

Your Business Partner in Mexico



30 Years

*Top-Tier Corporate
Tax Expertise*

800 788 2323
gbacorporate.com

Why Mexico?

The strategic geographic location of Mexico, including its long border with the United States and ports in the Pacific and Atlantic oceans, its integration to the value chains with the U.S. market, availability of well trained workforce –technical and professional- and the competitive advantages offered by USMCA to the products produced or assembled in Mexico, have placed several regions of the country in the sight of foreign investment.

Why Global Business Advisor?

GBA provides your Company with a Major Legal, Tax and Corporate Support for the establishment of your company businesses in Mexico, beside the Proper Compliance with Legal Obligations, according to the operative needs of your Organization.

At Global Business Advisor, we have Professionals with Corporate & Business Leaders Vision, that guarantee the Tax Stability in favor of all the International Business Sector, through a Regulatory Strategic Compliance.

The Firm is focused on designing strong strategies to ensure not only such compliance, but to also promote the growth, stability, profitability and attraction of foreign investment.

Information to be considered before Forming a Company.

- When establishing a company within Mexican territory, all individuals of foreign origin will be required to have a Multiple Migration Form (FM3), which can be obtained through the National Migration Institute in the port of entry.
- When establishing a company, corporate entities of foreign origin will need to submit the articles of incorporation and the document that proves the personality of the legal representative (in the event this is not stated in the articles of incorporation) duly translated and apostilled.
- It is indispensable for the company that wishes to be established in Mexican territory to have an address upon registering the company.

Establishment, Administration of Companies and Compliance in Mexico.

Process for the Incorporation.

1. Apply for the authorization of name before the Ministry of Economy (estimated time 3 to 5 business days).
2. Prepare the corporate purpose of the Company and the corporate bylaws (activities to be carried out and how it will be managed by GBA).
3. Process before a Notary Public of GBA the formalization of the corporate purpose and the corporate bylaws (estimated time 10 to 15 business days).

Process for the Incorporation

4. Recording before the Public Registry of Property and Commerce of the Deed of Incorporation of the Company. (estimated time 5 to 10 business days).
5. Registration of the Company before the Federal Taxpayers Registry (estimated time subject to the authority's availability).
6. Registration with the National Registry of Foreign Investment (estimated time subject to the authority's availability).

Operative Process

1. Opening of Bank Accounts.
2. Funding of Bank Accounts.
3. Elaboration of Corporate Paperwork.
4. Registration before the Mexican Institute of Social Security to obtain the employer's card.

Operative Process

5. Registration before the National Workers Housing Institute.
6. Obtain the permits and licenses the company may need for its proper operation, either Local, State or Federal.
 - ***IMMEX***
 - ***Operation Licenses.***
 - ***VAT and IEPS (Special Tax on Production and Services) Certification.***

General Tax Compliance

The Mexican Tax compliance gains more relevance with each passing day, due to the Mexican Tax Policy that causes taxpayers to have more control regarding tax pillars such as the direct, indirect and foreign trade taxes that are generated in the entities. However, our Firm has the necessary professionals to comply with your obligations.

Some examples are: Income Tax, Value Added Tax and General Importation and Exportation Tax.

Income Tax

The direct corporate income tax, is handled at a general rate of 30%, anticipating in a provisional and monthly basis the Income Tax due. Foreign investors may face a permanent establishment for their operations in Mexican territory, which forces them to pay Income Tax over 100% of their income for what is generated in the territory; notwithstanding the above, the Firm will support them to make sure the operations performed within Mexican territory do not fall in the above case.

Eliminating the obligation for investing companies to carry out the Transfer Pricing Study to determine the *markup*.

Value Added Tax

Unlike in other countries, the Value Added Tax is handled at a general rate 16%, a preferential rate and with different tax credits such as IMMEX with a Rate of 0% or through decree at an 8% Rate.

Through a certification, maquiladora companies may obtain the benefit of a 100% tax credit, leaving the activity with a 0% rate, obtaining in all of its periods balance in favor, providing our Firm the legal support to apply for it and obtain it in devolution, increasing the cash flow of the entities.

Also, GBA will enter it in the Tax Stimulus Register.

General Importation and Exportation Tax

The purpose of this tax is to regulate the entry of products and protect domestic production, adjusting the costs of imported goods.

