

Digital solutions for tax compliance

The companies need to have technological tools that allow the appropriate fulfillment of their tax obligations, while they make the processes related to tax management more efficient. KPMG in Mexico has developed an offer of different technology services:



The adoption of a digital culture by the tax authorities and the implementation of electronic billing through issuing digital tax vouchers (CFDIs, for their acronym in Spanish), of the documents called "payment complements", of automated procedures for the cancellation of CFDIs, require companies to have tools that allow them the following:

- 1** Verify that the CFDIs issued and received are duly recorded in the electronic systems of the Tax Administration Department (SAT, acronym in Spanish) and are in compliance with the different
- 2** Reconcile that the CFDIs issued and received are those recorded by the tax authorities and that there are no discrepancies that could trigger any revision by the regulator
- 3** Ensure that the vouchers that sustain the operations conducted by the company support the deductibility thereof for purposes of the Mexican Income Tax Law, crediting the value added tax (VAT) paid or any other applicable tax
- 4** The tax authorities publish the so-called "black lists", whereby they report on the companies that do not comply with tax obligations or that are considered as taxpayers that conduct illegal operations

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Furthermore, the tax authorities have implemented the obligation to send, on a monthly basis and under certain technology standards, the electronic books under specifications including the following:

- Account catalog
- Trial balance
- Accounting vouchers duly linked to the CFDI (upon request by the authority only)

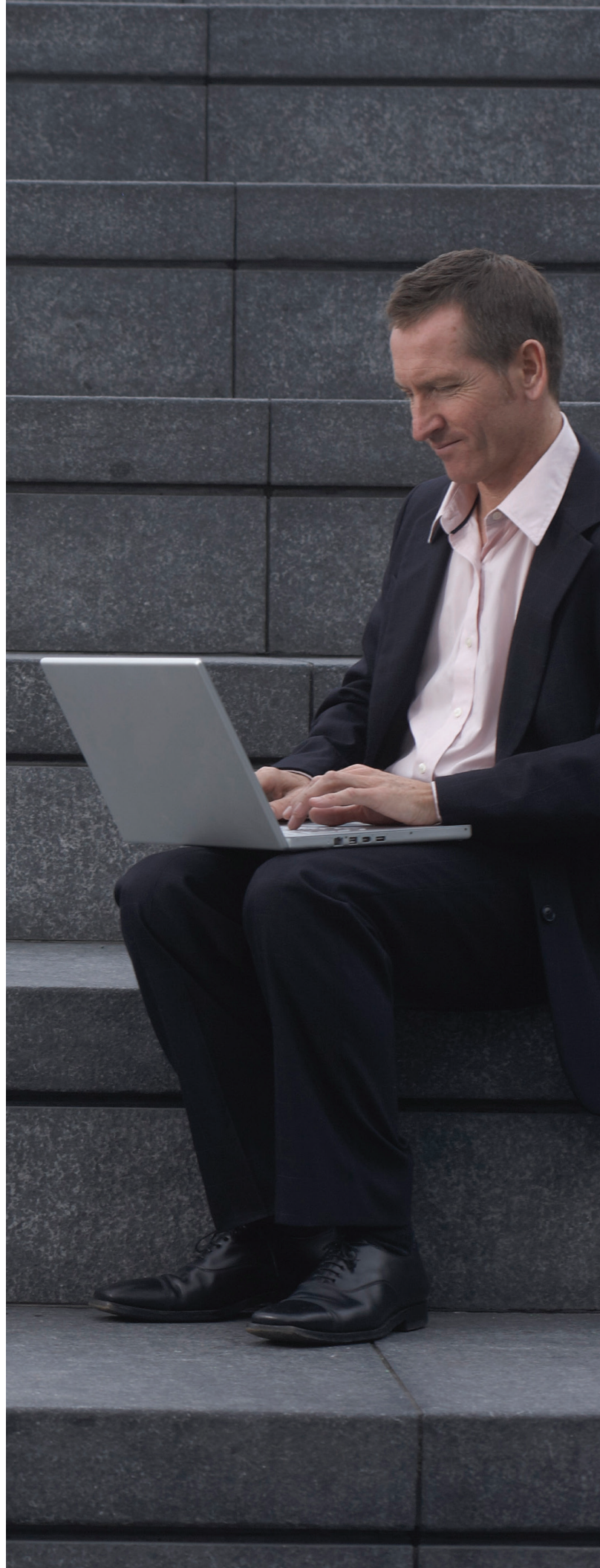
Take preventive actions

The lack of internal procedures or technology tools that contribute to supervise proper compliance with the items mentioned above could result in adverse consequences in the organizations, such as:

- Imposition of fines for incorrectly issuing the CFDIs
- Non-deductibility of expenditures related to CFDIs received from the suppliers of goods or services and, consequently, not crediting the taxes paid such as VAT and the special tax on production and services (IEPS, for its acronym in Spanish)
- Objection from the tax authorities on the deductibility of operations conducted with the taxpayers on the black lists
- Audits by the tax authorities
- In the case of electronic books, the companies face a problem with the accounting systems they use, known as ERPs (enterprise resource planning), because they are adapted to the typical requirements of the business, but not to the requirements of the tax authorities, which implies that the information generated has to be adapted



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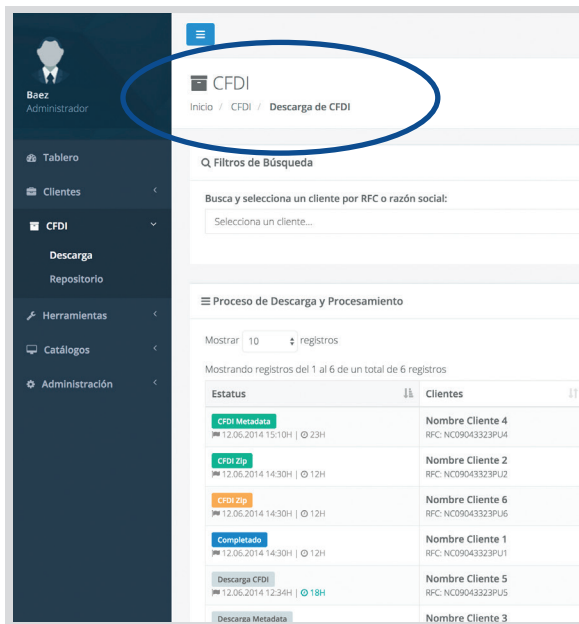
How can we help you?

The Tax Technology team of KPMG in Mexico has developed different digital solutions integrated on a platform of multiple services whose goal is to provide the tools and processes supporting our tax specialists to assist the companies to observe proper compliance and minimize the business risks that could have an impact for failing to comply with tax obligations.

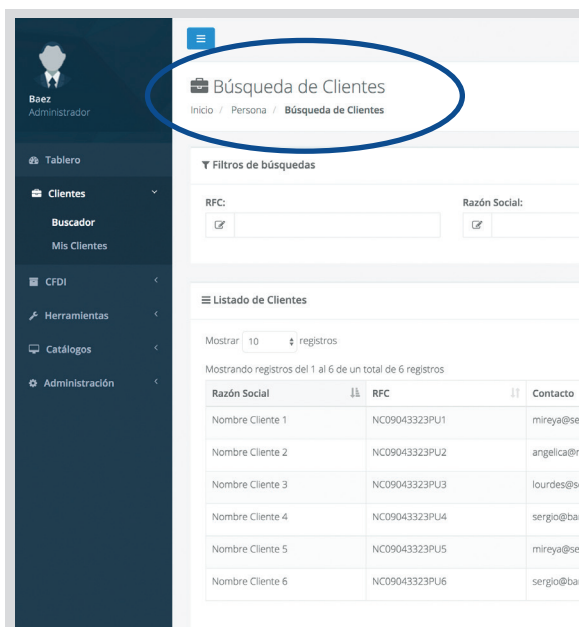
Our specialists are willing to provide services and digital solutions as listed below:

Module 1 – CFDI:

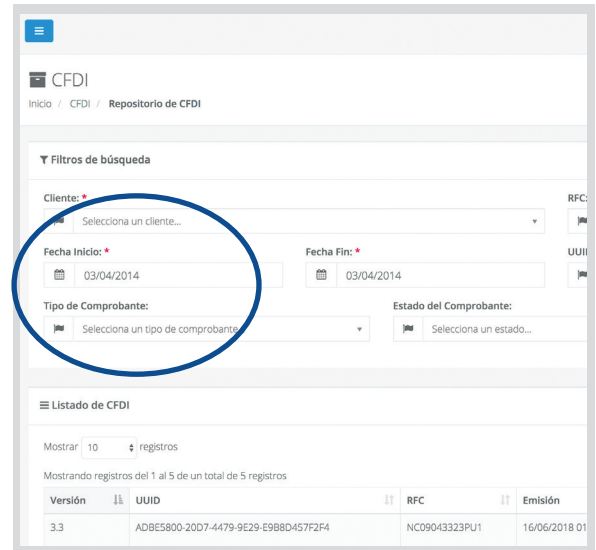
- Consulting and downloading tax vouchers from the SAT services
- Massive download of tax vouchers



