



15th Annual MEXICO TAX UPDATE












September 19 & 20, 2011  San Diego
The OMNI Hotel

A two-day intermediate level conference with live group instruction on the latest tax and legal strategies for reducing the cost of doing business in Mexico, featuring a discussion of Mexico-U.S. tax planning ideas for 2011

**UP TO
16 CPE/CLE
CREDITS AVAILABLE**

**SAVE \$200
REGISTER EARLY!**

Attend this conference and:

-  Discuss Mexico's Flat Tax:IETU and it's Impact on Doing Business in Mexico
-  Understanding the IMMEX Decree and its impact to your manufacturing operations
-  Discuss current Transfer Pricing rules in Mexico
-  Learn how to qualify for tax-free mergers and split-ups in streamlining operations in Mexico
-  Discuss financing cross-border mergers and acquisitions in Mexico
-  Learn about the impact of the FIN 48 disclosure rules for uncertain tax positions on operations in Mexico
-  Discuss resolving tax controversies in Mexico and cross-border tax disputes
-  Understanding the current rules for maquiladoras in Mexico
-  Find out what are the legal and practical tax aspects of structuring royalty payments in Mexico
-  Discuss cross-border tax planning for leasing in Mexico
-  Find out the latest developments under the Mexico-U.S. Income Tax Treaty

Conference Chairs:

Michael Becka
Ernst & Young LLP
Dallas

Jaime Gonzalez-Bendiksen
Bendiksen, Diedrich, Enriquez,
Salazar, Santoyo & Yanar
Mexico City

Ricardo Rendon
Chevez, Ruiz, Zamarripa y Cia SC
Mexico City

Gabriel Andrade
KPMG LLP
Monterrey

Faculty:

Alejandro Enriquez-Mariscal
Bendiksen, Diedrich, Enriquez,
Salazar, Santoyo & Yanar
Mexico City

Ricardo Gonzalez-Orta
Deloitte Mexico
Mexico City

Steve Axler
Special Counsel to Halliburton
Houston

Andres Fuentes
Banamex-Citigroup
Mexico City

Jose Olmedo
Ernst & Young LLP
Monterrey

Armando Beteta
Ernst & Young LLP
Mexico City

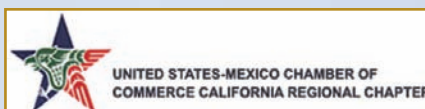
Liliana Galindo
KPMG LLP
San Diego

Bruce Stelzner
KPMG LLP
San Diego

Oscar Castaneda
PricewaterhouseCoopers LLP
Monterrey

Damian Cecilio Torres
Deloitte Mexico
Mexico City

**Conference
Sponsor:**



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Monday, September 19th

8:00 am **Registration and Continental Breakfast**

8:30 am **Current Legal and Tax Strategies for Structuring Operations in Mexico**

- Update on recent legislative changes to Mexico's Tax Law and Federal Tax Code
- How Mexican income taxes and levies affect business operations – using an independent or dependent agent to create PE status
- Choosing the proper vehicle for structuring operations in Mexico – use of a holding company or joint venture
- Computing taxable income in Mexico, including employee profit share – how to deal with the flat tax (IETU)
- Obtaining a refund of Asset taxes paid in prior years
- Dealing with the tax on cash deposits

Bruce Stelzner, KPMG LLP, San Diego

Gabriel Andrade, KPMG LLP, Monterrey

Liliana Galindo, KPMG LLP, San Diego

9:45 am **Break for Refreshments**

10:00 am **SOX Corporate Governance Issues Affecting Operations in Mexico**

- What corporate tax practitioners need to know about Sarbanes-Oxley (SOX) – key FIN 48 issues in Mexico
- Common temporary and permanent differences for operations in Mexico – impact of tax audits and litigation on disclosure of uncertain tax positions
- How to achieve auditor independence - non-audit services prohibition
- Resolving conflicts between disclosure and attorney-client privilege

