

Outsourcing: Mexico

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A Q&A guide to outsourcing in Mexico.

This Q&A guide gives a high-level overview of legal and regulatory requirements on different types of outsourcing; commonly used legal structures; procurement processes; and formalities required for transferring or leasing assets. The article also contains a guide to transferring employees; structuring employee arrangements (including any notice, information and consultation obligations); and calculating redundancy pay. It also covers data protection issues; customer remedies and protections; and the tax issues arising on an outsourcing.

For a full list of recommended outsourcing law firms and lawyers in Mexico, please visit *PLC Which lawyer?*

To compare answers across multiple jurisdictions, visit the *Outsourcing Country Q&A tool*. This article is part of the PLC multi-jurisdictional guide to outsourcing. For a full list of contents, please visit www.practicallaw.com/outsourcing-mjg.

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Regulation and requirements

National regulations

1. To what extent does national law specifically regulate outsourcing transactions?

Outsourcing is not specifically regulated. The Federal Labour Law and the Social Security Law provide that where a customer subcontracts to another company which sends its own staff to fulfill the contract, the customer becomes the beneficiary of the services and is jointly liable on a breach committed by the supplier. Generally the contract provides that the supplier must reimburse the customer for any amount paid out, including any possible amount awarded by the court (*see Question 35*).

The Labour Law and the Social Security Law are both federal laws that apply throughout the country. An outsourcing contract is considered a civil contract and each state has its own civil code that applies. However, outsourcing contracts are similar in any state of Mexico, since the fundamental laws are federal.

Currently, the Mexican Congress is discussing a Bill reforming the Federal Labour Law, in order to specifically regulate outsourcing for employment purposes. If approved, such new rules will consider both the customer and the services provider as employers for all purposes of the Federal Labour Law.

2. What additional regulations may be relevant for the following types of outsourcing?

Financial services

There are no special regulations (*see Question 1*).

Business process

There are no special regulations (*see Question 1*).

IT

There are no special regulations (*see Question 1*).

Telecommunications

There are no special regulations (*see Question 1*).

Public sector

Generally, the same rules apply. However, the Social Security Law does not apply to the federal government sector, which has its own social security system and regulations (*Article 15-A, Social Security Law*).

Other

There are no additional regulations for particular sectors that are relevant. The most common services for which outsourcing is used are cleaning personnel, private security, employees in general, and so on.

3. What further legal or regulatory requirements (formal or informal) are there concerning outsourcing in any industry sector?

Outsourcing is mostly used for subcontracting employees, which can result in joint liability between both companies and the employees (*see Question 1*). Therefore, best practice is for the customer to continue overseeing that the supplier has completely and correctly fulfilled its obligations as an employer.

Moreover, the Bill being debated in the Mexican Congress, if approved, will require that the contract be written and the client must constantly verify that the services provider is in compliance with all its legal obligations as an employer.

Due diligence

There is no legal obligation to perform due diligence on the supplier, however, to avoid liability and ensure the supplier complies in case of a claim (that is, a labour proceeding filed by any assigned employee against the customer or supplier) the customer that, at a minimum, the services that the supplier offers are:

Carried out by employees assigned and contracted by them for those purposes.

Carried out in the domicile of the customer only if it is necessary.

The customer should also ensure that the supplier is:

Independent and executes the services with sufficient resources of their own to comply with their labour obligations to their employees.

Has been in business for some time and is known in the market.

Is registered in the Federal Taxpayers Registry.

Has a domicile where they conduct their business.

Provides services to different companies or clients (it is advisable to request information on the supplier from other clients).

Registered as an employer with the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social*) (IMSS) and the Institute of National Workers' Housing Fund (*Instituto Nacional para el Fomento de la Vivienda de los Trabajadores*) (INFONAVIT).

Comply with their obligations as employers to their employees and have executed individual employment agreements with each of their employees, in which it is indicated as the employer.

Has been up-to-date regarding withholdings, payments, fees, income tax payments, payments to the IMSS and the INFONAVIT, and deposits with the Retirement Savings System (*Sistema de Ahorro para el Retiro*) (SAR) in relation to their employees.

Service contract

The contracting of a supplier should be documented by executing a service agreement that should contain, among other things:

Representations and warranties by the supplier, to give the customer a real warranty in case of breach or a claim filed by one of its employees against the customer (*see Question 25*).

A clause that adequately justifies the need for the service or services being contracted.

