



**ACUERDO AMISTOSO DE
AUTORIDADES
COMPETENTES RESPECTO
DE LA INTERPRETACIÓN DEL
ARTÍCULO 25 DEL CONVENIO
ENTRE LOS ESTADOS
UNIDOS MEXICANOS Y LA
REPÚBLICA DE COREA PARA
EVITAR LA DOBLE
IMPOSICIÓN E IMPEDIR LA
EVASIÓN FISCAL EN
MATERIA DE IMPUESTOS
SOBRE LA RENTA**



COMPETENT AUTHORITY ARRANGEMENT REGARDING THE INTERPRETATION OF ARTICLE 25 OF THE CONVENTION BETWEEN THE UNITED MEXICAN STATES AND THE REPUBLIC OF KOREA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME.

The competent authorities of Korea and Mexico hereby enter into the following arrangement (the “Arrangement”) regarding the application of the notification period pursuant to paragraph 2 of Article 25 (Mutual Agreement Procedure) of the Convention between the United Mexican States and the Republic of Korea for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Mexico City on October 6, 1994 (the “Convention”). The Arrangement is entered into under paragraph 3 of Article 25 (Mutual Agreement Procedure).

Paragraph 1 of Article 25 of the Convention provides that

Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 24, to that of the Contracting State of which he is a national.

Paragraph 2 of Article 25 of the Convention provides that

The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Convention, *provided that the competent authority of the other Contracting State is notified of the case within four and a half years from the due date or the date of filing the return in that other State, whichever is later.* In such case, any agreement reached shall be implemented within ten years from the due date or the date of filing the return in that other State, whichever is later, or a longer period if permitted under the domestic law of that other State.



In this regard, it is understood that, for the purpose of paragraph 2 of Article 25 of the Convention, the competent authority of the Contracting State that initiates the actions that result or will result in taxation not in accordance with the provisions of the Convention, is considered to have been timely notified of the case, taking into consideration that when paragraph 2 of Article 25 of the Convention provides that *“the competent authority of the other Contracting State is notified of the case”* it generally refers to the timely notification made to the competent authority of the Contracting State that did not initiate the action or propose the adjustment that results or will result in taxation not in accordance with the Convention.

The above provisions will not apply to the cases closed before the date of signature of this Arrangement.

It is also understood that, in any case, actions by a Contracting State of the Convention challenging the compliance of deductibility requirements under domestic laws of that State will not be considered *prima facie* as an issue related to the application or interpretation of the provisions of the Convention, except for a case where such action is to challenge the compliance with the arm's length principle.

This Arrangement is effective upon signature of both Competent Authorities.

Done in duplicate in the Korean, Spanish and English languages, all texts being equally authentic. In case of any divergence of interpretation or application, the English text will prevail.

Mr. Soohyun Yoon

Korean Competent Authority

Mr. Arturo Alejandro Pérez
Sánchez

Mexican Competent Authority

November 11, 2021.