

No. 32642. United Kingdom of Great Britain and Northern Ireland and Mexico

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE UNITED MEXICAN STATES FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS. MEXICO CITY, 2 JUNE 1994 [*United Nations, Treaty Series*, vol. 1913, I-32642.]

PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO AMEND THE CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND CAPITAL GAINS, SIGNED AT MEXICO CITY ON 2 JUNE 1994. MEXICO CITY, 23 APRIL 2009

Entry into force: 18 January 2011 by notification, in accordance with article V

Authentic texts: English and Spanish

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Nº 32642. Royaume-Uni de Grande-Bretagne et d'Irlande du Nord et Mexique

CONVENTION ENTRE LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT DES ÉTATS-UNIS DU MEXIQUE TENDANT À ÉVITER LA DOUBLE IMPOSITION ET À PRÉVENIR L'ÉVASION FISCALE EN MATIÈRE D'IMPÔTS SUR LE REVENU ET SUR LES GAINS EN CAPITAL. MEXICO, 2 JUIN 1994 [*Nations Unies, Recueil des Traités*, vol. 1913, I-32642.]

PROTOCOLE ENTRE LE GOUVERNEMENT DES ÉTATS-UNIS DU MEXIQUE ET LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD MODIFIANT LA CONVENTION TENDANT À ÉVITER LA DOUBLE IMPOSITION ET À PRÉVENIR L'ÉVASION FISCALE EN MATIÈRE D'IMPÔTS SUR LE REVENU ET SUR LES GAINS EN CAPITAL SIGNÉE À MEXICO LE 2 JUIN 1994. MEXICO, 23 AVRIL 2009

Entrée en vigueur : 18 janvier 2011 par notification, conformément à l'article V

Textes authentiques : anglais et espagnol

Enregistrement auprès du Secrétariat des Nations Unies : Mexique, 1^{er} septembre 2011

[ENGLISH TEXT – TEXTE ANGLAIS]

**PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES
AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND TO AMEND THE CONVENTION FOR THE AVOIDANCE OF
DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME AND CAPITAL GAINS, SIGNED AT MEXICO
CITY ON 2 JUNE 1994**

The Government of the United Mexican States and the Government of the
United Kingdom of Great Britain and Northern Ireland;

DESIRING to conclude a Protocol to amend the Convention for the
Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to
Taxes on Income and Capital Gains, signed at Mexico City on 2nd June 1994
(hereinafter referred to as "the Convention");

Have agreed upon the following provisions, which shall be an integral part
of the Convention:

ARTICLE I

Sub-paragraph (a) of paragraph (1) of Article 2 of the Convention shall be
replaced by:

"(a) in the case of Mexico:

- (i) the income tax (*el impuesto sobre la renta*);
- (ii) the business flat rate tax (*el impuesto empresarial a
tasa única*);

(hereinafter referred to as "Mexican tax");"

ARTICLE II

1. Paragraphs (1) and (2) of Article 10 of the Convention shall be
replaced by:

"(1) Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

(2) However:

- (a) except as provided in sub-paragraph (b), such dividends shall be exempt from tax in the Contracting State of which the company paying the dividends is a resident, if the beneficial owner of the dividends is a resident of the other Contracting State;
- (b) other than where the beneficial owner of the dividends or distributions is a pension scheme, dividends or distributions paid out of income derived from immovable property within the meaning of Article 6 by an investment vehicle:
 - (i) which distributes most of this income annually, and
 - (ii) whose income from such immovable property is exempted from tax,

may be taxed in the Contracting State where the investment vehicle is resident but if the beneficial owner of the dividends or distributions is a resident of the other Contracting State the tax so charged shall not exceed 15 per cent of the gross amount of the dividends or distributions.

This paragraph shall not affect the taxation of the company or trust in respect of the profits out of which the dividends or distributions are paid.

In the case of Mexico distributions referred to in sub-paragraph (b) above mean 'the distributed taxable result' of real estate trusts referred to in articles 223 and 224 of the Income Tax Law or the distributions made by any other immovable property investment vehicle which may be incorporated in the Mexican legislation, where the conditions of such sub-paragraph are met."

2. The following paragraph shall be inserted after paragraph (5) of Article 10 of the Convention:

“(6) The provisions of paragraph (2) of this Article shall not apply if it was the main purpose or one of the main purposes of any person concerned with the creation or assignment of the shares or other rights in respect of which the dividends are paid to take advantage of this Article by means of that creation or assignment. ”

ARTICLE III

Article 27 of the Convention shall be deleted and replaced by the following:

“ARTICLE 27 EXCHANGE OF INFORMATION

(1) The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to this Convention, in particular, to prevent fraud and to facilitate the administration of statutory provisions against legal avoidance. The exchange of information is not restricted by Articles 1 and 2 of this Convention.

(2) Any information received under paragraph (1) of this Article by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes referred to in paragraph (1) of this Article, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

(3) In no case shall the provisions of paragraphs (1) and (2) of this Article be construed so as to impose on a Contracting State the obligation:

- (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy.

(4) If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph (3) of this Article but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

(5) In no case shall the provisions of paragraph (3) of this Article be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or fiduciary capacity or because it relates to ownership interests in a person."

ARTICLE IV

The following Article shall be added after Article 27 of the Convention.

"ARTICLE 27A ASSISTANCE IN THE COLLECTION OF TAXES

(1) The Contracting States shall lend assistance to each other in the collection of revenue claims. This assistance is not restricted by Articles 1 and 2 of this Convention. The competent authorities of the Contracting States may by mutual agreement settle the mode of application of this Article.