

The Newsletter of the Third Resolution of Modifications to the 2014 Omnibus Tax

¿Did you know that in Mexico the third draft resolution amendments for tax rules 2014, among others, point January 2015 to fulfill the taxpayers accounting information¹ through the Service Tax Administration website (STA)?

In such regard the Fiscal authority unveiled on August 2014, through his website² the Third Resolution Amendments for Fiscal Resolution 2014 updating the following issues:

1. **Electronic Accounting:** The taxpayers jointly liable or third parties as well are obligated to keep accounts, and they must carry them in electronic systems in those within capacity to generate **XML**³ reports and **Charts of Accounts**⁴ (requirements established in **Annex 24**)⁵; the trail balance that identifies all taxes and the information generated by **policies regarded to identify** fiscal id assigned to tax receipts (**Rule I.2.8.6.**)
2. **Supporting documentation:** Which identifies the asset acquisition date, and description, and the original investment amount, the percentage and amount of the annual allowance, **are part of the accounting**; the accounting entries records may take effect within the following **month** until the date on which the activities are conducted. (**Rule I.2.8.9.**)
3. The institutions that integrate the financial system⁶ must observe **Annex 25**⁷ (**Rule I.3.5.20.**), Therefore, **identify** the interest recipient, profits or losses for shares alienation, by using the Tax ID (RFC) or CURP, in the case of foreign residents by their tax identification number; in such regard when the data lacked the records of the STA per request of the authority, **the institutions aforementioned must report electronically** to the fiscal authority the taxpayer name and address.(Rule I.3.15.1)
4. **Disclosed in Annex 25 of the Draft Resolution** concerning the Agreement between the Ministry of Finance of the United States of Mexico and the U.S

¹ The accounting information are the necessary elements to keep track of financial activities and useful way to summarize them in decision making. Accounting information can be classified into two broad categories: financial accounting and external accounting and cost accounting or accounting. Retrieved August 20, 2014 at: [//www.tuobra.unam.mx/publicadas/040702105342__191_Qu.html](http://www.tuobra.unam.mx/publicadas/040702105342__191_Qu.html).

²www.sat.gob.mx.

³ XML stands for extensible markup language ('Extensible Markup Language'), is a markup language developed by the World Wide Web Consortium (W3C) used for storing data in readable form. Retrieved August 21, 2014 in: [//www.ri5.com.ar/ayuda07.php](http://www.ri5.com.ar/ayuda07.php)

⁴ The chart of accounts is a document that has an analytical and sorted list of the accounts or items used in the recording of accounting transactions of a business. Cutiño Cardenas, Gustavo A., Dictionary of Economic and Administrative Sciences, Mexico, UdeG, CUCEA, 2002 (3rd ed.), P. 109

⁵ Annex 24 is the file format of chart of accounts that is delivered as part of the electronic accounting. Retrieved August 21, 2014 in: [//www.sat.gob.mx/informacion_fiscal/normatividad/Paginas/resolucion_misclanea_fiscal_2014.aspx](http://www.sat.gob.mx/informacion_fiscal/normatividad/Paginas/resolucion_misclanea_fiscal_2014.aspx)

⁶ In Mexico banks, insurers or AFORES are examples of institutions integrate the financial system. Retrieved August 22, 2014 in: [//www.condusef.gob.mx/PDFs/educacion_financiera/guias_secundaria/secundaria-tercero.pdf](http://www.condusef.gob.mx/PDFs/educacion_financiera/guias_secundaria/secundaria-tercero.pdf).

⁷ Annex 25 is the document in which regulations to follow regarding sharing of information from financial institutions to the Mexican and American governments is specified, published on Thursday, August 21, 2014, in the Official Gazette. Retrieved August 22, 2014 in: [//www.dof.gob.mx/nota_detalle.php?codigo=5357145&fecha=21/08/2014](http://www.dof.gob.mx/nota_detalle.php?codigo=5357145&fecha=21/08/2014).

Department of Treasury to improve international tax compliance regarding the Foreign Account Tax Compliance Act⁸.

- a) Procedures for the identification and report of U.S Reportable Accounts and for payments to certain non-participating financial institutions.
- b) Financial Institutions not subject for Auditors Report and excluding accounts.

Note: The United States of America has enacted provisions commonly known as the Foreign Account Tax Compliance Act ("FATCA"), which introduces a scheme for financial institutions in order to report information related to certain accounts.

5. Derived from the amendment to Article Thirteenth Transitory of the Second Resolution Amendments to Fiscal Resolution 2014, published in the Official Gazette on July 4, 2014, all taxpayers must submit to tax authorities their trail balances during January 2015, also the Chart of Accounts of all legal entities must be provided in such period of time, individuals must provide such information before February 27, 2015.

It provided the basis of information from the accounting information must provide the STA through its website, it is recommended to our clients and friends the following:

- I. Organize their accounting in order to have the elements requested by the STA, such as the accounts charts, trial balance and policies information;
- II. Prepare the supporting documentation that allows to identify the date of purchase, description, the original investment amount, the percentage and import of the annual deduction of property acquired.
- III. Have in the computer a software that generate XLM files, and accounting information;
- IV. Be aware with accounts management of U.S banks, since government have access to such information.
- V. Comply with your tax obligations.

Ergo in order to adapt the administration of your business and/or company under the new tax regime in Mexico, as well, as to prevent future contingencies that may impact negatively.

Hope the above is interesting and useful. If you have any question or comment please feel free to contact us..

⁸ Foreign Account Tax Compliance Act (**FATCA**), law passed in March 2010 by the Congress of the United States of America (USA) and will enter into force on 1 January 2013 (with some additional periods in 2014 and 2015 for specific topics), which includes new rules of law in respect of accounts or investments outside of USA Retrieved August 23, 2014 in: [//www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA).