

Decree of attributions for collection and auditing



On April 29, 2020, the Decree delegating several attributions to public officers of the Tax Administration Service (the Decree) was published. Such decree provides for the delegation of attributions to public officers of different administrations.

The Decree deems essential to delegate attributions to public officers in order to ease the achievement of the objectives of the authority in the execution of the last amendments to Customs Law and Federal Fiscal Code (CFF). Please find herein below the details of the attributions granted to the collaborators of the different administrations of the Tax Administration Service.

General Administration of Tax Collection

- a) Temporarily restrict the use of the digital seal to issue tax receipts, as well as the use of the certificate for the advanced electronic signature.
- b) Execute the following attributions as tax authority:
 - i. Execute verifications, which shall not be deemed as an initiation of inspections attributions (*i.e.* invitation letters).
 - ii. Execute verifications related to the identity, address and other information stated for the purposes of the Federal Registry of Taxpayers, data expressed in tax receipts, statements or any document they may have.
 - iii. Verification of the existence and location of the tax address and considering as such that in which any of the hypotheses of the CFF occurs, when the address stated in the requests or notices does not correspond to one of the hypotheses of the legal provisions.

Administration of Federal Tax Auditing

- a) Execute, by exercising its attributions, all acts and procedures against those legal acts lacking a business motive and creating a direct or indirect tax benefit to taxpayers.
- b) Temporarily restrict the use of the digital seal to issue tax receipts, as well as the use of the certificate for the advanced electronic signature.
- c) Execute the following attributions as tax authority:
 - i. Execute verifications, which shall not be deemed as an initiation of inspections attributions (*i.e.* invitation letters).
 - ii. Execute verifications related to the identity, address and other information stated for the purposes of the Federal Registry of Taxpayers, data expressed in tax receipts, statements or any document they may have.
 - iii. Verification of the existence and location of the tax address and considering as such that in which any of the hypotheses of the CFF occurs, when the address stated in the requests or notices does not correspond to one of the hypotheses of the legal provisions.
- d) Receive and, as the case may be, use information and documents to execute the procedure set

forth in article 69-B of the CFF.

- e) Order and practice onsite audits and other acts set forth in tax provisions to tax advisors, as well as request additional information to such advisors or to taxpayers.

General Administration of Large Taxpayers:

- a) Execute, by exercising its attributions, all acts and procedures against those legal acts lacking a business motive and creating a direct or indirect tax benefit to taxpayers.
- b) Temporarily restrict the use of the digital seal to issue tax receipts, as well as the use of the certificate for the advanced electronic signature.
- c) Execute the following attributions as tax authority:
 - i. Execute verifications, which shall not be deemed as an initiation of inspections attributions (*i.e.* invitation letters).
 - ii. Execute verifications related to the identity, address and other information stated for the purposes of the Federal Registry of Taxpayers, data expressed in tax receipts, statements or any document they may have.
 - iii. Verification of the existence and location of the tax address and considering as such that in which any of the hypotheses of the CFF occurs, when the address stated in the requests or notices does not correspond to one of the hypotheses of the legal provisions.
- d) Receive and, as the case may be, use information and documents to execute the procedure set forth in article 69-B of the CFF.
- e) Order and practice onsite audits and other acts set forth in tax provisions to tax advisors, as well as request additional information to such advisors or to taxpayers.

Administration of Services to Taxpayers:

- a) Temporarily restrict the use of the digital seal to issue tax receipts, as well as the use of the certificate for the advanced electronic signature.
- b) Execute the following attributions as tax authority:
 - i. Execute verifications, which shall not be deemed as an initiation of inspections attributions (*i.e.* invitation letters).
 - ii. Execute verifications related to the identity, address and other information stated for the purposes of the Federal Registry of Taxpayers, data expressed in tax receipts, statements or any document they may have.
 - iii. Verification of the existence and location of the tax address and considering as such that in which any of the hypotheses of the CFF occurs, when the address stated in the requests or notices does not correspond to one of the hypotheses of the legal provisions.
 - iv. Require clarifications, information and documentation from taxpayers.
- c) Receive and, as the case may be, use information and documents to execute the procedure set forth in article 69-B of the CFF.
- d) Order and practice onsite audits and other acts set forth in tax provisions to tax advisors, as well as request additional information to such advisors or to taxpayers.