A clause clearly indicating that payment to the supplier for the services provided is solely by way of a fee, excluding any other type of payment such as salaries, benefits, or social security payments. It is very common for these types of agreements to mistakenly include provisions establishing an indirect economic dependency between the customer and the employees assigned to provide the service. Since economic dependence is one of the elements constituting

employment, in those cases it may be assumed that the supplier is a mere intermediary and that the customer is the real employer of the employees assigned to provide the services (see *Question 9*).

A clause in which the supplier assumes responsibility as employer of its employees and agrees to comply with all its labour obligations.

A clause in which the supplier:

releases the customer from any labour liability with respect to its employees;

agrees to hold the customer safe from harm from any dispute;

agrees to pay any expenses and fees that the customer may incur.

It is very important that the service agreement is carefully reviewed to avoid an employment relationship being presumed to exist between the employees of the supplier and the customer. It is very common for these contracts to suggest some type of subordination (work instructions, work schedule, and so on) between the customer and the employees of the supplier, which, together with economic dependence may constitute an employment relationship.

4. What requirements (formal or informal) are there for regulatory notification or approval of outsourcing transactions in any industry sector?

No approval of outsourcing transactions is required in Mexico. However, outsourcing companies must be registered with the authorities in the same way as any other legally incorporated company under Mexican laws.

The Federal Labour Law and Social Security Law establish joint and several liability between the customer and the supplier. In addition when employees are subcontracted, both companies must render quarterly reports to the IMSS with respect to the subcontracted employees (*Article 15A, Social Security Law*). The following information must be provided during the first 15 days of January, April, July, and October:

The contract's purpose and duration.

Profiles, positions, or categories, including if the contract involves operative, administrative, or professional employees.

A monthly estimate of the number of employees who will be made available to the beneficiary of the contracted services.

The name or company name of the customer and supplier.

Type of legal entity, if applicable.

Corporate purpose of the customer and supplier.

Corporate and tax address of the customer and supplier and, if applicable, address for purposes of the contract.

Federal Taxpayer Registry number and Employer Registry number with the IMSS.

Information from the incorporation documents of the customer and supplier, such as:

number of the public instrument;

date;

name of the notary public before whom it was certified;

number of the notary and the corresponding city;

section, entry, volume, page or commercial folio;

date of registration in the Public Registry of Property and Commerce (*Registro Público de la Propiedad y Comercio*) (RPPC) if applicable.

Name of legal representatives of the parties that signed the contract.

The fine for not complying with the provisions of Article 15A is equivalent to 20 to 350 times the daily minimum wage in force in the federal district, that is from MXN1,246.60 to MXN21,815.50 (*Articles 304A and 304B, Social Security Law*) (as at 1 February 2012, US\$1 was about MXN13).

Legal structures

5. What legal structures are commonly used in an outsourcing?

The most common use for outsourcing is for subcontracting employees by executing a service agreement between any company (customer) and the supplier with the purpose of not hiring the employees directly and reducing contingences and liabilities.

This is commonly called an employment outsourcing contract, or simply a services contract.

Description of structure. Generally, when a company does not wish to hire employees directly, it contracts a supplier to provide employees. The consideration charged by the supplier is the cost of the salary and benefits, including the tax and social security charges, plus an additional fee. It is agreed that the supplier is the sole employer of the subcontracted employees and it agrees to indemnify the customer. Another common use is when the customer wishes to evaluate employees before hiring them directly, since the Federal Labour Law does not permit hiring employees on a trial basis.

Advantages and disadvantages. The advantages of this structure are:

Controlling the profit sharing. Due to the fact that profit sharing is a mandatory benefit which employees are entitled to under Federal Labour Law, requiring the employer to grant the employees 10% of the effective profits earned in a fiscal year, the option of hiring employees through an outsourcing company may help the client to control profit sharing.

The parties can limit liabilities and contingences in case of any lawsuit filed by any employee of the outsourcing against both companies (customer and supplier) (*see Question 25*).

The parties can divide liabilities, on the basis that one is in charge of operating the business and the other (supplier) is only in charge of the employees.

The disadvantages include:

Subcontracting employees by outsourcing is more expensive than hiring them directly, because of the fees that the supplier charges to the customer for the services provided.

The customer faces the possibility of being considered jointly and severally liable along with the supplier for its employees (*see Question 1*).

Supplier models and/or partnerships and joint ventures are regulated differently and are not considered a type of outsourcing. This is because the customer has the employees and the assets necessary to perform the work. In contrast, in a pure outsourcing scenario, the owner of the assets and the party with the capital and profits is the customer and the supplier does not have assets, the supplier's only income is the fee it charges the customer for supplying the employees.

