



Tax Principles

América Móvil



Tax Principles

Our tax payments are made in the countries where we generate our income and we make full disclosure of this in the Country by Country report that we present to the Mexican tax authorities (Sistema de Administración Tributaria “SAT”). This report is based on the OECD principles. Mexico is part of the OECD and the SAT have incorporated the OECD principles to improve transparency and governance and since January 1st, 2016 require all MNE resident in Mexico to provide a comprehensive report citing all legal entities owned by América Móvil, foreign and domestic, taxes paid by them and the number of their employees, amongst other data. The afore-mentioned report is presented on an annual basis to the SAT in Mexico and is available for information exchange with other tax authorities through exchange agreements.

We refrain from using tax havens for fiscal planning purposes.

We have procedures to guarantee the compliance of our fiscal duties to minimize any tax-related risks. In 2019 the International Financial Reporting Standards Committee rule 23 came into effect in Mexico. It requires all legal entities owned by América Móvil to list any potential tax contingencies. Such document is revised jointly with our external auditors. The Chief Financial Officer is responsible for notifying the Board of Directors, specifically the Audit Committee, of any tax risks that the Company and/or the external auditors deem necessary.

We have an adequate transfer pricing policy based on market prices and arm’s length principle based on their economic value and contribution. We follow local and international laws as well as the principles outlined by the OECD on its Base Erosion and Profit Shifting framework.

We report taxes paid in our public fillings in accordance to IFRS 3 and IAS 12 on the note 13 of our 20-F report.



Effective Tax Rate and Tax Payments

Effective tax rate

In 2020, América Móvil accrued MX 16,366 million in corporate income taxes on a consolidated basis. This amount corresponds to an effective tax rate of 24.3% on our worldwide earnings. In 2019, AMX accrued corporate taxes amounted to MX 51,033 million which represented an effective tax rate of 42.1%. The decrease in the effective tax rate was due to the recognition of tax losses from prior years in some countries and to the impact of a lower inflation rate given the inflationary adjustments applicable on our financial assets and liabilities under Mexican Tax Law.

Tax contribution

América Móvil also pays and collects various taxes from governments through its transactions with suppliers and customers, as well as through our own operations around the world.