

TRANSFER PRICING KEY DATA CARD MEXICO 2016/2017

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.	General rule: March 31st of the following year. For PE's and companies obliged to file the Statistical return of the Tax Situation or choose to file statutory tax report by CPA: along with the return or the report no later than June 30th of the following year.
BEPS TP documentation	Master file: a) Organizational structure of the group to which the company belongs, b) Business description, c) Intangibles, d) Financial activities and e) Financial and tax position.	Mexican companies with income of at least \$644,599,004 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents.	December 31st of the following year to the one to which they correspond. The obligation to file this return begins in FY 2016.
	Local file: a) Financial information of the local company and the comparable information used to determine that its transactions were carried out at a fair market value, b) Organizational structure, strategic activities and inter-company transactions carried out by the local company.	Mexican companies with taxable income of at least \$644,599,004 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents.	December 31st of the following year to the one to which they correspond. The obligation to file this return begins in FY 2016.
	Country-by-Country report (CbCR): a) Information about the group's global profit distribution and paid taxes, b) Economic activities localization and c) Entities members of the group.	Mexican companies with taxable income of at least \$644,599,004 MXN, companies who are members of the optional tax regime for company groups and PE's of foreign residents.	December 31st of the following year to the one to which they correspond. The obligation to file this return begins in FY 2016.

BEPS TP documentation	<p>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"> 1. To be a multinational holding company, which are the ones that fulfill the following requirements: <ol style="list-style-type: none"> a) Be a Mexican resident. b) Have subsidiaries or PE's residing abroad. c) Do not are subsidiaries of a company residing abroad. d) Have to prepare, file and disclose consolidated financial statements. e) Report in its consolidated financial statements results of entities residing abroad. f) Obtain in the previous year a total amount of consolidated income equal or above of \$ 12,000,000,000 MXN. 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. 	
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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"> » From \$ 68,590 MXN to \$ 137,190 MXN » High risk of being TP audited » Possible rejection of deductions with related parties
BEPS TP documentation	<ul style="list-style-type: none"> » From \$ 140,540 MXN to \$ 200,090 MXN » High risk of being TP audited » Possible rejection of deductions with related parties