Procurement processes

6. What procurement processes are used to select a supplier of outsourced services?

Signing a services agreement is enough to establish an outsourcing transaction. No specific requirements such as request for proposal, invitation to tender, due diligence, and so on, are required by law.

Request for proposal

Outsourcing companies are requested to provide an economic proposal based on the needs of the customer. The proposal is prepared based on:

The amount of employees that will be subcontracted.

The level of the employees to be contracted.

The duration of the outsourcing contract.

The guarantees that will be given.

Invitation to tender

It is not common for customers to invite tenders. However, companies launch tender offers to evaluate the different proposals of various outsourcing companies and contract with the one that best fits their needs.

Due diligence

It is customary to verify the reputation of the supplier in the market in general, as well as its economic soundness, to guarantee compliance with its contractual obligations (*see Question 3, Due diligence*).

Negotiation

Commonly the payment terms of the contract and the form of payment are negotiated and on some occasions the fee charged by the supplier is negotiated.

Others

There are no other procurement processes that are commonly used.

Transferring or leasing assets

Formalities for transfer

7. What formalities are required to transfer assets on an outsourcing?

Outsourcing is primarily used in Mexico to subcontract employees, and therefore the transfer of assets between the customer and the supplier is not common, since the principal advantages of outsourcing would cease to exist (*see Question 5*).

It is not customary to transfer assets of the supplier. If assets are transferred, it is considered a traditional sale and purchase without specific formalities. In that case, it would be an independent operation and would not be relevant to the outsourcing contract.

8. What formalities are required to lease or license assets on an outsourcing?

See *Question 7*.

Transferring employees

Transfer by operation of law

9. In what circumstances (if any) are employees transferred by operation of law?

Initial outsourcing

Employees are not transferred by operation of law under the Federal Labour Law. Certain procedural rules apply where employees are employed on an outsourcing (see Questions 4 and 5).

Change of supplier

Outsourcing is carried out directly by the supplier.

Termination

Employees are not transferred by operation of law to the customer on termination. The customer may see advantages to hiring the employees directly (for example, to save outsourcing fees). If the customer wishes to terminate the services agreement with the supplier and hire the outsourcing employees directly, this can be achieved by either:

The supplier unilaterally terminating the labour relationship with the outsourcing employees in accordance with the Labour Law and indemnifying the employee under the terms established by law (see Question 11). After that, the customer may hire the employees under its own terms and labour conditions.

The supplier unilaterally terminates the labour relationship with the outsourcing employees and:

pays the proportional parts of benefits as of the date of the termination (not paying statutory severance indemnifications); and

re-hires the employees at least with the same benefits and labour conditions as they had with the supplier and recognising their seniority in their corresponding individual employment agreements.

10. If employees transfer by operation of law, what are the terms on which they do so?

There are no circumstances in which employees are transferred by operation of law under the Federal Labour Law (see Question 9, Termination).

Redundancy pay

11. How is redundancy pay calculated?

To unilaterally terminate the labour relationship with an employee without a legal cause in accordance with the Federal Labour Law, the employee must be indemnified by the company with:

Three months of salary (constitutional indemnification). This must be paid according to an integrated salary which consists of the daily wage plus most benefits in cash or kind given to the employee (although not all benefits), including the:

vacation premium;

year-end bonus (*aguinaldo*);

savings fund;

food vouchers;

commissions;

bonuses, and so on.

20 days of salary for each complete year of service rendered (calculated according to integrated salary (*see above*)).

Seniority bonus (paid on the basis of 12 days of salary for each year of service rendered on the proportional part of a year, with a maximum of double the minimum wage effective in the geographic area where the company is located).

Regardless of the statutory severance, the employer must pay the following payments as of the date of the termination:

The proportional part of the year-end bonus (*aguinaldo*) for the calendar year in which the termination of the employment relationship occurs. Employees are entitled to an annual bonus paid before 20 December of at least 15 days' salary (*Federal Labour Law*).

The vacation days owed for the last year of service rendered and the proportional part as of the date of termination of the employment relationship.

The vacation premium owed for the last year of service rendered and the proportional part as of the date of termination of the employment relationship. The worker is entitled to a bonus of at least 25% of the salary payable for the vacation period (*Federal Labour Law*).

The salary owed as of the date of termination of the employment relationship.

Other benefits given to the employee that have not been paid or covered as of the date of termination, such as, among others, savings fund, food vouchers, bonuses, and so on.

