

Mexico Dispute Resolution Profile

(Last updated: 24 October 2020)

General Information

- Mexican tax treaties are available at:

<https://www.sat.gob.mx/personas/normatividad>

<https://www.sat.gob.mx/normatividad/98105/tratados-en-materia-fiscal-y-cuestiones-relacionadastratados-en-materia-fiscal-y-cuestiones-relacionadas>

- MAP and APA request should be made to:

Scope: For large taxpayers, including taxpayers in the upstream, midstream or downstream Oil & Gas industry (MAP & MAP APA)

Mr. Antonio Martínez Dagnino, General Administrator for Large Taxpayers (*i.e.* Head of the Large Business & International Division)
Av. Hidalgo 77, Módulo III, Piso 1, Col. Guerrero, Alcaldía Cuauhtémoc, Ciudad de México, 06300

Scope: For large taxpayers, not dealing or related to upstream, midstream or downstream Oil & Gas industry (MAP)

Central Administration for Legal Support and International Tax Legal Affairs
Av. Hidalgo 77, Módulo III, Planta Baja, Col. Guerrero, Alcaldía Cuauhtémoc, Ciudad de México, 06300
t. +52 (55) 5802 2082 / mapsmexico@sat.gob.mx

Scope: For large taxpayers, not dealing or related to upstream, midstream or downstream Oil & Gas industry (MAP APA)

Mr. Carlos Eduardo González Gamero, Central Administrator for Transfer Pricing Audits
Av. Hidalgo 77, Módulo III, Piso 1, Col. Guerrero, Alcaldía Cuauhtémoc, Ciudad de México, 06300
t. +52 (55) 5802 2384, 5802 0000 ext. 42384 / carlos.gamero@sat.gob.mx / acftp@sat.gob.mx

Scope: For taxpayers in the upstream, midstream or downstream Oil & Gas industry (MAP & MAP APA)

Central Administration for Tax and Legal Affairs (Hydrocarbons)
Calle Valerio Trujano 15, Módulo VIII, Planta Baja, Col. Guerrero, Alcaldía Cuauhtémoc, Ciudad de México, 06300
t. +52 (55) 5802 0000 ext. 42488 / mapsmexico@sat.gob.mx

Mexico Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	Yes	Information is available at SAT's official website.	https://www.sat.gob.mx/normatividad/98105/tratados-en-materia-fiscal-y-cuestiones-relacionadastratados-en-materia-fiscal-y-cuestiones-relacionadas
2.	Are bilateral APA programmes implemented? If yes:	Yes	-	-
a.	• Are roll-back of APAs provided for in the bilateral APA programmes?	Yes	In accordance with Article 34-A, second and third paragraphs of the Federal Fiscal Code: "Rulings issued in accordance with this Article may be valid regarding the fiscal year in which they are requested, the immediately preceding year, and for up to three fiscal years following that in which they are requested. Rulings may be valid regarding a longer period when they stem from a mutual agreement procedure in accordance with an international convention to which Mexico is a party." Years to be covered in a Roll-back are either subject to the terms of the treaty, or the domestic statute of limitations.	Article 34-A, second and third paragraphs of the Federal Fiscal Code can be found in page 66, in the Section "CFF", in the following website: https://www.sat.gob.mx/normatividad/18912/leyes-fiscales

Mexico Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
b.	<ul style="list-style-type: none"> Are there specific timelines for the filing of an APA request? 	Yes	<p>For MAP APAs the specific timeline depends on the terms of the treaty.</p> <p>For unilateral APAs the specific timeline is in accordance with Article 34-A, second and third paragraphs of the Federal Fiscal Code: <i>“Rulings issued in accordance with this Article may be valid regarding the fiscal year in which they are requested, the immediately preceding year, and for up to three fiscal years following that in which they are requested...”</i>.</p>	<p>https://www.sat.gob.mx/normatividad/98105/tratados-en-materia-fiscal-y-cuestiones-relacionadastratados-en-materia-fiscal-y-cuestiones-relacionadas</p> <p>Article 34-A, second and third paragraphs of the Federal Fiscal Code can be found in page 66, in the Section “CFF”, in the following website:</p> <p>https://www.sat.gob.mx/normatividad/18912/leyes-fiscales</p>
c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer’s request for bilateral APA assistance, publicly available? 	Yes	<p>In accordance with the administrative rule 2.12.8., taxpayers that submit a consultation related to the transfer pricing methodology used in their transactions with related parties, should provide the information and Form 102/CFF “Consultation related to the transfer pricing” included in Annex 1-A of the administrative rules.</p>	<p>Administrative rule 2.12.8. of the administrative rules can be found in page 193 in the document “RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/normatividad/21127/resolucion-miscelanea-fiscal-(rmf)-</p> <p>The procedure form 102/CFF can be found in page 172, in the Section</p>

