

MEXICO

DESTINATION GUIDE

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INTRODUCTION

This guide provides a clear and practical overview for **local and foreign employees, employers, and investors** operating in the country. It covers the full employment lifecycle – from hiring and work permits to payroll, social security, taxation, termination, healthcare, education, and business setup.

Designed to support both **local workforce management and international talent mobility**, the guide explains statutory obligations, employee rights, and employer responsibilities under labor, tax, and social security regulations. It also supports business owners by outlining company formation, accounting, and ongoing compliance requirements.

Powered by **Gini Talent** and **Gini Finance**, this guide reflects real-world operational expertise:

- **Gini Talent** enables compliant hiring through recruitment, Employer of Record (EOR), payroll, and work permit services.
- **Gini Finance** ensures financial, tax, and accounting compliance with local regulations.

Together, they provide an end-to-end solution that helps organizations and professionals operate confidently, compliantly, and efficiently.

The logo for Gini Talent, featuring the word "gini" in a lowercase, bold, sans-serif font above the word "talent" in a similar lowercase, bold, sans-serif font. The "i" in "gini" has a dot that is slightly offset to the right.

WORK PERMIT & WORKING CONDITIONS

Working legally in Mexico requires compliance with **labor, immigration, and social security regulations**, which apply to **both Mexican nationals and foreign employees**, with additional immigration requirements for foreign professionals.

This section provides a comprehensive overview of **employment authorization, working conditions, employer obligations, and employee rights** in Mexico, ensuring clarity for local employees, international professionals, and employers operating in the country.

EMPLOYMENT AUTHORIZATION FRAMEWORK IN MEXICO

Mexican Nationals (Local Employees)

Mexican citizens do **not** require a work permit or immigration authorization to work in Mexico. Their employment is governed exclusively by:

- Federal Labor Law (Ley Federal del Trabajo)
- Social security regulations (IMSS)
- Tax legislation (SAT)

Employers must ensure:

- Proper employment contracts
- Social security registration
- Payroll and tax compliance

Foreign Nationals (Work Authorization Requirement)

- Foreign nationals **must obtain legal authorization to work in Mexico** before commencing employment. Immigration status alone does not grant work rights unless explicitly authorized.

TYPES OF WORK AUTHORIZATION FOR FOREIGN EMPLOYEES

Temporary Resident Visa with Work Authorization

- Issued to foreign nationals working in Mexico for more than **180 days and up to 4 years**
- Most common authorization for foreign employees
- Renewable annually and convertible to permanent residence under certain conditions
- Tied to the sponsoring employer and approved job role

Permanent Resident Status

- Granted to individuals meeting long-term residence, family, or economic eligibility criteria
- Permanent residents may work **without a separate work permit**
- Employment activities must still be registered with immigration authorities
- Subject to standard labor, tax, and social security rules

Independent / Investor Work Authorization

Applicable to individuals who:

- Establish or invest in a business in Mexico
- Act as shareholders, directors, or legal representatives
- Perform profit-generating activities
- Maintain full compliance with corporate, tax, and immigration regulations

WORK AUTHORIZATION APPLICATION PROCESS IN MEXICO

For Foreign Employees Outside Mexico

- The employer submits a work authorization request to the **National Immigration Institute (INM)**
- Upon approval, the employee applies for a **Temporary Resident Visa** at a Mexican consulate
- After entry, the employee completes **residence card registration**
- Employment may begin **only after residence card issuance**

For Foreign Employees Already in Mexico

- The employer submits a change-of-status or work authorization request to INM
- Consular processing is not required if the individual already holds legal residence
- Employment may begin **only after official authorization is granted**

WORK AUTHORIZATION ELIGIBILITY REQUIREMENTS

Employer Requirements (Applicable to All Employers)

- Registration with the **National Immigration Institute (INM)** for foreign hiring
- Full compliance with:
 - Tax obligations (SAT)
 - Social security registration (IMSS)
- Justification for hiring foreign personnel when required
- Employment terms compliant with Mexican labor law standards
- Maintenance of accurate payroll and personnel records

EMPLOYEE REQUIREMENTS

For Mexican Nationals

- No immigration authorization required
- Must have a valid employment contract
- Mandatory IMSS registration
- Subject to Mexican labor and tax laws

For Foreign Nationals

- Qualifications relevant to the offered position
- Educational degrees and professional certificates may require **apostille or legalization**
- Clean immigration and criminal background
- Medical fitness may be required depending on the role or sector

REQUIRED DOCUMENTATION FOR EMPLOYMENT AUTHORIZATION

Foreign Employee Documents

- Valid passport
- Visa or residence application forms
- Biometric photographs
- Employment contract
- Educational diplomas and professional certificates
- Proof of professional experience
- Criminal background certificate (if required)

