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Tech Platforms Seek Limits to Mexico's Tax Info Access Plan

By Sam Edwards 2025-10-27T14:33:23000-04:00

Internet marketplaces and platforms are looking to Mexico's Senate for relief from tax legislation they say would threaten data privacy, harm growth, and create significant financial and technical challenges for the sector.

The 2026 [budget bill](#) passed by the Chamber of Deputies earlier this month would give Mexican authorities real-time access to digital platforms' tax information to help tackle value-added tax evasion.

As the bill is set to be discussed by two Senate committees Tuesday—with a scheduled vote by the full chamber the next day—several industry associations called for the body to place limits on the proposed powers or for the government to regulate it further if the measure does pass.

“There is no precedent either in Mexico or comparable democracies for a measure that is so intrusive,” said the Asociación de Internet of Mexico, an association which represents companies including Ebay and Amazon Web Services, in a [statement](#) published Oct. 16.

The proposals are part of a push by Mexico's government to boost compliance and raise its low tax-to-GDP take while maintaining a campaign pledge not to introduce new taxes. In 2023, Mexico's tax-to-GDP rose to 17.7%, its highest level in 20 years but below the Latin American and Caribbean average of 21.3%.

Mexico's Servicio de Administración Tributaria said the measure had been mischaracterized as a means of digital surveillance of users. “This proposal is focused exclusively on data related to value-added tax on these platforms with the aim of making revenue collection more effective and tackling tax evasion,” it said in a [statement](#) Oct. 21.

If passed, the budget would take effect from Jan. 1, 2026. In its current form, the tax data provision would take effect from April 2026.

The tax information access plan, along with other compliance proposals in the budget, “reflect a more

aggressive strategy by the tax authority to regulate the digital ecosystem and combat tax informality,” said Antonio Zuazua, tax and legal partner with KPMG Mexico, using a term for economic activity done outside the tax system.

Privacy, Cost Concerns

The requirement to provide real-time information could be a significant burden for digital platforms and “disincentivize investment and expansion in new digital operations in the country,” said Gabriel Richaud, director general of the Mexican branch of the International Advertising Bureau, an association that counts Amazon.com Inc. and Meta Platforms Inc. among its members.

Senators should establish clear safeguards for authorities to follow for data protection and cybersecurity, according to Fabiola Peña, regional manager for the Mexican chapter of the Asociación Latinoamericana de Internet, whose members include Airbnb Inc., Amazon, Google, Meta, and Mercado Libre.

She said the bill doesn’t lay out under what conditions authorities can access accounts, which would create a “wider margin of interpretation that could result in continuous and massive access, which would go beyond what’s needed for compliance work.”

“Opening a permanent channel of communication with private systems can create vulnerabilities or risks to exposing sensitive information,” she added.

Implementing such a system would be a technical challenge for many platforms and could take time to implement, said Rodrigo Covarrubias, tax partner at Skatt. Further changes could also help mitigate privacy concerns, he added.

“Perhaps authorities could consider some form of software or application that specifically defines the access of information that they can access via these platforms,” Covarrubias said. “Or instead they could simply strengthen the existing process of required declaration which companies are already expected to present.”

‘Alarming’ Penalties

Digital platform groups have also pushed back on the bill's penalties for not complying with sharing tax information.

Under the bill, authorities would be able to temporarily block public access to sites of businesses that don't provide real-time access to their tax information.

The Asociación de Internet of Mexico called the blocking of access "disproportionate and alarming." "This penalty would entail enormous economic losses and affect millions of users," it said.

A similar penalty is already allowed under a provision of Mexico's value-added tax law, but it hasn't been invoked, said Teresa Rodriguez, indirect tax partner at EY Mexico.

The penalty would impact operation costs and risks, potentially "disincentivizing new platforms from entering the Mexican market," she added.

Legal Challenges

If the bill isn't modified substantially, the data access provision could potentially be challenged in court, several tax professionals said.

Setting up access to comply may be overly complex to the point that one could challenge it to suspend the law's implementation, Covarrubias said.

The proposals could also be challenged on constitutional grounds, according to tax partners at Basham, Ringe and Correa.

"The proposal could be unconstitutional since it allows authorities access without a judicial order or oversight," and "it may violate fundamental rights of privacy, the sanctity of domicile, data protection and private property," tax partners at Basham, Ringe and Correa said.

"Additionally, it lacks clear limits on accessible information and confidentiality protocols by establishing a form of continual surveillance without justifying cause. This would also contravene tax principles of proportionality, legality and equality," they added.

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