

Electronic Accounting

What you should know about the new rules on the Mexican SAT Website

December 19, 2014

In brief

The Mexican tax authorities (SAT) on, December 4, 2014, published draft changes to the Mexican electronic accounting rules, including the xml file requirements.

Highlights:

- The proposed changes to the 2014 Miscellaneous Tax Resolution repeal the general obligation to submit to the SAT the chart of accounts and trial balances for July-December 2014.
- Filing obligations for various groups of taxpayers now apply for the periods beginning:

Financial system institutions	<i>January 2015</i>
Taxpayers with taxable income of four million pesos or more in 2013	
Taxpayers with taxable income of less than four million pesos	<i>January 2016</i>
Taxpayers engaged in agricultural, forestry, farming, or fishing activities (Primary Sector)	
Non-profit entities	
Taxpayers that obtain their Federal Taxpayers Registry in 2014 and 2015	

- The delivery deadline for the chart of accounts and trial balance for the month of January 2015 for entities will be March 3, 2015. For individuals the deadline will be March 5, 2015.
- The list of grouping codes has expanded to include new line items for tax attributes such as Net Reinvested Tax Income Account (CUFINRE) and the Annual Adjustment for Inflation.
- Annex 24 of the MTR now includes catalogues for the tax folio auxiliaries assigned to the electronic voucher through the Electronic Digital Receipt issued via the internet (CFDI), to disclose information about the auxiliaries from the control account or subsidiary ledger-account, currency codes, banks, payment methods, and other items.

- Electronic vouchers now must disclose the payment method, such as cash, credit cards, electronic cards, food coupons, or compensation.

Note: The new rules still must be published in the Official Gazette.

In detail

The changes to the electronic accounting rules include modifying the time for taxpayers to comply with the obligations and a broader and detailed grouping code.

One significant change: taxpayers must submit their accounting information through the SAT web site beginning January 2015. Taxpayers are no longer required to submit information for the period July-December 2014.

Annex 24 of the MTR now includes a much broader grouping code as well as changes in the xml file attributes.

PwC Mexico's team of tax technology Report & Strategy specialists analyzed the recent modifications regarding electronic accounting. The following summarizes their key findings:

Due dates

Chart of accounts

The initial chart of accounts should be sent, along with the trial balance, no later than March 3, 2015 (entities), or March 5, 2015 (individuals).

If a taxpayer modifies its chart of accounts, it must upload the new version with the trial balance corresponding to the month in which the changes were made.

Trial balance

Taxpayer	Frequency	Deadline	
Financial system institutions and taxpayers whose taxable income equals four million pesos or more	Monthly	The first delivery is due by March 3, 2015.	
Individuals	Monthly	The first delivery is due by March 5, 2015.	
Taxpayers and subsidiaries listed on recognized exchanges	Quarterly	Jan., Feb. and Mar.	May 3, 2015
	(Monthly information)	Apr., May and June July, Aug. and Sep. Oct., Nov. and Dec.	August 3, 2015 November 3, 2015 March 3, 2016
Taxpayers from the Primary Sector who elected semiannual estimated Income Tax payments	Semiannual	No later than the third or fifth of the month, respectively, of the second month following the last month reported in the semester of 2016.	

Closing balance sheet

Taxpayer	Frequency	Deadline
Entities other than individuals Closing Balance Sheet (Year-end balance sheet)	Annual	No later than April 20 th of the following fiscal year.

Individuals (Year-end balance sheet)	Annual	No later than May 22 nd of the following fiscal year.
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- Taxpayers that can generate a chart of accounts only on control accounts may submit that, provided it is grouped according to the sub-accounts of the SAT grouping code.
- The trial balance in the income/expense category section must segregate revenues, costs, expenses, and financing tax results.
- Taxpayers must upload information using a zip file through the electronic tax mailbox.
- The new xml file structure includes optional nodes to digitally sign information sent, with digital seal, certificate of digital seal, and serial number.
- Two new types of xml files have been added as auxiliaries to include information on the CFDI or control accounts and sub-accounts.
- In addition, new nodes will include information on foreign and national receipts (CFDI, electronic digital receipt or CFD, and printed receipt or CBB).

