

**New Mexican Securities Market Law**  
***(Ley del Mercado de Valores)***

By: Yves Hayaux-du-Tilly L.  
Alberto Balderas F.

Jáuregui, Navarrete y Nader  
Abogados  
Paseo de los Tamarindos 400  
Torre B, Pisos 7, 8 y 9  
Col. Bosques de las Lomas  
05120 México, D.F.

Tel. (5255) 52.67.45.00  
Fax: (5255) 52.67.45.98  
(5255) 52.67.45.99

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

**2**

**New Mexican Securities Market Law  
(*Ley del Mercado de Valores*)**

By: Yves Hayaux-du-Tilly L.

Alberto Balderas F.

*Jáuregui, Navarrete y Nader, S.C.*

**Introduction**

A new Securities Market Law (*Ley del Mercado de Valores*) (the “New LMV”) was published on December 30, 2005 in the Official Gazette of the Federation. The New LMV will become effective on June 28, 2006, that is 180 days after its publication in the Official Gazette of the Federation.

The main purposes of the New LMV are **(i)** to promote the access of medium size businesses to the securities market; **(ii)** to consolidate the regime currently applicable to Publicly Held Companies (*sociedades anónimas bursátiles*) (“PHCs”), in order to improve its corporate governance system; **(iii)** to update and give flexibility to the legal framework applicable to Broker-Dealer Firms, Stock Exchanges, Securities Depository Institutions, Clearing Agencies (*contrapartes centrales*), and Rating Agencies, among others; **(iv)** to improve provisions related to violations and sanctions; and **(v)** to redefine the functions and faculties of the financial authorities.

This Article contains brief highlights of the most important differences with the current Securities Market Law (the “LMV”).

## 1. Sociedades Anónimas Promotoras de Inversión<sup>1</sup>

The New LMV creates a legal framework for new corporations called *sociedades anónimas promotoras de inversion* (“SAPIs”).<sup>2</sup> The new legal framework exempts SAPIs from certain obligations under the General Law of Business Corporations (*Ley General de Sociedades Mercantiles*) (the “LGSM”) that have limited the ability to give certain corporate and economical rights to investors/shareholders of Mexican *sociedades anónimas*.

SAPIs are Mexican corporations organized as *sociedades anónimas* under the LGSM that voluntarily submit themselves to the legal regime of SAPIs set forth under the New LMV. SAPIs will not be subject to the surveillance of the CNBV.

The New LMV exempts SAPIs from registering their shares (or the securities representing them) with the RNV in the issuance or trading of their shares (or the securities representing them), if a public offering<sup>3</sup> is not involved.

## 2. Shareholders’ Agreements

The LGSM provides that any agreement that limits the rights of the shareholders to freely vote their shares is null and void. The foregoing has limited the matters that may be negotiated in Shareholders’ Agreements of Mexican corporations. The New LMV will permit shareholders of PHCs<sup>4</sup> to enter into Shareholders’ Agreements that include the following matters: **(i)** non-compete provisions; **(ii)** option

---

<sup>1</sup> For a complete analysis of the legal framework applicable to the *sociedades anónimas promotoras de inversion* see Yves Hayaux-du-Tilly L. & Alberto Balderas F., *Sociedades Anónimas Promotoras de Inversión Under the New Mexican Securities Market Law*, (Jáuregui, Navarrete y Nader, S.C.), January, 2006.

<sup>2</sup> A SAPI may “go public” and register its shares (or the securities representing them) at the National Registry of Securities (*Registro Nacional de Valores*) (“RNV”) of the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) (“CNBV”), and list them with the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) (“BMV”), with or without making a public offering, by filing a registration statement with the CNBV and providing investors a detailed prospectus. If a SAPI decides to “go public” it must, among other things, change its corporate name to *sociedad anónima promotora de inversión bursátil* (“SAPIBs”), adopt a 3-year plan to gradually adopt the legal regime of a PHC, and modify its capital structure to adequate it to the regime applicable to PHC.

<sup>3</sup> Public offering means the offering made within Mexico to the general public through massive means of communication, for the acquisition, sale or transfer of securities, whether or not the price is disclosed.

<sup>4</sup> Due to the fact that SAPIs have a 3-year period to adopt the legal regime of the PHC, this Article focuses on the analysis of the legal framework applicable to the PHCs.

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

4

rights (*e.g.*, right of first refusal, tag-along rights, call option and put option); **(iii)** sale and transfer of shares; **(iv)** exercise of preemptive rights; and **(v)** pooling vote provisions.

Shareholders' Agreements must be disclosed to the PHC within 5 (five) business days following their execution and they will become effective upon its disclosure to the market through the BMV and in its annual report filed with the CNBV and the BMV. A copy of the Shareholders' Agreement must also be available at the offices of the PHC.

Shareholders' Agreements will only be enforceable against the parties thereto and not against the PHC. Their breach will only give rise to actions against the breaching party under the Shareholders' Agreement and applicable law (*e.g.*, damages, indemnity, loss of profit). Breaches to the Shareholders' Agreement will not affect the validity of resolutions adopted by the shareholders of the PHC in accordance with its Charter and By-laws.

Additionally, the New LMV permits that the By-laws of PHCs include takeover defenses provisions, as long as **(i)** such provisions have been approved in an Extraordinary Shareholders' Meeting by at least 96% of the voting shares of the PHC, **(ii)** the shareholders of the PHC, except for the bidder, are not excluded from the economical benefits obtained, **(iii)** the possibility of a takeover is not eliminated at all. Any takeover defenses provisions adopted in violation of the requirement set forth herein will be deemed as null and void.

### **3. Corporate Governance**

#### **(a) General Manager**

Under the LGSM, the Board of Directors of a *sociedad anónima* has a central role in the management, and bears the ultimate responsibility in conducting the corporation's business. This statutory provision does not mean the Board of Directors, acting as such, must manage a corporation's day-to-day business. Rather, the board, and often in the practice does, may delegate responsibility for day-to-day operations to the corporation's officers. Following these premises, the New LMV requires the appointment of a General Manager.

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

**5**

Generally speaking, under the New LMV the General Manager, subject to the strategies, guidelines and policies adopted by the Board of Directors, will be **(i)** charged with carry on day-to-day operations of the PHC and the entities controlled by it; **(ii)** responsible for the existence and maintenance of the accounting, control and registration systems of the of the corporation and the entities controlled by it; **(iii)** in charge of the execution of the resolutions adopted by the Shareholders' Meeting or the Board of Directors of the corporation; and **(iv)** fulfill all the material information<sup>5</sup> disclosure requirements set forth by the New LMV.

**(b) Board of Directors**

**A. Functions**

As a consequence of the requirement set forth by the New LMV to appoint a General Manager, the Board of Directors of a PHC, among others, will have the following functions **(i)** determine the strategic vision and policies for the operation of the PHC and the entities controlled by it; **(ii)** approve internal audit and control mechanisms, **(iii)** approve compliance mechanisms to assure that the PHC complies with applicable regulations, **(iv)** appoint and revoke the General Manager of the PHC; **(v)** approve, subject to certain exceptions, transactions between the PHC and its related parties<sup>6</sup>; **(vi)** request the General Manager the disclosure of the material information of the Board of Directors' knowledge; and **(vii)** exercise the oversight of the corporation's on-going business and of the entities controlled by it, taking into account their financial, administrative and legal influence over the corporation. For such purposes, the Board of Directors may rely on the external auditor and one or more committees may be formed, including an Audit Committee and a new regulated Corporate Practices Committee. Committees must be composed only by independent directors and they should have not less than 3 members.

---

<sup>5</sup> Under the New LMV material information means all PHC's information necessary to know its real and current financial, administrative, economical and legal situation, and the risks inherent to it, as well as, the information of the corporate group it belongs, without considering its position within the group, if the PHC may be affected by such situation, and all information that is necessary for the take of reasonable investment decisions and for the correct estimation of the price of the securities issued by the PHC, in accordance with the analysis practices and customs of the Mexican securities market.

<sup>6</sup> Supra 20.

