

Global Tax Alert

News from EY Americas Tax

Mexican tax reform for 2020 enacted

EY Tax News Update: Global Edition

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Mexico enacted the final economic package (the Reform) through publication in the *Official Gazette* on 9 December 2019. President Lopez Obrador signed the Reform on 6 December 2019. Most of the Reform will be effective 1 January 2020, with exceptions for the digital services rules and certain rules on fiscally transparent entities, which have their own effective dates. For more information on the tax reform, see EY Global Tax Alert, [Mexican Congress passes tax reform for 2020](#), dated 5 November 2019.

The Reform has significant tax provisions that may affect multinationals operating in Mexico. Most of the changes are aimed at strengthening compliance with the existing tax structure and challenging base erosion and profit shifting (BEPS). Businesses should take a close look at financing structures and cross-border transactions with Mexican affiliates to avoid surprising results in the form of non-deductible payments or additional compliance obligations.

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