Harmonisation

12. To what extent can a transferee harmonise terms and conditions of transferring employees with those of its existing workforce?

When an employee is contracted originally through an outsourcing and subsequently transferred to work directly in the customer company, he is granted the same benefits that the company grants to the rest of its directly employed employees. However, there is no legal obligation for this and it is simply done to avoid internal conflict or discontent.

This may vary if there is a collective bargaining agreement (CBA) that applies to the employees of the company, since the CBA governs the relations and benefits among unionised employees under the same contract.

Dismissals**13. To what extent can dismissals be implemented before or after the outsourcing?**

No dismissals can be implemented before or after the outsourcing. Dismissals are not permitted in Mexico without a justified cause. Justified causes are limited to those specified in Article 47 of the Federal Labour Law. In the case of a claim by an employee, it must be fully evidenced that there was a justified cause to rescind the contract, which in practice is very hard to prove before the labour authorities who favour the protection of employees' rights. If the alleged justified cause is not proven, the employee must be indemnified in accordance with the Federal Labour Law (*see Question 11*).

National restrictions**14. To what extent can particular services only be performed by a local national trained in your jurisdiction?**

Every company must have at least 90% Mexican employees (*Article 7, Federal Labour Law*), meaning that they should be holders of Mexican citizenship. Doctors providing medical services in companies must be Mexican.

Secondment**15. In what circumstances (if any) can the parties structure the employee arrangements of an outsourcing as a secondment?**

To provide work outside of Mexico, the employer must pay an employee's expenses for (*Article 28, Federal Labour Law*):

Transportation.

Repatriation.

Transfer to the place of origin.

Food for the worker and his family.

Provided these provisions are complied with, it is possible to second an employee.

To avoid these onerous obligations, it is common to terminate the employment with the employee and for the foreign affiliate to employ him under the affiliate's terms and conditions. After the term of assignment, he returns to work for the Mexican company under the terms and conditions he had before (commonly recognising his seniority) to avoid harm to the employee's rights.

Information, notice and consultation obligations

16. What information must the transferor or the transferee provide to the other party in relation to any employees?

Certain information must be provided to the IMSS (see *Question 4*). It is commonly agreed that the parties bring each other services orders. These must contain (at least):

The type of employee required.

The length of time that the employee is required.

The amount of his monthly salary and benefits.

17. What are the notice, information and consultation obligations which arise for the transferor and the transferee in relation to employees or employees' representatives?

No party has any obligation concerning consultation with employees or employee representatives. However, sometimes it is advisable before the transfer to talk and explain the operation to the employees' representatives to obtain their approval and make the operation as smooth as possible.

Data protection

18. What legal or regulatory requirements and issues may arise on an outsourcing concerning data protection?

Data protection and data security

General requirements. On 5 July 2010 the Federal Law for Protection of the Personal Data in Possession of Private Parties was published and entered into force. It provides that every private party who collects and obtains personal data from another for any type of legal relationship, must guarantee the confidentiality of the data and not use it for any purpose other than the legal relationship. This also applies to the contracting parties to an outsourcing agreement.

Mechanisms to ensure compliance. This data protection is itemised (generally) by including a data protection clause in the agreements. This clause mainly guarantees that the other party will not at any time disclose any private or confidential information of the other party.

Banking secrecy

General requirements. Credit institutions must maintain confidentiality of all its costumers' financial operations (*Article 117, Credit Institutions Law*).

Mechanisms to ensure compliance. The Credit Institutions Law provides several mechanisms to ensure compliance with banking secrecy such as fines, administrative procedures, criminal liability, and so on.

Confidentiality of customer data

General requirements. In outsourcing agreements, confidentiality clauses cover the information that the customer gives to the supplier. Certain information will be necessary to carry out the work for which the supplier is responsible, as well as with respect to its own employees.

This means that the supplier guarantees the confidentiality of the information obtained from its employees, as well as the information that the customer will provide.

Mechanisms to ensure compliance. Where there is relevant confidential information, it is customary for the employees of the supplier to sign confidentiality agreements which include contract penalties in case of disclosure or unauthorised use of the information.

Service specification and levels

19. How is the services specification typically drawn up and by whom?

Generally, the parties agree to request the services by sending a services order specifying the type of service required and the suitable candidate wanted. Mainly the customer draws up the order and sends it to the supplier. This services order also allows for the determination of the corresponding fee that the supplier charges for the services to be provided.

