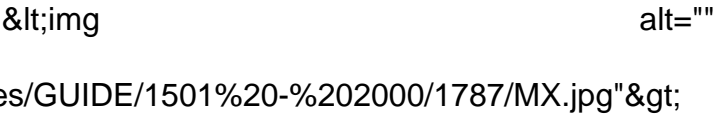


Withholding Tax - Mexico

GUIDE.TALKING_POINTS Seller questions and answers How can I provide my RFC to eBay? To update your RFC, go to My eBay, click Account, click Personal Information.

 Where can I get my Federal Taxpayer Registry (RFC)? Your RFC is issued by the Tax Administration Service (SAT), which is one of the tax authorities in Mexico.

You can verify it on <https://www.sat.gob.mx/aplicacion/29073/verifica-si-estas-registrado-en-el-rfc>

If you still do not have an RFC, contact the nearest SAT office <https://www.sat.gob.mx/tramites/28753/obten-tu-rfc-con-la-clave-unica-de-registro-de-poblacion-curp>

What is needed to have a verified RFC? Make sure that your name, surname and date of birth are correct and an exact match to the information that appears on your proof of tax situation where your RFC also appears. Please note that verification of your RFC will take some time.

Note: Sellers are unable to update their personal info directly on eBay. Due to compliance and risk implications, certain personal details can only be changed by Payoneer after documents are provided. Sellers will need to contact Payoneer directly https://payoneer-es.custhelp.com/app/ask/I_id/2/c/

How do I update my details on Payoneer? There are certain details that customers CAN change on their own by logging in to their Payoneer account: Email address, Password, Address in the same country they are registered in, Phone number

However, due to compliance and risk implications, other details can only be changed by contacting Payoneer Customer Support at https://payoneer-es.custhelp.com/app/ask/I_id/2/c/ and providing proper documentation: Billing country, by providing a Proof of residence in the new country Date of birth, by providing an ID and an explanation on the mismatch Name, by providing an ID and an explanation on the mismatch What happens after I add my RFC to my account? eBay will verify that the RFC you have provided in your account is valid. As this validation is done against official records, it may take longer than normal. Verifying that the RFC you have registered is correct is the first step in the tax withholding process that will be applied throughout 2022 to your account. This means that you will not see any immediate changes when you provide your RFC. If the RFC you have provided is not valid, or cannot be verified, we will have to apply the withholding tax rates mentioned below. In general, if you are an independent seller residing in Mexico and have provided a valid RFC to eBay, 1% income tax and 8% VAT will be withheld from your sales proceeds. If you have not provided an RFC or the RFC you provided is invalid, 20% income tax and 16% VAT will be withheld from your sales revenue. We recommend that you be familiar with the tax processes, so that you can update your account and your business correctly. Contact your tax advisor to discuss next steps. Why am I being charged 20% Tax? eBay is required by law to retain tax on sales generated by individual sellers in Mexico. I provided my tax ID but eBay is still withholding the higher rate. If verification fails, then a higher WHT rate will be applied. Data provided to eBay needs to be an exact match with the data as recorded with SAT (name, RFC and postal code being the key items that need to match). Changes cannot be applied retroactively. I provided an invalid RFC and corrected it later. What about the tax withheld? When a correction to your RFC is made, eBay will update the

withholding tax rate for future withholdings. eBay cannot make any corrections to taxes that have already been withheld and remitted to the Mexican tax authorities.

Does eBay withhold tax before or after eBay fees are collected?

Withholding tax will be calculated based on the gross amount you bill, so it is calculated before any service fees or any other fees that may reduce the amount credited to your account.

What happens if I end up paying more taxes than established?

You may be able to apply for a tax credit or file a claim for a refund with the Mexican tax authorities if you have paid more taxes than required. To determine if claiming a tax credit or refund is appropriate, contact your trusted tax advisor.

Will I receive proof of the taxes that are being withheld? Where can I find it?

We are obliged to issue electronic billing receipts (CFDIs) and its complement ("digital platform service") that support the withholding and payment information. These CFDIs will be issued each month for all operations carried out (paid) during the month, and sent by email. Please make sure your email address is correct.

What does eBay do with the money it holds?

eBay is obligated to transfer any taxes collected from our users to the Mexican government. This is usually done by the 17th of the month following the month in which a transaction is completed (paid).

What happens if my order is canceled or returned?

A refund of tax withheld for cancellation or return of an order can only be made within the same calendar month.

eBay cannot refund any cancellations or returns after the end of the month, as once the tax is remitted to the Mexican tax authorities, eBay cannot refund the withholding tax to the seller.

You may be able to apply for a tax credit or refund from the Mexican tax authorities. To determine if claiming a tax credit or refund is appropriate, contact your trusted tax advisor.

What is this document (CFDI)? Why did you send it to me?

A withholding certificate is created when eBay withholds tax from sales and remits the tax withholdings to the Mexico Tax Authority - SAT. We are required by law to provide this certificate to the seller.

