VISA

Authorizes the foreigner to remain in national territory for an indefinite period of time.

Like the temporary residence visa, its maximum validity is 180 calendar days with a single entry, but once in Mexico, the foreigner must process his permanent resident card in the office of attention to procedures of the INM¹⁵ closest to your address, within the next 30 calendar days counted from your entry into the national territory.

Which are the necessary documents?

- a) Visa application form.
- b) Passport or identity and travel document valid under international law and in force, in original and copy.
- c) A recent photograph with a maximum of 6 months, with the face visible and without glasses, in color, passport size, whose measurements should be at least 32.0 millimeters x 26.0 millimeters and a maximum of 39.0 millimeters x 31.0 millimeters, with white background and front.

¹⁵ <http://www.inm.gob.mx/gobmx/word/index.php/horarios-y-oficinas/>

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- d) Original and copy of the document that proves your legal stay, if the foreign person is not a national of the country where the visa is requested.
 - e) Documents that accredit any of the following assumptions:
 - Retirees or pensioners:
 - Original and copy of proof of investments or bank accounts with average monthly balance equivalent to twenty thousand days of general minimum wage in force in Mexico City, during the last twelve months, or
 - Original and copy of the documents proving that has a pension with monthly income free of liens greater than the equivalent of five hundred days of the general minimum wage in effect in Mexico City during the last six months.
 - f) In the case of a family unit, consult the necessary documentation established for this procedure, in the General Guidelines for the issuance of visas issued by the Ministries of the Interior and Foreign Affairs.
 - g) Payment of fees for the issuance of visas when applicable, in accordance with the provisions of the Federal Rights Law.

What is the maximum term of resolution of the procedure?

10 working days.

5 ENTRY AND STAY IN MEXICO

In the places destined to the international transit of people by land, sea and air, the foreigner must present in the filter of migratory revision before INM, his passport, or valid document of identity and trip, visa and deliver the FMM, duly completed.

5.1 MULTIPLE MIGRATION FORM (FMM)

It is the document issued by the INM that allows foreigners to prove their regular migration status in the country, under the following conditions of stay:

- a) Visitor without permission to perform paid activities.
- b) Visitor with permission to perform paid activities.

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In case of presenting a temporary resident visa or a permanent resident visa, at the point of internment the immigration agent will seal and mark for exchange the FMM with which the temporary or permanent residence card must be processed, as appropriate. With this document, the foreigner will accredit his regular stay in national territory.

Where do you get it?

For applicants for the status of visitor stay without permission to perform paid activities there are two ways to obtain the FMM:

- a) Electronics: Obtained through the INM¹⁶ page.
- b) Presence: The formats are accessible in the modules located in the points of internment, or they can be delivered by the transport companies during the journey.

Holders of a visitor's visa with permission to perform remunerated activities, temporary residence or permanent residence must obtain their FMM in person.

What is its validity?

The FMM marked as visitor without permission to perform paid activities and visitor with permission to perform paid activities has a validity of 180 days.

The FMM marked for exchange will have a validity of 30 days.

The validity of the FMM begins on the date on which the entry into the national territory is authorized, by means of the migratory stamp printed on said document and ends after the term indicated in the item of temporality.

¹⁶ <https://www.gob.mx/inm?>

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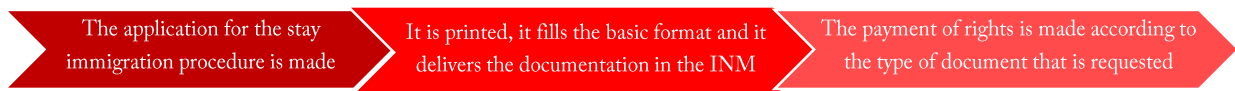
5.2 RESIDENCE CARD

It is the document issued by the INM with which the person of a nationality other than Mexican accredits their status as a regular stay, allows them to stay and make multiple entries and exits from the national territory during their validity.

The person of nationality different from the Mexican will have to process this card before the office of attention to procedures of the INM that corresponds to the address of the interested one, or to the address of his work, within the following 30 natural days counted from his entrance to territory national.

How to obtain it?

The procedure is initiated electronically through the page www.gob.mx/inm¹⁷ and then presented to the INM:



Which are the necessary documents?

- Original and copy of the valid passport or identity document and travel, which is valid according to international law.
- Original FMM valid.
- Original of the Basic Format, duly filled out.
- Original of the Format to request immigration procedure of stay, filled electronically through the website with signature of the applicant.
- Original proof of payment of rights.
- Three photographs (size 2.5 x 3 cm) in color, two in front and one in the right profile of the face, white background, with the forehead and ears uncovered, without earrings and without glasses. Instant photos are not accepted.

¹⁷ <https://www.inm.gob.mx/tramites/publico/estancia.html>

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What is its validity?

The temporary resident card has a validity of 1 year with option to renew for 2 or up to 3 years. In the case of persons over 18 years of age, the permanent resident card has indefinite validity.

What are the costs?

Consult the updated rates through the portal of procedures and services of the INM¹⁸.

What is the maximum term of resolution of the procedure?

15 working days.

5.3 OBTENTION OF EMPLOYER REGISTRATION

Applicable to individuals and legal entities legally established in Mexico that extend employment offer to a foreign person. It allows the person who employs, prove their legal personality and faculties, as well as that the company is operating normally, so that, in subsequent procedures, they will only need to present the updated certificate for the purpose of accrediting legal personality of the legal representative.

How to obtain it?

The procedure is initiated electronically through the INM website, and then presented to an INM processing office.

What is the cost of the procedure?

The procedure is free.

Which are the necessary documents?

Legal Entities:

- a) Constitutive act or the public instrument in which the legal existence of the legal entity is accredited, as well as its modifications.
- b) Public instrument that shows the type of power of attorney conferred on the legal representatives or the attorneys-in-fact if the articles of incorporation do not contain them.

¹⁸ <https://www.gob.mx/inm/articulos/conoce-las-nuevas-tarifas-para-el-pago-de-derechos-migratorios-2018?idiom=es>

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- c) Current official identification of the representative or legal representative.
 - d) Proof of address of the legal entity, whose date of issue does not exceed 30 days.
 - e) Proof of registration in the RFC and proof issued by the competent authority, on the presentation of the last tax declaration.
 - f) List of employees and their nationality.

Individuals:

- a) Current official identification.
- b) Proof of address whose date of issue does not exceed 30 days.
- c) Proof of registration in the RFC and proof issued by the competent authority, on the presentation of the last tax declaration.

What is its validity?

Indefinite. However, it must be updated annually with the tax return, or within 30 calendar days after any change of address or change of representative or legal representative occurs.

6 REGISTRATION IN THE FEDERAL TAXPAYER REGISTRY (RFC)

All individuals or legal entities which perform or intend to carry out economic activities in the country must register before the RFC. This will allow them to have the necessary means to fulfill their legal obligations for the payment of taxes.

How is the procedure performed?

- a) Individuals: from 18 years of age, you can go to any office of the SAT, by appointment recorded on the SAT website, Mobile SAT, portal GOB.MX, or at the offices of the corresponding Federal Entity according to the address.
- b) Legal entities, the SAT, makes available the procedure to register legal entities in the RFC, in the ADSC, in any of its modules.

