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### **2020 Economic Plan**

#### **Main Taxes Takeaways**

The 2020 proposed tax reform (the “Tax Reform”) submitted by the Mexican Secretary of Finance before the Mexican Congress includes relevant changes to the Mexican tax provisions which may significantly impact current business structures in Mexico.

#### **Tax Transparency**

The Tax Reform aims to eliminate tax transparency on foreign investment vehicles so to tax them as Mexican residents or foreign corporations.

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#### **New BEPS Rules**

The Tax Reform foresees a new rule that disallows the deduction of all payments made to a related party or through a “structured arrangement” when the other recipient is subject to a preferential tax regime.

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#### **Limitations on interest deductions**

Net interest above 30% of the tax EBITDA should not be deductible.

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#### **General anti-avoidance rule and disclosure obligations**

Any transaction which lacks business purpose, and which are carried out to obtain a tax benefit will be recharacterized or disregarded for tax purposes.

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Should you require additional information do not hesitate to contact Oscar López Velarde ([olopezvelarde@ritch.com.mx](mailto:olopezvelarde@ritch.com.mx)) or Santiago Llano Zapatero ([sllano@ritch.com.mx](mailto:sllano@ritch.com.mx)), partners of the tax practice at Ritch Mueller.

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