



Mexico Expense Reimbursement Procedure

This guide outlines the expenses that can be reimbursed in Mexico, the conditions under which reimbursement is permitted, and the required documentation. All reimbursements must comply with Mexican legislation and Native Teams' internal policies.

Eligible expenses

In Mexico, reimbursable expenses are commonly referred to as **viáticos** (travel/business allowances) and cover travel expenses, namely flights, bus tickets, lodging, meals, and temporary car rental.

Reimbursement conditions

Under Mexican tax law (Ley del Impuesto Sobre la Renta – LISR), expense reimbursements and travel allowances (**viáticos**) are not considered taxable income for the employee. They are exempt from income tax (ISR) and from social security contributions (IMSS), provided that:

- The expenses are essential operational expenses for the company; and
- They strictly comply with the tax requirements set out in the LISR.

Travel allowances for business trips are tax-exempt for the employee when spent on lodging, meals, transportation, and car rentals, provided the expenses are incurred **outside a 50-kilometre radius** surrounding the employer's establishment.

If the employee exceeds these limits, the surplus becomes a **non-deductible expense for the company**.

Daily tax-deductible/tax-exempt travel allowance limits

- To remain both tax-deductible for the company and tax-exempt for the employee, allowances must comply with the following daily limits and must strictly satisfy the fiscal requirements established by law:
 - Meals (Domestic) - Up to \$750 MXN
 - Meals (Foreign) - Up to \$1,500 MXN
 - Lodging (Domestic) - No statutory limit; must be supported by hotel CFD
 - Lodging (Foreign) - Up to \$3,800 MXN
 - Temporary car rental - Up to \$850 MXN (domestic and international travel)
 - Transportation (Flight or bus) - 100% deductible, no daily limit; CFDI and boarding pass/ticket required

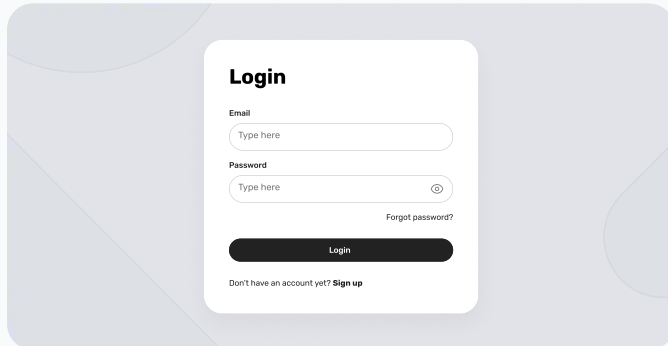
It is very important to note that, in order to be tax-deductible and tax-exempt, all amounts above must strictly comply with the fiscal requirements established by the applicable tax law.

⚠ Documentation requirements

- **Valid CFDIs (tax-compliant electronic invoices)** for all expenses, including boarding passes or tickets for transportation costs
- If the employee fails to provide tax-compliant invoices (CFDIs) supporting the funds received as a travel allowance, that amount will be treated as **taxable income for the employee** and will be subject to payroll income tax withholding.

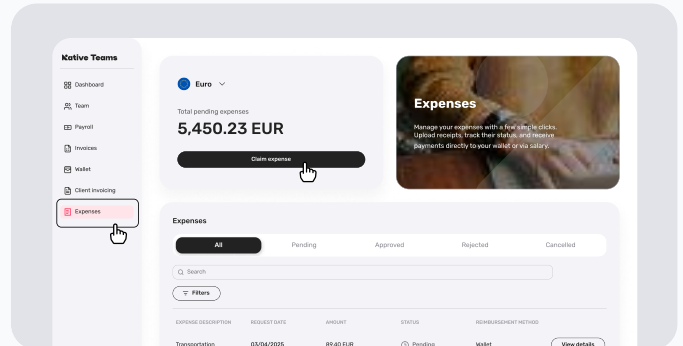
Expense Submission Process

Submitting via **Native Teams** Platform



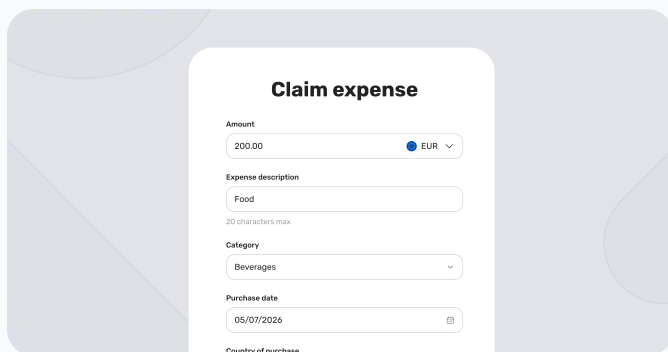
STEP 1

Log in to your Native Teams account.



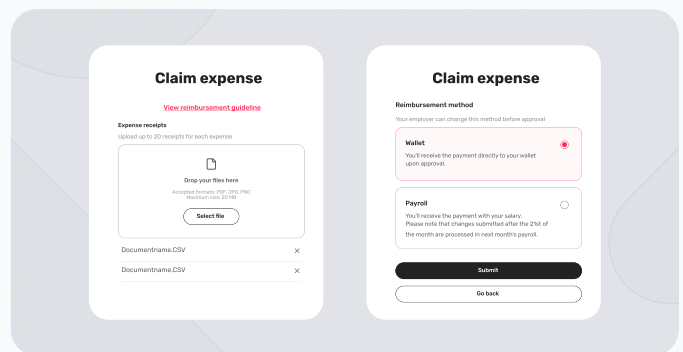
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



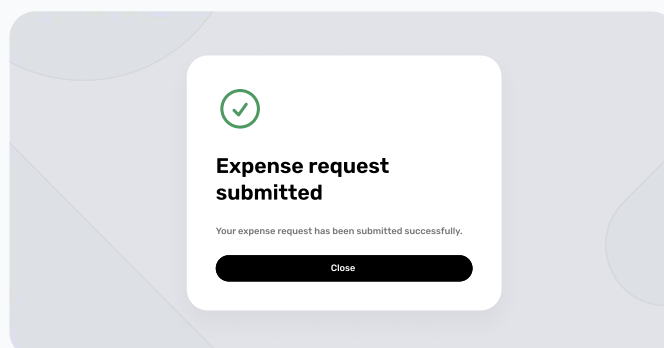
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

⚠ Submission deadlines

- All expense claims must be submitted by the **10th of each month** to be included in that month's payroll.
- Claims submitted after the 10th will be processed in the next month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline extends to the next working day.

Native Teams legal entity - Mexico



◆ **Entity name:** PELAGONIAN S.R.L. DE C.V

◆ **Registration number:** N2023077358

◆ **Registered address:** CALLE RIO P00 43 CUBICULO 105, CUAUHTEMOC CIUDAD DE MEXICO

Native Teams

For any questions regarding expense reimbursements, please contact
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