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Which is the necessary documentation?

a) Individuals:

- Foreigners with residence in Mexico.
 - Original or certified copy of the current migratory document, issued by the competent authority.
 - Original of the fiscal domicile voucher (any of those indicated in subsection B) of the Definitions section of Annex 1-A of the Miscellaneous Fiscal Resolution)¹⁹.
 - Original of the current official identification of the taxpayer or legal representative (voter's credential issued by the INE, passport, driver's license, or corresponding immigration document, issued by the competent authority, if applicable, extension or immigration endorsement).
 - Acknowledgment of pre-registration in the RFC, in case of having initiated the application through the SAT Portal.

b) Residents abroad with or without permanent establishment in Mexico:

- Original of the notarial document with which the legal representative has been designated for tax purposes.
- Certified copy, legalized or apostilled by the competent authority of the document that proves their tax identification number of the country in which they reside, when they have an obligation to have it in that country.

c) Legal entities resident in Mexico with partners, shareholders or associates residing abroad.

- Acknowledgment of pre-registration in the RFC, in case of having initiated the application through the Portal of the SAT.
- Certified copy of the document by which the legal entity has been constituted.
- In the case of Societies for Simplified Shares, social contract for the constitution of the company signed electronically by all the shareholders and registration form in the Public Registry of Commerce.

¹⁹ http://www.dof.gob.mx/nota_detalle.php?codigo=5508788&fecha=22/12/2017

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- Original of the proof of fiscal domicile (any of those indicated in subsection B) of the Definitions section of Annex 1-A of the Miscellaneous Tax Resolution).
 - Certified copy of the power of attorney with which proves the personality of the legal representative, or power of attorney signed before two witnesses and ratified the signatures before the tax authorities or notary public. If it was granted abroad, it must be duly apostilled or legalized and formalized before a mexican public notary and, if applicable, have a spanish translation made by an authorized expert.
 - Original of the valid legal identification of the legal representative (voter's credential issued by the INE, passport, driver's license, professional ID, INAPAM credential or corresponding immigration document, issued by the competent authority, if applicable, extension or immigration endorsement).
 - RFC code of each of the partners, shareholders or associates within the constitutive act.

In the case of legal entities and joint ventures resident in Mexico that have partners, shareholders or associates residing abroad that are not required to request their registration in the RFC, they must use the following generic RFC:

- Individuals: EXTF900101NI1
- Legal entities: EXT990101NI1

d) Residents abroad with or without permanent establishment in Mexico.

- In addition to the requirements indicated in the preceding paragraph that are applicable, they must have:
- Certified copy of the act or constituent document duly apostilled or legalized, as appropriate. When these are in a language other than spanish, a spanish translation must be submitted by an authorized expert.
- Certified copy, legalized or apostilled by the competent authority of the document with which they prove their tax identification number of the country in which they reside, when they have an obligation to have it in that country.

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- Original of the joint venture agreement, in the cases where applicable, with the signature of the associate and associates or their legal representatives.
 - Original of the trust agreement, in the cases that may be appropriate, with the signature of the trustor or trustee or its legal representatives, as well as the legal representative of the fiduciary institution.
 - Certified copy of the act or document duly apostilled or legalized, as applicable, stating the agreement to open the establishment in the national territory.

What is the presential procedure?

The necessary documentation must be presented in an ADSC²⁰ by appointment registered in the SAT's website²¹, SAT Móvil or by calling MarcaSAT at 627 22 728 from Mexico City 01 (55) 627 22 728 from the rest of the country or from the United States and Canada at 1 877 44 88 728.

What is the procedure by electronic means?

- a) Enter the procedures section in the SAT Portal and choose the RFC option in the upper bar.
- b) Select the option for individuals (Personas Físicas) or legal entities (Personas Morales), as appropriate, from the Pre-registration section.
- c) Fill in the information requested by the electronic form "Inscripción al RFC".
- d) Send the procedure to the SAT and print the previous page with the folio number assigned to the procedure.
- e) Schedule an appointment and go with the documentation of the procedure to the ADSC closest to your home.
- f) Deliver the documentation to the tax authority that will attend the process.

²⁰ http://www.sat.gob.mx/contacto/Paginas/directorio_modulos.aspx

²¹ <http://www.sat.gob.mx/contacto/citas>

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What is the maximum term of resolution of the procedure?

Once the complete documentation has been submitted to the ADSC, the acknowledgment of registration in the RFC is obtained the same day.

For more information, we invite you to make an appointment and go to the ADSC closest to your home, consult the web site www.sat.gob.mx, or use the online support services of where you can access the one-to-one chat services or the telephone counseling service in MARCASAT at 01 55 62 72 27 28, where you will be assisted from 8:00 a.m. to 9:00 p.m., Monday through Saturday.

7 AUTHORIZATION OF THE NATIONAL FOREIGN INVESTMENT COMMISSION (CNIE)

The authorization of the CNIE is necessary:

- a) For foreign investment to participate in a percentage greater than 49% in the economic activities and societies contemplated in article 8 of the LIE.
- b) For foreign investment to participate directly or indirectly, in a proportion greater than 49% of the capital of Mexican companies, only when the total value of the assets of the companies in question, at the time of submitting the purchase request, exceeds the amount which annually determines the CNIE in accordance with article 9 of the LIE.
- c) Likewise, according to article 27 of the RLIERNIE, the matters submitted for consideration by the CNIE will be resolved in session of the members of the latter, or through the written opinion of each of them or the Committee of Representatives. Each of its members shall have 5 business days, counted from the day on which the matters were presented, to issue the corresponding vote. Once the aforementioned deadline has elapsed without any objection, it shall be considered that they have cast a favorable vote on the matters that have been submitted for its consideration and resolution. The Technical Secretary of the Commission must send each member of the CNIE or the Committee of Representatives a written report on the corresponding resolutions.

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In accordance with article 29 of the RLIERNIE, applicants must submit the following documents to the Executive Secretary of the CNIE:

- a) Written request, in original and a copy, in which the characteristics of the project are described, as well as the general identification data of the applicant.
- b) Questionnaire, in original and a copy, which must contain the mention of the type of project to be carried out by the applicant and the data that prove the benefits of the project for the economy of the country.
- c) In case the applicant is an individual, updated resume or biographical summary of the foreign investor.
- d) If the applicant is a foreign legal entity, annual report or description of the activities of the last fiscal year.
- e) In the case of an already established company, constitutive act and audited financial statements corresponding to the last fiscal year.
- f) When it is intended to establish a branch in the Mexican Republic, the articles of incorporation and bylaws of the foreign legal entity.
- g) Proof of payment of rights foreseen in the Federal Law of Rights, in original and copy.

In the case of foreign companies, the constitutive act referred to in section VI above must be legalized before a mexican consul or, when applicable, apostilled in accordance with the Decree of Promulgation of the Convention which abolishes the requirement of Legalization of Foreign Public Documents.

Documents submitted in a language other than spanish must be accompanied by a translation made by an expert translator.

Where is the authorization requested?

The procedure is presented in the DGIE, located in Insurgentes Sur 1940, 8th floor, Colonia Florida, Álvaro Obregón Delegation, in México City. The hours of reception of applications are from Monday to Friday from 9:00 a.m. to 2:00 p.m.

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It can also be done in the delegations and sub-delegations of the SE, who will send their request to the DGIE.

Likewise, the procedure can be carried out electronically from any place, through the Legal Affairs System for Foreign Investment: <https://sajie.economia.gob.mx/SAJIE/inicio.html>, for which, you must have with a valid email and valid e.firma (former known as Electronic Signature), in case of not having it or not having it in force, it will be necessary to make the request of e.firma to the SAT.

