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Doing Business in Mexico 2007 was printed in November 2006 by IMPRIME TUS IDEAS, S.A. DE C.V. Horacio No. 340, Polanco, C.P. 11560, México, D.F.
www.imprimetusideas.com
This edition includes 1,150 copies
Contents

Doing Business in Mexico 2007 is the second subnational report in the series Doing Business in Mexico. In 2005, quantitative indicators on business regulations and their enforcement were created for 12 cities and states. This year, Doing Business in Mexico 2007 covers all 31 states of the Mexican Republic and measures the progress of the 12 states analyzed last year. Comparisons with Mexico City and the rest of the world are based on the indicators in Doing Business 2007: How to reform. Comparisons with the Brazilian states are based on the indicators in the report Doing Business in Brazil.

Doing Business investigates the scope and manner of regulations that encourage business activity and those that constrain it. The indicators cover four areas of business regulation and their enforcement: starting a business, registering property, getting credit (registering collateral) and enforcing contracts. These indicators were selected because they cover areas of state and municipal jurisdiction. The indicators are used to analyze the economic outcomes of the regulations and to identify what reforms have been successful, where and why.

Other areas important to business, such as proximity to major markets, the quality of infrastructure services, the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the quality of institutions, are not studied directly by Doing Business. In order to make the data comparable across countries, the indicators refer to a specific type of company—generally a limited liability company.

| Overview | 1 |
| Starting a business | 5 |
| Registering property | 9 |
| Getting credit | 13 |
| Enforcing contracts | 15 |
| Doing Business in the South-Southeast Region | 19 |
| Data notes | 23 |
| Doing Business indicators | 29 |
| State tables | 32 |
| Case studies—Starting a business | 39 |
| Case studies—Registering property | 62 |
| Acknowledgments | 77 |

This project is the result of a request from the Mexican Association of Economic Development Secretaries (AMSDE), the Ministry of the Economy (SE) through the Federal Regulatory Improvement Commission (COFEMER), and the Ministry of Foreign Affairs (SRE) through the Plan Puebla Panama General Coordination (CGPPP). The project was directed by the Foreign Investment Advisory Service (FIAS), a multidonor service of the World Bank Group.
If you were to open a new business in Mexico City, the start-up procedures would take 27 days on average, 8 days fewer than in Shanghai. If you decided to open a business in Guanajuato or Aguascalientes, you would have to wait 12 days—only one day longer than your competitor in Amsterdam. But if you needed to take a customer to court for a simple debt default in Guanajuato, resolving the dispute would take 304 days—far longer than the 217 days it takes in Dublin, but significantly shorter than in Baja California Sur where it takes 581 days. These examples illustrate two patterns. First, some Mexican states compare well with the best in the world. Second, many states need much reform to become globally competitive.

Doing Business measures the ways in which government regulations enhance business activity or restrain it. The results for the 31 Mexican states and Mexico City are presented here (table 1.1). Mexico City, as the country's most populous city, represents Mexico in the global Doing Business series which compares regulatory practices in 175 economies. Doing Business in Mexico 2007 finds that Mexico City does not always rank highest among states in the four indicators measured. The 12 days it takes to open a business in Aguascalientes or Guanajuato, for example, compare favorably with the 27 days needed in Mexico City. The same holds true for property registration, where Mexico City is ranked 26 out of 32.

But even the best Mexican states are not internationally competitive in some indicators—18 days for property registration in Aguascalientes and 21 days in Sonora and Zacatecas compare poorly with Thailand,
where it takes only 2 days. Another interesting comparison is that of Mexican states versus their regional competitors in Brazil. In general, Mexican states have faster procedures. However, doing business is generally more expensive in Mexico. A Brazilian firm must pay on average 10–13% of Gross Domestic Product (GDP) per capita to open a business while the same type of firm in Mexico has to pay 20.4%. In addition, Mexican companies have to put up minimum capital, while their competitors in Brazil do not.

Doing business became easier in most Latin American countries between January 2005 and April 2006. 27 regulatory reforms in 13 economies in the region reduced the time, cost and hassle for businesses to comply with legal and administrative requirements. But other regions are progressing faster. Last year, Latin America ranked third in regional reforms. In this year’s report—Doing Business 2007: How to Reform—Latin America is in fifth place, behind Eastern Europe, the OECD, the Middle East, and Sub-Saharan Africa. Only Asia performed worse (figure 1.1). Three Latin American countries—Mexico, Peru and Guatemala—made the list of the top-10 reformers across 175 economies. In contrast, Bolivia and Venezuela made it more difficult to do business.

Mexico, represented by Mexico City, holds the third place among the top-10 reformers after Georgia and Romania (table 1.2). A new securities law defines for the first time the duties of company directors, replacing an obligation to “take care of the business as if it were your own” with a specific list of activities that violate that duty. The law also increases scrutiny of related-party transactions. It requires full disclosure before any deal benefitting a company insider can take place. Other reforms reduced the time to start a business in Mexico City from 58 to 27 days. And the corporate income tax rate was cut from 33% in 2004 to 30% in 2005, and 29% in 2006. These reforms helped Mexico climb 19 ranks to number 43 on the ease of doing business—proof of the gains that are possible when a country reforms.

Watch out, Mexico: China is a top-10 reformer as well. The government sped up business entry, increased investor protections and reduced red tape in trading across borders. China also established a credit information registry for consumer loans. These reforms will make China a more formidable competitor for Mexico.

<table>
<thead>
<tr>
<th>Countries that made at least one positive reform in 2005/06 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe &amp; Central Asia</td>
</tr>
<tr>
<td>OECD high income</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
</tr>
<tr>
<td>South Asia</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td><a href="http://www.doingbusiness.org/database/Reform/LatinAmerica.html">http://www.doingbusiness.org/database/Reform/LatinAmerica.html</a></td>
</tr>
</tbody>
</table>

TABLE 1.2
The top 10 reformers in 2005/06

<table>
<thead>
<tr>
<th>Economy</th>
<th>Starting a business</th>
<th>Dealing with licenses</th>
<th>Employing workers</th>
<th>Registering property</th>
<th>Getting credit</th>
<th>Protecting investors</th>
<th>Paying taxes</th>
<th>Trading across borders</th>
<th>Enforcing contracts</th>
<th>Closing a business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Romania</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mexico</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>China</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Peru</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>France</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Croatia</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Guatemala</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ghana</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tanzania</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Note: Economies are ranked on the number and impact of reforms. First, Doing Business selects the economies that reformed in 3 or more of the Doing Business topics. Second, it ranks these economies on the increase in rank in the ease of doing business from the previous year. The larger the improvements, the higher the ranking as a reformer. “X” indicates a negative reform.

Source: Doing Business database.
Comparing business regulations in Mexican states

All states share the same legal and regulatory framework affecting businesses. The Company Law (Ley General de Sociedades Mercantiles) guides business start-ups, the Law on Negotiable Instruments and Credit Operations (Ley General de Títulos y Operaciones de Crédito) deals with collateral, and the Commercial Code (Código de Comercio) and Civil Procedures Code (Código Federal de Procedimientos Civiles) define the steps necessary to enforce a contract.

Despite the shared laws, municipal and state requirements vary and affect the number of procedures, the time and—to a lesser degree—the cost to register a business in a specific location. Obtaining an operational license may take up to 4 weeks in Acapulco (Guerrero). And some municipalities require inspections that are not required in other locations for the same type of business. This explains why an entrepreneur in Colima (Colima) spends only 1 day to comply with all municipal requirements, while in Cancún (Quintana Roo) she needs 18 days. Studies like Doing Business identify these differences and help policymakers review them from a comparative perspective.

Municipal and state regulations dominate property registration. The result is different requirements depending on the location. Registering property requires anywhere between 4 and 10 procedures across the 31 states and Mexico City. In addition to increasing the burden on businesses, each point of contact is an opportunity for corruption. Campeche, Colima and Hidalgo prove that registering property can be easy in Mexico, as only 4 procedures are necessary. It takes 18 days to meet all legal requirements on the outskirts of Aguascalientes (Aguascalientes) and 21 days in Hermosillo (Sonora) or Zacatecas (Zacatecas). Things are more difficult in Quintana Roo and Baja California Sur, where entrepreneurs have to wait between 4 and 5 months to complete the process.

When it comes to enforcing a contract, all states have to comply with the federal commercial code. A firm seeking to resolve a dispute with its customer has to follow identical procedural steps in all states. However, the trial takes over 1½ years in Baja California Sur, compared to less than 8 months in Zacatecas. The reason is that not all state courts are equally efficient or enforce federal procedures the same way—strictly, or with some flexibility.

The largest cost components across the four indicators are fees charged by private legal professionals, especially notaries. But the amounts differ significantly from state to state, depending, for example, on the strength of notary associations and competition from commercial brokers known as corredores públicos, who offer similar services at a lower price. Legal fees are the most expensive element of contract enforcement, as there are no court fees in Mexico. The longer judicial processes drag on, the more the entrepreneur has to pay.

States can take actions to become globally competitive without changing federal laws. If a virtual state “Mexicana” were to adopt the best existing business regulations within Mexico, this state would climb the global ranks on the ease of doing business in each of the four areas measured (table 1.3). “Mexicana” could adopt Guanajuato’s speedy procedures and Campeche’s cost structure to make business start-up easy. As a result, entrepreneurs would spend 1 day less than in Italy to open a business and pay less than their competitors in the Netherlands. Aguascalientes and Veracruz could share their know-how regarding timely and inexpensive property registration—making “Mexicana” comparable to Spain, where it takes 17 days to register property. Without having to change any laws, court procedures could be borrowed from Zacatecas and Aguascalientes in order to make “Mexicana” similar to the United Kingdom, where it takes 228 days to enforce a contract. Finally, “Mexicana” could foster easier access to credit by copying Michoacán and Colima’s collateral registration mechanisms.

<table>
<thead>
<tr>
<th>Best practices in Mexico</th>
<th>Global ranking (175 economies)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Days to open a business</strong></td>
<td></td>
</tr>
<tr>
<td>Aguascalientes, Guanajuato (12 days)</td>
<td>17</td>
</tr>
<tr>
<td><strong>Cost to open a business</strong></td>
<td></td>
</tr>
<tr>
<td>Campeche (6.0% of GDP per capita)</td>
<td>37</td>
</tr>
<tr>
<td><strong>Days to register property</strong></td>
<td></td>
</tr>
<tr>
<td>Aguascalientes (18 days)</td>
<td>32</td>
</tr>
<tr>
<td><strong>Cost to register property</strong></td>
<td></td>
</tr>
<tr>
<td>Veracruz (2.1% of property value)</td>
<td>36</td>
</tr>
<tr>
<td><strong>Days to register collateral</strong></td>
<td></td>
</tr>
<tr>
<td>Michoacán, Zacatecas (8 days)</td>
<td>n.a.*</td>
</tr>
<tr>
<td><strong>Cost to register collateral</strong></td>
<td></td>
</tr>
<tr>
<td>Colima (0.8% of loan value)</td>
<td>n.a.*</td>
</tr>
<tr>
<td><strong>Days to enforce a contract</strong></td>
<td></td>
</tr>
<tr>
<td>Zacatecas (230 days)</td>
<td>32</td>
</tr>
<tr>
<td><strong>Cost to enforce a contract</strong></td>
<td></td>
</tr>
<tr>
<td>Aguascalientes, Zacatecas (14% of debt)</td>
<td>46</td>
</tr>
</tbody>
</table>

* n.a. = not available

Note: The registering collateral indicator was not included in Doing Business 2007: How to Reform. Comparisons in the enforcing contracts indicator use the global ranking in Doing Business in 2006: Creating Jobs (155 economies) due to changes in the methodology.

Source: Doing Business database.
Who is reforming?

In 2005, the first sub-national study on the ease of doing business in Latin America compared 12 Mexican states and Mexico City.1 The study created fierce competition to build the best business environment. The reason for the competition was that with almost identical federal regulations, mayors and governors had difficulty explaining why it took longer or cost more to start a business, register property, register collateral or enforce a contract in their city or state as compared to their neighbors. The study also showed that there was no need to wait for Congress to reform federal legislation—simple administrative reforms could make their states and cities more competitive. And many good practice reforms were relatively straightforward to replicate among states.

Globally, governments are less likely to implement reforms during an election year. Mexico has been the exception. Despite recent presidential elections, as well as state and municipal elections in a number of locations, regulatory reform has been brisk. The states have simplified business regulations, strengthened property rights and improved access to credit. Aguascalientes was the top performer last year. State and city officials have successfully used their high benchmark as a promotional tool to compete for business at home and abroad. Simultaneously, they have continued to press ahead with reforms. As a result, Aguascalientes earned the top rank again this year. Querétaro, the lowest ranked overall performer last year, created a public-private task force dedicated to improving its benchmarks. The task force systematically studied bottlenecks, proposed reforms and measured progress. The reforms helped Querétaro climb 9 ranks over last year. Now the state holds rank number 7 out of 31 states and Mexico City on the ease of doing business in Mexico. The lesson: what gets measured, gets done.

Like in the rest of the world, the most popular reform in Mexico in 2005-2006 was easing the regulations on starting a business. But reforms also took place in property registration and enforcing contracts. Other reforms are ongoing (table 1.4).

The various reform initiatives were widely discussed throughout the year. States and cities not included in the survey took note. They requested to be benchmarked, and this year’s study includes all 31 states. Three of the top 6 performers this year are “new” states: Sonora, which ranks fourth, Campeche in fifth place and Zacatecas in sixth. Sonora and Campeche are especially efficient when it comes to property registration, ranking first and second in that indicator. Zacatecas stands out both in the ease of registering collateral to access credit, as well as in the ease of enforcing contracts, where it is the top performer.

Publishing comparative data on the ease of doing business inspires local governments to reform. However, more reforms are needed to keep up with the rest of the world’s economies, two-thirds of which made at least one reform to improve their business environment last year. During the past 3 years, nearly 85% of reforms in the top reforming countries took place in the first 15 months of a new government. The message: for a recently elected government (as in Mexico), the time to push through federal reforms is now. In the words of one reformer, “Reform is like repairing a car with the engine running—there is no time to strategize.”

Reform can ease the bureaucratic burden on all businesses: small and large, domestic and foreign, rural and urban. Whatever reformers do, they should always ask, “Who will benefit the most?” If reforms are seen to benefit only foreign investors, large domestic companies, or bureaucrats-turned-investors, they reduce policy legitimacy. By creating simpler business start-up requirements and stronger property rights, all businesses can thrive. This way there is no need to guess where the next boom in jobs will come from.

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1 The methodology for enforcing contracts was revised in Doing Business 2007: How to Reform to reflect a typical contractual dispute over the quality of goods rather than a simple debt default. Doing Business in Mexico 2007 uses the previous methodology. Comparisons with 154 countries are based on Doing Business in 2006: Creating Jobs.
Pedro wants to set up a company to sell souvenirs in Cancún. But complying with all the requirements will take over two months and cost him 12% of GDP per capita. Instead, Pedro decides to sell the merchandise informally on the beach. His business pays no taxes or social security contributions. It will also have difficulties growing and accessing credit.

Procedures to start a business in Mexico are similar across states. It takes on average 9 procedures, 36 days and 20.4% of GDP per capita. However, in practice, there are wide differences in the time and money that a domestic small or medium enterprise spends to complete all necessary steps—including all registrations, inscriptions, licenses and verifications—to operate legally. It is easiest in Aguascalientes and Nuevo León and most difficult in Veracruz (table 2.1). Opening a business takes only 12 days in Aguascalientes and Guanajuato compared to 69 days in Quintana Roo (figure 2.1). Aguascalientes and Guanajuato are faster than the OECD average—16 days—and would rank number 17 compared to 175 economies in the time to start a business. The state where it takes the longest would rank number 146.

Registering the company statutes is the source of the longest delays in most states, followed by the time to obtain the tax identification number (RFC). Since October 2005, notaries have been able to issue the tax number via the Internet, provided that they are authorized to do so by the tax authority (SAT). In the cities of Aguascalien-

### Table 2.1
Where is it easy to start a business—and where not?

<table>
<thead>
<tr>
<th>State</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguascalientes</td>
<td>1</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>2</td>
</tr>
<tr>
<td>Querétaro</td>
<td>3</td>
</tr>
<tr>
<td>Campeche</td>
<td>4</td>
</tr>
<tr>
<td>Mexico City</td>
<td>5</td>
</tr>
<tr>
<td>Coahuila</td>
<td>6</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>7</td>
</tr>
<tr>
<td>San Luis Potosi</td>
<td>8</td>
</tr>
<tr>
<td>Sonora</td>
<td>9</td>
</tr>
<tr>
<td>Michoacán</td>
<td>10</td>
</tr>
<tr>
<td>Baja California Sur</td>
<td>11</td>
</tr>
<tr>
<td>Baja California</td>
<td>12</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>13</td>
</tr>
<tr>
<td>Tamaulipas</td>
<td>14</td>
</tr>
<tr>
<td>Jalisco</td>
<td>15</td>
</tr>
<tr>
<td>Quintana Roo</td>
<td>16</td>
</tr>
<tr>
<td>Yucatán</td>
<td>17</td>
</tr>
<tr>
<td>Sinaloa</td>
<td>18</td>
</tr>
<tr>
<td>Morelos</td>
<td>19</td>
</tr>
<tr>
<td>Durango</td>
<td>20</td>
</tr>
<tr>
<td>Puebla</td>
<td>21</td>
</tr>
<tr>
<td>Zacatecas</td>
<td>22</td>
</tr>
<tr>
<td>Tabasco</td>
<td>23</td>
</tr>
<tr>
<td>Colima</td>
<td>24</td>
</tr>
<tr>
<td>Hidalgo</td>
<td>25</td>
</tr>
<tr>
<td>Tlaxcala</td>
<td>26</td>
</tr>
<tr>
<td>Chiapas</td>
<td>27</td>
</tr>
<tr>
<td>Estado de México</td>
<td>28</td>
</tr>
<tr>
<td>Guerrero</td>
<td>29</td>
</tr>
<tr>
<td>Nayarit</td>
<td>30</td>
</tr>
<tr>
<td>Oaxaca</td>
<td>30</td>
</tr>
<tr>
<td>Veracruz (most difficult)</td>
<td>32</td>
</tr>
</tbody>
</table>

Note: The ease of starting a business is a simple average of the state rankings on the number of procedures, the associated time and cost and minimum capital (as % of the state’s GDP per capita) required at the start of the business. See the Data notes for details.

Source: Doing Business database.

### Figure 2.1
Aguascalientes and Guanajuato—fastest for starting a business

Source: Doing Business database.
tes (Aguascalientes), Celaya (Guanajuato), Mexico City, Monterrey (Nuevo León), Morelia (Michoacán), San Luis Potosí (San Luis Potosí) and Querétaro (Querétaro), most notaries have signed up to the new system, cutting the time to start a business by 15 days.

Delays at the registry decrease when electronic systems are available and staff is well-trained. Several states such as Aguascalientes have introduced electronic records. Some notaries in Guanajuato, Jalisco, Nuevo León and San Luis Potosí already register the company statutes via the Internet, but the system still needs to be expanded to include all notaries. The registry of Baja California is ISO 9002 certified and can be consulted online. It also allows electronic payments.

Costs stem mainly from notary charges, registration fees and municipal permits. As a percentage of the state’s GDP per capita, they vary widely across Mexico—from 6% in Campeche to 65.8% in Nayarit (figure 2.2). Globally, Campeche would rank number 37 of 175 economies—similar to Thailand and Belgium—while Nayarit would rank number 123. On top of these costs, there is a minimum capital requirement of MXN 50,000 (US$ 4,525) to set up a limited liability company (sociedad anónima), of which the entrepreneur must prove to have at least 20% in cash. Such a requirement makes it costly for entrepreneurs to establish this type of companies.

Notaries generally conduct many procedures on behalf of their clients. On average they charge MXN 6,550 (US$ 593) to draw up and authenticate the company statutes—but the costs are lower in Guerrero, Michoacán and Oaxaca and higher in Nayarit, Quintana Roo, Baja California Sur and Tabasco. There is no clear relationship between a state’s income and notary costs. Notaries charge on average more in Chiapas than in Nuevo León, despite the GDP per capita in Chiapas being five times lower. The differences in notary costs, as well as in the time to complete procedures at the notary, seem to be more related to the number of notaries and commercial brokers (corredores públicos) competing with each other.

Registry fees also vary widely across the states. They amount to 0.3% of GDP per capita in Campeche, 0.6% in Aguascalientes, 4.5% in Baja California, 12.8% in Chihuahua and 23.3% in Estado de México. In most states, registration fees increase proportionally with the share capital of the company. The third main source of costs is the municipal license. In cities like La Paz (Baja California Sur), the only requirement is a notification at no cost. But obtaining the operational license is costly for entrepreneurs in Colima (Colima), Salina Cruz (Oaxaca), Tijuana (Baja California) and Tepic (Nayarit).

Mexico is reforming business start-up fast, following an international trend. 43 countries made entry easier last year. Seven of the 12 states measured for the
second time this year show important reductions in start-up time due to reforms (table 2.2). The same is true of Mexico City, where the time to start a business fell from 58 to 27 days in 2006. Reforms are also underway at the Registries of Commerce in Jalisco, Yucatán and Puebla. Mexican states can learn from each other and adopt the best practices in the country.

Doing Business in Mexico inspired reformers to accelerate the pace of improvements in the procedures to start a business. In Querétaro, where it took the longest after Mexico City last year, the state and municipal governments have been working with the notaries and the private sector to simplify business start-up. The efforts are bearing fruit, cutting 33 days off the time to start a business. And reforms were not limited to states that ranked low last year. Guanajuato and Aguascalientes—last year’s number 1 and 2—promoted the use of electronic systems among notaries and improved the efficiency of their registries. Torreón (Coahuila), Querétaro (Querétaro), Mérida (Yucatán) and San Luis Potosí (San Luis Potosí) cut the time to issue the operational license to 1 or 2 days and Celaya (Guanajuato) eliminated the requirement altogether. With 31 states in the race, competition is even greater. The winners will be the new employees in the formal sector across México.

Federal, state and municipal governments are working to set up single access points for business start-up. The most widespread is the Rapid Business Start-up System (SARE), which brings together different agencies and streamlines start-up procedures for activities of low risk to the public.1 There are now 106 municipalities with SARE in Mexico and all but 5 of the 31 municipalities measured in this study have SARE. Yet, there are differences in the effectiveness of SARE across municipalities, including the time to issue licenses and inspection requirements. Additionally, some municipalities impose restrictions on the types of activities and the size of the firm’s premises to qualify for SARE. For those businesses that meet the conditions, the municipal license is granted faster in municipalities with SARE—2 days on average compared to 22 days for the same procedure in municipalities without SARE.

What to reform?

Last year’s report recommended the introduction of electronic procedures, the creation of single access points, a reduction of taxes and fees and the extension of access to online tax registration beyond the notaries. These recommendations are still valid for many states. In addition, states would benefit from the following:

Introduce fixed registration fees based on the service rendered. In Baja California, Baja California Sur, Colima, Durango, Guerrero, and Nayarit, among others, company registration fees are calculated as a percentage of the company’s share capital. However, the resources employed are the same to register a company with a start-up capital of MXN 50,000 (US$ 4,525) or MXN 5 million (US$452,489). Countries with the most efficient company registration processes, including New Zealand, Canada and Australia, charge fixed fees. So do several Mexican states, including Campeche, Guanajuato, Michoacán and Morelos.

Streamline licensing requirements. Some municipal license requirements remain complex and lengthy. Cities could, for example, follow the lead of Torreón (Coahuila), which streamlined the process to obtain the license through SARE and cut time from 10 days to 1. Aguascalientes, Colima and Durango are other examples of efficient systems. Inspections and costs could be reduced in many other locations. And the criteria for rapid start-up procedures (SARE) should be expanded to businesses in activities not currently covered by SARE such as supermarkets or gas stations. States like Guanajuato and Jalisco have introduced single access points for such types of businesses.

