FINANCIAL TECHNOLOGY INSTITUTIONS LAW

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Current Text

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On the margin, a seal bearing the National coat of arms appears that reads: United Mexican States - Presidency of the Republic.

ENRIQUE PEÑA NIETO, President of the United Mexican States, to its inhabitants be it known: That the Lower House of Congress has been pleased to address to me the following

DECREE
"THE GENERAL CONGRESS OF THE UNITED MEXICAN STATES DECREES:

IT IS ENACTED THE FINANCIAL TECHNOLOGY INSTITUTIONS LAW. IT IS AMENDED AND ADDED SEVERAL PROVISIONS TO THE CREDIT INSTITUTIONS ACT, STOCK MARKET LAW, GENERAL LAW OF CREDIT ORGANIZATIONS AND AUXILIARY ACTIVITIES, LAW ON FINANCIAL SERVICE TRANSPARENCY, LAW TO REGULATE CREDIT INFORMATION CORPORATIONS, LAW FOR THE PROTECTION AND DEFENSE OF THE USER OF FINANCIAL SERVICES, LAW TO REGULATE FINANCIAL GROUPS, LAW OF THE NATIONAL BANKING AND SECURITIES COMMISSION, AND THE FEDERAL LAW ON THE PREVENTION AND IDENTIFICATION OF TRANSACTIONS WITH ILLEGALLY-OBTAINED FUNDS.

ARTICLE ONE. It is **ENACTED** the Financial Technology Institutions Law:

FINANCIAL TECHNOLOGY INSTITUTIONS LAW TITLE I
Preliminary Provisions

Article 1. This Law is of public order and general compliance in the United Mexican States, and its purpose is to regulate the financial services provided by financial technology institutions, their organization, operation, and performance, as well as the financial services subject to any special regulations offered or carried out by innovative means.

Article 2. This Law is based on financial inclusion and innovation principles, promotion of competition, consumer protection, financial stability preservation, illicit operations prevention, and technological neutrality. These principles must be respected by all parties bound by this Law concerning their operations, as well as the Financial Authorities when exercising their powers.

Article 3. The National Banking and Securities Commission and the Bank of Mexico, within the scope of their respective competences, must be responsible for supervising compliance with this Law and the provisions arising therefrom, in terms of this Law and other applicable legal requirements.

The National Insurance and Surety Commission, the National Commission of the Retirement Savings System, and the National Commission for the Protection and Defense of Users of Financial Services must have the powers conferred upon them by this Law and other applicable legal provisions within the scope of their respective competences.

Through the Ministry of Finance and Public Credit, the President may construct the provisions of this Law for administrative purposes.

Article 4. For this Law, the following definitions, in the singular or plural form, must be understood as follows:

I. Financial Authority. Term referring to any of the Supervisory Commissions, the Bank of Mexico, or the Ministry, according to their areas of competence;

II. Customer. Term referring to the individual or legal entity that enters into or carries out any Transaction with an FTI as well as the one that enters into or uses the services of Financial Entities provided for in this Law or companies authorized to operate with Innovative Models;

III. CNBV. Term referring to the National Banking and Securities Commission;

IV. CNSF. Term referring to the National Insurance and Surety Commission;

V. Supervisory Commissions. Term referring to the National Banking and Securities Commission, the National Commission of the Retirement Savings System, the National Insurance and Surety Commission, and the National Commission for the Protection and Defense of Users of Financial Services, according to their areas of competence;

VI. Inter-institutional Committee. Term referring to the collegiate body comprised of public officials from the Ministry, the Bank of Mexico, and the National Banking and Securities Commission referred to in this Law;

VII. CONDUSEF. Term referring to the National Commission for the Protection and Defense of Users of Financial Services;

VIII. CONSAR. Term referring to the National Commission of the Retirement Savings System.

IX. Consortium. Term referring to a group of legal entities linked together by one or more individuals who, as part of a Group of Persons, have Control of the former;

X. Control. Term referring to the ability to impose, directly or indirectly, decisions in general meetings of shareholders or partners or equivalent bodies, or to appoint or dismiss the majority of the directors, administrators, or their equivalents of a legal entity; or to hold the ownership of rights that allow, directly or indirectly, voting rights for more than 50% (fifty percent) of the capital stock of the company, or managing, directly or indirectly, the management, strategy, or central policies of the company, either through the ownership of Securities or by any other legal act;

XI. Relevant Executive Officer. Term referring to the Chief Executive Officer of the FTIs, as well as the individuals who, occupying employment, position, or commission in those or in the legal entities that have the Control of such FTIs or are controlled by the latter, make decisions that have a significant impact on the administrative, financial, operational, or legal situation of the FTI itself or of the Business Group to which it belongs, without including the directors of the FTIs within the scope of this definition;

XII. Financial Institutions. Term referring to holding and sub-holding companies of financial groups, credit institutions, brokerage firms, stock exchanges, investment fund operating companies,

investment fund share distribution companies, credit unions, auxiliary credit organizations, currency exchange houses, multiple-purpose financial companies, popular financial companies, community financial companies with operation levels I to IV, rural financial integration organizations, savings and loan cooperative companies with operation levels I to IV, institutions for the deposit of securities, central securities counterparties, securities rating agencies, credit information companies, insurance companies, surety companies, mutual insurance companies, retirement fund managers, as well as other institutions and public trusts that carry out activities for which the CNBV, the CNSF, or CONSAR exercise supervisory powers;

XIII. Group of Persons. Term referring to persons with agreements of any nature to make decisions in the same direction. It is presumed, except as otherwise provided, that a Group of Persons is established:

a) Persons related by consanguinity, affinity, or civil relationship up to the fourth degree, spouses, concubines, and

b) The corporations that are part of the same Consortium or Business Group and the person or group of persons that have Control of such corporations;

XIV. Business Group. Term referring to the group of legal entities organized under direct or indirect capital stock participation schemes, and the same corporation controls such legal entities, including financial groups organized under the Law to Regulate Financial Groups;

XV. Technological Infrastructure. Term referring to the computer infrastructure, telecommunications networks, operating systems, databases, software, and applications used by the FTIs, the corporations authorized to work with Innovative Models, and the financial entities to support their operations;

XVI. FTIs. Term referring to the financial technology institutions regulated by this Law, which are crowdfunding and electronic payment funds institutions.

XVII. Innovative Model. Term referring to that which for the rendering of financial services uses technological tools or means with modalities different from those existing in the market at the time the temporary authorization is granted in terms of this Law;

XVIII. Transactions. Term referring to the acts of a financial or payment nature referred to in this Law that an FTI may offer or carry out with the public or that through them are carried out among Customers, in terms of this Law;

XIX. Related Persons. Term referring to the persons who, concerning an FTI, are located in any of the following situations:

a) Individuals or legal entities that hold, directly or indirectly, ownership of 1% (one percent) or more of the securities representing the capital of an FTI, according to the most recent register of members kept by the respective FTI;

b) The sole administrator or the members of the board of directors of the FTI, as well as the auditors or commissioners, their officers, employees, or persons other than those who, by their signature, may bind the FTI at issue;

c) Spouses and persons related up to the second degree of kinship with the persons mentioned in the preceding paragraphs;

d) Legal entities, as well as their directors and officers, concerning which the FTI holds, directly or indirectly, 10% (ten percent) or more of the securities representing their capital;

e) The legal entities in which any of the persons mentioned in the preceding paragraphs, as well as the officers, employees, external auditors, and commissioners of the FTI, the ascendants and descendants in the first degree, as well as their spouses, maintain, directly or indirectly, the ownership of 10% (ten percent) or more of the securities representing their capital, and

f) The legal entities concerning which the officers, external auditors, members of the audit committee, and commissioners of the FTIs are directors or administrators or occupy any of the first three hierarchical levels in such legal entities;

XX. Command Power. Term referring to the de facto capacity to decisively influence the resolutions adopted at the meetings of the shareholders or partners or meetings of the board of directors, or meetings related to the management, operation, and execution of the business of the FTI or the legal entities controlled by the FTI. It is presumed that they have the Command Power in an FTI except as otherwise provided, the persons that are located in any of the following cases:

a) Shareholders who have Control;

b) Individuals who have links with the FTI or the legal entities that make up the Business Group or Consortium to which the FTI belongs through life, honorary positions, or any other title analogous or similar to those mentioned above;

c) Persons who have transferred the Control of the FTI under any title and free of charge or at a value below market or book value, for persons with whom they are related by blood, affinity, or civil relationship up to the fourth degree, the spouse, or concubine, and

d) Persons who instruct directors or Relevant Officers of the FTI to make decisions or execute operations in the FTI itself or the legal entities controlled by the FTI;

XXI. Ministry. Term referring to the Ministry of Finance and Public Credit.

XXII. UMA. Term referring to the Unit of Measurement and Updating whose equivalent value in pesos is determined following the Law to Determine the Value of the Unit of Measurement and Updating.

XXIII. Securities. Term referring to shares, partnership interests, debentures, bonds, warrants, certificates, promissory notes, bills of exchange, and other debt securities, whether nominated or unnamed, that are issued in series or masse and represent the capital stock of a legal entity or a portion thereof, a proportional part of an asset, the participation in a collective credit, or any individual credit right, under the terms of applicable domestic or foreign laws.

Article 5. The Financial Authorities must have a term that may not exceed 90 (ninety) days to resolve the procedures referred to in this Law unless there is an express provision that establishes

another term. Once the applicable term has elapsed, the resolutions will be considered negative to the applicant unless otherwise provided for in the relevant provisions. At the request of the interested party, a certificate of such circumstance must be issued within 2 (two) business days following the filing of the respective request with the competent Financial Authority that must have made the decision. The same certificate must be issued when the specific provisions stipulate that the resolution must be understood positively once the applicable term has elapsed. Failure to issue these certificates within the indicated term will cause administrative liability in terms of the applicable legal provisions.

When the initial document does not contain the information or does not comply with the requirements set forth in the applicable legal provisions, the Financial Authority must warn the interested party, in writing and only once, so that within a term that may not be less than 10 (ten) business days, it rectifies the omission. Unless another term is established in the specific provisions, such prevention must be made no later than half of the time for the response of the Financial Authority.

Once the prevention has been notified, the term for the Financial Authorities to resolve will be suspended and will resume as of the business day immediately following the day the interested party has complied with the prevention. If the prevention is not complied with within the term indicated, the Financial Authorities will reject the initial document.

If the Financial Authorities do not request information within the corresponding term, they may not reject the initial document as incomplete.

The terms for the Financial Authorities to reply must begin on the business day immediately following the filing of the corresponding letter unless otherwise expressly provided.

Article 6. The term referred to in the first paragraph of the preceding article must not apply to petitions that, by express provision of this Law, the Financial Authorities must obtain the opinion of other authorities or require the agreement of the Inter-Institutional

Committee. In these cases, the term for the Financial Authorities to make the appropriate decision must not exceed 180 (one hundred and eighty) days.

The opinions referred to in the preceding paragraph must be requested by the respective Financial Authority no later than 3 (three) days following the day on which it receives complete documentation on the matter that is the subject of the opinion. The relevant authorities must issue their opinion within 150 (one hundred and fifty) days from receipt of such documentation. If the opinion is not issued within the indicated term, the Financial Authority requesting the opinion must decide as appropriate with the evidence in the file without considering such an opinion.

The competent Financial Authorities, at the request of an interested party, may extend the terms established in this Law, without such extension exceeding, in any case, half of the time initially provided for in the applicable legal provisions when so required by the matter and when they are not aware that the rights of the third parties are prejudiced.

Article 7. The Financial Authorities, within the scope of their competence, may issue general provisions to simplify procedures and establish simpler forms of compliance with the requirements set forth in this Law, provided that unjustified risks are not incurred.

The procedures and forms of compliance referred to in this article must be reviewed every year, except in cases where the average resolution time of all the authorization procedures of the immediately preceding year has not exceeded 90 (ninety) days.

Article 8. Articles 5, 6, and 7 of this Law must not apply to the Supervisory Commissions and the Bank of Mexico when they exercise their supervisory powers in compliance with the provisions of this Law and the provisions arising therefrom.

Article 9. For this Law, the deadlines set in days will be understood as calendar days unless it is expressly stated that these are working days. When a deadline expires on a non-working day, the deadline will expire on the next immediately following business day.

Article 10. For the matters not provided for in this Law, the relevant special laws applicable to the Financial Institutions at issue, the commercial rules, the sound banking, stock market, and mercantile practices, the federal civil legislation, the federal criminal legislation, and the Federal Tax Code regarding the fine update will apply according to their nature and supplementary manner.

TITLE II
Financial Technology Institutions and their Operations

Article 11. To organize and operate as an FTI, it is required to obtain authorization that will be granted by the CNBV, prior agreement of the Inter-Institutional Committee, in terms of this Law, Chapter I, Title III.

The FTIs, in addition to complying with the obligations set forth in this Law and the provisions arising from them, must take measures to avoid spreading false or misleading information through them. Additionally, the FTIs must issue information that allows their Customers to identify the risks of the Operations they carry out with or through them according to the provisions of this Law.

Neither the Federal Government nor the entities of the parastatal public administration may be responsible for or guarantee the resources of the Customer used in the Operations they carry out with the FTIs or concerning others, nor assume any responsibility for the obligations contracted by the FTIs or by any Customer with another, under the Operations entered into by them. The FITs must expressly point out what is mentioned in this paragraph on their respective web pages, in the message they show through the computer applications, or to transmit it by electronic or digital means of communication they use to offer or carry out their Operations, as well as on the advertisement and agreements they execute with their Customers.

Article 12. Under the terms of this Law, the FTI that obtains authorization to organize and operate as such will be obligated to add in its name the words “crowdfunding institution” or “electronic payment funds institution,” as the case may be. Likewise, the FTIs will be obligated to notoriously disseminate through how they contact their Customers that they are authorized, regulated, and supervised by the Financial Institutions.

The expressions “financial technology institutions,” “FTI,” “crowdfunding institution,” “electronic payment funds institution,” or other expressions that express similar ideas in any language, referring to such concepts or brands and products corresponding to them, by which it may be inferred that the activities of the referred entities are carried out, may not be used in the name, denomination, corporate name, or advertising of persons and establishments, interfaces, computer applications, internet pages, or any other means of electronic or digital communication, different from the FTIs authorized under the terms of this Law.

Associations that group FTIs authorized under this Law are exempted from the provisions of the preceding paragraph.

Article 13. The securities representing the capital stock of the FTIs will be freely subscribed. Credit institutions, stock exchanges, regulated multi-purpose financial institutions, cooperative financial associations, cooperative savings and loans associations with level operation from I to IV, credit unions, and insurance and bonding institutions, as an exception to the provisions of their respective laws regulating them, may invest, directly or indirectly, in the capital stock of the FTIs, subject to the prior authorization of its Supervisory Commission or the Ministry, in such case concerning development banks. Such authorization must be granted under the same proceedings and conditions as the ones applicable for the investment in the capital stock of the rest of the Financial Institutions referred to in the respective financial laws.

For the credit institutions, the total amount of investments in the capital of the FTIs referred to in the paragraph above, together with the investments noted in the Credit Institutions Act, Article 89, may not exceed the minimum equivalent of 15% (fifty percent) of the basic part of the net capital of the institution, or the excess of the basic part of the net capital of the institution over the minimum capital.

Financial Institutions investing in FTIs are prohibited from using their operations' personnel and promotion channels to carry out the corresponding promotion of FTIs.

Without prejudice to the paragraph above, the FTIs, in the cases and under the conditions set forth by the CNBV through general provisions that it issues for such purpose, may agree with the Financial Institutions that acquire securities representing their capital stock that such Institutions provide them with their respective Technological Infrastructures and auxiliary services to support the operations of the FTIs, provided that they obtain the authorization granted by the CNBV and enter into a service contract clearly establishing the transfer prices.

The contracting of services referred to in this article will not exempt the FTIs nor their officers, employees, and other people holding employment, position, or commission in them from the obligation of looking at the provisions of this Law and the general provisions arising from it.

Article 14. The account balance regarding the Operations relating to credits, loans, or mutual transactions executed by the FTIs with their Customers or through the FTI between its Customers, certified by the public accountant authorized by the pertinent FTI, will be enforceable instruments, without the need of authentication of signature or any other requirement.

The account balance certified by the accountant referred to in this article will be authentic, unless proven otherwise, in the respective lawsuits to determine the resulting balances payable by the FTIs Customers.

The account balance certified referred to in this article must contain the name of the Customer, the date of execution of the agreement related to the Operation at issue,

and its characteristics. Likewise, it must contain the movements done since a previous year counted from when the last payment default is verified.

CHAPTER I
Crowdfunding Institutions

Article 15. The activities aimed at putting people from the general public in contact with each other to grant financing through any of the Operations mentioned in the following article, carried out regularly and professionally through computer applications,

interfaces, Internet pages, or any other electronic or digital communication media may only be carried out by legal entities authorized by the CNBV, with the prior approval of the Inter-Institutional Committee, as crowdfunding institutions.

Article 16. The Customers of a crowdfunding institution that intervene in the activities provided for in the article above will be named investors and applicants. The individuals or legal entities that contribute to the resources of the applicants are deemed investors. The individuals or legal entities that receive such resources through a crowdfunding institution are deemed applicants.

The Customers of a crowdfunding institution may carry out between them and through such institution the following operations:

I. Debt crowdfunding so that investors may grant loans, credits, mutuals, or any other financing causing a direct or contingent liability to the applicants;

II. Crowdfunding for investors to purchase or acquire securities representing the capital stock of legal entities acting as applicants, and

III. Crowdfunding of co-ownership or royalties for investors and applicants to enter into joint ventures or any other type of agreement by which the investor acquires a proportional share or participation in a current or future asset or in the income, profits, royalties, or losses to be obtained from the performance of one or more activities or projects of an applicant.

The legal acts carried out for the execution of the Operations referred to in this article will be deemed acts of commerce.

The Operations referred to in this article will be denominated in local currency. Likewise, the crowdfunding institutions may carry out the Operations mentioned above in foreign currency or with virtual assets, in the cases and subject to the terms and

conditions established by the Bank of Mexico through general provisions issued for such purpose.

The securities offered through these institutions may not be registered before the National Registry of Securities.

Likewise, crowdfunding institutions may carry out those activities to ease the sale or acquisition of rights, or securities exchanged that support the Operations referred to in this article, parts I to III. The CNBV, to protect the investors, will establish general provisions for such purposes.

Article 17. Crowdfunding institutions may act as attorneys-in-fact or sales agents of their Customers to carry out activities related to the Operations, among others, for operational issues under the terms the CNBV determines in the general provisions for such purpose.

Article 18. Crowdfunding institutions must comply with the following obligations:

I. To establish and disclose to potential investors clearly and indubitably, through the means used to operate with them, the selection criteria for selecting applicants and projects to be financed; the information and documentation that is analyzed for such purposes and the activities that carry out, if applicable, to verify the truthfulness of such information and documentation, including if other crowdfunding is obtained in that or another crowdfunding institution. The CNBV must establish the requirements to comply with such obligations through general provisions issued for such purposes.

Crowdfunding institutions will be prohibited from offering projects in other crowdfunding institutions at that moment. To comply with the previous, such institutions may exchange information with the prior consent of the applicants;

II. Analyze and report to potential investors, simply and clearly, on the risks of the applicants and the projects, including general indicators regarding their payment behavior and development, inter alia. Such risk must be determined by employing evaluation and rating methodologies for applicants and projects, which must be disclosed to investors. Crowdfunding institutions must ensure that the methodologies are consistently applied and updated as necessary. Upon issuance of general provisions, the CNBV will establish the minimum elements to be contained in such methodologies;

III. To obtain from the investors an electronic record that they know the risks to which their investment is subject at the institution. The CNBV will determine the

minimum characteristics for such records in general provisions it issues for such purposes;

IV. To have once an Operation has been carried out, available to the investors participating in it the information about the payment behavior of the applicant, its performance, or any other relevant information. Upon issuance of general provisions, the CNBV will establish the requirements to comply with this obligation;

V. To provide the Customers with the necessary media to achieve the execution of the Operations;

VI. To be a user of at least one Credit Information Company, they must periodically provide information on financing applicants under the terms set forth in the Law to Regulate Credit Information Companies. This obligation will only be for debt crowdfunding institutions;

VII. To deliver the resources of the investors to the applicants selected by the investors themselves and, before such delivery, to allow the investor to withdraw its resources destined for the investment at issue without any restriction or charge. The financing terms and conditions may not be modified once the consent to their selection has been given;

VIII. To establish debt crowdfunding risk-sharing schemes with investors, which must include the agreement to charge a proportion of the commissions, subject to the condition that the full settlement of the financing or performance of the project on the terms offered or any other scheme that allows the alignment of incentives between the FTI and the investors. Such schemes must be submitted with the authorization request to act as an FTI.

The commissions charged regarding defaulting financings under no circumstance may be greater than the ones collected for current financings;

IX. To have the mechanisms necessary to segregate each type of Operation so that investors may unequivocally distinguish the kind of Operations at issue when two or more types of crowdfunding operations are carried out or when the sale or acquisition of the securities exchanged or rights obtained through them is made, and

X. The rest of the provisions set forth for crowdfunding institutions provided for in this Law and the provisions arising from it.

Crowdfunding institutions will be responsible for the damages caused to their Customers for the breach of this article.

Article 19. Crowdfunding institutions, in addition to their activities, may only carry out the following:

I. To receive and publish the requests for crowdfunding operations from applicants and their projects through the interface, website, or electronic or digital media used to carry out its activities;

II. To facilitate that potential investors know the characteristics of the requests for crowdfunding Operations and their projects through the interface, website, or electronic or digital communication media used to carry out their activities;

III. To enable and allow the use of electronic communication channels through which investors and applicants can interact through the interface, website, or electronic or digital communication media used to carry out their activities;

IV. To obtain loans and credits from any national or foreign individual to fulfill its corporate purpose. Such loans and credits may not be used to establish schemes that allow sharing with investors the risks of the projects provided for in this Law unless they obtain the authorization of the CNBV under the terms of the general provisions it issues. In no case may loans and credits be obtained from an undetermined person or through mass media or habitually or professionally;

V. Issuing Securities for own account. The resources obtained from the placement of debt Securities in public offerings may not be used to establish schemes that allow the sharing of project risks with investors;

VI. To acquire or lease the real and personal property necessary to carry out its purpose and to dispose of it when appropriate;

VII. To constitute deposits in financial entities authorized for this purpose;

VIII. To establish such trusts as may be necessary for the fulfillment of its corporate purpose in terms of the provisions of this Law;

IX. To make permanent investments in other companies as long as they provide them with ancillary, complementary, or real estate services;

X. To carry out the extrajudicial or judicial collection of loans granted to applicants on behalf of investors, as well as renegotiating the terms and conditions of such loans, and

XI. To carry out the acts necessary to achieve its corporate purpose.

Article 20.- The crowdfunding institutions will be prohibited from assuring returns or yields on the investment made or guaranteeing the result or success of the investments.

Article 21.- The following persons may not be applicants for financing through crowdfunding institutions:

I. The FTI, and

II. Related Persons, and persons with the Command Power in the FTI.

The FTIs may only participate as investors in the Operations that are published through them or acquire the rights of the respective projects when they are schemes to share with the investors the risks of the projects in terms of this Law.

Credit institutions, stock exchanges, credit unions, regulated multiple-purpose financial companies, popular financial companies, community financial companies, and savings and loan cooperative societies with operation levels I to IV may be investors through crowdfunding institutions, subject to the rules established by the CNBV for such purpose.

The crowdfunding institutions must refrain from alienating or assigning to the Related Persons and persons who have Command Power in the respective crowdfunding institutions, under any title, the credits, loans, mutual loans, or other financing entered into between the respective Customers through such institutions. Likewise, the Financial Institutions must abstain from alienating or assigning under any title, through the crowdfunding institutions, the credits, loans, mutual loans, or other financings that such Financial Institutions have previously granted to their respective customers.

CHAPTER II
Electronic Payment Funds Institutions

Article 22.- The services performed with the public habitually and professionally, consisting of the issuance, administration, redemption, and transmission of electronic payment

funds through the acts indicated below, using computer applications, interfaces, internet pages, or any other electronic or digital means of communication, may only be rendered by the legal entities authorized by the CNBV, prior agreement of the Inter-Institutional Committee, as electronic payment fund institutions:

I. To open and maintain one or more electronic payment fund accounts for each Customer, in which credit entries are made equivalent to the number of electronic payment funds issued against the receipt of an amount of money in local or foreign currency or of certain virtual assets;

II. To make electronic payment fund transfers between its Customers respective accounts referred to in part I of this Article;

III. To make transfers of specific amounts of money in local currency or, subject to the prior authorization of the Bank of Mexico, in foreign currency or virtual assets, through the respective credits and debits to the pertinent accounts referred to in part I of this article between its Customers and those of other electronic payment funds institutions, as well as account holders or users of other Financial Institutions or foreign entities authorized to carry out Transactions similar to those referred to in this article;

IV. To deliver an amount of money or virtual assets equivalent to the same amount of electronic payment funds in an electronic payment funds account through the respective debit in such account, and

V. To keep the register of accounts referred to in part I of this article up to date, as well as to modify it concerning the deposit, transfer, and withdrawal of electronic payment funds, following the provisions of parts I, II, III, and IV of this article, as applicable.

Article 23.- For this Law, electronic payment funds will be considered to be those funds that are accounted for in an electronic registry of transactional accounts maintained by an electronic payment fund institution and that

I. are referred to:

a) A monetary value equivalent to a determined amount of money in local currency or, with the prior authorization of the Bank of Mexico, foreign currency; or

b) A certain number of units of a virtual asset determined by the Bank of Mexico, following the provisions of Chapter III of Title II of this Law;

II. Pertain to a payment obligation payable by the issuer for the same amount of money or units of virtual assets referred to in part I of this article;

III. They are issued against the receipt of the amount of money or virtual assets referred to in part I of this article for crediting, transferring, or withdrawing such funds, in whole or in part, employing the instruction given for such purposes by the respective holder of the electronic payment funds, and

IV. A third party accepts them as a receipt of the respective money or virtual assets.

Article 24.- The following will not be considered electronic payment funds:

I. Rights derived from loyalty or reward programs offered by legal entities to their customers that can only be accepted by such legal entities or by companies affiliated with such programs in exchange for goods, services, or benefits, provided that they cannot be converted into the legal tender in Mexican territory or any other jurisdiction. At no time may the affiliated companies mentioned in this part exceed twenty (20%) percent of the total number of establishments or businesses authorized to receive electronic payments through card transactions referred to in the Law for the Transparency and Regulation of Financial Services. The Bank of Mexico will be responsible for the supervision of the provisions of this part;

II. The amounts for prepayment for the acquisition of goods or services that the issuer can only accept or any of the companies belonging to the same Consortium or Business Group of the issuer in exchange for goods, services, or benefits, provided that they cannot be converted into the legal tender in the national territory or any other jurisdiction;

III. The amounts subject to irregular money deposits that the Financial Institutions receive following the respective laws expressly authorizing such operations, and

IV. The resources subject to money transfer that the Financial Institutions or the money transferors referred to in the General Law of Credit Organizations and Auxiliary Activities carried out following the respective laws that expressly authorize them to carry out such operation.

Article 25.- The electronic payment funds institutions, in addition to the Operations and activities referred to in this Law, may only carry out the following provisions of this Regulation:

I. Issue, market, or administer instruments for the disposition of electronic payment funds;

II. To provide the money transfer service referred to the General Law of Credit Organizations and Auxiliary Activities, article 81-A Bis;

III. To provide services related to the networks of means of disposition referred to in the Law for the Transparency and Regulation of Financial Services;

IV. To process the information related to the payment services related to electronic payment funds or any other means of payment;

V. To grant credits or loans, in the form of overdrafts on the accounts they administer under this Law, derived solely from the transfer of electronic payment funds, subject to the conditions set forth in this Law;

VI. To carry out transactions with virtual assets, in terms of the provisions of this Law;

VII. To obtain loans and credits from any person, domestic or foreign, for the fulfillment of its corporate purpose, except for issuing electronic payment funds or granting credit following part V of this article. Such loans and credits may not be obtained from an undetermined person or through mass media, or habitually or professionally;

VIII. Issuing Securities for own account. The proceeds from the placement of debt Securities may not be used to issue electronic payment funds or to grant credit under part V of this Article;

IX. To constitute demand or time deposits in financial institutions authorized to receive them;
X. To acquire or lease the real and personal property necessary to carry out its purpose and to dispose of it when appropriate;

XI. To put third parties in contact to facilitate the purchase, sale, or any other transfer of virtual assets, subject to the provisions of this Law;

XII. Buying, selling, or, in general, transferring virtual assets for its account or the account of its Customers, and

XIII. To carry out the acts necessary to achieve its corporate purpose.

The instruments for the disposal of electronic payment funds issued by electronic payment funds institutions will be considered means of disposal for purposes of the Law for the Transparency and Regulation of Financial Services only if the transactions processing systems carried out with these instruments are done through the means of disposal referred to in the same Law.

Article 26.- The characteristics of the Transactions carried out by electronic payment funds institutions and the activities related to payment systems will be subject to the general provisions issued by the Bank of Mexico for such purposes.

Likewise, electronic payment funds institutions may issue electronic payment funds referred to foreign currency or virtual assets, as well as provide the money transmission service referred to in the preceding article, in foreign currency, as long as they have the prior authorization of the Bank of Mexico and observe the terms and conditions established by the Bank of Mexico concerning such Operations through general provisions issued for such purpose.

Article 27.- The electronic payment funds institutions may only grant credits and loans for overdrafts under the following conditions:

I. They may not be granted against funds or virtual assets received or held on behalf of their Customers;

II. They may not charge interest, other accessories, or commissions for such credits or loans;

III. The balance of the credit or loan related to the amount owed by a Customer must be collected at the time the electronic payment funds institution receives resources, funds, or virtual assets whose ownership pertains to the respective debtor Customer, up to the amount equivalent to that which covers such balance, and

IV. The credit or loan amount must not exceed the limit determined by the Bank of Mexico through general provisions issued for such purpose.

Article 28.-The amounts of electronic payment funds referring to amounts of money and registered in the account of the Customer maintained by the electronic payment funds institution following this Chapter, and which in three years have had no movement

due to credits, redemption, transmission, or balance inquiry, will be credited to a global account maintained by each institution for such purposes. The institution must give written notice of this situation, either physically or electronically, to the Customer ninety days in advance. For this article, transactions related to the collection of commissions made by electronic payment fund institutions will not be considered. The electronic payment funds institution may not charge global account for fees.

When the Customer carries out a Transaction after the balance has been transferred to the global account, the electronic payment funds institution will withdraw the total amount from the global account to credit it to the respective account or deliver it to the Customer.

The rights arising from the resources without any transactions in three years counted from the date the latter is deposited in the global account, the amount of which does not exceed per account the equivalent of three hundred UMA, will prescribe in favor of the public welfare assets.

The rights derived from the resources without any transactions in seven years counted from the date the latter is deposited in the global account, the amount exceeding the equivalent of three hundred UMA per account, will prescribe in favor of the public welfare assets.

The electronic payment funds institutions will be obliged to pay the appropriate resources to the public welfare within a maximum of fifteen days as of December 31 of the year in which the event provided for in this article is fulfilled.

Electronic payment funds institutions must notify the CNBV of compliance with this article within the first two months of each year.

Article 29. The electronic payment funds institutions may not pay their Customers interest or any other yield or monetary benefit for the balance they accumulate over time or maintain at any given time. Notwithstanding the previous, the Bank of Mexico may allow electronic payment funds institutions to offer their Customers non-cash benefits, subject to the terms and conditions established in general provisions issued for such purpose.

The resources received by the electronic payment funds institutions for issuing electronic payment funds will in no case be considered bank deposits of money, but in the same act of their delivery, the electronic payment funds will be issued, except for the cases provided for in this article.

In the event that the electronic payment funds institution, subject to the authorization of the CNBV referred to in Article 45 of this Law, agrees with a third party to receive the funds mentioned above through such third party, such institution will issue the respective electronic payment funds in terms of the provisions of the general provisions referred to in Article 54 of this Law.

As an exception to the provisions of the second paragraph of this article, the electronic payment funds institution may issue the electronic payment funds on a date before the date on which the funds relating to the Customer are made available to the institution itself, provided that the referred delivery of funds for the issuance of such funds (i) is made as a result of services of acquiring or aggregation of payments with means of disposal, rendered through a network of card operations, or (ii) the corresponding funds are the object of operations with institutions located outside the national territory that carry out operations similar to the electronic payment funds institutions. When carrying out the transactions indicated in this paragraph, the electronic payment funds institutions must issue the pertinent electronic payment funds no later than the date the respective funds become available to them.

In the cases provided for in the preceding paragraph, the electronic payment funds institution must have the referred funds at its disposal no later than the fifth business day following the day on which it issues the respective electronic payment funds.

The electronic payment funds institution must be able to reimburse the respective Customer, upon request, the amount of national currency or, if applicable, virtual assets equivalent to the value of the issued electronic payment funds held by such Customer in the respective records, as long as such electronic payment funds are not part of a payment order in execution and subject to the terms of the agreement with the Customer.

The Customer of the electronic payment funds institutions must designate beneficiaries and may replace them at any time and modify, if applicable, the percentage corresponding to each of them.

In the event of the death of the Customer, the electronic payment funds institution must deliver the amount corresponding to the electronic payment funds to the beneficiaries indicated by the Customer, expressly and in writing, in the percentage stipulated for each of them.

If no beneficiaries have been designated, the amount corresponding to the electronic payment funds must be delivered following the terms set forth in the common legislation.

CHAPTER III
Transactions with Virtual Assets

Article 30. For this Law, a virtual asset is deemed to be a representation of value registered electronically and used by the public as a means of payment for all types of legal acts and whose transfer can only be carried out through electronic means. In no case, a virtual asset will be understood as legal tender in national territory, foreign currency, or any other asset denominated in legal tender or foreign currency.

FTIs may only operate with the virtual assets determined by the Bank of Mexico through general provisions. In such provisions, the Bank of Mexico may establish deadlines, terms, and conditions to comply with the FTIs for cases in which the virtual assets it has determined are transformed into other types or modify their characteristics.

To carry out transactions with the virtual assets referred to in the preceding paragraph, the FTIs must have prior authorization from the Bank of Mexico.

To determine virtual assets, the Bank of Mexico will take into account, among other aspects, the use that the public gives to digital units as a means of exchange and storage of value as well as, if applicable, as a unit of account; the treatment that other jurisdictions give to particular digital units as virtual assets, as well as the agreements, mechanisms, rules, or protocols that allow generating, identifying, fractioning, and controlling the replication of such units.

Article 31. FTIs that operate with virtual assets must be able to deliver to the respective Customer, upon request, the number of virtual assets owned by the latter or the amount in the local currency corresponding to the payment received from the disposal of the corresponding virtual assets. These transactions must be settled under the terms and conditions established by the Bank of Mexico through general provisions.

In virtual asset purchase transactions that FTIs carry out with or on behalf of their Customers, the counter value must be delivered in the same act in which such transactions are carried out. It must be settled under the terms and conditions established by the Bank of Mexico through general provisions.

FTIs that receive amounts of money for the execution of virtual asset purchase Transactions must return such payments to the respective Customers, by the general provisions issued by the Bank of Mexico for such purpose if the referred Transactions are not carried out within the terms set forth in such provisions.

Article 32.-The Bank of Mexico must define the characteristics of the virtual assets referred to in this Chapter, as well as the conditions, and restrictions of the Transactions and other acts

that may be carried out with such assets through general provisions issued for such purpose. Likewise, the Bank of Mexico must establish the measures to be followed by the FTIs for the custody and control of virtual assets when carrying out such Transactions and acts.

For purposes of this Chapter, custody and control of virtual assets must be understood as the possession of signatures, keys, or authorizations sufficient to execute the Transactions referred to in this Law.

Article 33. The FTIs must be prohibited from selling; assigning; or transferring their ownership, lending, or guaranteeing; or affecting the use or enjoyment of the virtual assets they hold and control on behalf of their Customers, except in the case of the sale, transfer, or assignment of such assets by order of their Customers.

FTIs may only participate in the operation, design, or commercialization of derivative financial instruments that have virtual assets as underlying, in the cases, conditions, and subject to the requirements and authorizations established by the Bank of Mexico in general provisions.

Article 34. FTIs that operate with virtual assets must disclose to their Customers, in addition to the provisions of this Law, the risks that exist for entering into transactions with such assets, which must include, as a minimum, informing them in a simple and clear manner on their web page or medium used to provide their service, the following:

I. The virtual asset is not legal tender and is not backed by the Federal Government or the Bank of Mexico;

II. The impossibility of reversing the transactions once executed, if applicable;

III. The volatility of the value of the virtual asset and

IV. the technological, cyber, and fraud risks inherent to virtual assets.

TITLE III
General Provisions

CHAPTER I
Authorization

Article 35. Persons who intend to carry out the activities assigned to crowdfunding institutions or electronic payment funds in this Law, Title II, in Mexican territory must request their authorization as an FTI before the CNBV, which will grant it when, in its opinion, the legal and regulatory requirements are adequately complied with, prior agreement of the Inter-Institutional Committee.

The Inter-Institutional Committee will comprise six proprietary members, two of which will be representatives of the Ministry, two of the Bank of Mexico, and two of the CNBV, appointed by the respective heads of such Financial Authorities. An alternate must

be appointed for each full member. The chairman of the Inter-institutional Committee will be one of the representatives of the CNBV designated as such by its head and, in their absence, the other member of the CNBV.

For its operation, the Inter-institutional Committee will have a secretary and their alternate, who will be appointed from among the public officers of the CNBV.

The Inter-institutional Committee must meet at the call of its chairperson or secretary. There must be a quorum with at least three members and subject to the representation of all the Financial Authorities members of the Inter-institutional Committee. Resolutions must be taken by a simple majority vote of those present, and the chairperson must have the casting vote in case of a tie. In the case of resolutions to grant authorizations to operate as an FTI, the favorable vote of at least one representative of each of the Financial Authorities represented in the Inter-Institutional Committee must be required.

The Inter-institutional Committee must approve the bases governing its organization and operation and be subject to this Law.

Article 36. Those interested in obtaining authorization to act as an FTI must be corporations incorporated or intending to be incorporated as such under Mexican law and in their bylaws:

I. Include in their corporate purpose the performance, on a regular or professional basis, of any of the activities contemplated in this Law;

II. Expressly provide that, in carrying out their corporate purpose, they must comply with the provisions of this Law and the applicable general provisions;

III. Establish their domicile in national territory, and

IV. Establish a minimum capital necessary to carry out their activities following the general provisions issued by the CNBV for such purpose, which may be differentiated according to their activities and risks. Before the issuance of such provisions, the agreement of the Inter-institutional Committee is required.

Article 37. The CNBV must specifically mention in the authorization granted the type of FTI applicable to such approval and the specific transactions that it may carry out under this Law. FTIs that have obtained authorization to carry out some Transactions and subsequently intend to carry out another type of Transaction within those permitted for each particular FTI must request a new approval and, to obtain it, must prove compliance with the following:

I. The transactions at issue must be expressly indicated in their bylaws according to this Law;

II. That they have, if applicable, the governing bodies and corporate structure to carry out the transactions they intend to carry out under this Law and the general provisions issued by the CNBV for such purpose;

III. That they have the necessary infrastructure and internal controls to carry out the transactions they intend to carry out, such as operating, accounting, and security systems, offices, as well as the respective manuals, following the general provisions applicable under this Law; and

IV. That they are up to date in the payment of penalties imposed for non-compliance with this Law that has become final, as well as in the compliance with the laws and corrective actions that, in the exercise of their functions, have been issued by the CNBV or the Bank of Mexico.