What is required to process the authorization?

- a) Questionnaire to request resolution of the CNIE / Authorization of the SE.
- b) Request in writing, in original and copy, containing:
 - o Name or corporate name of the person requesting the favorable resolution.
 - o Name of the representative or whoever promotes on behalf of the applicant.
 - o Address to hear and receive notifications and, where appropriate, the persons who can receive them on behalf of the applicant.
 - o Facts or reasons that justify the request.
 - o Detail the main characteristics of the project with precision.
 - o Specify if it has or will have subsidiaries or subsidiaries.
 - o Place and date of the request.
 - o Autograph signature of the representative or person acting on their behalf.
- c) Proof of payment of corresponding rights.
- d) Power granted before public notary in favor of the person who promotes on behalf of the applicant. If this power of attorney is granted abroad, it must be legalized or apostilled and, if it is written in a language other than spanish, it must be translated to spanish by an expert translator. The translation must be complete of the document, including the apostille. In case the power is drafted simultaneously in spanish and in another language, the translation will be necessary on the parts written in a language other than spanish, as in the case of the apostille.
- e) In case the investor is:
 - o Individual: updated resume or biographical summary.

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- Foreign legal entity: deed, articles of incorporation, certificate or any other instrument of incorporation, current bylaws, and annual report or description of the activities of the last fiscal year.
- Incorporated mexican company: constitutive act, as well as those of its shareholders, and financial statements corresponding to the last year or fiscal year.
- f) Other documents
 - In the event that the company has had changes in its name or business name, merger or any other amendment to its bylaws, it must attach original and copy of the documents where the amendments are included.

What is the cost?

Check current rates of the CNIE on its official website²².

What is the maximum term of resolution of the procedure?

45 business days.

8 REGISTRATION IN THE RNIE

The LIE establishes that individuals or corporations with an admission clause for foreigners who habitually carry out commercial acts in the Mexican Republic must register with the RNIE; mexican companies in which foreign investment participates in its capital stock; and, the trusts of shares or social parties, of immovable property or of neutral investment, by virtue of which rights derive in favor of the foreign investment.

The application for registration to the RNIE must be submitted within 40 business days following the date:

- a) In which commercial activities have begun.
- b) Of incorporation of the company or participation of the foreign investment.
- c) Of formalization of the relative documents of the foreign company.

²² <https://www.gob.mx/se/acciones-y-programas/competitividad-y-normatividad-inversion-extranjera-directa?state=published>

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- d) Of constitution of the respective trust or granting of trustee rights in favor of the foreign investment.

The procedure can be done by both the interested party and their legal representative and it is free.

It is important to keep in mind that:

- a) Once enrolled in the RNIE, it is mandatory to report quarterly and annually, in case of exceeding the thresholds established by the CNIE (\$ 20'000,000.00) in any of the following accounts:
- Share capital and/or share structure that imply a change in the participation in the capital stock of foreign individuals or corporations.
 - Active. Accounts receivable from subsidiaries resident abroad, partners or shareholders resident abroad and/or companies resident abroad that are part of the corporate group and do not participate as partners or shareholders.
 - Passive. Accounts payable to subsidiaries resident abroad, partners or shareholders resident abroad and / or companies resident abroad that are part of the corporate group and do not participate as partners or shareholders.
 - Accounting Capital. Contributions for future increases in share capital.
 - Accounting Capital. Reserves of social capital or result of previous years.
- b) The omission and extemporaneous presentation is sanctioned with a fine between 30 and 100 minimum wages.

For more information go to the RNIE website²³.

The procedure can also be presented in the delegations and sub-delegations of the SE in the states or through the internet²⁴.

What is the procedure via internet?

The registration is made through the web site of the RNIE and to do it is mandatory to have the RFC and the e.firma issued by the SAT. Within the page are the procedures guides²⁵.

²³ <https://rnie.economia.gob.mx>

²⁴ <https://rnie.economia.gob.mx/RNIE/faces/inicio.xhtml>

²⁵ <https://rnie.economia.gob.mx/RNIE/faces/guiaviainternet.xhtml>

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What are the resolution deadlines?

Once the documentation with all the required data has been submitted, the RNIE will stamp the registration application form, which will be considered as proof of registration.

However, the SE has 10 working days to carry out a prevention derived from omissions or inconsistencies of the information established in the format. Once this period has elapsed without the prevention being given, the format will be considered duly completed.

Which is the required documentation?

The RNIE is divided into three sections under which you must register:

- a) Section one: Foreign individuals and legal entities.
- b) Section two: Companies.
- c) Section three: Trusts.

8.1 SECTION ONE: PEOPLE OF NATIONALITY OTHER THAN THE MEXICAN AND LEGAL ENTITIES WITH ADMISSION OF FOREIGNERS CLAUSE

Persons subject to registration in the first section of the RNIE are all those who habitually perform acts of commerce in the Mexican Republic, provided that they are:

- a) Individuals of nationality other than Mexican and legal entities with admission for foreigners clause.

In these cases, the required documentation is as follows:

- a) Copy of the document that proves the legal representation or power of attorney, as the case may be.
- b) Copy of the current official identification, or that of the legal representative or attorney, if applicable.
- c) Copy of the immigration document that proves the condition of stay, in case of foreign natural persons (visitor or resident card issued by the INM, or the FMM, in the case of having a visitor's visa without permission to perform remunerated activities).
- d) Original and copy of the proof of payment of the fine, if applicable.

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- e) Copy of the tax ID card, if applicable.
 - f) Original and copy of the registration form in the RNIE (legal size).

8.2 SECOND SECTION: COMPANIES

In the second section of the RNIE, the mexican companies in which the foreign investment participates are registered.

The documentation that must be presented will be the following:

- a) Copy of the document that accredits the legal representation or power of attorney.
- b) Copy of the current official identification of the legal representative or agent.
- c) Original and copy of the proof of payment of the fine, if applicable.
- d) Copy of the constitutive document, the tax identification card and the document that proves the entry of the foreign investment, if applicable.
- e) Document with the name of the fiduciary institution and its fiscal domicile, as well as the name, denomination or company name, nationality and percentage of rights granted to each trustee, as the case may be.
- f) Copy of the document that proves the contributions in kind or capitalizations, as the case may be.
- g) Original and copy of the registration form in the National Registry of Foreign Investments (Legal size).

8.3 THIRD SECTION: TRUSTS

They must be registered when contracts of trusts of shares or social parties, of immovable property or of neutral investment are concluded, by virtue of which rights derive in favor of the foreign investment or of mexicans who own or acquire another nationality and who have their domicile outside the national territory.

In this case, the registration obligation corresponds to the fiduciary institutions through the presentation of the following documentation:

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- a) Copy of the appointment of the fiduciary delegate and the current official identification of the fiduciary delegate.
 - b) Copy of the trust agreement.
 - c) Original and copy of the proof of payment of the fine, if applicable.
 - d) Original and copy of the registration form in the RNIE (Legal size).

9 PROCEDURES BEFORE THE SE IN MATTER OF FOREIGN INVESTMENT

Before the SE, the following procedures are carried out:

- a) Procedures for the constitution of a mexican company:
 - Authorization of use of denomination or company name.
 - Notice of use of denomination or company name.
- b) Authorization to establish foreign legal entities in Mexico.