Introduce standardized incorporation documents. This year’s global top reformer in starting a business, Portugal, introduced the option for entrepreneurs to use standardized articles of association. This ensures that applications are error-free, do not require the intervention of a notary, and can be processed quickly at the registry. Portugal is now one of the fastest economies for business start-up. It only takes 8 days.

Abolish the minimum capital requirement. This would require a legal change. Mexican entrepreneurs still face the hurdle of a MXN 50,000 (US$ 4,525) minimum capital requirement. Seven countries (China,
Georgia, Japan, Lao PDR, Madagascar, Micronesia and Morocco) reduced or eliminated this requirement over the past year. The argument that minimum capital requirement protects creditors makes little sense. High minimum capital requirements are not associated with higher recovery rates for creditors in bankruptcy. The countries that first introduced this requirement in the 18th century—France and the United Kingdom—have eliminated it.

Reforms to reduce the time and cost to start a business are simple and not too costly. The introduction of a fast-track system to start a business in Portugal cut the time by 46 days last year. The reform was implemented in five months and cost US$350,000. Often, start-up reforms do not require legislative changes. Experience across the world shows how removing obstacles to business start-up is associated with new formal businesses, added jobs and increased investment.

1 SARE includes procedures that allow the firm to start operations. The remaining necessary steps can be completed once the firm is operating.


The more difficult it is to register property, the more assets stay in the informal sector. However, informal titles cannot be used as collateral to obtain loans. Further, without formal title, property values are lower and property owners invest less. A recent study in Argentina found up to 47% higher investment rates when properties are formally registered. Similar research in Peru showed a 60% increase.

It is easier to register property in New Zealand than anywhere else in the world. The entire process can be completed with 2 online procedures at a cost of 0.1% of the property value. Lawyers certify land transfer documents for their clients and submit them electronically for confirmation. Confirmation is returned within minutes.

In Mexico, registering property takes on average 6 weeks and 3.9% of the property value. These statistics compare favorably with Latin America, where the entrepreneur spends more than 2 months and 6% of the property value to register. But in OECD countries the same process can be completed in two-thirds of the time needed in Mexico.

Still, the 31 Mexican states and Mexico City make it easier or more difficult to register property, and the cost and time vary considerably within the country. Campeche ranks first—with only four procedures that take 22 days and cost 2.5% of the property value—followed by Sonora and Nuevo León (table 3.1). Registering property is most difficult in Quintana Roo, where the entrepreneur spends more than 5 months and 4.3% of the property value.

The number of procedures necessary to register property varies among the 31 states and Mexico City from 4 to 10. The national average of 6 procedures can be compared with some Latin American countries like Chile, Costa Rica and Salvador or with Russia, Japan or Canada. However, registering property takes 9 steps in Guerrero, Morelos and Yucatán, and in Quintana Roo 10 procedures are needed. On the other hand, entrepreneurs in Campeche, Colima and Hidalgo only have to comply with 4 different procedures (figure 3.1). Sweden and Norway—with only one procedure—are the world’s leaders in this indicator.

Time is measured in calendar days, from the start of the transaction to the sale-purchase agreement and finally the registration of the new title at the Public Reg-
Who regulates property registration the least—and who the most?

<table>
<thead>
<tr>
<th>Procedures (number)</th>
<th>Time (days)</th>
<th>Cost (% of property value)</th>
</tr>
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<tbody>
<tr>
<td>Fewest</td>
<td>Least</td>
<td>Most</td>
</tr>
<tr>
<td>Campeche 4</td>
<td>Aguascalientes 18</td>
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</tr>
<tr>
<td>Colima 4</td>
<td>Sonora 21</td>
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<td>Hidalgo 4</td>
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<td>Campeche 22</td>
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<td>Tamaulipas 61</td>
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<tr>
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<td>Michoacán 25</td>
<td>Puebla 63</td>
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<td>Guanajuato 26</td>
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<td>Puebla 7</td>
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<td>Baja California 8</td>
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<td></td>
</tr>
<tr>
<td>Quintana Roo 10</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Doing Business database.

The entrepreneur spends 18 days from start to finish, in Sonora and Zacatecas she spends 21 days, 22 days in Campeche and Michoacán, and 25 days in Baja California. There is a big difference between these states and Quintana Roo where the entrepreneur needs more than 5 months to register property. The main bottlenecks are the Public Registries that take up between 73% and 87% of the total time for registering property.

Costs come largely from transfer taxes, notary charges and registration fees; all are determined at the state or municipal level. Veracruz and Guanajuato are the cheapest states to register property—2.1% of property value. Tlaxcala and San Luis Potosí are in the middle (3.6%). Nayarit is most costly—7.0% of property value—followed by Morelos with 6.3% (table 3.2).

Guanajuato has the lowest transfer tax—0.75% of property value. Veracruz charges a 1% transfer tax rate and a state law aimed at fostering investment exempts businesses from paying registration fees. Most Mexican states apply a 2.0% transfer tax. The transfer tax of Sinaloa, Morelos, Tabasco and State of Mexico are above the country’s average transfer tax rate.

Other important costs are notary charges. In some cities, state governments set notary fee schedules though these may be outdated or simply not used. Doing Business in Mexico 2007 recorded the most commonly charged fees in each state, whether or not they comply with the official fee schedules. In Mexico, notary fees represent on average 26% of the total cost for registering property. Nevertheless, there are some states where the notary costs are low. For example, in Campeche notary charges are 7% of the total property transfer costs (0.18% of property value). A very different scenario is found in Nayarit where the notaries represent 54% of the total cost, or 3.8% of property value.

Within Mexico, 8 of the 12 states that were measured in Doing Business in Mexico reformed at least one aspect of registering property. The reforms included improvements of registration processes, personnel training, introduction of electronic systems and electronic payment of transfer taxes and registration fees (table 3.3). Querétaro was the top reformer in 2005/06. In addition to the reforms mentioned, Querétaro opened a single access point for businesses at the Public Registry of Property and Commerce. Although the reforms reduced response time by almost 40% from last year, Querétaro has a long way to go in this area. The bottleneck in Querétaro is the registration of the public deed which takes one month, while in the top-performing states it only takes from 4 to 7 days.
What to reform?

*Doing Business in Mexico* recommended that states simplify procedures, link and unify the cadastre and the Public Registry and provide easier access to the Public Registry. These recommendations are still valid. New recommendations for this year are the following:

### Eliminate the requirement of presenting special certificates for water and land tax payment.

In states like Campeche, Colima, and Hidalgo, simply showing the most recent water and land tax receipts serves as proof that the property has no such debts. Eliminating the need for no-debt certificates in other states would automatically eliminate two procedures.

### Keep cadastre records updated.

This measure would eliminate the need for new cadastral valuations each time a property is transferred. If an entrepreneur wants to transfer a property that is already registered in Colima, she does not need a cadastral valuation.

### Introduce electronic payments for transfer taxes and registration fees.

In Aguascalientes, Chihuahua, and Querétaro, among others, it is already possible to make these payments online.

### Sign collaboration agreements between Public Registries and notaries.

Notaries should commit to preparing sales deeds within a specified time period; registries should keep notaries informed of improvements in processes and provide online consultation and training.

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**Reduce transfer tax rates and registration fees.** This does not necessarily imply less tax revenues as evidenced by reforms in other countries, such as India. High costs foster informal transactions and underreporting of property values. In addition, the constitutionality of charging for registration services as a percentage of property value has been successfully challenged in court.

Whatever the motivation for reform, the social problem it addresses is clear: without the ability to legally own land, some people are denied opportunities that others enjoy. This is not based on their ability or willingness to work, but on antiquated and often corrupt government policies. Reforming land laws and related registration requirements goes a long way toward reducing inequality in economic opportunities. It is what many urban and rural poor people need and governments would be wise to oblige.

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Lack of access to credit is a major obstacle for entrepreneurs, particularly those running small businesses. In Mexico, small enterprises play an important role as job creators and are often run by women. Weak secured-credit legislation and inefficient collateral registries have an impact on how much, or how little, credit flows to these firms.

Collateral matters because it secures credit. As collateral makes a loan less risky for lenders, borrowers benefit from more and larger loans, lower interest rates and longer repayment periods. A transparent and coherent legal framework on collateral can improve access to credit and terms for borrowers. In Doing Business 2007: How to Reform, Mexico earned a rating of 2 (out of 10) on the legal rights index, only half of the Latin American and Caribbean average of 4.5 (table 4.1).

The case study utilized in Doing Business in Mexico 2007 is simple. A garment producer applies for loan at a local bank. The loan will finance the purchase of industrial sewing machines. The entrepreneur uses the sewing machines as collateral for the credit. In the meantime, she keeps the sewing machines in her possession in order to produce garments to repay the loan (non-possessory security right).

Once the collateral securing the loan (i.e. the sewing machines) is agreed upon, the bank must ensure that there are no other existing liens on those assets. The best way to do so is to register the collateral agreement with the collateral registry. In Mexico, the Law on Negotiable Instruments and Credit Operations (Ley General de Títulos y Operaciones de Crédito) allows firms to use assets as collateral while keeping them in the firm’s possession. The indicator measured in this report records the time and costs involved in signing the collateral agreement and registering it with the collateral registry.

In Minas Gerais, the best performing Brazilian state on this indicator, it takes 2 days to ensure that collateral is properly registered and enforceable against third parties, one week less than in Zacatecas or Michoacán, the fastest states in Mexico. The average time across Mexico is 17 days (table 4.2). The situation is most difficult in Quintana Roo, where collateral registration takes 51 days. “We need to invest in human capital,” says an entrepreneur from Cancún (Quintana Roo), arguing that the registry needs more skilled personnel “to deal with the registration demand and high volume of information requests.”
Delays are primarily due to overburdened and outdated registry facilities. The reforms of 2000 and the Law on Negotiable Instruments and Credit Operations provided for the creation of a federal public registry of commerce for movable property, but today, after 6 years, the registries continue to be run by the states and there is no link between them. Although most states have initiated modernization programs to create electronic registries, the digitalization process is slow—there are states where the security agreement is still manually transcribed on paper. This causes delays in the creation and enforcement of security rights. In addition, the lack of properly functioning registries makes it hard to establish priorities among creditors.

The cost to create and register collateral makes credit more expensive. Costs include notary fees, taxes and payment of registration rights, all defined at the state or municipal level. In Rio de Janeiro, an entrepreneur spends 0.2% of the loan value to register a security right. Conditions are much more difficult in Nayarit, where registration costs are more than 8% of the loan—94% of which are notary fees. The least expensive states are Colima with 0.76% of the loan, and Sinaloa with 0.80%. Both states also charge comparatively low notary fees.

Out-of-court enforcement, which allows creditors to seize and sell collateral without court involvement, is provided for by law. However, creditors cannot enforce a non-judicial order if the debtor opposes it. Moreover, the debtor is likely to successfully challenge as unconstitutional any private enforcement action, even if the original agreement expressly provided for it. This debtor right defeats the purpose of out-of-court enforcement because both parties often end up in court anyway.

Aguascalientes and Guanajuato continue to be good examples of states making information retrieval easier by permitting users to search archives online. Other states are following suit. However, in the 12 states surveyed last year there have been no significant advances in the ease of obtaining certificates of existing liens on a pledged asset.

**What to reform?**

**Make collateral registries more efficient.** Collateral registries are more efficient when they are unified across regions. In Mexico, they continue to be run by the states, with each state deciding how to operate the registries and how much taxes and duties to charge. A good starting point would be to link public registries between regions in order to allow lenders to instantly check for existing liens. For the link to be successful, it is crucial to harmonize the criteria between states, speed up the digitalization of all public registries and permit electronic filing and online retrieval.

**Enable out-of-court enforcement.** Ensuring that out-of-court enforcement does not collapse at the first debtor objection cuts enforcement time by three-quarters on average. If the case does go to court, summary proceedings can improve efficiency by limiting the debtor’s ability to delay the process. Decreasing court involvement, or at least expediting execution, would make creditors more willing to lend in Mexico.

Access to credit is critical to ensure strong business growth, and lack of access affects small businesses the most. To transform ideas and projects into real opportunities for growth and employment, entrepreneurs need to be able to obtain financing from third parties. Weak legal rights limit access to credit by making it less attractive for creditors to lend. An entrepreneur may have talent and the willingness to open or expand her business, but without access to credit, business ideas remain only as unfinished projects. An enormous potential is not realized.
There is no doubt: without efficient courts, less wealth is created. Fewer transactions take place, and those that do take place generally involve a small group of people who are linked through kinship, ethnic origin or previous dealings. Businesses that have little or no access to courts must rely on social networks to decide with whom to do business.

Following a standard debt enforcement case, Doing Business in Mexico 2007 measures the time and cost necessary to enforce a contract. Last year, Doing Business in Mexico compared 12 states and Mexico City. The striking result was that despite a federal commercial code and procedural requirements, the duration, cost and complexity of enforcing a debt contract varied greatly from state to state. This year’s results covering all Mexican states confirmed this difference in the implementation of rules.

On average, it takes just over one year to enforce a contract in Mexico. This is faster than the 546 days needed in São Paulo, the best performing Brazilian state, but still more than 3 months longer than the 275 days needed in El Salvador or 277 in South Africa. However, there is great variation in the time to resolve the same type of case across Mexican states. It takes 581 days in Baja California Sur, the state with the most delays. This is two-and-a-half times longer than the fastest state, Zacatecas.

The bottlenecks differ from state to state. The time it takes from filing a case until the debtor is notified varies from 5 days in Veracruz to two months in Baja California Sur. And while it might take only 90 days in Hidalgo to reach judgment once the debtor is notified, enforcement of the final decision may drag on for almost 6 months.

In Hidalgo or Coahuila, enforcement takes twice as long as reaching judgment. On the other hand, businesses in Chihuahua and Estado de México know that once judgment is reached, the worst part is over.

Across Mexico, enforcement of the court’s decision takes on average one-third of the time that it takes to reach a judgment (figure 5.1). Of course, speed and fairness must be balanced. However, if the enforcement of a simple debt contract takes several years, businesses are more likely to avoid the court system altogether and not risk engaging with new business partners. Business relations remain exclusive.

Efficiency often goes hand in hand with lower cost. While the courts themselves are free in Mexico, time is money when it comes to hourly attorney fees. Zacatecas not only stands out for the fastest process, but it also has the lowest costs of all states. Enforcing a contract in Zacatecas costs 14% of the debt value compared to 28% in Tlaxcala, where it takes twice as long to enforce a contract (figure 5.1). Both percentages are still much higher than in Norway and New Zealand, where the cost to enforce a contract is 4.2% and 4.8% respectively. On average, Mexican entrepreneurs have to be ready to pay about one-fifth of the debt value in fees.

A procedural complexity index measures how formal the contract enforcement process is. Overly complex procedural requirements can provide fertile ground for dilatory tactics, unnecessary delays and more opportunities for bribes. States’ scores in the procedural complexity index vary from 70 in Baja California Sur to 89 in Guerrero and Michoacán (figure 5.2), with higher figures, in a scale ranging from 0 to 100, indicating...
greater complexity of processes.

Last year, four states reformed contract enforcement and therefore reduced delays and the cost of court procedures. The most popular reforms were investing in personnel and infrastructure, creating alternative justice mechanisms and introducing case management and monitoring systems.

In Yucatán, the government hired more staff and invested in technology. This led to a reduction of almost six months in the time to enforce a contract in the state.

Another aspect of reforms is offering alternative justice mechanisms. For example, Durango introduced an “Alternative Center of Justice” in October 2005 with the objective of reducing the courts’ caseload and expediting judgments. The center has dealt with 700 cases to date, including 300 commercial cases. The time to enforce a contract in Durango is two months less than the national average.

However, alternative justice mechanisms can only reduce the burden of courts, and thus reduce the overall time to enforce a contract, if the parties choose to use these mechanisms. For example, Guanajuato and Veracruz have recently established similar mechanisms that are not yet popular among general public. In response, the judiciary power of Veracruz proposes to launch a campaign to educate users about the benefits of such an alternative.

Querétaro and Aguascalientes implemented an electronic system that allows interested parties to manage and monitor their case through the Internet, following the example of Mexico City and Nuevo León. This reduced by 10 days the time needed by the judge to decide on a case.

What to reform?

Allowing a respondent to reply to a charge is fair, but allowing the dispute to continue indefinitely is inefficient and costly. In Mexico, the main cause of court delays is the various strategies that the defendant may use to postpone a dispute settlement. The defendant may delay the notification process by simply refusing to answer the door or by appealing almost every decision taken by the judge during the procedure, from the approval of a witness to the estimated value of the lawyer’s fee. However, the federal government determines the commercial and procedural laws and change can only be made by legal reform.

There are simpler ways to improve contract enforcement. Last year, Doing Business in Mexico recommended introducing summary proceedings, allowing private enforcement of judgments and setting up specialized commercial courts. Some states have implemented such sys-
tems. Jalisco and Colima established specialized courts. Enforcing a contract in those states takes almost 2 months less than the national average. In Yucatán, a draft law proposes to centralize notification and enforcement of judgments. Overall, last year’s recommendations still apply. Additional necessary reforms include:

**Introduce case management and monitoring systems.** Case management in courts reduces delays and increases user satisfaction. It usually involves two changes. First, judges take responsibility for following a case from start to finish. Second, an electronic system allows progress to be efficiently recorded and tracked from the time the case is filed until judgment is reached. The system gives a more accurate perspective of judges’ caseloads in order to better allocate resources. This type of reform does not require much time or money. Reformers in Slovakia spent US$2 million and 6 months to introduce such a system, cutting the time between filing and the first hearing from 73 to 27 days. A few years ago, Mexico City piloted a case management information system. It revealed that 60% of cases do not go beyond the initial filing of a claim.²

**Introduce alternative dispute resolution or pretrial reconciliation.** Another option is to offer alternative dispute resolution mechanisms in order to ease the burden on the courts and judges, particularly for straightforward commercial cases like enforcing a debt contract. In states where clients are hesitant to use alternative dispute resolution, required pretrial conferences between parties can help.

When contracts are efficiently enforced, businesses are encouraged to expand their trade networks, grow and employ more workers. Studies on the effect of reforms find that when contracts can be enforced quickly and cheaply, small businesses receive better financial terms on loans.³ Other research finds that new technologies are adopted faster when courts are efficient because most innovation takes place in new businesses which, unlike established firms, do not have the clout to resolve disputes outside the court system.⁴

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1. The methodology for enforcing contracts was revised in *Doing Business 2007: How to Reform* in order to reflect a typical contractual dispute over the quality of goods rather than a simple debt default. *Doing Business in Mexico 2007* uses the previous methodology. Comparisons with 154 countries are based on *Doing Business in 2006: Creating Jobs*.


4. Ibid.
In 2000, President Vicente Fox created the Plan Puebla Panama to promote economic and social development in the 9 states in South-Southeastern Mexico and in Central America. The Mexican states are Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatán. The region is rich in natural resources and generates the bulk of Mexico’s foreign exchange revenues from tourism and oil. It also includes the states with the lowest GDP per capita and human development indices in the country.

At request of the Plan Puebla Panama, this chapter expands on the main text of this report to compare the performance of the South-Southeastern states amongst themselves in more detail, as well as in the national and international context. The results show that there is ample room for reform. Campeche, as the region’s top performer, holds the fifth position nationwide. Yucatán, the region’s runner-up, is an average performer. The other 7 states rank among the bottom 10 states in Mexico (figure 6.1).

When comparing specific indicators of the South-Southeastern states with the rest of Mexico and 174 countries around the world, the best performers stand out. Campeche is the top performer in the South-Southeast in both time and cost to start a business. The 32 days needed are three days less than the 35 days an entrepreneur spends in China, but 20 more than in neighboring Aguascalientes and Guanajuato. In terms of the cost, Campeche—with 6% of GDP per capita—is relatively more expensive than Germany (5.1% of GDP per capita), but is the most competitive state in Mexico. To register a property on the outskirts of Campeche, an entrepreneur must spend one day longer than his competitor in the United Kingdom, but 9 days less than his Chilean counterpart. Veracruz is the cheapest state in Mexico when it comes to property registration. Internationally, it ranks number 36 out of 175 economies around the world. The cost of registering property in Veracruz compares favorably with countries like Norway, where it costs 2.5% of property value. In Chile, on the other hand, entrepreneurs only have to pay 1.3% for the same service.

Veracruz is also the fastest state in the South-Southeast for collateral registration. It takes 10 days, a substantial time saving compared to the average 24 days necessary in the 12 states measured in Brazil, but 5 times longer than in Minas Gerais, Brazil’s best performing state. In Oaxaca, the entrepreneur spends the least

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**Where is it easy to do business in the South-Southeast and where not?**

Note: Rankings on the ease of doing business are the average of the state rankings in the 4 indicators measured in Doing Business in Mexico 2007. See the Data notes for details.

Source: Doing Business database.
amount of money to have collateral registered compared to the other 8 states in the South-Southeast. Courts in Guerrero are faster than their neighbors when enforcing contracts. When compared with all Mexican states, only Zacatecas and Chihuahua are faster with 230 and 245 days respectively; and the three states perform better than any country in Latin America. In Chiapas, contract enforcement is less expensive than in the rest of the South-Southeast Region and also cheaper than average when compared to all Mexican states.

As expected, Campeche, an oil rich state, is both wealthy and a good performer. States with lower GDP per capita including those in the South-Southeast, generally have lower rankings. The good news is that low GDP per capita does not need to be a barrier to good regulation. Poor states can and do outperform others, if they introduce reforms. Zacatecas, the fourth poorest state in Mexico ranks number 6 out of 32 in the ease of doing business. This state is a good role model for the states in the South-Southeast Region.

### Starting a business

On average, entrepreneurs in the South-Southeast spend 44 days to complete the procedures to start a business—8 days longer than the national average. The cost, 21.8% of GDP per capita, is slightly above the national average of 20.4%. But there are wide differences within the region. Campeche makes it easiest for entrepreneurs to start operations, and Veracruz makes it most difficult (table 6.1). Entrepreneurs in Veracruz must follow 10 procedures, spending 46 days and 27.6% of GDP per capita to start a business (figure 6.2). Reforms can bring the region closer to the top national performer, Aguascalientes, where it takes 12 days and 6.8% of GDP per capita to start a business.

Some reforms are underway. Mérida (Yucatán) cut the time it takes to grant the municipal operational license. Puebla is in the process of creating a rapid start-up system called “SARE Express” that would allow entrepreneurs to obtain municipal licenses via the Internet within minutes. The system is scheduled to go online in January 2007. Reforms are also underway at the Registries of Commerce in both Yucatán and Puebla.

### Table 6.1

<table>
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<tr>
<th>State</th>
<th>South-Southeast ranking</th>
<th>Mexico Ranking</th>
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<tr>
<td>Veracruz</td>
<td>9</td>
<td>32</td>
</tr>
</tbody>
</table>

*Note: Rankings are the average of the state rankings on the procedures, time, cost (as % of GDP per capita) and minimum capital for starting a business. See the Data notes for details. Source: Doing Business database.*

### Figure 6.2

**How to start a business in Veracruz?**
Registering property

Gloria, the owner of a retail company in Cancún (Quintana Roo), wants to buy a warehouse outside of town to store her inventory. She has identified the property that she wants and negotiated a good deal with the owner. But it will take over 5 months and cost 4.3% of the property value to legally transfer the property title. As Gloria does not have that much time, the deal is put on hold.

The South-Southeast region includes both the best and worst performers in terms of the ease of registering property: Campeche and Quintana Roo (table 6.2). In Quintana Roo, an entrepreneur must go through 10 procedures and spend a total of 154 days to register his property. On the other hand, in neighboring Chiapas the same process can be completed with 5 procedures in 36 days.

The longest delays are at property registries. Registries are often overloaded and lack sufficient staff. This is changing step by step. States are simplifying registration processes, implementing electronic systems, training employees and allowing for the electronic payment of transfer taxes.

Getting credit

When the type of security is agreed upon, lenders want to register their right to the asset with the collateral registry (table 6.3). In Veracruz, it takes 10 days to ensure that collateral is properly registered. The average delay across Mexico is 17 days. However, it takes 51 days to do the same in Quintana Roo. The costs to create and register collateral include notary fees, taxes and payment of registration rights, all determined at the state and municipal level. Oaxaca has the lowest fees in the region with 1% of the loan value, followed by Yucatán with 1.3%. Registration costs are 3.3% of the loan value in Guerrero, making credit more expensive. In the words of one respondent: “If I had the money to pay all these fees, I would not need a loan.”

