

## a) Signature process of the FDD and Franchise

It is recommended to complete the following process when signing a franchise agreement:

1. **The FDD should be completed and signed by the franchisee.** Pursuant to Mexican law, the FDD must be delivered by the franchisor to its prospective franchisee at least 30 business days prior to the date of execution of the relevant franchise agreement. Said period must be calculated using the calendar of non-business days published by the IMPI.
2. Complete the franchise agreement, **its exhibits and a summarized version** of the franchise agreement, including the special POA to be granted to the persons that will register it before the IMPI.
3. If the franchisor chooses to do so, it should request the franchisee to make its principal owners sign an assumption of joint obligation agreement (Mexican personal guaranty), in order for them to **guarantee compliance of franchisee of its obligations for the benefit of the franchisor.**
4. Once the definitive version of the franchise agreement is agreed by the parties, **they should sign at least two counterparts of it and its exhibits.**
5. Once the final version is agreed, **the franchisee should deliver** franchisor two counterparts of the summarized version of the franchise agreement and the applicable POA.
6. If franchisor decides it would like to register franchisee as an authorized user of the licensed trademarks in the IMPI, franchisor should then send the person that will register the agreement the original executed counterparts of the summarized version of the franchise agreement and of the applicable POA, so they can **proceed with their registration with the IMPI.**

Obtaining the necessary documentation from the franchisee and following the above-described process may avoid facing problems if for any reason a controversy between the parties arises in the future.

## b) Requesting corporate document of franchisee.

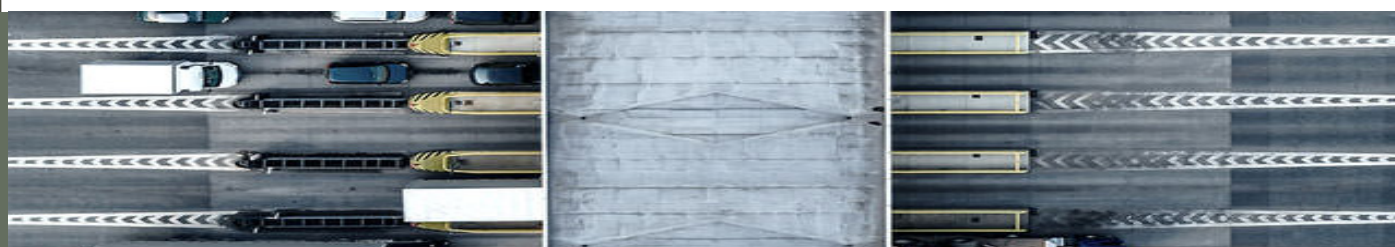
Before signing a franchise agreement, it is extremely important for a franchisor to obtain from its prospective franchisee copies of the following documents:

1. Copy of the deed of incorporation of the company.
2. Copy of the public deed containing the current by-laws of the Mexican company which will be the franchisee/licensee.
3. Copy of the public deed containing the powers of attorney and authority granted by the Mexican company which will be the franchisee/licensee in favor of its legal representative.
4. Copy of the official ID of the legal representative of the franchisee/licensee.
5. Copy of the Federal Taxpayers Registry of the franchisee/licensee.
6. Copy of the evidence of tax situation of the franchisee/licensee.
7. Copy of the evidence of the address of the franchisee/licensee.

**The foregoing documents will allow the franchisor to verify the good standing of the prospective franchisee to enter into the franchise agreement**, and also to gather the necessary information to be reflected in the relevant franchise agreement, which may become important in the event of a controversy between the parties to the agreement.

## c) File the franchise summary at the IMPI.

Recording a franchise agreement is not mandatory, but is highly recommended to have a better position in case facing a non-use cancellation action **and for other legal purposes.** Finally, some government entities might request to the franchisee prove of the recordal.



Consult our Franchising and Licensing practice area [here](#).