

Mexico

Mexico has met all aspects of the terms of reference (OECD, 2021^[1]) (ToR) for the calendar year 2022 (year in review), and no recommendations are made.

Mexico can legally issue two types of rulings within the scope of the transparency framework.

In practice, Mexico issued rulings within the scope of the transparency framework as follows:

Type of ruling	Number of rulings
Past rulings	13
Future rulings in the period 1 April 2016 – 31 December 2016	1
Future rulings in the calendar year 2017	328
Future rulings in the calendar year 2018	294
Future rulings in the calendar year 2019	48
Future rulings in the calendar year 2020	44
Future rulings in the calendar year 2021	80
Future rulings in the year in review	119

No peer input was received in respect of the exchanges of information on rulings received from Mexico.

Information gathering process (ToR I.A)

822. Mexico can legally issue the following two types of rulings within the scope of the transparency framework: (i) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles and (ii) permanent establishment rulings.

823. For Mexico, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2014 but before 1 April 2016; or (ii) on or after 1 January 2010 but before 1 January 2014, provided they were still in effect as at 1 January 2014. Future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

824. In the prior years' peer review reports, it was determined that Mexico's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Mexico's review and supervision mechanism was sufficient to meet the minimum standard. Mexico's implementation remains unchanged, and therefore continues to meet the minimum standard.

825. Mexico has met all of the ToR for the information gathering process and no recommendations are made.

Exchange of information (ToR II.B)

826. Mexico has the necessary domestic legal basis to exchange information spontaneously. Mexico notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

827. Mexico has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[2]) ("the Convention"), (ii) bilateral agreements in force with seven jurisdictions and (iii) tax information exchange agreements in force with three jurisdictions.¹

828. For the year in review, the timeliness of exchanges is as follows:

Future rulings within the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	55	119	See below	N/A

Follow-up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	0	N/A	0

829. Mexico indicates that the main reason for the delay is that a significant number of rulings was issued in the year in review, and that therefore, the timelines could not be met. Mexico also notes that more than 95% of these rulings needed to be exchanged with the United States, and that there has been coordination and communication between both authorities. Finally, Mexico indicates that it designed and implemented an IT solution to exchange information on rulings on a monthly basis, and that the issue has been resolved. Therefore, no recommendation is made at this stage.

830. In the prior years' peer review reports, it was determined that Mexico's process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Mexico's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

831. Mexico has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Mexico has met all of the ToR for the exchange of information process and no recommendations are made.

Statistics (ToR IV.D)

832. The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	174	Barbados, Canada, China (People's Republic of), Denmark, Hong Kong (China), Korea, Luxembourg, Netherlands, Singapore, Spain, Switzerland, Türkiye, United States
Permanent establishment rulings	0	N/A
Total	174	

Matters related to intellectual property regimes (ToR I.A.1.3)

833. Mexico does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[3]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <https://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [1]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

Note

¹ Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Mexico also has bilateral agreements with Austria, Canada, Hong Kong (China), Russia, South Africa, Ukraine and the United States. In addition, Mexico has tax information exchange agreements permitting spontaneous exchange of information with Aruba, Canada and the United States.



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