
Introduction

Overview

This document provides a general summary of certain aspects of Mexican law of interest to foreign companies considering doing business in Mexico. The areas of law summarized in this include:

1. Foreign Investment Law
2. Competition Law
3. *Maquiladora* Operations
4. Company Law
5. Taxes
6. International Trade
7. Labour Law
8. Environment
9. Intellectual Property

The foregoing areas of Mexican law, as they affect investors from certain countries, are modified by treaties to which Mexico is a party, including in particular the North American Free Trade Agreement (NAFTA) among Canada, Mexico and the United States. Although this memorandum makes numerous references to NAFTA and other treaties, it does not comprehensively address all instances in which Mexican law is modified or complemented thereby.

Political structure and legal system

The United Mexican States is a federal republic composed of 31 states and a federal district. As in the United States of America, the federal government is comprised of three branches: executive, legislative and judicial. The head of the executive branch is the President who is elected by popular vote for a six-year term. Legislative power is vested in the Chamber of Deputies and the Senate, whose members are elected for three-year and six-year terms, respectively. The judicial branch consists of a Supreme Court of Justice, Circuit Courts and District Courts.

Each of the 31 states has its own constitution, civil code and other local laws and regulations, as well as its own executive, legislative and judicial authorities. The head of the state executive branch is the governor. The legislative branch consists of the Chamber of Deputies; the judicial power is exercised by the local courts.