Steve Axler, Special Counsel to Halliburton, Houston

11:00 am **Mexico VAT (Value-added Tax) Update**

- Dealing with value added tax (VAT) issues – understanding how the cash basis and credit system operates in Mexico
- Documentation of eligible credits – procedural aspects
- How to recover VAT credits and refundable amounts
- Understanding the 0% VAT rate for exportations of services

Jose Olmedo, Ernst & Young LLP, Monterrey

12:00 pm **LUNCHEON**

1:15 pm **Mexico M&A Legal and Tax Update**

- Structuring taxable v. tax-free mergers in Mexico – how recent tax law changes affect acquisition and merger activity
- How to achieve de-mergers and spin-offs tax free while preserving tax basis and other attributes
- Stock v. asset acquisitions in Mexico – obtaining a basis step-up in Mexico
- Transfers and amortization of intangibles from the buyer's and seller's perspective - dealing with goodwill issues
- Conducting legal and tax due diligence in reviewing purchase or merger agreements - dealing with escrow accounts

Jaime Gonzalez-Bendiksen, Bendiksen, Diedrich, Enriquez, Salazar, Santoyo & Yanar, Mexico City

2:30 pm **Break for Refreshments**

2:45 pm **Repatriating Earnings from Mexico**

- Tax issues involving cross-border royalty and technology transfers – U.S.-Mexico income tax treaty planning
- Tax treatment of payments for the use of software in Mexico
- Flat tax impact on royalty payments
- Issues in implementing Cost Contribution Agreements with Mexican subsidiaries
- Use of intercompany services and management fees – advantages and disadvantages of using a conduit entity

Oscar Castaneda, PricewaterhouseCoopers LLP, Monterrey

4:00 pm **Financing Operations in Mexico**

- Use of debt vs. equity in financing operations - review of the thin capitalization rules in Mexico
- Book and tax differences in accounting for inflation
- Obtaining benefits for interest deductions in Mexico – Flat tax impact on interest payments
- Treatment of exchange gains/losses – impact on income tax and profit sharing basis
- How to use cross-border leasing for transferring equipment to Mexico – dealing with asset and withholding tax issues
- Using both debt and equity financial derivative transactions – Futures, options, hedges and swaps
- Understanding the new REIT and venture capital tax systems in Mexico

Andres Fuentes, Banamex-Citigroup, Mexico City

5:15 pm **Meeting Adjourns for the Day**

Tuesday, September 20th

7:30 am **Continental Breakfast**

8:00 am **Update on Manufacturing Alternatives and IMMEX Tax and Customs Benefits**

- Key issues in structuring tax-efficient manufacturing operations in Mexico under the IMMEX Decree – obtaining Certified Importer status and its benefits
- Update on modifications to IMMEX Decree including Article 33 and its impact on tax and customs benefits
- Update on IMMEX transfer pricing guidelines
- Flat tax impact under the Presidential Decree for maquiladora companies

Michael Becka, Ernst & Young LLP, Dallas

Armando Beteta, Ernst & Young LLP, Mexico City

9:30 am **Break for Refreshments**

9:45 am **Key Tax Issues in Sending Individuals to Mexico**

- How Mexico taxes activities of non-resident individuals
- When a non-resident working in Mexico on temporary assignment is subject to income or withholding tax
- Stock options compensation-Mexican tax treatment
- Dealing with payroll and other social taxes
- How Mexico taxes income earned by resident alien individuals living in Mexico – avoiding black list and Mexico CFC rules

Damian Cecilio Torres, Deloitte Mexico, Mexico City

10:45 am **Dispositions and Reorganizations Involving Subsidiaries in Mexico**

- Elections on private shares and rules to achieve exemptions on publicly traded shares - Computing adjusted basis of the stock and paying the tax on net basis
- Strategies for liquidating or disposing of subsidiaries in Mexico
- Taxation of contribution and transfer of appreciated property - migration and deemed liquidation rules
- Advantages and disadvantages of the tax consolidation regime
- Comparison of U.S. and Mexico rules for taxable v. tax-free reorganizations - how to apply for a tax deferral ruling
- Using stock redemptions and capital reductions to restructure operations in Mexico
- Avoiding black list and the Mexico CFC rules on sale or reorganization transactions