Some states in the South-Southeast are in the process of digitalizing their collateral registries. For example, Puebla has been modernizing its collateral registry since last year, and Yucatán started in August 2006. Others are following suit.

Lenders look at the borrower’s credit history and collateral when extending loans. Where credit registries and effective collateral laws are lacking, banks make fewer loans.
Enforcing contracts

Although an identical commercial code and code of civil procedures dictate the process for commercial court cases, there are differences among South-Southeastern states on the efficiency of contract enforcement. The top performers are Campeche and Tabasco, which rank 14 and 15 when compared to all Mexican states (table 6.4). In Guerrero, it takes 280 days to enforce a contract from the time a claim is submitted until a judgment is enforced. In Quintana Roo, however, claimants have to wait twice as long.

There are several reasons for the differences in contract enforcement among states. Tabasco, the second best performer in the region, utilizes an electronic case management and monitoring system similar to that of Mexico City. On the other hand, in Quintana Roo, the judicial authorities complain about case overload and an insufficient number of judges. While the whole contract enforcement process takes as long as 15½ months in Veracruz, courts efficiently file claims. It takes only 5 days, less than anywhere else in Mexico, perhaps as a result of Veracruz’s recently implemented capacity-building program for court clerks (actuarios).

The costs associated with a legal dispute add to the burden of resolving it. The main expenses are attorney fees. Oaxaca and Quintana Roo have the highest costs with 27% of the debt value. The lowest costs are found in Chiapas with 18% of debt value. Korea sets the global standard with 5.5% of the debt value.

Some reforms are ongoing. Yucatán is modernizing the court’s administrative infrastructure and hiring more personnel. Initial results can already be felt—the time to enforce a contract dropped by six months compared to last year. Veracruz is experimenting with alternative dispute mechanisms for commercial cases.

The recommendations in the starting a business, registering property, getting credit and enforcing contracts chapters of this report are valid for the states in the South-Southeast. As pointed out at the beginning of this chapter, many small businesses in this region face complex and lengthy procedures. It is therefore particularly important to focus on those reforms that streamline procedures and save time in order to ease the regulatory burden. Governors and mayors can follow the lead of their neighbors to improve the ease of doing business in their cities and states.

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**Table 6.4**

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<tr>
<th>State</th>
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<th>Mexico Ranking</th>
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</table>

*Note: Rankings are the average of the country rankings on the procedures, time and cost (as % of debt value) for enforcing contracts through the courts. See the Data notes for details.*

Source: Doing Business database.

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1. The methodology for enforcing contracts was revised in *Doing Business 2007: How to Reform* in order to reflect a typical contractual dispute over the quality of goods rather than a simple default on commercial debt. *Doing Business in Mexico 2007* uses the previous methodology. Comparisons with 154 countries are based on *Doing Business in 2006: Creating Jobs*.

2. See also Figure 3.1: Registering property in Campeche.
The indicators presented and analyzed in *Doing Business in Mexico 2007* measure government regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. First, the indicators document the degree of regulation, such as the number of procedures to start a business or register commercial property. Second, they gauge regulatory outcomes, such as the time and cost to enforce a contract. Third, they measure the extent of legal protections of property, for example, the scope of assets that can be used as collateral according to secured transactions laws. The data for all sets of indicators in *Doing Business in Mexico 2007* are for July 2006. In this project, *Doing Business* indicators have been created for major cities in the 31 Mexican states—the complete list is available in page 1. For the indicators starting a business and registering property, the data presented in this report for Mexico City and other countries is based on the global report *Doing Business in 2007: How to Reform*. For the enforcing contracts indicator, the data is based on the global report *Doing Business 2006: Creating Jobs*. The indicator getting credit is not comparable internationally. The data presented in this report for Brazilian States is based on the regional report *Doing Business in Brazil*.

Based on the study of laws and regulations—with input and verification by more than 150 government officials, lawyers and other professionals routinely administering or advising on legal and regulatory requirements—the *Doing Business* methodology offers several advantages. It uses factual information about what laws and regulations say and allows for multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue, as the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive, so data can be collected in a large sample of economies—175 published in the global report *Doing Business in 2007: How to Reform* and the 31 states in Mexico for this report. Because the same standard assumptions are applied in the data collection, which is transparent and easily replicable, comparisons and benchmarks are valid across countries and states. And the data not only highlight the extent of obstacles but also help identify their source, supporting policymakers in designing reform.

The *Doing Business* methodology has 4 limitations that should be considered when interpreting the data. First, the collected data refer to businesses in the state’s selected city and may not be representative of regulatory practices in other parts of the state. Second, the data often focus on a specific business form—a limited liability company of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Third, the measures of time involve an element of judgment by the expert respondents. Therefore, if sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the case study. Fourth, the methodology assumes that the business has full information on what is required and does not waste time in completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly.

Questions on the methodology and challenges to data may be submitted through the “Ask a Question” function on the *Doing Business* website at http://www.doingbusiness.org. Updated indicators, as well as any revisions of or corrections to the printed data, are posted on the website.
Economy characteristics

Region and income group
Doing Business uses the World Bank regional and income groupings available at http://www.worldbank.org/data/countryclass/countryclass.html. Throughout the report the term rich economies refers to the high income group, middle income refers to the upper middle income group and poor economies refers to the lower middle and low income groups.

Exchange rate
The exchange rate used in this report is: 1USD = 11.05MXN

GDP per capita and population
Doing Business in Mexico 2007 reports 2004 Gross Domestic Product (GDP) per capita in each of the sample states (current MXN). It was estimated from the 2004 GDP by federal entity as published by the National Institute of Statistics, Geography and Information Science—INEGI’s Economic Information Bank (BIE) and divided by 2004 projected population figures. Doing Business in Mexico 2007 reports 2004 projected population figures based on the National Population Council—CONAPO’s projections.

Starting a business

Doing Business records all generic procedures that are officially required for an entrepreneur to start up an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions with relevant authorities. After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures, time, cost and paid-in minimum capital requirements is developed. Subsequently, local incorporation lawyers and government officials complete and verify the data on applicable procedures, the time and cost of complying with each procedure under normal circumstances. Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that all government and non-government agencies involved in the start-up process function efficiently and without corruption. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across countries, several assumptions about the business and the procedures are used.

Assumptions about the business
The business:
• Is a limited liability company. If there is more than one type of limited liability company in the country, the most popular limited liability form among domestic firms is chosen—in Mexico the form selected was the Sociedad Anónima. Information on the most popular form is obtained from incorporation lawyers or the statistical office.
• Operates in the state’s selected city.
• Is 100% domestically owned and has 5 owners, none of whom is a legal entity.
• Has start-up capital of 10 times the state’s GDP per capita at the end of 2004, paid in cash.

• Performs general industrial or commercial activities, such as the production or sale of products or services to the public. It does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. The business is not using heavily polluting production processes.
• Leases the commercial plant and offices and is not a proprietor of real estate.
• Does not qualify for investment incentives or any special benefits.
• Has up to 50 employees 1 month after the commencement of operations, all of them nationals.
• Has a turnover at least 100 times the state’s GDP per capita.
• Has a company deed 10 pages long.

Assumptions about procedures
• A procedure is defined as any interaction of the company founder with external parties (government agencies, lawyers, auditors, notaries). Interactions between company founders or company officers and employees are not considered separate procedures.
• The founders complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law.
• Procedures that are not required by law for starting a business are ignored. For example, obtaining exclusive rights over the company name is not counted in a country where businesses may use a number as identification.
• Shortcuts are counted only if they fulfill 3 criteria: they are legal, they are available to the general public, and avoiding them causes substantial delays.
• Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses.
• Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included unless they entail inspections required before starting operations.
**Time measure**

Time is recorded in calendar days. It is assumed that the minimum time required for each procedure is 1 day. Time captures the median duration that incorporation lawyers indicate is necessary to complete a procedure. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry regulations and their sequence from the beginning.

**Cost measure**

The text of the company law, the commercial code and specific regulations and fee schedules are used as sources for calculating the cost of start-up. If there are conflicting sources and the laws are not clear, the most authoritative source is used. The constitution supersedes the company law, and the law prevails over regulations and decrees. If conflicting sources are of the same rank, the source indicating the most costly procedure is used, since an entrepreneur never second-guesses a government official. In the absence of fee schedules, a government officer’s estimate is taken as an official source. In the absence of a government officer’s estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

**Paid-in minimum capital requirement**

The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank before registration starts. This amount is typically specified in the commercial code or the company law. Many countries require paid-in capital but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation.

*This methodology is originally developed by Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer in “The Regulation of Entry,” Quarterly Journal of Economics, 117, 1-37, Feb. 2002 and adopted with minor changes here.*

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**Registering property**

*Doing Business* records the full sequence of procedures necessary when a business purchases land and a building to transfer the property title from the seller to the buyer. Every required procedure is included, whether it is the responsibility of the seller or the buyer required to be completed by a third party on their behalf. Local property lawyers and property registries provide information on required procedures as well as the time and cost to complete each of them. To make the data comparable across countries, several assumptions about the business, the property and the procedures are used.

**Assumptions about the business**

The business:
- Is a limited liability company (*sociedad anónima*).
- Is located in a periurban area of the state’s selected city.
- Is 100% domestically and privately owned (no foreign or state ownership).
- Has 50 employees, all of whom are nationals.
- Performs general commercial activities.

**Assumptions about the Property**

The property:
- Has a value of 50 times the state’s GDP per capita.
- Is fully owned by another domestic limited liability company (*sociedad anónima*).
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is adequately measured and filed in the cadastre, registered in the land register and free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 6,000 square feet (557.4 square meters). A warehouse of 10,000 square feet (929 square meters) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements.
- Will not be subject to renovations or additional building following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants (legal or illegal), and no other party holds a legal interest in it.

**Procedures**

A procedure is defined as any interaction of the buyer or the seller, their agents (if the agent is required by law) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally required for registering property are recorded, even if they may be avoided in exceptional cases. It is assumed that the buyer follows the fastest legal option available. Although the business may use lawyers or other professionals where necessary in the registration process, it is assumed that it does not employ an outside facilitator in the registration process unless required to by law.
Time measure

Time is recorded in calendar days. It is assumed that the minimum required for each procedure is 1 day. Time captures the median duration that property lawyers or registry officials indicate is necessary to complete a procedure. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen. If procedures may be undertaken simultaneously, it is assumed they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning. Time spent on gathering information is not considered.

Cost measure

Only official costs are recorded. These include fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers, if required by law. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. If cost estimates differ among sources, the median reported value is used. Costs are expressed as a percentage of the property value, assumed to be equivalent to 50 times the state GDP per capita.

Getting credit

Doing Business constructs measures on the legal rights of lenders. This set of indicators describes how well collateral and bankruptcy laws facilitate lending.

Time and cost to create and register collateral

The indicator assesses the ease of creating and registering collateral. The data are based on research of collateral and insolvency laws and responses to a survey on secured transactions laws, developed with input and comments from a range of experts including those from the Center for Economic Analysis of Law, the International Bar Association Committee on Financial Law, and the European Bank for Reconstruction and Development.

Participating lawyers estimate the costs, based on the following standardized case: An entrepreneur with a medium size (100 employees) textile business located in the selected city seeks a loan from a local bank. The loan would finance the purchase of industrial sewing machines worth 10 times GDP per capita. The entrepreneur secures the loan by pledging the industrial sewing machines as collateral while keeping both possession and ownership title (non-possessory security right).

Costs include taxes, notary fees and duties associated with creating the security right and registering it in the collateral registry, where such a registry operates. Countries without a registry usually have lower costs, although the secured creditor is disadvantaged elsewhere because they are unable to notify other creditors of their right to the collateral through a registry. The cost measure is presented as a percentage of GDP per capita.

Strength of legal rights index

This index, reflecting the legal rights of borrowers and lenders, measures the degree to which collateral and bankruptcy laws facilitate lending. It is based on data collected through study of collateral and insolvency laws, supported by the responses to the survey on secured transactions laws. The index includes 3 aspects related to legal rights in bankruptcy and 7 aspects found in collateral law. A score of 1 is assigned for each of the following features of the laws:

- Secured creditors are able to seize their collateral when a debtor enters reorganization—there is no “automatic stay” or “asset freeze” imposed by the court.
- Secured creditors, rather than other parties such as government or workers, are paid first out of the proceeds from liquidating a bankrupt firm.
- Management does not stay during reorganization. An administrator is responsible for managing the business during reorganization.
- General, rather than specific, description of assets is permitted in collateral agreements.
- General, rather than specific, description of debt is permitted in collateral agreements.
- Any legal or natural person may grant or take security in the property.
- A unified registry that includes charges over movable property operates.
- Secured creditors have priority outside of bankruptcy.
- Parties may agree on enforcement procedures by contract.
- Creditors may both seize and sell collateral out of court.

The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.

Enforcing contracts

The data are derived from questionnaires answered by attorneys at private law firms and judicial personnel at local courts. The questionnaire covers the step-by-step evolution of a debt recovery case before local courts in the state's selected city. The respondent firms were provided with significant detail, including the amount of the claim, the location and main characteristics of the litigants, the presence of city regulations, the nature of the remedy requested by the plaintiff, the merit of the plaintiff's and the defendant's claims, and the social implications of the judicial outcomes. These standardized details enabled the respondent law firms to describe the procedures explicitly and in full detail.

Assumptions about the case:

- Debt value equals 200% of state's GDP per capita.
- The plaintiff has fully complied with the contract (plaintiff is 100% right).
- Case presents a lawful transaction between residents of the selected city.
- The bank refuses payment for lack of funds in the borrower's account.
- The plaintiff files a lawsuit to collect the check.
- The debtor attempts to delay service of process but it is finally accomplished.
- The debtor raises some opposition to the complaint (default judgment is not an option).
- The judge decides every motion for the plaintiff.
- The plaintiff attempts to introduce documentary evidence and to call one witness. Debtor attempts to call one witness. Neither party presents objections.
- The judgment is in favor of the plaintiff.
- No appeals or post-judgment motions are filed by either party to the case.
- Debt is successfully collected.

The study develops three indicators of the efficiency of the judicial system as regards the enforcement of commercial contracts. The first indicator is the cost of going through court procedures, including court costs and attorney fees where the use of attorneys is mandatory or common, or the costs of an administrative debt recovery procedure, expressed as a percentage of the debt value.

The second indicator of efficiency is an estimate—in calendar days—of duration of the process of dispute resolution by the lawyers who completed the questionnaires. Duration is measured as the number of calendar days counted from the moment the plaintiff files the lawsuit in court, until the moment of actual payment. This measure includes both the days where actions take place and waiting periods between actions. The participating firms make separate estimates of the average duration until the completion of service of process, the issuance of judgment (duration of trial), and the moment of payment or repossession (duration of enforcement). To the extent that database users are interested in the ability of an ordinary person to use the legal system, these estimates of duration are highly relevant for efficiency.

The third indicator is an index of the degree of formalism, or complexity, in the procedures to resolve disputes. This index measures substantive and procedural statutory intervention in judicial cases at lower level civil trial courts, and is formed by adding the following sub-indices:

1. Professionals or laymen: This sub-index measures whether the resolution of the case provided would rely mostly in the intervention of professional judges and attorneys, as opposed to the intervention of other types of adjudicators and lay people.
2. Written or oral: This sub-index measures the written or oral nature of the actions involved in the procedure, from the filing of the complaint, until the actual enforcement.
3. Legal justification: This sub-index measures the level of legal justification required in the process of dispute resolution.
4. Statutory regulation of evidence: This sub-index measures the level of statutory control or intervention of the administration, admissibility, evaluation and recording of evidence.
5. Control of superior review: This sub-index measures the level of control or intervention of the appellate court's review of the first instance judgment.
6. Other statutory interventions: This sub-index measures the formalities required to engage someone into the procedure or to hold him/her accountable for the judgment.

For each sub-index, higher values indicate more formalism in the contract enforcement process.

For a detailed description of the methodology, see Djankov, Simeon, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, 2002, “Courts: The Lex Mundi Project,” NBER working paper 8890.
Ease of doing business

The ease of doing business is the simple average of state rankings in each of the four topics covered in Doing Business in Mexico 2007 in 2006. The starting a business ranking averages the state rankings on the procedures, days, cost and minimum capital requirement to register a business. The property ranking averages the state rankings on the procedures, time and cost to register property. The credit ranking is based on the state rankings on the time and cost to register collateral. And the enforcing contracts ranking averages the state rankings on the complexity of procedures, time and cost to enforce contracts. The ease of doing business measure ranges from 1 to 32, with higher values indicating more efficient regulation and stronger protections of property rights.

This methodology is developed by Simeon Djankov, Caralee McLiesh, and Rita Ramalho in “Growth and the Ease of Doing Business,” working paper, World Bank, August 2004.
Doing business indicators

State tables
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<thead>
<tr>
<th>State</th>
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<th>Time (days)</th>
<th>Cost (% of GDP per capita)</th>
<th>Ease of starting a business (rank)</th>
<th>Number of procedures</th>
<th>Time (days)</th>
<th>Cost (% of property value)</th>
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| Time (days) | 9 |  |  |
| Cost (% of loan value) | 0.88 |  |  |
| Ease of creating and registering collateral (rank) | 1 |  |  |

| GDP per capita (US$) | 7,531 |
| Ease of doing business (rank) | 1 |

### BAJA CALIFORNIA
City: Tijuana

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| Time (days) | 18 |  |  |
| Cost (% of loan value) | 1.45 |  |  |
| Ease of creating and registering collateral (rank) | 16 |  |  |

| GDP per capita (US$) | 7,703 |
| Ease of doing business (rank) | 18 |

### BAJA CALIFORNIA SUR
City: La Paz

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| Time (days) | 22 |  |  |
| Cost (% of loan value) | 1.30 |  |  |
| Ease of creating and registering collateral (rank) | 16 |  |  |

| GDP per capita (US$) | 7,723 |
| Ease of doing business (rank) | 21 |

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| Cost (% of loan value) | 1.61 |  |  |
| Ease of creating and registering collateral (rank) | 19 |  |  |

| GDP per capita (US$) | 10,204 |
| Ease of doing business (rank) | 5 |

### CHIAPAS
City: Tuxtla Gutiérrez

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| Time (days) | 24 |  |  |
| Cost (% of loan value) | 2.41 |  |  |
| Ease of creating and registering collateral (rank) | 28 |  |  |

<p>| GDP per capita (US$) | 2,452 |
| Ease of doing business (rank) | 24 |</p>
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*n.d. = no disponible
<p>| State          | City                | Starting a business |   |   | Getting credit—Creating and registering collateral |   |   |
|---------------|---------------------|---------------------|--|--|--|----------|--|--|
| ESTADO DE MÉXICO | Tlalnepantla de Baz | Number of procedures: 9 | Time (days): 45 | Cost (% of GDP per capita): 43.98 | Ease of starting a business (rank): 28 | Number of procedures: 9 | Time (days): 22 | Cost (% of loan value): 3.40 | Ease of creating and registering collateral (rank): 30 |
| GUANAJUATO    | Celaya              | Number of procedures: 8 | Time (days): 12 | Cost (% of GDP per capita): 15.10 | Ease of starting a business (rank): 7 | Number of procedures: 9 | Time (days): 9 | Cost (% of loan value): 1.22 | Ease of creating and registering collateral (rank): 3 |
| GUERRERO      | Acapulco            | Number of procedures: 9 | Time (days): 54 | Cost (% of GDP per capita): 18.46 | Ease of starting a business (rank): 29 | Number of procedures: 15 | Time (days): 3.33 | Cost (% of loan value): 24 |
| HIDALGO       | Pachuca de Soto     | Number of procedures: 9 | Time (days): 40 | Cost (% of GDP per capita): 30.17 | Ease of starting a business (rank): 25 | Number of procedures: 15 | Time (days): 2.55 | Ease of creating and registering collateral (rank): 21 |
| JALISCO       | Guadalajara         | Number of procedures: 9 | Time (days): 39 | Cost (% of GDP per capita): 11.41 | Ease of starting a business (rank): 15 | Number of procedures: 26 | Time (days): 1.43 | Ease of creating and registering collateral (rank): 22 |</p>
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<tr>
<th>State</th>
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<th>Ease of enforcing a contract</th>
<th>Ease of doing business</th>
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**Starting a business**

- **Number of procedures**
- **Time (days)**
- **Cost (% of GDP per capita)**
- **Ease of starting a business (rank)**

**Getting credit—Creating and registering collateral**

- **Time (days)**
- **Cost (% of loan value)**
- **Ease of creating and registering collateral (rank)**

**GDP per capita (US$)**
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<th>Ease of doing business (rank)</th>
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City: Hermosillo

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City: Reynosa

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<td>Ease of starting a business (rank)</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Getting credit—Creating and registering collateral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>13</td>
</tr>
<tr>
<td>Cost (% of loan value)</td>
<td>2.42</td>
</tr>
<tr>
<td>Ease of creating and registering collateral (rank)</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registering property</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>5</td>
</tr>
<tr>
<td>Time (days)</td>
<td>61</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>3.81</td>
</tr>
<tr>
<td>Ease of registering property (rank)</td>
<td>16</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Enforcing a contract</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Complexity index (1-100)</td>
<td>77</td>
</tr>
<tr>
<td>Time (days)</td>
<td>415</td>
</tr>
<tr>
<td>Cost (% of debt)</td>
<td>25</td>
</tr>
<tr>
<td>Ease of enforcing a contract (rank)</td>
<td>20</td>
</tr>
</tbody>
</table>

### TLAXCALA
City: Tlaxcala

<table>
<thead>
<tr>
<th>Starting a business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>9</td>
</tr>
<tr>
<td>Time (days)</td>
<td>42</td>
</tr>
<tr>
<td>Cost (% of GDP per capita)</td>
<td>28.30</td>
</tr>
<tr>
<td>Ease of starting a business (rank)</td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Getting credit—Creating and registering collateral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>12</td>
</tr>
<tr>
<td>Cost (% of loan value)</td>
<td>2.09</td>
</tr>
<tr>
<td>Ease of creating and registering collateral (rank)</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registering property</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>5</td>
</tr>
<tr>
<td>Time (days)</td>
<td>34</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>3.60</td>
</tr>
<tr>
<td>Ease of registering property (rank)</td>
<td>10</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Enforcing a contract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complexity index (1-100)</td>
<td>85</td>
</tr>
<tr>
<td>Time (days)</td>
<td>415</td>
</tr>
<tr>
<td>Cost (% of debt)</td>
<td>28</td>
</tr>
<tr>
<td>Ease of enforcing a contract (rank)</td>
<td>32</td>
</tr>
</tbody>
</table>

### VERACRUZ
City: Coatzacoalcos

<table>
<thead>
<tr>
<th>Starting a business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>10</td>
</tr>
<tr>
<td>Time (days)</td>
<td>46</td>
</tr>
<tr>
<td>Cost (% of GDP per capita)</td>
<td>27.55</td>
</tr>
<tr>
<td>Ease of starting a business (rank)</td>
<td>32</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Getting credit—Creating and registering collateral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>10</td>
</tr>
<tr>
<td>Cost (% of loan value)</td>
<td>2.76</td>
</tr>
<tr>
<td>Ease of creating and registering collateral (rank)</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registering property</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>6</td>
</tr>
<tr>
<td>Time (days)</td>
<td>28</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>2.07</td>
</tr>
<tr>
<td>Ease of registering property (rank)</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enforcing a contract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complexity index (1-100)</td>
<td>88</td>
</tr>
<tr>
<td>Time (days)</td>
<td>470</td>
</tr>
<tr>
<td>Cost (% of debt)</td>
<td>23</td>
</tr>
<tr>
<td>Ease of enforcing a contract (rank)</td>
<td>31</td>
</tr>
</tbody>
</table>
### YUCATÁN

**City:** Mérida

<table>
<thead>
<tr>
<th>Starting a business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>9</td>
</tr>
<tr>
<td>Time (days)</td>
<td>38</td>
</tr>
<tr>
<td>Cost (% of GDP per capita)</td>
<td>13.80</td>
</tr>
<tr>
<td>Ease of starting a business (rank)</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Getting credit—Creating and registering collateral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>13</td>
</tr>
<tr>
<td>Cost (% of loan value)</td>
<td>1.32</td>
</tr>
<tr>
<td>Ease of creating and registering collateral (rank)</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registering property</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>9</td>
</tr>
<tr>
<td>Time (days)</td>
<td>29</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>3.18</td>
</tr>
<tr>
<td>Ease of registering property (rank)</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enforcing a contract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complexity index (1-100)</td>
<td>85</td>
</tr>
<tr>
<td>Time (days)</td>
<td>495</td>
</tr>
<tr>
<td>Cost (% of debt)</td>
<td>23</td>
</tr>
<tr>
<td>Ease of enforcing a contract (rank)</td>
<td>30</td>
</tr>
</tbody>
</table>

| GDP per capita (US$) | 4,996 |
| Ease of doing business (rank) | 20 |

### ZACATECAS

**City:** Zacatecas

<table>
<thead>
<tr>
<th>Starting a business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>9</td>
</tr>
<tr>
<td>Time (days)</td>
<td>31</td>
</tr>
<tr>
<td>Cost (% of GDP per capita)</td>
<td>21.29</td>
</tr>
<tr>
<td>Ease of starting a business (rank)</td>
<td>22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Getting credit—Creating and registering collateral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (days)</td>
<td>8</td>
</tr>
<tr>
<td>Cost (% of loan value)</td>
<td>0.97</td>
</tr>
<tr>
<td>Ease of creating and registering collateral (rank)</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registering property</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of procedures</td>
<td>7</td>
</tr>
<tr>
<td>Time (days)</td>
<td>21</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>4.45</td>
</tr>
<tr>
<td>Ease of registering property (rank)</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enforcing a contract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complexity index (1-100)</td>
<td>84</td>
</tr>
<tr>
<td>Time (days)</td>
<td>230</td>
</tr>
<tr>
<td>Cost (% of debt)</td>
<td>14</td>
</tr>
<tr>
<td>Ease of enforcing a contract (rank)</td>
<td>1</td>
</tr>
</tbody>
</table>

| GDP per capita (US$) | 3,368 |
| Ease of doing business (rank) | 6 |
Case studies

Starting a business

Registering property
### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

### Procedure 2. Notarize the company statutes and Register with the Federal Taxpayers Registry (RFC)

**Time:** 2 days  
**Cost:** MXN 4,100  
**Comments:** The cost varies according to the State. In the case of Aguascalientes, the fee is at most 35 days the State’s general minimum wage, MXN 45.81, plus 0.3% of the value of the operation.