## B. Composition

The Board of Directors must be composed of not less than 5 and not more than 21 proprietary members and, alternatively, by their respective alternates. The Board of Directors must be composed of at least 25% independent directors. The New LMV does not significantly modify the criteria to determine whether or not a directors is considered as independent, establishing that independent directors are directors appointed based on their experience, capacity and professional prestige, and that at the time of their appointment are not: **(i)** relevant officers<sup>7</sup>, employees or statutory examiners of the PHC or of any of the entities that integrates its corporate group<sup>8</sup> or group<sup>9</sup>, **(ii)** individuals with decision making authority<sup>10</sup> or significant influence<sup>11</sup> over the corporation or any of the entities that integrates its corporate group or group, **(iii)** shareholders that are part of the group of persons that controls the PHC, **(iv)** clients, providers, debtors, creditors, partners, directors or employees of a company that is a significant client, provider, debtor or creditor<sup>12</sup>, and **(v)** spouse or family members of an individual mentioned in (i) through (v) herein.

---

<sup>7</sup> Relevant officer means the General Manager of a PHC and the individual with the capacity to adopt resolutions that may have an impact on the administrative, financial, or legal situation of the PHC or of the corporate group (as defined below) it belongs.

<sup>8</sup> The New LMV defines “corporate group” as the group of legal entities, directly or indirectly, controlled by the same entity. Additionally, the New LMV considers that a corporate group is integrated by the financial groups incorporated pursuant to the Law for the Regulation of Financial groups (*Ley para Regular las Agrupaciones Financieras*).

<sup>9</sup> For purposes hereof, group means the group of legal entities controlled by the same group of persons.

<sup>10</sup> Decision making authority means the faculty to decisively influence over **(i)** the resolutions adopted on a Shareholders’ Meeting or a Board of Directors’ Meeting of a PHC or the entities controlled by it; or **(ii)** the business of a PHC or the entities controlled by it. It will be considered that the following individuals have decision making authority over a PHC **(a)** the controlling shareholders; **(b)** the individuals with who have nexus with the PHC or with entities that forms part of its corporate group or group, through a life-time or honorific position; **(c)** the individual who has transfer the control of the PHC at a price below the market value or to his/her spouse or family members; or **(d)** the individuals that may control the directors, relevant officers or the business of an entity or the entities controlled by it.

<sup>11</sup> The New LMV defines “significant influence” as the ownership or rights that entitle its owner to, directly or indirectly, vote at least the 20% of the shares of an entity.

<sup>12</sup> Under the New LMV, significant client or supplier means that the sales or purchases of the PHC to the client or supplier represent more than 10% of the total sales or purchases of the client or supplier within the 12-month period immediately preceding its appointment. Significant debtor or creditor means that the aggregate amount of the corresponding credit represents more than 15% of the total assets of the PHC or of its counter-party.

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

7

Under the New LMV, if the CNBV considers that an independent member of the Board of Directors does not comply with the requirements listed above, it will be empowered to challenge the qualification of independence of said director.

**C. Duty of Care**

The New LMV<sup>13</sup> introduces a new duty for the members of the Board of Directors of a PHC, consisting in their duty of discharge their duties in good faith and to place the best interests of the corporation and the entities controlled by it above their own personal interests. In this regard, the members of the Board of Directors, when discharging their Duty of Care, are entitled to **(i)** request from the PHC and entities controlled by it the information that they consider necessary to adopt their decisions, **(ii)** request the presence of relevant officers and other individuals, including external auditors, on a Board of Directors' Meeting and rely on their advise in order to adopt their decisions, **(iii)** postpone a Board of Directors' Meeting up to 3 days, if one of the directors was not called to the Meeting, or if all the members of the Board of Directors did not receive the same information; and **(iv)** if they consider it appropriate, discuss and adopt their decisions in a Meeting where exclusively the directors are presented.

A director who **(i)** does not attend, without a valid reason, to a Shareholders' Meeting, Board of Directors' Meeting or Committee's Meeting, causing that such Meeting cannot be held; **(ii)** does not disclose to the Board of Directors or to the Committees that he/she is a member, material information of his/her knowledge necessary for the adequate adoption of their decisions; or **(iii)** fails to comply with his/her Duty of Care before the corporation, and causes an economical damage to the corporation, the entities controlled by it or the entities over which the corporation has significant influence will be personally liable to them for the monetary damages and harm caused.<sup>14</sup>

Under the New LMV, PHCs may purchase directors' liability insurance, bond or any other guaranty to cover the monetary damages and harm caused by them to the corporation, the entities controlled by it or the entities over which the corporation has significant influence, unless they have acted in bad faith or against the law.

