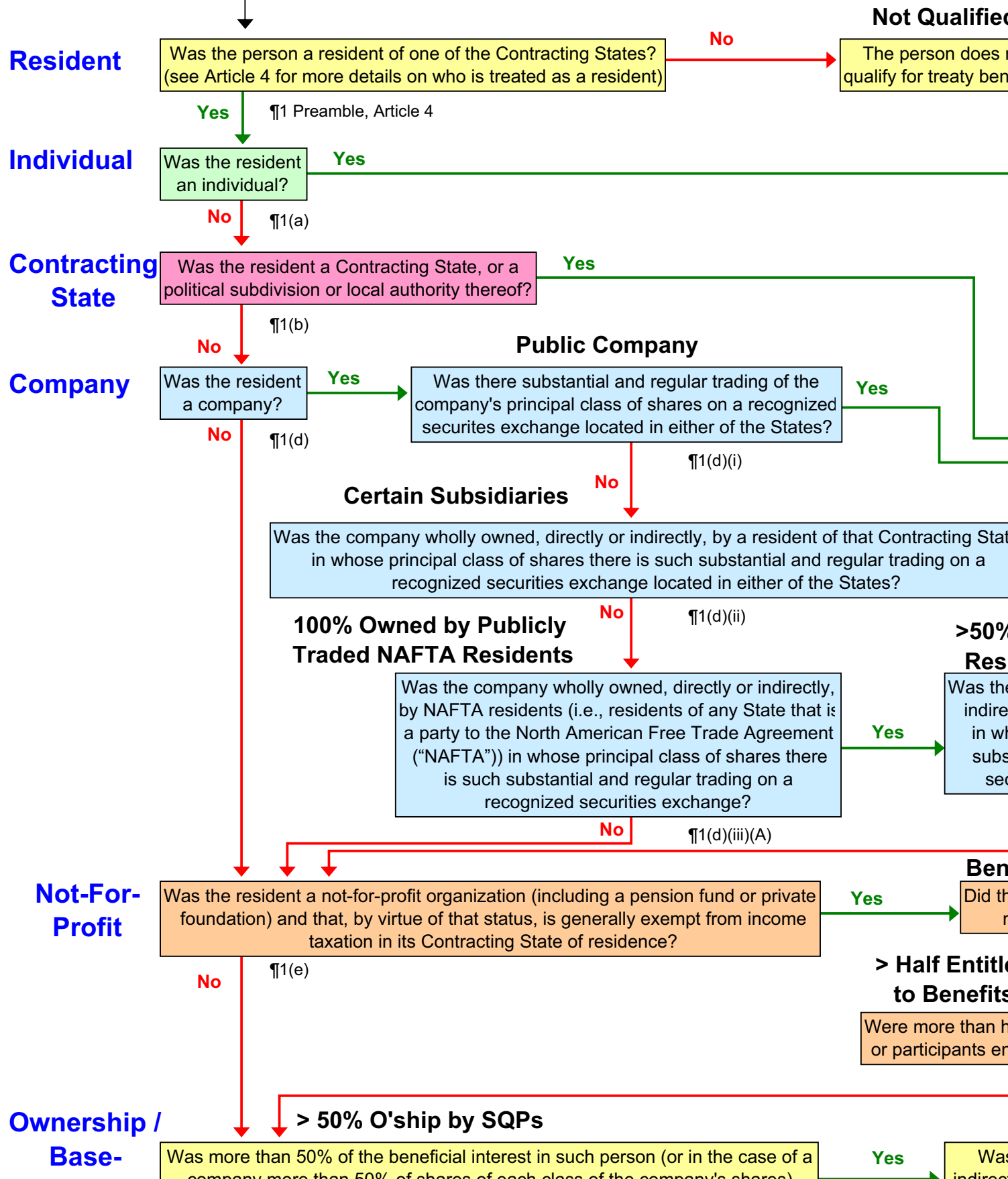


Mexico - U.S. Income Tax Treaty / Conv

Article 17, Limitation on Benefits



Ownership /

> 50% Ownership by SQPs

Base-Erosion

Was more than 50% of the beneficial interest in such person (or in the case of a company more than 50% of shares of each class of the company's shares) owned, directly or indirectly, by Special Qualified Persons (see gray box above)?