Employer Documents

- INM employer registration certificate
- Job offer letter and signed employment contract
- Company incorporation documents
- Tax registration certificate (RFC)
- Proof of business address
- Organizational chart and job description
- Payroll and social security compliance records

WORK AUTHORIZATION RENEWAL & EMPLOYMENT CHANGES

- Renewal applications must be submitted **before authorization expiry**
- Continued employment with the same employer must be confirmed
- IMSS and tax compliance is mandatory
- Any changes in:
 - Job title
 - Salary
 - Work location
 - Employermust be reported to INM

Sector-specific rules may apply for:

- Manufacturing and maquiladora industries
- Energy and infrastructure projects
- Education and research institutions
- Highly regulated professions

WORKING CONDITIONS IN MEXICO

Mexican labor law applies equally to **Mexican nationals and foreign employees**, ensuring equal rights, protections, and obligations unless specific legal exemptions apply.

Working Hours

Standard working hours:

- Day shift: **8 hours per day**
- Night shift: **7 hours per day**
- Mixed shift: **7.5 hours per day**
- **Maximum working week: 48 hours**

Overtime:

- Subject to statutory limits
- Paid at **double rate** for the first 9 overtime hours per week
- Paid at **triple rate** beyond statutory limits

WORKING CONDITIONS IN MEXICO

Payroll & Wage Protection

- Salaries must be paid in **accordance with employment contracts and Mexican labor law**
- Payroll must accurately reflect:
 - Declared gross salary
 - Mandatory tax withholdings
 - Social security (IMSS) contributions
- **Underreporting wages** is considered a serious compliance violation and may result in:
 - Fines and penalties
 - Retroactive contribution liabilities
 - Labor disputes and inspections

Leave Entitlements

- **Paid annual leave** based on length of service (minimum statutory entitlement applies)
- **Paid public holidays** as defined by federal labor law
- **Sick leave** regulated through medical certification and social security (IMSS)
- **Maternity leave:** 12 weeks (6 weeks before and 6 weeks after childbirth), paid through social security
- **Paternity leave:** Statutory paid leave for fathers
- **Family-related leave** governed by labor law and social security provisions

WHY COMPLIANCE MATTERS IN MEXICO

Failure to comply with labor, immigration, or social security obligations may result in:

- Administrative fines
- Immigration sanctions
- Work authorization cancellations
- Labor disputes and legal claims
- Restrictions on future foreign hiring

Proper compliance ensures:

- Lawful employment
- Workforce stability
- Risk-free immigration status
- Sustainable business operations

WHY MEXICO FOR EMPLOYMENT & BUSINESS OPERATIONS ?

- Large and skilled workforce with strong technical and professional talent
- Competitive employment and operational costs compared to North America
- Strategic location connecting North America, Latin America, and global markets
- Strong manufacturing, automotive, technology, and services sectors
- Extensive free trade agreements supporting international business operations

SOCIAL INSURANCE (IMSS) FOR EMPLOYEES IN MEXICO

Mexico's social security system is administered by the **Mexican Social Security Institute (IMSS - Instituto Mexicano del Seguro Social)** and provides **mandatory social protection** for all legally employed individuals in Mexico, including **Mexican nationals and foreign employees**.

Once an employment relationship is legally established, **IMSS registration becomes mandatory**, regardless of nationality. Social insurance ensures access to public healthcare services, protection against workplace risks, maternity benefits, disability coverage, and retirement pensions, while also ensuring employer compliance with labor and immigration regulations.

Registration is the **employer's legal responsibility** and must be completed within statutory deadlines. Employment cannot legally commence without proper IMSS registration.

Failure to comply with IMSS obligations may result in:

- Administrative fines
- Retroactive contribution liabilities
- Labor and tax penalties
- Immigration compliance risks for foreign employees

MANDATORY IMSS REGISTRATION REQUIREMENTS

Mexican (Local) Employees

- IMSS registration is mandatory from the **first day of employment**
- Employers must register employees immediately upon hiring
- Coverage applies regardless of contract type (indefinite, fixed-term, or probation)

Foreign Employees

- IMSS registration becomes mandatory once:
 - A valid work authorization is granted, and
 - The employment contract is registered
- Coverage generally starts from the **first working day**
- Registration deadlines are defined by IMSS regulations

Employer Obligations

- Register the employee with IMSS within statutory timelines
- Accurately declare salaries and job classifications
- Submit monthly contribution declarations
- Maintain compliant payroll and employment records

SCOPE OF IMSS COVERAGE IN MEXICO

IMSS provides statutory coverage to **both local and foreign employees** under the same legal framework, subject to contribution conditions.

