

MEXICO

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

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| Personal Income Tax Rates – Employment Income | Progressive tax rate: 1.92% – 35% |
| Tax period | Calendar year |
| Tax residency / Domicile according to domestic law | * If the individual spent more than 183 days continuously or not in Mexico in a 12 month period. * The salary will be paid by or in the name of an employer that is non-resident in Mexico. * Center of vital interests in Mexico (economic and personal relations) |
| Tax registration | Required if acquired tax residency and also in some cases when the individual is no tax resident. An appointment needs to be set to the Tax Authorities for obtain the Mexican tax ID, password to use the electronic services of the Tax Authorities 's website and electronic signature that allows to file taxes electronically in México. |
| Employment income definition | Any income or benefit earned in cash or in kind and income determined by tax authorities on the basis of presumptions. Additionally, if a person covers the taxes on behalf of the taxpayer, the tax paid is considering income for the taxpayer. |
| Examples of tax exemption | None |
| Specific expatriate concession | None |
| Income of board members | Any remuneration is taxable and the tax withholding is 25% over the income received without any deduction |
| Tax returns | Obligation to file a tax return not later than April 30th after the year end. |
| Tax payments | Obligation to file monthly tax payment every 17th after the month ends |

TAX TREATIES

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| Employment income / income from board members | Taxable if source is a Mexican corporation |
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INTERNATIONAL SOCIAL SECURITY

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| Cross border employments | None |
| Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71 | None |
| Social Security Cost as % from gross salary and absolute amounts | 18% cost for the employer and 7% for the employee based on gross salary |

IMMIGRATION

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| Work permit | It is necessary for any nationals without exception. |
| Visa | No Visa is necessary to enter Mexico. |
| Residency permits / registration certificate | This residency permits is allowed in long assignments |

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| Driving license | Not acceptable for any foreign countries, must apply for a Mexican driving license. |
| STOCK OPTION PLAN | Taxable at the moment of vesting |
| ARTICLE 15 OF THE OECD MODEL | |
| 183 days | Yes. |
| Notion of employer | Only applicable if exist a labor relationship in Mexico. |
| Existence of a permanent establishment | If the individual sign contracts besides the foreign resident can be trigger a permanente establishment |



(http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2018/01/Omar-Garcia_profile.jpg)

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