

Doing Business in Mexico



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INTRODUCTION



CPA ASSOCIATES INTERNATIONAL LATIN AMERICAN
PURPOSE OF ISSUING THIS BOOKLET, IS TO PROVIDE FOREIGN INVESTORS WITH GENERAL INFORMATION OF THE AREAS WE CONSIDER NECESSARY FOR THE PERSONS INTERESTED IN INVESTING IN MEXICO BY ESTABLISHING THEIR OWN BUSINESS OR CO-PARTICIPATING IN BUSINESS ALREADY ESTABLISHED.

THE TOPICS REFERRED WERE BRIEFLY DESCRIBED
CONSIDERING ONLY THE MOST RELEVANT THAT A FOREIGNER NEEDS TO KNOW WHEN CONTEMPLATING DOING BUSINESS IN MEXICO.

FOR ADDITIONAL INFORMATION AND/OR
PROFESSIONAL ASSISTANCE IN THE STARTING OF A CORPORATION, THE PARTICIPATION OR ACQUISITION OF A BUSINESS ALREADY ESTABLISHED OR ANY QUESTION RELATED TO THIS BOOKLET, PLEASE CONTACT:

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I. LEGAL FRAME OF FOREIGN INVESTMENT

The Foreign Investment Law:

This Law created in 1993, establishes that foreign investors could participate in any proportion of the capital of Mexican organizations, to acquire fixed assets, to participate in new fields of economic activity or to manufacture new lines of products, to open and operate establishments, and to extend and relocate the already established, exception made of activities reserved for government exploitation or regulated activities.

The regulations of this Law state in which cases foreign investors may own 100 percent of the capital stock of Mexican corporations, (that are the great majority); in which may acquire more than 49 percent of the capital stock or fixed assets of existing companies and those restricted activities because of being reserved for government exploitation, reserved for Mexicans or regulated activities in which foreign investment may participate in a minority position in the capital stock.

Classification of Economic Activities:

The regulations classify economic activities as follows:

- Activities reserved for government exploitation.
- Activities reserved for Mexicans.
- Regulated activities in which foreign investment may participate in a minority position in the capital stock of Mexican corporations.
- Foreigners may participate in all other activities without any previous authorization, and up to 100 percent in the capital stock of Mexican corporations.

The authorization of the Comisión Nacional de Inversiones Extranjeras, CNIE, (National Commission of Foreign Investments), is required only when the total value of the fixed assets of the new corporation exceeds 85 million pesos (9.3 million US dollars approximately) or when the foreign investor wants to participate in a majority position in the capital stock of Mexican corporations which activity is regulated.

The application for approval to the CNIE is simple. If the CNIE does not respond in 45 working days, the project of the corporation is considered automatically approved.

The number of restricted activities is 47.

In-bond processing plants:

Foreign investors may participate (up to 100 percent), in corporations contracted or organized to carry out in-bond processing, or other industrial or commercial activities for exportation.

Authorized Trusts:**a. On shares, fixed assets and corporations.**

Trusts used by foreign investors to acquire some trustee rights will require authorization.

b. On real estate property along border and coastal zones.

Foreign investors may be authorized to acquire beneficiary rights of companies which own real estate property along border and coastal zones, if they invest in industrial or tourism activities.

c. On shares of public companies.

Foreign investors may be authorized to acquire ordinary participation certificates, on trusts whose capital is formed by shares of companies listed in the Mexican stock exchange.

d. Temporary foreign investment in regulated activities.

Foreign investors may be authorized to acquire in any proportion, through a trust, shares of companies whose activities are reserved for Mexicans or limited to foreign investment.

II. PRINCIPAL TYPES OF ORGANIZATIONS

There are six different types of organizations:

- Sociedad Anónima (S.A.) - Form similar to the U.S. Corporation.
- Sociedad de Responsabilidad Limitada - A partnership with capital shares and limited liability for all members.
- Sociedad en nombre colectivo - The usual partnership form.
- Sociedad en comandita simple - A partnership with some general partners having unlimited liability and some limited liability partners.
- Sociedad en comandita por acciones - Basically same as the Sociedad en comandita simple except that in this case shares are issued.
- Sociedad Cooperativa - These corporations are regulated by an special Law and they are divided in Corporations of Production and Corporations of Consumption.

The more frequent type of organization among foreign investors is the Sociedad Anónima with its variations of fixed capital and variable, which main characteristic is that partners' responsibility is limited to the amount of their shares.

The basic difference between fixed and variable capital is that in the last, further modifications to the variable portion of capital can be made by means of an ordinary stockholders meeting and with no need of modifications to the Public Register of Property and Commerce (Registro Público de la Propiedad y el Comercio).

Forming a Mexican Corporation:

An S.A. must have two shareholders and a minimum capital of Mexican Pesos \$50,000 (U\$S 4,500 approximately). Shareholders' liability is limited to the amount of their contribution. Any outstanding balance on shares must be paid within five years.

Shareholders:

The shareholders' meeting is the most important government body of the company, and must be held at least once a year within four months of the close of the company's fiscal year.

Sole Administrator or Board of Directors:

The shareholders may appoint a sole administrator or a board of directors with normal powers of attorney and the right to delegate power. The administrator or members of the board of directors may not be shareholders.

Shareholders representing 25 percent of the share capital have the right to elect one director. Directors may be foreigners who live abroad, and directors' meetings may be held anywhere.

Fiscal Year-end:

The fiscal year of corporations will run from the day which they were incorporated through December 31. Any subsequent fiscal years shall run from the first to the last day of every calendar year, except in the case of the corporation's liquidation or closing.

Accounts:

Corporations must prepare the following financial information within three months of the close of the year-end: a balance sheet, an income statement, a statement of stockholders' equity, a statement of changes in financial position and the necessary footnote disclosures.

Duties of the Statutory Examiner:

Companies must appoint one or more statutory examiners at the annual general shareholders' meeting. Shareholders owning 25 percent of the capital stock can appoint a statutory examiner.

III. TAX LEGISLATION

a. General:

The legal structure of taxation is defined by the Mexican Constitution. In addition to special tax laws, some basic laws that relate to general tax administration are the Annual Revenue Law and the Tax Code.

The Annual Revenue Law establishes the federal taxes, duties, fees and all other types of internal revenue payable to the federal government during each calendar year; however, tax administration is in accordance with the applicable tax laws for each specific tax..

The Tax Code provides the basic tax administration procedures applicable to federal tax laws. It defines taxes, taxpayers, domicile, resident status and exemptions as well as rules relating to administrative procedures, litigation before tax courts, penalties, states of limitations, reimbursements and others.

Residence:

For tax purposes foreign individuals are considered Mexican residents when they establish their place of abode in the country, unless they spend more than 183 days outside Mexico during the calendar year. Foreign entities are considered Mexican residents when principal business administration is established in the country.

Examination of Returns and Statute of Limitations:

Tax authorities may examine and assess additional taxes for any year at any time within a five-year period.

The Fiscal Period:

The fiscal period must be twelve months for legal entities and individuals and the closing date must always be December 31, except the initial and liquidation periods.

Updating:

Late tax and penalty payments tax and related items authorized for extension will be updated from their due date to the actual date of payment. Balances in favor of taxpayers will also be updated.

Tax Report:

Taxpayers exceeding certain parameters, which are updated by inflation each year, and with 300 or more employees, will be required to engage an independent public accountant to perform an annual tax audit.

b. Income Tax Law:

Mexican residents must pay income tax on their worldwide income. Corporate tax is 28%. This is a favorable rate as it is lower than that in the United States, Canada and other countries.

The law classifies taxpayers into the following groups:

- Business organizations engaged in commercial, industrial, agricultural, livestock raising, fishing, and forestry business activities.
- Nonprofit organizations.
- Resident individuals.
- Nonresident individuals and corporations, taxed only on Mexican-source income.

Business Organizations:

The law takes into account the effects of inflation on corporations' monetary position, depreciation of fixed assets updated by inflation factors and deduction of inventory purchases.

The following items may be specifically excluded from gross income:

- Capital stock increases.
- Payments of losses by the stockholders.
- Stock premiums.
- Revaluation of capital and fixed assets.
- Dividends received from Mexican companies; however, they should be included for employees' profit sharing purposes.

The following deductions from gross income are allowed:

- Sales returns, discounts and allowances.
- Cost of goods sold.
- Depreciation and amortization of fixed assets, deferred charges, and pre-operating expenses.
- Retirement funds.
- Funds for technological research and development.
- Activities of foreign companies in connection with permanent establishments in Mexico.
- Causality losses.
- Bad debts.
- Payment of employees' profit sharing.
- Automobile expenses, subject to severe requirements.
- Interest for late payment.
- Other deductible expenses.