On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office.

In Aguascalientes, 74% of the notaries are connected to the RFC’s remote access issuing system.

### Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 3 days  
**Cost:** MXN 500  
**Comments:** The fee for registering the company statutes is MXN 250, plus 3 per thousand of the capital share value. If the company statutes were legalized outside the State of Aguascalientes, an additional fee of MXN 75 needs to be paid.

### Procedure 4. Obtain an operational license

**Time:** 1 day  
**Cost:** MXN 85  
**Comments:** All businesses must obtain an operational license. The required documents are: occupation permit, proof of registration with the RFC and, if required, approval of the environmental procedure. The licenses are classified as:

a. Special: These are for activities with specific regulations as health, environment, education, etc;

b. Regulated: These relate to activities that involve sale of alcohol or night entertainment;

c. Normal: All other activities.

The time and cost vary depending on the type of license.

### Procedure 5*. Register with the Mexican Social Security Institute (IMSS)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

### Procedure 6*. Register the company for the payroll tax (ISN)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** If the application is made via the Internet it will be necessary to make an appointment to present the supporting documents. There are three ways to pay the payroll tax: online, with a debit card or at a local bank.

### Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)

**Time:** 1 day  
**Cost:** MXN 385 (the average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial companies:</th>
<th>Commercial and service companies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 130</td>
</tr>
</tbody>
</table>

The fee for registering the company statutes is MXN 250, plus 3 per thousand of the capital share value. If the company statutes were legalized outside the State of Aguascalientes, an additional fee of MXN 75 needs to be paid.

### Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

### Procedure 2. Legalize the company statutes

**Time:** 7 days  
**Cost:** MXN 4,250  
**Comments:** The legalism of the statutes or articles of association (the constitution of the company) can be done by a notary public or broker/agent. The founding shareholders must provide their general information and official identifications. The fedatarios’ fee for legalizing the statutes varies according to the company’s starting share capital.

### Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 2 days  
**Cost:** MXN 3,828  
**Comments:** According to the Revenue Law of Baja California for 2006, the cost is MXN 1,700 for the first MXN 50,000 of capital, for the next MXN 50,000 the fee is 5 per thousand, and 2.5 per thousand on the amount exceeding MXN 100,000.
Procedure 4. Register with the Federal Taxpayers Registry (RFC)

<table>
<thead>
<tr>
<th>Time</th>
<th>15 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC's on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. 8 of the notaries and the 6 corredores públicos de Tijuana use this system.

Procedure 5. Obtain an operational license

<table>
<thead>
<tr>
<th>Time</th>
<th>12 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>MXN 2,000</td>
</tr>
</tbody>
</table>

Comments: Once registered with the fiscal, federal and state authorities, an operational license must be obtained. It should be noted that, having applied for the license, the company can start operations while the permit is being processed. The Municipality grants this type of license and demands a number of documents and reports to verify the company's operability. Obtaining the inspectors' reports takes up the most time in the application process for obtaining the final operational license. This procedure can be handled through the Rapid Business Start-up System (SARE) in any of the 7 branch offices of the Business Assistance Center (Centro de Atención Empresarial) in Tijuana.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: This is a federal procedure. The entrepreneur can make a “pre-registración” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: The company must notify the State Register of Taxpayers at the Department of Planning and Finances.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>MXN 385 (average of MXN 100 and MXN 670)</td>
</tr>
</tbody>
</table>

Comments: This is done at the same time as procedure 6. In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial companies:</th>
<th>Commercial and service companies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>4 or more employees</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td></td>
<td>3 employees</td>
</tr>
<tr>
<td></td>
<td>MXN 350</td>
</tr>
<tr>
<td></td>
<td>1 or 2 employees</td>
</tr>
<tr>
<td></td>
<td>MXN 300</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized. * This procedure is simultaneous with the previous procedure.

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**CASE STUDIES • STARTING A BUSINESS**

**Baja California Sur**

Standard company legal form: Sociedad Anónima (SA)

Minimum starting share capital: MXN 50,000

City: La Paz

Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

<table>
<thead>
<tr>
<th>Time</th>
<th>1-2 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>MXN 565</td>
</tr>
</tbody>
</table>

Comments: This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

Procedure 2. Legalize the company statutes

<table>
<thead>
<tr>
<th>Time</th>
<th>3 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>MXN 9,000</td>
</tr>
</tbody>
</table>

Procedure 3. Register the company statutes with the Public Registry of Commerce

<table>
<thead>
<tr>
<th>Time</th>
<th>9 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>MXN 2,377</td>
</tr>
</tbody>
</table>

Comments: The cost is a fixed fee of 5 times the minimum wage, plus 2.5 per thousand of share capital. From January 1, 2006 the minimum wage throughout Baja California Sur is MXN 48.67.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

<table>
<thead>
<tr>
<th>Time</th>
<th>15 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system yet is not used by most notaries.

Procedure 5. Obtain an operational license

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: All businesses should be included in the Municipal Taxpayers Registry of La Paz and obtain their municipal license. The operational license must be renewed annually. The license is obtained from the Municipal offices in La Paz and is issued immediately when the documentation is complete. The documents needed are: copy of the company statutes, proof of registration with RFC and a copy of the legal representative’s identification.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: This is a federal procedure. The entrepreneur can make a “pre-registración” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

<table>
<thead>
<tr>
<th>Time</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>No cost</td>
</tr>
</tbody>
</table>

Comments: The company should be registered in the State’s Taxpayers Registry at the Department of Finance to pay the payroll tax.
### Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

**Time:** 1 day  
**Cost:** MXN 385 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>MXN 150</td>
</tr>
<tr>
<td>3 to 5</td>
<td>MXN 350</td>
</tr>
<tr>
<td>6 or more</td>
<td>MXN 670</td>
</tr>
</tbody>
</table>

### Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

### Starting a Business: Campeche

- **Standard company legal form:** Sociedad Anónima (SA)  
- **Minimum starting share capital:** MXN 50,000  
- **City:** Campeche  
- **Date as of:** July 2006

### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

### Procedure 2. Legalize the company statutes

**Time:** 3 days  
**Cost:** MXN 5,500  
**Comments:** The cost can vary by about 20% depending on the notary that legalizes the statutes.

### Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 7 days  
**Cost:** MXN 300

### Procedure 4. Register with the Federal Taxpayers Registry (RFC)

**Time:** 15 days  
**Cost:** No cost  
**Comments:** The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

### Procedure 5. Obtain an operational license

**Time:** 3 days  
**Cost:** MXN 45.81  
**Comments:** In order to start trading the company must have an operational license from the Municipality. The cost of the license is equivalent to the minimum wage in zone C, currently MXN 45.81.

### Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registra*” appointment with the local IMSS office through the IMSS’s Internet website.

### Procedure 7*. Register the company for the payroll tax (ISN)

**Time:** 3 days  
**Cost:** No cost

### Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

**Time:** 1 day  
**Cost:** MXN 385 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>MXN 150</td>
</tr>
<tr>
<td>3 to 5</td>
<td>MXN 350</td>
</tr>
<tr>
<td>6 or more</td>
<td>MXN 670</td>
</tr>
</tbody>
</table>

### Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

### Starting a Business: Chiapas

- **Standard company legal form:** Sociedad Anónima (SA)  
- **Minimum starting share capital:** MXN 50,000  
- **City:** Tuxtla Gutiérrez  
- **Date as of:** July 2006

### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

### Procedure 2. Legalize the company statutes

**Time:** 5 days  
**Cost:** MXN 8,500  
**Comments:** There is no set fee scheduled and therefore the notary comes to an agreement with the client; the cost can vary.

### Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 7 days  
**Cost:** MXN 916  
**Comments:** The fee is stipulated in the Revenue Law of the State of Chiapas.
Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

Procedure 5. Obtain an operational license

Time: 3 days
Cost: No cost
Comments: In order to start operations the company must have an operational license from the Municipality.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

Time: 1 day
Cost: No cost
Comments: The Revenue Law of Chiapas states that the ISN is 1.5% and should be paid in the state Revenue Collection and Internal Revenue office.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 29, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

- Industrial companies: MXN 670
- Commercial and service companies: MXN 385
- 6 or more employees: MXN 670
- 3 to 5 employees: MXN 350
- 1 or 2 employees: MXN 150
- 4 or more employees: MXN 640
- 3 employees: MXN 400
- 2 employees: MXN 350
- 1 employee: MXN 300

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

STARTING A BUSINESS

Chihuahua

Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Ciudad Juárez
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

Procedure 2. Legalize the company statutes

Time: 3 days
Cost: MXN 5,000
Comments: The cost varies according to the notary. An independent notary charges MXN 500 to MXN 1,500 per hour.

Procedure 3. Register the company statutes with the Public Registry of Commerce

Time: 4 days
Cost: MXN 11,437
Comments: The amount of the fee depends on the company’s share capital. This procedure is done at one of the offices of the Public Registry of Property and Commerce and is charged at 2% of the value of the operation, up to a maximum equivalent to 235 times the minimum daily wage in force in that geographical area. Additionally, the entrepreneur must pay a tax on legal acts and the university tax.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

Procedure 5. Obtain an operational license

Time: 5 days
Cost: MXN 973
Comments: The documents required to obtain an operational license include: land use declaration and a civil protection inspection report (the responsibility of the proprietor). This is carried out under the Rapid Business Start-up System (SARE) of Ciudad Juárez. The cost depends on the company’s activity.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

Time: 1 day
Cost: No cost
Comments: To register, the social security number of the employer is required. The forms can be completed in the offices of the Chihuahua State Department of Finance.
or on-line at www.chihuahua.gob.mx. The registration is done immediately.

**Procedure 8**. Register the company in the Mexican System of Business Information (SIEM)

**Time**: 1 day  
**Cost**: MXN 385 (average of MXN 100 and MXN 670)  
**Comments**: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Cost</th>
<th>Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>MXN 150</td>
<td>3 or more</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 to 5</td>
<td>MXN 300</td>
<td>4 or more</td>
<td>MXN 670</td>
</tr>
<tr>
<td>6 or more</td>
<td>MXN 760</td>
<td>1 day</td>
<td></td>
</tr>
</tbody>
</table>

*This procedure is simultaneous with the previous procedure.*

**Starting a Business**

**Coahuila**

Standard company legal form: Sociedad Anónima (SA)  
Minimum starting share capital: MXN 50,000  
City: Torreón  
Data as of: July 2006

**Procedure 1**. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time**: 1-2 days  
**Cost**: MXN 565  
**Comments**: This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

**Procedure 2**. Legalize the company statutes

**Time**: 3 days  
**Cost**: MXN 4,201  
**Comments**: The notary charges are based on the notaries’ fee schedule of Coahuila.

**Procedure 3**. Register the company statutes with the Public Registry of Commerce

**Time**: 3 days  
**Cost**: MXN 6,625  
**Comments**: The rate varies according to the company’s share capital, for the first MXN 10,000 of capital the fee is MXN 314, from MXN 10,000 to MXN 50,000 it is MXN 15 per thousand, from MXN 50,000 to MXN 100,000 it is MXN 12 per thousand, from MXN 100,000 to MXN 150,000 it is MXN 8 per thousand, and if the capital exceeds of MXN 150,000 the fee will be 6 per thousand on the surplus. If the share capital value is indeterminate the fee will be MXN 44 by page of the company’s statutes.

**Procedure 4**. Register with the Federal Taxpayers Registry (RFC)

**Time**: 15 days  
**Cost**: No cost  
**Comments**: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

**Procedure 5**. Obtain the commercial operational license

**Time**: 1 day with the Rapid Business Start-up System (SARE) and 10 days for the regular process  
**Cost**: MXN 377  
**Comments**: The following should be presented:

a. Application form,  
b. Official identification,  
c. Proof of registration with Hacienda,  
d. Company statutes,  
e. Proof of property title and,  
f. Receipt of payment of the property tax.

Costs:

- a. Commercial inspection MXN 224  
- b. Stamping of the license MXN 153

If it will be an industrial business a report must be given to the Ecological Institute of Coahuila. Even if it is reported that the business will not pollute the environment, a municipal operational license is still required.

**Procedure 6**. Register with the Mexican Social Security Institute (IMSS)

**Time**: 1 day  
**Cost**: No cost  
**Comments**: This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7**. Register the company for the payroll tax (ISN)

**Time**: 1 day  
**Cost**: No cost  
**Comments**: To register, the social security number of the employer is required.

**Procedure 8**. Register the company in the Mexican System of Business Information (SIEM)

**Time**: 1 day  
**Cost**: MXN 385 (average of MXN 100 and MXN 670)  
**Comments**: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Cost</th>
<th>Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>MXN 150</td>
<td>3 or more</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 to 5</td>
<td>MXN 300</td>
<td>4 or more</td>
<td>MXN 670</td>
</tr>
<tr>
<td>6 or more</td>
<td>MXN 760</td>
<td>1 day</td>
<td></td>
</tr>
</tbody>
</table>
**STARTING A BUSINESS**

### Colima

**Standard company legal form:** Sociedad Anónima (SA)
**Minimum starting share capital:** MXN 50,000
**City:** Colima
**Data as of:** July 2006

#### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 days</td>
<td>MXN 565</td>
<td>This is a federal procedure and can be done by the notary public in the State's Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.</td>
</tr>
</tbody>
</table>

#### Procedure 2. Legalize the company statutes

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 days</td>
<td>MXN 6,280</td>
</tr>
</tbody>
</table>

#### Procedure 3. Register the company statutes with the Public Registry of Commerce

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-45 days</td>
<td>MXN 1,909</td>
<td>The Electronic Registration Management System (SIGER) has not been implemented in Colima, as the SIGER software is not compatible with Colima’s registration software. The cost is 0.3% of the capital, with a minimum of MXN 229 and a maximum of MXN 24,737.</td>
</tr>
</tbody>
</table>

#### Procedure 4. Register with the Federal Taxpayers Registry (RFC)

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 days</td>
<td>No cost</td>
<td>The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by feedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by feedatarios would be definitive and the provisional number would no longer be used. Therefore, a feedatario publico who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.</td>
</tr>
</tbody>
</table>

#### Procedure 5. Obtain an operational license

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day</td>
<td>MXN 5,500</td>
<td>The operational license is obtained from the Municipality and has to be renewed. No other approval is needed from the Municipality as it is implicit to obtaining the municipal license. The cost depends on the zone and varies between MXN 1,000 and MXN 10,000.</td>
</tr>
</tbody>
</table>

#### Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day</td>
<td>No cost</td>
<td>This is a federal procedure. The entrepreneur can make a &quot;pre-registra- tion&quot; appointment with the local IMSS office through the IMSS's Internet website.</td>
</tr>
</tbody>
</table>

#### Procedure 7*. Register the company for the payroll tax (ISN)

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 days</td>
<td>No cost</td>
<td>This is done in the Revenue Office (Dirección de Ingresos) of the Department of Finance.</td>
</tr>
</tbody>
</table>

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* This procedure is simultaneous with the previous procedure.

**Durango**

**Standard company legal form:** Sociedad Anónima (SA)
**Minimum starting share capital:** MXN 50,000
**City:** Durango
**Data as of:** July 2006

#### Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 days</td>
<td>MXN 565</td>
<td>This is a federal procedure and can be done by the notary public in the State's Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.</td>
</tr>
</tbody>
</table>

#### Procedure 2. Legalize the company statutes

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 days</td>
<td>MXN 4,612</td>
</tr>
</tbody>
</table>

#### Procedure 3. Register the company statutes with the Public Registry of Commerce

<table>
<thead>
<tr>
<th>Time</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 days</td>
<td>MXN 4,831</td>
<td>The cost of this procedure is determined according to articles 16 and 52 of section XXIV of the Law of Revenues of the State of Durango, in the following way: The cost is made up of the registration fee, 0.60% of the total capital of the company (MXN 3,578.60), plus the Tax for the Promotion of Public Education that equals 35% of the registration fee (MXN 1,252). This registration fee and tax must be paid to the Revenue Collection cashier in the Public Registry before submitting the documentation to the registration desk. This procedure is generally carried out by the notary public.</td>
</tr>
</tbody>
</table>

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* This procedure is simultaneous with the previous procedure.
Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC's on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

Procedure 5. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6. Register the company for the payroll tax (ISN)

Time: 2 days
Cost: No cost
Comments: This is done in the State Government’s Department of Finance and Administration.

Procedure 7. Give notice of starting business

Time: 2 days
Cost: MXN 100
Comments: Generally the majority of commercial, industrial and service businesses, are governed by article 28, section I, of the Economic Development Code of the Municipality of Durango, that states: “To undertake any business that does not require an operational license or permit from the Municipality, the Municipal Authority can issue a Declaration of Opening (Declaración de Apertura), for which the applicant should comply with the following general rule: i. The declaration of opening must be given to the Business Opening Unit (Módulo de Apertura) of the Municipal Authority, in the three months after starting operations. The Business Opening Unit will register the opening.” The example business in this case study is considered to be of low risk and so its application would be processed within 48 hours under the Durango Business Start-up System (Sistema Duranguense de Apertura de Empresas, SDARE) in the municipal offices.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

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<tr>
<th>Employees</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
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<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
<tr>
<td>4 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be done by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

Procedure 2. Legalize the company statutes

Time: 3 days
Cost: MXN 8,500

Procedure 3. Register the company statutes with the Public Registry of Commerce

Time: 20 days
Cost: MXN 10,642
Comments: Under the Estado de México laws the fees are updated every 6 months. For this year the Department of Finance defined the updating factor to be 1.020.

1. Costs of materials: MXN 392
2. Professional fees (shown in procedure 2 above)
3. Registration fees:
   a. When the deeds to be recorded does not have a specific value or the value is up to MXN 157,894 the fee is MXN 1,061;
   b. When the value is between MXN157,894 and MXN197,369 the fee is MXN 3,186;
   c. When the value is between MXN 197,369 and MXN 236,842 the fee is MXN 5,309;
   d. When the value is between MXN 236,842 and MXN 276,316 the fee is MXN 7,433;
   e. When the value is between MXN 276,316 and MXN 315,791 the fee is MXN 9,558, and
   f. When the value is over MXN 315,791 the fee is MXN 10,642.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

Procedure 5. Obtain an operational license

Time: 1 day (30 days for the regulated activities)
Cost: No cost

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.
Procedure 7*. Register the company for the payroll tax (ISM)
Time: 1 day
Cost: No cost
Comments: To register the social security number of the employer is required.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:
Industrial companies: Commercial and service companies:
6 or more employees MXN 670 4 or more employees MXN 640
3 to 5 employees MXN 350 3 employees MXN 300
1 or 2 employees MXN 150 1 or 2 employees MXN 100

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

Starting a Business

Guanajuato
Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Celaya
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be done by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00, and the following day if after this time.

Procedure 2. Legalize the company statutes and register with the Federal Taxpayers Registry (RFC)
Time: 3 days
Cost: MXN 5,729
Comments: The Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. In Celaya, more than 50% of the notaries use this system.

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 1-2 days
Cost: MXN 734
Comments: This can be done by the notaries via internet using the secret electronic signature that allows them to file registrations at the Public Registry of Commerce.

Procedure 4. Give notice of land use
Time: 1 day
Cost: MXN 105
Comments: When the premises are leased and its use does not change, only a land use notice is required. If the use will change a new land use license is required, which is obtained within 3 days through the Rapid Business Start-Up System (SARE).

Procedure 5*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra-tion” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6*. Register the company for the payroll tax (ISM)

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:
Industrial companies: Commercial and service companies:
6 or more employees MXN 670 4 or more employees MXN 640
3 to 5 employees MXN 350 3 employees MXN 300
1 or 2 employees MXN 150 1 or 2 employees MXN 100

Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

Starting a Business

Guerrero
Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Acapulco
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be done by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes
Time: 3 days
Cost: MXN 2,600

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 4 days
Cost: MXN 2,309
Comments: The cost is 0.64% of the share capital.
**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

*Time:* 15 days  
*Cost:* No cost  
*Comments:* On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

**Procedure 5. Obtain an operational license**

*Time:* 30 days  
*Cost:* MXN 800  
*Comments:* The Municipality issues the operational license when it has approval reports from the Civil Protection Department, the Fire Department, the Environment and Ecology Department, and the Municipal Health Department if the business will involve food. The cost of the license varies depending on the capital declared and the type of activity. The inspection is free.

**Procedure 6*. Register with the Mexican Social Security Institute (IMSS)**

*Time:* 1 day  
*Cost:* No cost  
*Comments:* This is a federal procedure. The entrepreneur can make a "pre-registra- tion" appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7*. Register the company for the payroll tax (ISN)**

*Time:* 1 day  
*Cost:* No cost  

**Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)**

*Time:* 1 day  
*Cost:* MXN 385 (average of MXN 100 and MXN 670)  
*Comments:* In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial company</th>
<th>Commercial and service company</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
<tr>
<td>4 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

**Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)**

*Time:* 1 day  
*Cost:* No cost  
*Comments:* This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

*Time:* 1-2 days  
*Cost:* MXN 565  
*Comments:* This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes**

*Time:* 5 days  
*Cost:* MXN 6,750

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

*Time:* 13 days  
*Cost:* MXN 2,750

**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

*Time:* 15 days  
*Cost:* No cost  
*Comments:* On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

**Procedure 5. Obtain an operational license**

*Time:* 2 days  
*Cost:* MXN 1,100  
*Comments:* The Municipality has a Rapid Business Start-up System (SARE), where the land use report (dictamen de uso de suelo) can be generated at the same time. The cost includes the payment for both documents. The SARE also allows the inspection from the departments of civil protection (security) and health (only needed if the business handles food) to be conducted after the start of operations.