---

<sup>13</sup> Article 30 of the New LMV sets forth the standards of conduct for directors by focusing on the manner by which directors perform their duties, not the correctness of the decisions made.

<sup>14</sup> Under the New LMV the PHC or the shareholders representing at least 5% of the capital stock of the PHC may initiate legal actions against the parties liable to the PHC, the entities controlled by it or the entities over which the PHC has significant influence.

#### **D. Duty of Loyalty**

Likewise with the Duty of Care, the New LMV introduces a new duty for the members as well as for the secretary of the Board of Directors of PHCs, consisting in their duty of place the corporation's best interests above their own. The Duty of Loyalty forbids directors and individuals with decision making authority over the corporation from, without a legitimate cause and by reason of their position, diverting to themselves or to other persons (including a shareholder or group of shareholders) a business opportunity that "belongs" to the corporation, the entities controlled by it or the entities over which the corporation has significant influence.

The New LMV contains a rebuttable presumption that deems that an opportunity that "belongs" to the corporation, the entities controlled by it or the entities over which the corporation has significant influence has been diverted from any of them by a member of its Board of Directors or an individual with decision making authority or significant influence over the corporation, when he/she, directly or indirectly, carries-out activities that **(i)** are within the line of business of such entities; **(ii)** involves to enter into a transaction or take a business opportunity that originally was intended to belong to any of such entities; or **(iii)** are related to commercial or business projects intended to be developed by such entities, if the directors has knowledge of the corporation's plans.

A director or individuals with decision making authority who fails to comply with his/her Duty of Loyalty, and causes an economical damage to the corporation, the entities controlled by it or the entities over which the corporation has significant influence will be personally liable to them for the monetary damages and harm caused.<sup>15</sup>

#### **E. Business Judgment Rule**

The business judgment rule is intended to protect directors from liability for specific business decisions that result in losses to the corporation, the entities controlled by it or the entities over which the corporation has significant influence, when they **(i)** acted in good faith; **(ii)** complied with the requirements established by the New LMV or the Charter and By-laws of the corporation for the adoption of

---

<sup>15</sup> Id.

resolutions by the Board of Directors or, in its case, by the Committees that they are members; (iii) acted on an informed basis, adopting decisions or voting on the Board of Directors' Meetings or, in its case, the Committees' Meetings that they are members, based on the information furnished to them by the relevant officers, the external auditor or by the independent external advisors; (iv) acted in the honest belief that the action taken was in the best interests of the corporation; or (v) took all actions that were required in order to carry-out the resolutions adopted on a Shareholders' Meeting.

(c) **Statutory Examiner**

Under the New LMV, a PHC must establish an Audit Committee and appoint an independent external auditor that will assume the duties of the statutory examiner (*comisario*).

**4. Public and Private Offering**

In a broad overview, the New LMV bars any public offering of securities<sup>16</sup> until a registrations statement covering the security has become effective. Notwithstanding the foregoing, the New LMV exempts certain transactions from the registration requirements and considers them as a private offering. To qualify for an exemption under the New LMV, offers and sales of securities must satisfy at least one of the following conditions:

(i) all sales that are part of the offering are exclusively made to qualified institutional investors<sup>17</sup> or institutional investors<sup>18</sup>;

(ii) offers and sales of equity securities of an entity are not directed to more than 100 persons;

---

<sup>16</sup> For purposes hereof, securities include shares, debentures, bonds, warrants, certificates, promissory notes, bills of exchange and other credit instruments issued *en series* or *en masse*, whether registered or not before the RNV, that represent the capital stock of a legal entity, the proportional part of an asset or the participation on a collective debt or any individual credit right may be traded through the market exchanges regulated by the New LMV.

<sup>17</sup> Under the New LMV, qualified institutional investors are individuals or entities that have assets or a net worth equivalent to an amount set forth by the CNBV.

<sup>18</sup> Under the New LMV, institutional investors are entities defined as such by federal laws or any financial institution, including financial institutions acting in their capacity as trustees, under trusts considered institutional investors.

(iii) offers and sales made pursuant to the terms and conditions of an employee benefit plan of the issuer of the securities or the entities controlled by it; or

(iv) offers and sales made to shareholders or members of entities which principal corporate purpose is to render services to said individuals (*e.g.* sport clubs, gyms).

The New LMV provides that the CNBV may authorize and recognize some transactions as private offerings taking into account the means of communication, number and type of investors, plan of distribution, and the terms and conditions of the offer.

