

The 2026 Tax Reform was Published in the Federal Official Gazette (DOF) on November 7, 2025, including the Federal Revenue Law, the Federal Tax Code, the Excise Tax Law (IEPS) and the Federal Rights Law

SUMMARY FOR THE WEALTH PLANNING SEGMENT

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On November 7, 2025, the Federal Executive Branch published in the evening edition of the Federal Official Gazette (DOF) the 2026 Tax Reform Package.

It is expected that the Mexican Government will collect total revenues of MxPs\$10,193,683 millions during fiscal year 2026, mainly from Income Tax (ISR), Value Added Tax (VAT), Excise Tax (IEPS), Foreign Trade Taxes, and the Hydrocarbons Exploration and Extraction Activity Tax. The Tax Reform also establishes the maximum amounts of internal and external debt that may be incurred by the Federal Government, Pemex, and CFE in 2026.

The 2026 Tax Reform addresses various industries such as Digital Platforms, Insurance Companies, Consumer Businesses, Taxpayers with Foreign Income and Structures, and, of course, the Organizers of the FIFA World Cup 2026, in addition to providing incentives for the regularization of tax deficiencies.

In this Tax Newsletter, we present exclusively a summary for the **Wealth Planning Segment**, aimed at enabling Financial Intermediaries, Public Companies, Legal Entities, Family Offices, and Private Investors to become acquainted with the most relevant matters provided under the 2026 Tax Reform and assess the potential impact for the upcoming fiscal year.

1. Repatriation of Foreign Income at a 15% income tax rate

- **General Provisions**

Transitory Article Twenty-Fourth of the Federal Revenue Law for Fiscal Year 2026 (“FRL”) establishes, in favor of individuals and legal entities resident of Mexico, and foreign residents with a permanent establishment in the country, who have obtained resources of lawful origin and kept them abroad up to September 8, 2025, the option to pay Income Tax (ISR) at a 15% rate on the economic resources repatriated to Mexico.

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ABOGADOS

Tax Newsletter 2025

November 10, 2025

“The repatriation of foreign income is subject to a moderated preferred income tax rate, with new investment options, although questions remain regarding the scope of the tax authority’s audit powers”

- [Qualified Taxpayers](#)

This favorable tax treatment is extended on taxpayers covered under Titles II (Legal Entities), IV (Individuals), VI (Refipres – eg. CFC structures), and VII, Chapter XII (Resico Small Legal Entities), with certain exceptions. This benefit applies to income generated in Mexico—even if later transferred abroad—as well as income generated abroad and returned to the country. The economic resources must be repatriated to Mexico no later than December 31, 2026, and invested domestically for a period of three years.

- [Tax Computation](#)

The income tax will be calculated by applying a 15% rate, without any deductions, on the total amount of the resources repatriated to Mexico through domestic banks or broker dealers or foreign financial institutions, provided that such resources have remained abroad up to September 8, 2025. Different options are provided to determine the exchange rate applicable to the repatriated funds. The resulting income tax must be paid within 15 calendar days following the date on which the resources are returned to Mexico.

- [Excluded Persons](#)

“Resico individual taxpayers”, which is a special low tax regime in Mexico for resident individuals, as well as those persons who have been subject to criminal prosecution or convicted for tax-related offenses by a final judgment, and those published under articles 69-B and 69-B Bis of the Federal Tax Code (CFF), are excluded from the preferred tax rate. Taxpayers who, prior to the tax payment date, had already been subject to audit powers concerning the foreign resources may apply the reduced tax rate benefit, provided that certain requirements and conditions are met, and their tax situation is duly regularized.

- [Source of Funds](#)

Taxpayers applying this benefit must prove to the tax authorities the lawful origin of the resources repatriated or introduced into the country when requested. The benefit will not apply to resources derived from illegal activities. Likewise, resources coming from jurisdictions identified by the Financial Action Task Force (FATF) as high-risk are excluded.

