

**No. 55461\***

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**Mexico  
and  
Philippines**

**Agreement between the Government of the United Mexican States and the Government of the Republic of the Philippines for the avoidance of double taxation with respect to taxes on income and the prevention of fiscal evasion. Manila, 17 November 2015**

**Entry into force:** *18 April 2018, in accordance with article 29*

**Authentic texts:** *English and Spanish*

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**Mexique  
et  
Philippines**

**Accord entre le Gouvernement des États-Unis du Mexique et le Gouvernement de la République des Philippines tendant à éviter les doubles impositions en matière d'impôts sur le revenu et à prévenir l'évasion fiscale. Manille, 17 novembre 2015**

**Entrée en vigueur :** *18 avril 2018, conformément à l'article 29*

**Textes authentiques :** *anglais et espagnol*

**Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies :** *Mexique, 10 octobre 2018*

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[ ENGLISH TEXT – TEXTE ANGLAIS ]

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND THE PREVENTION OF FISCAL EVASION**

The Government of the United Mexican States and the Government of the Republic of the Philippines,

**DESIRING** to further develop their economic relationship and to enhance their cooperation in tax matters,

**INTENDING** to conclude an Agreement between the Government of the United Mexican States and the Government of the Republic of the Philippines for the Avoidance of Double Taxation with Respect to Taxes on Income and the Prevention of Fiscal Evasion, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States),

**HAVE AGREED** as follows:

**ARTICLE 1  
PERSONS COVERED**

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

**ARTICLE 2  
TAXES COVERED**

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.
3. The existing taxes to which the Agreement shall apply are, in particular:
  - a) in Mexico, the federal income tax (hereinafter referred to as "Mexican tax");
  - and

- b) in the Philippines, the income taxes imposed under Title II of the National Internal Revenue Code of the Philippines (hereinafter referred to as "Philippine tax").

4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their respective taxation laws.

### ARTICLE 3 GENERAL DEFINITIONS

1. For purposes of this Agreement, unless the context otherwise requires:

- a) the term "Mexico" means the United Mexican States, when used in a geographical sense it includes the territory of the United Mexican States, as well as the integrated parts of the Federation; the islands, including the reefs and cays in the adjacent waters; the islands of Guadalupe and Revillagigedo; the continental shelf and the seabed and subsoil of the islands, cays and reefs; the waters of the territorial seas and the inland waters and beyond them the areas over which, in accordance with the international law, Mexico may exercise its sovereign rights of exploration and exploitation of the natural resources of the seabed, subsoil and the supra-jacent waters; and the air space of the national territory, to the extent and under conditions established by international law;
- b) the term "Philippines" means the national territory, which comprises the Philippine archipelago, with all the islands and waters embraced therein, and all other territories over which the Philippines has sovereignty or jurisdiction, consisting of its terrestrial, fluvial and aerial domains, including its territorial sea, the seabed, the subsoil, the insular shelves, and other submarine areas, and areas over which the Philippines has sovereignty, sovereign rights or jurisdiction in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). The waters around, between and connecting the islands of the archipelago, regardless of their breadth and dimensions form part of the internal waters of the Philippines;
- c) the terms "Contracting State" and "the other Contracting State" mean Mexico or the Philippines as the context requires;

- d) the term "person" includes an individual, a company, and any other body of persons;
- e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- f) the term "enterprise" applies to the carrying on of any business;
- g) the term "business" includes the performance of professional services and of other activities of an independent character;
- h) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- j) the term "national", in relation to a Contracting State, means:
  - (i) any individual possessing the nationality or citizenship of that Contracting State; and
  - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State;
- k) the term "competent authority" means:
  - (i) in Mexico, the Ministry of Finance and Public Credit, and
  - (ii) in the Philippines, the Secretary of Finance or his authorized representative.

2. As regards the application of the Agreement at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

#### **ARTICLE 4 RESIDENT**

1. For purposes of this Agreement, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of that State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of that State with which his personal and economic relations are closer (center of vital interests);
- b) if the State in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- d) if he is a national of both States or neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall by mutual agreement endeavor to settle the question and to determine the mode of application of the Agreement to such person.

#### **ARTICLE 5 PERMANENT ESTABLISHMENT**

1. For purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.