What should I do with this document (CFDI)?

Sellers might use this for assessing their tax liability. eBay

cannot provide advice on this. The Seller should contact their trusted tax advisor to assess their tax liability.

I need to change my tax ID used in the CFDI certificate, can this be done?

Tax IDs can be changed through the profile. CFDIs cannot be changed retroactively, so updated tax IDs can only be used in CFDIs going forward. The new tax ID first needs to be verified by eBay with SAT.

GUIDE.DETAILED_INFORMATION

https://cskb.qa.ebay.com/cskbapp/art?page_content&id=GUIDE1787&ViewLocale=en_US#glossary Withholding tax

https://cskb.qa.ebay.com/cskbapp/art?page_content&id=GUIDE1787&ViewLocale=en_US#AD Agent Desktop workflows

English	Spanish

RFC stands for Registro Federal de Contribuyentes.

The Tax ID Number (RFC) is issued by the Tax Administration Service (Servicio de Administración Tributaria or SAT). Tax ID numbers can be issued to both people and companies.

RFC significa Registro Federal de Contribuyentes. El RFC es emitido por el Servicio de Administración Tributaria o SAT.

Los RFC pueden ser emitidos para individuos o sociedades.

SAT stands for Servicio de Administración Tributaria. SAT is the Mexican government agency responsible for tax administration.

SAT significa Servicio de Administración Tributaria. El SAT es el órgano gubernamental responsable de la recaudación de impuestos.

CFDI stands for Comprobante Fiscal Digital por Internet, which means "Digital Fiscal Document through Internet". It is a document that reflects the withholding of taxes and payments to SAT conducted. It contains both the signature of the issuer (eBay) and the signature of a PAC (eBay uses Edicom).

CFDI significa Comprobante Fiscal Digital por Internet. Es un documento que

refleja la retención de impuestos y pagos realizados al SAT. Contiene la firma del emisor (eBay) y la firma de un PAC (eBay utiliza Edicom).

PAC stands for Proveedor Autorizado de Certificación. It is an Authorized Certification Provider that has been authorized by SAT. PACs provide mandatory validation and certification (Timbrado) services. It is mandatory in Mexico to use a PAC for the issuance of CFDIs.

PAC significa Proveedor Autorizado de Certificación. Es un proveedor autorizado de certificación que ha sido autorizado por el SAT. Los PACs porporcionan los servicios obligatorios de validación y timbrado. Es obligatorio en México utilizar un PAC para la emisión de CFDIs.

ISR stands for Impuesto Sobre la Renta. ISR is the federal income tax paid by all residents and corporations in Mexico on income.

ISR significa Impuesto Sobre la Renta. ISR es el impuesto pagado por todos los individuos y sociedades en Mexico sobre sus ingresos.

IVA stands for Impuesto al Valor Agregado, or Value Added Tax (VAT) in English. It generally applies to all imports, supplies of goods, and the provision of services by a taxable person.

IVA significa Impuesto al Valor Agregado. Generalmente aplica a todas las importaciones, venta de bienes y prestaciones de servicios por parte de un sujeto de impuestos.

WHT stands for Withholding Tax or Tax Withheld. WHT is the money deducted from sellers revenue and paid directly to the government. The tax is therefore withheld or deducted from the income due to the recipient.

IR significa Rentención de Impuesto o Impuesto Retenido. IR es el dinero que es deducido de las ganancias de los vendedores y pagado directamente al gobierno. El impuesto es retenido o deducido de los ingresos del receptor.

Agent Desktop workflow

Where in AD can I see that an account has a verified RFC?

Issue 1006 will be applied - Accounts that have been verified as matching the Mexican Tax authorities will have the Issue 1006 applied

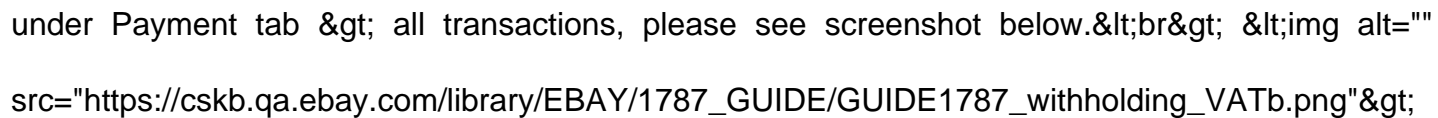
Mexico	Valid	RFC	Number
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</h2></h2>GUIDE.INSTRUCTIONSSTEPS_TO_RESOLVE Use cases for first level team

