

## TAX FLASH

Tax Consulting

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### **2014 Tax Reform**

On September 8, 2013 the Executive branch submitted a tax bill to the Mexican Congress which includes several amendments to the federal tax laws currently in force, including some relevant changes regarding the tax regime applicable to the mining industry in Mexico.

Please note that the proposed bill for tax year 2014 is still subject to discussion and approval by the Mexican Congress, and thus the information contained herein may be subject to change.

#### Mining government fees

The Executive branch proposes to add a new special fee applicable to entities in the mining industry, as part of the amendments proposed to the Federal Government Fees Law. Such new fee would consist in an annual payment to be made by the holders of mining permits, and would be determined by applying a 7.5% rate to the positive difference resulting from subtracting most ordinary deductions authorized by the Income Tax Law (with certain exceptions) from the aggregate income derived from the sale of extracted goods.

Additionally, under the proposed bill a second mining fee would also be established, which would consist in an annual payment of \$124.74 Mexican pesos for each hectare covered by a mining permit. This fee would have to be paid by the holders of such permits when they are not able to evidence that they have carried out exploration and exploitation activities for two consecutive years, within the first eleven years in which the mining permit has been granted.

An extraordinary fee is also proposed for the holders of mining permits who extract gold, silver and platinum; this fee would be determined at a rate of 0.5% on the income derived from the sale of these metals.

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Mexico City  
September 2013

This Tax Flash contains information of a general nature, and thus it does not address any particular case or facts. The information contained herein is accurate as of the date of issuance; however, we make no representation as to the fact that such information be accurate in the future. Accordingly, we recommend that specific advice addressing your particular circumstances be requested.

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