Coverage includes:

- Public healthcare and hospital services
- Work accident and occupational disease insurance
- Maternity and family-related benefits
- Disability and invalidity protection
- Old-age pension and retirement benefits
- Survivor benefits (under qualifying conditions)

Foreign employees receive IMSS benefits under the **same rules and conditions as Mexican employees.**

SOCIAL INSURANCE CONTRIBUTION STRUCTURE (IMSS)

IMSS contributions are calculated as a percentage of the employee's **gross salary** and are shared between the employer and the employee.

Contribution rates may vary depending on:

- Sector and workplace risk classification
- Salary level and contribution ceilings
- Government incentives or reductions
- Nature of employment

Key principles:

- Contributions are declared and paid **monthly**
- Employers are responsible for withholding and remittance
- Underreporting salaries is a major compliance risk

ROLE OF IMSS IN WORK AUTHORIZATION & EMPLOYMENT COMPLIANCE

- Work permit approval and IMSS registration are **separate legal processes**
- IMSS registration is completed **after work authorization approval** for foreign employees
- Continuous IMSS compliance is often reviewed during:
 - Immigration audits
 - Work authorization renewals
 - Labor inspections
- Missing or delayed IMSS payments may result in:
 - Fines and retroactive charges
 - Work authorization risks for foreign employees

IMSS EXIT PROCEDURES UPON EMPLOYMENT TERMINATION

When employment ends, employers must:

- Notify IMSS within statutory deadlines
- Submit final payroll and contribution declarations
- Deregister the employee from the IMSS system

For foreign employees:

- Employment termination may require updates to immigration or residence status
- New employment must be registered with IMSS before work resumes

SOCIAL INSURANCE VS. PRIVATE HEALTH INSURANCE IN MEXICO

Feature	Mexico Social Security (IMSS)	Private Health Insurance
Mandatory with employment	✓ Yes	✗ No
Mandatory for foreign employees	✓ Yes	✗ No
Covers retirement	✓ Yes	✗ No
Covers work injuries	✓ Yes	✗ No
Provides medical healthcare	✓ Yes (public healthcare)	✗ No
Required for residence permit	✗ No	⚠ Sometimes
Supplementary coverage	✗ Limited	✓ Yes
Access to private/international hospitals	✗ Limited	✓ Yes
English-speaking medical staff	✗ Limited	✓ Yes

IMSS includes public healthcare coverage; however, service availability, hospital capacity, and waiting times may vary by region.

For this reason, **many foreign employees and senior-level professionals choose private health insurance** to access private hospitals, international clinics, faster services, and English-speaking medical staff

WHY SOCIAL INSURANCE COMPLIANCE MATTERS IN MEXICO

Proper IMSS compliance ensures:

- Lawful and uninterrupted employment
- Access to essential healthcare services
- Protection against workplace risks
- Accumulation of long-term pension rights
- Reduced labor, tax, and immigration risks
- Transparent and compliant payroll operations

IMSS compliance is a **core legal obligation** for employers and a key safeguard for both local and foreign employees working in Mexico.

TAXATION OF EMPLOYEES IN MEXICO

Mexico's taxation system is administered by the **Mexican Tax Administration Service (Servicio de Administración Tributaria - SAT)**. All individuals earning employment income in Mexico—**Mexican nationals and foreign employees alike**—are subject to Mexican tax legislation based on their **tax residency status, source of income, and employment structure**.

Employers play a central role in payroll taxation and are **legally responsible** for the accurate calculation, withholding, declaration, and payment of payroll-related taxes on behalf of their employees.

TAX RESIDENCY STATUS IN MEXICO

Tax liability in Mexico is determined primarily by **residency status** and **source of income**, regardless of nationality.

Tax Residents

Individuals (local or foreign) are considered **tax residents in Mexico** if they:

- Establish a **permanent home** in Mexico, or
- Spend **more than 183 days** within a 12-month period in the country, or
- Have their **center of vital interests** in Mexico (main source of income or primary professional activity)

Tax residents are generally taxed on their worldwide income.

Non-Residents

Individuals who do not meet the residency criteria are considered **non-residents** and are taxed **only on income sourced in Mexico**, typically through withholding at source.

INCOME TAX ON SALARIES (WITHHOLDING SYSTEM)

Employment income in Mexico is subject to **personal income tax (ISR – Impuesto Sobre la Renta)** under a withholding system.

