

# Chambers Acquisition Finance Practice Guide 2019: Mexico Chapter

Category: Banking & Finance, Capital Markets, Publications, Securities and Capital Markets

written by Nader, Hayaux & Goebel | December 2, 2019

Our Partners [Adrián López](#) and [José Humberto Rocha](#) contributed to the Chambers Acquisition Finance Practice Guide 2019: Mexico Chapter. The Acquisition 2019 guide provides expert legal commentary on key issues for businesses. The guide covers the important developments in the most significant jurisdictions.

You can read the full article at Chambers & Partners [website](#).

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## Antitrust Attorney-Client Privilege Regulations

Category: Antitrust, Legal Alerts

written by Nader, Hayaux & Goebel | December 2, 2019

The Mexican Federal Antitrust Commission (“Commission”) published new regulations regarding attorney-client privilege (“Regulations”) that became effective on September 30th, 2019.

The Regulations are aimed at establishing a process whereby information resulting from legal advice rendered to clients is qualified as protected with attorney-client privilege and therefore not be considered as evidence.

While the process to analyze the protection request is in progress, the Commission shall take the necessary steps to isolate and preserve the information confidential until the corresponding Committee determines whether or not the request to protect the information is granted.

In the event the information is considered by the Committee as protected by attorney-client privilege, then the exclusion process described in the Regulations must be implemented. Otherwise, in the event the Committee considers the attorney-client privilege is not applicable, it will inform the corresponding unit within the Commission so it can dispose of or use such information.

These new Regulations entail a significant challenge to duly protect legal advice provided to clients under attorney-client privilege.

For further information with respect to the regulations, please get in touch with your regular contacts at Nader, Hayaux & Goebel.

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# Guide to Private Company Acquisitions

Category: Mergers and Acquisitions, Practices Areas, Publications

written by Nader, Hayaux & Goebel | December 2, 2019

Partner [Diego Sánchez](#) and Associate [Miguel Ángel González](#) have published the guide to Private Company Acquisitions in collaboration with Thomson Reuters.

This Q&A provides jurisdiction-specific commentary on Practice note, Asset acquisition documents: Cross-border and forms and is part of Thomson Reuters' Cross-border private company acquisitions.

You can read the full Q&A document [here](#), or for a full list of jurisdictional Q&As visit [Thomson Reuters website](#).

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# Proposed Tax Amendments in the 2020 Budget Bill

Category: Legal Alerts, Tax

written by Nader, Hayaux & Goebel | December 2, 2019

On September 8, 2019, the Executive delivered to the Mexican Congress the Budget Bill for 2020, which includes the proposed “Decree by which various provisions of the Income Tax Law, Value Added Tax Law, Law on Special Tax on Production and Services and the Fiscal Code are amended, added and repealed” (the “2020 Tax Amendments”). Below we highlight the most relevant proposed tax modifications that will be discussed by Congress in the following days.

## **Income Tax**

- Updating of the concept of permanent establishment, in accordance with recommendations set forth in action 7 of the BEPS Project.
- Revision of the provisions addressing hybrid mechanisms, in accordance with recommendations set forth in action 2 of the BEPS Project.
- Modification of various provisions of the Law referring to the Preferential Tax Regimes, differentiating the income obtained through tax transparent foreign entities and vehicles, from the income related to preferential tax regimes obtained through controlled foreign entities.
- Introduction of a general rule addressing income realized by tax transparent foreign entities and vehicles.
- Establishment of a new limitation on the deduction of interest setting a cap equal to 30% of the Adjusted Tax Profit, as well as modification of the thin

capitalization rules.

- Incorporation of the provision that was previously included in the Federal Revenue Act, allowing the reduction of the employee profit sharing upon calculating advanced monthly payments.
- Addition of a new set of rules dealing with income generated by Mexican resident individuals from the sale of goods or the provision of services through the Internet, technological platforms, and similar computer applications.
- Elimination of private REITs (FIBRAS), which will trigger the payment of the tax generated by the transfer of the assets to the trust as regulated under transitory provisions.

### **Value Added Tax Law**

- Taxing digital services provided by non-residents with no PE in Mexico, as well as digital intermediation services between third parties provided by non-residents with no PE and by Mexican residents.
- Withholding of tax payable to labor outsourcing service providers.
- Rules dealing with activities not subject to VAT and their impact on credits.
- Repeal of the possibility to offset VAT favorable balances against other taxes due.

### **Excise Tax on Production and Services**

- Repeal of the possibility to offset favorable excise tax balances against other taxes due.

### **Federal Fiscal Code**

- Establishment of a general anti-abuse rule (GAAR) aimed at transactions that are deemed to lack a business purpose and resulting in a tax benefit.
- Amendment of the rules governing the offset of favorable tax balances, now excluding the possibility of being applied with respect to taxes withheld from third parties.
- Introduction of the obligation for tax advisors to disclose reportable

transactions, as well as the possibility of performing tax audits to review the compliance therewith and assessing penalties for non-compliance.

- Addition of various provisions aimed at challenging companies that issue, market and use tax invoices from non-existent operations.

For further information with respect to the Proposed Tax Amendments, please get in touch with your regular contacts at Nader, Hayaux & Goebel.

