
Mexican Tax Legislation

1. General provisions

Federal Tax Code (“FTC”)

Tax Residence & tax ID

As opposed to a place-of-incorporation tax residence criterion, tax residence for an entity will be deemed in Mexico, if managed and controlled in Mexico (seat of the business’ effective management).

Furthermore, legal entities are under the obligation to file for a tax ID before the Federal Taxpayers’ Registry.

Following international best practices, Mexico as member of the OECD, has incorporated into their local tax legislation the principles of this organism.

Obligation to file the Statutory Tax Report

As of fiscal year 2022, Mexican resident corporations in Mexico are required to file to the Mexican Tax Authority a Statutory Tax Report, only if the company has a taxable income from the preceding fiscal year in the amount of 1,650,490,600 pesos. For the fiscal year ending December 2026, the cumulative taxable income totaled 2,013,710,870 pesos.

Income Tax Law (“MITL”)

Mexican resident corporations—where the businesses are managed and controlled—are taxed 1) under their Mexican income and 2) on their worldwide income as it flows into Mexico, by applying the corporate rate of 30% on net taxable income.

In Mexico, the Corporate Income Tax is calculated under individual basis, including profit sharing to employees which is mandatory under Mexican law. Mexican residents are taxed based on worldwide income, adjusting for inflationary gains or losses associated with financial assets or liabilities. Dividends on foreign-source income derived by residents is subject to tax in the same manner as Mexican-source income is.

In those cases where operations take place in a low-tax regime (lower than 75% of the Mexican tax rate, or 22.5%) they will be taxed as if they had taken place in Mexico at the 40% tax rate, therefore, we are committed not to transfer value created to low tax jurisdictions.

Employees' Profit Sharing (PTU)

Employees of companies which perform activities that generate corporate income are entitled to participate in the profits of the company. Employees share the profits of the company through the distribution of a percentage of the company's net income before taxes, an amount which is deductible from income taxes. The percentages that may be deducted from taxes are 10% of taxable profits for Mexico and Perú, and 15% for Ecuador

In recent months, a labor reform was enacted in México in which a new limit is established for PTU purposes. The amount of profit sharing will be capped to three months of the employee's salary or the average of the profit-sharing amounts received in the last three years.

Mexican companies paying salaries are also obligated to pay social security contributions to their employees.

Limitation on Deductible Interest

Since fiscal year 2020, the Mexican Tax Law has established new rules regarding limitations on the deductibility of interest, in line with Action 4 of the Base Erosion and Profit Shifting (BEPS) Project issued by the OECD, of which Mexico is a member.

In general terms, each Mexican company must calculate an adjusted tax EBITDA. The amount resulting from applying the income tax rate percentage to such EBITDA represents the limit on the interest expense that may be deducted in the relevant fiscal year. Any non-deductible amount may be carried forward and applied against taxable income over the following ten years.

Inflation effects

Different from most, if not all, other tax regimes, the Mexican tax regime provides those financial assets—not including equity assets—are subject to inflationary gains or losses (depending whether they are monetary assets or monetary liabilities) and that such gains or losses should be considered in determining the net income a company should be taxed on.

If financial liabilities (accounts payable) exceed financial assets (accounts receivable) a net inflationary gain is generated and should be considered taxable income. Otherwise, if accounts receivable exceeds accounts payable an inflationary loss is booked and it is deductible for tax income purposes.

The inflationary gains or losses resulting from the difference between average assets and average liabilities each year is calculated using the *Indice Nacional de Precios al Consumidor* or national price index.

Loss carryforwards

Losses may be carried forward for 10 years, subject to applicable inflation adjustments. The carryback of losses is not permitted.

Dividend income and distributions

Dividends received in Mexico from a foreign company are subject to corporate income tax in the year received. Corporate and withholding taxes paid abroad may be credited against the resulting Mexican taxes. If the tax rate paid abroad is lower than that of Mexico (30%) we will pay the difference. However, if the former happens to be higher, we may only credit an amount equivalent to that corresponding to the Mexican tax rate.

Dividends received by a Mexican resident company from another Mexican resident company are exempt from a 30% corporate tax, provided that such dividends come from the net tax profit account (“CUFIN” per its acronym in Spanish). For dividends paid to foreign residents, there is no 10% additional withholding on distributions of profits generated prior to 2014 subject to corporate-level tax. For distributions paid on profits generated 2014 and onwards, there is a 10% dividend withholding tax.

Capital Redemptions

Also, entities shall keep a paid-in-capital account (“CUCA” per its acronym in Spanish) which is credited with the paid-in capital and net premiums on share subscriptions made by its shareholders, decreased by any return of capital made (to the extent it is treated as an actual capital redemption and not a dividend). Corporations may return capital to its shareholders against the CUCA account without triggering an income tax liability, provided there is no deemed dividend or profit distribution.

