

Punto de Vista

DECREE THROUGH WHICH ADMINISTRATIVE FACILITIES REGARDING TAX SIMPLIFICATION ARE GRANTED.

On June 30, 2010, a Presidential decree was published in the Official Gazette of the Federation. Some of the provisions include that taxpayers who are obligated to provide an audit report of their financial statements and tax compliance or the compliance of their obligations before the Mexican Social Security Institute, carried out by a certified public accountant, **may choose not to submit such reports** as long as they submit the information under the terms and means to be established by the relevant authorities through general rules.

It emphasizes that the obligation to prepare and submit the information required in the tax opinions (which generally includes 40 exhibits and two questionnaires) is not eliminated; but under certain regulations which will be subsequently released, the taxpayer may choose not to have such information audited.

In this regard, those rules are expected to establish that the taxpayers who choose to continue submitting the audited information will be identified with a low

risk inspection profile, in addition to the advantage that, in a tax review, the authority performs the audit opinion assessment through the sequential review process currently in force, which involves going with the Certified Public Accountant in the first instance, and only in exceptional cases or in the event that additional documentation is necessary, the formal audit is then initiated with the taxpayer.

In contrast, those taxpayers who choose not to have an audit of their tax information are expected to be audited directly by the Tax Administration Service. It is important to mention that taxpayers facing those circumstances should reinforce their tax and accounting procedures and tax documentation in order to cope with the additional scrutiny and information to be required.

Most multinational companies will continue submitting the tax report, because it ensures that the compliance of tax obligations is being performed correctly and minimizes unknown tax contingencies.

Best regards,

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