

Suspension of time periods and legal terms of the Tax Administration Service

On May 4, 2020, the sixth advance version of the First Resolution of Modifications to the Tax Omnibus Bill for 2020 (“**First Resolution of Modifications**”) was released on the webpage of the Tax Administration Service (“SAT”).

That advance version added several rules, including rule 13.3. which contemplates the suspension of the calculation of the time periods and legal terms of the following acts and procedures that should be carried out by and before the SAT because of the health emergency (provided they cannot be done electronically):

- 1) The filing and the resolution of the administrative appeal and disagreement appeal.
- 2) The processing and conclusion of certain proceedings referred to in the Customs Law.
- 3) The initiation or conclusion of the exercise of investigative powers, inspections, as well as the drafting of the rulings that should be issued in them.
- 4) The filing or resolution of requests for a permit, authorization, concession or registration; as well as the initiation or resolution of their suspension, cancellation or revocation proceedings.
- 5) The carrying out, processing or issuance of various acts to review and verify compliance with the tax and customs provisions established in the Federal Tax Code, the Customs Law and the Income Tax Law.
- 6) The filing, processing, attention, carrying out or drafting of the filings, requirements or actions that should be carried out in the processing of the acts referred to in the above numerals.

The time periods and terms will be suspended from May 4 – 29, 2020. Additionally, it is specified that: *(i)* 26 calendar days will be added to the time periods that are calculated in months or in years, at which point the time period in question will expire; and that *(ii)* if any of the acts or proceedings whose time period is suspended are carried out during the suspension period, such act will be considered made on the first business day of the month of June 2020.

It should be noted that rule 13.3. provides that the following acts that should be carried out by and before the SAT, among others, are not included in the suspension of the time periods and terms referred to above:

- (1) The filing of tax returns, notices and reports;
- (2) the payment and refund of taxes, as well as the payment of considerations and other charges to the government;
- (3) the acts relative to the administrative enforcement proceeding;
- (4) the acts relative to merchandise entering and leaving Mexico and the means in which it is

transported or conducted (including those referring to compliance with non-tariff regulations and restrictions); and (5) taxpayer assistance and guidance services (including registration and notices to be filed before the Federal Taxpayer Registry).

On the other hand, it is also important to be aware that rule 13.3. will enter into force on the day following its publication in the Official Federal Gazette (“**DOF**”). Nevertheless, according to rule 1.8., third paragraph, of the Omnibus Tax Bill for 2020, the benefits contained in the rules that are published in advance on the SAT’s webpage are applicable as of that publication (provided that no express date is given for that purpose).

However, since this rule has not been published (in the DOF) it could still be changed by the SAT, and therefore we recommend taking a conservative position regarding its content and application, and analyzing case by case.

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Mexico City, May 6, 2020.

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