

# Elimination of benefits for Certified Companies for VAT/Excise Tax

Tax – July 28, 2020

On July 24, 2020 the Second Amending Resolution to the Miscellaneous Tax Resolution (“MTR”) for fiscal year 2020 was published in the Official Gazette, by means of which rule 2.3.5., granting preferential refund terms of value added tax (“VAT”) by the Tax Administration Service (*Servicio de Administración Tributaria* or “SAT”) to certified taxpayers in terms of the VAT Law and the Excise Tax Law, was repealed.

The aforementioned rule established that certified taxpayers for VAT and excise tax purposes in terms of article 28-A of the VAT Law and article 15-A of the Excise Tax Law, respectively, were entitled to obtain a VAT refund in the reduced term of 20, 15 or 10 days, depending on the type of certification granted.

With the elimination of said rule, “Certified Companies” will be subject to the general terms established in the Federal Fiscal Code for the refund of VAT, which is of 40 business days as of the date in which the refund request is filed, situation which could be extended in the event of further information requests by the SAT, affecting considerably the cash flow of companies.

It is worth noting that on July 24, 2020, the First Amending Resolution to the Foreign Trade General Rules (“FTGR”) for fiscal year 2020 was also published in the Official Gazette, by means of which several rules applicable to Certified Companies have also been significantly amended, added or repealed.

The elimination of rule 2.3.5. of the MTR had not been previously announced in anticipated versions of the MTR and was made public through the Official Gazette.

Likewise, article Fourth Transitory of the MTR establishes that taxpayers benefiting from a Registry in the Certified Company Scheme for VAT and Excise Tax, which has been granted prior to the date of enforceability of the First Amending Resolution to the FTGR, may continue to benefit from the repealed rule 2.3.5. of the

MTR for 2020 until the expiration date indicated in the last ruling in which said registration was granted. Although this provision sets forth a transitory regime applicable to taxpayers with a certification in force, it does not foresee that this alternative may be applicable to those taxpayers which are currently applying for the certification for the first time or in the process of renewing such certification.

It will be important to review the date in which the condition of Certified Company for VAT and Excise Tax has been obtained by each taxpayer to determine whether the Transitory provision will apply.

Additionally, we recommend forecasting the effects in the cash flows of Certified Companies resulting from the elimination of the aforementioned rule to determine whether it will be necessary to modify or restructure the activities of the corporate Group, or whether it will be convenient to interpose any legal means of defense against the tax regime applicable to Certified Companies with aims to seek interim measures to continue applying the benefit being revoked.

**For more information, do not hesitate to contact our expert professionals in this matter at the following e-mail address: [fiscal@macf.com.mx](mailto:fiscal@macf.com.mx)**

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