The previous is without prejudice to the power of the Bank of Mexico to authorize the FTIs to carry out their respective virtual asset and foreign currency transactions, which are subject to the general provisions issued by the Bank of Mexico for such purposes.

Article 38. The CNBV must publish the authorizations it grants in the Federal Official Gazette pursuant to this Law.

Article 39. Applications to obtain the authorizations from the CNBV provided for in this Chapter must be enclosed with the following:

I. The instrument duly notarized before an authorized notary public granting sufficient powers of attorney to the representatives of the respective applicants submitting the relevant request, if applicable;

II. The proposed bylaws, or amendment thereto, that complies with the requirements set forth in this Law;

III. The business plan;

IV. The policies of separation of accounts, in terms of this Law, Article 46;

V. The policies of disclosure of risks and responsibilities for the execution of Transactions in the FTI, including the necessary information for adequate decision-making in a simple and clear language, must include the concepts and amounts of the total commissions that will be charged to its Customers and any other charge or retention, as well as the disclosure in the interface, web page, or electronic or

digital communication media used by the FTI, of the warnings related to the use of such interface, web page or electronic, or digital communication media, complying with the general provisions issued for such purpose by the CNBV, prior agreement of the Inter-Institutional Committee;

VI. The measures and policies regarding operational risk control, as well as information security, including confidentiality policies, with evidence that they have secure, reliable, and accurate technological support for their Customers and with the minimum security standards that ensure confidentiality, availability, and integrity of information and prevention of fraud and cyber-attacks, following the applicable general provisions;

VII. Operational and control processes for the identification of its Customers, which establish precise and consistent criteria for the evaluation and selection of Customers;

VIII. Policies for resolving possible conflicts of interest in the performance of its activities;

IX. Fraud prevention policies and prevention of transactions with funds of illicit origin and financing of terrorism;

X. The list of agreements or contracts with other FTIs or technology service providers necessary to carry out essential business processes, database management, and technological infrastructure for the performance of its activities;

XI. The list and information of the persons who directly or indirectly hold or intend to hold an interest in the capital stock of the legal entity, which must contain

the amount of capital stock that each of them will subscribe to and the origin of the funds they will use for such purpose, as well as information on their net worth situation when individuals, or financial statements when legal entities, in both cases for the last 3 (three) years, in addition to other information that allows verifying that they have a satisfactory credit and business history, following the general provisions issued by the CNBV for such purpose;

XII. The list and information of the administrator or directors of the legal entity or those who intend to occupy such positions must contain the information that allows verifying that they are honorable and have a satisfactory credit and business history following the general provisions issued by the CNBV for such purpose;

XIII. The information necessary to verify that the FTI or its Business Group owns or has the right to use the interface, website, electronic or digital media;

XIV. The designation of a domicile in national territory to hear and receive notices and of at least one representative;

XV. The information regarding the scheme to be adopted for the alignment of incentives in case of applications to act as crowdfunding institutions, and

XVI. Other related necessary documentation and information according to general provisions issued by the CNBV with the opinion of the Inter-institutional Committee.

Corporations already incorporated that request authorization to carry out activities as an FTI must accompany the corresponding request with the applicable information and documentation and the draft resolution of its governing body, including the consequential amendment of its bylaws.

The CNBV must make available to the members of the Inter-institutional Committee all documentation and information received as part of the requests referred to in this article.

Article 40. The FTI that receives authorization under this Chapter must provide evidence to the CNBV, at least 30 (thirty) business days before the start of operations, compliance with the following requirements:

I. The corporation is duly organized, providing the registration data before the Public Registry of Commerce;

II. It has the minimum subscribed and paid-in capital that corresponds to it;

III. Its directors and officers comply with the requirements set forth in this Law and the general provisions issued for such purpose by the CNBV, and

IV. It has the technological infrastructure, internal controls necessary to carry out its activities and provide its services, as well as the policies, procedures, manuals, and other documentation required by this Law.

The CNBV may make such inspection visits as it deems necessary to verify compliance with the requirements referred to in this article. In the case of electronic payment funds

institutions, inspection visits must be carried out by the CNBV and the Bank of Mexico to verify compliance with this article within the scope of their respective competences.

The CNBV may deny the partial or total commencement of transactions when compliance with this article is not evidenced.

Article 41. The acquisition or granting as guarantee, through one or several simultaneous or successive transactions of securities representing the capital stock of an FTI by a person or group of persons, will be subject to the authorizations granted by the CNBV and compliance with the requirements established in the general provisions issued by the CNBV for such purpose.

Article 42. FTIs must refrain, if applicable, from registering before the registry referred to in the General Corporation Law, Articles 128 and 129, any share transfers made in violation of the provisions of the preceding articles. They must inform the CNBV of such circumstances within 5 (five) business days following the date they become aware of it.

When acquisitions and other legal acts through which the ownership of shares representing the capital stock of an FTI is obtained directly or indirectly are made without obtaining the authorization of the CNBV in contravention of this Law, or when there are indications that the shareholders of the FTIs failed to comply with the applicable requirements under this Law, the patrimonial and corporate rights inherent to the corresponding shares of the corporation will be suspended and therefore may not be exercised until the CNBV orders the cancellation of such suspension in the cases in which the acquisition is regularized or the indications mentioned above are disproved.

Likewise, persons who participate in a transfer of shares without obtaining prior authorization from the CNBV in terms of the preceding article will be penalized by the CNBV itself with a fine in the amount of 50% (fifty percent) of the value of such shares up to 150% (one hundred and fifty percent) of the value of such shares.

The CNBV, having previously heard the interested party, may determine that the shares acquired without prior authorization under this Law be sold to the FTI when the shareholder has been condemned in a criminal proceeding for a felony punishable by more than 1 (one) year of imprisonment or when, having been authorized by the CNBV, after such authorization, the shareholder incurs in the situation as mentioned above. The sale will be made at 50% (fifty percent) of the lesser of the following values:

I. The book value of such shares, according to the latest financial statement approved by the board of directors and reviewed by the CNBV, and

II. The market value of these shares.

The sale referred to in the preceding paragraph must be made within 10 (ten) business days following the date the CNBV requires it. The shares thus redeemed must be converted into treasury shares.

The preceding, without prejudice, the disqualification of individuals may apply under this or other laws.

Article 43. The CNBV or the Bank of Mexico, according to their competence, may corroborate the veracity of the documentation and information provided with the application for authorization and,

therefore, the agencies and entities of the Federal Public Administration, as well as other federal agencies, including agencies with constitutional autonomy, will deliver the related information, including that which contains personal data. Likewise, for the same purposes, the CNBV or the Bank of Mexico may request foreign agencies with similar supervisory or regulatory functions to corroborate the information provided for such purposes.

CHAPTER II
FTIs Operation

Article 44.-The CNBV, concerning crowdfunding institutions, and the Bank of Mexico, concerning electronic payment funds institutions, after the opinion of the Inter-institutional Committee, must establish, through general provisions, the limits of funds that the respective FTIs may maintain on behalf of their Customers or that a Customer may dispose of through such FTIs.

The limits may be differentiated by the type of Customer, type of project, transaction, or FTI, among others. When establishing them, the CNBV or the Bank of Mexico will have to consider at least the regulation of other financial system figures subject to compliance with the principles found in this Law and the protection of the interests of the investors. In issuing the provisions mentioned above, such authorities must seek to promote FTIs.

Article 45. FTIs will only receive funds from their Customers that come directly from money deposit accounts opened in a Financial Institution authorized to receive such deposits under the applicable regulations. Likewise, FTIs must deliver the funds to their Customers through credits or transfers to the respective accounts that they have opened in Financial Institutions and that they designate for such purposes. As an exception to the previous, the CNBV may authorize FTIs to receive or deliver amounts of cash to Customers, as well as to transfer funds from or to deposit accounts opened in foreign financial institutions or in other entities in foreign territories authorized to carry out transactions

similar to those referred to in this Law in the cases and within limits established through general provisions.

Article 46. The FTIs, concerning the amounts of money they receive from their Customers for the execution of the engaged Transactions, must keep their funds segregated from those of their Customers and keep the latter identified for each Customer. In any case, while the FTIs keep such amounts at their disposal without having delivered them to the beneficiary or recipient or transferred them to another entity authorized to participate in payment services, they must deposit such amounts no later than the end of the day they received them. These must be in-demand deposit accounts opened in the name of the institution at issue in a Financial Institution authorized to accept money deposits. These accounts must be different from those where the funds of the FTI are held, or be used in repurchase transactions only with Securities issued by the Federal Government or the Bank of Mexico, entered into with credit institutions for a renewable term of one day, as agreed upon for such purpose or else be placed in an administration trust created for such purpose, which only carries out the repurchase mentioned above transactions.

In the case of electronic payment funds institutions, the total amount that each one of them may maintain in one or more demand deposit accounts, with respect to the money they receive from their Customers, may at no time exceed the equivalent of the maximum between 1,000,000 UDIS (one million UDIS) and the equal of twice the highest amount of electronic payment funds that such institution has redeemed to its Customers in consecutive 24-hour periods within the last 365 (three hundred and sixty-five) days.

The funds that the Customers of the crowdfunding institutions deliver to them to enter into or comply with the respective Transactions may at no time be deemed as a direct or contingent liability for such institutions and may not be used until the conditions agreed upon to release them are complied with.

In the case of foreign exchange transactions, FTIs will be subject to the provisions of the Law of the Bank of Mexico, Article 32, and the Bank of Mexico, in turn, will be subject to the Law of the Bank of Mexico, Article 22, part II.

The FTIs and the individuals carrying out operations with Financial Institutions will not be subject to discrimination pursuant to the Law for the Transparency and Regulation of Financial Services.

Article 47. Each FTI must carry out a record of accounts on transactional movements that allows identifying each holder of the resources and the balances that, as a result of such operations, keep with the FTI, including the electronic payment funds and virtual assets of each Customer of the relevant electronic payment funds institutions.

The FTIs, through their platforms, must provide their customers with receipts of

each operation carried out or balance statements that endorse, among others, the collection rights they hold, and the instructions are given electronically.

The holders of the relevant resources held in the FTIs without having been delivered to any beneficiary or address will enjoy the right of segregation over the accounts and assets of the respective FTI as per bankruptcy regulations concerning possible claims of other creditors of the FTI.

The Ministry may authorize the FTIs to carry out similar, related, or complementary operations to those authorized after hearing the opinion of the CNBV and the Bank of Mexico.

Article 48. The CNBV must issue general provisions focused on preserving the stability and proper operation of the FTIs regarding internal controls and risk management to which they must be subject in the performance of the Operations, segregation of duties concerning the types of transactions they perform and other services they offer, prevention of conflicts of interest, identification of their customers, corporate and auditing practices, accounting, disclosure of information, transparency and fairness in the activities and services related to the activity at issue. Likewise, crowdfunding institutions may issue general provisions regarding information security, including confidentiality policies, use of electronic, optical, or any other technical means, automated systems for data processing, and telecommunication networks, whether private or public and operational continuity.

Regarding electronic payment funds institutions, the CNBV and the Bank of Mexico will jointly issue general provisions in information security matters, including confidentiality and account registration policies on transactional movements, the use of electronic, optical, or any other technology, automated data processing systems, and telecommunications networks, whether private or public and operational continuity.

The FTIs must hold for a term of minimum of ten (10) years the original receipts of their operations, dully filed and printed or in electronic, optical means or any other technology, provided that in these means the provisions of the

applicable Mexican official standards on digitalization and preservation of data messages are seen in a way they may relate to such Operations and their recording.

Electronic payments funds institutions must, under the general provisions issued by the CNBV and the Bank of Mexico for such purpose, evaluate at the periodicity established by such provisions, through independent third parties, the compliance with the information security, use of electronic media and business continuity requirements following the provisions mentioned above. Likewise, the FTIs and credit institutions must evaluate through the independent third parties noted in this article the compliance with the general provisions issued by the Bank of Mexico in exercising the powers conferred by this Law.

In the provisions mentioned in the paragraph above, the relevant Financial Authorities will establish the characteristics and requirements that independent third parties or the legal entity must comply with through which they provide the respective services, as well as those related to the professional or business relationships they offer or maintain with the FTIs they audit or evaluate, as the case may be.

In addition, the Financial Authorities referred to in the paragraph above will have the same supervision and monitoring powers regarding the independent third parties noted in this article. Such powers will be granted by the CNBV to the external auditors referred to in this Chapter.

Article 49. The annual financial statements of the FTIs must be ruled by an independent external auditor who will be directly appointed by its administrative body. The CNBV, through general provisions seeking transparency and reliability of the financial information of the FTIs, will note the requirements to which the approval of the financial statements by the managers of the FTIs will be subject.

Likewise, the CNBV may establish, through general provisions, the characteristics and requirements that independent external auditors, the legal entity of which they are partners, as well as the individuals part of the audit team, must comply with; determine the content of the opinions and other reports to be rendered by the independent external auditors; issue measures to ensure a proper alternation of such auditors in the FTIs, as well as to point out the quality control requirements and, in general, the professional or business relationships they provide or maintain with the FTIs they audit or evaluate, as the case may be.

Article 50. The CNBV will have inspection and monitoring powers regarding the legal entities that provide external auditing services to the FTIs under the terms of this Law, including the partners or employees of those part of the audit team, to verify the compliance with this Law and its general provisions. For such purpose, the CNBV will have the following powers:

I. Require all kinds of information and documentation related to the provision of the audit services;

II. Carry out inspection visits;

III. Request the appearance of partners, representatives, and other employees of the legal entities that provide external auditing services, and

IV. To issue or recognize auditing standards and procedures to be observed by the

legal entities that provide external auditing services when giving opinions on the financial statements of the FTIs.

The exercise of the powers referred to in this article will be limited to the opinions, evaluations, and auditing practices that, in terms of this Law, are performed by the legal entities that provide external auditing services and their partners or employees.

Article 51. The FTIs must observe compliance with the provisions of the articles above regarding the requirements that the legal entity providing external auditing services complies with, as well as the external auditor issuing the opinion and other reports regarding financial statements or elements they audit or assess as the case may be.

Article 52. The external auditor and the legal entity of which it is a partner will be bound to hold the documentation, information, and other elements used to elaborate their opinion, evaluation, report, or commentary for at least five (5) years. For such purposes, automated or digitized means may be used.

Furthermore, the external auditors at issue must provide the CNBV, as the case may be, with the reports and other elements of judgment on which to base their opinions, evaluations, and conclusions. If, during the practice or as a result of the audit, they find irregularities jeopardizing the operation and functioning of the FTIs to which they provide auditing services. Likewise, they must submit a detailed report on the situation observed to the audit committee or the statutory auditor of the corporation and the CNBV or the Bank of Mexico, as appropriate. Without prejudice of the foregoing, the external auditors will respond to the damages they caused to the FTI that hired them when:

I. For inexcusable negligence, the opinion they provide contains errors or omissions that, because of their profession or trade, should have been part of the analysis, evaluation, or study that gave rise to the report or opinion, or

II. Intentionally, in the report or opinion:

a) Failure to provide relevant information to the best of their knowledge when it should be included in their report or opinion;

b) Incorporate false information or misleading information or adjust the result to make the situation appear different from what it is;

c) Recommend the execution of any operation, opting among the existing

alternatives for the one that generates notoriously detrimental patrimonial findings for the institution, or

d) Suggest, accept, promote, or propose that certain transaction is registered in violation of applicable accounting standards.

Article 53. The legal entity that provides external auditing services, as well as the external auditor subscribing to the opinion or evaluation or other relevant reports to the financial statements or elements to discriminate or evaluate, as the case may be, will not incur liability for damages or losses caused by it, arising from the services or opinions it issues when acting in good faith and without fraudulent intent, they perform the following:

I. Render their report based on the information provided by the FTI that hired them, and

II. Render their report or opinion following the standards, procedures, and methodologies that must be applied to analyze, evaluate, or study the profession or occupation.

Article 54. The FTIs may agree with third parties located in the national territory or abroad to provide services necessary for their operation under the general provisions issued by the CNBV concerning crowdfunding institutions and jointly with the Bank of Mexico regarding electronic payment funds institutions. Such Financial Authorities may point out in these provisions the type of services that require authorization.

The engagement of the services referred to in this article will not exempt the FTIs nor their officers, employees, and other people holding employment, position, or commission in them from the obligation of looking at the provisions of this legal regulation and the general provisions arising from it.

The CNBV, regarding the provisions it has to issue individually, as well as the provisions it issues jointly with the Bank of Mexico according to this Law, and the Bank of Mexico, regarding the other provisions it issues under this Law, will be empowered at all times to supervise the service providers hired by the FTIs under the terms of the first paragraph of this article, or to order the FTIs to carry out audits of such third parties, subject to submitting a report to the CNBV
or the Bank of Mexico. The CNBV or the Bank of Mexico must specify the purpose of the inspections
or audits, which must be limited to the subject matter of the active service and compliance with the provisions of this Law and the provisions arising from it. For that purpose, the FTIs must agree on the agreements by which the provision of these services is formalized, the explicit provision that the engaged third party consents to follow the provisions of this article.

Article 55. The FTIs must keep a net capital that will be expressed using a ratio of the operational risk and others incurred in their operation, which may not be less than the amount resulting from adding the capital requirements for each type of risk in terms of the general provisions issued for such purpose by the CNBV, subject to the agreement of the Inter-institutional Committee.

Regarding electronic payment funds institutions, the requirements for the capital may relate as follows:

I. The average balance of the electronic payment funds issued during the term set forth by the CNBV in the provisions referred to in the first paragraph of this article;

II. The number and amount of the transfer of electronic payment funds carried out during the term set forth by the CNBV in the provisions referred to in the first paragraph of this article, and

III. The number and amount of funds received during the term set forth by the CNBV in the provisions referred to in the first paragraph of this article.

The capital requirements established by the CNBV will protect the financial stability and solvency of the FTIs, as well as the interests of the audience user.

Net capital will be constituted by capital contributions as well as by retained earnings and capital reserves, notwithstanding that the CNBV may include or subtract from such net capital other concepts of the assets under the terms and conditions set forth by the CNBV in the general provisions referred to in the first paragraph of this article.

The CNBV, in the provisions referred to in this article, will establish the procedure to calculate the net capital required, as well as the information that may be disclosed to the public with respect to each FTI.

When the CNBV, as a result of its supervisory authority, requires as a corrective measure that the FTIs make adjustments to the accounting records related to their capital that, in turn, may result in changes to their net capital, it must take the necessary actions to calculate such capital as per the provisions of this article and the general provisions referred to in this article, in which case it must first hear the affected FTI and resolve within a period not to exceed three business days.

The calculation of the net capital required, under the terms of this article, resulting from the adjustments required by the CNBV, will be used for all legal purposes.

Article 56. The FTIs may use equipment, electronic, optical, or any other technological means of automated data processing systems and telecommunications networks, whether private or public, to provide their services. They may use advanced electronic

signatures or any other form of authentication to give their Customers access to their Technological Infrastructure, contract their products and services, or carry out Operations.

The operation and use of such equipment means and forms of authentication will be subject to the requirements established in the general provisions issued by the CNBV concerning crowdfunding institutions or by the CNBV and the Bank of Mexico jointly for electronic payment funds institutions.

Such forms of authentication will produce the exact effects that the law grants to documents signed with a handwritten signature. Consequently, it will have the same evidentiary value, provided that they comply with the provisions referred to in this article.