20. How are the service levels and the service credits scheme typically dealt with in the contract documentation?

Due to the fact that outsourcing in Mexico is commonly used for hiring indirect employees, qualification of the supplier is not customary. It depends on the compliance of the terms and conditions of the services agreement.

Normally the payment is monthly once the supplier sends the invoice that meets the tax requirements and that corresponds to the applicable service order, and the customer pays in the form established in the contract within five or ten days from the receipt of the invoice.

Charging methods and key terms

21. What charging methods are commonly used on an outsourcing?

Generally, the contractual consideration consists of the cost the employees represent (salaries, benefits, tax and social security charges), plus an additional fee. This additional fee depends on the

number or type of employees subcontracted, whether the outsourcing contract is for a specific time period or indefinite, and so on. The fee varies from about 5% to 9% of cost. Additional costs can be contracted such as distribution, travel expenses, and so on, which normally is included in the service orders and commonly it is the customer who authorises these extra expenses.

22. What other key terms are used in relation to costs?

The parties in the outsourcing contract can determine any other form or key terms regarding costs, charge variations mechanisms and indexation, depending on the main object of the contract and the variety of services that can be rendered. It is common to establish different fees when the employees are outsourced for a specific time or for specific tasks.

Customer remedies and protections

23. If the supplier fails to perform its obligations, what remedies and relief are available to the customer under general law?

All remedies must be agreed in the contract. For example, the obligation of the supplier to hold the customer safe and harmless from any lawsuit, complaint or any kind of legal procedure filed by any employee of the supplier.

24. What customer protections are typically included in the contract documentation to supplement relief available under general law?

It is customary to include contractual remedies such as:

Generally, if the customer pays any indemnification to an employee of the supplier, the supplier must reimburse the amount (without limit), as well as any additional expense it may have incurred, including lawyers' fees, and so on.

To grant guarantees (such as bonds or mortgages).

The customer is given the right to supervise the supplier's compliance with the obligations that it has as employer. If any breach is discovered, the customer may cancel the contract without liability and contract penalties can be agreed for breach of any contract clause.

The customer has the right to oversee and supervise the supplier's compliance with its labour, tax and social security obligations. This ensures that the supplier is complying with all its obligations to its employees (*see Question 4*).

Warranties and indemnities

25. What warranties and/or indemnities are typically included in the contract documentation?

Generally the parties agree that the supplier must reimburse (without limit) any amount of money that the customer must pay out. In addition, security interests over real or personal property such as mortgages, bonds, pledges, and so on, can be requested and attached to create certainty on the ability to collect on a breach.

26. What limitations are imposed by national law on fitness for purpose and quality of service warranties?

There are no limitations imposed by law on fitness for purpose and quality of service warranties.

27. What provisions may be included in the contractual documentation to protect the customer or supplier regarding any liabilities and obligations arising in connection with outsourcing?

It is agreed that the supplier is solely liable for its employees and they are not considered employees of the customer. However, since the law provides that both parties to the outsourcing agreement will be considered jointly and severally liable to the employees, protection and/or guarantee clauses are also included (*see Question 1*).

Insurance**28. What types of insurance are available in your jurisdiction concerning outsourcing, and to what extent are they available?**

There might be insurance available for covering outsourcing contract liabilities, however they are not customary. On the other hand, the most popular type of guarantee is to contract a suretyship for guaranteeing the obligation of the supplier to hold the customer safe and harmless from any lawsuit, complaint or any kind of legal procedure filed by any employee of the supplier, namely to pay back any damages and lost profits.

Term and notice period**29. Does national law impose any maximum or minimum term on an outsourcing? If so, can the parties vary this by agreement?**

There is no maximum or minimum term on an outsourcing. It can be agreed by the parties to be for a determined period of time or indefinite.

30. Does national law regulate the length of notice period required (maximum or minimum)? If so, can the parties vary this by agreement?

There are no legal provisions that mandatorily regulate the length of a notice period; its length is agreed by the parties in the outsourcing agreement.

Termination and termination consequences

Events justifying termination

31. What events justify termination of an outsourcing without giving rise to a claim in damages against the terminating party?

Fundamental breach

Justified causes for termination can be agreed by the parties. These causes commonly include that the customer may cancel the contract if the supplier:

Does not comply with its obligations as employer.

Does not render the quarterly reports required by the Social Security Law (*see Question 4*).

Early terminations with or without liability for the parties can be agreed to, provided advance notice is given as stipulated in the contract.

Insolvency events

The insolvency of one of the parties is commonly agreed as a cause of termination of the outsourcing contract. In addition it is customary to agree that any of the parties can (unilaterally) terminate the contract with a written communication to the other party 30 days in advance.