Key principles:

- Income tax is calculated using **progressive tax brackets**
- Employers are legally responsible for:
 - Monthly payroll tax calculations
 - Income tax withholding
 - Filing monthly payroll tax declarations
 - Making timely tax payments to SAT
- Employees receive their **net salary** after statutory tax and social security deductions

These rules apply equally to **Mexican and foreign employees.**

OTHER MANDATORY PAYROLL DEDUCTIONS

In addition to income tax, the following statutory deductions generally apply:

Employee-Level Contributions

- **IMSS** social security contributions
- **Retirement savings (AFORE)**
- **Housing fund contributions (INFONAVIT)**

Employer-Level Obligations

- **State payroll taxes** (local employer-paid taxes)
- Employer social security and housing fund contributions

All deductions must be:

- Accurately reflected in official payroll records
- Declared and paid in accordance with statutory deadlines

CORPORATE TAX OBLIGATIONS FOR EMPLOYERS

Employers operating in Mexico—whether hiring local or foreign employees—must comply with all corporate and payroll-related tax obligations, including:

- Corporate Income Tax (ISR)
- Salary withholding taxes
- Value Added Tax (VAT) compliance, where applicable
- Monthly payroll and tax filings
- Social security (IMSS) and housing fund (INFONAVIT) reporting

Non-compliance may result in:

- Administrative penalties
- Interest and surcharges
- Tax audits
- Increased labor and immigration compliance risks

DOUBLE TAXATION AVOIDANCE AGREEMENTS (DTAS)

Mexico has an extensive network of **Double Taxation Avoidance Agreements (DTAs)** designed to prevent income from being taxed in both Mexico and another country.

DTAs:

- Prevent double taxation
- Allow tax credits or exemptions
- Define tax treatment for expatriates and temporary assignments
- Clarify taxing rights based on residency, income source, and employer location

Foreign employees may be required to submit a **Tax Residency Certificate** from their home country to benefit from treaty provisions.

TAX IDENTIFICATION NUMBER (RFC)

All individuals earning income or conducting financial transactions in Mexico must obtain a **Mexican Tax Identification Number (RFC - Registro Federal de Contribuyentes)**.

An RFC is required for:

- Payroll registration
- Bank account opening
- Lease and rental agreements
- Utility subscriptions
- Social security registration
- Filing annual or monthly tax returns

Both **local and foreign employees** must hold an RFC once employed.

TERMINATION, SEVERANCE & TAXATION IN MEXICO

Upon termination of employment:

- **Statutory severance payments** are generally taxable, with partial exemptions up to legal thresholds
- Payments for unused annual leave are subject to income tax
- Final payroll taxes must be calculated, withheld, declared, and paid by the employer
- Social security, housing fund, and tax records must be properly closed to avoid penalties

COMMON TAX COMPLIANCE RISKS IN MEXICO

Frequently encountered tax compliance risks include:

- Incorrect tax residency determination
- Underreported or misclassified salary components
- Late or missing payroll tax filings
- Incorrect application of DTAs
- Discrepancies between payroll, tax, IMSS, and INFONAVIT records

These issues may lead to:

- Retroactive tax assessments
- Significant administrative fines
- Audit exposure
- Delays or complications in residence or work authorization renewals

IMPORTANT NOTE ON TAX COMPLIANCE IN MEXICO

Tax compliance in Mexico is a **shared legal responsibility** between the employer and the employee.

Proper tax structuring and timely reporting ensure:

- Lawful and uninterrupted employment
- Financial transparency
- Protection against double taxation
- Smooth immigration and employment continuity
- Reduced audit, penalty, and compliance risks

EMPLOYMENT TERMINATION

Employment termination in Mexico is governed by the **Federal Labor Law (Ley Federal del Trabajo - LFT)**. The law establishes strict rules regarding termination grounds, employee protections, severance entitlements, documentation, and post-termination obligations.

These regulations apply **equally to Mexican nationals and foreign employees** working under a legally valid employment relationship in Mexico. Employers must ensure full compliance to minimize legal, financial, and reputational risks.

TYPES OF EMPLOYMENT TERMINATION IN MEXICO

Employment relationships may be terminated through the following mechanisms:

- Voluntary resignation by the employee
- Termination by the employer with justified cause
- Termination by the employer without justified cause
- Mutual termination agreement
- Expiration of fixed-term or project-based contracts
- Retirement
- Force majeure or proven economic necessity

Each termination type carries different legal consequences in terms of severance pay, compensation, and procedural requirements.

JUSTIFIED VS. UNJUSTIFIED TERMINATION

Employer-Initiated Termination – With Just Cause

Employers may terminate employment **without severance liability** only for causes explicitly defined under the Federal Labor Law, including:

- Dishonesty, fraud, or breach of trust
- Repeated absenteeism or unjustified tardiness
- Serious misconduct or insubordination
- Disclosure of confidential or proprietary information
- Workplace violence, harassment, or threats
- Gross negligence materially affecting business operations

Justified termination must be **clearly documented, evidenced, and formally notified** to the employee. Failure to meet procedural requirements may invalidate the dismissal.

Employer-Initiated Termination – Without Just Cause

If employment is terminated **without legal justification**, the employer is required to pay statutory severance, including:

- Constitutional severance compensation
- Seniority premium (where applicable)
- Accrued employment benefits
- Any additional indemnities required by law

Unjustified termination is one of the most common sources of labor disputes in Mexico.

