

MexicoInsight

Concise guides to living, working and retiring in Mexico

Guide to Working and Self Employment in Mexico

About Mexico Insight Guides

Mexico Insight is a series of concise guides on topics related to living, working and retirement in Mexico, published by Mexperience.com. They are written by people who are expert in their field and who know Mexico intimately.

MexicoInsight: Guide to Working and Self Employment in Mexico 2nd Edition

Written by Mexperience. © 2013 Mexperience Ltd. All rights reserved.

Marketed and Distributed by Mexperience.com.

Disclaimer

This guide has been published for general guidance and information. We endeavor to ensure that the information we publish is accurate and up-to-date, however; laws and situations change, often with little or no notice. You should take professional advice before entering into any contract or formal agreement. This guide does not constitute personal, professional or financial advice to its readers.

Table of Contents

Foreword.....	5
PART ONE: WORKING IN MEXICO	6
An overview for foreign job-seekers in Mexico	6
Foreigners Working in Mexico	7
Using Your Qualifications in Mexico	8
Use of Professional Titles in Mexico	8
Authentication of Your Professional Qualifications	8
Recruitment Agencies in Mexico.....	9
Seasonal and Casual Work in Mexico	10
Teaching, Translating and Interpreting in Mexico	11
Teaching in Mexico.....	11
Translation Work in Mexico.....	11
Interpreting Work in Mexico	12
Voluntary Work in Mexico	13
Employment Conditions in Mexico	13
Salaries in Mexico.....	13
Employee Profit Sharing in Mexico.....	14
The Aguinaldo in Mexico.....	14
Other Bonuses	14
Working Hours in Mexico	15
Holidays and Paid Time Off (PTO) in Mexico.....	15
Pensions and Insurance.....	16
PART TWO: SELF EMPLOYMENT IN MEXICO	17
Introduction to Self-Employment in Mexico.....	17
Types of Business Foreigners Run in Mexico	18
The Importance of Being Incorporated	18
Being Employed by Your Own Foreign Company.....	19
High Risk Businesses in Mexico	20
About Setting-up a Corporation in Mexico	21
Your Mexican RFC	21

Electronic Invoicing	21
The Role of the Notary Public	22
Company Reporting and Administration	22
Dealing with Mexican Banks	23
Business Overheads in Mexico.....	23
Employment Law in Mexico	24
Key Success Factors for Self Employment in Mexico.....	25

Foreword

While many foreigners moving to Mexico are doing so to retire, increasing numbers of working-age professionals are seeking to leave their home country and find a life abroad. One of the perceived obstacles to moving to Mexico is earning a living here; however, modern technology and flexible working practices make working in Mexico more viable than ever for people with transferable skills and who are willing to exercise those skills working abroad.

Hunting for employment in Mexico remains a challenge, especially for foreign nationals. Every year, thousands of foreigners come to Mexico seeking work, ranging from, at the lowest level, informal and part-time work to, at the highest level, qualified, sponsored professionals and executives arriving in Mexico to peddle their expertise in a pre-defined field.

PART ONE of this guide is written to explain the job market and landscape in Mexico, how to go about seeking employment, and what to expect from the working environment here, as the culture and working ways are different to, for example, the U.S. and Europe—even if you are working for an American or European company.

PART TWO of this guide gives you a complete overview about being self-employed or starting your own business in Mexico. With the job market tight and work visas harder to come by, increasing numbers of people are exploring the routes to self-employment here, and for those working in the ‘knowledge economy’, opportunities are abundant and increasing numbers of knowledge professionals are working flexibly from abroad, part-time or full-time. This guide explains how to go about doing that, and what you need to consider on your journey to an independent working lifestyle in Mexico.

PART ONE: WORKING IN MEXICO

An overview for foreign job-seekers in Mexico

Mexico has a thriving, diverse, economy which is heavily dependent upon oil, foreign-currency remissions from Mexicans working in the USA, and tourism. Read the annually-updated facts and figures page to find [key economic indicators for Mexico](#) on Mexperience.com.

