

Traders and Investors

Traders and investors are Canadian citizens who own or have a controlling interest in a business enterprise that is to be set up, or is already in operation, in Mexico. Traders are business persons seeking to do substantial trade in goods or services. They must be employed in a capacity that is supervisory or executive, or which involves essential skills. Investors are business persons seeking to develop and direct the operations of an enterprise in which they have invested, or are actively in the process of investing, a substantial amount of capital.

Taxation

The tax situation of Canadian professionals and business executives working in Mexico depends on their individual residency status, and the residency status of the organization from which they

receive income. When you leave Canada, you need to determine your residency status for Canadian income tax purposes. This affects how you file your Canadian income tax return and the types of income you have to report. Your residency status depends on such things as the purpose and permanence of your stay in Mexico, your residential ties with Canada, and the length and regularity of your visits to Canada. If you have not severed your residential ties with Canada, you will be considered a factual resident of Canada while living or travelling outside of Canada, and you will be taxable in Canada on your world income. For assistance in determining residency status, or filing a Canadian income tax return, you should contact the International Tax Services Office of Revenue Canada. (See the Where to Get Help section for information on how to contact the International Tax Services Office).

Employees rendering services temporarily in Mexico, for no more than 183 days in a 12-month period, are considered non-residents. They are exempt from Mexican personal income taxes on income from an employer that does not have a permanent establishment in the country. If a company has a permanent

**Could you wait for
me a moment?**

**¿Puede esperar un
momento?**