Employee-Initiated Justified Termination

Employees may terminate their employment **with severance entitlement** if the employer commits serious violations, such as:

- Non-payment or repeated delay of wages
- Unsafe or unhealthy working conditions
- Harassment, abuse, or discrimination
- Unilateral changes to essential employment terms
- Breach of contractual or statutory obligations

In such cases, employees may claim compensation equivalent to unjustified dismissal.

NOTICE PERIODS IN MEXICO

Mexico does **not require statutory advance notice** for termination by either party. Instead, labor law prioritizes **financial compensation over notice periods**.

However:

- Written termination notice is mandatory
- Failure to properly notify may invalidate the dismissal
- Termination documentation must clearly state the cause and effective date

PROBATIONARY PERIOD AND TERMINATION

- Probationary periods are permitted for permanent roles
- Standard duration is up to **30 days**, extendable for managerial or technical positions
- Must be expressly stated in the employment contract

During probation:

- Employment may be terminated if performance expectations are not met
- Severance obligations may be limited
- Proper documentation remains mandatory

SEVERANCE PAY IN MEXICO

In cases of unjustified dismissal, employees are generally entitled to:

- **Three months' integrated salary** (constitutional indemnity)
- **20 days' salary per year of service** (if reinstatement is not chosen)
- **Seniority premium** (12 days' salary per year, subject to statutory caps)
- Accrued benefits, including:
 - Unused vacation
 - Vacation premium
 - Proportional annual bonus (Aguinaldo)

Severance calculations must strictly follow statutory definitions of salary and benefits.

MASS LAYOFFS AND COLLECTIVE TERMINATIONS

For collective dismissals based on economic or structural reasons, employers must:

- Demonstrate legitimate economic necessity
- Notify labor authorities
- Follow formal procedures before labor conciliation bodies
- Provide statutory compensation

Failure to comply may result in invalid dismissals, reinstatement orders, and financial penalties.

TERMINATION OF FOREIGN EMPLOYEES IN MEXICO

For foreign employees holding valid work authorization:

- Employment termination must be formally recorded
- Social security exit procedures must be completed
- Payroll and tax records must be properly closed
- Immigration status may need to be:
 - Modified, or
 - Cancelled if employer sponsorship ends

Foreign employees must regularize their immigration status to remain lawfully in Mexico following termination.

FINAL PAYROLL AND POST-TERMINATION OBLIGATIONS

Upon termination, employers must ensure:

- Payment of outstanding salary
- Settlement of severance compensation (if applicable)
- Payment of accrued benefits
- Issuance of employment certificates upon request

Additionally, employers must complete:

- Final payroll and tax filings
- Social security deregistration
- Statutory record retention for labor inspections

COMMON EMPLOYMENT TERMINATION COMPLIANCE RISKS

Frequent compliance risks include:

- Incorrect classification of termination grounds
- Improper severance calculations
- Lack of written termination notice
- Incomplete payroll or social security records
- Poor documentation of disciplinary actions

Such failures may lead to:

- Labor lawsuits
- Mandatory reinstatement
- Significant financial penalties
- Operational and reputational risks

EDUCATION OPTIONS FOR CHILDREN IN MEXICO

Mexico offers a comprehensive and diverse education system designed to serve both local and international families. With a wide range of public, private, and international education institutions, the country provides flexible academic pathways, bilingual learning opportunities, and globally recognized curricula.

These features make Mexico a strong education destination for resident families, expatriates, and internationally mobile professionals alike.

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PUBLIC SCHOOLS IN MEXICO

Public education in Mexico is administered by the **Secretaría de Educación Pública (SEP)** and is accessible to both Mexican citizens and foreign children holding valid residence permits.

Key features:

- National curriculum regulated by SEP
- Primary language of instruction: Spanish
- Mandatory education from preschool through secondary level
- Nationwide availability across all regions and cities
- Limited bilingual or English-support programs in selected public schools

Public schools are widely used by local families and long-term resident foreign families seeking cultural integration and Spanish-language education.

PRIVATE SCHOOLS IN MEXICO

Mexico has an extensive private education sector offering enhanced academic programs and modern learning environments for both local and international students.

Highlights:

- Bilingual and multilingual instruction (Spanish-English, French, German, and other languages)
- Smaller class sizes and personalized academic support
- Broad range of educational models, including national private schools, STEM-focused programs, and faith-based institutions
- Strong preparation for Mexican and international university admission

Private schools are a popular choice among middle- and upper-income local families as well as foreign residents due to their academic quality and language flexibility.

INTERNATIONAL SCHOOLS IN MEXICO

International schools in Mexico cater to globally mobile families while also welcoming local students seeking international academic credentials.

