

Are you ready for September 2015 FATCA reporting?

The Mexico-US intergovernmental agreement to implement FATCA (IGA) requires financial institutions who are located or resident in Mexico such as banks, asset managers, insurance businesses or fiduciaries (among others) to report financial information on certain accounts owned directly or indirectly by U.S. persons, to the Mexican Tax Authorities (*Servicio de Administración Tributaria* or SAT).

How to prepare

It's important to be aware that FATCA reports need to be submitted to SAT in a specific XML Schema format. Whilst SAT has released some guidance for reporting, we would expect financial institutions to undertake the following key steps (as a minimum):

1. Identify any clients who are a) U.S. individuals; b) U.S. entities; c) non U.S. entities controlled by U.S. individuals or U.S. entities (U.S. clients).
2. Register with SAT to obtain access to SAT's reporting infrastructure.
3. Test for compatibility with this reporting infrastructure.
4. Prepare reports in accordance with the XML Schema format and encrypt these reports using one of SAT's specific encryption methods.

What needs to be reported and when?

Under the IGA, financial institutions will need to report to SAT information such as:

- Name, address and tax reference number of the client
- Average monthly account balance or value and account number
- Income and proceeds from the sale of assets (reportable in later years)

The deadline for reporting is **15 September 2015** and covers information relating to the year ended 31 December 2014.

How we can help

With only a few months until the first FATCA reports must be submitted to SAT on **15 September 2015**, our team of legal, tax and technology experts has been helping clients prepare, including:

- Assisting in the preparation and review of the reports to be submitted to SAT.
- Supporting in the testing and reporting process
- Undertaking FATCA healthchecks to identify weaknesses in reporting policies, procedures and systems.
- Validating the work undertaken to identify legal entities caught by FATCA and helping in the design of client review procedures.

To take into account

Ensuring readiness for FATCA can be complicated; however, we are here to help with a multi-disciplinary and international focus. For any questions, or if you need any support please feel free to contact one of our team.

Let's talk



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