Yes

Was the person an indirect person?

No

¶1(f)

Active Business

Was the resident engaged in the active conduct of a trade or business in the resident's State?

Yes

Investments

Was the trade or business the business of making or managing investments?

No

Was the source State or business?

No

¶1(c)

Yes

¶1(c)

Banking or Insurance

Were the activities banking or insurance activities carried on by a bank or insurance company?

Yes

Incidental To

Was the source State or business?

No

¶1(c)

Derivative Benefits

Was the resident claiming benefits under Articles 10 (Dividends), 11 (Interest), 11A (Branch tax), or 12 (Royalties)?

Yes

>30% Owned by SQPs

Was more than 30% of the beneficial interest in such person (or, in the case of a company, more than 30% of the number of shares of each class of the company's shares) owned, directly or indirectly, by Special Qualified Persons (see gray box above)?

Yes

>60% Owned by

Was more than 60% interest in such person or company, more than 60% of shares of each class of the company's shares owned, directly or indirectly, by residents (only including those in the resident's State) who have a tax Convention with the source State from which the income of the particular dividend, payment, in respect of this Convention are subject to a rate of tax applicable to the Convention that is no rate of tax applicable to Articles 10 (Dividends), 11A (Branch tax), or 12 (Royalties)?

No

¶1(g)

No

¶1(g)(i)

No

Competent Authority

Has the person demonstrated to the competent authority of the State in which the income arises that such person should be granted the benefits of the Convention? For this purpose, one of the factors the competent authority shall take into account is whether the establishment, acquisition, and maintenance of such person and the conduct of its operations did not have as one of its principal purposes the obtaining of benefits under the Convention.

No

¶6

Not Entitled

The resident is not entitled to treaty benefits.

¶1

**Convention,
Benefits**

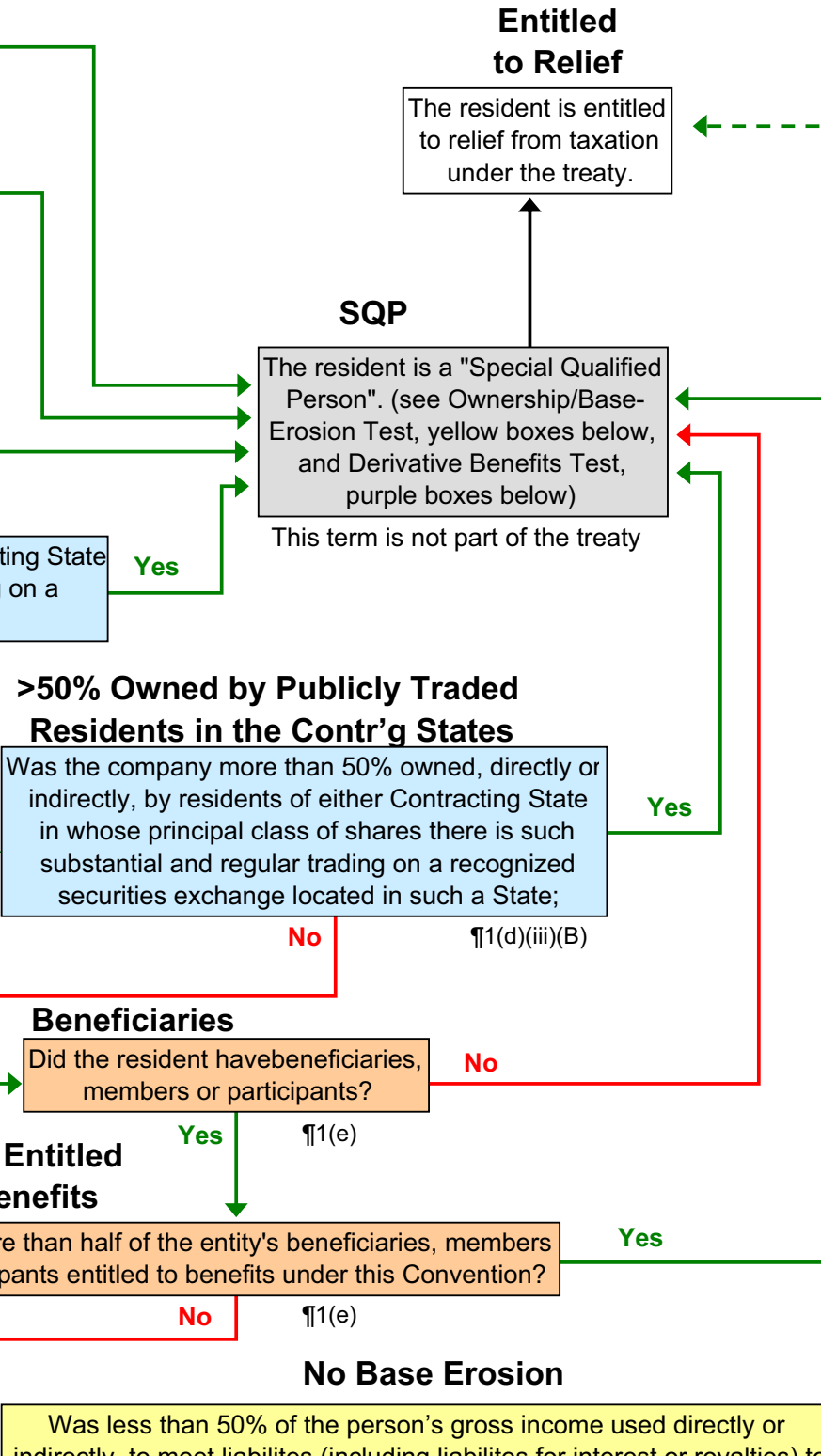
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Qualified
on does not
treaty benefits.



