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Global Tax Alert

News from EY Americas Tax

Mexico's mandatory disclosure tax return site is now available

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On 26 January 2021, the Mexican tax authorities released the electronic form on their website for tax advisors and taxpayers to upload the informative tax return that is required for disclosing reportable arrangements. The format and process for filing the return was highly anticipated considering the 15 February 2021 due date. For more information on the mandatory disclosure rules (MDRs), see EY Global Tax Alerts, [Mexico: Taxpayers should be aware of Mexico's new reportable transaction obligation](#), dated 23 March 2020, and [Mexico's initial reporting due date for MDR obligations is fast approaching](#), dated 2 November 2020.

Additional information

To access the microsite to disclose reportable arrangements, taxpayers or tax advisors must have a tax identification number (RFC per its acronym in Spanish) and electronic signature (E-firma) or tax password.

Taxpayers or tax advisors must complete the electronic form and attach certain information as indicated in the regulations issued in 2020. They must include, among other things, the following information with the electronic form:

- ▶ Cover letter with general information about the person filing the tax return
- ▶ Disclosures and confirmation as to whether the filing relieves another obligated person from filing (i.e., taxpayer assumes obligation on behalf of tax advisor or vice versa)

- ▶ Legal representative information
- ▶ Detailed information about the arrangement (this section includes the link for attaching the PDF report required under the Mexican general tax rules issued on 18 November 2020 - see EY Global Tax Alert, [Mexico's Tax Administration publishes regulations on reporting under mandatory disclosure rules](#), dated 2 December 2020)
- ▶ Description of the transaction and applicable legal technical analysis of the Mexican or foreign tax provisions applied
- ▶ Information about the tax benefit obtained in Mexico (how it was achieved and quantification)
- ▶ Information as to whether a person or a vehicle is involved in carrying out the arrangement
- ▶ Tax years in which the arrangement was implemented and will continue to be applied
- ▶ Other information that is required to be disclosed based on the individual hallmarks in the Mexican Federal Fiscal Code
- ▶ Taxpayer representations that the information is correct and complete

As can be seen, the electronic informative tax return on reportable arrangements in Mexico requires a significant amount of information that tax advisors and taxpayers must produce to comply with the minimum requested information.

In accordance with the MDR provisions, once the tax advisor or taxpayer files the informative return on a reportable arrangement, the Mexican tax authorities will generate an identification number for the disclosed arrangement. Taxpayers that enter into the disclosed arrangement must include the identification number for the disclosed arrangement in their annual tax returns.

The MDR provisions also authorize the Mexican tax authorities to request additional information on disclosed arrangements. Upon request, taxpayers will have 30 business days to provide the additional documentation or file a statement signed under oath stating that the additional information requested is not available. If the additional information is not provided, filed incompletely or is provided after the due date, the corresponding penalties will apply.

The microsite for disclosing reportable arrangements still needs to incorporate other filing obligations in terms of the Mexico MDR, such as the non-reportable certificate and the annual informative tax return to be completed by tax advisors.

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