A seller calls to say RFC has been added and all personal info match the information that appears on proof of tax situation where the RFC also appears For HIPO Buy/Sell: Check RFC number is in the account and escalate to EU SLS. Advise the seller they will receive a reply with the status of their verification. For US B&S/M2M/Payments/e2m/TMs: Transfer to Spanish support with B&S classification. Sellers ask for retroactive VAT credit eBay would only apply lower (VAT and IT) WHT rates as of verification, not retroactively. Sellers will receive the CFDI reflecting this withholding and they should discuss with their accountant/tax advisor the best way to process this in their own tax return. Business Accounts and Sole Proprietors There are some Business accounts whose entities are Sole Proprietors (SP). As SP are not legal entities, these accounts are subject to withholding. How do you check if a Business account is a SP? Open the account in workbench within AD. Click the Customer verification tab in AD, the information will be available under Entity Type as per below screenshot.
 You can also Piggyback on the sellers account, under Business information:
 If the account is Business/Sole Proprietor withholding will be applied and the seller's RFC will need to be verified, following the same process as private sellers. To be successfully verified, all personal information will need to be an exact match with SAT data. Differences between Withholding and VAT on Fees: Differences between Withholding and VAT on Fees Withholding refers to the tax charged on each transaction (order). Under Mexican Tax law, eBay must withhold income tax from sellers registered in Mexico as individuals based on their total monthly sales. If you are an individual seller residing in Mexico and have provided a valid RFC to eBay in addition to the full name postal code as registered with SAT, 1% income tax will be withheld from your sales

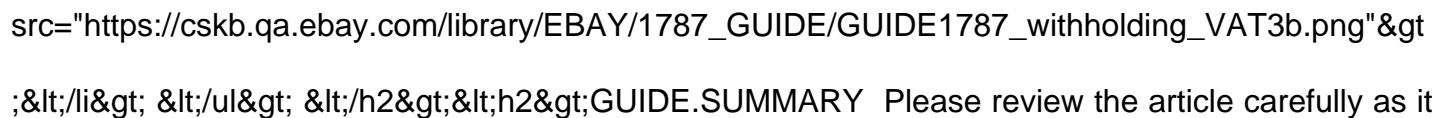
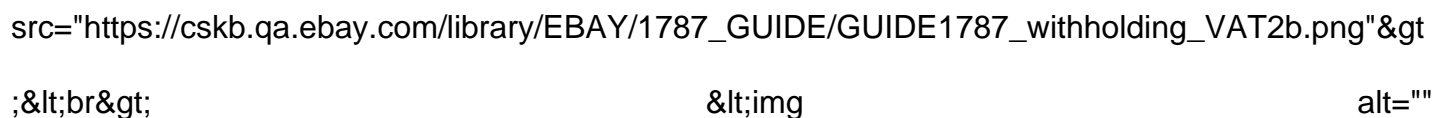
proceeds. If you have not provided an RFC or the RFC, postal code or full name you provided is not a match with SAT data, 20% income tax will be withheld from your sales revenue. For any local transactions where an item is sold by a Mexico resident seller to a Mexican address, VAT will also be withheld on the revenue, for a rate at 8% VAT if the seller data is verified and 16% VAT if the seller data is not verified.

You will be able to find these charges in Seller Hub, under Payment tab > all transactions, please see screenshot below.



VAT on Fees refers to VAT applied to all eBay fees. Under Mexican tax law, we are required to charge VAT on eBay commissions. Starting in January 2021, 16% Mexican VAT will be added to all commissions paid to eBay by users residing in Mexico and this tax will be added to your next invoice issued by eBay. More info on https://export.ebay.com/es/mexican_vat/

You will find this information in Seller Hub, under Payment tab > all transactions > order. Please see screenshot below.



GUIDE.SUMMARY Please review the article carefully as it is updated frequently.

To comply with Mexican tax laws, it is necessary for sellers to provide additional information to their eBay account.

Under Mexican tax law, eBay must withhold income tax from sellers registered in Mexico as individuals based on their total monthly sales.

When Withholding tax starts 1st July, 2022 and Tax certificate starts 1st August, 2022.

Who Independent sellers residing in Mexico are impacted.

For sellers who are natural persons residing in Mexico selling to buyers residing in Mexico, eBay will also withhold value added tax (VAT).

How Mexican sellers who qualify as individuals under

Mexican tax law must obtain a Federal Taxpayer Registry or RFC from the Tax Administration Service or SAT and provide it to eBay. The RFC (Registro Federal de Contribuyentes) Tax Identification Number is required for sellers who sell items or provide services that create revenues. RFC is issued by the Mexican tax authorities. Tax ID numbers can be issued to both people and companies. Individuals who provide eBay with a valid RFC will pay income tax at a rate of 1% on their total monthly sales. Individuals who do not provide eBay with a valid RFC will pay income tax at a rate of 20% on their total monthly sales.

</h2></h2>GUIDE.RELATED_LINKS Related pages Questions and Answers (Q&A) about the tax regime in Mexico
 https://export.ebay.com/es/fees-and-payments/qa-on-tax-regime/ Government of Mexico: Check if you're registered in the RFC
 https://www.sat.gob.mx/aplicacion/29073/verifica-si-estas-registrado-en-el-rfc

Government of Mexico: Get your RFC
 https://www.sat.gob.mx/tramites/28753/obten-tu-rfc-con-la-clave-unica-de-registro-de-poblacion-curp </h2>