9.1 PROCEDURES FOR THE CONSTITUTION OF A COMPANY

Before formalizing the document through which a company will be incorporated, it is necessary to obtain the authorization to use the name or corporate name, which must be done before the SE, directly to the offices of the General Directorate of Commercial Regulations.

What is the procedure?

The authorization procedure is divided into the following stages: application, resolution and reservation in case of authorization:

- a) The applicant will enter to the system, the name or business name that he/she intends to use, in order to verify the availability, absence of prohibitions and conditions for its use. When a denomination or company name is being requested concurrently by more than one applicant, the system will allow reserving it only to the one who requested it in the first place.
- b) Once the request is made, the SE will have a maximum period of 2 working days to solve any request received through the system.

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- c) The applicant can reserve the denomination or company name that has been authorized, within 48 hours following the expiration of the term that the SE has to solve. To do this, you must provide the name of the authorized public notary to whom you intend to use it, selecting it from the catalog that the system puts at your disposal, as well as selecting the legal regime with which the company intends to be incorporated.

Also, you must confirm with e.firma that you accept to issue the notice of use of the name or company name, in order to avoid the loss of exclusivity in its use.

Where is the procedure performed?

Any interested party may go directly to the offices of the General Directorate of Commercial Regulations of the SE or to any Delegation or Sub-delegation of the SE near his home, from Monday to Friday, from 9:00 a.m. to 2:00 p.m. In addition, electronic processing can be done through the company portal. To access the system, you will need to create an account in the portal and have the current e.firm issued by the SAT.

What is the cost?

The procedure is free.

What is the maximum term of resolution of the procedure?

2 business days

9.2 NOTICE OF USE OF DENOMINATION OR COMPANY NAME

The notice of use of denomination or company name is the mechanism by means of which the interested party indicates before the SE that the authorization to use the name or corporate name was effectively used for the constitution of a new legal entity or for the formalization of the change of name of a previously constituted company or association.

How is it processed?

The authorized public notary who has been elected pursuant to Article 14 of the Regulations for the authorization of use of denominations or company names, shall give the corresponding notice of use

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through the portal, within 180 calendar days following the date of the corresponding authorization, in order to inform the SE that it has initiated the use of the name or company name authorized by the incorporation of the company or association or formalized its change of name or company name before him.

The notice of use may be presented physically in the offices of the General Directorate of Commercial Regulations or through any of the Delegations or Sub-delegations of the SE.

In the case of simplified share companies, the notice of use will be issued automatically, at the time when the social contract is validated through the Electronic System of Constitution referred to in article 263 of the General Corporation Law Mercantile.

What is the cost?

The procedure is free.

9.3 AUTHORIZATION TO ESTABLISH IN MEXICO COMPANIES OF NATIONALITY DIFFERENT FROM MEXICAN

Companies of a nationality other than Mexican that intend to carry out commercial acts in Mexico must request authorization to establish themselves in the Mexican Republic and register in the RPC. If foreign companies intend to establish a representative office, they must also request authorization.

Where are the procedures carried out?

In the DGIE, located in Insurgentes Sur no. 1940, 8th floor, Colonia Florida, Álvaro Obregón, zip code 01030, in Mexico City. The hours of reception of applications are from Monday to Friday from 9:00 a.m. to 2:00 p.m.

It can also be carried out inside the Republic through the delegations and sub-delegations of the SE.

Likewise, the procedure can be carried out electronically from any place, through the Legal Affairs System for Foreign Investment, for which, you must have a valid email and have the e.firma in force,

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in case you do not have with this or not having it in force, it will be necessary to make the request of e.firma to the SAT.

Which documentation must be presented?

- a) Written request, in original and copy that contains:
 - Name of the requesting foreign company.
 - Name of the representative or legal representative.
 - Address to hear and receive notifications and, where appropriate, the persons who can receive them on behalf of the company.
 - Facts or reasons that justify the request.
 - Detail precisely the activity that society will carry out in Mexico.
 - Place and date of the request.
 - Autograph signature of the representative or legal representative acting on behalf of the company.
- b) Power granted before notary public in favor of the person who promotes on behalf of the applicant. If the power is granted abroad, it must be legalized or apostilled, and if it has been written in a language other than spanish, it must be translated into spanish by an expert translator. The translation must be complete of the document, including the apostille. In case the power is drafted simultaneously in spanish and in another language, the translation will be necessary on the parts written in a language other than spanish, as in the case of the apostille.
- c) Deed, articles of incorporation, certificate or any other instrument in which the incorporation of the company is recorded, such as the registration certificates in the commercial registers. These documents must be legalized or apostilled and when necessary, translated into spanish by an expert translator.
- d) Current bylaws, that is, the rules by which the foreign company is governed. The statutes must be legalized or apostilled and, where appropriate, translated by an expert translator.
- e) Payment receipt of rights.
- f) Other documents. In case the company from its constitution at the moment of requesting the authorization has had changes in its name or business name, mergers or any other

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modification, it must attach original and copies of the documents where the changes are recorded. Likewise, the documents must be legalized or apostilled and, where appropriate, translated by an expert translator.

After a comparison of the documents delivered, the originals, with the exception of the written request and the payment of fees, will be returned to the interested party at the time of reception.

What is the cost?

Consult the updated rates through the portal of procedures and services of the SE²⁶.

9.4 NOTICE OF ESTABLISHMENT OF FOREIGN LEGAL ENTITIES IN THE MEXICAN REPUBLIC

Foreign legal entities constituted in accordance with the laws of the countries with which Mexico has signed Free Trade Agreements, or countries that are members of the World Trade Organization and that intend to establish themselves in the Mexican Republic, to carry out acts of commerce or to establish a representative office, or to provide a service, in accordance with the General Agreement on Trade in Services, through the commercial presence of a branch or a representative office, may choose to present a notice of establishment, instead of the ordinary procedure of authorization.

Which documentation must be presented?

- a) Original and written copy that contains:
 - Name of the requesting foreign company.
 - Name of the representative or whoever promotes on behalf of the company.
 - Address to hear and receive notifications, and where appropriate the people who can receive them on behalf of the company.
 - Statement under protest to tell the truth that:
 - Your social contract and other constituent documents are not contrary to public order;

²⁶ <http://www.e5cinco.economia.gob.mx/swb/es/e5cinco>

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- That the main activity they intend to carry out in the national territory complies with the provisions of the LIE.
 - That it was constituted in accordance with the laws of its country of origin, indicating the address.
 - Representative domiciled in the place where he will operate and which will be responsible for the obligations contracted, indicating the domicile of the representative.
 - Place and date of the presentation of the notice.
 - Autograph signature of the representative or person acting on their behalf.
- b) Public instrument evidencing the representation of the legal entity in the name of the person presenting the notice, or, if applicable, the power granted before a notary public abroad duly legalized or apostilled.

If the documents are written in the language of the country of origin, they must be translated into Spanish by an expert translator. The translation must be complete, including the apostille.

What is the cost?

The procedure is free.

What is the maximum term of resolution of the procedure?

The same working day. It will be enough to present the referred letter containing the stamp and date of receipt, as well as the corresponding sheet issued by the SE, to register in the RPC, or, if appropriate, establish the representative office in the Mexican Republic.

10 PROCEDURES BEFORE PUBLIC FEDATORY

What is the role of the notary public in the constitution of a moral person?