**Procedure 6*. Register with the Mexican Social Security Institute (IMSS)**

*Time:* 1 day  
*Cost:* No cost  
*Comments:* This is a federal procedure. The entrepreneur can make a "pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7*. Register the company for the payroll tax (ISN)**

*Time:* 1 day  
*Cost:* No cost
**Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)**

**Time:** 1 day  
**Cost:** MXN 3,85 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 1 employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>2 to 5 employees</td>
<td>MXN 200</td>
</tr>
<tr>
<td>6 or more employees</td>
<td>MXN 1,335</td>
</tr>
</tbody>
</table>

**Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

*This procedure is simultaneous with the previous procedure.*

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**CASE STUDIES • STARTING A BUSINESS**

**Jalisco**

Standard company legal form: Sociedad Anónima (SA)  
Minimum starting share capital: MXN 50,000  
City: Guadalajara  
Date as of: July 2006

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

**Time:** 1 - 2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes**

**Time:** 3 days  
**Cost:** MXN 5,000  
**Comments:** Notaries or corredores públicos, who are registered with the program, can also request the Tax Identification Number via the Internet.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

**Time:** 14 days  
**Cost:** MXN 1,335  
**Comments:** In accordance with article 15 of the Jalisco State Revenue Law for the fiscal year 2006, the fee for registering the company statutes increased to MXN 1,335. Registered notaries and corredores públicos can complete the registration via the Internet through FEDANET and SIGER in an average of 2 to 5 working days. However, in practice the average time for the Public Registry of Commerce to complete this procedure and issue the registration is 10 working days.

**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

**Time:** 15 days  
**Cost:** No cost  
**Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.

**Procedure 5. Obtain the municipal license**

**Time:** 1 day  
**Cost:** MXN 131  
**Comments:** The following types of licenses exist:  
A - 15 to 20 minutes  
B - 5 working days  
C - 10 working days  
D - 30 working days

The great majority of licenses issued in Guadalajara are type A. Obtaining of the operational license depends on the activity of the business and may involve other aspects leading to additional costs such as: the land use report, the conditions of operation, the public health and civil protection permit, as well as the agreement of neighbors or residents’ associations where applicable, if the business is to be established in residential zone.

The Municipality of Guadalajara introduced a “pre-license” (prelicencia), for which the Regulation of Commercial Businesses and Service Delivery was modified. This involves submitting a business opening notice by Internet, and enables a business to start operations if its land use report is valid and it fulfils the minimum requirements. According to the Municipality’s Revenue Law the cost of this company activity declaration is MXN 23 and it can be paid with credit card. There is a time limit of 3 months in which to fulfill the outstanding requirements or halt the procedure.

**Procedure 6*. Register with the Mexican Social Security Institute (IMSS)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7*. Register the company for the payroll tax (ISN)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** To register, the social security number of the employer is required.

**Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)**

**Time:** 1 day  
**Cost:** MXN 3,85 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
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<tr>
<th>Employees</th>
<th>Cost</th>
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<tbody>
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<td>0 - 1 employees</td>
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<tr>
<td>6 or more employees</td>
<td>MXN 1,335</td>
</tr>
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</table>

**Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

*This procedure is simultaneous with the previous procedure.*
On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la ResoluciónMiscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is simultaneous with the Ministry of Foreign Affairs, and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

- **Time:** 1-2 days
- **Cost:** MXN 565
- **Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes and register with the Federal Taxpayers Registry (RFC)**

- **Time:** 5 days
- **Cost:** MXN 2,740
- **Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is simultaneous with the Ministry of Foreign Affairs, and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

- **Time:** 7 days
- **Cost:** MXN 183 (ordinary) and MXN 386 (urgent)
- **Comments:** In accordance with the Revenues Law of the Municipality of Morelia, Michoacán, article 12, section III, clause A.

**Procedure 4. Obtaining the operational license and to give notice of starting business**

- **Time:** 2 days
- **Cost:** No cost
- **Comments:** All the businesses have to give a notice of starting business. Depending on the activity of the business they should also obtain a land use certificate, environmental and civil protection certificates.

**Procedure 5*. Register with the Mexican Social Security Institute (IMSS)**

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 6*. Register the company for the payroll tax (ISN)**

- **Time:** 1 day
- **Cost:** No cost

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**Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)**

- **Time:** 1 day
- **Cost:** MXN 385 (average of MXN 100 and MXN 670)
- **Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2</td>
<td>MXN 150</td>
</tr>
</tbody>
</table>

**Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)**

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

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**Starting A Business**

**Michoacán**

- **Standard company legal form:** Sociedad Anónima (SA)
- **Minimum starting share capital:** MXN 50,000
- **City:** Morelia
- **Data as of:** July 2006

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

- **Time:** 1-2 days
- **Cost:** MXN 565
- **Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes and register with the Federal Taxpayers Registry (RFC)**

- **Time:** 5 days
- **Cost:** MXN 2,740
- **Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is simultaneous with the Ministry of Foreign Affairs, and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

- **Time:** 7 days
- **Cost:** MXN 183 (ordinary) and MXN 386 (urgent)
- **Comments:** In accordance with the Revenues Law of the Municipality of Morelia, Michoacán, article 12, section III, clause A.

**Procedure 4. Obtaining the operational license and to give notice of starting business**

- **Time:** 2 days
- **Cost:** No cost
- **Comments:** All the businesses have to give a notice of starting business. Depending on the activity of the business they should also obtain a land use certificate, environmental and civil protection certificates.

**Procedure 5*. Register with the Mexican Social Security Institute (IMSS)**

- **Time:** 1 day
- **Cost:** No cost
- **Comments:** This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 6*. Register the company for the payroll tax (ISN)**

- **Time:** 1 day
- **Cost:** No cost

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**Morelos**

- **Standard company legal form:** Sociedad Anónima (SA)
- **Minimum starting share capital:** MXN 50,000
- **City:** Cuernavaca
- **Data as of:** July 2006

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

- **Time:** 1-2 days
- **Cost:** MXN 565
- **Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes**

- **Time:** 3 days
- **Cost:** MXN 6,080
- **Comments:** The cost is MXN 3,500 plus 0.50% of the value of the share capital over MXN 50,000.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

- **Time:** 25 days
- **Cost:** MXN 1,145
- **Comments:** The cost is 25 times the minimum daily wage in the State of Morelos, MXN 45.81 for the fiscal year 2006.

**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

- **Time:** 15 days
- **Cost:** No cost
- **Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by most notaries.
Procedure 5. Obtaining the operational license and to give notice of starting business

**Time:** 5 days  
**Cost:** No cost  
**Comments:** The company applies for the operational license in the Municipality of Cuernavaca. The following documentation should be presented: the form provided by the Business Assistance Center of Morelos (CAEM), form R-1, personal identification, the tax identification (RFC), the company statutes, the rental agreement, and photographs of the business.

Procedure 6*. Register with the Mexican Social Security Institute (Instituto Mexicano de la Seguridad Social, IMSS)

**Time:** 2 days  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a "pre-registration" appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)

**Time:** 1 day  
**Cost:** MXN 385 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

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<th>Industrial companies:</th>
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</tbody>
</table>

Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

Starting a Business

**Nayarit**

Standard company legal form: Sociedad Anónima (SA)  
Minimum starting share capital: MXN 50,000  
City: Tepic  
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

**Time:** 6 days  
**Cost:** MXN 18,690  
**Comments:** This can be carried out with a notary or corredor público. The time and cost for this procedure are significantly lower if the company’s statutes are legalized by a corredor público but, as the ratio of corredores to notaries is 1 to 9, the estimation of the time and cost required refer to notaries’ standards. According to the articles 2, section XIX, 16, first and fourth provisions of the current Nayarit State Law on the Notarial Profession, connected with article 133 of the 1987 Nayarit State Law on the Notarial Profession, notaries fees are calculated as follows:

*For the statutes of a specific value, that does not have a special rate given in this tariff, the fee will be:

Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 7 days  
**Cost:** MXN 3,406  
**Comments:** According to article 13, section III of the Law of Revenues of Nayarit State for the fiscal year of 2006, the fee is 9% of the value of the initial share capital. This fee is paid in the Revenue Collection Department of the State Government. The Public Registry of Commerce must be presented with the original and a copy of the company statutes and proof of payment of the fee.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

**Time:** 15 days  
**Cost:** No cost  
**Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by the majority of notaries.

Procedure 5. Obtain an operational license

**Time:** 18 days  
**Cost:** MXN 1,850  
**Comments:** This procedure is done at the Department of Licenses of the Municipality. The following documents are needed: copy of the RFC, original of the authorization issued by the public health authority (Salubridad) if the business is a restaurant, meat market or chicken seller (does not apply in this case), original of the land use license for bars, tortillerias or casinos (does not apply in this case), sanitary inspection report depending on the business activity, and the inspection report of the Municipality’s civil protection department (does not apply in this case).

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a "pre-registration" appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISR)

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The tax is 2% of the value of the company’s staff payroll. Registration is done in the State’s Department of Finance and the following information should be provided:

- Total number of employees,
- Employer’s registration number with the Mexican Social Security Institute (IMSS),
- RFC,
- State registration,
- Type of tax declaration (normal or complementary),
- General information on the employees and the company,
- Category (single site, headquarters, or branch office, etc.),
- Taxpayer’s signature or that of its legal representative,
- Statutes of the company or accreditation document of the legal representative,
- Identification numbers of the workers, and
- IMSS registration of the employer and employees.
Procedure 8*. Register the company in the Mexican System of Business Information

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

- Industrial companies:
  - Commercial and service companies:
    - 6 or more employees: MXN 670
    - 3 to 5 employees: MXN 350
    - 1 or 2 employees: MXN 150
- 4 or more employees: MXN 640
- 3 employees: MXN 300
- 1 or 2 employees: MXN 100

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

STARTING A BUSINESS

Nuevo León

Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Monterrey
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer the same day if it applies before 11:00 a.m., the following day if after this time.

Procedure 2. Notarize the company statutes and register with the Federal Taxpayers Registry (RFC)

Time: 7 days
Cost: MXN 8,000
Comments: Once the authorization of the company name has been received, the notary finalizes the statutes. On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificacio-
es a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. More than 50% of the notaries in Monterrey use the new system.

Procedure 3. Register the company statutes with the Public Registry of Commerce

Time: 10 days
Cost: MXN 3,112
Comments: If the share capital is MXN 50,000, the fee is MXN 141 and if the share capital exceeds this the fee is MXN 2.50 per thousand or fraction.

Procedure 4. Obtain the use of building license (licencia de uso de edificación)

Time: 2 days
Cost: No cost
Comments: Businesses in activities of low risk should obtain a use of building license through the Rapid Business Start-up System (SARE), which takes 2 days.

Procedure 5*. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6*. Register the company for the payroll tax (ISN)

Time: 1 day
Cost: No cost
Comments: To register, the social security number of the employer is required.

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

- Industrial companies:
  - Commercial and service companies:
    - 6 or more employees: MXN 670
    - 3 to 5 employees: MXN 350
    - 1 or 2 employees: MXN 150
  - 4 or more employees: MXN 640
  - 3 employees: MXN 300
  - 1 or 2 employees: MXN 100

Oaxaca

Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Salina Cruz
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

Time: 5 days
Cost: MXN 3,500
Comments: The costs depend on the notary or corredor publico, with some notaries charging up to MXN 10,000. For the company to be allowed to operate it must be on the Federal Taxpayers Registry (RFC). At present the Ministry of Internal Revenue and Public Credit (Secretaria de Hacienda y Crédito Público, SHCP) allows notaries or corredores to issue the registration. Some notaries and corredores charge approximately MXN 1,000 for managing the reporting and procedures at the SHCP.

Procedure 3. Register the company statutes with the Public Registry of Commerce

Time: 14 days
Cost: MXN 1,184
Comments: The cost of registration is 75% of 5.5 per thousand of the share capital, with a minimum of 13.20 times the current minimum wage.
Procedure 4. Register with the Federal Taxpayers Registry (RFC)
Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by the majority of notaries.

Procedure 5. Obtain an operational license
Time: 10 days
Cost: MXN 2,000 - 4,500
Comments: The cost of the operational license depends on the specific activity of the company. The Municipal Council approves the rates. To apply for permission to open the business the company’s legal representative must submit a written application with: the company name, the type of business, registered address and opening hours.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: The company registers for local taxes as is the case for the 2% payroll tax at the Revenue Collection department of the State of Oaxaca.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

- Industrial companies: 6 or more employees MXN 670
- 3 to 5 employees MXN 350
- 1 or 2 employees MXN 150
- Commercial and service companies: 4 or more employees MXN 640
- 3 employees MXN 300
- 1 or 2 employees MXN 100

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized. * This procedure is simultaneous with the previous procedure.

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public, in the State’s Federal Delegation or via the Internet. The company will receive an answer the same day if it applies before 11:00 a.m.; the following day if after this time.

Procedure 2. Notarize the company statutes
Time: 2 days
Cost: MXN 7,000
Comments: The notary’s fees can vary between MXN 3,000 and MXN 20,000.

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 18 days
Cost: MXN 226
Comments: In accordance with articles 14, section B, section I, clause A, and 43 of the Revenue Law of Puebla State for the fiscal year 2006 the following was determined:

- Article 43
  "Individuals and legal entities that request the services provided by the Department of Government, through the Public Register of Property and Commerce related to commercial companies, will receive the following incentives:
  I.- A 75% reduction of the total fees to be paid in accordance with article 14, Paragraph B, section I, clause a) of this Law, when the company statutes are registered.
  II.- A 75% reduction of the total fees to be paid in accordance with article 14, Paragraph B, section I, clause a) of this Law, for registering increases in the company’s share capital.”

- Article 14, section B
  "I.- For each registration, amendment, or total or partial cancellation of the record in the Public Registry of Property and Commerce with respect to commercial companies, the following will be paid:
  a) For establishing, reforming, transforming, merging, splitting, or increasing the capital, selling or donating shares of commercial companies or their subsidiaries, whether national or foreign; 2 per thousand of the total share capital.”

Procedure 4. Register with the Federal Taxpayers Registry (RFC)
Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The new system is not yet used by the majority of notaries and for many of the municipalities the procedure continues to be separated. In Puebla only 15% of the notaries have access to this system and these charge an additional amount for using it.

Procedure 5. Obtain an operational license
Time: 1 day
Cost: MXN 96
Comments: The cost includes MXN 72 for producing the tarjetón or reinstatement of license and MXN 24 for the official forms according to the Revenue Law of the Municipality of Puebla for the fiscal year 2006.
Procedure 6*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra-
tion” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: To register, the social security number of the employer is required.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their
Confederations, published in the DOF on January 20, 2005, registering in SIEM is a
federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial companies:</th>
<th>Commercial and service companies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>4 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geo-
graphic Information. However, many companies do not comply and are not penalized.
* This procedure is simultaneous with the previous procedure.

**STARTING A BUSINESS**

**Querétaro**
Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Querétaro
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public,
in the State’s Federal Delegation or via the Internet. The company will receive an
answer on the same day if it applies before 11:00 a.m., and the following day if after
this time.

Procedure 2. Notarize the company statutes and register with the Federal Taxpayers Registry (RFC)
Time: 3 days
Cost: MXN 5,000
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscel-
laneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Mis-
celánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF).
This included modifications to the rules that regulate the RFC’s on-line Registration
System used by fedatarios (whether notary or corredor). Among these modifications
it was announced that, from October 13, 2005, the Tax Identification Number issued
by fedatarios would be definitive and the provisional number would no longer be
used. Therefore, a fedatario público who is approved by the Tax Administration Service
(Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the
constitutions of the company. However, the applicants can carry out the procedure for
themselves at their local SAT office.

A large number of notaries have the digital authorization to use FEDANET and to issue
the RFC. The list of these notaries is available from chambers of commerce and other
intermediary organizations to facilitate business start-up. Notaries usually charge an
additional amount for the RFC procedure.

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 9 days
Cost: MXN 687.15
Comments: The cost is MXN 687.15, based on 12 times the minimum wage in zone
“C”, MXN 45.81, plus 25% education tax.

Procedure 4. Obtain an operational license
Time: 2 days
Cost: MXN 321
Comments: The requirements include a land use declaration, business feasibility
declaration and a civil protection and ecology inspection (this is the responsibility of
the builder/owner). The municipality of Querétaro established a system that reduces
these procedures to only 2 days, with a single procedure through the Rapid Business
Start-up System (SARE). In accordance to the Revenue Law of the State of Querétaro
for the fiscal year 2006, the cost of the license equals 7 times the minimum wage in
zone “C” (MXN 45.81).

Procedure 5*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra-
tion” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: To register, the social security number of the employer is required.

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their
Confederations, published in the DOF on January 20, 2005, registering in SIEM is a
federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial companies:</th>
<th>Commercial and service companies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>4 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geo-
graphic Information. However, many companies do not comply and are not penalized.
* This procedure is simultaneous with the previous procedure.
**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

**Procedure 2. Notarize the company statutes**

**Time:** 4 days  
**Cost:** MXN 9,300  
**Comments:** If the company is constituted before a notary public authorized by the Tax Administration Service (SAT) to have access to the Federal Taxpayers Registry (RFC), this can be obtained in 1 day. Some notaries charge an additional amount for issuing the RFC.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

**Time:** 30 days  
**Cost:** MXN 2,291

**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

**Time:** 15 days  
**Cost:** No cost  
**Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. In Quintana Roo, the majority of the notary public do not yet use this system.

**Procedure 5. Obtain an operational license**

**Time:** 18 days  
**Cost:** MXN 500  
**Comments:** Industrial, commercial or services businesses must be registered with the Municipal Taxpayers Registry and request an operational license in the month following their registration with the RFC and the State Taxpayers Registry. The operational license is free and should be renewed annually.

**Procedure 6*. Register with the Mexican Social Security Institute (IMSS)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7*. Register the company for the payroll tax (ISN)**

**Time:** 2 days  
**Cost:** No cost  
**Comments:** The business should be entered in the State Taxpayers Registry to pay the Payroll Tax.

**Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)**

**Time:** 1 day  
**Cost:** MXN 385 (average of MXN 100 and MXN 670)  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>No. of Employees</th>
<th>Cost</th>
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</thead>
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<td></td>
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</tbody>
</table>

* This procedure is simultaneous with the previous procedure.

**Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

**Starting a Business**

**San Luis Potosí**

- **Standard company legal form:** Sociedad Anónima (SA)  
- **Minimum starting share capital:** MXN 50,000  
- **City:** San Luis Potosí  
- **Data as of:** July 2006

**Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)**

**Time:** 1-2 days  
**Cost:** MXN 565  
**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

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<td>1 or 2 employees</td>
<td>MXN 150</td>
<td></td>
</tr>
</tbody>
</table>

**Procedure 2. Notarize the company statutes**

**Time:** 4 days  
**Cost:** MXN 9,300  
**Comments:** If the company is constituted before a notary public authorized by the Tax Administration Service (SAT) to have access to the Federal Taxpayers Registry (RFC), this can be obtained in 1 day. Some notaries charge an additional amount for issuing the RFC.

**Procedure 3. Register the company statutes with the Public Registry of Commerce**

**Time:** 30 days  
**Cost:** MXN 2,291

**Procedure 4. Register with the Federal Taxpayers Registry (RFC)**

**Time:** 15 days  
**Cost:** No cost  
**Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. In Quintana Roo, the majority of the notary public do not yet use this system.

**Procedure 5. Obtain an operational license**

**Time:** 18 days  
**Cost:** MXN 500  
**Comments:** Industrial, commercial or services businesses must be registered with the Municipal Taxpayers Registry and request an operational license in the month following their registration with the RFC and the State Taxpayers Registry. The operational license is free and should be renewed annually.

**Procedure 6*. Register with the Mexican Social Security Institute (IMSS)**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

**Procedure 7*. Register the company for the payroll tax (ISN)**

**Time:** 2 days  
**Cost:** No cost  
**Comments:** The business should be entered in the State Taxpayers Registry to pay the Payroll Tax.
Procedure 4. Obtain an operational license
Time: 5 days
Cost: MXN 308
Comments: This is obtained from the Rapid Business Start-up System (SARE) in the municipal offices of San Luis Potosí. To obtain the operational license the company needs the land use license which is the responsibility of the building owner.

Procedure 5*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: This is done in the offices of the Department of Finance of the Government of the State of San Luis Potosí and is 2% of salaries. To register, the social security number of the employer is required.

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
</tbody>
</table>

Industrial companies: Commercial and service companies:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

Sinaloa
Standard company legal form: Sociedad Anónima (SA)
Minimum starting capital: MXN 50,000
City: Culiacán
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m. and the following day if after this time.

Procedure 2. Notarize the company statutes
Time: 5 days
Cost: MXN 6,500
Comments: The cost is 1 per thousand of share capital value.

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 9 days
Cost: MXN 4,158
Comments: Once the company is registered and has paid for the registration, the company acquires its own legal and independent personality. The fee is 0.75% of the share capital value, plus 10% of this fee.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)
Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. The majority of notaries do not yet use the new system; 24 of the 53 notaries in Culiacán use it. However, the applicants can carry out the procedure themselves at their local SAT office. This can be done in the offices of the Rapid Business Management Unit (URGE), as it represents the SAT. A start of operations notice should be given to the representative of the Ministry of Internal Revenue and Public Credit (SHCP), and they will send registration by mail in about one month.

Procedure 5. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: The payroll tax is paid bimonthly and is 1.5% on the full salaries to the employees.

Procedure 7*. Register the company in the Mexican System of Business Information (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
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<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
</tbody>
</table>

Industrial companies: Commercial and service companies:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 8*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.
Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Sonora**

**Standard company legal form:** Sociedad Anónima (SA)

**Minimum starting share capital:** MXN 50,000

**City:** Hermosillo

**Data as of:** July 2006

**Time:** 1-2 days

**Cost:** MXN 565

**Comments:** This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

**Time:** 5 days

**Cost:** MXN 5,000

Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 7 days

**Cost:** MXN 1,905

**Comments:** The cost is $ per thousand of share capital (with a maximum equivalent to 800 times the current general minimum wage in that area). A 10% discount for the registration of new companies’ statutes is being considered.

Documents required:

1. The company’s statutes legalized by a fedatario público,
2. Identification documents of the shareholders or associates, (voter’s identification, passport or driver’s license),
3. Copy of the shareholders’ tax numbers (RFC),
4. Power of attorney of the shareholders’ representative, if applicable,
5. Receipt for payment of the registration fees,
6. Pre-filled form signed and sealed by the notary public, and
7. Electromagnetic file storing the statutes to be registered.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

**Time:** 15 days

**Cost:** No cost

**Comments:** On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. It should be noted that the majority of the notaries do not yet use the new system.

Procedure 5. Notify the Municipality of commencement of business activities

**Time:** 1 day

**Cost:** No cost

**Comments:** If the previous land use license is compatible with the new business, this is not needed and only the notice of operation is necessary.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

**Time:** 1 day

**Cost:** No cost

**Comments:** This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

**Time:** 1 day

**Cost:** No cost

**Comments:** This is done at the Department of Internal Revenue of the State of Sonora.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

**Time:** 1 day

**Cost:** MXN 385 (average of MXN 100 and MXN 670)

**Comments:** In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Cost per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial companies:</td>
<td></td>
</tr>
<tr>
<td>6 or more employees</td>
<td>MXN 670</td>
</tr>
<tr>
<td>3 to 5 employees</td>
<td>MXN 350</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 150</td>
</tr>
<tr>
<td>Commercial and service companies:</td>
<td></td>
</tr>
<tr>
<td>4 or more employees</td>
<td>MXN 640</td>
</tr>
<tr>
<td>3 employees</td>
<td>MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees</td>
<td>MXN 100</td>
</tr>
</tbody>
</table>

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

**Time:** 1 day

**Cost:** No cost

**Comments:** This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

**Starting a Business:**

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

**Tabasco**

**Standard company legal form:** Sociedad Anónima (SA)

**Minimum starting share capital:** MXN 50,000

**City:** Villahermosa (Centro)

**Data as of:** July 2006

**Time:** 1-2 days

**Cost:** MXN 565

**Comments:** This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

**Time:** 3 days

**Cost:** MXN 8,500

**Comments:** The cost can vary by approximately 20%, depending on the notary that legalizes the statutes.

Procedure 3. Register the company statutes with the Public Registry of Commerce

**Time:** 10 days

**Cost:** MXN 3,537

**Comments:** The fee for registering the company statutes with the Public Registry of Property and Commerce is calculated as follows: 25 times the minimum wage, plus 0.5% of the share capital and MXN 69.06 for the first three pages and MXN 9.16 for each of the remaining pages of the statutes.
Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost

Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The majority of notaries do not yet use the new system.