The following items are not deductible for income tax purposes:

- Income and other taxes or contributions that are legally on behalf of third parties.
- Share Payments of a company's profits.
- Value-added tax on non deductible items.
- All types of fines.
- Interest payable on capital shares.
- Payments to foreign companies on a prorated basis.
- Increases in asset and liability reserves.
- Provisions for severance payments.
- Rental, depreciation and expenses for vacation homes, private airplanes or ships.
- Premiums paid on the repurchase of company shares.
- Restaurant and bar consumption, entertainment expenses.
- Losses resulting from mergers, liquidations, or reductions of capital.
- Amortization of goodwill.
- Losses on the disposal of non deductible assets.
- Losses from the sale of shares, bonds, and other negotiable instruments.

Net Operating Losses:

As of 1991, the carry forward period for net operating losses has been extended from five to ten years. (Such losses will be updated).

Reorganizations:

Corporate reorganizations such as mergers or spin-offs are regulated in the law, mainly to perform tax-free reorganizations.

Payment:

The tax profit is obtained by subtracting authorized deductions from taxable income. Net operating losses will be deducted by computing the tax at the rate of 28%.

There are final tax reductions for agriculture, cattle raising, fishing and publication of books of 50 percent and 25 percent when the taxpayer industrializes the products.

The tax return and the final payments of tax are due within three months after the year end.

Taxpayers are required to make monthly estimated payments.

Consolidated Tax returns:

Holding companies are allowed to pay the income tax on a consolidated basis. In some cases foreign corporations may be included in a consolidated return.

Dividends:

There is non-accrual and no withholding or final tax payment for dividends, when paid from the “net tax profit account”. Dividends paid out from other sources will be subject to a 28 percent tax applied to the amount of distribution, grossed-up by a factor (1.3889). This tax is imposed on the taxpayer.

Foreign Tax Credit:

Mexican residents are entitled to credit income tax paid abroad against income tax payable in Mexico limited to that payable in Mexico.

Nonprofit Organizations:

Organizations not subject to taxation include among others, workers unions; employers associations; chambers of commerce; professional associations; welfare institutions; educational, scientific, religious, cultural, sporting and authors’ associations.

Individuals:

Taxable income of individuals includes all income unless specifically excluded. Expenses or investments made in excess of reported income are taxable income.

Individuals are granted the following deductions:

- Medical and dental fees and hospital expenses paid in Mexico.
- Limited funeral expenses.
- Donations approved by the tax authorities.
- School bus expenses for children.

Income received by individuals is classified as follows:

- a. Personal services:
 - Employees.
 - Professional and independent.
- b. Leasing of real property.
- c. Sale of property.
- d. Acquisition of property.
- e. Business activities.
- f. Dividends.
- g. Interest.
- h. Prizes.
- i. Other income.

Annual Return:

An annual income tax return must be filed by April 30 of the following year. The annual tax is determined by applying a graduated scale with a maximum of 28 percent.

Nonresidents who obtain Income from a Mexican Source:

Residents abroad with no permanent establishment or fixed base in Mexico are required to pay tax on income obtained from Mexico only. The party making the payment must withhold the tax when the payment is due.

Personal Services:

Wages, salaries, and income obtained from rendering personal services, (subordinate or independent), are taxed in México, whenever such services are performed in Mexican territory.

For salaries paid to foreign individuals they are exempt on the first \$125,000 Mexican Pesos; over \$125,900 and up to \$1'000,000 a tax rate of 15% is applicable and over this last amount, a tax rate of 30% is applicable.

For fees paid to foreign individuals for independent services the general tax rate applicable will be 25%.

Temporary Use or Enjoyment of Property and Time Sharing:

When the property is located in Mexico, income is taxable at the rate of 25 percent. Rental from condominiums or real property placed in trust, both utilized for lodging, is subject to a 28 percent withholding tax. Rentals of railroad cars, containers, some airplanes and boats are subject to a 5 percent withholding tax.

Sale of Property:

Income from the sale of property located in Mexico has the following tax options:

- 25 percent of the total sales price.
- 28 percent of the net income when a legal representative in Mexico exists or the sale is duly notarized.