Disclaimer

This flowchart has been extensively reviewed to be as complete and accurate as possible. However, due to the complexity of these rules, this flowchart undoubtedly includes errors and omissions. You should consult a tax professional for individual advice regarding your own situation. This flowchart is not updated for changes in the tax laws and should not be relied upon for any purpose whatsoever.

No Base Erosion

Was less than 50% of the person's gross income used directly or indirectly, to meet liabilities (including liabilities for interest or royalties) to persons that are not Special Qualified Persons (see gray box above)?

Yes

No

¶1(f)

Entitled For That Item

In Connection With

Was the income derived from the source State in connection with the trade or business in the residence State?

Yes

The resident is entitled to benefits of the treaty with respect to the item of income derived from the source State.

No

¶1(c)

Incidental To

Was the income derived from the source State incidental to the trade or business in the residence State?

Yes

Yes

No

¶1(c)

Controlled by NAFTA Residents

More than 60% of the beneficial ownership of such person (or, in the case of a partnership, more than 60% of the number of shares in each class of the company's shares) is owned directly or indirectly, by NAFTA residents, including residents where the resident has a comprehensive income connection with the Contracting State from which the income is derived and if the item of income is subject to a rate of tax, interest, or royalty in respect of which benefits under the Convention are claimed, would be reduced to a rate of tax under that Convention that is no less favorable than the rate applicable to such resident under Article 10 (Dividends), 11 (Interest), 11A (Dividends), 12 (Royalties) of this Convention?

Yes

<70% of Gross Income to Non-SQPs

Was less than 70% of the gross income of such person used directly or indirectly to meet liabilities (including liabilities for interest or royalties) to persons that are not Special Qualified Persons (see gray box above)?

Yes

<40% of Gross Income to Non-SQPs & Non-NAFTA Residents

Was less than 40% of the gross income of such person used directly or indirectly to meet liabilities (including liabilities for interest or royalties) to persons that are neither Special Qualified Persons (see gray box above) nor NAFTA residents (i.e., residents of a state that is a party to NAFTA)?

No

¶1(g)(iii)(A)

No

¶1(g)(iii)(B)

¶1(g)(ii) and ¶1(g) flush

That such person is not a resident of a state that is a party to NAFTA and the conduct of the business is not in the residence State.

Yes

Entitled to Relief

The resident is entitled to relief from taxation under the treaty to the extent determined by the competent authority.