Other

32. In what circumstances can the parties exclude or agree additional termination rights?

As an outsourcing agreement is a civil contract, additional conditions for termination can be freely agreed by the parties. Sometimes the assignment of rights is prohibited, however, the parties are free to agree to it depending on their needs.

IP rights and know-how post-termination

33. What implied rights are there for the supplier to continue to use licensed IP rights post-termination? To what extent can the parties exclude or include these by agreement?

In the outsourcing agreement it is common that intellectual property rights are and continue to be held by the customer even when the contractual relationship is terminated. Generally the supplier only provides the employees to carry out work in the customer's domicile.

34. To what extent can the customer gain access to the supplier's know-how post-termination and what use can it make of it?

In reality there is no know-how of the outsourcing that is not known by the customer, since it must comply with the labour and social security obligations established in law. The supplier, under the contract must return all confidential information that it has obtained from the commercial relationship with the customer.

Customer access to supplier's know-how post-termination is not an issue normally addressed.

Liability, exclusions and caps

35. What liability can be excluded?

Generally it is good practice to exclude any possible liability and the supplier must hold the customer harmless from any actual or future liability before the outsourced employees (this is the main purpose of outsourcing in Mexico (*see Question 5*)).

36. Are the parties free to agree a cap on liability? If so, how is this usually fixed?

The parties are free to agree on any cap on liability. However, it is usually agreed that it is the obligation of the supplier to hold the customer harmless for any reason without any cap. In practice it is very complicated to agree on a liability cap. This is due to the fact that labour claims are commonly difficult to calculate since in losing the trial, the employer will have to pay the wages accrued from the date of the dismissal to the date the judgment is satisfied, so the potential risks are not measurable.

Tax

37. What are the main tax issues that arise on an outsourcing?

Transfers of assets to the supplier

If the supplier purchases assets from the customer for less than the assets' fair market value, the tax authorities may modify the taxable profit or tax loss according to the assets' actual value.

However, the transfer of assets from a customer to a supplier does not regularly occur in outsourcing agreements (*see Question 7*).

Transfers of employees to the supplier

If employees are transferred to a supplier, social security provisions establish certain regulations to protect the employee, such as joint responsibility of the customer and supplier to pay salaries and benefits. However, the supplier is responsible generally for withholding and paying other local taxes, such as the local payroll tax.

VAT or sales tax

VAT applies to all individuals and entities engaging in Mexico in:

Alienation of assets.

Independent services.

Grant of the temporary use or advantage of assets.

Import of goods or services.

This kind of tax applies to outsourcing services and must be paid by the individuals or entities receiving the services through an express and separate transfer of said tax (as provided by law), by the taxpayers, at a tax rate of 16%.

It is important to note that when the acts or activities on which this tax is payable are undertaken by residents of the border region and material delivery of the assets or the rendering of the services takes place in such region, the tax is calculated by applying a rate of 11% instead of the general tax rate of 16%.

However, VAT on alienation of immovable property in the border region is applied at 16%.

Service taxes

There is a Federal Special Tax on Production and Services (*Impuesto Especial Sobre Producción y Servicios*) which taxes the import and alienation of certain specific goods in Mexican territory. The provision of certain services is also taxed as long as the sale of the goods is procured through them.

Stamp duty

Mexico does not have stamp tax.

Corporation tax

No corporation tax as such exists in Mexico. Entities are generally subject to income tax under the Income Tax Law.

Jurisdiction	What industry sectors require regulatory notification or approval of outsourcing transactions?	What are the time limits for notification/applications for approval?
Mexico	There are no specific outsourcing regulations.	Not applicable.

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Areas of practice. Labour consulting; labour litigation; social security; tax consulting and tax litigation.

Recent transactions

Involved for more than 23 years in labour and social security matters and actively participating in forums and seminars on these topics.

Advising foreign private entities and individuals with substantial shareholdings in Mexican corporations on major restructurings.

Representing national and foreign entities before the labour and social security authorities.

Legal advice in any labour or social security matter.

Participation in due diligence on mergers and acquisitions, evaluating the relevant labour and social security matters

Resource information

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Products: Outsourcing multi-jurisdictional guide, PLC Cross-border, PLC UK Commercial, PLC UK Corporate, PLC UK Financial Services, PLC UK IPIT & Communications, PLC UK Law Department, PLC UK Public Sector, PLC US Commercial, PLC US Intellectual Property & Technology, PLC US Law Department

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