Ricardo Rendon, Chevez, Ruiz, Zamarripa y Cia SC, Mexico City

12:15 pm **Luncheon**

1:15 pm **U.S. - Mexico Transfer Pricing Issues**

- Understanding the transfer pricing and penalty guidelines in Mexico – use of secret comparables
- How to deal with the Mexican reporting requirements for Transfer Pricing Information Returns
- Impact of new US services regs related to Mexico operations
- Increasing audit scrutiny of inter-company transactions – issues in deductibility of cost allocations
- Update on SAT specialized tax transfer pricing audits. Approaching business restructuring regarding commissioners and supply chain
- Filing for a bilateral APA and other Competent Authority proceedings

Ricardo Gonzalez-Orta, Deloitte Mexico, Mexico City

2:45 pm **Break for Refreshments**

3:00 pm **Resolving Tax Controversies in Mexico**

- Understanding the Mexican tax legal system/procedures
- Tax assessments and appeals
- Jurisprudence and "Amparo" proceedings
- Recent Mexican court cases and trends on international tax disputes
- Update of IRS tax and customs audit approach regarding US companies doing business in Mexico

Alejandro Enriquez-Mariscal, Bendiksen, Diedrich, Enriquez, Salazar, Santoyo & Yanar, Mexico City

4:00 pm **CONFERENCE ENDS**

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time/topics subject to change

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15th Annual
**MEXICO
TAX UPDATE**

September 19 & 20, 2011 • San Diego
The OMNI Hotel

Hotel Accommodations:

The OMNI Hotel
Tel (800) The-OMNI or (619) 231-6664
675 L Street, San Diego, CA. 92101
Limited time reduced CITE Rate \$229.00 per night

CITE's block of discounted sleeping rooms is limited - reserve your sleeping room early! We cannot guarantee rates or availability. A limited block of rooms at a reduced rate has been set aside for CITE attendees at the OMNI Hotel.

Please contact the OMNI Hotel and mention that you are attending the course listed under CITE. The CITE rate will be available up to approximately 30 days prior to the meeting or until the group block is sold-out, whichever comes first so make your reservation as soon as possible. Your sleeping room is not included in the registration fee.

Dress Code: Business casual attire is requested. Keep in mind meeting room temperatures and personal comfort varies. It is recommended that you bring a sweater or jacket to the sessions as meeting room temperatures are difficult to control

Conference Materials: All CITE program materials are available for purchase to those unable to attend our live conferences. Orders placed for conferences that have not yet taken place will be shipped no earlier than 2-3 weeks after the conference has concluded. Payment must be received in full before material orders can be filled. Please see option on our registration form to order materials.

Conference Fee: Including continental breakfasts, lunches and refreshment breaks, your investment for attending our "Mexico Tax Update" conference is \$1395. Save \$200 by signing up early! This price also includes the conference workbook containing information submitted by speakers – a permanent reference source after the conference has ended.

Payments must be received prior to the conference date. Payments may be made by check, MasterCard, Discover Card, VISA or American Express. Please make all checks payable to "CITE" and list the name of the delegate(s) on the face of the check. If payment has not been received prior to the conference date a credit card hold will be required. Financial hardship granted on a per request basis

Substitutions/Cancellations: Cancellations received more than 72 business hours prior to the meeting will be issued a credit. A \$350 fee will apply to cancellations received within 72 business hours of the event. No credit card or cash refunds will be issued at any time. For more information regarding administrative policies, such as complaints and refunds, please contact us at 1-914-328-5656, or e-mail info@citeusa.org Credits will not be issued for "no shows"

