



Mexico deadline for information returns extended/rules clarified

Mexico's tax authorities (SAT) published draft rules on 16 June 2015 that will extend and clarify provisions regarding information returns due on 30 June 2015. The new rules, including maquila-specific measures and measures that apply to certain other taxpayers, are awaiting publication in the official gazette.

Companies that qualify as maquiladoras are required to submit an annual information return in all cases. In addition, maquiladoras specifically must disclose the following: (1) if they carry out maquila operations under a "shelter" regime; (2) if they elected to apply the transfer pricing safe harbor; and (3) if they take the additional deduction for nonpayroll expenses (for previous coverage, see *World Tax Advisor*, 10 January 2014); a regulation issued in March 2015 indicated maquiladoras could comply with the disclosure requirement when they file their information returns on 30 June 2015. Because the SAT has not yet finalized the form to submit the information, the draft rules will extend the filing deadline to 31 December 2015.

The 2014 tax reform introduced an information return filing requirement (separate from the maquila information return), under which the following taxpayers must submit an annual return to the SAT by 30 June (this deadline has not been extended):

- Taxpayers that had taxable revenue in the previous year that exceeded MXN 644,599,005 or that are a publicly traded company;
- Taxpayers that elected to file a consolidated tax return;
- Taxpayer that are a Mexican permanent establishment of a foreign company; and
- Taxpayers that engaged in one or more transactions with a nonresident (whether or not a related party).

The draft rules provide that a taxpayer that engaged in one or more transactions with a nonresident will be able to elect not to file an information return if the total value of the taxpayer's combined transactions with nonresidents did not exceed MXN 30 million in the fiscal year and the taxpayer is not required to submit a return under any of the other criteria.

Taxpayers that cannot opt out of filing the information return because the value of their transactions exceeds the MXN 30 million threshold, but that are not otherwise required to file a return, have to provide information only on the following (rather than completing the full return):

- Derivative financial transactions with nonresidents;
- Permanent investments in nonresident subsidiaries and associated or affiliated entities;
- Partners or shareholders that hold shares or participations;
- Transactions with related or unrelated parties; and
- Information on related party transactions (including the transfer pricing method used).

Entities that elect to file the traditional statutory report issued by an independent Mexican CPA will not be required to file the information return.

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