General Customs Administration

General Customs Administration:

- a) Hold foreign trade merchandise when competent authorities presume a breach to the provisions governing on copyrights and industrial property matters.
- b) Inspect, guard and review the management, transportation or possession of merchandise at customs precincts.
- c) Order and practice verifications anywhere within national territory, including customs precincts, in connection to transported merchandise, foreign vehicles on transit and aircrafts and ships, to verify their legal import or possession and stay in Mexico.
- d) Define the nature, state, origin and other characteristics of foreign trade merchandise; suggest their customs tariff classification and take samples from merchandise.
- e) Issue partial and final minutes when, during customs recognition or verifications of merchandise in transport, it is necessary to issue a detailed minute appointing the irregularities detected, and the act of verifications is concluded after the day in which it was initiated.
- f) Verify that during customs handling, importers, exporters, customs agents and customs agencies, fulfill the requirements set forth in the applicable provisions.

Customs Operation and Customs Investigation

- a) Hold foreign trade merchandise when competent authorities presume a breach to the provisions governing on copyrights and industrial property matters.
- b) Inspect, guard and review the management, transportation or possession of merchandise at customs precincts.
- c) Order and practice verifications anywhere within national territory, including customs precincts, in connection to transported merchandise, foreign vehicles on transit and aircrafts and ships, to verify their legal import or possession and stay in Mexico.
- d) Issue partial and final minutes when, during customs recognition or verifications of merchandise in transport, it is necessary to issue a detailed minute appointing the irregularities detected, and the act of verifications is concluded after the day in which it was initiated.

Central Administrator of Legal Support to Customs

- a) Define the nature, state, origin and other characteristics of foreign trade merchandise; suggest their customs tariff classification and take samples from merchandise.

Customs, within their corresponding assigned territory

- a) Hold foreign trade merchandise when competent authorities presume a breach to the provisions governing on copyrights and industrial property matters.
- b) Inspect, guard and review the management, transportation or possession of merchandise at customs precincts.
- c) Order and practice verifications anywhere within national territory, including customs precincts, in connection to transported merchandise, foreign vehicles on transit and aircrafts and ships, to verify their legal import or possession and stay in Mexico.

- d) Define the nature, state, origin and other characteristics of foreign trade merchandise; suggest their customs tariff classification and take samples from merchandise.
- e) Issue partial and final minutes when, during customs recognition or verifications of merchandise in transport, it is necessary to issue a detailed minute appointing the irregularities detected, and the act of verifications is concluded after the day in which it was initiated.
- f) Verify that during customs handling, importers, exporters, customs agents and customs agencies, fulfill the requirements set forth in the applicable provisions.

General Administration of Foreign Trade Auditing:

- a) Execute, by exercising its attributions, all acts and procedures against those legal acts lacking a business motive and creating a direct or indirect tax benefit to taxpayers.
- b) Temporarily restrict the use of the digital seal to issue tax receipts, as well as the use of the certificate for the advanced electronic signature.
- c) Execute the following attributions as tax authority:
 - i. Execute verifications, which shall not be deemed as an initiation of inspections attributions (*i.e.* invitation letters).
 - ii. Execute verifications related to the identity, address and other information stated for the purposes of the Federal Registry of Taxpayers, data expressed in tax receipts, statements or any document they may have.
 - iii. Verification of the existence and location of the tax address and considering as such that in which any of the hypotheses of the CFF occurs, when the address stated in the requests or notices does not correspond to one of the hypotheses of the legal provisions.
- d) Receive and, as the case may be, use information and documents to execute the procedure set forth in article 69-B of the CFF.
- e) Order and practice onsite audits and other acts set forth in tax provisions to tax advisors, as well as request additional information to such advisors or to taxpayers.

Central Administrator of Certification and International Affairs of Foreign Trade Auditing

- a) Assess federal taxes and incidental amounts payable by taxpayers, joint liable parties and others, as well as duties, contributions for improvements, fees and their relevant incidental amounts, derived from a documentary audit.
- b) Determine joint liability regarding tax assessments under its competence, including updating, surcharges and corresponding incidental amounts, derived from a documentary audit.

Central Administrator of Strategic Coordination of Foreign Trade Auditing

- a) Execute all acts and procedures set forth in article 69-B of the CFF.
- b) Assess federal taxes and incidental amounts payable by taxpayers, joint liable parties and others, as well as duties, contributions for improvements, fees and their relevant incidental amounts, derived from a documentary audit.
- c) Determine joint liability regarding tax assessments under its competence, including updating, surcharges and corresponding incidental amounts, derived from a documentary audit.

Shortly

From the contents of the Decree it can be derived that, despite the uncertainty created by the current situation as a result of the health emergency caused by COVID-19, the authorities has deemed fundamental to continue its tax collection and auditing activities, strengthening the efficiency of the application of tax and customs provisions.

Consequently, it is advisable to be aware of the fulfillment of tax obligations of taxpayers and, if deemed appropriate, timely evaluate the auditing acts which would be originally executed by the chief of the Tax Administration Service but, due to the Decree, could be executed by the public officers of said organism.

As usual, should you have further doubts on specific cases, please do not hesitate to contact our specialists.

Contact us for further information:

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