Sale of shares when the issuing company is Mexican or the major investment is real property located in Mexico, has the same options mentioned above.

Sales made through the stock exchange are still tax-exempt.

Dividends:

The applicable tax treatment is discussed above.

Interest:

Interest on capital placed or invested in Mexico or paid abroad, but deducted in Mexico, are subject to a withholding tax of 15 percent, 21 percent or 35 percent depending on the loan, creditor and borrower.

Lower rates apply primarily to banks and financing entities. A reduced tax of 4.9 and 10 percent, instead of 4.9, 10, 15 and 21 percent, has been applied since 1994.

Finance Leasing:

The tax rate is 15 percent on the amount identified as interest in the agreement.

Royalties, Technical Assistance and Advertising:

Tax royalties are 5 percent or 25 percent, depending on the goods or rights used or enjoyed. A reduced tax of 10% has been applied since 1994 for those countries that have signed an agreement with the Mexican government to prevent double taxation.

Services on Constructions, Installation or Maintenance in Real Estate:

Tax on this income can be paid at 30% on gross income or 29% on net income when an authorized representative exists. When the resident abroad spends more than 183 calendar days in Mexico, he is considered to have a permanent establishment in Mexico.

Representatives:

Representatives of a resident abroad must be residents of Mexico, keep documentation and tax payments, and file a notice with the tax authorities within 15 days after their appointments.

c. Sole Tax Rate for Entrepreneurial Activities

Business organisations as well as some individuals are obliged to pay a 17.5% tax, applied on the net cash flow obtained during the year, if they obtain income from the sale of goods, render of independent services, or leasing of real property.

This tax is only payable in the amount exceeding the income tax for the year.

The taxpayer can deduct its payments made for the same activities listed above except interests, complying the special requirements established by Law, including the payment of fixed assets acquired during the fiscal year.

Payment of salaries and related social contributions are not deductible, but such amount less some restricted items, is considered to determine a tax credit applying the tax rate in force.

This credit is applicable against the tax caused up to the total amount of the tax. When the credit exceeds the tax determined, the excess can not be carry forward.

This tax is applicable to the operations developed starting 2008. Operations carried out before December 31, 2007, are not taxable or deductible, unless in the special cases established by Law, when the taxpayer elected options to defer the income tax payment.

This tax is in force starting January 2008 and it is applicable instead of the Tax on Assets. Therefore, the Law establishes the rules to recover the Tax on Assets paid within the 10 previous years.

d. Value - Added Tax:

The rate applicable to the value added tax (IVA) is generally 15%. Some major exemptions apply, namely exports of goods and services and the sale and importation of patented medicines and products destined for human and animal feeding in which case the rate is zero.

The IVA is imposed on all kinds of gross income derived from the sale or disposal of property, the rendering of independent services, the temporary use or enjoyment of property and the importation of goods or services.

Tax paid is the difference between the tax passed on to the consumer and the tax already passed on or paid by the taxpayer on the purchase or importation of goods and services.

Under certain rules, the foreigners with quality of tourists who return to his country by the air or marine route will be able to obtain the return of the VAT transferred in acquisition of merchandise.

e. Special Tax on Production and Services:

The first disposal or importation of goods made by manufacturers of alcoholic beverages, tobacco, airplane gas and gasoline, as well as related services, is subject to a special tax on production and services.

A credit figure, under the same conditions that the IVA, exists. Sales prices to the public and counter-benefits agreed to in services are the tax basis.

f. Tax on Acquisition of Real Estate:

This law imposes a tax on transfers of real estate or similar operations at the rate of three percent (3%) approximately.

g. Import Taxes:

Importation of merchandise from abroad that is intended to remain in the country will pay import taxes. The taxable rate is applied according to the customs classification of the merchandise. Due to NAFTA, since January 1, 1994, large lists of products are exempt of import taxes.

h. Export Duties:

Most products manufactured in Mexico and sold abroad are not subject to Mexican export duties.

IV. LABOR LEGISLATION

Labor Relations

The Federal Labor Law establishes the labor relations environment. It stipulates the minimum working conditions and rights that must be respected by the employer.

Work Days, Overtime, Holidays and Vacations:

The Law provides a maximum 48 hour work week. There are three work shifts: day shift 48 hour work week; mixed shift 45 hour work week and night shift 42 hour work week. Day shifts are eight hours long while night shifts are seven hours long. However, companies usually work between 40 and 45 hours per week.

