

Mexico

Summary of CbC Reporting and Transfer Pricing Documentation Rules

For more detailed guidance and the latest updates, please see the [Bloomberg Tax BEPS Tracker](#).

Country-by Country Report

- Effective Date: Fiscal years beginning on or after January 1, 2016.
- Filing Threshold: Mexican multinational controlling entities with annual consolidated group revenue exceeding MXN 12 billion in the previous fiscal year.
- Local Filing: A Mexican entity may be required to provide the CbC report (within 120 working days) if the tax authorities cannot obtain the report from the parent entity of a foreign multinational group via an income tax treaty or exchange of information agreement.
- Information Reported: Generally consistent with OECD guidance.
- Language: Spanish.
- Forms/Filing Instructions (see Bloomberg Tax International Tax Forms database):
 - CbC Notification of Reporting Entity: No specific notification requirement; however, taxpayers must disclose in the Tax Situation Information Return (ISIF) or the statutory tax audit report (*dictamen fiscal*) if it is aware that the ultimate parent entity is required to file a CbC report.
 - CbC Report: Filed electronically via the portal within the Mexican Tax Authority (SAT) website.
- Deadline for Filing CbC Report: By December 31st of the following year.
- Penalties: Non-compliance may result in penalties ranging from MXN 154,800 to MXN 220,400 (amounts may be updated in future years), as well non-financial penalties including a prohibition on contracting with the Mexican public sector.
- Exchange of Information:
 - MCAA CbC - signed.
 - U.S. CAA CbC - signed.

For a schedule of CbC report and CbC notification deadlines (by country), please see [CbC Reporting Deadlines](#).

Master File

- Effective Date: Fiscal years beginning on or after January 1, 2016.
- Filing Threshold: Mexican resident entities with taxable revenue exceeding MXN 815,009,360 in the previous fiscal year (for fiscal year 2020 – amount may be updated in future years); or entities whose shares are listed on the stock exchange; or entities within the optional tax regime; or federal para-state entities; or permanent establishments of foreign entities in Mexico.
- Information Reported: Generally consistent with OECD guidance.
- Language: Spanish or English.
- Deadline for Submission: Generally, filed electronically by December 31st of the year following the relevant tax year (there are specific submission deadlines if there is a difference between the fiscal year of the group and that of the Mexican taxpayer).

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- Penalties: Non-compliance may result in penalties ranging from MXN 154,800 to MXN 220,400 (amounts may be updated in future years), as well non-financial penalties including a prohibition on contracting with the Mexican public sector.

Local File

- Effective Date: Fiscal years beginning on or after January 1, 2016.
- Filing Threshold: Mexican resident entities with taxable revenue exceeding MXN 815,009,360 in the previous fiscal year (for fiscal year 2020 – amount may be updated for future years); or entities whose shares are listed on the stock exchange; or entities within the optional tax regime; or federal para-state entities; or permanent establishments of foreign entities in Mexico. Taxpayers with maquila operations or an APA are exempt from the filing requirement.
- Information Reported: Generally consistent with OECD guidance, with additional requirements including disclosure of certain financial information for all the foreign related parties involved in the covered transactions with the Mexican taxpayer.
- Language: Spanish (English may be acceptable for intercompany agreements and the business descriptions of the comparable companies).
- Deadline for Submission: Filed electronically by December 31st of the year following the relevant tax year.
- Penalties: Non-compliance may result in penalties ranging from MXN 154,800 to MXN 220,400 (amounts may be updated in future years), as well non-financial penalties including a prohibition on contracting with the Mexican public sector.

Transfer Pricing Documentation

Mexican taxpayers with income exceeding (i) MXN 13 million or (ii) MXN 3 million for the provision of professional services in the prior fiscal year must prepare and maintain transfer pricing documentation to support compliance with the arm's length principle. Regardless of the thresholds, taxpayers with transactions with entities in low-tax jurisdictions or taxpayers that are contract or assignment holders under the Hydrocarbons Revenues Law (HRL) must also prepare and maintain documentation. Taxpayers must disclose in either the Tax Situation Information Return (ISIF) or the statutory tax audit report (*dictamen fiscal*) if contemporaneous transfer pricing documentation was prepared.

Transfer Pricing Disclosures

Taxpayers engaged in transactions with foreign related parties must file an Information Return on Related Party Transactions (i.e., Appendix 9 of the DIM or multiple informative declaration) which is generally due on the same day as the tax return.

If the taxpayer decides to present the statutory tax audit report (*dictamen fiscal*), the independent accountant must disclose compliance with the certain tax obligations, including transfer pricing obligations. Taxpayers who file an optional statutory tax audit report (*dictamen fiscal*) may also file their Information Return on Related Party Transactions along with it by July 15 of year following the relevant year.

As a result of the elimination of the obligation to file the *dictamen fiscal*, a Tax Situation Information Return (ISIF) was introduced for Mexican taxpayers to disclose tax compliance information, as well as information on related party transactions and the transfer pricing analysis. The ISIF is required of certain taxpayers and must be filed on the same day as its tax return.