Common programs include:

- International Baccalaureate (IB)
- American Curriculum (US High School Diploma)
- British Curriculum (IGCSE / A-Level)
- French, German, and other European national curricula

Primary locations:

- Mexico City and surrounding metropolitan areas
- Monterrey
- Guadalajara
- Querétaro and major industrial hubs

International schools are often preferred by expatriate families, multinational executives, and local families planning overseas higher education for their children.

PRESCHOOL AND EARLY CHILDHOOD EDUCATION

Early childhood education in Mexico is well developed and accessible to both local and foreign families.

Available options include:

- Public and private preschools (Preescolar)
- Montessori, Reggio Emilia, and play-based learning models
- Bilingual and English-medium nurseries
- International early learning centers in major urban areas

Enrollment typically begins between **2 and 3 years of age**, depending on the institution.

HIGHER EDUCATION OPPORTUNITIES IN MEXICO

Mexico's higher education system offers strong academic opportunities for both domestic and international students.

Key advantages:

- Renowned universities such as:
 - Universidad Nacional Autónoma de México (UNAM)
 - Tecnológico de Monterrey (ITESM)
 - Universidad Iberoamericana
 - Universidad Anáhuac
- Spanish- and English-medium degree programs
- International exchange agreements and dual-degree options
- Competitive tuition costs compared to North America and Europe
- Scholarships available for both Mexican and foreign students

SPECIAL EDUCATION AND LEARNING SUPPORT SERVICES

Mexico provides a growing range of educational support services for children with special educational needs (SEN).

Available services include:

- Learning support programs within private and international schools
- Individualized Education Plans (IEPs)
- Speech, occupational, and behavioral therapy
- Specialized private diagnostic and support centers

Service availability varies by institution, and documentation of prior assessments may be required.

DOCUMENTATION AND ENROLLMENT REQUIREMENTS

School enrollment in Mexico typically requires the following documentation for both local and foreign students:

- Child's birth certificate or passport
- Valid residence permit (for foreign students)
- Previous school records and transcripts
- Transfer or school leaving certificate
- Vaccination and health records
- Placement or entrance assessments (common in private and international schools)
- Academic equivalency documentation where applicable

WHY MEXICO IS A STRONG EDUCATION DESTINATION FOR FAMILIES

- Comprehensive public education system nationwide
- High-quality private and international schools
- Strong bilingual and multilingual education options
- Internationally recognized curricula and diplomas
- Affordable education compared to the US and Europe
- Excellent university pathways domestically and abroad
- Family-oriented communities in major cities

HEALTHCARE OPTIONS IN MEXICO

Mexico offers a broad and well-developed healthcare system that serves both local residents and foreign employees. The system consists of public healthcare institutions, private hospitals, and international-standard medical centers. While public healthcare provides affordable and essential medical services, private healthcare is widely used due to shorter waiting times, higher service standards, and greater language accessibility.

This dual system allows both Mexican nationals and foreign residents to access appropriate healthcare services based on their needs, employment status, and insurance coverage.

PUBLIC HEALTHCARE SYSTEM

Mexico's public healthcare system is primarily administered through the **Mexican Social Security Institute (IMSS)** and other public institutions such as **ISSSTE** (for public sector employees) and state-level health services.

Key features:

- Access to public hospitals, clinics, and family health centers
- Comprehensive coverage for general medical care, hospitalization, maternity services, pediatric care, and chronic disease management
- Nationwide availability, including major cities and regional areas
- Affordable or no-cost services for insured individuals

Public healthcare is the primary option for most Mexican citizens and legally employed foreign workers registered with IMSS. However, service availability, infrastructure quality, and waiting times may vary depending on location.

PRIVATE HEALTHCARE SERVICES

Private healthcare plays a significant role in Mexico and is widely used by both locals and expatriates.

Advantages include:

- Modern hospitals and clinics with advanced medical technology
- Shorter waiting times for consultations and specialist care
- English-speaking doctors and administrative staff, especially in major cities
- Higher comfort standards and personalized patient care
- Extensive private hospital networks in Mexico City, Monterrey, Guadalajara, Querétaro, Cancún, and other urban centers

Many Mexican citizens choose private healthcare for faster access, while foreign employees often rely on it for language support and international standards.

INTERNATIONAL HOSPITALS AND EXPAT-FOCUSED CLINICS

Major cities in Mexico host international-standard hospitals and clinics catering to expatriates, multinational employees, and international patients.

Common services:

- Multilingual medical teams (English and Spanish primarily)
- Outpatient and inpatient services
- 24/7 emergency care
- Specialized departments such as cardiology, orthopedics, OB-GYN, pediatrics, oncology, dentistry, fertility treatment, and dermatology
- International-quality diagnostic imaging and laboratory services

These facilities are particularly popular among foreign professionals and globally mobile families.

