

## **The new Mexican offshore repatriation program: one month later**

In response to the request from business and industry, on January 18, 2017, President Enrique Peña issued a Decree with a new offshore repatriation program (“Repatriation Program”) that will be in force until July 19, 2017.

Similar to the 2016 offshore voluntary disclosure program (“OVD Program”), the Repatriation Program forces taxpayers to repatriate their assets as a mandatory requirement for participation (not in accordance with the 2015 OECD publication on voluntary disclosure programs).

Unlike the OVD Program, the Repatriation Program significantly reduces the tax rate from 35 to 8% and does not result in the publication of taxpayers’ data.

The key features of the Repatriation Program are:

1. Available to all taxpayers (i.e., individuals and entities) either resident in Mexico or non-resident with a permanent establishment in Mexico.
2. Available with respect to (a) income (including CFC income) produced by assets held offshore until December 31, 2016, or (b) such assets, provided that no deduction was made in Mexico with respect to such income or assets.
3. Income and assets must be (a) repatriated by July 19, 2017, (b) invested in qualified assets by December 31, 2017, and (c) remain invested in such assets for a period of two years.
4. All obligations related to the relevant income and assets are deemed to be fulfilled.

One month later, many questions remain unanswered. The tax administration has published draft Regulations (mostly procedural) and certain FAQs in its webpage, but most of them still do not address key issues.

For further information, please contact any of our professionals:

Alejandro Santoyo  
+52 (55) 4748 0617  
[alejandro.santoyo@creel.mx](mailto:alejandro.santoyo@creel.mx)

Omar Zúñiga  
+52 (55) 4748 0665  
[omar.zuniga@creel.mx](mailto:omar.zuniga@creel.mx)

Jorge Correa  
+52 (55) 4748 0625  
[jorge.correa@creel.mx](mailto:jorge.correa@creel.mx)

*\*This article or news brief does not constitute legal advice and is protected by copyright.*

*Throughout this website "Creel" and the "Firm" refer to Creel, García-Cuéllar, Aiza y Enriquez, S.C. Creel is a law firm founded in 1936 and domiciled in Mexico. Creel, García-Cuéllar, Aiza y Enriquez, S.C.*

[Copyright](#)  
[Privacy Notice](#)  
[Disclaimer](#)