

# Rödl & Partner

## KEY FUNCTION

Transfer Pricing Key Data Card Mexico 2022 / 2023



Your contact in Mexico

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## Mexican Transfer Pricing ("TP") reporting requirements

REQUIREMENT	APPLICATION SCOPE	DEADLINE	
Related party transaction disclosure forms: Annex 9 of Annual Statistical Return (DIM per its acronym in Spanish)	All companies and Permanent Establishments (PE's) that carry out transactions with domestic and foreign related parties.	May 15 <sup>th</sup> of the following year.	
BEPS TP DOCUMENTATION	<p><i>Master file:</i></p> <ul style="list-style-type: none"> <li>a) Organizational structure of the group to which the company belongs,</li> <li>b) Business description,</li> <li>c) Intangibles,</li> <li>d) Financial activities and</li> <li>e) Financial and tax position.</li> </ul>	<p>Mexican companies with income of at least 842,149,170 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents.</p>	December 31 <sup>st</sup> of the following year to the one to which they correspond.
	<p><i>Local file:</i></p> <ul style="list-style-type: none"> <li>a) Financial information of the local company and the comparable information used to determine that its transactions were carried out at arm's length principle,</li> <li>b) Organizational structure, strategic activities and intercompany transactions carried out by the local company.</li> </ul>	<p>Mexican companies with taxable income of at least 842,149,170 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents.</p>	May 15 <sup>th</sup> of the following year to the one to which they correspond.
	<p><i>Country-by-Country report (CbCR):</i></p> <ul style="list-style-type: none"> <li>a) Information about the group's global profit distribution and paid taxes,</li> <li>b) Economic activities localization and</li> <li>c) Entities members of the group.</li> </ul>	<p>Mexican companies with taxable income of at least 842,149,170 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents. In addition, it is only applicable when the company, besides falling within any of the previous assumptions, falls within one of the following 2 assumptions:</p> <ol style="list-style-type: none"> <li>1. To be a multinational holding company, which are the ones that fulfill the following requirements: <ul style="list-style-type: none"> <li>a) Be a Mexican resident.</li> <li>b) Have subsidiaries or PE's residing abroad.</li> <li>c) Are not subsidiaries of a company residing abroad.</li> <li>d) Have to prepare, file and disclose consolidated financial statements.</li> <li>e) Report in its consolidated financial statements, results of entities residing abroad.</li> <li>f) Obtain in the previous year a total amount of consolidated income equal or above of 12,000,000,000 MXN.</li> </ul> </li> <li>2. To be a Mexican resident company or a foreign resident with a PE in Mexico appointed by the multinational holding company residing abroad as responsible to file the country by country return.</li> </ol>	December 31 <sup>st</sup> of the following year to the one to which they correspond.

## Penalties for not fulfilling the reporting requirement

REPORTING TYPE	PENALTY
Related party transaction disclosure forms: Annex 9 of DIM	<ul style="list-style-type: none"><li>- From 86,050 MXN to 172,100 MXN</li><li>- High risk of being TP audited</li><li>- Possible rejection of deductions with related parties</li></ul>
BEPS TP documentation	<ul style="list-style-type: none"><li>- From 172,480 MXN to 245,570 MXN</li><li>- High risk of being TP audited</li><li>- Possible rejection of deductions with related parties</li></ul>