HEALTH INSURANCE REQUIREMENTS AND COVERAGE

Public Health Insurance (IMSS)

- Mandatory for employees working under a local employment contract
- Covers both Mexican nationals and foreign employees equally
- Contributions are shared between the employer and employee
- Registration is typically managed by the employer

Private Health Insurance

- Optional but widely used by both locals and foreigners
- Often provided by employers as a benefit or purchased individually
- Covers private hospitals, international clinics, and expanded services

International Health Insurance

- Common among expatriates, executives, and remote workers
- Provides cross-border coverage and access to international hospital networks

Many residents combine IMSS coverage with private insurance to balance affordability and service quality.

MATERNITY AND FAMILY HEALTHCARE

Mexico offers extensive maternity and family healthcare services.

Available services include:

- Prenatal and postnatal care through public and private providers
- Public maternity hospitals under IMSS
- Private maternity clinics and international hospitals with modern delivery facilities
- Pediatric care and vaccination programs aligned with national and international guidelines
- Child development monitoring and preventive care

Private facilities are often preferred for maternity services due to comfort, privacy, and continuity of care.

EMERGENCY AND URGENT CARE SERVICES

Emergency medical care is widely available throughout Mexico.

Emergency options include:

- National emergency hotline: **911**
- Ambulance services operated by public institutions and private providers
- Emergency departments in public and private hospitals
- Trauma care, surgical intervention, and intensive care units

Emergency care is provided regardless of nationality, though costs may vary depending on insurance coverage and facility type.

PHARMACEUTICALS AND MEDICATION ACCESS

Mexico has an extensive pharmacy network serving both locals and foreigners.

Key features:

- Pharmacies widely available across cities and towns
- Prescription and over-the-counter medications easily accessible
- Many pharmacies operate extended hours or 24/7
- Affordable medication prices compared to many countries
- Availability of international and generic brands
- English-speaking pharmacists in major urban and expat areas

MEDICAL TOURISM AND SPECIALIZED TREATMENTS

Mexico is a leading global destination for medical tourism, attracting both international patients and local residents.

Popular specialties include:

- Dentistry
- Cosmetic and reconstructive surgery
- Orthopedics
- Bariatric surgery
- Fertility treatments and IVF
- Ophthalmology and dermatology

High-quality care combined with competitive pricing makes Mexico attractive for specialized treatments.

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WHY MEXICO IS A STRONG HEALTHCARE DESTINATION

- Universal public healthcare coverage through IMSS
- Strong private healthcare infrastructure
- Affordable medical services compared to the US and Europe
- English-speaking medical professionals in major cities
- Advanced hospitals and international-standard clinics
- Easy access to medications and specialized treatments

PAID PUBLIC HOLIDAYS

Holiday Name	Mexican Name	Date	Type	Description
New Year's Day	Año Nuevo	January 1	National	Marks the beginning of the new calendar year
Constitution Day	Día de la Constitución	First Monday of February	National	Commemorates the adoption of the Mexican Constitution of 1917.
Benito Juárez's Birthday	Natalicio de Benito Juárez	Third Monday of March	National	Honors Benito Juárez, a key national leader and former president of Mexico.
Labor Day	Día del Trabajo	May 1	National	Celebrates workers' rights and labor movements.
Independence Day	Día de la Independencia	September 16	National	Celebrates Mexico's independence from Spanish rule in 1810. One of the most significant national holidays.
Revolution Day	Día de la Revolución	Third Monday of November	National	Commemorates the Mexican Revolution of 1910.
Inauguration Day	Transmisión del Poder Ejecutivo	December 1 (every 6 years)	National	Applicable only during presidential transition years.
Christmas Day	Navidad	December 25	Religious	Observes Christmas Day.

BUSINESS SETUP SERVICES

Establishing a business in Mexico offers both **local entrepreneurs** and **foreign investors** access to one of the largest and most diversified economies in Latin America. With a strong industrial base, extensive international trade agreements, and a well-developed legal framework, Mexico provides a business-friendly environment for domestic and international companies alike.

Mexico allows **100% foreign ownership in most sectors**, while also offering flexible incorporation structures suitable for Mexican nationals, mixed ownership companies, and fully foreign-owned entities. Business setup services in Mexico support companies throughout the **legal, regulatory, tax, payroll, and operational establishment process**, ensuring full compliance from day one.

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COMPANY FORMATION OPTIONS IN MEXICO

Both local and foreign investors may choose from several legal entity structures depending on their business objectives, ownership model, and operational needs.