Any additional time worked in excess of the above mentioned hours, is deemed as overtime. This is allowed for twice or three times the regular hourly wages, depending on the corresponding number of hours worked.

There are seven obligatory holidays per year and one additional every six years on December 1.

Vacations range from six days after one year of work with two additional days for each subsequent year up to four years. After five years, two vacation days are added for each five year work period.

Year-end bonus, Seniority Premium and Severance payment:

Employees and workers are entitled to an annual year-end bonus, which must equal at least 15 days of salary. The Seniority Premium consists of twelve days of salary for each work year. Severance payments occur if a contract is terminated for reasons attributable to an employer; it is made of three months' salary plus 20 days' salary for each year of service.

Employees and workers' income is established under agreements regulated by the Federal

Labor Law. There are two types of agreements: the Collective Labor Contract agreed upon by the company and union, and the Individual Labor Contract directly agreed upon by the employee and the employer.

Mandatory fringe benefits are: System of Savings for Retirement (SAR), Housing Fund (INFONAVIT) and social security system (IMSS) to which contributions must be made by the employer.

Additionally, payments for vacation premiums and vacation should be made.

Employees' Profit Sharing:

Employees are entitled to share in a company's profits. At present this is a ten percent of an employer's taxable income. Prior-year losses are not deductible for computing the profit-sharing base.

Training, Instruction, Health and Safety:

Employees are entitled to receive training from their employer. A training program must be approved by the Ministry of Labor. By Law, the employer must provide a safe and sanitary environment for the workers to render their services.

Unions:

The Federal Labor Law recognizes the association of twenty or more workers for purposes of the study, furtherance and defense of mutual rights and interests.

Social Security:

The Social Security Law guarantees employers and workers medical care and social services through the IMSS. Social security is obligatory for all persons working for an employer and covers accidents, occupational diseases, illness, maternity leave, injury, old-age pensions, death benefits and nursery care for the children of insured workers.

System of Savings for Retirement:

Two percent (2%) is imposed on all compensations to employees, to create individual saving accounts, to be used by them at their retirement date.

Housing Fund:

Employers must pay a five percent (5%) contribution on total compensations, to the Workers' Housing Fund (INFONAVIT) intended to provide workers with funds to build or to improve their homes.

Local Tax on Payroll:

Payroll taxes are paid in 18 states ranging from a low 0.9% to a high 4.6%.

V. FOREIGN EXCHANGE POLICY

Mexico has adopted a floating exchange rate. This means currencies may raise or drop according to foreign currency supply and demand without any intervention by the Central Bank (Banco de México).

Companies may open checking and deposit accounts in US dollars anywhere in the country, subject to a minimum opening fee requirement as determined by commercial banks. Individuals may have checking accounts in US dollars along the northern border of Mexico with the United States of America.

There are no restrictions for the remittance/repatriation of profits, dividends, interest payments, capital or any other service payment.

VI. N.A.F.T.A.

Under North America Free Trade Agreement, a gradual opening scheme of activities exists, certain activities which until the end of 1993 were reserved only for Mexicans will be opened for foreign investors up to 49% ownership by the end of 1995; up to 51% ownership by the end of 2000 and, up to 100% ownership by the beginning of year 2004.

As well, there is a listing of products with immediate Tax-free entry if they come from United States or Canada; others with Tax-free entry in five years and another with Tax-free entry in ten years.

VII. TRADEMARKS PROTECTION

The Law of Development and Protection of Industrial Property protects Trademarks, Patents, Brands and Industrial Designs.

Trademarks may be registered for ten years and may be renewed for equal term periods; Processes and products may be patented for no more than twenty years; Industrial designs may be registered for a fifteen year period while models may be registered for ten years. Also, the right to the exclusive use of a trade name for an industrial, commercial or service establishment is protected for ten years.

VIII. INVESTMENT INCENTIVES

The main incentives are duty free importation of inputs, machinery and equipment used to produce goods for exports; the possibility for immediate depreciation of fixed assets; the opportunity to purchase land in some states and access to venture capital schemes provided by development banks.

Export development programs:
In Bond Industry (Maquiladora).

Companies covered by this program may import raw materials, containers and packaging materials, fuel, spare parts, machinery and equipment to produce their goods, without paying duties or value added tax. The only requirement is that goods produced must be for export only.