The provisions of this article will be applied without prejudice to the other powers of the Bank of Mexico to regulate the operations carried out by the FTIs related to the characteristics of the operations of the latter institutions, as well as their activities related to payment systems.

Article 57. The FTIs must report to the CNBV, National Commission for the Protection and Defense of Users of Financial Services, and the Bank of Mexico within the scope of their respective competences, the information related to their activities, and the Operations determined by the corresponding Financial Authority in general provisions, with the periodicity indicated in such provisions.

Article 58. The FTIs will be obligated, under the general provisions issued by the Ministry, with previous authorization of the CNBV, to the following:

I. To establish measures and procedures to prevent and detect acts, omissions, or operations that may be located under the assumptions of Article 139 Quáter or 400 Bis of the Federal Criminal Code.

The measures and procedures referred to in the paragraph above must be contained and developed in a document submitted before the CNBV in the way and under the terms established in the general provisions referred to in this article.

For the development of the measures and procedures, the FTIs must establish a methodology designed and implemented to evaluate the risks that may be used to execute the acts, omissions, or operations referred to in the first paragraph of this section, resulting in the products, services, practices, or technologies with which they operate.

All information related to the methodology, including the results, must be available for the Ministry and the CNBV. The CNBV may order the FTIs to adopt such modifications or additions as it deems appropriate, and

II. Submit to the Ministry, through the CNBV, the reports on:

a) The acts, Operations, and services that they carry out with their Customers and the Operations between them, as applicable, related to the previous section, and

b) Any act, operation, or service carried out by the members of the board of directors, executives, officers, employees, factors, and attorneys-in-fact that could be located in the case provided for in part I of this article or that, where appropriate, could contravene or violate the adequate application of the general provisions referred to in this article.

The reports referred to in part II of this article, following the general provisions set forth in this article, will be prepared and presented taking into consideration, at least, the modalities referred to in such provisions for that purpose; the characteristics that the acts, operations, and services referred to in this article must have to be reported, taking into account their amounts, frequency and nature, the monetary and financial instruments with which they are carried out, and the commercial practices observed in the places where they take place; as well as the periodicity and the systems through which the information will be transmitted. The reports must refer at least to Operations defined by the general provisions as relevant, internally concerning, and unusual, those related to international transfers and cash transactions made in foreign currency.

Likewise, the Ministry, considering the characteristics of the Operations and the activities carried out by the FTIs, in the general provisions referred to in this article, will issue the guidelines regarding the procedure and criteria, as well as the cases, way, terms, and deadlines in which the FTIs must observe:

I. Adequate knowledge of their Customers, for which the FTIs must consider the background, specific conditions, economic or professional activity, and geographic zones in which they operate;

II. The information and documentation that the FTIs must collect for the execution of the Operations and services they provide and that fully proves the identity of their Customers;

III. How the FTIs must safeguard and guarantee the security of the information and documentation related to the identification of their Customers or former Customers, as well as those acts, Operations, and services reported following this article;

IV. The terms to provide training within the FTIs on the subject matter of this article;

V. The use of automated systems that contribute to complying with the measures and procedures set forth in the general provisions referred to in this article;

VI. The implementation of a control and communication committee, as well as the appointment of a compliance officer with duties and obligations in the matter referred to in this article within each FTI, and

VII. The internal auditing area or an independent third party must conduct the review annually regarding the effectiveness of compliance with the general provisions referred to in this article.

The FTIs must keep, for at least ten (10) years, the information and documentation referred to in the paragraph above, section III, without prejudice to other applicable legal provisions.

For that purpose, both the compliance officer referred to in this article, paragraph three, part VI, and the auditor or independent third-party responsible for the review referred to in part VII of such paragraph must obtain the certification provided for in the Law of the National Banking and Securities Commission, Article 4, section X.

The Ministry will be empowered to require and collect, through the CNBV, information and documentation related to the acts, Operations, and services referred to in this article. The FTIs will be obligated to provide such information and documentation. Likewise, the Ministry will be empowered to obtain additional information from other persons for the same purpose and to provide information to the competent authorities.

The FTIs must immediately suspend any act, Operations, or services with the Customers that the Ministry informs them of through a blocked person list, which will be confidential. The purpose of the blocked person list will be to prevent and detect acts, omissions, or Operations that may be located in the assumptions provided for in this article, first paragraph, part I.

The obligation of suspension referred to in the preceding paragraph will cease effect when the Ministry removes the Customer from the blocked person list.

In the general provisions referred to in this article, the Ministry will establish the parameters to determine the introduction or removal of persons in the blocked person list.

The general provisions referred to in this article must be observed by the FTIs and the board of directors, executives, officers, employees, factors, and attorneys-in-fact. Therefore, the FTIs and the persons mentioned will be responsible for strict compliance with the obligations set forth in such provisions.

The FTIs may exchange information between them and other institutions of the Mexican financial system, including exchange centers, money transferors, and

investment advisors empowered to do so by the respective financial laws, as well as with foreign financial entities, in terms of the general provisions referred to in this article, to strengthen the measures and procedures to prevent and detect acts, omissions, or operations that may be located in the assumptions of Articles 139 Quáter or 400 Bis of the Federal Criminal Code, or those to prevent and detect acts, omissions, or operations that may favor, provide assistance, help, or cooperation of any kind for committing crimes against their Customers or the entities themselves.

In the general provisions referred to in this article, the Ministry will establish the cases, the way, and the terms in which the FTIs will comply with the obligations contained in this articles and other duties provided for in such provisions, as well as the deadlines and means through which they will communicate or submit to the Ministry, through the CNBV, or to the CNBV, as applicable, the information and documentation that proves it.

The compliance with the obligations and the exchange of information referred to in this article will not imply any infringement of the confidentiality obligation imposed on the FTIs regarding their Customers and the Operations they carry out, nor will it violate the restrictions on disclosure of information established by agreement.

The public officials of the Ministry and the CNBV, the FTIs, the members of their board of directors, executives, officers, employees, factors, and attorneys-in-fact must refrain from giving notice of the reports and other documentation and information referred to in this article, to persons or authorities other than those expressly authorized in the relative regulations to request, receive or keep such documentation and information. The violation of these obligations will be penalized under the terms of the relevant laws.

Article 59. The CNBV, in general provisions, will determine those FTIs that, regarding the number of Operations or Customers they have, business models, brokered assets, or level of net capital, must have a board of directors and a chief executive officer.

For the preceding paragraph, the board of directors must be constituted by a maximum of nine proprietary directors, of which at least 20% (twenty percent) must be independent. One alternate may be appointed for each proprietary director. Likewise, the alternate directors of the independent directors must have the same independent status.

Article 60. Under no circumstances may they be directors of the FTIs:

I. Officers and employees of the FTI, except the chief executive officer and officers of the company who occupy positions with two hierarchical administrative levels immediately below that of the CEO;

II. The spouse, concubine, or common-law spouse of any of the persons referred to in the preceding part;

III. People who are related by consanguinity or affinity up to the second degree, or civil, with more than two directors;

IV. Persons having pending disputes with the FTI;

V. Persons condemned for patrimonial offenses, those disqualified to engage in commerce or to hold a job, position, or commission in the public service or the Mexican financial system;

VI. Bankrupted persons who have not been rehabilitated;

VII. Those who perform regulatory and supervisory activities of the FTIs, and

VIII. Those who participate in the board of directors of another FTI of the same type or of a holding company of a financial group to which that institution belongs.

The person who is to be appointed as a director of an FTI and is a director of a financial institution must disclose such circumstances to the meeting of shareholders of such institution at the time of his appointment.

Persons in the situations indicated in parts IV to VIII of this article may not be appointed as sole director of an FTI.

Article 61. An independent director will be understood to mean a person who is not a member of the management of an FTI, and in no case may they be an independent director:

I. Employees or officers of the FTI;

II. Individuals with FTI Command Power;

III. Customers, suppliers, service providers, debtors, creditors, partners, directors, or employees of a company that is a significant customer, supplier, service provider, debtor, or creditor of the FTI or of the companies belonging to the same Business Group of which the FTI is a part.

A customer, supplier, or service provider is considered significant when the services rendered to the institution or the sales made to the institution by any of them represent more than ten percent (10%) of the total services or sales of the customer,

supplier, or service provider, respectively. Likewise, it is considered that a debtor or creditor is essential when the amount of the respective operation is more significant than 15% (fifteen percent) of the assets of the company or its counterpart;

IV. Employees of a foundation, association, or civil society that receives significant donations from the FTI.

Significant donations are considered to be those that represent more than 15% (fifteen percent) of the total donations received by the foundation, association, or civil society involved;

V. Chief executive officers or employees of companies belonging to the financial group to which the FTI is part;

VI. Spouses, concubines, as well as relatives by blood, affinity, or civil relationship up to the first degree of any of the persons mentioned in parts III to V of this article or up to the third degree of any of those mentioned in parts I, II, VII and VIII of this article;

VII. Officers or employees of companies in which the shareholders of the FTI exercise Control;

VIII. All those who have conflicts of interest or may be influenced by personal, patrimonial, or economic interests of any of the persons who maintain Control of the FTI or the Consortium or Business Group to which the institution belongs, or the Command Power in any of these, and

IX. Those who have been included in any of the cases referred to in the preceding paragraphs during the year before the time at which the appointment is intended to be made.

Article 62. The CNBV, before an agreement of the Inter-Institutional Committee, may at any time determine to proceed to remove or disqualify, for a period of three months to five years, the administrators, members of the board of directors, or the general director of the FTIs, as well as suspend the persons mentioned above for the same period, when it considers that they do not have the technical quality, honorability, good credit history for the performance of their duties, do not meet the requirements established for their appointment or incur in severe or repeated violations of this Law or the general provisions arising therefrom.

To the effect of the abovementioned paragraph, before CNBV issues the proper resolution, it must hear the interested party and the applicable FTI.

The CNBV may order the removal of the independent external auditors of the FTIs, as well as suspend or disqualify such persons for a period of three months to five years when they incur severe or repeated violations of this Law or the general provisions arising therefrom, or provide reports or opinions containing false information, regardless of the penalties to which they may be subject.

For the purposes of this article, it will be understood by:

I. Suspension. Term referring to the temporary interruption in the performance of the duties that the offender had within the FTI at the time the violation was committed or detected; being able to perform duties other than those that gave rise to the penalty, as long as they are not directly or indirectly related to the position or activity that gave rise to the suspension;

II. Removal. Term referring to the separation of the offender from the employment, position, or commission held in the FTI at the time the violation was committed or detected, and

III. Disqualification. Term referring to the temporary impediment to holding a job, position, or commission within the Mexican financial system.

Article 63.- The CNBV, in general provisions, will determine those FTIs that, regarding the number of transactions or customers they have, business models, brokered assets, or level of net capital, must have an audit committee of an advisory nature to support the board of directors. The CNBV will establish the minimum duties to be performed by the audit committee and the rules relating to its integration and operation.

Article 64. The CNBV and the Bank of Mexico, for the regulation they must issue, may consider, in addition to the activities that the FTIs are authorized to perform under the provisions of this Law and distinguish when deemed appropriate, such regulation based on the number or amount of the Transactions, the number of Customers they have, business models, brokered assets or level of net capital, among others.

Article 65. The powers of attorney granted by the FTIs will not require other insertions than those related to the authorization of the granting of a power of attorney, to the powers granted in the deed or the by-laws in this regard, and to the verification of the appointment of the directors.

Article 66. The merger of an FTI as a merged company will render without effect the authorization granted to it to organize and operate as such, without the need to issue an express declaration by the CNBV.

Article 67. In the event of a spin-off of an FTI, the spun-off company will not be deemed authorized to organize and operate as an FTI, and the surviving spun-off company will retain the authorization granted to it for such purposes.

If the spin-off produces the extinction of the spin-off FTI, the authorization granted to organize and operate as such will be, without effect, without the need to issue an express declaration by the CNBV.

CHAPTER III
Suspension and Termination of the Authorization to Operate as an FTI

Article 68.- The CNBV, following the procedure set forth in Article 98, Parts I and II of this Law, may suspend or partially limit the activities of the FTIs or the execution of Transactions when they are located in any of the following cases:

I. They do not have the necessary infrastructure or controls to carry out their activities and provide their services without prejudice to the provisions of the second paragraph of this article;

II. They fail to comply with the requirements to carry out the Operations or activities or provide the services established in this Law or the provisions derived therefrom, and

III. They perform activities or provide services that imply conflicts of interest to the detriment of their Customers or intervene in activities prohibited in this Law or the provisions arising therefrom.

The Bank of Mexico, following the procedure set forth in Article 98, Parts I and II of this Law, may partially suspend or limit electronic payment funds institutions from carrying out their Operations or activities when they fail to comply with the general provisions issued by the Bank of Mexico under the terms of this Law, in those cases in which, based on the opinion of said central bank, such non-compliance has the following consequences:

a) Affect its activities or the rendering of its services;

b) Putting at risk the resources of the Customers, or

c) Endanger the functioning of the financial system.

The order of suspension or partial limitation of its activities or Operations referred to in this article will be imposed without prejudice to the penalties that may be applicable in terms of the provisions of this Law and other relevant provisions.

Article 69. The CNBV, with the approval of the Inter-Institutional Committee, and after hearing the affected FTI, may declare the termination of the authorization granted to such FTI in the following cases:

I. If it does not maintain the minimum or net capital necessary to carry out its activities following the provisions of this Law and the general provisions issued for such purpose;

II. If it suspends or abandons its activities for more than one calendar year;

III. If it enters into dissolution, liquidation, or bankruptcy proceedings;

IV. If it does not comply with the requirements necessary for its authorization or if it seriously or repeatedly fails to comply with the terms of the authorization granted;

V. If the FTI does not carry out the activities for which it obtained the authorization;

VI. If the FTI does not start operations within six months from the notification of the authorization to organize and operate as an FTI;

VII. Failure to comply with the provisions of this Law or the general provisions derived from it, despite the observations and corrective actions made or ordered by the CNBV or the Bank of Mexico.

For purposes of the provisions of this part, a repeat offender will be considered to be a person who has incurred an offense that would be penalized and, in addition to such offense, commits the same violation within the two years immediately following the date on which the pertinent resolution has become final;

VIII. Committing any of the conducts described as serious in this Law, and

IX. If the ITF in question, through its legal representative, so requests, provided that there are no pending Transactions to be settled among its Customers or, in case of pending Transactions, that it has assigned its administration, complying with the applicable legal and contractual provisions. In this case, the company must modify its bylaws in order to not contemplate its operation as an FTI.

The termination will prevent the FTI from being able to carry out new Transactions as of the date on which the proper resolution is notified and will obligate the FTI to carry out the necessary acts to conclude all the Transactions that were previously carried out or, to transfer them following part IX of this article. Once the previous has been done, the FTI must initiate its liquidation process, except in the case established in part IX.

CHAPTER IV
Inspection, Surveillance, and Exchange of Information

Article 70.- The FTIs will be subject to provide the CNBV and the Bank of Mexico, within the jurisdiction of their respective authorities, with the information that these Financial Authorities require from them on their Transactions and those carried out between their Customers, including any or some of them individually, the data that allow estimating their financial situation and, in general, that which is helpful to the CNBV or the Bank of Mexico to provide adequate compliance with their powers, in the manner and terms determined by the Authorities themselves.

Compliance with the obligations indicated in this article will not imply any violation of the legal confidentiality obligation, nor will it violate the restrictions on disclosure of information established by contractual means.

Article 71.- The CNBV will supervise the compliance of the FTIs with the provisions of this Law, as well as those arising therefrom, subject to the provisions of its Law, the respective regulations, and other applicable provisions. The CNBV may conduct inspection visits to the FTIs to review, verify, check, and evaluate their activities.

The Bank of Mexico will also be empowered to supervise compliance by the FTIs with the provisions it issues individually regarding this Law. For that purpose, the Bank of Mexico may exercise the supervisory powers conferred by the Law of the Bank of Mexico. For this paragraph, FTIs will be included among the financial intermediaries referred to in the Law of the Bank of Mexico.

Likewise, the CNBV, following the provisions of this article, may investigate facts, acts, or omissions from which a violation of this Law and other provisions arising therefrom may be presumed.

The inspection visits of the CNBV referred to in this article may be ordinary, special, or investigative.

Ordinary visits will be those carried out following the annual program established by the CNBV for such purposes.

Special visits will be those that, without being included in the annual program referred to in the preceding paragraph, are carried out in any of the following cases:

I. To examine and, if necessary, amend special operational situations;

II. To follow up on the results obtained in an inspection visit;

III. When there are changes or modifications in the accounting, legal, economic, financial, or administrative situation of an ITF, or

IV. When they arise from international cooperation.

Investigation visits will be conducted whenever the CNBV has indications from which it may be inferred that any conduct allegedly violates the provisions of this Law and other general provisions derived from it.

The FTIs that are subject to an inspection visit in terms of this Law and other applicable legal provisions will be required to allow the personnel designated by the CNBV immediate access to the place or places subject to the visit, to their offices, premises and other facilities, including unrestricted access to the documentation and other sources of information that such personnel deems necessary for the performance of their duties, as well as to provide the physical space required for the development of the inspection visit and make available to them the computer, office, and communication equipment necessary for such purpose.

The documentation referred to in the preceding paragraph includes but is not limited to, the general or specific information contained in reports, records, minute books, auxiliary books, correspondence, technological infrastructure, data processing, and conservation, including any other technical procedures established for this purpose, whether they are magnetic files or digitized or recorded documents and optical procedures for consultation or of any different nature.

The CNBV and the Bank of Mexico, in the exercise of their respective supervisory powers, may request and exercise the enforcement measures referred to in the following article.

When required by the CNBV or the Bank of Mexico in the exercise of the functions set forth in this article, it may hire the services of auditors and other professionals to assist it in said function.

If the CNBV or the Bank of Mexico, when exercising their respective authorities, detects acts or omissions of the FTIs or Financial Institutions that could imply violations of the provisions applicable to them under terms of this Law, it will inform the other authority. For purposes of the previous, the CNBV and the Bank of Mexico will enter into a collaboration agreement establishing the form and terms for the disclosure of the provisions of this paragraph, as well as the measures adopted in exercising their powers.

Article 72.- The CNBV and the Bank of Mexico, exercising the powers referred to in this Law, must indicate the manner and terms in which their requirements must be complied with.

Likewise, the CNBV and the Bank of Mexico, to enforce their determinations concerning persons subject to this Law, may apply the following means of constraint indistinctly:

I. An admonishment with a warning;

II. A fine of 2,000 to 5,000 UMA;

III. An additional fine of 50 to 100 UMA for each day that the violation persists; and

IV. The assistance of the state security forces.

If the measure of constraint is insufficient, the competent authority may be requested to proceed against the offender for disobedience to a legitimate order of a competent authority.

For this article, federal judicial or ministerial authorities and federal or local security or police forces must promptly provide the support requested by the CNBV or the Bank of Mexico in the exercise of their respective powers.

In the case of public security forces of the federal entities or municipalities, the support will be requested under the terms of the regulations that regulate public security or, as the case may be, following the administrative collaboration agreements entered into with the Federation.

Article 73. The information and documentation relating to the activities and services provided by the FTIs following this Law and the Transactions carried out through them will be confidential, so the FTIs, in the protection of the right to privacy of their Customers established in this Article, may in no case give news or information of the activities, Transactions or services, except to the Customer himself, to his legal representatives or to those who have been granted power of attorney to dispose of or intervene in the Transaction or service.

As an exception to the provisions of the preceding paragraph, the FTIs will be obliged to give the news or information referred to in said paragraph when requested by the judicial authority under an order issued in a trial in which the Customer is a party or defendant. For this paragraph, the judicial authority is entitled to make its request directly to the FTI or through the CNBV.

