

Verification of Registration in Mexico's Certified Companies Scheme ("RECE")

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The Mexican General Administration of Revenue ("AGE"), in coordination with the Mexican General Administration of Foreign Trade Audits ("AGACE"), aims to strengthen oversight and control actions in tax and customs matters through the implementation of the IMMEX-CAG Verification Program.

This program seeks to identify companies that are not conducting economic activities at their tax address or that fail to maintain their accounting records at that location, thereby breaching the obligations arising from their registration under the certification scheme. The program includes 111 verification visits throughout the country. The offices of Decentralized Revenue Administration ("ADR") are responsible for issuing the verification orders.

During the inspection, the auditors must thoroughly document the facts observed regarding the taxpayer, their tax address, merchandise, economic activity, and accounting records. Regarding the address, they must verify the identity of the person receiving the audit visit, confirm that the observed economic activity matches the one registered in the Federal Taxpayers Registry (RFC), confirm the presence of staff performing managerial or operational roles, and review documentation proving ownership or legal possession of the premises.

Regarding inventory, auditors must describe its type, origin, and relation to the production or service process carried out at the premises, and request, if applicable, the documents supporting its legal origin or temporary importation, including those related to customs guarantee accounts.

In terms of economic activity, the auditors must assess whether there is sufficient infrastructure, machinery, equipment, and personnel to carry out such activity, and request documentation that proves the lawful use or enjoyment of these resources.

For taxpayers registered under the IMMEX Program, an additional questionnaire will be administered to gather information about their suppliers, the location where they maintain their accounting records, and the documentation supporting their operations. Such documentation may include accounting books and records, financial statements, vouchers, bank reconciliations, working papers, and other materials that prove compliance with tax obligations.

In conclusion, the IMMEX-CAG Verification Program seeks to reinforce oversight of companies registered under the IMMEX regime, ensuring the authenticity of their operations, compliance with tax obligations, and the prevention of simulated practices that may harm the national economy.

We therefore recommend that our clients and readers maintain thorough documentation in the areas mentioned above, as failure to do so may result in the loss of such certification.