#### **5. Disclosure by the Government of Material Events**

Under the LMV, Federal Government entities and those PHCs who have securities guaranty by the Federal Government do not have the obligation to disclose to the public the occurrence of a material event.<sup>19</sup> This regime is amended by the New LMV establishing that the federal and municipal entities; federal, local and municipal decentralized agencies; and national credit corporations will have to comply with the reporting requirements established for PHCs including the disclosure of material events.

#### **6. Special Section of the RNV**

The New LMV does not contemplate the existence of the Special Section and therefore the Mexican entities that pretend to make a public offering of their securities on a foreign country only have to notify the CNBV of the issuance and characteristics of the securities without having to submit a registration statement before the CNBV requesting its authorization for the registration of said securities.

#### **7. Preferred Stock**

The New LMV gives PHCs the option to issue, with the prior authorization of the CNBV, shares of stock with limited rights, including shares without voting rights (“Preferred Stock”). Such shares may not exceed 25% of the capital stock

---

<sup>19</sup> For the purposes herein, material events are all those acts, events or incidents of any nature that lead or may lead to a variation in the price of a security registered at the RNV.

placed among the public, however, the CNBV may extend the authorization for an unlimited amount, provided that the Preferred Stock is converted into common stock within 5 (five) years following the corresponding placement. Preferred Stock will generally not compute for purposes of determining quorum at a Shareholders' Meeting and will only compute regarding those specific meetings which require their participation and vote.

### **8. Stock Market Certificate**

A new certificate, the Stock Market Certificate (*certificado bursátil*), was created by the LMV. The New LMV does not materially modify the legal framework contained by the LMV but does expressly list the rights they represent. Stock Market Certificates may represent one or more of the following rights:

(i) the right to a part of the property rights or to the ownership of those assets or rights that integrate the estate of a trust.

(ii) the right to a part of the profits, earnings or to the residual value of the rights or assets that integrate the estate of a trust.

(iii) the right to a part of the net income from the sale of those rights or assets.

(iv) the right to receive the payment of principal, interest or any other amount.

### **9. Derivative Securities**

Prior to the issuance by the CNBV of the General Rules to Regulate the Issuers and other Participants of the Securities Market (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores*) (the "General Rules") the issuance and trading of derivative securities (*títulos opcionales*) was specifically and more detailed regulated by Rules 10-157 bis, 10-157 bis 1, 10-157 bis 2, 10-157 bis 3 and 10-157 bis 4.

The New LMV now contains a Chapter that expressly regulates the issuance of derivative securities by the PHCs and defines it as a credit instrument that confers the buyer the right to buy or sell, at a set time in the future and for a set price, to

the issuer of the derivative security **(i)** equity securities (or the securities representing them) registered at the RNV; **(ii)** portfolios integrated by equity securities (or the securities representing them) registered at the RNV; **(iii)** shares listed on the International Quotation System, or any other foreign or national index prices recognized by the CNBV.

The certificate representing a derivative security shall contain: **(a)** the mention of being a derivative security; **(b)** date and place of its issuance; **(c)** issuer's name; **(d)** description of the underlying shares; **(e)** maturity and the exercise dates; **(f)** number of securities issued, subscription price, number and classification of the underlying shares; **(g)** exercise price and the terms and conditions for its payment; **(h)** the conditions for its trading; **(i)** name and signature of the issuer's representative or attorney in fact who must have general power to subscribe negotiable instruments pursuant to applicable law; and **(j)** signature of the certificateholders' joint representative setting forth its acceptance to its appointment.

#### **10. Disclosure of purchase and sale transactions**

Pursuant to the New LMV the following transactions must be disclosed to the public no later than the immediately following day:

**(i)** the acquisition by any person or group of persons of the beneficial ownership of at least 10% but no more than 30% of the ordinary shares of a PHC, in a single or consecutive transactions, carry-out within or without a stock exchange. Additionally, the purchaser must inform to the public if they it has the intention or not to acquire a significant influence over the issuer.

**(ii)** the increase or decrease in a 5% margin of a related party's<sup>20</sup> beneficial ownership in a PHC, in a single or consecutive transactions.