Temporary Importation to Manufacture Export Goods (IMMEX).

Under this program same items mentioned above can be imported without paying duties or value added tax but if the company is engaged in the production of non-oil goods and to

directly or indirectly export the following, depending on the materials imported.

A minimum ten percent of foreign sales or an amount equivalent to 500,000 US dollars per year, to be able to import raw materials used in exported goods under the above terms.

A minimum 30% of sales must be allocated for exports in order to benefit from the corresponding tax exemption on machinery and equipment imports.

Import Duty Draw-back

Refund of import duties paid on imported raw materials used to produce goods for sale abroad or required by the exporting companies.

The requirement is to submit the corresponding application no later than one year after having imported the raw materials and within no more than 90 working days after having exported the goods.

Immediate Investment Depreciation

During the first or second years of operations, companies may choose a one-time depreciation deduction for their fixed assets instead of a deduction over the life of each asset.

The immediate depreciation rate varies depending on the sector.

State Incentives

To bring in foreign investments, some state governments may grant reduced pricing on land owned by them, depending on the benefits expected.

Venture Capital Programs of Development Banks

The Mexican Bank for Foreign Trade (Bancomext) and Nacional Financiera (Nafin) may participate on a temporary basis, and with a minority ownership, in investment projects of foreign companies.

Once the project is in full progress, the corresponding development bank withdraws from the partnership and sells its stock at a price agreed upon on the initial contract, to the charter partners or to others.

IX. OTHER

a. Immigration Status

For people coming from U.S.A. and Canada (country members of N.A.F.T.A.), temporary stay of businessmen involves the following categories: business visitors, merchants, investor visitors, and personnel and professionals transferred. For these, a businessman immigration form (FMN) is required and it may be directly obtained from Mexican consulates in Canada and the United States of America and travel agencies, airlines and immigration personnel in every port of entry in Mexico.

Citizens of other countries may stay in the country for a maximum period of 30 days by producing the FMVC immigration form, free of charge. This form is extended to business people, technicians and personnel transferred. The authorities in Mexican consulates abroad are empowered to issue the corresponding visas.

The requirements for the FMVC immigration form are:

- A letter in Spanish from the parent company stating the reason for the staff to stay in the Country.
- Evidence of the appointment as director.
- A letter of invitation issued by the company, professional chamber or public agency stating the reason for the person to enter the Country.

Visitors, who need longer than 30 days stays, may apply for an FM-3 non-immigrant visitor form issued by the National Immigration Institute. The FM-3 form authorizes the performance of uncompensated activities in the country for up to one year, to be renewed subject to payment of the corresponding duties.

b. Forming a Mexican Corporation with Foreign Investment

The necessary steps to incorporate a company in Mexico are as follows:

- 1.- For those projects fitting the automatic scheme submit application to the Secretariat of Interior.
- 2.- Submit application to the Secretariat of Foreign Affairs for Authorization to enter and legally appear in Court in the Country.
- 3.- Prepare Deed of Incorporation before a Notary Public.
- 4.- To obtain Federal Tax Payer registration of the company from the Secretariat of Treasury and Public Credit.
- 5.- Submit application for register to the Real Estate and Commercial Public Registry.
- 6.- Application to enter the company in the National Foreign Investment Registry before the Secretariat of Commerce and Industrial Development.
- 7.- Application to the Social Security for Employer's registration and registration of employees.
- 8.- Federal District Department or Municipality, submit application for Use of soil permit.
- 9.- Application to obtain Operating License from the Secretariat of the Environment, Natural Resources and Fisheries.
- 10.- To give Notice on start of operations to the Secretariat of Health.
- 11.- Registration before the Chamber of Commerce.
- 12.- To obtain State Tax Payer Registration from the State Financial Secretariat.

For those projects NOT FITTING the automatic scheme before steps two on, above mentioned, it will be necessary to obtain, previously, the Authorization to invest in the country, from the National Foreign Investment Commission.

For those projects no requiring the authorization from the National Commission for Foreign Investment, the completion of steps and obtaining of approval may take some 45 working days. For those requiring previous authorization from the NCFI to meet all the above described steps, about 140 working days are required. Actions for leasing, opening checking accounts, hiring personnel and installing telephones, could be taken as soon as the company has been incorporated before a notary public.