The notary public will give public faith of the constitution of the legal entity through the writing of its constitutive deed, including the statutes that will govern it. The constitutional deed will state the

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appointment of legal representatives, who will have the capacity to represent the legal entity against third parties.

The notary public has the obligation to ensure that all the requirements established in the law in relation to the process of incorporation of the legal entity are fulfilled.

Among the procedures performed by the notary public are: the application for authorization to use the name or business name, the notice of use of the same and the registration in the RPC, as well as other procedures before the federal treasury in relation to the RFC, and the procedures that are addressed to the RNIE.

How is the procedure performed?

The interested party must attend in person before a notary public authorized to formalize the constitution of the legal entity.

In the portal of the Secretariat of Economy you can consult the Directory of Public Notaries²⁷.

What is the cost?

The payment for fees depends on the amount of the share capital and whether or not it includes the registration in the RPC.

11 REGISTRATION IN THE RPC

The purpose of the RPC is to publicize commercial acts, which according to the legislation require it to have effects against third parties and in this way provide legal certainty.

The operation of the RPC is in charge of the SE and the authorities responsible for the public registry of property in the states²⁸.

²⁷ https://www.gob.mx/cms/uploads/attachment/file/157916/Directorio_Corredores_Publicos.pdf

²⁸ <http://www.siger.gob.mx/siger/registro.pdf>

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The SIGER is the computer program through which the storage, custody, security, consultation, reproduction, verification, administration and transmission of the information in the RPC is performed.

Where is the procedure presented?

The procedure is presented in person at the registry office of the address where the legal entity operates. It can also be done electronically, but this route is only available to public notaries.

Which is the necessary documentation?

- a) Respective pre-coded form. In the case of registration of foreign legal entities, the pre-codified form is the M-11 corresponding to the Registration and/or modification of the company with foreign admission clause. In the case of Mexican companies, the pre-codified form is the M-4 corresponding to the incorporation of the company, both contained in Annex II of the Agreement, which establishes the forms to carry out the inscriptions and annotations in the CPM and in the Sole Registry of Movable Guarantees.
- b) Testimony, policy or act in which the act to be registered is recorded, accompanied by the magnetic medium containing such electronically signed documents.
- c) Rights payment.

What is the presential procedure?

- a) The pre-coded form and the corresponding record will be presented in the corresponding registry office according to the company's address, accompanied by the magnetic medium containing such documents.
- b) Once the payment of the rights has been accredited, an entry ticket will be generated, which will include the information identifying the act to be registered, the internal control number and general reception data, as well as the date of receipt of the registry office, which will serve the interested party to determine the priority between rights on two or more acts that refer to the same electronic mercantile folio.

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- c) Once the entry ticket has been generated, the pre-coded form will be exchanged, accompanied by the testimony, the policy and the corresponding electronic means, to continue the analysis phase.
 - d) The analysis phase includes the review of the pre-codified form, verification of the existence or inexistence of registration records and, where appropriate, their capture and pre-registration to the national database.
 - e) In the qualification phase, the office manager or the registrar receives through the SIGER the act to be processed, identifying it by the control number, date and time, and reviews the data captured in the analysis phase, if correct and proceeding with the registration of the act, the person in charge of the office authorizes, by means of the generation of the electronic signature, its definitive inscription in the national database, with which the corresponding electronic mercantile folio will be created or the act that will be added to it

The office manager or the register must qualify the act that has been presented for registration within a period of 10 working days, counted from the reception of the precoded form in the registry office.

Once the act has been electronically signed and registered in the national database, an enrollment ticket will be issued, through the SIGER, which will be delivered to the interested party upon presentation of the entry ticket.

What is the maximum term of resolution of the procedure?

10 working days.

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12 OTHER PROCEDURES

12.1 REGISTRATION IN THE MEXICAN BUSINESS INFORMATION SYSTEM (SIEM)

The SIEM aims to integrate, process and provide timely and reliable information on the characteristics and location of trade, services, tourism and industry in the country, for better performance and promotion of business activities.

Who should register?

All individuals and corporations with business activities and subject to a tax regime must register and update annually through the corresponding chamber according to their activities and circumscription, each of their establishments in the SIEM.

When should the procedure be carried out?

The registration of newly created companies must be done within 2 months following the date of registration with the RFC; in the case of the update of the data, it must be done within 2 months after the fulfillment of the year of its registration.

How is the registration processed before the SIEM?

The registration will be carried out in the business chamber authorized by the SE for this purpose, corresponding to the region and direction of the establishment.

Personnel of the business chambers duly identified, can visit the establishments to perform the information gathering for registration to the SIEM.

The operators will capture the information of the companies that are located in the scope of their line of business, activities and circumscription, and will make the corresponding collection.

The registration can be done in three ways:

- a) By the visit of a promotor to the establishment.

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- b) By the presentation of the requirements directly on the correspondent chamber.
 - c) Certified mail or fax.

What is the cost?

Verify in SIEM's web site the current rates for industry and for trade and services²⁹.

12.2 PROCEEDINGS BEFORE THE MEXICAN INSTITUTE OF SOCIAL SECURITY (IMSS)

12.2.1 Employer registration and inscription in the occupational hazard insurance

It is a procedure performed by the employer (individual or legal entity) to obtain their registration in the IMSS, with which they can register their workers and make the payment of their worker-employer shares. Upon registration legal obligations are complied with and social security is offered to hired workers.

Who should register?

Individuals or legal entities that hire workers.

When should the procedure be carried out?

The process of employer registration and registration in occupational hazard insurance should be carried out when an individual or legal entity plans to hire workers to perform activities, since employers have the obligation to register their workers within a period of time not greater than 5 business days after the contract is signed by employer and employee.

Which documents are necessary to complete the process?

- a) Individual
 - In person

²⁹ <https://www.siem.gob.mx/siem/ayuda/preguntasfrecuentes2017.asp>

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- Format “Formato Aviso de Registro Patronal Personas Físicas en el Régimen Obligatorio (ARP-PF)” related to the employer registration. provided in the IMSS, signed in an autographed manner by the employer in the presence of the person who attends the process.
 - Copy of the RFC.
 - Original and copy of the proof of address of the workplace.
 - Original of the home location of the work center's address.
 - Original and copy of the employers’ official identification with photograph.
Among the documents considered as official identification for this process are:
 - Credential to vote issued by the National Electoral Institute or by the Federal Electoral Institute (until the end of its validity).
 - Valid passport, mexican or foreign.
 - certificate of the National Military Service.
 - Professional Certificate.
 - Consular registration.
 - Card/Identity card/Identity card for foreigners.
 - Current valid migratory document, issued by the competent authority (if applicable, extension or migratory endorsement).
 - Copy of the single registry of population (CURP).
 - In case of having legal representative, original and copy of the power of attorney for acts of ownership, administration or special power where it is specified that you can perform all kinds of procedures and sign documents before the IMSS.
 - Original and copy of the official identification with photograph and signature of the legal representative.
 - Copy of the RFC of the legal representative.
 - Copy of the CURP of the legal representative.
 - Online
 - On line with e.firma.

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- Attach proof of address of the work center. If you do not have an e.firma, you can pre-register and schedule an appointment to complete the process in the Sub-delegation or auxiliary office of Affiliation and Collection that corresponds to the address of the company.

b) Legal Entity.