Procedure 5. Apply for municipal approval to initiate activities

Time: 3 days
Cost: MXN 46

Comments: Businesses with low environmental impact can do this through the Rapid Company Opening System (SARE) so that they can start operating immediately. It takes 30 days to go through the normal process and receive official approval. For a business with high environmental impact, the procedure costs MXN 3,000 and takes 30 days.

Procedure 6ª. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost

Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7ª. Register the company for the payroll tax (ISN)

Time: 3 days
Cost: No cost

Comments: This is done at the Department of Finance of the State of Tabasco.

Procedure 8ª. Register the company in the Mexican System of Business Information (SIEM)

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)

Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

- **Industrial companies:**
  - 6 or more employees: MXN 670
  - 3 to 5 employees: MXN 350
  - 1 or 2 employees: MXN 150

- **Commercial and service companies:**
  - 4 or more employees: MXN 640
  - 3 employees: MXN 300
  - 1 or 2 employees: MXN 100

Procedure 9ª. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

Time: 1 day
Cost: No cost

Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

*This procedure is simultaneous with the previous procedure.*
Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

- **Time**: 1 day
- **Cost**: MXN 385 (average of MXN 100 and MXN 670)
- **Comments**: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

  - Industrial companies: 1 or 2 employees MXN 670; 3 to 5 employees MXN 350; 1 to 2 employees MXN 150
  - Commercial and service companies: 1 or 2 employees MXN 100

- * This procedure is simultaneous with the previous procedure.

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

- **Time**: 1 day
- **Cost**: No cost
- **Comments**: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

**Starting a Business**

**Tlaxcala**

- Standard company legal form: Sociedad Anónima (SA)
- Minimum starting share capital: MXN 50,000
- **City**: Tlaxcala
- **Data as of**: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

- **Time**: 1-2 days
- **Cost**: MXN 565
- **Comments**: This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

- **Time**: 5 days
- **Cost**: MXN 7,000

Procedure 3. Register the company statutes with the Public Registry of Commerce

- **Time**: 5 days
- **Cost**: MXN 1,878
- **Comments**: The official rate for this procedure is 0.5% of the share capital.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

- **Time**: 15 days
- **Cost**: No cost
- **Comments**: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la ResoluciónMiscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC's on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. The majority of notaries do not yet use the new system.

Procedure 5. Obtain an operational license

- **Time**: 15 days
- **Cost**: MXN 800

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)

- **Time**: 1 day
- **Cost**: No cost
- **Comments**: This is a federal procedure. The entrepreneur can make a “pre-registración” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)

- **Time**: 1 day
- **Cost**: No cost

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)

- **Time**: 1 day
- **Cost**: MXN 385 (average of MXN 100 and MXN 670)
- **Comments**: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

  - Industrial companies: 1 or 2 employees MXN 670; 3 to 5 employees MXN 350; 1 to 2 employees MXN 150
  - Commercial and service companies: 1 or 2 employees MXN 100

- * This procedure is simultaneous with the previous procedure.

**Veracruz**

- Standard company legal form: Sociedad Anónima (SA)
- Minimum starting share capital: MXN 50,000
- **City**: Coatzacoalcos
- **Data as of**: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

- **Time**: 1-2 days
- **Cost**: MXN 565
- **Comments**: This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

- **Time**: 3 days
- **Cost**: MXN 8,625
- **Comments**: The notary or corredor public, that is authorized by the Tax Administration Service (SAT) to make registrations in the Federal Taxpayers Registry (Registro Federal de Contribuyentes, RFC) can obtain the tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office, although the procedure will take about 15 days. Six fedatarios públicos are authorized by the SAT in Coatzacoalcos (they are listed in the National Registry of Fedatarios in www.sat.gob.mx under “authorized third parties”). Note that it is not indispensable that the fedatario who will legalize the statutes has its registered office in the Municipality where the company will operate. Similarly, it is not necessary for the fedatario to be in the same municipality to register a company in the RFC. For example, a notary of the Federal District can constitute a company in Coatzacoalcos and register it in the RFC, if he is authorized by the SAT to do it. The cost of doing this procedure through a corredor público starts from MXN 6,500.
Procedure 3. Register the company’s statutes with the Public Registry of Commerce

Time: 20 days
Cost: MXN 1,374.30
Comments: This comes under Article 140(A)(XI) of the Financial Code for the State of Veracruz. Generally, notaries include this as part of their total fees. Article 40 of the State Law of Public Registration of Property states that this procedure should take a maximum of 10 days, but in practice it is estimated that some cases take 30 days. The cost is 30 times the current minimum wage (MXN 45.81).

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the regulations that govern the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. It should be noted that the majority of the notaries do not yet use the new system.

Procedure 5. Obtain an operational license

Time: 2 days
Cost: MXN 50
Comments: To obtain the operational license the entrepreneur needs a feasibility and land use compatibility declaration from the Municipal Urban Development department, approval of public safety and security measures, both issued by the Municipal Civil Protection Authority, and notice of operation from Sanitary Department XI.
Companies whose activity appears on the list of the Rapid Business Start-up System (SARE) can obtain their operational license more quickly. These include businesses with less than 300 square meters of building and those that do not sell alcoholic beverages or products that could hurt people’s health.

Procedure 6. Obtain a census certificate

Time: 1 day
Cost: No cost
Comments: This is done through the Municipal Treasury. Its cost varies depending on the number of jobs generated, investment, and estimated monthly revenue. The following documents will be needed with the application form: proof of registration with the Office of the Ministry of Internal Revenue and Public Credit (Secretaría de Hacienda y Crédito Público, SHCP), Tax Identification Number, statutes and municipal civil protection approval.

Procedure 7*. Register with the Mexican Social Security Institute (IMSS)

Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registra- tion” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 8*. Register the company for the payroll tax (ISN)

Time: 1 day
Cost: No cost
Comments: This is defined by the Payroll Tax Law and is recorded in the Veracruz State Internal Revenue office. The tax is 2% of salaries. Needed for this are: statutes (original and two copies), power of attorney of the legal representative, official identification of the legal representative, proof of fiscal residence, RFC, Internal Revenue Number, registration with the IMSS indicating the number of employees.

Procedure 9*. Register the company in the Mexican System of Business Information (SIEM)

Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

<table>
<thead>
<tr>
<th>Industrial companies:</th>
<th>Commercial and service companies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 or more employees MXN 670</td>
<td>4 or more employees MXN 640</td>
</tr>
<tr>
<td>3 to 5 employees MXN 350</td>
<td>3 employees MXN 300</td>
</tr>
<tr>
<td>1 or 2 employees MXN 150</td>
<td>1 or 2 employees MXN 100</td>
</tr>
</tbody>
</table>

*This procedure is simultaneous with the previous procedure.

Procedure 10*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)

Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

Starting a Business

Yucatán

Standard company legal form: Sociedad Anónima (SA)
Minimum starting capital: MXN 50,000
City: Mérida
Data as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)

Time: 1-2 days
Cost: MXN 365
Comments: This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes

Time: 4 days
Cost: MXN 6,000
Comments: The fees of notary publics can vary from MXN 6,000 to MXN 15,000. They should, however, be set in accordance with the fee schedule of notaries in the State of Yucatan.

Procedure 3. Register the company statutes with the Public Registry of Commerce

Time: 12 days
Cost: MXN 350

Procedure 4. Register with the Federal Taxpayers Registry (RFC)

Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. It should be noted that the majority of the notaries do not yet use the new system.
Procedure 5. Obtain an operational license
Time: 3 days
Cost: MXN 318
Comments: There is a Rapid Business Start-up Center in Mérida, where low risk businesses can obtain their license in 3 days.

Procedure 6*. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 7*. Register the company for the payroll tax (ISN)
Time: 1 day
Cost: No cost
Comments: To register, the employer’s social security number is required.

Procedure 8*. Register the company in the Mexican System of Business Information (SIEM)
Time: 2 days
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

| 6 or more employees | MXN 670 | 4 or more employees | MXN 640 |
| 3 to 5 employees | MXN 350 | 3 employees | MXN 300 |
| 1 to 2 employees | MXN 150 | 1 or 2 employees | MXN 100 |

Procedure 9*. Register the company in the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.

STARTING A BUSINESS

Zacatecas
Standard company legal form: Sociedad Anónima (SA)
Minimum starting share capital: MXN 50,000
City: Zacatecas
Date as of: July 2006

Procedure 1. Obtain authorization for the company name from the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE)
Time: 1-2 days
Cost: MXN 565
Comments: This is a federal procedure and can be presented by the notary public in the State’s Federal Delegation or via the Internet. The company will receive an answer on the same day if it applies before 11:00 a.m., and the following day if after this time.

Procedure 2. Notarize the company statutes
Time: 2 days
Cost: MXN 4,500
Comments: The entrepreneur can obtain the company’s Tax Identification Number from the fedatario público who legalizes the statutes or from the Tax Administration Service (SAT).

Procedure 3. Register the company statutes with the Public Registry of Commerce
Time: 7 days
Cost: MXN 3,722
Comments: The payment is proportional to the company’s initial share capital. A system is being planned that would enable notaries to do this registration in a single day.

Procedure 4. Register with the Federal Taxpayers Registry (RFC)
Time: 15 days
Cost: No cost
Comments: On October 12, 2005, the Fifth Resolution of Amendments to the Miscellaneous Fiscal Act Resolution (Quinta Resolución de Modificaciones a la Resolución Miscelánea Fiscal) for 2005 was published in the Official Gazette of the Federation (DOF). This included modifications to the rules that regulate the RFC’s on-line Registration System used by fedatarios (whether notary or corredor). Among these modifications it was announced that, from October 13, 2005, the Tax Identification Number issued by fedatarios would be definitive and the provisional number would no longer be used. Therefore, a fedatario público who is approved by the Tax Administration Service (Servicio de Administración Tributaria, SAT), can obtain this tax number as part of the constitution of the company. However, the applicants can carry out the procedure for themselves at their local SAT office. It should be noted that the majority of the notaries do not yet use the new system.

Procedure 5. Register with the Mexican Social Security Institute (IMSS)
Time: 1 day
Cost: No cost
Comments: This is a federal procedure. The entrepreneur can make a “pre-registration” appointment with the local IMSS office through the IMSS’s Internet website.

Procedure 6. Register the company for the payroll tax (ISN)
Time: 2 days
Cost: No cost
Comments: This is done in the State’s Department of Finance or its tax collection offices.

Procedure 7*. Register the company in the Company Information System (SIEM)
Time: 1 day
Cost: MXN 385 (average of MXN 100 and MXN 670)
Comments: In accordance with the Law of Chambers of Commerce and their Confederations, published in the DOF on January 20, 2005, registering in SIEM is a federal procedure. The cost is determined in the following way:

| 6 or more employees | MXN 670 | 4 or more employees | MXN 640 |
| 3 to 5 employees | MXN 350 | 3 employees | MXN 300 |
| 1 to 2 employees | MXN 150 | 1 or 2 employees | MXN 100 |

Procedure 8*. Register in the Municipal Registry
Time: 1 day
Cost: MXN 1,700
Comments: It is obligatory to be recorded in the Municipal Registry of Zacatecas. The cost is MXN 1,700. The annual renewal costs MXN 600.

Procedure 9*. Register with the National Institute of Statistics, Geography and Information Science (Instituto Nacional de Estadística, Geografía e Informática, INEGI)
Time: 1 day
Cost: No cost
Comments: This federal procedure is required under the Law of Statistical and Geographic Information. However, many companies do not comply and are not penalized.

* This procedure is simultaneous with the previous procedure.
Registering property

**Aguascalientes**

Property value: $376,570 = MXN 4,161,100
City: Aguascalientes
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to the Public Property Registry**

**Time:** 1 day  
**Cost:** MXN 80  
**Comments:** The notice is valid for 30 days. Here the parties obtain the outline plan (lineamiento catastral) of the property and the number of the property to give to the notary.

**Procedure 2*. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** Here the parties obtain the property plan (plano catastral) to give to the notary.

**Procedure 3*. Obtain property valuation of the real estate**

**Time:** 4 days  
**Cost:** MXN 5,000

**Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

**Time:** 6 days  
**Cost:** MXN 113,697 (MXN 45,039 notary’s fee + MXN 68,658 tax)  
**Comments:** Here the notary receives his fees and collects the transfer of property tax, 1.65 % of the value of the property. It is a common practice that the notary keeps the money for the tax in his account for up to 30 days. There is a limit of 30 days within which the tax must be paid at the bank.  
The notary’s fees given here are an average. The Law of Notarial Practice of the State of Aguascalientes gives a table of fees, but this has not been updated since 1987 and in practice notaries agree the fees to be charged with the client.

**Procedure 5. Give the second notice to the Public Property Registry**

**Time:** 1 day  
**Cost:** No cost  
**Comments:** The notary gives the second notice to the Public Registry within two days of signing the public deed.

**Procedure 6. Register the public deed in the Public Property Registry**

**Time:** 4 days  
**Cost:** MXN 6,890 (registration fee)  
**Comments:** The seller is responsible for assembling the following papers, which must be delivered to the notary public:  
a. The title of property.  
b. Public record(s) containing the memorandum and articles of incorporation of the selling company, together with a copy of any official document(s) containing amendments to the company deeds of the selling company.  
c. Official document(s) showing the power of attorney granted to the seller’s representatives.  
d. Receipts showing the payment of the real estate taxes for five years.  
e. Receipts showing the payment of the water rates for five years.  
f. The construction license.  
g. The notice of term of construction.  
h. The outline plan and the official number of the property.  
i. The property plan.  
j. General information on the seller’s representatives and a copy of their official identification.  
The buyer must deliver to the notary public the following documents:  
a. Public record(s) containing the memorandum and statutes of the buying company, together with a copy of any official document(s) containing amendments to the company deeds of the buying company.  
b. Official document(s) containing the power of attorney granted in favor of the buyer’s representatives.  
c. General information on the buyer’s representatives.

**Procedure 7*. Report the transfer of title to the Municipal Cadastre**

**Time:** 4 days  
**Cost:** MXN 120  
**Comments:** The land registry is in the Treasury department of all the municipalities in the State, but only the biggest municipalities have an office of the state property registry.  
* This procedure is simultaneous with the previous procedure.
**Baja California**

Property value: $385,152 = MXN 4,255,930
City: Tijuana
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

*Time:* 3 days  
*Cost:* MXN 227

**Procedure 2*. Obtain property valuation of the real estate

*Time:* 5 days  
*Cost:* MXN 10,840

**Comments:** The fees of the valuation expert are fixed as 25 per thousand of the property value (MXN 10,640). The cost of certification is MXN 200; the valuation expert is responsible for paying the certification fee to the Municipal Treasury.

**Procedure 3*. Obtain property certificate and plan

*Time:* 13 days (10-15)  
*Cost:* MXN 2,244

**Comments:** This procedure takes place in the Municipal cadastre (Catastro Municipal).

**Procedure 4*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.

*Time:* 1 day  
*Cost:* MXN 179

**Comments:** Procedures 4, 5 and 6 are linked and the same document is used to do them all. First go to the Municipality’s Land Tax Department, showing the receipt from the last land tax payment to show that this has been paid; this department sends a document certifying that the land tax is not owing. Next, take the document to the Tijuana State Public Services Commission, showing the latest receipt for the water service to show that this has been paid, and the Commission certifies in the document that the water consumption or water connection and public drainage have been paid for. Finally, take the document to the State Urbanization Committee, which notes in the document that the property does not have any debts for urban development work.

**Procedure 5*. Obtain a certificate or proof from the Tijuana State Public Services Commission to show that all water rates have been paid

*Time:* 1 day  
*Cost:* MXN 120

**Procedure 6*. Obtain authorization from the State Urbanization Committee

*Time:* 1 day  
*Cost:* MXN 65

**Procedure 7. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.

*Time:* 7 days  
*Cost:* MXN 109,842 (MXN 24,723 notary’s fee + MXN 85,119 tax)

**Comments:** The notary public will charge his fees for the public deed based on the article 7 of the Notaries’ Tariff (Arancel de Notarios) of Baja California State.

a. For the basic, minimum fixed fee, the rates are:
   - Up to a property value equal to the amount of 200 times the minimum wage, the equivalent of 9 minimum wages.
   - For values over 200 times the minimum wage, the equivalent of 18 minimum wages.

b. In addition to the fixed fee established in the above Fraction, when the value of the purchase is greater than the amount of 400 minimum wages, the notary will have right to charge on the excess, the fees are calculated as the progressive sum of the applicable bands from the following table:

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 400 to 1,600 minimum wages</td>
<td>27.5 per thousand</td>
</tr>
<tr>
<td>Over 1,600 to 4,000 minimum wages</td>
<td>20.0 per thousand</td>
</tr>
<tr>
<td>Over 4,000 to 8,000 minimum wages</td>
<td>15.0 per thousand</td>
</tr>
<tr>
<td>Over 8,000 to 40,000 minimum wages</td>
<td>9.5 per thousand</td>
</tr>
<tr>
<td>Over 40,000 to 80,000 minimum wages</td>
<td>5.5 per thousand</td>
</tr>
<tr>
<td>Over 80,000 minimum wages</td>
<td>3.5 per thousand</td>
</tr>
</tbody>
</table>

The tax represents 2% of the property value.

**Procedure 8. Register the public deed in the Public Property Registry**

*Time:* 3 days  
*Cost:* MXN 21,918

**Comments:** The cost represents 5 per thousand of the property value, plus 3% of the result for education. There is a maximum limit of MXN 22,000.

* This procedure is simultaneous with the previous procedure.

**Baja California Sur**

Property value: $368,158 = MXN 4,267,051
City: La Paz
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

*Time:* 5 days (3-7)  
*Cost:* MXN 316

**Procedure 2*. Give the first preliminary notice

*Time:* 1 day  
*Cost:* No cost

**Comments:** Give the first preliminary notice to the Public Property Registry to ensure that the property is not taxed. This notice is valid for 30 calendar days from presentation.

**Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.

*Time:* 3 days (2-4)  
*Cost:* MXN 64

**Procedure 4*. Obtain property valuation of the real estate

*Time:* 15 days  
*Cost:* MXN 2,560

**Comments:** Obtainable from the Municipal Cadastre Office.

**Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**

*Time:* 14 days  
*Cost:* MXN 117,341 (MXN 32,000 notary’s fee + MXN 85,341 tax)

**Comments:** The time is made up of 4 days to prepare the deed and 10 days to obtain the declaration of payment of the tax. On average the notarial costs increase up to MXN 32,000. The tax represents 2% of the property value.

**Procedure 6. Give the second preliminary notice**

*Time:* 1 day  
*Cost:* No cost

**Comments:** The second preliminary notice is given to the Public Property Registry 48 hours after the deed is signed. This notice is valid for 90 calendar days following its presentation, to allow third parties to consider its effects on them.

**Procedure 7. Register the public deed in the Public Property Registry**

*Time:* 90 days  
*Cost:* MXN 13,868

**Comments:** The cost corresponds to 2.5 per thousand on the value of the operation, plus 30% of this for the registry rights.

* This procedure is simultaneous with the previous procedure.
**Campeche**

Property value: $510,178 = MXN 5,637,465  
City: Campeche  
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**  
Time: 3 days (2-4)  
Cost: MXN 69

**Procedure 2*. Obtain property certificate for the real state**  
Time: 1 day  
Cost: MXN 45  
Comments: This procedure is done in the Municipal Cadastre.

**Procedure 3. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**  
Time: 5 days  
Cost: MXN 122,749 (MXN 10,000 notary’s fee + MXN 112,749 tax)  
Comments: The cost represents 2% of the property value.

**Procedure 4. Register the public deed in the Public Property Registry**  
Time: 14 days  
Cost: MXN 16,395  
* This procedure is simultaneous with the previous procedure.

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**Chiapas**

Property value: $122,621 = MXN 1,354,958  
City: Tuxtla Gutiérrez  
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the State Internal Revenue Collection department**  
Time: 7 days (3-10)  
Cost: MXN 366  
Comments: The Income Law of Chiapas State for the fiscal year 2006 states that the company will have to pay 8 times the current minimum daily wage in the zone (MXN 45.81) for the non-encumbrance certificate.

**Procedure 2*. Obtain property valuation of the real estate**  
Time: 7 days (3-10)  
Cost: MXN 2,749  
Comments: For this, go to the State Internal Revenue Collection department. The Income Law of Chiapas State for the fiscal year 2006 states that, for real estate with a value of up to five million pesos, 60 times the current minimum daily wage in the zone (MXN 45.81) should be paid for the property valuation.

**Procedure 3*. Obtain property certificate and plan**  
Time: 3 days  
Cost: MXN 137

**Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**  
Time: 5 days  
Cost: MXN 30,072 (MXN 13,000 notary’s fee + MXN 17,072 tax)  
Comments: The notary’s fee varies between MXN 6,000 and MXN 20,000. The tax represents 1.26% of the property value. Normally the notary public makes the payment of the relevant taxes. The seller and the buyer must deliver the following papers to the notary public so that the public deed can be executed.

The seller:  
a. The title of property;  
b. Official constitution documents of the selling company, and any modifications;  
c. Official document(s) showing the power of attorney granted to the representative of the selling company;  
d. Receipt that verifies the payment of the last real estate tax;  
e. License of construction and the notice of term of construction;  
f. Non-encumbrance certificate and property valuation;  
g. General Information on the seller’s representative and their official identification.

The buyer:  
a. Official constitution documents of the buying company, and any modifications;  
b. Official document showing the power of attorney granted to the representative of the buying company;  
c. General Information of the buyer’s representative and their official identification.

** Procedure 5. Register the public deed in the Public Property Registry**  
Time: 23 days  
Cost: MXN 8,130  
Comments: The Income Law of Chiapas State for the fiscal year 2006 states that the fee to register the public deed with the Public Property Registry will be charged at the rate of 6 per thousand on the value of the real estate.  
* This procedure is simultaneous with the previous procedure.

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**Chihuahua**

Property value: $404,469 = MXN 4,469,379  
City: Ciudad Juárez  
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**  
Time: 2 days  
Cost: MXN 150

**Procedure 2*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.**  
Time: 1 day  
Cost: No cost

**Procedure 3*. Obtain property valuation of the real estate**  
Time: 4 days  
Cost: MXN 18,600

**Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**  
Time: 6 days  
Cost: MXN 122,209 (MXN 29,246 notary’s fee + MXN 92,963 tax)  
Comments: The notary public formalizes the purchase agreement in a public deed. To draft the deed the notary needs the following documents:  
a. Original or certified copy of the public deed in which the seller acquired the property.  
b. Non-encumbrance certificate.  
c. Receipt showing the payment of the real estate tax (obtained in procedure 2).  
d. Receipt showing the payment of the water rates.  
e. Property plan (plano catastral)  
f. Valuation of the property.  
g. Certified copy of the power of attorney granted to the person who represents the seller.  
h. Certified copy of the power of attorney granted to the person who represents the buyer.  
i. Copy of the record of the seller in the Foreign Investors Register (Registro de Inversores Extranjeros) (if it applies).  
j. Copy of the record of the buyer in the Foreign Investors Register (Registro de Inversores Extranjeros) (if it applies).  
k. Last tax return of the buyer (in case the buyer does not want to pay immediately the value added tax (VAT) on the construction and the income tax on the capital profit, and wants to accumulate these for his annual tax declaration).
The notary’s fees are based on an official progressive table that depends on the property’s value. The table of fees, established by the state Congress, is as follows:

<table>
<thead>
<tr>
<th>Property Value</th>
<th>Cost: 1,569 + 3 % over the lower limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 15,691 to 83,680</td>
<td>1,569.00 + 3 % over the lower limit</td>
</tr>
<tr>
<td>From 83,681 to 167,360</td>
<td>3,608.70 + 2.5 % over the lower limit</td>
</tr>
<tr>
<td>From 167,361 to 334,720</td>
<td>5,700.70 + 1.5 % over the lower limit</td>
</tr>
<tr>
<td>From 334,721 to 815,880</td>
<td>8,211.10 + 0.75 % over the lower limit</td>
</tr>
<tr>
<td>From 815,881 to 2,719,600</td>
<td>11,819.80 + 0.50 % over the lower limit</td>
</tr>
<tr>
<td>More than 2,719,600</td>
<td>21,338.40 + 0.30 % over the lower limit</td>
</tr>
</tbody>
</table>

The fee is calculated using the highest value from the value of the deal, the valuation, and the property value. A special 5.7% VAT is added on the whole transfer tax. The notary collects 15% VAT added to the fees. The notary charges additional amounts for copies and other items.