Common company types include:

- **Sociedad de Responsabilidad Limitada (S. de R.L.)**
- **Sociedad Anónima (S.A.)**
- **Sociedad Anónima Promotora de Inversión (S.A.P.I.)**
- **Branch Office (Sucursal)**
- **Representative Office**

The **S. de R.L.** and **S.A.** structures are the most commonly preferred by both Mexican and foreign investors due to their **limited liability protection, flexible governance, and compatibility with foreign ownership and investment structures.**

COMPANY INCORPORATION PROCESS IN MEXICO

Company formation in Mexico is governed by **federal commercial law** and applicable **state-level regulations**. The incorporation process is largely standardized for both local and foreign-owned entities.

Key incorporation steps include:

- Company name authorization
- Drafting and notarization of the incorporation deed before a Mexican notary public
- Registration with the Public Registry of Commerce
- Tax registration with the Tax Administration Service (SAT)
- Issuance of the Tax Identification Number (RFC)
- Registration with local or municipal authorities, if required

The incorporation process typically takes **several weeks**, depending on the entity type, shareholder structure, and location.

MINIMUM CAPITAL REQUIREMENTS

Mexico does not impose high capital thresholds for most company types, making it accessible for startups and SMEs.

- **S. de R.L.:** No statutory minimum capital
- **S.A. / S.A.P.I.:** No statutory minimum capital
- **Regulated sectors** (e.g. finance, energy, telecom) may impose specific capital or guarantee requirements

Capital contributions may be paid at incorporation or according to the company's bylaws.

BANK ACCOUNT OPENING IN MEXICO

After incorporation, companies must open a **corporate bank account** with a Mexican financial institution.

Typical requirements include:

- Articles of incorporation
- Public Registry of Commerce registration
- Tax registration certificate (RFC)
- Identification of shareholders and legal representatives
- Proof of registered business address
- Authorized signatory documentation

Enhanced due diligence and compliance checks may apply to **foreign-owned or mixed-capital companies**.

TAX REGISTRATION & COMPLIANCE

All companies operating in Mexico—local or foreign-owned—must comply with Mexican tax regulations.

Key obligations include:

- Corporate income tax registration
- Value Added Tax (VAT) registration, where applicable
- Monthly and annual tax filings
- Withholding tax compliance
- Mandatory electronic invoicing (**CFDI**)

Tax registration and compliance must be completed **before commencing commercial activities.**

PAYROLL & SOCIAL SECURITY REGISTRATION

Employers in Mexico are required to register with the **Mexican Social Security Institute (IMSS)** before hiring employees.

Obligations include:

- Employer registration with IMSS
- Employee enrollment (local and foreign employees)
- Monthly payroll reporting
- Social security contribution payments

Social security registration applies **equally to Mexican nationals and foreign employees** working under a valid employment relationship.

WORK PERMITS & IMMIGRATION SUPPORT

Foreign nationals employed or managing businesses in Mexico must obtain valid **work authorization and residence status**.

Processes typically include:

- Employer registration with immigration authorities
- Work visa authorization
- Temporary or permanent residence permits
- Visa renewals, status changes, and compliance monitoring

Mexican nationals do not require work permits but must still comply with labor, tax, and social security regulations.

ACCOUNTING, BOOKKEEPING & ONGOING COMPLIANCE

Mexican law requires all companies to maintain accurate accounting records regardless of ownership structure.

Ongoing compliance includes:

- Monthly bookkeeping
- Financial statement preparation
- Annual corporate tax returns
- Statutory audit coordination (if applicable)
- Corporate records and shareholder register maintenance

Failure to comply may result in fines, penalties, or operational restrictions.

OFFICE ADDRESS & VIRTUAL OFFICE SOLUTIONS

Companies must maintain a **registered business address in Mexico.**

Available solutions include:

- Physical office leasing
- Virtual office and registered address services
- Mail handling and legal correspondence management

A registered address is mandatory for **tax, corporate, and regulatory compliance.**

SECTOR-SPECIFIC LICENSING & REGULATORY APPROVALS

Certain industries require additional licenses or permits before operations can begin, including:

- Manufacturing and industrial activities
- Financial services and fintech
- Telecommunications
- Healthcare and pharmaceuticals
- Energy and natural resources
- Education and training

Sector-specific approvals apply to both local and foreign-owned companies.

INVESTMENT INCENTIVES & SPECIAL ECONOMIC PROGRAMS

Mexico offers investment incentives for both domestic and foreign investors through:

- Industrial and economic development zones
- Export-oriented manufacturing and maquiladora programs
- Tax incentives for strategic industries
- Customs and VAT benefits for qualifying operations

Eligibility depends on the **business sector, location, investment size, and operational structure.**

WHY ESTABLISH A BUSINESS IN MEXICO ?

- Large and diversified domestic market
- Strong international trade agreements
- Competitive labor costs and skilled workforce
- Strategic position in North American supply chains
- Well-developed manufacturing, technology, and services sectors
- Equal legal framework for local and foreign investors