- On-site
 - Format “Aviso de Registro Patronal Personas Morales en el Régimen Obligatorio (ARP-PM)” related to the employers’ registration, when it is a legal entity provided in the IMSS, signed in an autographed manner by the employer, obliged subject or legal representative, in the presence of the person who attends the process.
 - Copy of the RFC.
 - Original and copy of the proof of address of the workplace.
 - Original of the home location of the work center's address.
 - Original and copy of the public deed or constitutive act that contains the stamp of the RPC. If you still do not have the registration number (business page), you must present a copy of the application for registration with the RPC or proof of the notary public that certifies the process; to check the procedure, you can display the electronic mercantile folio obtained from the SIGER program.
 - In the case of legal entities incorporated abroad and with establishment in the national territory, submit an original and copy of the certificate of incorporation document (bylaws, certificate of registration or other that applies with the legislation in the country of residence) duly certified, legalized or apostilled with the translation authorized to spanish.
 - Original and copy of the power of attorney for acts of ownership, administration or special power where it is specified that you can perform all kinds of paperwork and sign documents before the IMSS.

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- Original and copy of the official identification with photograph and signature of the legal representative.
 - Copy of the RFC of the legal representative.
 - Copy of the CURP of the legal representative.
 - You can submit original and two copies of the “Avisos de Inscripción de los Trabajadores (AFIL-02)” related to the employees’ registration contracted on the date of registration.
- c) On line
- On line with e.firma.
 - To carry out the online process, you must attach:
 - First and last page of the power of attorney for acts of ownership, administration or special power where it is specified that you can perform all kinds of paperwork and sign documents before the IMSS; as well as, the sheet where the name of the legal representative appears.
 - First and last sheet of the public deed or constitutive act containing the RPC stamp, as well as the sheet where the name of the legal representative appears.
 - In case of not having an e.firm of the legal entity and the legal representative, a pre-registration can be made and an appointment to conclude the procedure in the Subdelegation or Auxiliary Office of Affiliation and Collection corresponding to the address of the legal entity

When the requested documents are issued outside the national territory, they must be presented legalized or apostilled, and where appropriate, accompany the translation into spanish.

How is it processed?

The process can be done online 365 days a year or in person at the Subdelegation or Auxiliary Office of Affiliation and Collection that corresponds according to the tax domicile or work center, Monday through Friday at a time of 8:00 at 3:30 p.m.

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There are two alternatives on the internet: Through the e.firma, the process can be concluded in a non-contact manner, or if you do not have an e.firma you can pre-register and then go to the corresponding Sub-delegation, with the appointment generated by the system, to complete the process.

What is the cost?

The procedure is free.

What is the maximum resolution period?

The procedure is immediate and generates an identifier of the company in the IMSS called employer registration number.

13 TRAINING OF WORKERS AND OTHER PROJECTS OF BUSINESS SUCCESS

13.1 DEVELOPMENT OF THE PLAN AND PROGRAM OF TRAINING, AND PRODUCTIVITY

Training plans and programs will be developed using the DC-2 format "Elaboración del plan y programas de capacitación, adiestramiento y productividad", according to the attached model, within 60 working days following the start of operations in the workplace.

For the preparation of the plans and programs, the following should be done:

- a) Take into account the training needs of all positions and levels of work in the company.
- b) Specify the number of stages during which they will be taught.
- c) Indicate if these are specific training plans and programs for a company; common for several companies or if they are adhered to a general system of training by branch or activity; and, where appropriate, the establishments in which it is applied.
- d) Establish periods of no more than two years.

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- e) Consider the provision of training through the company's own staff, specially hired instructors, institutions, schools or specialized agencies.
 - f) Base on labor standards, labor competency or its equivalent if there were them for the jobs in question.
 - g) Consider the actions to be taken with respect to the productivity issues mentioned in article 7, sections II, III, IV and V of the "Agreement by which the administrative criteria, requirements and formats for carrying out the procedures and requesting services in terms of training, training and productivity of workers ".
 - h) Include, where appropriate, the training courses they teach:
 - The companies from which they have acquired a good or service of any kind.
 - The foreigners to mexican workers in national territory, or when the workers receive training abroad.

Workers or employers of companies that teach courses and/or events included in common plans and programs, will be considered internal training agents, regardless of whether they are owners, shareholders or provide their services to companies other than those in which they provide training and referred training.

At the end of the validity of the plan and programs of training and productivity, the company must prepare the following plan in the same order.

Where is the procedure presented?

In Mexico City you can present the procedure in the Registration Module of the General Directorate of Training, Training and Labor Productivity; Picacho Ajusco Road # 714, Building A (Mezzanine), Col. Torres de Padierna, Tlalpan, C.P. 14209, Telephone: 01 (55) 3000 2700, Extensions: 5382 and 5391 also in the Federal Office of Labor of Mexico City, located at Azcapotzalco Street, Villa # 311, Second Floor (at the back), Col. Barrio de Santo Tomas , Azcapotzalco, CP 02020, Metro Ferrería, Telephone: 01 (55) 5003 1000, Extensions: 1950 or 1952. Both with business hours: from 8:30 a.m. to 2:00 p.m., from Monday to Friday.

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For the interior of the Mexican Republic, you can go to the Federal Labor Delegation of your Federal Entity.

This procedure is for internal conservation, so companies must keep the following information available to the Secretariat:

- a) The DC-2 format "Elaboración del plan y programas de capacitación, adiestramiento y productividad ", according to the model published in www.stps.gob.mx.
- b) The name and objectives of the training programs or courses, their contents, the positions and levels of work to which they are directed; as well as the selection procedure used to train workers in the same position and category.

The actions to be carried out related to productivity issues.

Which are the requirements for filing the procedure?

The employers must keep available to the STPS and the SE, the plans and programs of training and productivity that have been agreed to be established, or where appropriate, the modifications that have been agreed upon on plans and programs already implemented, through of the DC-2 format "Elaboración del plan y programas de capacitación, adiestramiento y productividad ", according to the model published on the STPS page³⁰, and annex the document in which the name and objectives of the training programs or courses are established, the contents of these, the positions and levels of work to which they are directed; as well as the selection procedure used to train workers in the same position and category, and the actions to be taken with respect to productivity issues.

What is the cost of the procedure?

The procedure is free.

What is the maximum resolution period?

The procedure is immediate resolution, that is, it is generated at the time of completion. It must be kept as an internal record, available to the STPS and the SE.

³⁰ www.stps.gob.mx

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13.2 CONSTITUTION OF THE MIXED TRAINING AND PRODUCTIVITY COMMISSION FOR COMPANIES THAT HAVE MORE THAN 50 WORKERS

Companies with more than 50 workers must set up Mixed Commissions for Training and Productivity, composed of an equal number of representatives of workers and employers, in accordance with the provisions of the LFT, and will be responsible for performing the functions numbered below:

- a) Monitor, implement, operate and improve systems and training programs.
- b) Propose the necessary changes in machinery, equipment, work organization and labor relations, in accordance with the best technological and organizational practices that increase productivity according to their current level of development.
- c) Propose the agreed measures, with the purpose of promoting training, measuring and raising productivity, as well as ensuring the equitable distribution of its benefits.
- d) Monitor compliance with productivity agreements.
- e) Solve the objections that, where appropriate, workers present in order to distribute the benefits of productivity.
- f) Authenticate the certificates of skills or work skills issued to workers who pass the training courses, where appropriate, when they pass the proficiency test applied by the instructor.
- g) Issue opinion on the permanence of workers hired under the modalities of initial training and probationary period.

Where is the procedure presented?