The notary is responsible for verifying that all real estate taxes have been an.

**Procedure 5. Register the public deed in the Public Property Registry**

- **Time:** 15 days
- **Cost:** MXN 12,264

**Procedure 6. Report the transfer of title to the Municipal Cadastre**

- **Time:** 8 days
- **Cost:** MXN 65

* This procedure is simultaneous with the previous procedure.

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

- **Time:** 8 days (2-14)
- **Cost:** MXN 170

**Procedure 2*. Obtain certificate or proof of payment of water rates**

- **Time:** 1 day
- **Cost:** MXN 200

* This is an optional procedure but it is a common practice to obtain this document before the notary executes the public deed.

**Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

- **Time:** 3 days
- **Cost:** MXN 100

* This procedure is simultaneous with the previous procedure.

**Procedure 4*. Obtain property valuation of the real estate**

- **Time:** 3 days
- **Cost:** MXN 46,756 (1% of the property value).

**Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

- **Time:** 11 days
- **Cost:** MXN 116,892 (MXN 46,756 notary’s fee + MXN 70,135 tax)

* This procedure is simultaneous with the previous procedure.

**Procedure 6. Give second preliminary notice to the Public Property Registry**

- **Time:** 2 days
- **Cost:** No cost

**Procedure 7. Register the public deed in the Public Property Registry**

- **Time:** 21 days
- **Cost:** MXN 35,113

**Procedure 8. Report the transfer of title to the Municipal Cadastre**

- **Time:** 9 days
- **Cost:** MXN 240

* This procedure is simultaneous with the previous procedure.

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

- **Time:** 3 days
- **Cost:** MXN 141

**Procedure 2*. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

- **Time:** 9 days
- **Cost:** MXN 67,161 (MXN 14,662 notary’s fee + MXN 52,499 tax)

* This procedure is simultaneous with the previous procedure.

**Procedure 3*. Report the transfer of title to the Municipal Cadastre**

- **Time:** 5 days
- **Cost:** No cost

* This procedure is simultaneous with the previous procedure.

**Procedure 4. Register the public deed in the Public Property Registry**

- **Time:** 46 days
- **Cost:** MXN 9,545
REGISTRATION PROPERTY

**Durango**

Property value: $269,880 = MXN 2,982,172  
City: Durango  
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

Time: 3 days  
Cost: MXN 185  
Comments: The registration fee to prepare the tax certificate represents 3 days of the current minimum wage of the zone (MXN 45.81), in addition to 35% of the total which is the Tax for the Promotion of the Public Education (article 52, section XLII of the State’s Internal Revenue Law).

**Procedure 2*. Obtain property certificate and plan**

Time: 10 days  
Cost: MXN 1,200

**Procedure 3*. Obtain property valuation of the real estate**

Time: 4 days  
Cost: MXN 8,947  
Comments: This procedure is done in the Municipal Cadastre office. The cost is 0.3% of the property value.

**Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes and certifies the plan**

Time: 12 days  
Cost: MXN 87,846 (MXN 28,203 notary’s fee + MXN 59,643 tax)  
Comments: The cost represents 2% of the property value. The notary public’s fees are calculated, in accordance with articles 2, section 1, and 3 of the Durango state Law of Tariffs for Notary Publics, as:

1. For purchase values that do not have a special charge defined in this Law, the notary will charge:
   a. If the purchase value is between 80 and 400 minimum wages, their fee is 6% of the purchase value;
   b. If the value is between 400 and 4,170 minimum wages, they are paid 6% of the 400 for the first amount, plus 2.5% of the amount over 400;
   c. If the value is between 4,170 and 6,300 minimum wages, they are paid in accordance with the previous sections for the first amount, plus 2% of the amount over 4,170;
   d. If the value exceeds 6,300 minimum wages, they are paid in accordance with the previous sections for the first amount, plus 0.75% of the amount over 6,300; and
   e. If the deed refers to the acquisition of public real estate, up to a value of 5,000 times the minimum wage, they are paid 1.5% of its value.

**Procedure 5. Obtain property cadastral authorization**

Time: 1 day  
Cost: No cost

**Procedure 6. Register the public deed in the Public Property Registry**

Time: 7 days (4-10)  
Cost: MXN 54,350  
Comments: The cost is 1.35% of the property value, plus 35% of the total as tax for education.

**Procedure 7*. Report the transfer of title to the Municipal Cadastre**

Time: 2 days (1-3)  
Cost: No cost  
Comments: The second preliminary notice is given to the Public Property Registry 48 hours after the deed is signed. This notice is valid for 90 calendar days following its presentation, to allow third parties to consider its effects on them.

* This procedure is simultaneous with the previous procedure.

REGISTRATION PROPERTY

**Estado de México**

Property value: $206,696 = MXN 2,283,995  
City: Tlalnepantla de Baz  
Data as of: July 2006

**Procedure 1. Obtain a non-encumbrance certificate, which serves as the first notification to the Public Register of the transfer of the property**

Time: 10 days  
Cost: MXN 800

**Procedure 2*. Obtain certificate or proof of payment of water rates**

Time: 10 days  
Cost: MXN 300  
Comments: This procedure is optional but it is a common practice to also send this certificate to the Property Register.

**Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.**

Time: 10 days  
Cost: MXN 300

**Procedure 4*. Obtain property valuation of the real estate**

Time: 10 days  
Cost: MXN 9,000

**Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**

Time: 11 days  
Cost: MXN 88,520 (MXN 20,000 fee + MXN 68,520 tax)  
Comments: The notary receives his fees and collects the transfer of property tax, which is to 3% of the property value. The notary pays this into the bank within a established period. The tax can be up to a maximum of MXN 68,520.

**Procedure 6. Register the public deed in the Public Property Registry**

Time: 24 days (4-45)  
Cost: MXN 8,000  
The minimum registration fee is MXN 1,061 and the maximum is MXN 10,642.

**Procedure 7*. Report the transfer of title to the Municipal Cadastre**

Time: 2 days  
Cost: No cost  
Comments: In Estado de México, all the offices that the notary must visit to complete the transaction are in the same real estate.

* This procedure is simultaneous with the previous procedure.
Procedure 1. Obtain a non-encumbrance certificate, which serves as the first notification of the property transfer to the Public Property Registry

Time: 1 day  
Cost: MXN 113  
Comments: The certificate can be obtained on-line if the notary has access to the Public Property Registry’s system at www.rppc.guanajuato.gob.mx.

Procedure 2*. Obtain certificate or proof of payment of water rates

Time: 1 day  
Cost: MXN 100  
Comments: The local water department is the Municipal Drinkable Water and Sewer Council, JUMAPA (Junta Municipal de Agua Potable y Acantarillado).

Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.

Time: 1 day  
Cost: MXN 93  

Procedure 4*. Obtain property valuation of the real estate

Time: 5 days  
Cost: MXN 7,000 (entre MXN 4,000 y MXN 10,000)  

Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 6 days  
Cost: MXN 43,578 (MXN 24,902 fee (1% of the property value) + MXN 18,676 of tax)  
Comments: The notary receives his fees and collects the transfer of property tax, which corresponds to 0.75% of the property value in accordance with the Celaya fiscal legislation of 2005 (the lowest transfer of property tax in the country). The notary pays this into the bank within a established period. The notary’s fee is fixed for the whole state, but in the practice the fees received for every notary vary from client to client.

Procedure 6. Report the transfer of title to the Municipal Cadastre

Time: 8 days  
Cost: MXN 90  

Procedure 7. Register the public deed in the Public Property Registry

Time: 4 days  
Cost: MXN 734 (registration fee)  
Comments: The documents needed to be provided to the notary public include:
Provided by the seller:
- Title of property;
- Public record(s) that contain the constitution and the company deeds of the selling company, together with a copy of any official document that contains modifications to the company deeds of the selling company;
- Official document(s) that contain the power of attorney granted to the seller’s representatives (for the acts of domain and acts of administration by virtue of the second and third paragraphs of article 2064 of the Civil Code of Guanajuato State);
- Receipts showing the latest payment of the real estate tax;
- Receipts showing payment of the water rates;
- The license of construction;
- The notice of term of construction;
- General information on the seller’s representatives and a copy of their official identification.

Provided by the buyer:
- Public record(s) that contains the constitution and the deeds of the company together with a copy of any official document that contains modifications to the company deeds of the buyer;
- Official document(s) that demonstrate the granting of the power of attorney to the buyer’s representative or representatives (for acts of administration by virtue of the second paragraph of article 2064 of the Civil Code of Guanajuato State, and power to grant and to sign negotiable instruments by virtue of the article 9 of the General Law of Negotiable Instruments if the representative pays with cheque or with any other negotiable instrument);
- General information on the buyer’s representative or representatives;
- Official identification of the buyer’s representative or representatives.

* This procedure is simultaneous with the previous procedure.

CASE STUDIES • REGISTERING PROPERTY

Guerrero

Property value: $163,263 = MXN 1,804,054  
City: Acapulco  
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry

Time: 4 days  
Cost: MXN 234  
Comments: The payment of rights is done in the Finance and Administration Secretariat and the Certificate is obtained from the Public Property Registry Delegation.

Procedure 2*. Obtain property certificate from the Acapulco Municipality.

Time: 4 days  
Cost: MXN 2,530  
Comments: The official cost is MXN 1,946.80, plus 30% of extras. The payment is made in the Municipal Cadastre and Property Tax Department.

Procedure 3*. Obtain a certificate or proof of land taxes payment to the Acapulco Municipality

Time: 4 days (2-5)  
Cost: MXN 49  
Comments: The payment is made in the Municipal Cadastre and Property Tax Dept.

Procedure 4*. Obtain property certificate and plan from the Acapulco Municipality

Time: 8 days  
Cost: MXN 523  
Comments: The official cost is MXN 402, plus 30% of extras. The payment is made in the Municipal Cadastre and Property Tax Department.

Procedure 5*. Obtain property valuation of the real estate

Time: 4 days  
Cost: MXN 5,760  
Comments: The official cost for the valuation is MXN 4,320. The valuation is prepared by an expert authorized by the State’s Secretariat of Finance and Administration and the Secretariat is paid a fee of MXN 1,440.

Procedure 6*. Obtain form 3DCC

Time: 1 day  
Cost: MXN 40  
Comments: Buy the form in the Municipal Cadastre and Property Tax Department of the Municipality and take it to the notary, who fills it in with the property information.

Procedure 7. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 5 days  
Cost: MXN 54,081 (MXN 18,000 notary’s fee + MXN 36,081 tax)  
Comments: The tax is 2% of the value calculated on the highest value between the fiscal valuation and the purchase value, and is paid to the Municipal Cadastre Office and Property Tax Department of the Acapulco Municipality.
Procedure 8. Register the public deed in the Public Property Registry

Time: 11 days
Cost: MXN 11,546
Comments: The registration fee, paid to the Secretary of Finance and Administration, is equivalent to 0.64% of the highest value between the value assigned by the property demarcation, the fiscal valuation and the total of the contract.

Procedure 9. Report the transfer of title to the Municipal Cadastre

Time: 2 days
Cost: No cost
* This procedure is simultaneous with the previous procedure.

REGISTERING PROPERTY

Hidalgo

Property value: $173,244 = MXN 1,914,342
City: Pachuca de Soto
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry

Time: 5 days
Cost: MXN 134

Procedure 2*. Obtain property valuation of the real estate

Time: 15 days
Cost: MXN 16,000
Comments: The Assessment Department of the Municipal Treasury has different charges depending on the zone. In Pachuca, the land governed by the Municipality is divided in zones and these in their turn into blocks, each one of which is assigned a different amount. The charge per square meter in a suburban zone is MXN 1,055. The value of construction is calculated per square meter. The area is worked out by multiplying the cost by the State factor. The State factor is the sum of the economic life of the property and the number of years since it was constructed, as determined by experts according to the Assessment Department’s tables. The area is multiplied by the charge per square meter for the property.

Procedure 3. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 6 days
Cost: MXN 46,587 (MXN 8,300 notary’s fee + MXN 38,287 tax)
Comments: The tax is 2% of the property value.

Procedure 4. Register the public deed in the Public Property Registry

Time: 14 days (7-21)
Cost: MXN 23,945
Comments: For the first 100 minimum wages (MXN 47,16) of the value of the property the registration fee is MXN 22,945. For each million that it exceeds 100 minimum wages an additional MXN 1,000 will have to be paid, in accordance with the Law of Property for the State of Hidalgo.
* This procedure is simultaneous with the previous procedure.

REGISTRATION PROPERTY

Jalisco

Property value: $294,093 = MXN 3,249,727
City: Guadalajara
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry

Time: 10 days
Cost: MXN 145

Procedure 2*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.

Time: 1 day
Cost: MXN 40 (MXN 28.50 per certificate and MXN 11.50 per request)

Procedure 3*. Obtain certificate or proof of payment of water rates

Time: 1 day
Cost: MXN 78.07
Comments: Management of the water system is in the hands of the Intermunicipal Drinkable Water and Sewage Service.

Procedure 4*. Obtain property valuation of the real estate

Time: 15 days
Cost: MXN 9,749
Comments: This is given by a valuation expert from the Municipal cadastre (Catastro Municipal). The cost is 3 per thousand of the property value.

Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 4 days
Cost: MXN 83,215 (MXN 17,365 notary’s fee + MXN 65,850 tax)
Comments: The notary public will be responsible for the preliminary and final property registration fees at the Registry and the payment of the by property transfer and capital gains taxes. The total amount paid to the notary includes:
Notary’s fee: 17,365. The notary’s fee comes from Decree 14240 and the Law of Notaries of the State of Jalisco, Second section, Chapter I of the tariff.
Property Transfer Tax: MXN 65,850 (as indicated in the table shown in the next paragraph). The property value in this case is close to MXN 3,000,000.
Registry charge: MXN 30 + 15,000

In accordance with article 30 of the Law of Income of the municipality of Guadalajara, Jalisco, for the fiscal year 2005, the Property Transfer Tax will be paid, in accordance with the corresponding chapter of the Law of Municipal Revenues of the State of Jalisco, using the following table:

<table>
<thead>
<tr>
<th>Lower limit</th>
<th>Upper limit</th>
<th>Fixed quota</th>
<th>Marginal rate on amounts over the lower limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>MXN 0.01</td>
<td>300,000.00</td>
<td>MXN 0.00</td>
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</tr>
<tr>
<td>300,000.01</td>
<td>500,000.00</td>
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<td>2.05%</td>
</tr>
<tr>
<td>500,000.01</td>
<td>1,000,000.00</td>
<td>10,100.00</td>
<td>2.10%</td>
</tr>
<tr>
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<td>1,500,000.00</td>
<td>20,600.00</td>
<td>2.15%</td>
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<tr>
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<td>2,000,000.00</td>
<td>31,350.00</td>
<td>2.20%</td>
</tr>
<tr>
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<td>2,500,000.00</td>
<td>42,350.00</td>
<td>2.30%</td>
</tr>
<tr>
<td>2,500,000.01</td>
<td>3,000,000.00</td>
<td>53,850.00</td>
<td>2.40%</td>
</tr>
<tr>
<td>3,000,000.01</td>
<td>over</td>
<td>65,850.00</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

In accordance with article 116 of the Municipal Revenues Law of the State of Jalisco, payment of the Property Transfer Tax should be made to the relevant municipal treasury department and, for its part, to the tax collecting offices of the Ministry of Finance of the State government. Both should be paid within two months of the date of the document that seals the deed or contract, or the legal transaction document which establishes the pre-agreed action or the assumption.
Procedure 5. Register the public deed in the Public Property Registry

Time: 13 days (10-15)
Cost: MXN 366
Comments: It is possible to ask for the process to be speeded up if the purchase needs to be completed in a day for a cost of MXN 1,022. However, this is not common in Morelia which is why the ordinary time and cost of registration are shown in this example.

*This procedure is simultaneous with the previous procedure.

REGISTRATION PROPERTY

Morelos
Property value: $256,109 = MXN 2,830,000
City: Cuernavaca
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry

Time: 4 days
Cost: MXN 315
Comments: This procedure is done in the Town Hall.

Procedure 2*. Obtain certificate or proof of payment of water rates in the Cuernavaca Drinkable Water and Sewage Service (SAPAC)

Time: 1 day
Cost: MXN 106
Comments: A written request should be sent to the Head of SAPAC, stating the number of contract and/or the number of outlet, with the latest proof of payment for the service.

Procedure 3*. Obtain Cadastre certificate

Time: 4 days
Cost: MXN 92
Comments: From State Cadastre.

Procedure 4*. Obtain the property plan (plano catastral) of Cuernavaca Municipality

Time: 1 day
Cost: MXN 115

Procedure 5*. Obtain a certificate or proof to show that all land taxes have been paid in Cadastre and Property Tax department (Dirección de Catastro e Impuesto Predial) of Cuernavaca Municipality

Time: 1 day
Cost: MXN 115

Procedure 6. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 5 days
Cost: MXN 115,050 (MXN 20,000 notary’s fee + MXN 36,540 tax)
Comments: The time is made up of 3 days to prepare the public deed and 2 days (1-3) for paying the taxes. The cost represents 2% of the property value, plus an additional 25% of that 15% for education, 5% for the university and 5% for industry.

Procedure 7*. Give the second preliminary notice

Time: 1 day
Cost: No cost

Procedure 8. Register the public deed in the Public Property Registry

Time: 5 days
Cost: MXN 42,450
Comments: The cost is 12 per thousand, plus an additional 25% of this divided into 15% for education, 5% for the university and 5% for industry.

Procedure 6. Register the public deed in the Public Property Registry

Time: 90 days
Cost: MXN 40 + 16,249 registry fee
Comments: The registry fee is 0.5% of the value of the property, for the preventive and definitive registering of the property title, according to article 15, sections I, subsection a), and IX, respectively, of the Law of Revenue of the State of Jalisco for the fiscal year 2005. According to article 104 of the Public Property Registry Law of the State of Jalisco, the preventive tax must be paid within two working days from when the deed was signed, in writing or any other incontrovertible form. Similarly, the definitive registration will be paid once the public deed has been signed and the corresponding taxes have been paid.

Procedure 7*. Report the transfer of title to the Municipal Cadastre

Time: 2 days
Cost: No cost

* This procedure is simultaneous with the previous procedure.

REGISTRATION PROPERTY

Michoacán
Property value: $165,339 = MXN 1,826,995
City: Morelia
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry

Time: 2 days
Cost: MXN 180

Procedure 2*. Obtain property valuation of the real estate

Time: 4 days
Cost: MXN 18,270
Comments: The cost represents 1% of the property value and is paid at the State Cadastre.

Procedure 3*. Obtain Cadastre certificate

Time: 4 days
Cost: MXN 92
Comments: From State Cadastre.

Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes

Time: 6 days
Cost: MXN 56,540 (MXN 20,000 notary’s fee + MXN 36,540 tax)
Comments: The time is one day for signing and 5 for the payment of the tax. The notary fee is set on the following scale:

Property value (in MXN)

- Up to 94,653
- From 94,653 to 189,306
- From 189,306 to 378,612
- From 378,612 to 757,224
- From 757,224 to 1,514,448
- From 1,514,448 to 3,028,896
- From 3,028,896 to 6,057,792
- From 6,057,792 to 12,115,384
- Above 12,115,384

However, this fee is obsolete and it is not used; the estimated cost above is based on the average fee charged for the value of the property in this example. The tax is 2% of the property value.
Procedure 9*. Report the transfer of title to the Municipal Cadastre
Time: 1 day
Cost: No cost
Comments: It is possible to give notice after paying for the property transfer.
* This procedure is simultaneous with the previous procedure.

Nayarit
Property value: $171,221 = MXN 1,891,992
City: Tepic
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry
Time: 4 days (3-5)
Cost: MXN 137
Comments: This is procedure is done in the Town Hall.

Procedure 2*. Obtain property valuation of the real estate
Time: 5 days (3-7)
Cost: MXN 4,730
Comments: The cost is 2.5 per thousand of the property value.

Procedure 3*. Obtain land registry certificate
Time: 5 days
Cost: MXN 275
Comments: This is obtained from the Municipal Cadastre. The property certificate includes the property outline plan.

Procedure 4. Give notice of real estate purchase and updating of the property register (Catastro Municipal)
Time: 5 days
Cost: MXN 275
Comments: This is done in the Municipal Cadastre.

Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 6 days
Cost: MXN 109,554 (MXN 71,646 notary’s fee + MXN 37,840 tax + MXN 6,992)
Comments: The notary fees are determined using the tariff currently in force, based on the total value of the real estate; 4% for the first million pesos, plus 2.5% for the surplus amount. To this should be added 15% VAT, plus MXN 68,71 per purchase and completed property transfer form and/or declaration (includes the form for declaring the property purchase tax). The tax represents 2% of the property value.

Procedure 6. Notice of signing the deed
Time: 15 days
Cost: No cost
Comments: This procedure is also called “solvency”. It includes the statement and calculation of the property transfer tax and its authorization by the Municipal Cadastre.

Procedure 7. Register the public deed in the Public Property Registry
Time: 5 days
Cost: MXN 17,028
Comments: The cost represents 9 per thousand of the property value.
* This procedure is simultaneous with the previous procedure.

Nuevo León
Property value: $560,419 = MXN 6,192,635
City: Monterrey
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry
Time: 4 days
Cost: MXN 229
Comments: It is recommended, although not required by law, to apply for the non-encumbrance certificate with the pre-sale preliminary notice, giving the names of the parties involved, so that the purchase is the first in the order of priority of transactions relating to the property during the 30 days after the notice. In the case that the relevant information for the registration is not available, the entrepreneur should request a simultaneous search for the property in the Property Register. Normally, this information should be available in the previous public deed for the property.

Procedure 2*. Obtain property valuation of the real estate
Time: 2 days
Cost: MXN 120
Comments: The expert is commissioned by the Cadastre. The calculation of the property transfer tax is based on the result of this valuation.

Procedure 3. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 12 days (7 days on the average to execute the deed and 5 for the payment of tax)
Cost: MXN 178,853 (MXN 5,000 fee + MXN 132,853 tax)
Comments: Besides the documents relating to the steps 1 and 2, the notary requires the following:

- The seller should bring evidence that all property taxes for the property have been paid, an official receipt of tax payment should suffice (although not required by the law, it is recommended that the entrepreneur present proof of payment for the last five years, as well as payment receipts for light, water, etc.);
- Public records of the constitution and statutes of the company, including modifications, and powers of attorney granted by the buyer and the seller;
- Official identifications and personal information of the individuals that represent the parties. Although it is not required legally for the property transfer registration, it is recommended that the seller brings land use and construction permits.

At present, there is no official scale of fees for notaries, the information above is based on the fees that the notaries habitually charge in the city of Monterrey. The notary collects from the buyer the amount of the tax, which equals 2% of the property value calculated on the highest among the purchase price and the property valuation. The tax should be paid within 10 days of the execution of the public deed. Payment of the tax by the notary in the Municipal Cadastre also serves as notice of the change of the title of the property.

