

BUYING

*as a mexican when
one of the buyers
has a dual citizenship*



SOMETIMES WHEN A COUPLE OR TWO PEOPLE ARE BUYING A PROPERTY ONE OF THEM HAS A DUAL CITIZENSHIP (AND ONE OF THOSE CITIZENSHIPS BEING MEXICAN) AND THE QUESTION THAT ARISES IS: SHOULD I BUY THE PROPERTY IN THE MEXICAN PERSON'S NAME AND NOT CREATE A TRUST? WHAT ARE THE ADVANTAGES AND DISADVANTAGES?



You must consider that the person appearing on the deed will be the one making the decisions, therefore that person would be the one who can sell the property.



The Mexican national can designate anybody as the beneficiary in case the property is located in Jalisco, since Jalisco civil law is one of the few states in our country that allow this



ADVANTAGES

- You save the trust fee of \$450 USD plus tax (\$522 USD) per year.
- You can have a much faster closing if the seller is Mexican as well.



DISADVANTAGES

- The solely owner is the Mexican person
- When you sell you can apply the exemption allowed to individuals on capital gains only to one person vs if there are two people in the deed and they meet the requirements for exemption, they both can apply to that right doubling your ease on capital gains.

WE STRONGLY RECOMMEND USING THE TRUST JUST BECAUSE IS EASIER TO MANAGE AND EASY TO MANAGE SUCCESSION AS WELL.

IF YOU HAVE DECIDED TO BUY THE PROPERTY IN THE MEXICAN NATIONAL'S NAME, JUST REMEMBER WE WILL NEED A VALID PHOTO MEXICAN ID.

BUYING

*an foreign individual/
corporation vs buying as
a mexican corporation.*



IF YOU DON'T LIKE THE TRUST OR DON'T WANT TO PUT THE PROPERTY IN A TRUST AND YOU ARE CONSIDERING THE OPTION OF CREATING A MEXICAN LLC THAT WOULD BUY THE PROPERTY. THIS ALSO HAS PROS AND CONS.



ADVANTAGES

- You save the trust fee of \$450 USD plus tax (\$522 USD) per year.
- You can have a much faster closing if the seller is Mexican as well because there is no banks involved
- If you are going to use the property as a rental and you will hire employees, they can be hired by the same company. (we strongly recommend that if you choose this option of acquiring the property you should hire an accountant)



DISADVANTAGES

- When you sell your Capital gains will be calculated on the 35% of the net gain since corporations do not enjoy of the benefits granted to individuals in terms of exempting when selling their place of residency.
- With the recent changes in fiscal laws is getting really complicated to get the tax number for corporations thought we think this will be not permanent is quite a hassle right now.
- If you are not a resident of the country, you will need a person that has a tax number RFC to be involved in the company because this is the person that needs to represent you before the fiscal authorities until you get a tax number (RFC) this person can be a part of the corporation with a very small percentage or just the legal representative.