



**“Choosing the Right Business Model for Mexico Nearshoring”  
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I am planning to open a business venture in Mexico, how can I structure it?

Some hints to find the right answer:



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- What do you want to accomplish with your Mexican business venture? (E.g. One of my customers is opening a facility in Mexico?, Serving a Mexican customer?, Strengthening a existing relation with an actual business partner?)
- What are the specific circumstances in which you will be engaging in your Mexican business venture? (E.g. Do you have a business partner (local or otherwise)?, There is a key person assisting me to develop the Mexican market?, We want to take advantage of the geography position of Mexico to continue developing our own business strategies. )
- What will be the business, banking, financial, tax and other implications that your business venture may have in your country?



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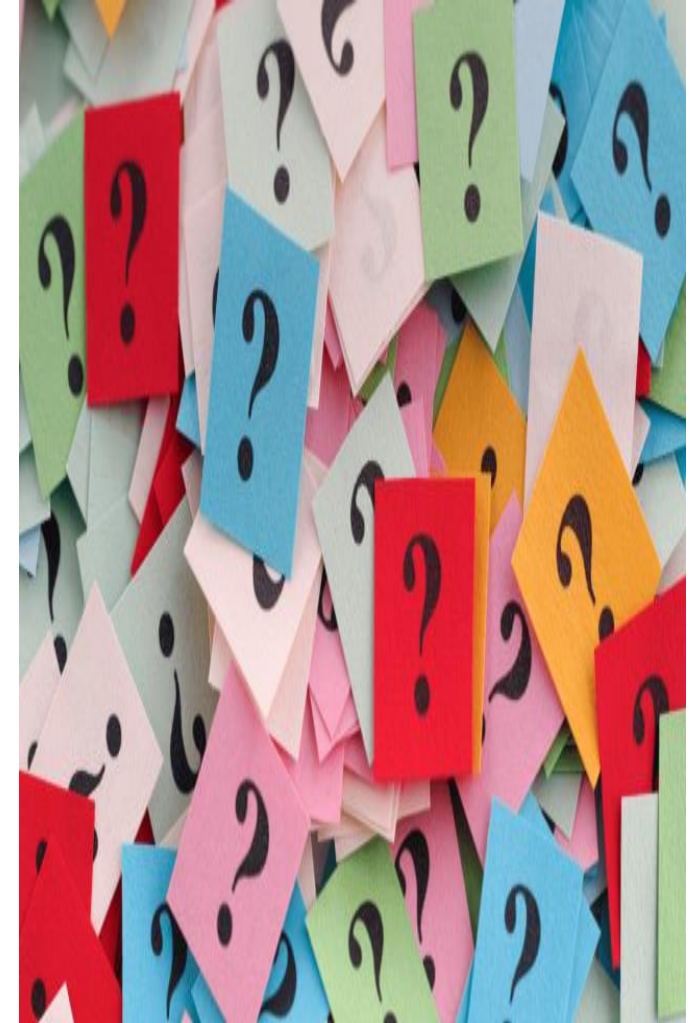
## Basic choice of entity alternatives

1. Sociedad en Nombre Colectivo (Partnership) (E.g. Federal Express Holdings México y Compañía, S.N.C de C.V., JD Edwards de México y Cía, S. en N.C. de C.V., Panduit México S. en N.C. de C.V.)
2. Sociedad en Comandita (Limited Partnership) (E.g. Kayser Automotive Systems, S. en C., Ejota,, Fasteners de Mexico y Compañía, S. En C., Kromberg & Schubert México, S. en C., Bader de México, S. en C. por A. de C.V)
3. Sociedad de Responsabilidad Limitada (Limited Liability Company)
4. Sociedad Anónima (Full fledged corporation)
5. Sociedad Anónima Promotora de Inversión (Full fledged corporation for complex corporate deals)



## Other questions I may have:

- May I use a foreign entity (U.S. or otherwise) to operate in Mexico or should I incorporate a Mexican entity.
- From a tax perspective, is there something I have to take into account in order to make my choice of entity decision?
- Does everyone use the same type of corporate entity to do business in Mexico?
- What type of entity are actually using foreign investors while doing business in Mexico?
- Local counsel in the United States suggested me to use some sort of entity in which our parent company may file some derivative actions if our deal go sour with local partners ? Can we enforce those derivative actions in Mexico?





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