For the maquiladora industry, the General Importation Tax plays a crucial role in several aspects:

1. Reduction of Costs through Special Programs: **The IMMEX Program**, allows the temporary importation of consumables without paying the General Importation Tax, provided the same are used to manufacture goods to be later exported.
2. Improves International Competitiveness: By facilitating access to raw material and components at lower costs, the General Importation Tax, combined with tax benefits, allows for maquiladora companies to increase their productivity and offer products at more competitive prices in the global market.
3. Promotes Foreign Investments: By reducing costs associated with importation, Mexico becomes more attractive for companies that seek using tax advantages and production logistics in the country to export to other markets.

Manufacture, Maquiladora and Exportation Services Program (IMMEX)

The IMMEX Program allows you to make temporary importation of goods with productive and/or services processes of exportation goods or to provide exportation services, deferring the payment of the General importation tax, of the Value Added Tax and, in its case, of the compensatory fees of goods necessary to be used in an industrial or service process destined to the manufacture, transformation or repair of goods of foreign origin temporarily imported to be exported or to the rendering of exportation services.

Likewise, it allows for the companies that operate under this Program to determine their profit through a Safe Harbor, which falls in the topic of whether it is determined based on the assets or on the value of costs and expenses.

Certification on VAT – IEPS (*Special Tax on Products and Services*)

It allows you to apply for the application of a tax credit equal to 100% of the amount to be paid as Value Added Tax, Special Tax on Products and Services and the General Importation and Exportation Tax, when these are due as a result of bringing into national territory goods under the temporary importation customs regime for manufacture, transformation or repair in maquila or exportation programs; of tax deposit to be submitted to the process of assembly and manufacture of vehicles; of elaboration, transformation or repair in bonded warehouse and strategic bonded warehouse.

Shelter Maquiladora Option

A shelter company is responsible for leasing facilities, hiring employees, paying taxes, paying employees, performing importation and exportation activities, and to obtain all necessary permits and licenses. At the same time, the client focuses only in everything related to manufacture and operations.

Permanent Support and Legal Tax-Corporate Shielding

Through the Tax Expertise of the Firm, a professional attention is provided for the follow-up, support and Legal, Tax, Corporate and Labor Compliance, in accordance with the operation needs of the company, under a same legal and safe operative line, facilitating a flexible Management of your Companies, focused in guaranteeing at all times the Financial and Fiscal Health in the performance of your business activities.

We guarantee a Full Legal Shielding of your Company at all times for the development of your business activities, having as premise the applying of the Tax Rights granted by the law and the proper compliance with the obligations on the matter, optimizing a Full Legal Certainty for the Entrepreneur and his Patrimony.

Business Administration

In attention to your **Projects to Invest in México**, our Firm constitutes a legal strategic bridge to **Attract Investments and Manage your Business Resources** destined to Start and Continue with your operations in México.

We provide options for your companies under the strong services structure we operate for **Legal, Tax and Corporate Compliance in México**, facilitating a **flexible Management of your Business Resources**, aiming to guarantee at all times the Safety of your Investments for the carrying out of your Business Activities.

Attract Resources, Pre-Operative Stage.

Business Management Options to Attract Investment Resources in Pre-Operative Stage:

- Payment of Expenses and Fees to Form Corporate Entities in México.
- Attract Resources to Inject Cash Flow in favor of your Companies Formed in México.
- Purchase of Real State Properties, Lands, Industrial Buildings, among others.
- Leasing of Industrial Buildings.
- Building of Industrial Buildings.
- Payment to Suppliers of Machinery and Equipment.
- Management of Travel Expenses to Officers – Executives.
- Payment of Fees to Third Parties, Commissions.
- Among others.

Attract Resources – Operative Stage.

Business Management Options according to needs in Operative Stage:

- Payment of Salaries to Officers and Executives/Bonuses, Compensations.
- Payment to Partners: Diversification in the Payment of Profits, Excess, Remains, Dividends, among others.
- Operative Payments: Bonuses, Compensations, Complements, Gratifications, Commissions, Extraordinary Payments, Payments to Third Parties, among others.
- Control of Resources and Excess Income reflected in the operation of your companies.
- Diversification of Select Income derived from your own Business Activities.
- Return of Investments to Countries Abroad.
- Management for the Investment of Resources in Different or New Projects.
- Management of Payments in Cash.

Thank You
For Your **Attention**

Let's Do Business
in Mexico!

enlace-empresarial@gbacorporate.com

asesorempresarial@gbacorporate.com



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