Changes to Annex 24 of the MTR

Electronic accounting

Signature of Electronic Accounting	The new xml file structure includes optional nodes so that sent files can be digitally signed (Digital seal, certificate of digital seal and serial number).
Two new xml files: Auxiliaries	Auxiliary report of tax folios (documents with CFDI) Discloses the new auxiliary report, which must be used in order to present the digital receipt folio when this can't be included in accounting policy. This report requires the date and reference of the electronic policy that supports, as well as specific information regarding foreign and national receipts and the payment method. Auxiliary report of control accounts and subsidiary ledger accounts Allow the detailed identification of all the accounting effects that control accounts and subsidiary accounts in specified periods.
Catalogue publications	Catalogues that contain currency codes, banks and payments methods.

Chart of accounts

Nature of accounts	Specifies cases in which accounts must be considered as debtor or creditor accounts:												
	<table border="1"> <thead> <tr> <th>Debtor</th><th>Creditor</th></tr> </thead> <tbody> <tr> <td>Assets</td><td>Liability</td></tr> <tr> <td>Cost</td><td>Equity</td></tr> <tr> <td>Expense</td><td>Revenue</td></tr> <tr> <td>Financing tax result</td><td>Financing tax result</td></tr> <tr> <td>Suspense accounts</td><td>Suspense accounts</td></tr> </tbody> </table>	Debtor	Creditor	Assets	Liability	Cost	Equity	Expense	Revenue	Financing tax result	Financing tax result	Suspense accounts	Suspense accounts
Debtor	Creditor												
Assets	Liability												
Cost	Equity												
Expense	Revenue												
Financing tax result	Financing tax result												
Suspense accounts	Suspense accounts												

Trial Balance

Delivery of amended trial balances	A nomenclature indicates the type of trial balance: N for the trial balance sent in the ordinary way. C for the amended trial balances that are sent as corrections. When sending an amended trial balance, the date of the last accounting modification must be reported.
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Electronic Vouchers

Elimination of the electronic voucher type and new attribute for the type of SAT request	Replacement of the voucher type (entry, expenditure or daily), according to SAT 's type of requests, by adding the following keys: AF – Audit Act FC – <i>Compulsa</i> Audit (audits triggered due to inconsistencies in customer/vendor filings) DE – Refund CO – Compensation
Order number and procedure number	Optional attributes specify the order number assigned to the audit act or number assigned to the refund or compensation request.
Account name that is affected in the transaction	In addition to the transaction's concept, taxpayers must specify the affected account name in each line or transaction.
Electronic digital receipts	The taxpayer must identify in the provisions/reserves or payment and collection for each control account and subsidiary ledger account, the related information applicable to the type of supporting documentation that may be required, when this information is available. Receipts can be as follows: • National Receipts: CFDI. • Other National Receipts: CFD and CBB. • Foreign Receipts, which must include the invoice number and total amount.
Specifications of national and foreign banks	For checks and wire transfers taxpayers must indicate the bank's name according to the catalogue published by SAT (for national banks). For foreign banks to indicate its name. The foreign bank information is required. For wire transfers, the required information applies to the origin and destination bank.

Other payment methods

When the transactions involve a payment method other than check or wire transfer, taxpayers should use the following payment method keys:

Key	Concept
1	Cash
2	Check
3	Wire transfer
4	Credit card
5	Electronic cards
6	Electronic money
7	Digital cards
8	Food coupons
9	Goods
10	Services
11	On behalf of third parties
12	In lieu of payment
13	Subrogation payment
14	Payment on consignment
15	Forgiveness
16	Cancellation
17	Compensation
98	Not Applicable (NA)
99	Other

The takeaway

The PwC Tax Technology Reporting & Strategy team has specialists that can help taxpayers evaluate how their processes and technology might comply with the new electronic accounting requirements.

How can we help?

- PwC's system generates xml files of the chart of accounts, trial balances and electronic policies on a monthly basis.
- PwC can perform a diagnostic test of a taxpayer's actual accounting status and compliance with the requirements in the Federal Tax Code and the rules and regulations thereunder.
- PwC can prepare or review a taxpayer's chart of accounts and its grouping according to SAT grouping code.
- PwC also can perform accounting outsourcing services in compliance with SAT requirements.

Let's talk

For a deeper discussion of how this might affect your business, please contact:

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