Likewise, the FTIs will be exempted from the prohibition foreseen in the first paragraph of this article and, therefore, obliged to provide the mentioned news or information in the cases in which the following authorities request them:

I. The General Attorney of the Republic or the public official to whom he delegates powers to require information to gather evidence for the clarification of the facts and, if necessary, to obtain evidence to support the exercise of the criminal action, the accusation against the accused and the reparation of the damage;

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II. The general attorneys of justice or general attorneys of the federal entities or the public officials to whom they delegate powers to request information, under the terms of the provisions referred to in the last paragraph of this Article, to gather evidence for the clarification of the facts and, if applicable, to obtain evidence to support the exercise of the criminal action, the accusation against the accused and the reparation of the damage;

III. The General Attorney of Military Justice, to gather evidence for the clarification of the facts and, if applicable, to obtain evidence to support the exercise of the criminal action, the accusation against the accused, and the reparation of the damage;

IV. The federal and state tax authorities, for tax purposes;

V. The Ministry, for the provisions of Article 58 of this Law;

VI. The Treasurer of the Federation or the public official to whom it delegates powers to request information, under the terms of the provisions referred to in the last paragraph of this Article, when the act of surveillance, as may be necessary, to request account statements and any other information related to the personal accounts of public officials, auxiliaries and, as the case may be, individuals related to the investigation in question;

VII. The Superior Audit of the Federation or its counterparts in the federal entities, in the exercise of its powers of review and audit of the Federal or Local Public Account and for accounts or contracts through which public resources are administered or exercised;

VIII. The investigating authorities referred to in the General Law on the Administrative Responsibilities, or their counterparts in the federal entities, for the clarification of the facts, provided that the respective information is related to the commission of violations referred to in said Law, and

IX. The Technical Auditing Unit of the National Electoral Institute, for exercising its legal powers under the terms established in the General Law of Electoral Institutions and Procedures. The electoral authorities of the federal entities will request and obtain the information necessary to exercise their legal powers through the Technical Auditing Unit of the National Electoral Institute.

The authorities mentioned in the preceding sections will request the news or information referred to in this article in the exercise of their powers and follow the legal provisions applicable to them.

The requests referred to in the third paragraph of this article must be developed with legal basis and reasoning and through the CNBV. The public officials and institutions indicated in parts I and VII of the third paragraph of this article, and the Technical Auditing Unit referred to in part IX of the said paragraph may choose to request the judicial authority to issue the proper order for the FTI to deliver the required information, provided that said public officials or authorities specify the name of the FTI, the account or Customer identification number, its name and other data and elements that allow its complete identification, following the Transaction in question.

In the case of events that presumptively endanger the life, liberty, or integrity of persons, the authorities mentioned in parts I and II of the third paragraph of this article may require the information or documentation necessary to act immediately, following the emergency agreements or protocols established for such purpose between said authorities, government agencies involved in fighting this type of offense, the CNBV, and the FTIs.

Under the terms of the applicable legal provisions, the employees and officers of the FTIs will be liable for violating the secrecy established, and the FTIs will be compelled, in case of undue disclosure of the confidentiality, to repair the damages caused.

The documents and data provided by the FTIs, as a consequence of the exceptions to the first paragraph of this article, may only be used in the proceedings that correspond in terms of the law and, concerning them, the strictest confidentiality must be observed, even when the public officials in question separate from the service. Any public official

who unduly breaches the confidentiality of the proceedings, provides copies thereof or of the related documents, or who in any other way disclose the information contained therein must be subject to the corresponding administrative, civil, and criminal liabilities.

The preceding does not affect the obligation of the FTIs to provide the CNBV with all kinds of information and documents that, in the exercise of its inspection and oversight functions, it may request from them in connection with the Transactions and other acts they enter into and the services they provide, as well as the obligation to provide the information requested by other Financial Authorities under the applicable legal provisions.

The FTIs must respond to the requirements issued by the CNBV under the requests of the authorities mentioned in this article within the terms and conditions determined by the CNBV. The CNBV may penalize the FTIs that do not comply with the terms and conditions established in such requirements following this Law, Title VI.

The CNBV will impose an administrative fine of 1 to 15,000 UMA to the FTIs for not responding within the terms granted in this article to comply with the requests for information, documentation, assurance, unblocking of accounts, transfer, or status of funds issued by the competent authorities mentioned above.

The CNBV must issue general provisions establishing the formalities and requirements to be met by the information requests or needs made by the authorities referred to in this article for the requested FTIs to be able to identify, locate, and provide the news or information requested by such authorities.

Article 74. To preserve financial stability, avoid interruptions or alterations in the operation of the financial system or the payment system, as well as to facilitate the adequate fulfillment of their office, the Ministry, the Supervisory Commissions, and the Bank of Mexico may exchange among themselves the information they have in their possession because they have obtained it:

I. During the exercise of their authorities;

II. As a result of its actions in coordination with other entities, persons, or authorities, and

III. Directly from other authorities.

The restrictions on reserved or confidential information regarding the applicable legal provisions must not apply to the authorization mentioned in the preceding paragraph. Whoever receives the information referred to in this article must be administratively and criminally liable, in terms of the applicable legislation, for the dissemination to third parties of confidential or reserved information.

For this article, the Financial Authorities mentioned above must enter into information exchange agreements to specify the information to be exchanged and determine the terms and conditions to which they must be subject. Likewise, such agreements must define the degree of confidentiality or reserve of the information and the respective control instances that will be informed in cases where the delivery of information is denied or made outside the established deadlines.

Article 75. The Ministry, the Supervisory Commissions, and the Bank of Mexico, within the scope of their competencies, must be empowered to provide foreign financial authorities with any information they deem appropriate to meet the requirements they may formulate, such as documents, certificates, records, declarations, and other evidence that such Financial Authorities may have in their possession due to having obtained it in the exercise of their powers.

For the provisions of the preceding paragraph, the Financial Authorities must have signed an information exchange agreement with the foreign financial authorities at issue, in which the principle of reciprocity is contemplated.

The CNBV and the Bank of Mexico, within the scope of their respective powers, must be empowered to deliver to foreign financial authorities the information protected by confidentiality provisions in their possession because they have obtained it in the exercise of their powers, acting in coordination with other entities, persons, or authorities or directly from other authorities.

In any case, the CNBV and the Bank of Mexico may refrain from providing the information referred to in the preceding paragraph when the intended use is different from that for which it was requested, is contrary to public order, national security, or the terms agreed in the respective information exchange agreement.

The Ministry, the CNBV, CONDUSEF, and the Bank of Mexico must establish coordination mechanisms to deliver the information contained in this article to foreign financial authorities.

Article 76. Financial Institutions, money transferors, credit information companies, clearing houses referred to in the Law for the Transparency and Regulation of Financial Services, FTIs, and companies authorized to operate with Innovative Models must establish standardized computer application programming interfaces that enable connectivity and access to other interfaces developed or managed by the same subjects referred to in this article and third parties specialized in information technologies, to share the following data and information:

I. Open financial data: data generated by the entities mentioned in the first paragraph of this article that do not contain confidential information, such as information on products and services offered to the general public, the location of their offices and branches,

ATMs, or other access points to its products and services, among others and as applicable;

II. Aggregate data: data relating to any statistical information related to transactions carried out by or through the entities mentioned in the first paragraph of this article without containing a level of disaggregation such that personal data or transactions of an individual can be identified.

Only persons with the authentication mechanisms established by the Supervisory Commissions or by the Bank of Mexico in the case of clearing houses and credit information companies referred to in the first paragraph of this article, through general provisions issued for such purpose, must have access to the aggregated data, and

III. Transactional data: data related to the use of a product or service, including deposit accounts, credits, and means of disposal engaged on behalf of the customers of the entities mentioned in the first paragraph of this article, among other information related to the transactions that the customers have carried out or attempted to carry out in their Technological Infrastructure. This data, as personal data of customers, may only be shared with their prior express authorization.

The information mentioned in the preceding paragraph may only be used for purposes strictly authorized by the customer. The entities mentioned in the first paragraph of this article must interrupt the access of information as soon as the holder withdraws its consent when there are vulnerabilities that put the information of their customers at risk or the third party fails to comply with the terms and conditions agreed upon for the exchange of information. Such interruption must be notified to the Supervisory Commissions or the Bank of Mexico, as the case may be, within two hours of its detection. Within the scope of their competence, such authorities may order re-establishment of access to information in cases where it is determined that the interruption was unjustified, regardless of the corresponding administrative sanctions.

The exchange of data and information that may be shared in terms of this article must be subject to the general provisions issued by the Supervisory Commission or by the Bank of Mexico in the case of credit information companies and clearing houses referred to in the first paragraph of this article, in which the necessary standards for the interoperability of application programming interfaces may be established; the design, development, maintenance, and security mechanisms of these interfaces for accessing, sending, or obtaining data and information, the information deemed critical for the proper functioning of the applications that require the use of these interfaces, as well as the mechanisms through which the consent of the customer will be obtained.

Access to information through standardized computer application programming interfaces by the persons mentioned in this article must require prior authorization from the Supervisory Commissions or the Bank of Mexico for credit information companies and clearing houses. The authorizations granted following this article must allow the person who obtains them to access the available interfaces of the type of entity from which access is requested.

The Supervisory Commission or, if applicable, the Bank of Mexico, must authorize the fees charged by the entities mentioned in the first paragraph of this article for the exchange of data and information, which must be equitable and transparent to all individuals involved so that in no case must they constitute entry, formal, regulatory, economic, or practical barriers.

For the preceding paragraph, the entities mentioned above must register before the Supervisory Commissions or the Bank of Mexico, if applicable, the considerations discussed above and their respective modifications. Such registration must be made at least 30 (thirty) calendar days before it enters into force for new considerations or when they imply an increase.

In the case of reducing the number of such considerations, the registration must be made at least 2 (two) calendar days before its entry into force.

The preceding must be done according to the terms established by the Supervisory Commissions or the Bank of Mexico, as the case may be, in general provisions.

The Supervisory Commissions or the Bank of Mexico, if applicable, must have the power to make observations on the application of such considerations when they are new or involve an increase within 15 (fifteen) business days following the date on which the entities mentioned above become aware of them. Before exercising power mentioned above, the competent Financial Authority must hear the entity at issue. If applicable, the Supervisory Commissions or the Bank of Mexico must make public any observations under this paragraph. If the competent Financial Authority has formulated and published observations regarding the creation or increase of the consideration, and the entities referred to in the first paragraph of this article decide to apply the new consideration or the increase observed, such Financial Authority may veto it, in which case they may not charge such consideration without being exempted from complying with the obligation referred to in this article. If there are no observations, the consideration will become effective.

In no case may the entities referred to in this article collect differentiated considerations for access to their information.

The entities mentioned in the first paragraph of this article, under their responsibility, may allow information and data requesters to propose and test the introduction of new products and services before they are offered to the public, temporarily exchanging such information and data with them during the testing stage, as long as they comply

with the requirements and conditions established for such purpose by the Supervisory Commission or the Bank of Mexico, if applicable.

The Supervisory Commission or, if applicable, the Bank of Mexico, following the right to a hearing granted to the entities mentioned in the first paragraph of this article, may order the partial or total, temporary, or definitive suspension of the exchange of information and data when the general provisions referred to in this article are not complied with to protect the interests of the public. The previous, unless the Supervisory Commission or the Bank of Mexico, in the case of credit information companies and clearing houses referred to in the first paragraph of this article, approves a regularization program that meets the requirements established for such purpose in such general provisions.

The Supervisory Commission or the Bank of Mexico, in the case of credit information companies and clearing houses referred to in the first paragraph of this article, may require the entities mentioned in the first paragraph of this article and, through them, those with whom they exchange data and information under this article, records, documents, data, reports, and, in general, the information it deems necessary to verify compliance with this article and the general provisions it issues for such purpose.

The Supervisory Commission or, if applicable, the Bank of Mexico must issue directly to the entities mentioned in the first paragraph of this article the information requirements and, if appropriate, the

observations and corrective measures derived from the supervision carried out following this article to ensure the integrity of the information and compliance with this Law. Likewise, the Supervisory Commission or, if applicable, the Bank of Mexico, must be empowered, at all times, to carry out acts of supervision, inspection, and oversight concerning third parties with whom the entities mentioned in the first paragraph of this article exchange data and information under this article, as well as to conduct inspections of such third parties for the exchange of information and data, or to order the entities mentioned in the first paragraph of this article to conduct audits of such third parties, with the entity itself being obliged to submit a report to the Supervisory Commission or the Bank of Mexico, as the case may be.

The Supervisory Commission or the Bank of Mexico, in the case of credit information companies and clearing houses referred to in the first paragraph of this article, must specify the purpose of the inspections or audits, which must be limited to the subject matter of the service contracted and compliance with the provisions of this Law. Therefore, the entities must agree in the contracts, by means of which the exchange of data and information is formalized, the express stipulation of the contracted third party that it accepts to abide by this article.

Article 77. The exchange of information referred to in the preceding article must not be understood as a violation of the confidentiality obligations imposed on the entities mentioned in such article in this and other applicable laws.

CHAPTER V
Trade Unions

Article 78. FTIs may form trade unions, which may carry out, among other functions, the development and implementation of standards of conduct and operation to be complied with by their members to contribute to the healthy development of the institutions mentioned above.

The trade unions referred to in this Chapter, in terms of their bylaws, may issue, among others, rules to regulate the following:

I. The entry, exclusion, and separation requirements for its members;

II. The process for adopting best practices, as well as standards of conduct and operation, the verification of their compliance, and the provisions arising therefrom, and

III. The standards and policies for adequate compliance with this Law and the provisions arising therefrom.

Article 79. Trade associations may conduct periodic evaluations of their members regarding compliance with best practices and the standards of conduct and operation issued by them. When from the results of such evaluations, they become aware of non-compliance with this Law, such associations must inform the CNBV without prejudice to the powers of the CNBV itself. Likewise, such associations must record the corrective and disciplinary measures they apply to their members, which will be available to the CNBV.

The best practices under this article may not contradict or exclude the provisions of this Law and other applicable legal provisions.

TITLE IV
Temporary Authorizations and Operation with Virtual Assets

CHAPTER I
Authorization of Innovative Models

Article 80.- Legal entities incorporated under Mexican corporate law, other than FTIs, Financial Institutions, and other entities supervised by a Supervisory Commission or by the Bank of Mexico, must obtain authorization to carry out any activity through Innovative Models that requires approval, registration, or concession under this Law or another financial law.

For the operation of Innovative Models, the Financial Authorities, according to their scope of competence, in a discretionary manner, after reviewing compliance with the criteria and conditions set forth in this Law, Article 82, may grant or deny, with due justification and motivation, a conditional temporary authorization to the companies interested in providing financial services through these Models. Such authorization must have a duration per the services rendered and may not exceed 2 (two) years.

In the case of the Supervisory Commissions, prior agreement of the respective Governing Board must be required to grant the authorizations referred to in this article.

In the case of activities whose authorization, registration, or concession is the responsibility of the Ministry or the Bank of Mexico, temporary authorizations will be issued considering the administrative acts provided for in the laws that regulate such activities for their authorization, registration, or concession. If the Ministry is responsible for granting the authorizations mentioned above, the Supervisory Commissions will be competent to supervise the activities of the companies authorized to operate with Innovative Models that carry out the same activities reserved for the Financial Institutions or subjects supervised by such Supervisory Commissions.

The respective corporation must carry out the necessary actions to obtain the definitive authorization, registration, or concession during the term of the temporary approval following the financial laws that regulate such acts. When such actions are not carried out, the exit procedure referred to in this Law, Article 83, part X, must be carried out. If the authorized corporation is carrying out the necessary actions to obtain the definitive authorization, registration, or concession following the financial laws that regulate such acts, the competent Financial Authority, at its discretion, may extend the temporary approval for up to one more year. During this time, all the necessary actions must be carried out to obtain such definitive approval, registration, or concession and begin the corresponding operations.

In the authorization granted under this article, the Financial Authorities will establish, based on the corresponding Innovative Model, the exceptions and conditions for compliance with the requirements and obligations set in the respective financial laws and the terms and conditions to provide the services at issue. In the case of extensions, such exceptions, terms, and conditions may be revised in order to continue the viability of the corporation authorized to operate with Innovative Models.

Article 81. If two or more Supervisory Commissions have powers to hear the matters referred to in this Chapter or if the activities at issue are also subject to the authorization of the Bank of Mexico or the Ministry, requests for approval must be submitted to the Financial Authority whose powers are related to the main activity to be carried out by the corporation that intends to be authorized under the Innovative Model. Such Authority must forward the respective file to the other competent Financial Authorities in order to be able to resolve it jointly.

Article 82. For the granting of the temporary authorization referred to in this Law, Article 80, the Financial Authorities must evaluate, among other aspects, compliance with the following criteria and conditions:

I. That the proposal be an Innovative Model;

II. The product to be offered or the service to be provided to the public must be required to be tested in a controlled environment, in terms of this Chapter;

III. The way in which the reserved activity is intended to be developed must represent a benefit to the Customer of the product or service at issue concerning what is available on the market;

IV. The project must be at a stage where the start of operations can be immediate;

V. The project must be able to be tested with a limited number of Customers, and

VI. Any others established by the competent Financial Authorities through general provisions, as the case may be.

Article 83. In the application for temporary authorization, corporations intending to operate with Innovative Models must include the following:

I. The bylaws draft, which must contemplate the following:

a) The performance on a regular or professional basis, in its corporate purpose, of the activities it intends to carry out, and

b) Establish its registered office in the national territory;

II. The description of the Innovative Model, the totality of the transactions or activities that it intends to carry out through this Model, and the detail of each one of them, justifying the need to operate with such an Innovative Model;

III. The policies of risk analysis, including those policies to follow in terms of security in the Technology Infrastructure and security of the information;

IV. The legal provisions regulating the reserved activity that are considered to hinder the development of products or services through the Innovative Model;

V. The potential benefits for Customers of the service or product at issue concerning what exists in the market;

VI. The target market or maximum number of Customers to which the product or service at issue would be offered, specifying, if applicable, the respective geographic location and the maximum amount of funds that may be received from each Customer, as well as the maximum total amount that may be received during the term of their temporary authorization;

VII. The way in which they will compensate the damages that, if any, will be generated to its Customers for the provision of the services provided during the period under development, which must be agreed in the agreements entered into for such purpose;

VIII. The manner in which it intends to inform and obtain the consent of its Customers for entering into transactions with corporations authorized to operate with Innovative Models, as well as the risks to which they are subject as a result;

IX. The way, method, and terms in which they will comply with the requirements to obtain the definitive authorization, registration, or concession following the financial laws that regulate the service to be provided;

X. The exit procedure to be followed if the Financial Authorities do not grant the definitive authorization, registration, or concession, or if the term of the temporary approval or its extension expires, as the case may be; and

XI. Other documentation and information that the competent Financial Institutions require for such purposes.

The administrative body must approve the filing of the application for authorization referred to in this Chapter of the corporation seeking approval.

Each Financial Authority must publish the temporary authorizations it grants under this Chapter in a registry that will be public, which must be published on its website and must contain annotations concerning each corporation authorized to operate an Innovative Model, which may include, among others, the revocation of the authorization. Each Financial Authority may establish, using general provisions, the bases for the organization and operation of this registry and the additional entries to be included in it.

Article 84.- CONDUSEF, under the Law for the Protection and Defense of the User of Financial Services, will have the powers granted by such Law to resolve disputes between corporations authorized to operate Innovative Models and their Customers.

Article 85.- To the corporations authorized to operate with Innovative Models, this Law, Titles I and VII and Chapter IV of Title III, Articles 48, third paragraph, and Article 58 of this law, will be applicable. The powers granted to the CNBV in the provisions stated will be understood as given to the other Financial Authorities within the scope of their competencies.