It must be kept as an internal record, available to the STPS. It should be shown to the labor authority when requested.

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What are the requirements for filing the procedure?

The employers must keep at the disposal of the STPS and the SE, the documentation that certifies the constitution of the Mixed Commission of Training and Productivity, through the format DC-1 "Informe sobre la constitución de la comisión mixta de capacitación, adiestramiento y productividad" according to the model published in www.gob.mx/stps append the documentation generated on its integration and operation and the report of activities of the last 12 months.

What is the cost of the procedure?

The procedure is free.

What is the maximum resolution period?

The procedure is immediate resolution, that is, it is generated at the time of completion. It must be kept as an internal record, available to the STPS and the SE.

13.3 PRESENTATION OF THE LIST OF COMPETENCES OR OF LABOR SKILLS

The employers must inform the STPS, for its registration and control, the lists of the competences or work skills records DC-4 format "Listas de constancias de competencias o de habilidades laborales" related to the lists of competency or work skills records, published on the STPS web site, that will contain the information of the training granted to the workers as a result of the actions carried out according to the plan and programs of training and productivity DC-3 format "Constancia de competencias o de habilidades laborales", related to the certificate of competences or labor skills, published on the STPS web site), taking into consideration the following:

Within 60 working days after the end of each year of the plans and programs for training and productivity and at the end of it, even if they have not completed a full year, companies must submit the information corresponding to the following items:

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- a) The general data of the company.
 - b) The validity of the plan and programs of training and productivity.
 - c) The general data of the worker.
 - d) The information of the training courses received by the workers.
 - e) Certifications in Technical Standards of Labor Competence or its equivalent that, as the case may be, have workers' proof, optionally.
 - f) The maximum degree of studies completed with recognition of official validity that the workers provide to the employer.

Where is the procedure presented?

Employers with up to 50 workers may submit their list of competency or work skills records by printed or electronic means. Employers with more than 50 workers must present their list of certificates of competences or work skills, electronically.

When the employers choose to carry out the process through electronic means, they must enter the STPS website at www.stps.gob.mx, and follow the instructions indicated in the league regarding the presentation of the lists of certificates of competences or of labor skills.

In case of doing it in a personal way, they must present the DC-4 format ", published on the STPS page, in the Federal Labor Delegation in their entity.

If the first option is used, the information will be incorporated into the STPS database so that only the corresponding updates can be made in the future.

- a) If the application is submitted in a timely manner, the STPS will issue an acknowledgment of receipt on the same day as the presentation of the lists of certificates, whether this is done at the teller window or by electronic means, in which case it will be provided the accusation in this same way.
- b) Employers must have available to the STPS, as part of their internal records, a copy of the certificates of competences or work skills issued to their workers during the last year, either on paper or in electronic files that preserve the image of the certificate delivered.

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- c) The STPS will include and administer in the database of the Register of Trained Workers, the information of the workers presented by the companies in the lists of certificates of competences or of labor skills.

Which are the requirements for filing the procedure?

Through electronic means on the STPS page and follow the instructions indicated in the league regarding the presentation of the lists of certificates of competences or work skills.

In case of doing it in a personal way, present the DC-4 format " published on the page of the STPS and the Federal Labor Delegation in your entity.

What is the cost of the procedure?

The procedure is free.

If the application is submitted in a timely manner, the STPS will issue an acknowledgment of receipt on the same day as the presentation of the lists of certificates, whether this is done at the teller window or by electronic means, in which case it will be provided the accusation in this same way.

Employers must have available to the STPS, as part of their internal records, a copy of the certificates of competences or work skills issued to their workers during the last year, either on paper or in electronic files that preserve the image of the certificate delivered.

The STPS will include and administer in the database of the Register of Trained Workers, the information of the workers presented by the companies in the lists of certificates of competences or of labor skills.

13.4 REGISTRATION AS A GENERATOR OF HAZARDOUS WASTE

Generator of hazardous waste is an individual or a legal entity that produces waste through the development of production processes or consumption, which acquires different responsibilities according to the amount of waste generated annually.

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If hazardous waste is generated through the development of production or consumption processes, it must be registered with the SEMARNAT, through the procedure: SEMARNAT-07-017 (“Registro de generadores de residuos” related to the hazardous waste generators register, format FF-SEMARNAT-090).

Where is the procedure presented?

The reception of the procedure is carried out in the Citizen Contact Spaces (ECC) distributed in the 31 Federal Delegations of the SEMARNAT of the States or in the ECC of the Central Offices, in the latter only the procedures of México City and the metropolitan area, which is located in the Ejército nacional no. 223, colonia Anáhuac, Miguel Hidalgo, zip code 11320, Mexico City, with hours of operation from Monday to Friday from 09:30 to 15:00.

To know the location of the ECC closest to your location, see the SEMARNAT web site³¹.

What are the requirements for filing the procedure?

Application form FF-SEMARNAT-090³², Annex 16.4 duly completed and attach the following documents in original and copy:

- a) Current official identification for natural persons, and in the case of legal persons of the legal representative (INE voting card, passport, professional card or military service card).
- b) Constitutive act for the case of legal entities.
- c) Power of attorney for legal representatives (if applicable).
- d) Power of attorney signed before two witnesses (if applicable, for the representation of individuals).

What is the cost of the procedure?

The procedure is free.

³¹ <https://www.gob.mx/tramites/ficha/registro-de-generadores-de-residuos-peligrosos/SEMARNAT1738>.

³² <http://dsiappsdev.semarnat.gob.mx/formatos/DGGIMAR/FF-SEMARNAT-090%20SEMARNAT-07-017%20EDITABLE.pdf>

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What is the maximum resolution period?

The procedure is immediate resolution if the annex 16.4 (description of waste and generation volumes) was captured correctly.

14 PROCEDURES THAT ARE CARRIED OUT IN THE SRE

14.1 REAL ESTATE PROPERTY REGIME

In order to obtain ownership of real estate within the national territory, the following should be considered:

- a) The place where the property is located and its destination (residential or non-residential activities), as well as the nature and nationality of the purchaser of the property.

For purposes of locating the property, the Political Constitution of the United Mexican States in article 27, section I, determines as a restricted area of the national territory:

Restricted area

The strip of 100 kilometers along the borders and 50 kilometers along the beaches.

The real estate acquisition schemes will depend on whether it is:

- b) Mexican legal entities with foreign admission clause.
- c) Foreign individuals or legal entities.
- d) The destination of the property (for the use of residential or non-residential activities).

In accordance with Article 5 of the Regulations of the LIE and the RNIE, for purposes of the provisions of the Second Title of the LIE, an immovable property for residential purposes is one that is intended exclusively for housing for use by the owner or third parties. On the other hand,

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enunciatively but not limited way, real estate destined to the realization of non-residential activities are considered:

- a) Those that are destined for timeshare.
- b) Those destined to some industrial, commercial or tourist activity and that are simultaneously used for residential purposes.
- c) Those acquired by credit institutions, financial intermediaries and auxiliary credit organizations, for the recovery of debts in their favor that are derived from operations specific to their purpose.
- d) Those that are used by companies for the fulfillment of their corporate purpose, consisting of alienation, urbanization, construction, fractionation and other activities included in the development of real estate projects, up to the moment of their commercialization or sale to third parties.
- e) In general, real estate intended for commercial, industrial, agricultural, livestock, fishing, forestry and service provision activities.

