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To Our Friends and Clients:

The decree simplifying tax compliance (the "Decree") was published in the Federal Official Gazette on June 30, 2010.

The purpose of the Decree is simplifying the administrative procedures, through the following measures:

- The elimination of the information returns regarding the concepts that were used to determine the single-rate business tax; thus, it will only be necessary to file the information corresponding to the fiscal year in question.
- It is no longer required to audit the financial statements for tax purposes and to comply with obligations with the Social Security Institute; provided certain information is filed. Such information will be established in the general tax rules.
- The taxpayers of the value added tax may elect not to file the information requested in the income tax returns, as long as they file, on a monthly basis, the information regarding the value added tax withheld, credited and shifted in the transactions carried out with their suppliers.
- Taxpayers that have a favorable balance of the tax on cash deposits, after the crediting and offsetting procedures are applied, may obtain a refund without the need of a public accountant's certification.

The term of effectiveness of the electronic signature of individuals, required to comply with tax formalities, is increased from two to four years.

Should you have any comments or questions regarding this Decree, please contact us by telephone at (619) 498 9282 or 011 52 (664) 686 5557 or by e-mail at: pasero@paseroabogados.com or manolo@paseroabogados.com .