CHAPTER II
Innovative Models in Regulated Entities

Article 86. Financial Authorities may authorize at their discretion, with pertinent facts and law, the Financial Institutions, FTIs, or other persons subject to their supervision, to temporarily carry out operations or activities of their corporate purpose through Innovative Models when their performance requires exceptions or conditions to the contents of the applicable general provisions issued by the Authorities themselves.

The temporary authorizations referred to in this article must be granted with the previous agreement of the Governing Board of the relevant Supervisory Committees. For activities governed by general provisions issued by the Ministry or the Bank of Mexico, such Authorities will grant temporary authorizations.

For the temporary authorization to be granted, the Financial Authority that must solve will establish the exceptions, constraints, terms, conditions for the products to be offered or the provision of the services at issue.

Temporary authorizations may not have a term greater than one (1) year which is renewable only for one (1) more year.

Article 87. To grant the authorization referred to in this Chapter, the interested parties must present their request complemented by the following documentation and information:

I. The description of the Innovative Model, the entirety of the operations or activities that intend to carry out through this Model, and the detail of each process and activity, justifying the necessity to obtain the temporary authorization to operate with such an Innovative Model;

II. The policies of risk analysis, including those policies to follow in terms of security in the Technology Infrastructure and security of the information;

III. The legal provisions that govern the activity they consider that interfere with the development of the products or services through the Innovative Model;

IV. The potential benefits that the product or service has for the Customers regarding the market;

V. The target market or maximum number of Customers that would be offered or impacted by the operation or activity at issue, specifying, if applicable, the respective geographic location and the maximum amount of resources that may be received from each Customer, as well as the maximum total amount that may be received during the term of their temporary authorization;

VI. The information that proves that the performance of the relevant operation or activity does not jeopardize the stability or solvency of the Financial Institution or the operability of the person at issue;

VII. The way in which damages will be compensated that, if applicable, they generate to their Customers for the performance of the operations or activities they carry out, which must be agreed on in the agreements executed for such purpose;

VIII. The means by which they will inform their Customers of the risks to which they are exposed;

IX. The actions to be performed once the term of the temporary authorizations expires, and

X. Other documentation and information that the competent Financial Institutions require for such purposes.

The board of directors of the Financial Institution must approve the submission of the authorization request referred to in this Chapter or person subject to the supervision of the competent Financial Authority.

CHAPTER III
Operations of Financial Institutions with Virtual Assets

Article 88. With the previous authorization of the Bank of Mexico, credit institutions may carry out operations with virtual assets that the Bank of Mexico itself determines through general provisions from among those that meet the characteristics mentioned in this Law last paragraph of Article 30. Such operations will be subject to their conditions and restrictions to the general provisions issued by the Bank of Mexico for such purposes.

CHAPTER IV
Other Obligations and Revocation of Temporary Authorizations

Article 89. Corporations authorized to operate with Innovative Models, FTIs, Financial Institutions, and other persons subject to the supervision of the Financial Authorities that obtain the temporary authorization referred to in this Title must elaborate and deliver to the Financial Authorities a report at such intervals as it may determine, during the term of the approval, which will contain the following:

I. The number of operations carried out during the reported term;

II. The number of Customers or users they have at the date of the report;

III. Risk situations that have arisen, and

IV. Other information that Financial Authorities need for such purposes according to the general provisions they issue.

In addition, companies authorized to operate with Innovative Models, FTIs, Financial Entities, and other persons subject to the supervision of the Financial Authorities that

obtain the temporary authorization referred to in this Title must deliver to such Financial Authorities a final report no later than 30 (thirty) days after the end of the term of the temporary authorization, describing the total figures concerning the information set forth in the preceding sections, as well as any other information that the Financial Authorities determine in the temporary authorization or general provisions issued for such purpose.

Article 90. Financial Authorities may make public the information reported by the obligated subjects referred to in this Title if they deem it relevant for the knowledge of the Customers, provided it is not confidential information.

Article 91. Financial Authorities may verify the accuracy of the information provided by the corporations authorized to operate with Innovative Models, FTIs, Financial Institutions, and other persons subject to the supervision when they offer products or provide services as per this Title IV and, consequently, the agencies and institutions of Federal Public Management, as well as other federal agencies, will deliver the related information. Likewise, Financial Authorities may request foreign bodies with similar supervision or regulation duties to verify the information provided for such purpose.

Article 92. The Supervisory Commissions, with the agreement of their Board of Governors, the Bank of Mexico, or the Ministry, as the case may be, may revoke the temporary authorizations referred to in this Title, after hearing the interested party, in the following circumstances:

I. Failure to comply with any of the requirements applicable following this Title or the general provisions issued for such purpose or any other requirements specified in the temporary authorization at issue;

II. In the event of unexpected risks to Customers;

III. When it fails to deliver any of the reports to which it is required under this Chapter;

IV. If it performs operations, activities, or services other than those considered in its temporary authorization, and

V. If so requested, provided that there are no operations pending settlement between their Customers.

TITLE V
Innovative Financial Group

Article 93. The Innovative Financial Group is the consulting, advisory, and coordinating body whose purpose is to establish a space of exchange of opinions, ideas, and knowledge between the public and private sectors to know innovations in financial technology matters and plan their orderly development and regulation.

Article 94. The Innovative Financial Group will consist of up to 12 proprietary members, one from the Ministry, one from each of the Supervisory Commissions, and one from the Bank of Mexico, appointed by their respective heads. The remaining members will be representatives of the private sector and appointed by the Ministry with a previous invitation. For purposes of the preceding, the Ministry must ensure that the members of the private sector are representatives of the FTIs sector and other Financial Institutions. The representative of the Ministry will serve as president of the Innovative Financial Group and, in their absence, the representative of the CNBV.

Article 95. The Innovative Financial Group must meet at least once a year, and extraordinary meetings may be called as required. The meetings must be held with the majority of its members, and a majority vote of the members present will adopt the resolutions of the Innovative Financial Group. The person chairing the meeting will have the casting vote in case of a tie.

If so required the nature of the matters to be discussed, the representatives of the agencies and entities of the Federal Public Administration or public or private organizations may be invited to participate in the meetings of the Innovative Financial Group.

TITLE VI
Penalties and Offenses

CHAPTER I
Administrative Penalties

Article 96. The legal acts entered into in contravention of the provisions of this Law, as well as the conditions that, in particular, are noted in the authorizations to operate as FTI or the temporary authorizations referred to in Title IV of this regulation and other administrative acts, will give rise to the imposition of the appropriate administrative and criminal penalties, without such contraventions producing the nullity of the actions, in the protection of third parties in good faith, unless otherwise expressly established by this Law.

Article 97. The fines administratively established by the Supervisory Commissions or the Bank of Mexico to Financial Institutions, FTIs, or corporations authorized to operate with Innovative Models will become effective by the Ministry or the Bank of Mexico, as applicable once they

are established. The fines referred to in this article will be tax credits under the Federal Fiscal Code.

The fines referred to in this Law must be paid within 15 (fifteen) business days following the date of their notice.

If the offender pays within the 15 (fifteen) days referred to in the paragraph above, the fines imposed in their respective spheres of competence by the Supervisory Commissions or the Bank of Mexico will be reduced by 20% (twenty percent) provided that the offender expresses its conformity with the fine.

The penalties that CONDUSEF is responsible for imposing under the terms of this Law will follow the procedure established in the Law for the Protection and Defense of the User of Financial Services. Against such fines, the offender may file the appeal for review provided for in the Law for the Protection and Defense of the User of Financial Services.

Article 98. The Supervisory Commissions or the Bank of Mexico, in the imposition of administrative penalties referred to in this Law, will be subject to the following:

I . A hearing will be granted to the presumed offender, who, within ten (10) business days counted from the business day following the one on which the relevant notice becomes

effective, must state in writing what is appropriate to their interest, offer evidence, and formulate their pleadings. At the request of a party, the Supervisory Commissions or the Bank of Mexico may extend the period referred to in this section for a single occasion up to the same period, for which it will consider the particular circumstances of the case. The notice will become effective on the business day following that on which it is made;

II. If the presumed offender does not make use of the right to a hearing referred to in the previous section within the period granted or, having exercised it, does not manage to undermine the accusations made against them, the imputed violations will be deemed proven, and the procedure will be to the imposition of the relevant administrative penalty;

III. To impose penalties, the following, if applicable, will be considered:

a) The impact on third parties or the financial system that the violation has produced or may produce;

b) The recidivism, the causes that originated it, and, where appropriate, the corrective actions applied by the presumed offender. Anyone who has incurred a violation that has been penalized and, in addition to that, who commits the same offense, within the 2 (two) years immediately following the date the relevant resolution has become final will be deemed a repeat offender.

Recidivism may be penalized with a fine whose amount is equivalent to up to twice the amount initially provided;

c) The amount of the operation;

d) The economic condition of the offender so that the penalty is not excessive, and

e) The nature of the violation committed;

IV. Regarding conducts classified by this Law as serious, in addition to what is established in part III of this article, any of the following aspects may be taken into account:

a) The amount of the loss or patrimonial damage caused;

b) The profit obtained;

c) The lack of good standing, on the part of the offender, following the provisions of this Law and the general provisions that emanate from it;

d) The inexcusable negligence or fraud with which it has acted;

e) That the offending conduct referred to in the administrative process may constitute an offense;

f) The term the non-compliance lasts;

g) The risks for the execution of the Operations that have given rise to the relevant penalties, and

h) Any other circumstances that Supervisory Commissions or the Bank of Mexico deems applicable for such purposes.

The resolution for the procedure for the imposition of penalties must be issued within a term not exceeding 90 (ninety) days following the date on which the offender was summoned when initiated by the respective president of the Supervisory Commissions or the public officials to whom this power is delegated or the public official of the Bank of Mexico.

Article 99. Supervisory Commissions or the Bank of Mexico will consider as mitigating the imposition of administrative penalties when the presumed offender proves that it has repaired the damage caused, as well as the fact that it provided information that contributes to the exercise of the powers of the Supervisory Commissions or the Bank of Mexico in inspection and monitoring matters to determine responsibilities.

Article 100. The procedures to impose administrative penalties referred to in this Law will be initiated regardless of the opinion of offense, if any, issued by the Financial Authority in terms of this Law.

Article 101. The fines referred to in this Chapter may be imposed on the Financial Institutions, FTIs, and corporations authorized to operate with Innovative Models, as well as the members of the board of directors or equivalent bodies, CEOs, executives, officers, employees, or persons who hold a position, mandate, commission, or any other legal title granted to them by such corporations for the performance of their activities, when they have directly incurred in or have ordered the performance of the conduct that is the subject matter of the violation.

Article 102. In the administrative procedures provided for in this Law, the evidence conducive to the acts subject to the procedure will be admitted as long as they are offered within the period of release of the guarantee of hearing. In the case of the confessional by the authorities, it must be rendered in writing.

Once the right to a hearing referred to in this Law, Article 98, has been granted or once the written notice of appeal for review provided for in this Law has been filed, only supervening evidence will be admitted, provided the relevant resolution has not been issued.

The Supervisory Commissions and the Bank of Mexico may gather the necessary evidence and decide on the admissibility of the evidence offered. The evidence provided by the interested parties may only be rejected when they were not offered according to the law, have no relation to the merits of the matter, and are inappropriate, unnecessary, or contrary to morality or law. The evidence will be evaluated per the Federal Code of Civil Procedures provisions.

Article 103. The fines provided for in this Law that the CNBV must impose will be the following:

I. A fine of 1,000 to 5,000 UMA to the persons other than those authorized who, in their name, denomination, corporate name, advertising, establishments, interfaces, internet pages, or any other electronic or digital means of communication, use the words FTI, financial technology institution, crowdfunding institution, electronic payment funds institution, or others that express similar ideas in any language, by which it may be inferred that activities reserved for FTIs are being carried out, except those exempted under this Law;

II. A fine of 3,000 to 15,000 UMA to the FTIs or corporations authorized to operate with Innovative Models that do not comply with the obligations set forth in this Law, Articles 13 and 48, paragraph 3;

III. A fine of 1,000 to 150,000 UMA for failure to comply in time with the requirements issued by Financial Authorities or any other competent authority under this Law;

IV. A fine of 30,000 to 150,000 UMA for the following:

a) Failure to include transactional information in the account registration required to be kept under this Law, and

b) Failure to comply with the requirements of security and continuity of the

operation of the account records referred to in this Law, Article 48;

V. A fine of 30,000 to 150,000 UMA for the following:

a) To the FTIs, Financial Institutions, or corporations authorized to operate with Innovative Models for carrying out unauthorized activities under this Law;

b) Spread false or misleading, or deceptive information through FTIs; corporations authorized to operate with Innovative Models or in any other way for the execution of the Operations referred to in this Law;

c) Omit the spread of information set forth by this Law;

d) Regarding crowdfunding institutions, for failing to obtain the evidence of knowledge of risks of the investors indicated in this Law, Article 18, part III or for failing to provide the necessary means to achieve the formalization of the Operations to their Customers indicated in this Law, Article 18, part V;

e) Regarding crowdfunding institutions, to disclose any advertising or information of the projects or services in terms other than those set forth in the general provisions referred to in this Law, Article 18, part II, and

f) Failure to have the registries referred to in this Law, Article 47;

VI. A fine of 20,000 to 100,000 UMA to the FTIs that start their activities without proving to the CNBV compliance with the requirements noted in this Law, Article 40;

VII. A fine of 15,000 to 100,000 UMA to the FTIs that:

a) Failure to comply with this Law, Articles 41 and 46, as well as the general provisions referred to in such Article 41;

b) Failure to comply with this Law, Article 55, as well as the general provisions of such provision;

c) Divert the resources of its Customers to any purpose other than that agreed upon;

d) To exceed the limits specified in this Law, Article 44, or in the provisions referred to in such article regarding crowdfunding institutions, and

e) Oppose or hinder the exercise of the powers conferred to the Financial Authorities by this Law and other applicable legal provisions;

VIII. A fine of 10,000 to 100,000 UMA to the independent external auditors that omit to provide the CNBV with the reports, opinions, and other trial elements on which they base their opinions and conclusions in contravention of the provisions of this Law, Article 52, second paragraph;

IX. The CNBV will impose a fine of 1 to 15,000 UMA to the FTIs for not responding within the terms granted in this article to comply with the requests for information, documentation, assurance, unblocking of accounts, transfer, or status of funds issued by the competent authorities mentioned above;

X. A fine of 15,000 to 75,000 UMA to the Financial Institutions and FTIs that do not establish software application programming interfaces to share and transact data with those Financial Institutions, FTIs, or corporations authorized to operate with Innovative Models that comply with the provisions of the general provisions issued by the Financial Authorities under this Law, Articles 76 and 77;

XI. A fine of 25,000 to 100,000 UMA to Financial Institutions, FTIs, or corporations authorized to operate with Innovative Models they use for purposes other than the ones contractually agreed with other FTIs or Financial Institutions or, in the case of transactional data, as authorized by their Customers, information, and data exchanged through software application programming interfaces with a Financial Institution or another FTI;

XII. A fine of 2,000 to 15,000 UMA to the corporations authorized to operate with Innovative Models and the Financial Institutions that, under this Law, Article 89, omit or submit the report after the due date;

XIII. A fine of 1,000 to 150,000 UMA to the FTIs, money transferors, and Financial Institutions when they interrupt the access to the information under terms different from those referred to in this Law, Article 76, or do not notify the Supervisory Commissions of the interruption. The same penalty may be imposed by the National Insurance and Surety Commission and the National Commission of the Retirement Savings System within the scope of their respective competences, and

XIV. A fine of 2,000 to 10,000 UMA for the breach of any standard of this Law, as well as of the general provisions issued by the CNBV or together with the Bank of Mexico, under this Law, and that do not have a penalty expressly indicated in this regulation.

If any breaches in this article cause property damage or a benefit, the appropriate penalty may be imposed by adding up to one and a half times the equivalent of such damage or the benefit obtained by the offender, whichever is greater. It will be understood as a benefit, the obtained profit, or the loss avoided for it or a third party.

Article 104. The fines provided for in this Law that the Bank of Mexico must impose will be the following:

I. A fine of 30,000 up to 150,000 UMA for carrying out operations with virtual assets or currencies without having the previous authorization from the Bank of Mexico or for carrying out Operations with active assets different from those determined by the Bank of Mexico;

II. A fine of 15,000 up to 100,000 UMA to the electronic payment funds institutions for exceeding the operation limits to which they are subject under this Law, Article 44, following the general provisions issued by the Bank of Mexico;

III. A fine of 1,000 up to 15,000 UMA to the electronic payment funds institutions for failure to comply with the general provisions issued by the Bank of Mexico to establish the characteristics of the Operations they can carry out;

IV. A fine of 1,000 up to 150,000 UMA to the credit information corporations or the clearing houses referred to in the Law for the Transparency and Regulation of Financial Services that interrupt access to the information in terms other than those referred to in this Law, Article 76 or fail to notify the Bank of Mexico of the interruption, and

V. A fine of 1,000 up to 10,000 UMA for infringing any general provision that the Bank of Mexico issues that does not have a penalty specially indicated in this regulation.

If any breaches in this article cause property damage or a benefit, the appropriate penalty may be imposed by adding up to one and a half times the equivalent of

such damage or the benefit obtained by the offender, whichever is greater. It will be understood as a benefit, the obtained profit, or the loss avoided for it or a third party.

Article 105. Violation of the obligations referred to in Article 58 of this Law or of the provisions issued in this regard will be penalized by the Supervisory Commission following the procedure set forth in this Law, with a fine equivalent to 10% to 100% of the amount of the act, Transaction or service performed with a Customer that has been reported as being on the list of blocked persons; with a fine equivalent to 10% to 100% of the amount of the unusual Transaction not reported, or in its case, of the series of related Transactions of the same Customer that should have been reported as unusual Transactions; or with a fine equivalent in local currency of ten to one hundred thousand times the value of the UMA in the case of any other non-compliance with the said provision and the provisions arising therefrom.

The penalties referred to in the preceding paragraph may be imposed on the FTIs and companies authorized to operate with Innovative Models, as well as, if applicable, on their members of the board of directors, administrators, managers, officers, employees, factors, and respective attorneys-in-fact, and on the individuals and legal entities that, because of their acts, have caused or intervened so that such companies incur in the irregularity or are responsible for it. Notwithstanding the preceding, the CNBV, concerning FTIs, may proceed following the provisions of Article 62 of this Law in the appropriate cases.

The Supervisory Commissions and the Bank of Mexico may refrain from penalizing FTIs, Financial Institutions, and companies authorized to operate with Innovative Models, provided the cause for such abstention is justified following the guidelines for such purposes by said Financial Authorities. Also, they refer to facts, acts, or omissions that are not serious; there is no recurrence, no elements that allow demonstrating that the interests of third parties or the financial system are affected, and they do not constitute an offense.

Serious misconduct will be considered as follows:

I. Providing false or fraudulent misleading information to the authority or customers by concealment or omission;

II. Using money, electronic payment funds, or virtual assets of Customers for purposes other than those agreed upon;

III. Carrying out unauthorized activities and Transactions;

IV. Failure to submit the document establishing the measures and procedures, in terms of Article 58, Part I of this Law;

V. Failure to report acts, Transactions, or services or failure to submit any report to the Ministry, through the CNBV, in terms of Article 58, Part II of this Law;

VI. Not having automated systems or failing to establish a communication and control committee, or failing to appoint a compliance officer under Article 58, third paragraph, Part V and VI;

VII. Carry out Transactions with any Customer that is on the list of blocked persons referred to in Article 58 of this Law;

VIII. Exceeding the operation limits to which the FTIs are subject under this Law; and

IX. Failure to comply with the provisions of Article 55 of this Law when the capital requirements are not complied with.

Article 106. The powers of the Supervisory Commissions and the Bank of Mexico to impose the administrative penalties provided for in this Law, as well as in the provisions derived therefrom, will expire within a term of five years, counted as of the business day following the day on which the conduct was carried out, or the violation occurred.

