

## Mexico establishes threshold for reporting customized transactions under mandatory disclosure regime

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On 2 February 2021, Mexico's tax authorities established that customized transactions with an aggregate tax benefit of more than \$100 million Mexican pesos (approx. US\$5 million) are subject to the mandatory disclosure regime (MDR) reporting requirement. For more information on the MDR, see EY Global Tax Alerts, [Mexico: Taxpayers should be aware of Mexico's new reportable transaction obligation](#), dated 23 March 2020 and [Mexico's initial reporting due date for MDR obligations is fast approaching](#), dated 2 November 2020.

The threshold does not apply to generic transactions or transactions that meet the hallmark for avoiding the exchange of information with foreign authorities.

To determine whether the threshold is met, taxpayers or tax advisors must aggregate the tax benefit for all transactions that meet a hallmark for reporting and have at least one tax year in common.

As discussed in previous Tax Alerts, reportable transactions are classified as either generic or customized transactions. A generic transaction is designed to be marketed on a large scale to all types of taxpayers or to a specific group. A customized transaction is one designed, marketed, organized, implemented or administered for a taxpayer's particular circumstances.

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