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“There is a significant increase in the annual withholding income tax rate from 0.50% to 0.90%, applicable to investments generating interest within the Mexican financial sector”

- **Investment of Resources**

Resources repatriated during the first half of 2026 must be invested no later than December 31, 2026, while those repatriated during the second half must be invested no later than June 30, 2027, in any of the following alternative options:

(a) Acquisition of new fixed assets deductible for ISR purposes which are used pursuant to the authorized activities of the “Plan Mexico” or the “Development Hubs Project” published by Federal Government;

(b) Acquisition of land and buildings located in Mexico;

(c) Research, training, and technology development related to the “Plan Mexico” or the “Development Hubs Project” published by Federal Government;

(d) Payment of debts owed to the Federation;

(e) Acquisition of government bonds; and

(f) Investments related to food production, roads, water, trains, ports and airports, mixed investments, schools and hospitals, housing construction, manufacturing of consumer goods, pharmaceutical and medical equipment production in Mexico

2. Withholding of Income Tax on Interest by the Mexican Financial System

Financial institutions making interest payments must withhold and remit income tax at an annual rate of 0.90%, representing a significant increase compared to the current 0.50% rate for fiscal year 2025. However, it should be noted that this rate varies each year depending on the financial market conditions and the behavior of specific investment instruments.

The following table shows the withholding rates that have been in force over the last five fiscal years in Mexico, which sometimes result in ISR refunds when determining the “real taxable interest” (*gross interest minus annual inflation*) on taxpayers’ investments:

Year	2021	2022	2023	2024	2025	2026
Withholding	0.97%	0.80%	0.15%	0.50%	0.50%	0.90%

“Pass-through treatment is recognized on Foreign Transparent Entities which are Managed by Mexican Manager Members (GPs)”

3. Withholding of Income Tax on Securities Lending:
Financial Intermediaries and Investment Funds

Financial institutions acting as intermediaries in securities lending transactions—where such transactions are not deemed disposals under Article 14-A of the Federal Tax Code and SAT regulations—shall, instead of the annual 0.90% withholding rate applicable to the capital amount that generates interest, withhold and remit income tax as a provisional payment at a rate of 9% on the nominal interest amount defined as the agreed premium. Same tax treatment applies to “Debt Investment Funds” and “Equity Investment Funds” participating in securities lending operations.

4. Management of Foreign Transparent Entities: Private Equity Funds

Article 25, Section XII, of the FRL establishes that the administrator of a foreign transparent structure may be a Mexican tax resident, in which case the foreign business vehicle will maintain its fiscal transparency from a Mexican tax view. This provision is relevant considering the wording of Article 205, Section III, of the Income Tax Law, which raised the question of whether the manager of foreign structures was required to be a foreign resident to achieve pass-through treatment in Mexico, leading to corporate reorganizations in various private funds.

A similar clarification applies to SIEFORES participating in foreign transparent structures (private equity funds), confirming that they may be excluded from the compliance obligations provided in Article 205, Section VI, of the Income Tax Law, without losing the fiscal transparency status of the foreign structure (*e.g. Limited Partnerships*).

5. Reduction of Tax Assessments

Article 19 of the FRL establishes that taxpayers may pay only 50% of the penalties imposed for noncompliance with federal tax obligations other than payment obligations—including those related to RFC registration, filing of returns, notices or reports, bookkeeping duties, and provisional payments—provided that, in addition to the penalty, the omitted taxes and applicable surcharges are paid when appropriate.

Additionally, Article Twenty-Two of the FRL provides a tax credit of 100% with respect to tax fines, penalty interest and collection expenses, for those taxpayers with tax assessments concerning fiscal year 2024 or previous years, provided they file the applicable tax returns and pay the omitted taxes in a single exhibition by December 31, 2026, among other formal requirements.

New Income Tax and VAT compliance obligations are published for the Crowdfunding Platforms

6. Obligations for the Fintech Sector

Article 25, Section VIII, of the FRL establishes different income tax and VAT withholding obligations at rates of 20% and 16%, respectively, as well as the issuance of CFDIs (digital tax invoices) for withholdings by crowdfunding institutions regulated under the Law to Regulate Financial Technology Institutions, through which financing operations that generate interest are carried out. This initiative provides certainty for the tax compliance regime of the evolving crowdfunding segment of Mexico.



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