Mexico's over-dependence upon oil revenue goes back decades. Up until the early 1990's, Mexico operated a *de facto* protectionist economy; it was difficult to invest, start a business or take profits without a Mexican partner or associate and, even then, foreigners could only hold a minority share of the equity.

The administration led by president Miguel de la Madrid, in the early 1980's, began to open up certain parts of Mexico's economy, although it was not until the administration headed by the next president, Carlos Salinas de Gortari, leading a cabinet made up principally of Harvard-educated technocrats, which began to make significant moves towards opening up Mexico's economy to foreign investment. Salinas' administration signed the [NAFTA](#) (wiki) agreement and, despite a severe economic crisis in the mid 90's, the next president, Ernesto Zedillo Ponce de Leon, continued with macro-economic reforms which led Mexico and its economy further away from its protectionist past.

As Mexico's proven oil reserves begin to dwindle, Mexico's current administration, led by Enrique Peña Nieto who took office in December 2012, has begun its six-year term by launching a series of programs and initiatives intended to wean Mexico's prosperity away from so much oil dependency and diversify its economy. Mexico's previous president, Felipe Calderon, made similar moves but the results were limited. Mr Peña Nieto's team appears resolved to tackle the major issues around key infrastructure and competition, especially in regard to communications, banking, energy, and transport. Time will tell how his administration fares.

What is clear is that Mexico is not going back to its protectionist roots, and successive administrations appear determined to prepare the country to harness its potential as the twenty-first century begins to unfold in earnest.

The continued opening-up of Mexico's economy is creating a surge in demand for knowledge and experience, especially in engineering, communication and technical fields. Companies who are investing in Mexico need talent—hired locally and from overseas—to enable them to grow and expand their operations here. This part of the guide explains the working landscape, how to find opportunities, and what to expect when you are working for companies in Mexico.

PART TWO: SELF EMPLOYMENT IN MEXICO

Introduction to Self-Employment in Mexico

Increasing numbers of “knowledge workers” are already working independently, on a self-employed basis, in their home country. The work they do is often undertaken from home-based offices, connected to the internet with extensive use of email, audio and video conferencing.

As communications technology has made knowledge work portable, people doing this kind of work are beginning to explore their options in regard to geographical location, including relocating to Mexico full time, or working here part-time—for example, during the colder winter months.

Mexico offers a number of attractions for knowledge workers. The country has a good transport and communications infrastructure, which makes getting to, from and around Mexico viable, and the telephone network is sufficiently developed so as to be reliable, with high-speed internet connections available in most towns and cities, and WiFi connections a ubiquitous service in public places including coffee shops, malls, airports, hotels, and even some public parks. Mexico has a good year-round climate; it’s close the U.S. and Canada and time zones are similar; basic living costs are lower, and there is also scope to develop new business in Mexico, as the country needs technical talent and expertise to develop its economic potential.

For those who seek to set-up a ‘bricks and mortar’; business in Mexico—for example a B&B, an art gallery, café or restaurant, etc. opportunities do exist, although caution is advised to undertake sufficient research and be well capitalized before entering into these sorts of ventures. The guide explains more about high-risk businesses and how to mitigate the risks. The good news is that it’s much easier to *open* a company in Mexico today than it has ever been. Mexico’s government has also simplified the procedures for *operating* a company, although note that some bureaucracy remains. Once you are incorporated in Mexico, there are various regulations that you’ll need to comply with; most small businesses hire the services of an accountant to take care of the paperwork and filings.

Whether you plan to work in Mexico full-time or part-time, operate a soloprenuer knowledge business, a physical business (or both), this guide explains the landscape and highlights key things you need to consider as you begin your journey of self-employment as a foreigner living in Mexico.

MexicoInsight

Concise guides to living, working and retiring in Mexico

Thank You for Previewing
this **MexicoInsight** Guide!

[Click here to purchase the complete version on Mexperience.com](#)