

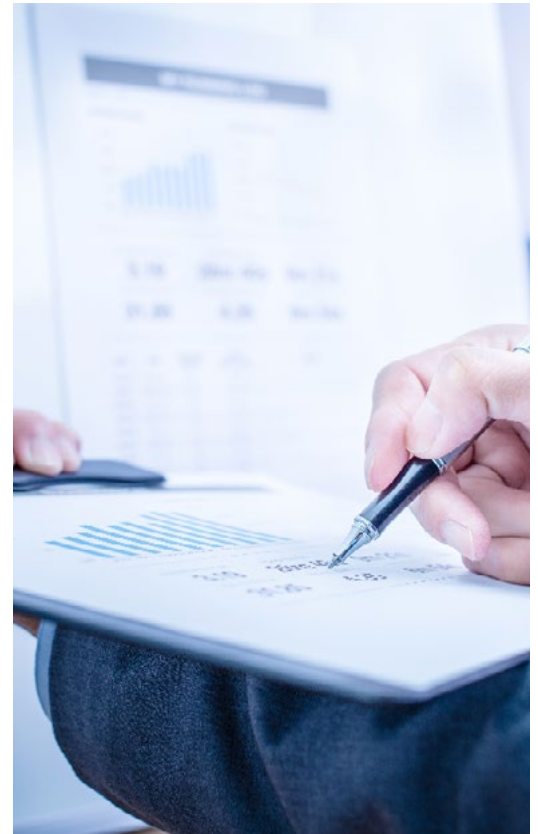
Tax Alert 2023 Fiscal Year-End Close

As usual, the year-end closing also brings with it many questions regarding whether the transactions that were made during the period fully complied with the criteria established in the current laws.

Therefore, it is necessary to perform a detailed analysis of any extraordinary transactions to ensure that they comply with the quantitative and qualitative requirements regulated in each of the current laws in the country. Following we detail some of the main tasks that each company should perform prior to the fiscal year close:

1. Review the economic substance (commercial benefit of the service) with respect to the activities between related companies.
2. Reconcile the income reported under the regulations of the Value Added Tax Law, as well as the Income Tax Law.
3. Comply with the obligations with third parties (e.g., withholdings).
4. Identify transactions between related parties and their reporting in the banking reconciliations stipulated by the Tax Administration.
5. Analyze the movement in profits of previous periods and the supporting documentation.
6. Review the expenses related to employee courtesies and their basis of application.
7. Validate the support for payments of bonuses based on productivity.

With the purpose of analyzing the trends in SAT's oversight and its approach in its reviews during 2023, we kindly invite you to attend our second date of the seminar "2023 fiscal year-end close and critical aspects to consider in 2024," which will be held on Thursday, November 30. In this seminar, we will address, among others, matters related to oversight criteria, actions implemented by the Tax Administration, main aspects in the recognition of revenue and deductibility of expenses, as well as critical transfer pricing matters in the fiscal year-end close.



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