Mexico Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				<p>“Anexo 1-A RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/normatividad/21127/resolucion-miscelanea-fiscal-(rmf)-</p>
d.	<ul style="list-style-type: none"> • Are there any fees charged to taxpayers for a bilateral APA request? 	Yes	<p>In the case of MAP requests related to transfer pricing issues, you must pay a fee in accordance to Article 53-G of the Federal Fees Law in force and, each annual review must pay a fee in accordance to Article 53-H of the Federal Fees Law.</p>	<p>Article 53-G and 53-H of the Federal Fees Law, can be found in page 54, in the following website:</p> <p>http://www.diputados.gob.mx/LeyesBiblio/pdf/107_281219.pdf</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838748&ssbinary=true</p>
e.	<ul style="list-style-type: none"> • Are statistics relating to bilateral APAs publicly available? 	No	-	-
3.	<p>Is training provided to your officials involved in the auditing / examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?</p>	Yes	-	-

Mexico Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
4.	Is other information available on preventing tax treaty-related disputes?	Yes	The Mexican MAP Guidance, points out the information, documentation and processes related to MAP requests, in case that a taxpayer considers that the actions of one or both of the Contracting States result or will result in taxation not in accordance with the applicable Treaty.	The Mexican MAP Guidance, can be found in the following website: https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461174363667&ssbinary=true

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (“Transfer Pricing Guidelines”).
2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.147 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	-	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	-	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes	Only when taxation is not in accordance with a provision of the Convention.	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	See detailed explanation	In cases where taxpayer voluntarily requests for a statutory dispute settlement, independent from the audit and examination functions, access to the mutual agreement procedure can be limited.	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	Taxpayer has to justify the adjustments.	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	It is allowed providing that the dispute has not already been decided via judicial or administrative.	-
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	No	It is not allowed under domestic law.	<p>Article 125, of the Federal Fiscal Code can be found in page 153, in the Section “CFF”, in the following website:</p> <p>https://www.sat.gob.mx/nor-matividad/18912/leyes-fiscales</p>
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer’s request for MAP assistance, publicly available?	Yes	Mexico’s rules, guidelines and procedures on MAP are included in (i) administrative rule 2.1.32. “Mutual Agreement Procedure Request Included in a Double Tax Treaty”, (ii) the procedure form 244/CFF “Mutual Agreement Procedure Request Included in a Double Tax Treaty” included in Annex 1-A of the administrative rules, and at (iii) the Mexican MAP Guidance.	<p>Administrative rule 2.1.32. of the administrative rules can be found in page 37, in the Section “RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838571&ssbinary=true</p>

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				<p>The procedure form 244/CFF can be found in page 365, in the Section “Anexo 1-A RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838628&ssbinary=true</p> <p>The Mexican MAP Guidance, can be found in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461174363667&ssbinary=true</p>
14.	Are there specific timeline for the filing of a MAP request?	Yes	Depending on the time limitation of the relevant Convention, and administrative rule 2.1.48. “Suspension of the term for notifying the request for the initiation of a mutual agreement procedure under the second paragraph of Article 26 of the Agreement between the Government of the United Mexican States and the Government of the United States of America to Avoid	Administrative rule 2.1.48. of the administrative rules can be found in page 47, in the Section “RMF 2020”, in the following website:

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			<p>Double Taxation and Prevent Tax Evasion in the Matter of Taxes on Income” included in the Tax Miscellaneous Regulations 2020 and form 249/CFF “Suspension request of the term for notifying the commencement of a friendly proceeding under the terms of the Agreement between the Government of the United Mexican States and the Government of the United States of America to Avoid Double Taxation and Prevent Fiscal Evasion in Tax Matters The Income and its Protocol” included in Annex 1-A of the administrative rules.</p>	<p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838571&ssbinary=true</p> <p>The procedure Form 249/CFF can be found in page 373, in the Section “Anexo 1-A RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838628&ssbinary=true</p>
15.	Are guidance on multilateral MAPs publicly available?	Yes	As provided by administrative rule 2.1.32. “Mutual Agreement Procedure Request Included in a Double Tax Treaty” included in the Tax Miscellaneous Regulations 2020, procedure form 244/CFF “Mutual Agreement Procedure Request Included in a Double Tax Treaty” included in Annex 1-A of the administrative rules, the	Administrative rule 2.1.32. of the administrative rules can be found in page 37, in the Section “RMF 2020”, in the following website:

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
			Mexican MAP Guidance, Action 14: 2015 Final Report OECD, and Manual on Effective Mutual Agreement Procedures (MEMAP), February 2007 Version.	<p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838571&ssbinary=true</p> <p>The procedure form 244/CFF can be found in page 365, in the Section “Anexo 1-A RMF 2020”, in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838628&ssbinary=true</p> <p>The Mexican MAP Guidance, can be found in the following website:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs</p>

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				<p>http://www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf</p> <p>Action 14: 2015 Final Report OECD in the following website:</p> <p>http://www.oecd.org/tax/beps/beps-action-14-on-more-effective-dispute-resolution-peer-review-documents.pdf</p> <p>Manual on Effective Mutual Agreement Procedures (MEMAP), February 2007 Version.</p> <p>http://www.oecd.org/tax/dispute/manualoneffectivemutualagreementproceduresmemap.htm</p>
16.	Are tax collection procedures suspended during the period a MAP case is pending?	Yes	During the MAP process, tax collection procedures are suspended, as provided in article 144, first and second paragraphs of the Federal Fiscal Code.	Article 144, first and second paragraphs of the Federal Fiscal Code, can be found in page 154, in the Section “CFF”, in the following website:

Mexico Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				https://www.sat.gob.mx/normatividad/27577/leyes-fiscales
17.	Are there any fees charged to taxpayers for a MAP request?	See detailed explanation	MAP: None. MAP APA: You must pay a fee in accordance to Article 53-G of the Federal Fees Law in force.	Article 53-G of the Federal Fees Law can be found in page 54, in the following website: http://www.diputados.gob.mx/LeyesBiblio/pdf/107_281219.pdf https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461173838748&ssbinary=true
18.	Is there any other information available on availability and access to MAP?	No	-	-

Mexico Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	No	-	-
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	Yes	Information of average time of MAP cases concluded per year is available at SAT's official website and OECD official website.	<p>Information is available in the Sections "Información relativa a Procedimientos de Acuerdo Mutuo" and "MAP Statistics (English)", in the following websites:</p> <p>https://www.sat.gob.mx/cs/Satellite?blobcol=urldata&blobkey=id&blobtable=MungoBlobs&blobwhere=1461174363667&ssbinary=true</p> <p>http://www.oecd.org/tax/dispute/mutual-agreement-</p>

Mexico Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				procedure-statistics-2018-per-jurisdiction-all.htm
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	See detailed explanation	<p>MAP: No.</p> <p>MAP APA: a) No penalties will apply and surcharges may be totally or partially cancelled, as long as these charges derive from an agreement between competent authorities within reciprocal basis, and said competent authorities have refunded the corresponding tax without interest payment.</p> <p>b) In all cases the tax will consider inflation.</p>	<p>Article 21, tenth paragraph of the Federal Fiscal Code, can be found in page 29, in the Section “CFF”, in the following website:</p> <p>https://www.sat.gob.mx/normatividad/18912/leyes-fiscales</p>
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the annual report of the organisation?	No	-	-
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	See detailed explanation	Mexico has accepted arbitration clauses in some treaties; however, these clauses require the exchange of diplomatic notes in order to come into effect. Since such exchange of notes has not been carried out with any of the Mexico’s treaty partners, the SAT has not yet resolved any MAP case bilateral/multilateral MAP APA through arbitration.	-

Mexico Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	No	-	-
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	Yes	We do not have a binding arbitration clause, but in some treaties we have included a voluntary arbitration clause.	-
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	No	-	-
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	-	-	-
25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	Yes	On a case by case basis.	-
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige	See detailed explanation	Not all tax treaties contain a provision that obliges the authority to make the corresponding adjustments.	-

Mexico Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?		Additionally, some treaties contain specific situations where the corresponding adjustment cannot be applied, for example in cases of fraud or negligence.	
27.	Is there any other information available on resolution of MAP cases?	No	-	-

Mexico Dispute Resolution Profile – Implementation of MAP Agreements

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	No	-	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	No	-	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	Yes	According to our domestic provisions in force as of January 1st 2020, the statute of limitation cannot limit the implementation of MAP agreements, once reached.	Articles 67 and 146, last paragraphs of the Federal Fiscal Code, can be found in pages 102 and 169 respectively, in the Section "CFF", in the following website:

Mexico Dispute Resolution Profile – Implementation of MAP Agreements

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
				https://www.sat.gob.mx/normatividad/18912/leyes-fiscales
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-