Sponsorship Opportunities are Available

For more information contact CITE at
info@citeusa.org or (914) 328-5656

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14 Annual Mexico Tax Update Conference Attendees Comments:

"Great Instructors"

"Excellent discussion topics and presenters"

*"By attending the conference –
I gained the ability to identify issues in the future"*

"Well organized and concise with experienced speakers"

*"The information presented will help me
increase compliance for my legal entities"*

*"I will not be a Mexican Tax Expert,
but now understand enough to ask questions"*

"Speakers were well prepared and very insightful"

*"Thank you for a lively conference! I learned a lot of
new things that are very timely for my work – I'll be back!"*

Why You Should Attend: Important tax developments in Mexico in 2011 will result in higher taxes for U.S. investors and shareholders in Mexican companies. The Mexico income tax rate will increase in 2011, and the IETU flat (minimum) tax liability is computed by applying the flat tax rate times an enlarged tax base that has been modified by allowing fewer deductions.

Substantial changes in the Maquila legislation may require U.S. companies to re-examine their investment and business strategies in Mexico in the years ahead.

The Mexico government is attempting to stimulate the growth of its 3% real GDP and faces a widening trade deficit and larger current account deficit. Domestic demand will play a larger role in GDP growth.

CITE announces its **15th Annual Mexico Tax Update** course being held September 19 & 20, 2011 in San Diego. This two-day intermediate level conference organized by the Council for International Tax Education (CITE) provides an ideal way to get the vital information you need to help your company or client do business in Mexico in the most profitable way.

CITE has assembled some of the leading experts from both sides of the border to provide you with the in-depth tax knowledge you need to stay current. The networking opportunities and comprehensive written materials alone will provide a major ongoing benefit to attendees.

The conference will address numerous aspects of Mexican taxation as it affects U.S. corporations setting up and doing business in Mexico. More importantly, it will update attendees on the recent Mexico Flat Tax and proposed new legislation.

Who Should Attend: This conference is intended for corporate tax directors, managers, controllers and attorneys, as well as practicing CPAs and lawyers with clients doing business in Mexico and other financial executives responsible for business operations in Mexico. No prerequisites/advanced preparation necessary. This program is transitional and nontransitional which is appropriate for both newly admitted attorneys and experienced attorneys.

Educational Course Credits: CITE is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Web site: www.nasba.org

CITE is an approved sponsor (# 702) of CPE courses for enrolled agents.

For information on CITE's hardship and financial aid policy, please contact us or visit our website. www.citeusa.org



CITE is now part of BNA Tax & Accounting, the foremost source of news, analysis, and practice tools for tax attorneys, accountants, and corporate tax professionals. To learn more, visit www.bnatax.com

All paid attendees will receive the BNA portfolio:

"Doing Business in Mexico" (972-4th)

*One portfolio per paid attendee. Quantities are limited.

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Fee includes: Continental breakfasts, lunches, refreshment breaks and documentation binder.

Registration Fee: Payment is due on or prior to the meeting

- \$1095 Early Registration (on or before August 19)
- \$1295 Regular Registration (after August 19)
- \$100 Discount for CITE Members ID# _____
- CITE membership \$325 Individual \$625 Corporate (Up to 3 Individuals)
- \$345 Cannot attend. Please send program materials.
Add \$75 for shipments outside the U.S.

Method of Payment: Checks must be made in U.S. dollars on a U.S. bank.

- Check enclosed payable to CITE (T.I.N. #14-1716897)
- Credit card payment: Mastercard Visa AmEx Discover

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Signature _____

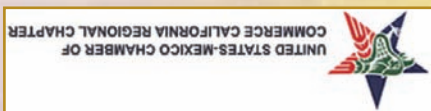
Contact CITE about Special Discounts for three or more attendees from the same company

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The Council for International Tax Education
P.O. Box 1012
White Plains, NY 10602



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