

How to do business in Mexico

Legal considerations

Recent competition reforms in Mexico have created two new regulatory organisations.

These are the:

- Commission for Economic Competition (COFECE), which regulates general economic issues. See: www.cofece.mx/cofece/ingles
- Federal Institute of Telecommunications (IFT), which regulates telecommunications. See: www.ift.org.mx (site not in English)

A bilateral Investment Protection and Promotion Agreement (IPPA) has been signed by the UK and Mexico which aims to:

- ensure the same rights as domestic investors
- prevent the government selling assets without market value compensation (expropriation)

See: www.gov.uk/government/publications/agreement-between-the-uk-and-mexico-for-the-promotion-and-reciprocal-protection-of-investments--2 for more information.

You should seek legal advice before entering into agreements in Mexico. Contact the DIT [team in Mexico](http://www.gov.uk/world/organisations/department-for-international-trade-mexico#contact-us) at: www.gov.uk/world/organisations/department-for-international-trade-mexico#contact-us for help in finding professional advisers.

Corruption in Mexico

Corruption is a problem in Mexico. The country's ranking in Transparency International's 2016 Corruption Perceptions Index is 123rd out of 176 countries. See: www.transparency.org/news/feature/corruption_perceptions_index_2016#table.

You should ensure you take the necessary steps to comply with the requirements of the UK Bribery Act at: www.gov.uk/government/publications/bribery-act-2010-guidance.

Export licences for Mexico

You must have a licence to supply anything on the UK strategic export control lists to Mexico.

Find out more about getting a licence to export military or dual use goods, services or technology to Mexico, at: www.gov.uk/guidance/beginners-guide-to-export-controls.

Find out which products will need certification or licensing before they can be exported to Mexico, at: www.gov.uk/starting-to-export/licences.

Law on marketing and selling in Mexico

If you are selling to consumers you must be aware of and comply with Mexico's Consumer Protection regulations, at: www.cofece.mx/cofece/ingles, overseen by the Commission for Economic Competition.

Standards and technical regulations in Mexico

Certain products, goods, processes and services must comply with Mexico's standards agency, Norma Oficial Mexicana (NOM) regulations, before products can go on sale in Mexico. The main types of NOMs cover security, labelling and emergencies. See: www.dof.gob.mx/normasOficiales.php (site not in English).

Health certificates

All suppliers into the healthcare sector must have local representation.

Products for Mexico's healthcare market require a 'Sanitary Registration' issued by the Comisión Federal Protección para la contra Riesgos Sanitarios (COFEPRIS), see: www.cofepris.gob.mx/Paginas/Idiomas/Ingles.aspx. These products must have a Mexican company or individual responsible for them, as the registration is issued in the name of the distributor. The main documents required for product registration are a:

- certificate of free sale issued by the NHS
- certificate of quality
- letter of appointment of distributor

These three documents must be in Spanish and translated by a legal translator. Technical information may be in English with a summary in Spanish.

Contact the DIT team in Mexico at: www.gov.uk/world/organisations/department-for-international-trade-mexico#contact-us for help in finding legal translators.

You should consider taking out product liability insurance if you manufacture or supply a physical product that is sold or given away for free. See: www.abi.org.uk/products-and-issues/products/business-insurance/liability-insurance/product-liability-insurance/.

Packaging and labelling your products for Mexico

Mexico's labelling requirements are often different from the EU's. Special labels may need to be attached to products going to Mexico even if the products are already labelled in Spanish.

NOM-50 is the Mexican standard which refers to the commercial information a foreign company has to provide. The label must include a description of the goods and other information including:

- importer name
- exporter name
- declaration in Spanish that the goods have been made in the UK (Hecho en Reino Unido)
- number of items
- importer's 'Mexican Registro Federal de Contribuyentes' (tax identification number)
- exporter's tax ID
- whether an instruction manual is needed
- expiry date, when necessary

Additional advice on certification requirements and labelling can be obtained from Mexico's standards agency, Norma Oficial Mexicana (NOM) regulations, at: www.dof.gob.mx/normasOficiales.php (site not in English).

Be aware that packages may receive heavy handling and be left in the open air for longer than anticipated, so you must take into account the Mexican climate.

Protecting your intellectual property (IP) in Mexico

Trademarks, designs, patents and copyright are the principal forms of intellectual property protection available under common law. They are all governed by legislation. The common law also provides protection against a person passing off goods or services as those of another, as well as protection for confidential information or trade secrets.

Globally, Mexico is ranked 78th out of 128 countries for Intellectual Property Rights (IPR) in the 2016 International Property Rights Index Report. See: <https://internationalpropertyrightsindex.org/country/mexico>.

The Mexican Intellectual Property Institute (IMPI) at: www.gob.mx/imp (site not in English) regulates the use of patents, trademarks, advertisement and business names in Mexico.

Businesses are generally encouraged to learn more about IP issues relevant to their specific industry sector and to consider defensive measures early in their plans to enter the Mexican market. An independent intellectual property rights lawyer can help you to determine the best strategy for your company.

See the IP section in this guide [add link] for more-detailed information on IP in Mexico. Contact the DIT team in Mexico at: www.gov.uk/world/organisations/department-for-international-trade-mexico#contact-us, for details of local legal professionals who can give you advice on protecting your IP in Mexico.

Tax and customs considerations in Mexico

Contact the DIT team in Mexico at: www.gov.uk/world/organisations/department-for-international-trade-mexico#contact-us, to help find local tax advisers before entering into agreements in Mexico.

Double taxation agreement

The UK and Mexico have signed a double taxation agreement, ensuring the same income is not taxed in more than one country. See: www.gov.uk/government/publications/mexico-tax-treaties.

Value added tax (VAT)

VAT, known as IVA in Mexico, is levied on most EU goods at 16%.

If you are registered for value added tax (VAT) you can zero-rate the VAT on most goods you export to Mexico. You will need to get evidence of the export within three months from the time of sale.

Find more information on VAT in non-EU markets and zero rating conditions at: www.gov.uk/guidance/vat-exports-dispatches-and-supplying-goods-abroad.

Excise duty in Mexico

You should check you have paid excise duty on any alcohol, alcoholic drinks, energy products, electricity or tobacco products you send to Mexico.

Company and corporate tax in Mexico

The non-resident company's rate is 30% with no additional taxes on remittance of profits. The corporate income tax (IRPJ) rate is 25%.

The Mexican Tax Administration Service (Servicio de Administración Tributaria) has further information about tax in Mexico. See: www.sat.gob.mx/Paginas/Inicio.aspx (some detail in Spanish only). Contact the DIT team in Mexico at: www.gov.uk/world/organisations/departament-for-international-trade-mexico#contact-us, for details of professionals who can provide advice on taxation in Mexico.

Sponsored By:

Airline / Corporate Travel Services



Strategy / Risk Consultancy Services



Bank / Financial Services



Hotels / Corporate Lodging



Law / Legal Services



Case Study



;

Contact IMA
International Market Advisor
IMA House
41A Spring Gardens
Buxton
Derbyshire
SK17 6BJ
United Kingdom
Email: info@ima.uk.com
General enquiries switchboard: +44 (0) 1298 79562
Website: www.DoingBusinessGuide.co.uk