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# Cartels Chambers Global Practice Guide: Mexico Chapter

Category: Banking & Finance, Capital Markets, Publications, Securities and Capital Markets

written by Nader, Hayaux & Goebel | December 2, 2019

Our Partner [Alejando Mendiola](#) contributed to the Chambers Global Practice Guide - Cartels, Mexico chapter. The Cartels guide provides expert legal commentary on the key issues for businesses with competition matters. The guide covers the important developments in the most significant jurisdictions.

You can read the full article [here](#) or go to Chambers & Partners [website](#).

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# NHG experts contribute to the 9th edition of The Projects and Construction Review

Category: Infrastructure, PPPs and Government Procurement, Publications  
written by Nader, Hayaux & Goebel | December 2, 2019

Partner [Vanessa Franyutti](#) and Associate [Alejandro Alfonso](#) contributed to the Mexican Chapter of The Projects and Construction Review, 9th Edition.

Project financing and construction law are highly specialised areas of legal practice. Although there is an increased perception that project financing and construction law are global issues, the local knowledge offered by leading experts in 19 countries has shown that to understand the world, we must first make sense of what happens locally; to further advance our understanding of the law we must resist the modern view that all that matters is global and what is regional is of no importance.

The entire Mexico chapter can be downloaded [here](#). More information on the publication can be found on The Law Reviews' [website](#).



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## Business Plan of Petróleos

# Mexicanos

Category: Energy, Legal Alerts, Tax

written by Nader, Hayaux & Goebel | December 2, 2019

On July 16 of 2019, the director of Petroleos Mexicanos (“PEMEX”), Octavio Romero, announced the Business Plan of PEMEX and its Productive Subsidiaries for 2019-2023 (the “Business Plan”). In this regard:

1. Principal milestones for 2023.
2. PEMEX’s current situation
3. Tax Reduction
4. Private Sector
5. Principal Projects 2019-2023
6. Expert opinions

To read the full newsletter, please download the PDF [here](#).

For further information with respect to the business plan, please get in touch with your regular contacts at Nader, Hayaux & Goebel.

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## Energy specialists contribute to the Latin Lawyer Reference Guide 2019 on Oil & Gas

Category: Energy, Publications

written by Nader, Hayaux & Goebel | December 2, 2019

[Héctor Arangua](#), [Adalberto Valadez](#) and [Oscar Vázquez](#) have contributed the chapter on Mexico in the [Latin Lawyer Reference Guide on Oil and Gas](#). The Reference provides answers to key legal and regulatory questions in Latin America in relation to the energy sector, with a special focus on Oil and Gas.

Contributing editor is Carlos Albarracín, partner at Milbank, Tweed, Hadley & McCloy LLP. The complete article can be downloaded [here](#).



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# Guides to Equity and Debt Capital Markets law in Mexico

Category: Capital Markets, Practices Areas, Publications

written by Nader, Hayaux & Goebel | December 2, 2019

[Hans Goebel](#) and [Monica Ramos](#) have published a regulatory overview of Equity and Debt Capital Markets in Mexico in cooperation with Thomson Reuters.

The Equity Q&A gives an overview of main equity markets/exchanges, regulators and legislation, listing requirements, offering structures, advisers, prospectus/offer document, marketing, bookbuilding, underwriting, timetables, stabilisation, tax, continuing obligations and de-listing. The PDF of this article can be downloaded [here](#). This Q&A is part of Thomson Reuters' global guide to equity capital markets law. For a full list of jurisdictional Q&As visit [Thomson Reuters website](#).

The Debt Q&A gives an overview of legislative restrictions on selling debt securities, market activity and deals, structuring a debt securities issue, main debt capital markets/exchanges, listing debt securities, continuing obligations, advisers and

documents, debt prospectus/main offering document, timetables, tax, clearing and settlement, and reform. The PDF of this article can be downloaded [here](#). This Q&A is part of Thomson Reuters' global guide to debt capital markets law. For a full list of jurisdictional Q&As visit [Thomson Reuters website](#).

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# **Regulations on Websites, Publicity and Terms and Conditions offered by Financial Technology Institutions**

Category: Banking & Finance, Legal Alerts, Uncategorized  
written by Nader, Hayaux & Goebel | December 2, 2019

The Federal Commission for the Defense of the Financial Consumer (Comisión Nacional para la Defensa de los Usuarios de Servicios Financieros) published today regulations applicable to Financial Technology Institutions. Such regulations provide certain requirements for the websites and publicity of Mexican Fintech institutions, as well as a number of mandatory terms and conditions for the products offered by such institutions. The regulations also include a catalogue of forbidden commercial practices. The regulations are applicable to both crowdfunds and e-wallet companies and will become effective on January 6, 2020.

*For further information with respect to Fintech related, please contact your regular contacts at Nader, Hayaux & Goebel or any of Gunter A. Schwandt G. +52 (55) 4170 3052 [gschwandt@nhg.com.mx](mailto:gschwandt@nhg.com.mx), Luciano Pérez G. +52 (55) 4170 3035 [lperez@nhg.com.mx](mailto:lperez@nhg.com.mx), Adrián López González G. +52 (55) 4170 3058 [alopez@nhg.com.mx](mailto:alopez@nhg.com.mx) and Diego Sánchez V. +52 (55) 4170 3091 [dsanchez@nhg.com.mx](mailto:dsanchez@nhg.com.mx)*