Procedure 4. The notary gives preliminary notice of completion of the sale to the Public Property Registry
Time: 1 day (can be the same day as the signing of the public deed)
Cost: MXN 141
Comments: The entrepreneur has to present, through the notary public, a preliminary notice of completion of the sale describing the transaction, so that her purchase is the first in order of priority of transactions relating to the property during the 30 days following the notice. While not required by law this procedure is recommendable, can be omitted if the pre-sale preliminary notice is still in force, and gives time for the notary to pay the property transfer tax and tell the Cadastre of the sale and the information of the new owner.

Procedure 5. Register the public deed in the Public Property Registry
Time: 11 days (3-18)
Cost: MXN 10,375 (registration fee)
Comments: The cost is calculated as follows: 2 per thousand for the first MXN 50,000 of the property’s value and then 2.5 per thousand above that amount, with a minimum of 3 and a maximum of 220 quotas. A quota is equal to the minimum wage in force in the metropolitan area of the city of Monterrey, currently MXN 47.16.
* This procedure is simultaneous with the previous procedure.
**Oaxaca**

Property value: $129,878 = MXN 1,435,151
City: Salina Cruz
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**
- **Time:** 10 days
- **Cost:** MXN 286
- **Comments:** If urgent, the certificate can be produced in 1 to 3 days for a cost of MXN 510.

**Procedure 2. Preparation and signing of the public deed and payment of the property transfer tax**
- **Time:** 1 day
- **Cost:** MXN 50,230 (MXN 21,527 notary’s fee + MXN 28,703 tax)
- **Comments:** The notary’s fee varies between the 1% and 2% of the property value. The property transfer tax is the 2% of the property value.

**Procedure 3. Obtain property valuation of the real estate**
- **Time:** 15 days
- **Cost:** No cost
- **Comments:** This procedure is done in the Municipal Cadastre Office.

**Procedure 4. Cancel the old property account, open a new account, pay for the valuation and pay for the physical inspection**
- **Time:** 5 days
- **Cost:** MXN 6,041
- **Comments:** The cost is 0.3% of the value of the assessed property, plus MXN 252 for the physical verification, plus MXN 252 to cancel the old account, plus MXN 154 to open the new account, plus 0.12% of the resultant charge to aid literacy teaching.

**Procedure 5. Preparation of the property title document (inserting the property’s data)**
- **Time:** 1 day
- **Cost:** No cost

**Procedure 6. File the document in the Public Property Registry to record the property transfer (Dictaminación)**
- **Time:** 3 days
- **Cost:** No cost

**Procedure 7. Approval of the document requires a banker’s draft to record the document in the Public Property Registry**
- **Time:** 2 days
- **Cost:** MXN 8,611
- **Comments:** This is done in the Finance Ministry of the State Government. The cost shown here is the registration fee is 0.5% of the property value, plus 20% of this charge for cancelling the registration.

**Procedure 8. Register the public deed in the Public Property Registry**
- **Time:** 15 days
- **Cost:** No cost

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**Puebla**

Property value: $204,334 = MXN 2,257,889
City: Puebla
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry**
- **Time:** 5 days
- **Cost:** MXN 200

**Procedure 2*. Obtain certificate or proof of payment of water rates**
- **Time:** 3 days
- **Cost:** MXN 100

**Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.**
- **Time:** 3 days
- **Cost:** MXN 100

**Procedure 4*. Obtain property valuation of the real estate**
- **Time:** 5 days
- **Cost:** This has changed from MXN 5,000 to MXN 182.50
- **Comments:** The change in cost is because the entrepreneur can ask the Municipal Cadastre to do the valuation and currently 80-90% of notaries do it this way to reduce costs.

**Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**
- **Time:** 10 days
- **Cost:** MXN 75,158 (MXN 30,000 fee + MXN 45,158 tax)
- **Comments:** The property transfer tax (2.0% of the property value, instead of the 2.5% it was last year) is collected and paid in the name of the parties.

**Procedure 6. Register the public deed in the Public Property Registry**
- **Time:** 45 days
- **Cost:** MXN 4,515
- **Comments:** 2 per thousand of the property value.

**Procedure 7*. Report the change of title to the Municipal Cadastre**
- **Time:** 1 day
- **Cost:** No cost

* This procedure is simultaneous with the previous procedure.

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**Querétaro**

Property value: $344,255 = MXN 3,804,018
City: Querétaro
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry**
- **Time:** 3 days
- **Cost:** MXN 310 (MXN 220 + MXN 90)
- **Comments:** The non-encumbrance certificate costs MXN 220 and the preliminary notice costs MXN 90.

**Procedure 2*. Obtain property valuation of the real estate**
- **Time:** 5 days
- **Cost:** MXN 8,116.50 (an average of MXN 7,000 and MXN 9,233)
- **Comments:** The notary commissions an expert to carry out the valuation, which serves subsequently to calculate the amount of tax.
Procedure 3. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 3 days
Cost: MXN 126,080 (MXN 50,000 fee + MXN 76,080 tax)
Comments: The notary collects the value of the property transfer tax, which is subsequently paid to the Municipal Treasury. The tax corresponds to 2% of the property value (1.8% of property transfer tax and 0.2% of state tax for education).

Procedure 4. Give the second notice to the Public Property Registry
Time: 1 day
Cost: MXN 56
Comments: Also known as the final notice of the transfer of the property.

Procedure 5. Register the public deed in the Public Property Registry
Time: 35 days (30-40)
Cost: MXN 22,881
Comments: The cost is the registration fee, equal to 0.6% of the value of the transaction, plus 25% of this charge. The documents required for this registration are:
- Title of Property (preliminary notice), correctly recorded in the Public Property Registry, from which should be removed the name of the seller.
- Municipal land tax receipt (cédula catastral), correctly paid for the bimester in which the public deed was signed.
- Proof of the property’s boundaries (alineamento) and official number, if applicable.
- Valuation by an authorized expert or institution.
- Documents that accredit the legal existence and capacity of the authorized representatives, if applicable.
- Documents that prove the supply or feasibility of services, such as water and electricity.

Procedure 6°. Report the transfer of title to the Municipal Cadastre
Time: 13 days (10-15)
Cost: MXN 150,00
Comments: The Cadastre forms part of the Municipal Treasury. This procedure consists of comparing the property value that is registered against the expert’s valuation (known as fiscal value). If there is a difference the value should be revised.

* This procedure is simultaneous with the previous procedure.

REGISTRATION PROPERTY

Quintana Roo
Property value: $490,858 = MXN 5,423,983
City: Cancún (Reni Judrez)
Data as of: July 2006

Procedure 1. Obtain State non-encumbrance certificate
Time: 4 days
Cost: MXN 185
Comments: Obtained from the State Finance Ministry.

Procedure 2°. Obtain Municipal non-encumbrance certificate
Time: 5 days
Cost: MXN 115
Comments: This is obtained from the Municipality’s Environment and Human Development department.

Procedure 3°. Obtain non-encumbrance certificate from the Public Property Registry
Time: 13 days (10-15)
Cost: MXN 280

Procedure 4°. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.
Time: 2 days
Cost: MXN 115

Procedure 5°. Obtain a property certificate (cédula catastral) from the council’s Municipal Cadastre Office
Time: 5 days
Cost: MXN 188

Procedure 6°. Obtain certificate or proof of payment of water rates from the Drinkable Water and Sewer System Commission
Time: 4 days
Cost: MXN 58

Procedure 7°. Obtain property valuation of the real estate
Time: 7 days
Cost: MXN 13,560
Comments: The cost represents 0.25% of the property value.

Procedure 8. Pay for the preparation of the deed
Time: 1 day
Cost: MXN 369
Comments: This is paid at the Revenue Collection department of the State Government.

Procedure 9. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes.
Time: 3 days
Cost: MXN 162,720 (MXN 54,240 notary’s fee + MXN 108,480 tax)
Comments: The notary’s fees represent 1% of the property value. The tax is 2% of the property value.

Procedure 10. Register the public deed in the Public Property Registry
Time: 135 days
Cost: MXN 54,240
Comments: The time is the average of the times reported which indicates a period of from 3 to 6 months to carry out this process. The cost represents 1% of the property value.

* This procedure is simultaneous with the previous procedure.

San Luis Potosí
Property value: $238,214 = MXN 2,632,268
City: San Luis Potosí
Data as of: July 2006

Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry
Time: 5 days
Cost: MXN 220

Procedure 2°. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.
Time: 2 days
Cost: MXN 11,45
Comments: Approximately 10% of notaries have access to a system that enables them to obtain this certificate on-line, as well as that mentioned in the previous procedure, in one day.

Procedure 3°. Obtain property valuation of the real estate
Time: 5 days
Cost: MXN 194 (initial payment to request the valuation)
Comments: An employee of the Municipal Cadastre can make an inspection of the property to check its condition. A valuation by an expert would be required only if the property value exceeds MXN 5,000,000. While other states require the entrepreneur to announce the change of title at the Municipal Cadastre, this valuation is a way to warn of the imminent change of title of the property, and so it forms the registration.
Procedure 4. Payment of the valuation property of the real estate
Time: 1 day
Cost: MXN 5,265 (0.2% of the cadastral valuation)
Comments: The payment is made in the Municipal Cadastre.

Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 13 days (8 days to prepare the deed and 5 days to pay the tax)
Cost: MXN 83,696 (MXN 40,000 fee + MXN 43,696 tax)
Comments: The notary will charge his fees according to the rate approved by the State Congress in 1993, which establishes progressive fixed bands depending on the property value. The rate in San Luis Potosí has a maximum limit of 80 times the minimum daily wage (MXN 45.87), plus 0.35% of the actual property value. The tax represents 1.66% of the property value.

The notary collects the amount of the property transfer tax, and then pays it into the bank. The tax is a percentage of the property value calculated in the procedure 3.
Notarial fees. These are calculated according to the Tariff of Notaries:
Article 3: For the preparing, executing or authorizing of deeds and affidavits of specific value, that do not have special rate set by this Law, notaries will charge:
a. If the value does not exceed of MXN 1,000.00 MXN 25.00
b. If the value does not exceed of MXN 2,500.00 MXN 35.00
c. If the value does not exceed of MXN 5,000.00 MXN 45.00
d. If the value does not exceed of MXN 7,500.00 MXN 70.00
e. If the value does not exceed of MXN 10,000.00 MXN 90.00
f. If the value does not exceed of MXN 20,000.00 MXN 140.00
g. From MXN 20,000.00 to MXN 50,000.00 they will charge an additional 6 per thousand on the excess.
h. From MXN 50,001.00 to MXN 100,000.00 they will charge an additional 5 per thousand on the excess.
i. From MXN 100,001.00 to MXN 500,000.00 they will charge an additional 4 per thousand on the excess.
j. Over MXN 500,001.00 they will charge 1.50 per thousand on top of the amounts indicated in the previous sections.

k. For the ratification and signing off of the contents of private documents, they will charge:
If the value does not exceed MXN 500.00 MXN 10.00
If it does not exceed MXN 1,000.00 MXN 25.00
Over MXN 1,000.00 they will charge 1 per thousand until the maximum charge of MXN 75.00 is reached.

l. For the private purchase documents that the notaries edit, they will charge:
If the value does not exceed MXN 500.00 MXN 10.00
If it reaches MXN 1,000.00, the maximum charge is MXN 45.00.

Procedure 6. Give the second notice to the Public Property Registry
Time: 1 day
Cost: No cost

Procedure 7. Register the public deed in the Public Property Registry
Time: 15 days
Cost: MXN 6,102 (10,000 X 0.002 + 303 + 10% for social aid).
* This procedure is simultaneous with the previous procedure.

Procedure 2*. Obtain a certificate or proof of land taxes payment to the Municipal Cadastre
Time: 1 day
Cost: MXN 143

Procedure 3*. Obtain property valuation of the real estate
Time: 2 days
Cost: MXN 6,930
Comments: The valuation is carried out by an expert. The cost was calculated based on an average of 2.5 and 3 per thousand of the property value.

Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 2 days
Cost: MXN 92,940 (MXN 37,500 notary’s fee + MXN 55,440 tax)
Comments: The notarial costs were calculated based on an average of MXN 30,000 and MXN 45,000. The tax equals 2.2% of the property value.

Procedure 5. Register the public deed in the Public Property Registry
Time: 20 days
Cost: MXN 20,790
Comments: The registration fee is 0.75% of the property value, plus 10% of the value of that charge.
* This procedure is simultaneous with the previous procedure.

Sonora
Property value: $344,827 = MXN 3,810,342
City: Hermosillo
Data as of: July 2006

Procedure 1. Cadastral investigation in the Municipal Cadastre
Time: 4 days
Cost: MXN 310
Comments: This consists of obtaining the following documents: Certificate of property background (MXN 100); Certificate of property value (MXN 60); and the property plan and map (MXN 150).

Procedure 2*. Obtain non-encumbrance certificate from the Public Property Registry
Time: 1 day
Cost: MXN 800

Procedure 3*. Obtain property valuation of the real estate
Time: 2 days
Cost: MXN 7,500
Comments: This procedure is carried out in the Municipal Cadastre.

Procedure 4. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes
Time: 10 days
Cost: MXN 100,327 (MXN 24,120 notary’s fee + MXN 76,207 tax)
Comments: The time is made up of 7 days for preparing the deed and 3 days to pay the tax. The notarial costs are MXN 15,080, plus 2% per thousand of the property value, plus 30 times the minimum wage in force of the zone (MXN 47.16). The property transfer tax is 2% of the property value.

Procedure 5. Register the public deed in the Public Property Registry
Time: 7 days
Cost: MXN 19,052
Comments: The cost represents 5 per thousand of the property value.
* This procedure is simultaneous with the previous procedure.
Tabasco
Property value: $191,894 = MXN 2,120,424
City: Villahermosa (Centro)
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**

**Time:** 4 days (2-5)
**Cost:** MXN 234
**Comments:** The payment is made to the cashier of the Ministry of Finance of Tabasco. The cost represents 5 times the minimum wage in force of the zone (MXN 46.80).

**Procedure 2*. Obtain land occupancy, purpose and reserve permit**

**Time:** 24 days
**Cost:** No cost
**Comments:** This came into effect in January 2006, in compliance with articles 5 and 77 of the Law of Sustainable Urban Development of the State of Tabasco. It is obtained from the Public Property Registry and its respond time varies between 8 and 40 days, depending on the location of the land.

**Procedure 3*. Obtain property valuation of the real estate**

**Time:** 5 days
**Cost:** MXN 5,301
**Comments:** This is done at the Public Property Registry. The cost is 2 per thousand of the property value.

**Procedure 4. The notary prepares and signs the public deed, collects and pays the real estate or estate transfer tax, and the acts and contracts tax**

**Time:** 3 days
**Cost:** MXN 83,613 (MXN 20,000 notary’s fee + MXN 42,408 property transfer tax + MXN 21,204 acts and contracts tax)
**Comments:** The total cost is the sum of the notary’s fee that goes up to MXN 20,000, plus the property transfer tax that is 2.0% of the property value and the tax on acts and contracts which is 1.0% of the property value.

**Procedure 5. Register the public deed in the Public Property Registry**

**Time:** 15 days
**Cost:** MXN 21,204
**Comments:** The registration fee is 1% of the property value.

* This procedure is simultaneous with the previous procedure.

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Tlaxcala
Property value: $169,951 = MXN 1,877,964
City: Tlaxcala
Data as of: July 2006

**Procedure 1. Obtain property valuation of the real estate**

**Time:** 3 days
**Cost:** MXN 962
**Comments:** This is done at the Town Hall.

**Procedure 2*. Obtain non-encumbrance certificate from the Public Property Registry**

**Time:** 5 days
**Cost:** MXN 94

**Procedure 3. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**

**Time:** 17 days
**Cost:** MXN 47,688 (MXN 7,500 notary’s fee + MXN 40,188 tax)
**Comments:** 15 days are required to prepare the deed and 2 days to pay the tax. The notarial fees are MXN 7,500 on average and the property transfer tax is 2.14% of the property value.

**Procedure 4. Obtain cadastral opinion**

**Time:** 1 day
**Cost:** MXN 138
**Comments:** This is obtained from the Municipal Cadastre.

**Procedure 5. Register the public deed in the Public Property Registry**

**Time:** 10 days (5-15)
**Cost:** MXN 18,780
**Comments:** The cost represents 1% of the property value.

* This procedure is simultaneous with the previous procedure.
**Veracruz**

Property value: $180,634 = MXN 1,996,005
City: Coatzacoalcos
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from the Public Property Registry**
- **Time:** 15 days
- **Cost:** MXN 224
- **Comments:** This procedure is done in the State Finance Office.

**Procedure 2*. Obtain property record from the Municipal Cadastre**
- **Time:** 3 days (1-5)
- **Cost:** MXN 550

**Procedure 3*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.**
- **Time:** 3 days (1-5)
- **Cost:** MXN 53

**Procedure 4*. Give preliminary notice to the Public Property Registry**
- **Time:** 1 day
- **Cost:** No cost

**Procedure 5. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**
- **Time:** 3 days
- **Cost:** MXN 40,487 (MXN 20,000 notary’s fee + MXN 19,960 tax + MXN 547)
- **Comments:** The property transfer tax is 1.0% of the property value plus a payment of MXN 547 for the certificate of value.

**Procedure 6. Register the public deed in the Public Property Registry**
- **Time:** 10 days
- **Cost:** No cost
- **Comments:** The registration fee is 8 per thousand of the property value. However, in order to encourage investment the State Government, based on Law 829 for Economic Development and the Promotion of Investment of the State of Veracruz de Ignacio de la Llave, offers to pay the property transfer registration fee, generating a saving of MXN 15,968 pesos (0.8% of property value).

* This procedure is simultaneous with the previous procedure.

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**Yucatán**

Property value: $249,791 = MXN 2,760,186
City: Mérida
Data as of: July 2006

**Procedure 1. Obtain non-encumbrance certificate from, and give preliminary notice to, the Public Property Registry**
- **Time:** 2 days
- **Cost:** MXN 110

**Procedure 2*. Obtain property certificate and plan from the Municipal Cadastre**
- **Time:** 1 day
- **Cost:** MXN 250

**Procedure 3*. Obtain certificate or proof of payment of water fees**
- **Time:** 1 day
- **Cost:** MXN 40

**Procedure 4*. The notary prepares and signs the public deed, retains and pays the property or real state transfer taxes.**
- **Time:** 1 day
- **Cost:** MXN 20
- **Comments:** In the capital, Mérida, less than the half of the notaries have access to an online service that enables them to pay the registration fees and to obtain the certificate immediately.

**Procedure 5*. Obtain property valuation of the real estate**
- **Time:** 3 days
- **Cost:** MXN 8,281
- **Comments:** The cost represents 3 per thousand on the property value.

**Procedure 6. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes**
- **Time:** 3 days
- **Cost:** MXN 76,954 (MXN 21,750 notary’s fees + MXN 55,204 of transfer tax)
- **Comments:** There are not official rates for the notaries. The fees are based on those of other states and in the Federal District.

Documents required of the seller:
- a. Title of Property.
- b. Company deed, reforms of statutes and power of attorney for their representative.
- c. Cadastre Certificate.
- d. Cadastre Plan.
- e. Proof of payments of property taxes.
- f. General information on the seller’s representatives and their official identification.
- g. Although not necessary for the transaction, is suggested that the entrepreneur requests proof of payments of electricity, water and telephone bills, where applicable, so that the buyer can verify that there are no outstanding debts.

Documents required of the buyer:
- a. Company deed, reforms of statutes and power of attorney for their representative.
- b. General information on the seller’s representatives and their official identification.

At this point the notary collects the property transfer tax, which is paid within 38 days from the official registration of the change of the title of property. The property transfer tax is 2.0% of the property value.

**Procedure 7. Give the second notice to the Public Property Registry**
- **Time:** 1 day
- **Cost:** MXN 13.00
- **Comments:** Generally, the notary gives the second preliminary notice of the sale within two days of the execution of the public deed and it is valid for 90 days.
Procedure 8. Register the public deed in the Public Property Registry
Time: 15 days
Cost: MXN 1,924

Procedure 9. Report the transfer of title to the Municipal Cadastre
Time: 3 days
Cost: MXN 92
* This procedure is simultaneous with the previous procedure.

REGISTERING PROPERTY

Zacatecas
Property value: $168,412 = MXN 1,860,955
City: Zacatecas
Data as of: July 2006

Procedure 1. Obtain certificate or proof of payment of water rates from the Inter municipal Drinkable Water and Sewer Department of Zacatecas (JIAPAZ)
Time: 1 day
Cost: MXN 100

Procedure 2*. Obtain plan or outline plan of the real estate
Time: 2 days (3-5)
Cost: MXN 500

Procedure 3. Obtain property valuation of the real estate
Time: 4 days
Cost: MXN 12,025
Comments: The cost in this example corresponds to the maximum property value band.

Procedure 4*. Obtain non-encumbrance certificate from the Public Property Registry
Time: 3 days
Cost: MXN 144

Procedure 5. Give preliminary notice to the Public Property Registry
Time: 1 day
Cost: No cost
Comments: This notice is given after the signing of the deed.

Procedure 6*. The notary prepares and signs the public deed, retains and pays the property or real estate transfer taxes, and certifies the plan
Time: 8 days
Cost: MXN 51,192 (MXN 13,828 notary’s fees + MXN 37,219 tax + MXN 145 plan certification)
Comments: The time corresponds to 7 days on average for preparing the deed, plus 1 day for paying the tax. The tax on real estate purchase is 2% of the higher of the property valuation and the purchase price, plus MXN 145 for certifying the plan. The notarial fees correspond to the applicable fee.

Procedure 7. Register the public deed in the Public Property Registry
Time: 5 days
Cost: MXN 18,767
Comments: The cost corresponds to the applicable charge band.
* This procedure is simultaneous with the previous procedure.
Doing Business in Mexico 2007 was prepared by a team led by Mierta Capaul. The team comprised Fernanda Almeida, Diego Borroto Magaña, Claudia Contreras, Zenaida Hernández Uriz, Luis Aldo Sánchez Ortega and Sylvia Solf with the assistance of Caralee McLiesh, Penélope Fidas, Adriana Vicentini, Benjamin Horne and Sabine Hertveldt. Simeon Djankov, Igor Artemiev and Vincent Palmade reviewed the text. The team would like to thank Anna Wellenstein, Keta Ruiz, Paolo Martelli, Eduardo Wallentin and Luke Haggarty, all from the World Bank Group, for their support during the project. Gerry Quinn designed the report and Nick Service translated sections into English.

The project was made possible thanks to the support of the Mexican Association of Economic Development Secretaries (AMSDE), especially Eloy Vargas Arreola, Misael López Vergara and Ernestina Villa Aguiar; the Federal Regulatory Improvement Commission (COFEMER), especially David Quezada Bonilla, Jesús Guadalupe Hurtado Rodríguez, Julia Vázquez Gutiérrez, Mariem Andrade Trejo and Gloria Silberman Medina; and the officials of the Plan Puebla Panama General Coordination (CGPPP), in particular Minister Alejandra García Brahim and Ana Valero Jiménez, and on behalf of the United Nations Development Program (UNDP), Eugenia Huizar Robles.

The Project was funded by the FIAS Trust Fund and the Small and Medium Enterprise Support Fund (Fondo PYME) of the Ministry of Economy (SE) in coordination with AMSDE, which acted as an intermediary to direct resources and the contributions from the governments of the States and Municipalities. The CGPPP of the Ministry of Foreign Affairs (SRE), through the Technical Assistance Project maintained with the UNDP, co-financed the project for the nine states of the South-Southeast Region of Mexico that are part of the Plan Puebla Panama. Almost 80 lawyers and notaries, coordinated by Ricardo Lan, Carlos Morán and Edgar Martínez of the law firm Goodrich, Riquelme and Associates, contributed to the Doing Business in Mexico 2007 indicators. The team wants to express special gratitude to the public officials and judges in the 31 states and cities that participated in the project and who made valuable observations during the consultation period. Their names are listed on the next page.
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