



GOODRICH, RIQUELME Y ASOCIADOS

PASEO DE LA REFORMA 265
COL. Y DEL. CUAUHEMOC
06500 MEXICO, D.F. MEXICO
APARTADO POSTAL 93 BIS
06000 MEXICO, D.F.
TELS. (52) 5533-00-40
(52) 5525-47-93
FAX: (52) 5525-12-27
E-mail: mailcentral@goodrichriquelme.com

24, AV. DE L'OPERA
PARIS 75001 FRANCE
TEL: (33-1) 42-60-27-00
FAX: (33-1) 42-60-27-13
E-mail: 100322.173@compuserve.com

CIRCULAR

March 26, 2004

REIMBURSEMENT OF TAX WITHHELD ON DIVIDENDS PAID DURING 1999, 2000 AND 2001.

During 1999, 2000 and 2001 article 152 of the Mexican Income Tax Law provided that Mexican subsidiaries paying dividends to non-resident shareholders would have to withhold a dividend tax of 5% on the amount resulting from applying a factor of 1.5385 to the dividend paid causing an effective rate of 7.69%.

It is pertinent to remark, that Mexico entered into Tax Treaties to avoid double taxation with more than twenty countries whereby the Mexican Government accepted the commitment not to tax the dividends with a rate higher than 5%.

In terms of the treaties, the Tax Administration Bureau must reimburse the excess tax withheld for dividends paid during 1999, 2000 and 2001 that is, the 2.69%.

We have presently obtained favorable decisions from the tax courts ordering the Tax Administration Service to reimburse the amounts withheld in excess during the aforementioned years.

We advise you to check with your Mexican subsidiary to find out what withholding rate was applied.

Regards,

GOODRICH, RIQUELME Y ASOCIADOS

	<u>Telephone</u>	<u>Fax</u>	<u>E-Mail</u>
Raúl Moreyra Suárez	5525-6167	5525-1227	rmoreyra@goodrichriquelme.com
María del Rosario Huet Covarrubias	5207-5203	5525-1227	rhuet@goodrichriquelme.com
Mario Ramírez Vargas	5208-1097	5525-1227	mramirez@goodrichriquelme.com
Ana Celia Salinas Romero	5208-2035	5525-1227	asalinas@goodrichriquelme.com
Sergio Ruiz López	5525-3908	5525-1227	ruizsl@goodrichriquelme.com
Francisco Gómez Víquez	5525-6369	5525-1227	fgomez@goodrichriquelme.com

GOODRICH, RIQUELME Y ASOCIADOS, A.C.
5533-0040/55
mailcentral@goodrichriquelme.com