



A&M TAXAND SERVICES

NEAR-SHORING TO NORTH AMERICA VIA MEXICO?

DON'T MISS OUT ON SIGNIFICANT TAX INCENTIVES

MEXICO MAQUILADORA REGIME

A&M has transitioned numerous North American organizations to Mexico Maquiladora manufacturing to capture cost and tax efficiencies



Opportunities

- Duty-free import and export of components and other materials
- Access to lower Mexican labor rates
- Proximity to U.S. and lower transportation costs
- Certainty of reduced tax rate in Mexico
- Advanced tax planning drives down global cash tax rate
- Simple transition plan via tested approach



Maquiladoras

- Maquiladora: Manufacturing operation in Mexico run by a foreign company that produces for export
- Regime allows import of raw materials and components on a duty-free and tariff-free basis for manufacturing and then export the manufactured goods
- In addition to duty-free treatment, benefits include various tax benefits, proximity to the U.S., lower labor costs, and a highly skilled workforce



A&M Taxand Expertise

Leverage A&M's supply chain experts for experiences and insights near-shoring manufacturing to North America markets, e.g., consider using the maquiladora program to generate significant cost and tax savings.



Recommendations

Get a customized A&M assessment of specific cost benefits of maquiladora and alternative models:

- Cost take out analysis
- Maquiladora tax benefits
- USMCA coverage
- US tax treatment
- Domestic relocation incentives
- Advanced tax planning alternatives
- Impact of Mexican tax reform

For more information, contact one of our experts:



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About Alvarez & Marsal Taxand

Alvarez & Marsal Taxand, an affiliate of Alvarez & Marsal (A&M), a leading global professional services firm, is an independent tax group made up of experienced tax professionals dedicated to providing customized tax advice to clients and investors across a broad range of industries. Its professionals extend A&M's commitment to offering clients a choice in advisors who are free from audit-based conflicts of interest, and bring an unyielding commitment to delivering responsive client service. A&M Taxand has offices in major metropolitan markets throughout the U.S., and serves the U.K. from its base in London.

Alvarez & Marsal Taxand is a founder of Taxand, the world's largest independent tax organization, which provides high quality, integrated tax advice worldwide. Taxand professionals, including almost 550 partners and more than 2,500 advisors in 50 countries, grasp both the fine points of tax and the broader strategic implications, helping you mitigate risk, manage your tax burden and drive the performance of your business.

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