

CCN NEWSFLASH

Notice of Change in Owners or Shareholders of Companies Domiciled in Mexico to be Filed with Mexico's Federal Taxpayers' Registry (RFC)

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Section VI of Part B of Article 27 of Mexico's Federal Tax Code (Código Fiscal de la Federación) was recently amended to require entity taxpayers to file notice with the RFC stating the name and RFC number of their owners or shareholders each time the composition of the owners or shareholders of such entity is modified or changed. Rule 2.4.19 of the Miscellaneous Tax Resolutions for 2019/20 (RMF) stipulates that the notice must be filed using transmittal form 295/CFF and occur within 30 business days following the effective date of the change of the composition of owners or shareholders.

Apart from the above notice, Transitory Article Forty-Sixth of the RMF establishes that entities and other business associations that have not updated the information of their owners or shareholders before the RFC are required to file, on a one-time basis, the notice referred to in Rule 2.4.19 of the RMF, and such notice must include sufficient information to confirm the filing entities' ownership structure.

Such "one-time" notice should be filed no later than June 30, 2020. Entities and business associations that do not have the information of their owners or shareholders updated before the RFC, or that have not filed said "one-time" notice yet, may file the notice with no fine if the notice is filed prior to the tax authority requiring their compliance with this obligation.

It is important to note that this new provision is independent of the notice that must be filed within the first three months after each calendar fiscal year in accordance with the terms of the final paragraph of Section VI of Part A of Article 27 of the CFF for information pertaining to foreign owners or shareholders. However, if the information regarding the owners or shareholders is already fully updated through the filing of the notice mentioned in this paragraph, it will not be necessary to file a new update.

Based on the new requirements detailed above, if a company is required to file a notice of any changes to their owners or shareholders, such notice must be filed in accordance with the following:



Processing Instruction No. 295/CFF and the update notice contained in Annex 1-A through which the entity's legal representative demonstrates their electronic signature pursuant to the corresponding public instrument; and

Protocolized and digitalized documents demonstrating the changes in the composition of owners or shareholders.

We strongly recommend that you to take this new tax obligation into account. The professionals in CCN's Corporate Center are available to advise you on how to comply with this new legal requirement.

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