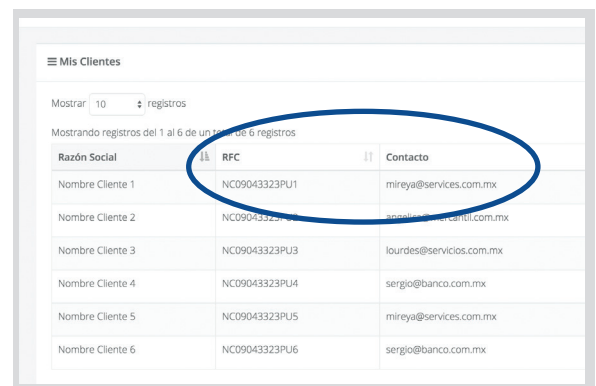
- Organization and screening of personalized searches



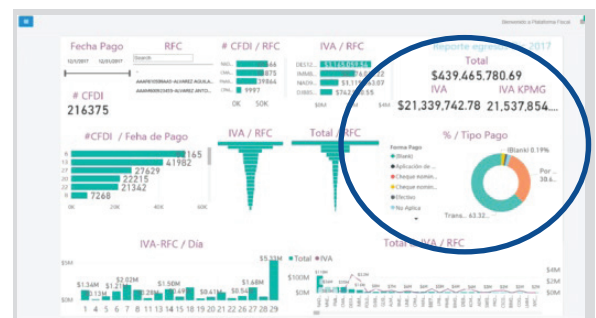
- Adaptable massive download of tax vouchers
- CFDI repository



- Validation of vouchers
- Selection, exploitation and analysis of CFDI information



- Reconciliation of the SAT CFDI to the company's CFDI
- Payroll section
- Payments received
- Issuing reports based on the downloaded payroll vouchers and payments



- Validation of black lists
- Identification of companies that bill simulated operations (EFOS, for its acronym Spanish) and companies that deduct simulated operations (EDOS, for its acronym Spanish) not located and canceled



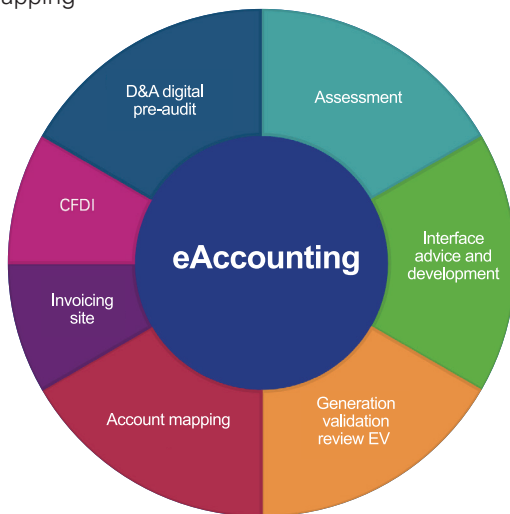
Contacts:

David Ricardez
Partner, Tax Technology
KPMG in Mexico

Frankys M. Baez
Director, Tax Technology
KPMG in Mexico

Module 2 – Electronic books:

- Generation and review of electronic books according to the latest tax provisions of the authority (account catalogs, monthly trial balances, vouchers, account ledgers)
- Account mapping



- Generation of the relationship between the company's electronic books and the account catalog published by the tax authority
- Issuing reports to the corporation

Module 3 – General:

- Administration and control of clients, consulting and downloading tax vouchers from the SAT services
- Access control
- Security

Listado de Clientes					
Mostrar: 10	registros	Buscar:	Copy	CSV	Excel
Mostrando registros del 1 al 6 de un total de 6 registros					
Razón Social	RFC	Contacto	Acceso SAT	Modificado	
Nombre Cliente 1	NC09043323PU1	mireya@services.com.mx	16/06/2018 01:27 pm	16/06/2018 01:27 pm	LF
Nombre Cliente 2	NC09043323PU2	angelica@mercantil.com.mx	23/05/2018 11:20 am	23/05/2018 11:20 am	LF
Nombre Cliente 3	NC09043323PU3	lourdes@services.com.mx	20/06/2018 10:15 pm	20/06/2018 10:15 pm	LF
Nombre Cliente 4	NC09043323PU4	sergio@banco.com.mx	20/06/2018 05:12 pm	20/06/2018 05:12 pm	LF
Nombre Cliente 5	NC09043323PU5	mireya@services.com.mx	16/06/2018 04:12 am	16/06/2018 04:12 am	LF
Nombre Cliente 6	NC09043323PU6	sergio@banco.com.mx	20/06/2018 04:20 am	20/06/2018 04:20 am	LF

Other services:

- Diagnosis: making a tax and technical analysis within the company to find out the amount, quality and level at which the organization is regarding the information generated by the company's systems and validating compliance with the rules applicable to sending the electronic books
- Interface development: implementation of components necessary to obtain the required information from the company's systems to generate the electronic books

kpmg.com.mx
01 800 292 KPMG (5764)
asesoria@kpmg.com.mx



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KPMG in Mexico, Blvd. Manuel Ávila Camacho 176 P1, Reforma Social, Miguel Hidalgo, C.P. 11650, Ciudad de México.

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