Article 107. The Supervisory Commissions and the Bank of Mexico may, in addition to imposing the corresponding penalty, reprimand the offender or only reprimand them, considering their background, the seriousness of the conduct, that there are no elements to demonstrate that the interests of third parties or the financial system itself are affected, that has caused damage it has been repaired, as well as the existence of extenuating circumstances.

Article 108. To protect the exercise of the right of access to public government information, the Supervisory Commissions and the Bank of Mexico, following the guidelines they issue, will inform the general public, through their website, of the penalties they impose for violations of this Law or the provisions derived from it, for which purpose they must indicate:

I. The name, denomination or business name of the offender;

II. The legal provision infringed, the penalty imposed, amount or term, as applicable, and the infringing behavior, and

III. The status of the resolution, indicating whether it is final or whether it is susceptible to being challenged and, in the latter case, whether any means of defense has been filed and its type, when such circumstance is known due to having been duly notified by a competent authority.

If any competent authority leaves the penalty imposed without effect, such circumstances must also be published.

The information mentioned above will not be considered reserved or confidential.

Article 109. CONDUSEF will impose a fine of 200 to 1,000 UMA to the FTIs that fail to comply with any provision set forth in this Law or in the general provisions arising therefrom the supervision, oversight, or compliance with which is under the jurisdiction of such Commission.

Article 110. When the CNBV assumes that an individual or legal entity is acting as an FTI without the appropriate authorization, it may appoint an inspector and the necessary assistants to review the accounting and other documentation of the company to verify whether it is effectively operating as such in violation of the provisions of this Law, in which case the CNBV may order the immediate suspension of operations or proceed to the closing of the business, company or establishment thereof.

The procedures for inspection and suspension of Operations referred to in the preceding paragraph are of public interest.

The use of the expressions "financial technology institution," "FTI," "crowdfunding institution," "electronic payment funds institution," or others that express similar ideas in any language, referring to said concepts or to brands and products that relate to them, by which it may be implied that the activities of the referred entities are being carried out, by persons other than those authorized to do so, regardless of the corresponding criminal and administrative penalties, will be punished by the CNBV with a fine of 2,000 to 20,000 UMA and the respective company, negotiation, enterprise or establishment may be administratively closed by the CNBV until its use is change.

Article 111.- Those affected by the acts of the Financial Authority that terminate the procedures for authorization, suspension of operations, or imposition of administrative penalties may file an appeal for review in defense of their interests, the filing of which will be optional.

The motion for review must be filed in writing within fifteen business (15) days following the date on which the notification of the pertinent act takes effect and must be filed before the Governing Board of the Supervisory Committee when the act has been issued by said Board or by the Chairman of the Supervisory Committee, or before the latter in the case of acts carried out by other public officials.

The writ through which the motion for review is filed must contain the following:

I. The name, denomination, or corporate name of the petitioner;

II. Address for service of process, which must be located within the national territory;

III. The documents supporting the capacity of the petitioner;

IV. The act challenged and the date of its notice;

V. The grounds for appeal of the act referred to in part IV of this article, and

VI. The evidence offered must be immediately and directly related to the challenged act.

When the petitioner does not comply with any of the requirements referred to in parts I to VI of this article, the Financial Authority in charge of resolving the matter will warn the petitioner in writing and only once so that they may correct the omission within three business days following the date on which the notice of such prevention becomes effective and, in case the omission is not remedied within the term indicated in this paragraph, the Financial Authority will consider the petition as not having been filed. If evidence is not submitted, it will be considered not to have been offered.

In the case of penalties imposed by the Bank of Mexico, the motion for reconsideration provided for in the Law of the Bank of Mexico will proceed against them, and the procedure for its filing must be regulated under the provisions of said Law.

Article 112. Filing a motion for review will suspend the effects of the challenged act in the case of fines.

Article 113. The Financial Authority in charge of resolving the motion for review may:

I. Dismiss it as inadmissible;

II. Dismiss it in the following cases:

a) By express withdrawal of the petitioner;

b) Due to the occurrence of a cause of inadmissibility;

c) Due to the termination of the effects of the challenged act;

d) Any other applicable legal grounds.

III. Confirm the challenged act;

IV. Revoke the challenged act in whole or in part; and

V. Modify or order the reinstatement of the challenged act or issue or order the issuance of a new one to replace it.

Administrative acts may not be revoked or modified in the part not challenged by the petitioner.

The Financial Authority in charge of resolving the motion for review must hear it without the intervention of the public official who issued the administrative penalty that gave rise to the imposition of the respective motion for review.

Article 114. The resolution of motions for review by Financial Authorities other than the Bank of Mexico must be issued within a term not exceeding ninety business days after the date on which the motion was filed when it must be resolved by the chairperson of the Supervisory Commission or one hundred and twenty working days in the case of motions that fall under the jurisdiction of the Governing Board of the Supervisory Commission.

Article 115. Financial Institutions, FTIs, companies authorized to operate with Innovative Models or other persons subject to the supervision of the Supervisory Commissions, through their general manager or equivalent and with the opinion of the person exercising oversight duties in the company, may submit for the authorization of the Supervisory Commissions or the Bank of Mexico, as applicable, a self-correction program when they detect irregularities or non-compliance with the provisions of this Law and other applicable legal provisions, including the authorizations referred to in this Law.

The following may not be subject to a self-correction program under the terms of this article:

I. Irregularities or non-compliances detected by the Supervisory Commissions or the Bank of Mexico in the exercise of their inspection and oversight powers before the presentation by the Financial Institution, FTIs, a company authorized to operate with Innovative Models or other persons subject to the supervision of such Authorities, of the respective self-correction program.

It will be understood that the irregularity was previously detected by the Financial Authorities, in the case of oversight powers, when the irregularity has been notified to the Financial Institution, FTIs, companies authorized to operate with Innovative Models, or other persons subject to the supervision of the Supervisory Commissions or the Bank of Mexico, and in the case of inspection powers when it has been detected during the inspection visit, or remedied after a requirement has been made during the visit;

II. When the violation of the rule at issue refers to any of the offenses contemplated in this Law, and

III. When it is one of the violations considered serious under the terms of this Law.

Article 116. The self-correction programs referred to in the preceding article will be subject to the general provisions issued by the Supervisory Commissions or the Bank of Mexico. Likewise, they must be signed by the person or area exercising oversight functions in the Financial Institution, FTIs, the company authorized to operate with Innovative Models, or other persons subject to the supervision of the Supervisory Commissions or the Bank of Mexico and be submitted to the board of directors or equivalent body at the meeting immediately following the request for authorization submitted to the Supervisory Commissions or the Bank of Mexico. Said self-correction programs must contain the irregularities or non-compliances committed, indicating the provisions considered to have been violated. These circumstances originated the irregularity or non-compliance committed, as well as the actions taken or intended to be taken by the Financial Institution, FTIs, a company authorized to operate with Innovative Models, or other persons subject to the supervision of the Supervisory Commissions or the Bank of Mexico to correct the irregularity or non-compliance that gave rise to this program.

If the Financial Institution, FTIs, a company authorized to operate with Innovative Models, or other persons subject to the supervision of the Supervisory Commissions

or the Bank of Mexico require a term to remedy the irregularity or non-compliance committed, the self-correction program must include a detailed calendar of the activities to be carried out for such purpose.

If the Supervisory Commissions or the Bank of Mexico do not order the Financial Institution, FTIs, or company authorized to operate with Innovative Models or other persons subject to their supervision, modifications, or corrections to the self-correction program within twenty business days following its presentation, the self-correction program presented will be considered authorized in its terms.

When the Supervisory Commissions or the Bank of Mexico order the Financial Institution, FTIs, a company authorized to operate with Innovative Models or other persons subject to their supervision, modifications, or corrections so that the self-correction program complies with the provisions of this article and other applicable legal provisions, they will have a term of five (5) business days as of the respective notice to correct such failures. The said term may be extended on a single occasion for up to five (5) business days, with the prior authorization of said Financial Authorities.

If the deficiencies referred to in the preceding paragraph are not remedied, the self-correction program will be deemed not to have been submitted, and consequently, the irregularities or non-compliances committed may not be the subject of another self-correction program.

Article 117. During the term of the self-correction programs authorized by the Supervisory Commissions or the Bank of Mexico under the terms of the preceding articles, said Financial Authorities will refrain from imposing the penalties set forth in this Law for the irregularities or non-compliances whose correction is contemplated in such programs. Likewise, during such period, the expiration period for imposing penalties will be interrupted. It will resume until it is determined that the irregularities or non-compliances subject to the self-correction program have not been remedied.

Whoever exercises oversight functions in Financial Institutions, FTIs, companies authorized to operate with Innovative Models, or other persons subject to the supervision of the Supervisory Commissions or the Bank of Mexico will be obliged to follow up on the implementation of the authorized self-correction program and report on its progress to the respective Financial Authority, as well as to the board of directors and the chief executive officer or equivalent bodies or persons of the Financial Institution, FTIs, a company authorized to operate with Innovative Models or other persons subject to the supervision of the Supervisory Commissions or the Bank of Mexico, in the manner and terms established by each Financial Authority in the general provisions referred to in this Law. The previous, regardless of the power of such Authorities to supervise, at any time, the degree of progress and compliance with the self-correction program.

If, as a result of the reports from the person in charge of the oversight functions in the Financial Institutions, FTIs, companies authorized to operate with Innovative Models and other indicated persons or from the inspection and oversight tasks of the Supervisory Commissions or the Bank of Mexico, they determine that the irregularities or non-compliances that are the object of the self-correction program are not corrected within the established term, they will impose the relevant penalty, increasing the amount by up to 40% (forty percent). Such an amount may be updated in terms of the applicable tax provisions.

CHAPTER II
Offenses

Section One
Procedural Requirement and Statute of Limitations

Article 118. To proceed criminally for the offenses provided in this Chapter, it will be necessary for the Ministry to file a petition, prior opinion of the CNBV; it will also proceed at the request of the persons regulated in this Law or whoever has a legal interest. The offenses contained in this Law will only admit intentional commission. The criminal action in the cases provided for in this Law that may be prosecuted at the request of the Ministry, by the persons regulated in this Law or by whoever has a legal interest, will prescribe in three years counted from the day on which said Ministry, the person regulated in this Law or whoever has a legal interest has knowledge of the offense and the probable responsible party and, if it does not have such knowledge, in five years which will be counted under the provisions of the Federal Criminal Code, Article 102. Once the procedural requirement has been met, the statute of limitations will continue to run according to the rules of the Federal Criminal Code.

When the Ministry has been petitioned under this article, it will have the character of a victim or offended party in criminal proceedings and trials related to the offenses provided for in this Law. The tax attorneys appointed by the petitioner may act as legal counsel in such proceedings and trials.

In criminal proceedings in which the Ministry is a party, the provisions of the guidelines issued by it concerning the application of alternative solutions and forms of early termination of the process provided for in the National Code of Criminal Procedure and other applicable laws for the offenses provided for in this Law will apply.

Section Two
Offenses for the Protection of the Assets of the Customers of the FTIs and of the Companies Authorized to operate with Innovative Models.

Article 119. Whoever improperly uses, obtains, transfers, or in any other manner, disposes of the resources, electronic payment funds, or virtual assets of the Customers of the FTIs, of the companies authorized to operate with Innovative Models or of the resources, electronic payment funds or virtual assets thereof, will be punished with imprisonment of three to nine years and a fine of 5,000 to 150,000 UMA.

If the person who carries out the conduct set forth in the preceding paragraph is a shareholder, partner, director, officer, director, administrator, employee, or supplier of an FTI of a company authorized to operate with Innovative Models or is an outside third party but with access authorized by them to their systems, will be punished with imprisonment of six to eighteen years and a fine of 10,000 to 300,000 UMA.

Article 120. Whoever is empowered to dispose of the resources in charge of an FTI or a company, Financial Entity, or other subject supervised by any Supervisory Commission or by the Bank of Mexico, authorized to operate with Innovative Models and does not return them to its customers, being obliged to do so or refuses without justified grounds, will be punished with imprisonment of three to nine years and a fine of 5,000 to 150,000 UMA.

Article 121. Shareholders, partners, directors, officers, directors, managers, administrators, employees, or suppliers of an FTI or of a company or Financial Entity or other subject supervised by a Supervisory Commission or by the Bank of Mexico, authorized to operate with Innovative Models, who divert the resources, payment funds or virtual assets of their Customers or the FTIs themselves, for any purpose other than that agreed upon, will be punished with imprisonment of three to nine years and a fine of 5,000 to 150,000 UMA.

When the deviation referred to in the preceding paragraph results in the loss or damage of the FTI or of a company Financial Institution, or other subject supervised by a Supervisory Commission or by the Bank of Mexico, authorized to operate with Innovative Models, the following penalties will be applied:

I. When the amount of the loss or pecuniary loss, as the case may be, exceeds 2,200 UMA and not 57,000 UMA, it will be punished with imprisonment of four to ten years and a fine of 7,000 to 170,000 UMA.

II. When the amount of the loss or pecuniary loss, as the case may be, exceeds 57,000, but not 400,000 UMA, it will be punished with imprisonment of five to eleven years and a fine of 9,000 to 200,000 UMA.

III. When the amount of the loss or pecuniary loss to assets exceeds 400,000 UMA, it will be punished with imprisonment of six to twelve years and a fine of 10,000 to 250,000 UMA.

Article 122. Those who use or disclose the financial or confidential information of Customers for any purpose other than the performance of the Transactions without prior and express authorization of the Customer will be punished with imprisonment of two to six years and a fine of 1,000 to 50,000 UMA.

Section Three
Offenses against the proper operation of the FTIs, or of the Companies Authorized to operate with Innovative Models

Article 123. It will be punished with imprisonment of two to seven years and a fine of 5,000 to 150,000 UMA on anyone who, having been removed or suspended by a final resolution of the CNBV, in terms of the provisions of Article 62 of this Law, continues to perform the duties in respect of which he was removed or suspended, or holds a job, position or commission within the Mexican financial system, despite being suspended for such purpose.

Article 124. It will be punished with imprisonment from seven to fifteen years and a fine of 5,000 to 150,000 UMA whoever:

I. Carries out operations or activities reserved for FTIs or for Financial Companies or Entities or other subjects supervised by any Supervisory Commission or by the Bank of Mexico, authorized to operate innovative models without having the authorization provided for in this Law, and

II. Having been authorized to operate as an FTI, performs activities with virtual assets or currencies without the authorization referred to in Article 30 or, in the case of credit institutions, without the permission referred to in Article 88.

Article 125. Whoever obtains authorization to operate as an FTI, with Innovative Models or with virtual assets, provides false information to the corresponding financial authority will be punished with imprisonment for seven to fifteen years and a fine of 5,000 to 150,000 UMA.

Article 126. Whoever provides false information to the pertinent Financial Authorities

concerning its accounting, financial, economic, and legal situation, which is required under the terms of this Law, will be punished with imprisonment for two to ten years and a fine of 5,000 to 150,000 UMA.

Article 127. A prison term of two to ten years and a fine of 5,000 to 150,000 UMA will be imposed on anyone who, by himself or through a third party, disseminates, publishes, or provides to the public of the FTI or company authorized to operate with Innovative Models, false or altered information or information that induces to error.

The same punishment will apply to crowdfunding applicants or to the members of the board of directors, directors, officers, or employees of such applicants who are located in the case of the preceding paragraph by providing false or misleading information to the FTI or company authorized to operate with Innovative Models.

Article 128. Whoever destroys, modifies totally or partially, the accounting systems or records or the documentation that gives rise to the accounting entries of an FTI or company authorized to operate with Innovative Models before the expiration of the legal conservation terms will be punished with imprisonment from two to ten years and a fine of 5,000 to 150,000 UMA.

Article 129. Whoever presents himself before the general public as an FTI or a financial company or entity or other subject supervised by a Supervisory Commission or by the Bank of Mexico, authorized to operate with Innovative Models in terms of this punished with imprisonment from one to six years and a fine of 5,000 to 150,000 UMA.

Section Four
Offenses for the Protection of the Assets of the FTIs and of the Companies Authorized to operate with Innovative Models.

Article 130. Whoever, using any physical, documentary, electronic, electronic, optical, magnetic, sound, audiovisual, computer, or any other type of technology, impersonates the identity, representation, or personality of any of the Financial Authorities or any of their administrative units or areas or of a public official, of the FTIs or companies authorized to operate with Innovative Models or of any of their managers, directors, employees, officials, dependents or legal representatives, will be punished with a prison term of three to nine years and a fine of 5,000 to 150,000 UMA.

Whoever carries out the criminal offense foreseen in the preceding paragraph and obtains a benefit for himself or a third party will be punished with imprisonment of six to twelve years and a fine of 10,000 to 250,000 UMA.

Article 131. Whoever uses, performs, or obtains, by himself or through an intermediary, any service, operation, or product provided by any of the FTIs or Financial Entities or any other subject supervised by any Supervisory Commission or by the Bank of Mexico, authorized to operate with Innovative Models provided for in this Law under a false or impersonated identity, will be punished with imprisonment of three to nine years and a fine of 5,000 to 150,000 UMA.

Article 132. Whoever, without legitimate cause or without the consent of the person authorized to do so, accesses the equipment or electronic, optical, computer, or any other technology of the FTIs or companies authorized to operate with Innovative Models will be punished with imprisonment of three to nine years and a fine of 5,000 to 150,000 UMA.

Article 133. Whoever, without authorization, obtains, extracts, or diverts resources, electronic payment funds, or virtual assets using the IT systems or equipment of the FTIs or the companies or Financial Entities, or other subjects supervised by any Supervisory Commission or by the Bank of Mexico authorized to operate with Innovative Models will be subject to the following penalties:

I. When the amount of the resources or the value of the electronic payment funds or virtual assets at the time the conduct referred to in this article is committed, as the case may be, exceeds 2,200 and not 57,000 UMA, it will be punished with imprisonment of four to ten years and a fine of 7,000 to 170,000 UMA.

II. When the amount of the resources or the value of the electronic payment funds or virtual assets at the time the conduct referred to in this article is committed, as the case may be, exceeds 57,000, but not 400,000 UMA, it will be punished with imprisonment of five to eleven years and a fine of 9,000 to 200,000 UMA.

III. When the amount of the resources or the value of the electronic payment funds or virtual assets at the time the conduct referred to in this article is committed, as the case may be, exceeds 400,000 UMA, it will be punished with imprisonment of six to twelve years and a fine of 10,000 to 250,000 UMA.

TITLE VII
Notices

Article 134. Notices of requirements, inspection visits, injunctive reliefs, requests for information and documentation, summons, subpoenas, resolutions of imposition of administrative sanctions or of any act that puts an end to the suspension procedures, revocation of authorization referred to in this Law, as well as acts that deny the authorizations referred to in this Law and the administrative resolutions that fall on the appeals for review filed under the applicable laws, may be made in the following ways:

I. Personally, in accordance with the following:

a) At the offices of the Financial Authorities, under the provisions of Article 136 of this Law;

b) At the domicile of the interested party or its representative, in terms of the provisions of articles 137 and 140 of this Law, and

c) At any place where the interested party or its representative is located, in the cases established in Article 138 of this Law;

II. By official letter delivered by courier or by certified mail, both with acknowledgment of receipt;

III. By edicts, in the cases set forth in Article 141 of this Law; and

IV. By electronic means, in the case provided for in Article 142 of this Law.

Concerning the information and documentation that must be submitted to the CNBV inspectors during an inspection visit, the provisions of the regulations issued by the Federal Executive in matters of supervision must be observed, in terms of the Law of the National Banking and Securities Commission, Article 5, first paragraph.

