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Company formation in Mexico

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Flag



Coat of arms

Common form	S.A. de C.V. or S. de R.L. de C.V. [1]
Registry	Public Registry of Commerce (via the Ministry of Economy) [1]
Minimum capital	No statutory minimum [1]
Directors	1 sole administrator or a board [1]
Local director	Not required, but a legal representative with a Mexican tax ID (RFC) is needed in practice [1]
Corporate tax	30% [2]
VAT / sales tax	16% [2]
Typical timeline	Usually 4–8 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Mexican peso (MXN)

In short: To set up a company in Mexico, most founders form an S.A. de C.V. or S. de R.L. de C.V., registered with the Public Registry of Commerce (via the Ministry of Economy). [1] Minimum capital: no statutory minimum. Corporate tax: 30%. Registration: usually 4–8 weeks (as of November 2026).

Most foreign investors in **Mexico** use an **S.A. de C.V.** (corporation) or an **S. de R.L. de C.V.** (limited liability company). The articles are executed before a Mexican notary public, who registers the company in the **Public Registry of Commerce**.

Business structures

Most founders in Mexico form an S.A. de C.V. or S. de R.L. de C.V., registered with the Public Registry of Commerce (via the Ministry of Economy). [1] **Other forms are listed below.**

- **S.A. de C.V.** – corporation with variable capital
- **S. de R.L. de C.V.** – limited liability company, often used by US groups
- **S.A.S.** – simplified company for small businesses, formed online

Requirements

Minimum share capital in Mexico (2026): no statutory minimum. Directors required: 1 sole administrator or a board. Local resident director: not required, but a legal representative with a Mexican tax ID (RFC) is needed in practice. [1]

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum.
- Directors: 1 sole administrator or a board.
- Local residency: not required, but a legal representative with a Mexican tax ID (RFC) is needed in practice.
- A registered office address in Mexico.
- Articles of association signed before a notary.
- Beneficial owners reported to the beneficial owner records required by the SAT.

Registration process

Typical time to register a company in Mexico (2026): usually 4–8 weeks. [1] **The usual steps are:**

1. Choose the company form and check that the name is available.

2. Sign the articles of association before a notary.
3. File the registration with the Public Registry of Commerce (via the Ministry of Economy).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Tax Administration Service (SAT).

Taxation

The corporate tax rate in Mexico in 2026 is 30%. [2] Standard VAT or sales tax: 16%. [2]

Tax	Rate and notes
Corporate income tax	30%
VAT / indirect tax	16%
Withholding tax on dividends to non-resident companies	10%

Ongoing compliance

Annual compliance in Mexico: Companies file monthly and annual tax returns with the SAT, issue electronic invoices (CFDI), and hold annual shareholder meetings. [1]

Double tax treaties

Mexico has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
10%	4.9 to 35%	5 to 35%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Mexico lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Mexico?

Typical registration time in Mexico: usually 4–8 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Mexico?

Minimum share capital in Mexico: no statutory minimum (as of November 2026).

What is the corporate tax rate in Mexico in 2026?

The corporate tax rate in Mexico in 2026 is 30%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Mexico?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Mexico: not required, but a legal representative with a Mexican tax ID (RFC) is needed in practice.

What withholding tax applies to dividends paid from Mexico?

Mexico withholds 10% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Public Registry of Commerce (via the Ministry of Economy)
- Tax Administration Service (SAT)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in the United States
- Company formation in Canada
- Company formation in Brazil
- Company formation in Chile
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Official Tax Administration Service (SAT) . Government of Mexico. Accessed November 2026.
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