

Mexico City, August 6, 2024

Decree to encourage investment in Progreso and Merida, Yucatan Welfare Industrial Poles

On June 28, 2024, a Decree signed by President Andres Manuel Lopez Obrador was published in the Official Gazette of the Federation to encourage investment in the Industrial Poles of Wellbeing Progreso and Merida, Yucatan.

This decree is part of the National Development Plan 2019-2024, with the objective of reactivating the economy, strengthening the domestic market and creating employment in a region with high rates of poverty and labor informality.

Taxpayers operating in the Welfare Industrial Poles will receive tax benefits and administrative facilities. The requirements include being up to date with tax obligations, having documents that allow the use of the poles' land, presenting investment projects, and having a tax domicile in the poles.

The activities that qualify for these benefits include sectors such as electrical and electronics, semiconductors, automotive, medical devices, pharmaceuticals, agribusiness, clean energy, machinery, information technology and petrochemicals.

The tax incentive consists of a tax credit of 100% of the income tax for the first three years, and 50% in the following three years, with the possibility of an increase to 90% if the minimum employment levels are exceeded. It also allows an immediate deduction of 100% of investments in new fixed assets for six years.

The decree seeks to attract investment and strengthen the productive capacities of Yucatan, promoting its economic competitiveness and welfare. An economic reactivation is expected in Progreso and Merida, with new investments and jobs that will improve living conditions in the region.

ECIJA México

socios.mexico@ecija.com

+52 55 5662 6840

www.ecija.com