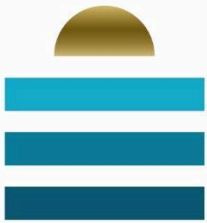


**ZION DEVELOPMENTS**  
BUILDING THE FUTURE

In Zion Developments company we know that as a foreigner, so that you can buy a real estate in Mexico when the property is near the coasts or borders you must to set up a Mexican company.

A Mexican company has the following characteristics:

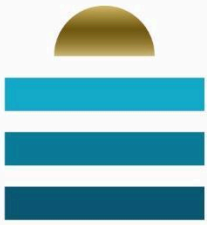
1. It is incorporated only when the buyer has commercial speculation purposes, which of course includes the acquisition of a property.
2. It must be granted by a mexican public notary or a public correduria.
3. To transfer the real estate it will be necessary to carry out a notarial agreement (either for contracts of sale, capital contributions of real estate, donations, public auctions, etc.)
4. A power of attorney can be used to establish a partnership.
5. To establish a company you need at least two people.
6. The company will have possession and ownership of the real estate. The partners will have control of the company.
7. The obligations of the partners of the Mexican company or their legal representatives are to obtain the company's tax identification number and register it with the National Registry of Foreign Investments.
8. It is mandatory to register a company in the Public Registry of Commerce.
9. The company must hire the accounting and tax professional services
10. The address of the public accountant, or that of the real estate property, can be registered as a tax domicile.
11. The public accountant will file monthly tax returns and an annual report before the Ministry of Finance and Public Credit (SHCP).
12. The Mexican company is subject to being audited by the Ministry of Finance and Public Credit (SHCP).
13. US citizens will have to report their incorporation into a Mexican corporation to the US Department of the Treasury.
14. If the company is active, the accountant will charge a fixed fee based on the time spent on accounting for the company.
15. In case of the death of one of the partners, the testament will have to be legalized in Mexico. In some cases, the company will have to be dissolved and liquidated, selling the real estate property to be transferred to the creditors or the heirs.



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16. The Mexican company can acquire as many properties as it wishes. The costs would consist solely of the purchase agreement.
17. If the company transfers the real estate property, its partners will continue to be subject to the aforementioned tax obligations, regardless of whether they have assets or not.
18. Real estate transfers could be subject to VAT, if the property transferred for commercial purposes.
19. The company can transfer 100% of the shares to the buyers. This transfer includes all inventory and assets of the company (including real estate).
20. When a company is transferred, the tax rate is 25% on the value of the shares, regardless of whether there is any profit or not.
21. Only the registration and notary fee will be charged for the issuance of powers of attorney, mortgages, etc.
22. The highest authority of Mexican society is the General Assembly of Shareholders. There are some decisions that must be notarized and registered in the Public Registry of Property or Commerce.
23. The company is subject to the annual payment of property tax (PREDIAL)
24. Deductions. In order to deduct expenses, a business bank account must be opened in the name of the company. All payments over \$ 2,000.00 pesos have to be made through checks or transfers and an official invoice must be obtained from the provider, the person or entity that is providing the service.
25. Deductions. All payments under \$ 2,000.00 pesos can be paid in cash. However, it is still mandatory to obtain the official invoice from the provider, the person or entity that is providing the service, and the cash expense must be reimbursed by withdrawing the amount of said expense from the business account.
26. All improvements made to real estate must be paid for from the business bank account.



**ZION DEVELOPMENTS**  
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In Zion Developments Company we offer you our professional consulting services to set up a Mexican Company that include:

**I CONSTITUTION OF THE LEGAL PERSON** composed of:

1. Obtaining the company name authorized by the Ministry of Economy
2. Obtaining the Constitutive Act of the Mexican company before an authorized Notary Public
3. Registration of the Constitutive Act in the Public Registry of Property and Commerce
4. Registration of the company in the National Registry of Foreign Investments

**II LEGAL AND ADMINISTRATIVE REPRESENTATION OF THE MEXICAN CORPORATION FOR DUE DILIGENCE BEFORE THE MEXICAN AUTHORITIES** composed of:

1. Power of attorney necessary to carry out the following procedures:
  - a) Generation of the RFC (Federal Taxpayer Registry)
  - b) Proof of tax situation.
  - c) Electronic signature.
  - d) Opening of bank accounts.
2. Preparation of all types of contracts related to property

**III MONTHLY TAX SERVICES** Consisting of:

Tax Compliance in the Tax Administration Service (SAT):

1. Monthly statements
2. Annual declaration

If you are interested in our services, we appreciate you contacting us. It will be a pleasure to serve you.

We invite you to consult our page to learn more about our company, our services and our work team. [www.zionmexico.com](http://www.zionmexico.com)