Preferential tax regimes (CFC rules)

Mexican legislation provides that income obtained from sources deemed as preferential tax regimes will be taxed on a current basis, even when profits have not yet been distributed to the taxpayer, to

avoid deferral of taxes due on income generated on investments made in controlled foreign companies.

In general, income is deemed subject to a preferential tax regime when generated in cash, kind, services and credit by foreign entities (that do not qualify as look-through entities in their place of incorporation) in which the taxpayer directly or indirectly participates, even if such income has not yet been distributed, whenever such income is not taxed by the foreign jurisdiction or is taxed with an income tax lower than 75% of the income tax that would have been otherwise due and payable in Mexico. There are certain exceptions to this rule (i.e., lack-of-control exception, business income, among others).

According to the above, if one of our subsidiaries happens to be in a country where the applicable income tax rate is below 22.5% (75% of the Mexican tax rate), its profits would become taxable in Mexico at the Mexican tax rate of 40% and América Móvil would have to pay the differential between the taxes paid abroad and the amount that would have accrued under the Mexican rate even if no dividends are being paid by the subsidiary to América Móvil.

Tax transfer pricing

As of fiscal year 2022, the Mexican resident corporations are required to file a transfer pricing study between Mexican related parties to the Tax Authorities.

In accordance with the principles described by the OCDE in their BEPS Project, América Móvil complies with the filing of the Local File, Country-by-Country Report, and Master File as established in the Federal Fiscal Code (CFF) and the Miscellaneous Tax Resolution.

Tax treaty network

Mexico's tax treaty network comprises approximately 72 treaties for the avoidance of double taxation, 51 information exchange agreements, 35 bilateral investment treaties in force, more than 14 free trade agreements with over 50 countries worldwide, and around 2 treaties in the process of being negotiated.

Multilateral Instrument (MLI)

The Multilateral Instrument or "MLI" BEPS allows jurisdictions to quickly implement the treaty-based recommendations of the BEPS package, including some of the minimum standards. On June 7, 2017, Mexico signed the MLI, and on October 12, 2022, the MLI was ratified by the Mexican

Senate. On June 19, 2023, it was published in the Official Gazette of the Federation, entering into force on July 1, 2023.

The MLI is intended to complement existing Double Taxation Avoidance Treaties by adding new provisions and replacing some provisions in the Double Taxation Avoidance Treaties.

Global Minimum Tax (Pillar Two)

The Inclusive Framework of the OECD/G20 on BEPS addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two Rules) apply to multinational enterprises (MNEs) with annual revenues exceeding €750 million, based on their consolidated financial statements. The Pillar Two Model Rules introduce four new tax mechanisms under which multinational enterprises would be required to pay a minimum level of tax (minimum tax):

- Income Inclusion Rule (IIR)
- Qualified Domestic Minimum Top-up Tax (QDMTT)
- Undertaxed Payments/Profits Rule (UTPR)

The Subject to Tax Rule is a treaty-based rule that generally proposes a minimum tax on certain cross-border transactions between related parties that would otherwise not be subject to a minimum level of taxation. The new tax mechanisms may impose a minimum tax on income generated in each jurisdiction in which an MNE operates. The IIR, UTPR, and QDMTT achieve this by imposing a top-up tax in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis with adjustments in accordance with the Pillar Two Rules, falls below a minimum rate of 15%.

The Pillar Two Model Rules were adopted by the Company at the end of 2023 and are applicable as of January 1, 2024. Under these rules, the Group is considered a multinational enterprise to which the Pillar Two Rules apply. At the same time, Pillar Two legislation has been substantially enacted in certain other jurisdictions in which the Group operates, effective for financial years beginning on January 1, 2024.

Our 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 are committed to refraining from using tax benefits in countries classified as tax havens or secrecy jurisdictions for tax avoidance, in addition to not creating companies in countries considered tax-havens for fiscal planning purposes.

We develop and maintain a transparent tax framework which complies with each fiscal requirement in an accurate and timely manner.

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 appropriate transfer pricing policy based on market prices and the arm’s length principles described by the OECD in its Base Erosion and Profit Shifting Project, in accordance with the economic value and contribution of each transaction. The Company is committed to complying with applicable local and international laws in this area, which prohibit tax evasion.

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 2025, América Móvil accrued MX 53,870 million in corporate income taxes on a consolidated basis. This amount corresponds to an effective tax rate of 37.94% on our worldwide earnings. In 2024, AMX accrued corporate taxes amounted to MX 35,239 million which represented an effective tax rate of 56.09%. The decrease in the effective tax rate for the 2025 fiscal year was mainly caused by inflationary, exchange rate effects and tax benefits in various entities.

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.