Article 135. Authorizations, revocations of authorizations requested by the interested party or its representative, acts arising from procedures promoted at the request of the interested party, and other acts other than those indicated in the preceding article of this Law may be notified by delivery of the official letter stating the respective act, at the

offices of the authority making the notification, with a copy of said official letter bearing the signature and name of the person receiving it.

Likewise, the Financial Authorities may make such notifications by ordinary mail, e-mail, or courier when the interested party or its representative requests in writing, indicating the necessary data to receive the notice, leaving a record in the respective file of the date and time it was made.

Notwithstanding the preceding, the acts referred to in the first paragraph of this article may be notified by any of the forms of notices indicated in the preceding article.

Article 136. Personal notices may be made at the offices of the Financial Authorities only when the interested party or its representative attends the same and agrees to receive the notices; for which purpose the person making the delivering the notice must draw up, in duplicate, a record that complies with the regulations applicable to this type of act.

Article 137. Personal notifications may be made to the interested party or its representative at the last address provided to the pertinent Financial Authority or at the last address provided to the Authority in the administrative proceeding. For this purpose, a record must be prepared in the terms referred to in the penultimate paragraph of this article.

If the interested party or his representative is not found at the domicile mentioned, whoever carries out the notice will deliver a summons to the person who will attend the proceeding so that the interested party or his representative will wait for him at a fixed time on the following business day and in such summons will warn the summoned party that if he does not appear at the time and on the day set, the delivery of notice will be made by the person who attends him or that if said domicile is closed or that they refuse to receive the respective notice, the notice will be made through instruction following the provisions of Article 140 of this Law. The person who carries out the notice will draw up the minutes under the terms provided in the penultimate paragraph of this article.

The summons referred to in the preceding paragraph will be drawn up in duplicate and addressed to the interested party or his representative, indicating the place and date of issuance, date and fixed time when he must wait for the notifier, who must state his name, position, and signature on the said summons, the purpose of the appearance and the respective warning, as well as the name and signature of the person who receives it. If the latter does not wish to sign, such circumstance will be recorded in the summons without affecting its validity.

On the day and at the time set for the performance of the proceeding for which the summons was issued, the person in charge of performing the proceeding must appear at the respective domicile and, finding the summoned party present, will proceed to draw up the minutes in the terms referred to in the penultimate paragraph of this Article.

If the person summoned does not appear, the notice must be understood by any person at the domicile where the proceeding is being carried out; for such purposes, a record will be drawn up per the terms of this article.

In any case, the person who carries out the notice will draw up in duplicate a record in which they must state, in addition to the circumstances mentioned above, their name, position, and signature, that they made sure that they went to the address sought, that they notified the interested party, their representative or the person who attended the service, prior identification of such persons, the official document containing the administrative act to be notified, and will also state the designation of the witnesses, the place, time and date of the service and date on which it is drawn up, identification data of the mentioned official document, the means of identification exhibited, name of the interested party, legal representative, or person attending the proceeding, and of the designated witnesses. If the intervening persons refuse to sign or receive the notice record, such circumstance must be recorded in the minute without affecting its validity.

For the designation of the witnesses, the person serving the notice will require the interested party, its representative, or the person attending the diligence to designate them; in case of refusal or that the designated witnesses do not accept the designation, it will be made by the server.

Article 138. If the person serving the notice searches for the interested party or his representative at the address referred to in the first paragraph of the preceding article of this Law, and the person with whom the service is made denies that it is the address of said interested party or his representative, the person serving the notice will draw up a record of such circumstance. Said minutes must meet, to the extent applicable, the requirements set forth in the penultimate paragraph of the preceding Article.

In the case provided for in this article, the person serving the notice may make the personal notification at any place where the interested party or his representative may be found. For this notice, the person serving the notice will draw up a record in which he must state that the person notified is known to him personally or has been identified by two witnesses, in addition to recording, as appropriate, the provisions of the penultimate paragraph of the previous Article, or else have the service recorded before a notary public.

Article 139. Notices made through an official letter delivered by courier or certified mail, with acknowledgment of receipt, will be effective on the business day following the day on which the date of receipt is recorded on the said acknowledgment.

Article 140. If on the day and time indicated in the summons left under this Law, Article 137, the person delivering the notice finds the corresponding domicile closed, or the interested party, their representative, or the person attending the proceeding refuses to

receive the official notice, the warning indicated in the summons as mentioned above will be effective. For such purposes, the notice must be carried out using an instruction notice that must be posted in a visible place at the domicile, attaching the official document stating the act to be notified, in the presence of 2 (two) witnesses designated for such purpose.

The relevant instruction notices must be prepared in duplicate and addressed to the interested party or their representative. Said instruction notices must state the circumstances for which it was necessary to perform the notification by such means, the place and date of issuance; the name, position, and signature of the person issuing the instructions; the name, identification data, and signature of the witnesses; the mention that the person performing the notice made sure that they were present at the address sought, and the identification data of the official document containing the administrative act to be notified.

The instruction notice must be evidence of the existence of the acts, facts, or omissions stated therein.

Article 141. Notices by publications will be made if the interested party has disappeared, has died, their domicile is unknown, or it is impossible to access it, and they have no known representative or domicile in national territory, or it is abroad without having left a representative.

For such purposes, a summary of the respective official notice must be published three consecutive times in a newspaper of national circulation, notwithstanding that the notifying Financial Authority must disseminate the publication on the web page of the World Wide Web -internet- to the notifying Financial Authority indicating that the original official notice is at its disposal at the address that must also be indicated in such notice by publication.

Article 142. Notices by electronic means, with acknowledgment of receipt, may be made provided that the interested party or its representative has so accepted or expressly requested in writing to the Financial Authorities through the automated systems and security mechanisms established by each of them within the scope of their respective competencies.

Article 143. Notices not made under this Title must be deemed legally produced. They must become effective on the business day following the day the interested party or its representative becomes aware of their contents.

Article 144. For this Law, the domicile for hearing and receiving notices must be deemed to be the last address provided to the Financial Authorities or in the administrative proceeding at issue.

In the cases indicated in the preceding paragraph, the notice may be made to any person at the address mentioned above.

Article 145. The notices referred to in this Title must become effective on the business day following the day on which:

I. They were carried out in person;

II. The respective official document has been delivered in the cases provided for in Articles 135 and 140;

III. The last publication referred to in Article 141 has been made, and

IV. It has been sent by ordinary mail, electronic means, or courier.

Transitory Provisions

ONE. This Law must enter into force on the day following its publication in the Federal Official Gazette.

TWO. The Ministry of Finance and Public Credit must have 6 (six) months as of the date of entry into force of this Law to issue the general provisions referred to in this Law, Article 58.

Likewise, it must have 12 (twelve) months to issue the general provisions referred to in this Law, Article 82, part VI.

THREE. The National Banking and Securities Commission must have the following terms as of the date of entry into force of this Law to issue the following general provisions:

I. Six months to issue the general provisions referred to in Articles 18, part I; Article 36, part IV; Article 39, parts VI, XI, XII, and XVI; Article 44; Article 45; Article 48, Paragraph 1, for the rules related to accounting and business continuity plan;

II. Twelve months to issue the general provisions referred to in this Law, Articles 18, part IV; Article 54; Article 56, Paragraph 2; Article 57; Article 73; Article 82, part VI; Article 89, part IV and 116; and

III. Twenty-four months to issue the general provisions referred to in this Law, Articles 55 and 76.

FOUR. The National Commission for the Protection and Defense of Users of Financial Services will have 12 (twelve) months as of the date of entry into force of this Law to issue the general provisions referred to in this Law, Article 57.

Likewise, it must have 12 (twelve) months to issue the general provisions referred to in this Law, Article 82, part VI.

FIVE. The National Commission of the Retirement Savings System and the National Insurance and Surety Commission will have the following terms, counted as of the effective date of this Law, to issue the following general provisions:

I. Twelve months to issue the general provisions referred to in this Law, Articles 82, part VI and 116, and

II. Twenty-four months to issue the general provisions referred to in this Law, Article 76.

SIX. The Bank of Mexico will have the following terms counted as of the entry into force of this Law to issue the following general provisions:

I. Six months to issue the general provisions referred to in this Law, Articles 26 and 44;

II. Twelve months to issue the general provisions referred to in this Law, Articles 30; 32; 46; 57; 82, part VI and 116, and

III. Twenty-four months to issue the general provisions referred to in this Law, Article 76.

SEVEN. The National Banking and Securities Commission and the Bank of Mexico will have a term of 12 (twelve) months to jointly issue the provisions referred to in this Law, Articles 48, 54, 56, Paragraph 2, as well as to execute the agreement provided in this Law, Article 71.

EIGHT. Persons who, upon the entry into force of this law, are performing the activities regulated by this Law must comply with the obligation to request their authorization before the National Banking and Securities Commission under the general provisions issued for such purpose within a term not to exceed 12 (twelve) months as of the entry into force of these provisions. Such persons may continue to carry out such activities until the National Banking and Securities Commission resolves their request. Still, until

they receive the respective authorization, they must publish on their web page or any other means that the approval to carry out such activity is in process. Therefore, it is not an activity supervised by the Mexican authorities. The National Banking and Securities Commission will deny authorization when the respective persons fail to comply with the publication obligation set forth in this paragraph.

If the persons referred to in the preceding paragraph do not request their authorization within the twelve months provided for in such paragraph or do not obtain it once requested, they must refrain from continuing to provide their services for the execution of new Transactions and must perform only the acts tending to the conclusion or assignment of the existing Transactions regulated by this Law, notifying its Customers of such circumstance and how the Transactions will be concluded or assigned.

The competent authorities must ensure that on the Internet sites of companies that do not obtain or do not have the corresponding authorization, Customers are alerted of the risks of operating with such entities, and they must seek to prevent their offer in national territory, except as provided in this Law, Paragraph One.

NINE. Persons required to establish standardized computer application programming interfaces must comply with this obligation under the general provisions to be issued within a term not to exceed 12 (twelve) months from the date such provisions enter into force.

TEN. At the proposal of the Ministry of Finance and Public Credit, the Chamber of Deputies must allocate resources in the Federal Expenditure Budget for the development of the powers to be exercised by the National Banking and Securities Commission and the National Commission for the Protection and Defense of Users of Financial Services under this Law, and for the establishment of the area in charge of preparing and implementing the program and guidelines for the companies authorized to operate with Innovative Models regulated by this Law.

ELEVEN. The Financial Innovation Group must hold its first meeting during the first 6 (six) months after the entry into force of this Law. The bases governing its organization and operation must be approved at such a meeting.

ARTICLES TWO TO TEN. .....

Transitory Provisions

SOLE. This Decree must enter into force on the day following its publication in the Federal Official Gazette unless otherwise provided in the Transitory Provisions of this Decree.

Mexico City, March 1, 2018. - Sen. **Ernesto Cordero Arroyo**, Chairperson.- Dip. **Edgar Romo García**, Chairperson.- Sen. **Rosa Adriana Díaz Lizama**, Secretary.- Dip. **Ana Guadalupe Perea Santos**, Secretary.- Signatures."

In compliance with the Political Constitution of the United Mexican States, part I of Article 89, and for its due publication and obedience, I hereby issue this Decree in the municipality of Acapulco de Juárez, State of Guerrero, on March 8, 2018. **Enrique Peña Nieto**.- Signature.- Ministry of Government, **Jesús Alfonso Navarrete Prida**. Signature.

Transitory articles of amended decrees

DECREE enacting the Law of the General Attorney´s Office of the Republic, repealing the Organic Law of the General Attorney´s Office of the Republic, and amending, adding, and repealing various regulations of different laws.

Published in the Federal Official Gazette on May 20, 2021.

Article Sixty-one. The Financial Technology Institutions Law, Article 73, part I, is amended to read as follows:

Transitory Provisions

One. This Decree will enter into effect on the day following its publication in the Federal Official Gazette and is issued in compliance with this Decree, Transitory Article 13, by which the Organic Law of the General Attorney´s Office of the Republic was published.

Two. The General Attorney's Office of the Republic Organic Law is repealed.

All regulatory references to the Office of the Attorney General or its holder will be understood to refer to the General Attorney's Office of the Republic or its holder, respectively, under the terms of their current constitutional duties.

Three. The appointment, designation, and processes in progress for an appointment made following the constitutional and legal provisions related to the holder of the General Attorney's Office of the Republic, the Internal Control Body, and other holders of the administrative units, deconcentrated bodies, and bodies within the scope of the General Attorney's Office of the Republic, as well as of the members of the Citizens' Committee of the General Attorney's Office of the Republic, will remain in force for the period for

which they were designated or until the end of the duties or, as the case may be, until the termination of the pending process.

Four. The holder of the General Attorney's Office of the Republic will have a term of 90 (ninety) calendar days following the entry into force of this Decree to issue the Organic Statute of the General Attorney's Office of the Republic and 108 (one hundred and eight) calendar days, counted as of the issuance thereof, to issue the Statute of the Professional Career Service.

Pending the issuance of the Bylaws and regulations, the rules and legal acts that have been in force will continue to apply insofar as they do not conflict with this Decree.

The legal instruments, agreements, inter-institutional agreements, contracts, or equivalent acts executed or issued by the Office of the Attorney General or the General Attorney's Office of the Republic will be understood as in force. They will bind the Institution in their terms insofar as they do not oppose this Decree, without prejudice to the right of the parties to ratify, modify, or terminate them subsequently or, as the case may be, to be repealed or abolished.

Five. As of the entry into force of this Decree, the decentralized agency called the National Institute of Criminal Sciences (Instituto Nacional de Ciencias Penales) will be disincorporated from the Federal Public Administration. It will become a body with legal personality and assets, which will enjoy technical and management autonomy within the scope of the General Attorney's Office of the Republic.

The public officials currently providing their services for the National Institute of Criminal Sciences will have the right to participate in the evaluation process to transition to professional career service.

To access the professional career service, the personnel that wishes to keep providing their services to the National Institute of Criminal Sciences must be subject to the evaluation process as provided for in the Statute of the Professional Career Service, terminating the relationship with those public officials who do not submit to or do not prove the evaluation process.

The National Institute of Criminal Sciences must terminate its working relationships with its employees once the professional career service is installed under the personnel liquidation program authorized by the Board of Directors; until this does not occur, the working relationships will exist.

Upon the entry into force of this Decree, the members of the Governing Board of the National Institute of Criminal Sciences belonging to the Federal Public Administration will leave office, and their places will be occupied by the persons determined by the head of the General Attorney's Office of the Republic.

Within the 60 (sixty) calendar days following the entry into force of this Decree, the Governing Board will issue a new organic Statute. It will establish a professional career

service and a personnel liquidation program that, for any reason, does not transition to the professional career service to be installed.

The material, financial, and budget resources, including real estate that the Institution has at the entry into force of this Decree, will be transferred to the National Institute of Criminal Sciences of the General Attorney's Office of the Republic under the Eleven Transitory of this Decree.

Six. The knowledge and resolution of the matters that are in process at the entry into force of this Decree or that are initiated after it will correspond to the competent units under the terms of the applicable regulations or to those that, following the powers granted to them by this Decree, assume their knowledge, until the Bylaws and other rules derived from this Decree are issued.

Seven. The personnel who, at the entry into force of this Decree, have an appointment or Single Personnel Form issued by the then Office of the Attorney General will retain the rights they have acquired by their status as public officials, regardless of the denomination corresponding to their activities or the nature of the position they occupy. To access the professional career service, the personnel wishing to keep providing their services to the General Attorney's Office of the Republic must be subject to the evaluation process in the Statute of the professional career service. The relationship with those public officials who do not submit to or do not accredit the evaluation process will be terminated.

The personnel hired by the General Attorney's Office of the Republic will be subject to the term of their appointment under the Guidelines L/001/19 and L/003/19, which regulate the hiring of transition personnel, as well as personnel assigned to the then Office of the Attorney General who continue in the General Attorney's Office of the Republic, as well as for transition personnel.

Eight. The public officials that have an appointment or a Single Personnel Form issued by the then Office of the Attorney General at the date of entry into force of this Decree and that, for any reason, do not transition to the professional career service, must adhere to the liquidation programs issued for such purposes.

Nine. The holder of the Chief Clerk's Office holder will have 90 (ninety) calendar days to constitute the Trust called "Fund for the Improvement of the Procuration of Justice" or modify the object of any existing legal instrument of the same, similar, or analogous nature.

Ten. The holder of the Chief Clerk's Office will issue the guidelines for the transfer of the human, material, financial, or budget resources, including furniture, that the General

Attorney's Office of the Republic has at the moment of the entry into force of this Decree, as well as for the settlement of liabilities and other obligations that are pending regarding the extinction of the Office of the Attorney General.

The Strategic Transition Plan established in the Organic Law of the General Attorney's Office of the Republic, Transitory Article 9, which this Decree repeals, is hereby repealed.

Eleven. The real estate owned by the General Attorney´s Office of the Republic or by the bodies within its scope or by the Federation that, as of the date of entry into force of this Decree, are given in assignment or destination to the General Attorney´s Office of the Republic will become part of its assets.

The real estate and other material, financial, or budget resources assigned or destined to the General Attorney´s Office of the Republic will be part of their assets at the entry into force of this Decree.

Twelve. The holder of the General Attorney's Office of the Republic will have one (1) year as of the issuance of this Decree to issue the Strategic Transition Plan for the Prosecution of Justice of the General Attorney's Office of the Republic with which the substantive work of the Institution will be conducted under the obligation referred to in this Decree, Article 88. Such Plan must be submitted by the holder of the General Attorney's Office of the Republic under the terms of this Decree, Article 88.

The Strategic Transition Plan for the Prosecution of Justice will be submitted before the Senate of the Republic during the second ordinary session, if applicable, six (6) months after the entry into force of this Decree.

For the issuance of the Strategic Transition Plan for the Prosecution of Justice, the General Attorney's Office of the Republic will have the opinion of the Citizens' Committee. The failure to install such Citizens' Council will not prevent the presentation of the Strategic Plan for the Procuration of Justice.

Thirteen. The administrative units of the General Attorney's Office of the Republic that, at the entry into force of this Decree, are in charge of the procedures regarding the administrative responsibilities of the public officials of the General Attorney's Office of the Republic will have 90 (ninety) days to refer them to the Internal Control Organ, to be in charge of their knowledge and resolution, as per the competence provided for in this Decree.

Fourteen. As regards the auditing of the National Institute of Criminal Sciences, it will correspond to the Internal Control Organ of the General Attorney's Office of the Republic, upon the entry into force of this Decree, without prejudice to the powers of the Federal Superior Audit Office.

The cases initiated and pending processing at the date of entry into force of this Decree will be resolved by the Ministry of Government Affairs.

As for the organizational structure, as well as the material, financial, or budget resources of the Internal Control Organ of the National Institute of Criminal Sciences, they will be transferred to the Internal Control Organ of the General Attorney's Office of the Republic.

Fifteen. Property that has been secured by the Office of the Attorney General or the General Attorney´s Office of the Republic before the entry into force of this Decree that is subject to administration or whose legal destination is determined will be placed at the disposal of the Institute to Return to the People what has been Stolen, following the applicable legislation.

Sixteen. All provisions contrary to this Decree are hereby repealed.

Mexico City, April 29, 2019.- Representative **Dulce María Sauri Riancho**, Chairperson.- Senator. **Oscar Eduardo Ramírez Aguilar**, Chairperson.- Representative **Lizbeth Mata Lozano**, Secretary.- Senator. **María Merced González, Secretary**.- Signatures."

In compliance with the Political Constitution of the United Mexican States, part I of Article 89, and for its due publication and obedience, I hereby issue this Decree in the Residence of the Federal Executive Power, in Mexico City, on May 18, 2021.- **Andrés Manuel López Obrador**.- Signature.- The Ministry of Government, **Olga María del Carmen Sánchez Cordero Dávila**.- Signature.