The procedure that foreign individuals and companies with admission of foreigners' clause must carry out to acquire the domain or, where appropriate, the use and dispose of real estate within the national territory is the same for both, so the only relevant criterion, in this case, is the location of the property.

14.2 ACQUISITION OF REAL ESTATE OUTSIDE THE RESTRICTED AREA BY FOREIGNERS AND MEXICAN COMPANIES WITH ADMISSION OF FOREIGNERS CLAUSE

To acquire real estate outside the restricted zone, Mexican companies with a foreign admission clause must submit to the SRE the application FF-SRE-006 or FF-SRE-007 which are published in the digital government web site³³, in that the purchaser (a foreigner individual or company with admission of foreigners clause) agrees to consider himself as a national with respect to the goods to be acquired

³³<https://www.gob.mx/tramites/ficha/permiso-para-adquisicion-de-inmuebles-fuera-de-la-zona-restringida-o-concesiones-a-los-extranjeros-para-explorar-y-explotar-minas-y-aguas-en-territorio-nacional/SRE1572>.

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and renounces invoking the protection of his government in regard to those, under the penalty of losing the goods for the benefit of the Nation, in case of missing the agreed upon.

Once this has been done, authorization must be obtained from the SRE for the acquisition of the property and in accordance with the General Agreement published on March 2, 1998, which entered into force on the following day, the nationals of those countries with which the United Mexican States maintains diplomatic relations may benefit from the provisions of the last paragraph of Article 10-A of the LIE, so they must only submit to the SRE a written document agreeing the provisions of section I of the Article 27 Constitutional for acquiring real estate outside the restricted zone.

Who presents the procedure?

- a) The applicant, in the case of individuals.
- b) The legal representative, in the case, both of individuals and companies

.

Which is the necessary documentation?

If the applicant carries out the procedure:

- a) Present the FF-SRE-006 format correctly filled out by machine or computer (original and 2 copies).
- b) Document in which the surface, measures and boundaries of the property are indicated, with the autograph signature of the applicant.
- c) Copy of the current immigration document.

If the procedure is carried out by the legal representative:

- a) Present the format FF-SRE-007 correctly filled to machine or computer (original and 2 copies).
- b) Document in which the surface, measures and adjacencies of the property are indicated, with autographed signature of the legal representative.
- c) Power of the legal representative. To celebrate the agreement, the legal representative must have a special power, expressly determining in one of its clauses the agreement and the waiver in question, or with a general power of attorney for acts of ownership.

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- d) The original documentation proving the legal existence of the legal entity (deed, certificate, certificate or any other instrument of incorporation, as well as the bylaws governing the legal entity) duly apostilled or legalized and translated, as the case may be.

For more details, consult the SRE website: <https://www.gob.mx/tramites/ficha/permiso-para-adquisicion-de-inmuebles-fuera-de-la-zona-restringida-o-concesiones-a-foreigners-to-explore-and-exploit-mines-and-waters-in-national-territory> / SRE1572

What is the cost of the procedure?

The procedure is free.

What is the maximum term of resolution of the procedure?

2 business days

14.3 ACQUISITION OF REAL ESTATE WITHIN THE AREA RESTRICTED BY FOREIGNERS AND MEXICAN COMPANIES WITH ADMISSION OF FOREIGNERS CLAUSE

It is important to highlight that, in the event that the property is within the restricted area, the foreigner or mexican company with foreign admission clause cannot, obtain direct ownership of the property, can only obtain the right to its use, and dispose through a trust. The fiduciary delegate of the respective credit institution must complete the procedure before the SRE.

They must identify the type of use they will give the property and, in accordance with it, perform the corresponding procedures:

In order for mexican companies with the participation of foreigners, or foreign individuals and corporations, to acquire real estate within the Republic, the following requirements must be met.

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Procedures in person are made to the General Directorate of Legal Affairs of the SRE, located at Plaza Juárez No.20, ground floor, Colonia Centro, delegation Cuauhtémoc, zip code 06010, in Mexico City, or in the various delegations of the SRE.

If the good is acquired

- Notice of the acquisition of the property must be given to the SRE, within 60 business days following the date on which said act took place.

Who presents the procedure?

Legal representative of the legal entity.

Which is the necessary documentation?

- Submit the application NOTICE10, correctly filled out by machine or computer (original and 2 copies).
- The location and description of the property.
- The clear and precise description of the uses to which the property in question will be allocated.
- Copy of the public instrument in which the formalization of the acquisition of the property is registered.
- If the notice is presented in time, it must cover the payment of fees, in any banking institution, or, through an electronic transfer of funds in certified credit institutions.

If the notice is presented extemporaneously, it must cover the corresponding payment of fees, in accordance with what is established in article 25 of the Federal Law on Rights in force, in any banking institution, or, through an electronic transfer of funds in certified credit institutions.

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What is the cost?

Check current costs on the SRE web site³⁴.

What is the maximum term of resolution of the procedure?

2 business days.

If the property is intended to be purchased for residential purposes

- In accordance with article 27, section I of the Political Constitution of the United Mexican States, foreigners are prevented from acquiring direct ownership of lands and waters in a strip of one hundred kilometers along the borders and fifty on the beaches, only the use and exploitation of immovable property located within this restricted zone is allowed, through the constitution of a trust, in accordance with the Second Title of the Foreign Investment Law.

A permit from the SRE is required for the credit institutions to acquire, as fiduciaries, rights over immovable property located within the restricted zone, when the purpose of the trust is to allow the use and exploitation of such assets without constituting real rights over them, and the trustees are mexican companies without a foreigner exclusion clause.

Who presents the procedure?

The fiduciary delegate.

What are the presentation requirements?

- a) Name and nationality of the trustor.
- b) Name of the credit institution (bank) that will act as fiduciary.
- c) Name and nationality of the trustee and, if any, of the trustees in second place and of the trustee's substitutes.

³⁴ <https://www.gob.mx/tramites/ficha/aviso-de-adquisicion-de-inmuebles-por-sociedades-mexicanas-con-admision-de-extranjeros-ubicados-en-zonas-restringidas/SRE1571>

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- d) Duration of the trust.
 - e) Use that will be given to the property (purposes).
 - f) Description, location, measures, boundaries and total area of the property subject to the trust.
 - g) Distance of the property from the border or from the Federal Maritime Land Zone.
 - h) Cover the payment of fees through electronic payment at certified credit institutions.

If there is no certainty whether the property is in a restricted area or not, contact the General Directorate of Legal Affairs at dgajuridicos@sre.gob.mx or telephone (55) -36865100 extension 5234.

How is the procedure performed?

The fiduciary delegate must submit to the Directorate of Permits in accordance with Article 27 of the Constitution, the original and a copy of the power of attorney that proves it with such character and request the corresponding permit in the terms indicated in the LIE and its regulations, as well as the agreement which establishes the mechanism by which the fiduciary delegates of the credit institutions must submit the requests to obtain from the SRE permits for the constitution of trusts that allow foreigners to use and take advantage of real estate located in restricted area.

In case of doubt about whether the real property that is intended to affect the trust is located inside or outside the restricted area referred to in Fraction I of Article 27 of the Constitution, the SRE, based on the provisions of Article 6 of the Regulation of the LIE and the RNIE, will consult INEGI, who will determine the corresponding.

What is the cost?

Check the current costs on the SRE web site³⁵.

What is the maximum term of resolution of the procedure?

5 business days.

³⁵ <http://sre.gob.mx/costos-tiempos>