---

<sup>20</sup> Related party means with respect to a PHC **(i)** any person who controls or with significant influence over an entity that integrates the corporate group or group of the issuer, and the directors and relevant officers of said entities; **(ii)** a person with decision making authority over an entity that forms part of the corporate group or group of the issuer; **(iii)** spouse or family members of an individual mentioned in paragraphs (i) through (ii) herein; **(iv)** legal entities that integrate the corporate group or group of the issuer; **(v)** legal entities controlled by an individual mentioned in paragraphs (i) through (iii) herein; or **(vi)** legal entities over which an individual mentioned in paragraphs (i) through (iii) has significant influence.

(iii) the shareholder or group of shareholders that beneficially own the 10% of the equity securities of a PHC, the members of its Board of Directors and its relevant officers, must inform the CNBV any transaction executed by them in connection with the shares they own, pursuant to the terms and conditions set forth on the General Rules issued by the CNBV.

### 11. Tender Offers

The New LMV, subject to the existence of certain exemptions, requires a filing<sup>21</sup> by any person or group of persons who intends to become the beneficial owner of at least 30% of the ordinary shares of a PHC, in a single or consecutive transactions, carry-out within or without a stock exchange, to launch a tender offer that will be subject to the following principles:

*Duration.* The New LMV requires that tender offers be held open for at least 20 business days and for an additional 5 business days period, at least, in the event there is a material change to the original terms and conditions of the offer, as determined by the CNBV.

*Number of Shares and Proration.* Under the New LMV, the bidder must indicate the number of shares it is willing to take; *provided, that*, the solicitation shall be made for at least 10% of the capital stock of a PHC and for the 100% when the bidder intends to take control of the PHC. If any person makes a tender offer for less than all outstanding equity securities of a PHC and if greater number of securities are tendered pursuant thereto than such person is willing to take up and pay for, the securities taken up and paid for as nearly as may be pro rata, disregarding fractions, according to the number of securities tendered by each shareholder during the period such offer remains open.

*Withdrawal.* During the time a tender offer remains open, the terms and conditions of the offer may be amended as long as this bidder's rights is disclosed on the offering memorandum or such changes represent a better deal for the target. Any shareholder who has tendered its securities pursuant to a tender offer has the right to

---

<sup>21</sup> The bidder must submit a registration statement before the CNBV requesting its authorization for the launch of the tender offer. The registration statement must contain, among other information and documents, an offering memorandum with the description of the offer.

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

**14**

withdraw any such securities if there is a material change to the original terms and conditions of the offer.

*All Holders/Best Price.* The New LMV prohibits a bidder from making a tender offer that is not open to all shareholders or that is made to shareholders at varying prices.

*Premiums.* The New LMV prohibits the bidder from paying any premium to any person or group of persons related to the target, except for those considerations to be paid by the targets to the bidder or to the corporation pursuant to covenants included in an agreement related to the offer that has been approved by the Board of Directors of the PHC and its existence has been disclosed to the public.

Additionally, the target's Board of Directors is required to take a public position on the tender offer, within 10 business days after the launch of the tender offer, and, together with the General Manager disclose to the public how they are planning to act in connection with the shares they owned. Furthermore, the New LMV requires the target's Board of Directors and relevant officer to abstain to take any action that may cause a harm to the PHC in order to prevent the development of the tender offer, without affecting the applicability of the takeover provisions contemplated by the By-laws of the corporation as described on the last paragraph of Section 2. herein.

**12. False Information**

The New LMV contains a disposition that prohibits market participants to disclose "false information" to the public in connection with their situation or of their securities, but without defining or indicating what shall be considered as "false information". In this regard, notwithstanding the New LMV neither contains a definition of false information it contains a presumption of what can be considered as disclosure of false information indicating it would be considered whenever material information has not been disclosed to the public by those who have the obligation to disclose it.

**13. Other Provisions**

The New LMV incorporates to its text certain provisions currently contemplated by the General Rules, including, among others, information to be included

**JAUREGUI, NAVARRETE Y NADER**

ABOGADOS

**15**

in the registration statement and the offering memorandum, guidelines for the issuance of a legal opinion by an independent counsel and the external auditors' report.

It is important to take into consideration that several provisions of the New LMV are subject to the issuance of new Regulations by the CNBV. Furthermore, those Regulations that remain enforceable but are inconsistent with the provisions of the New LMV will be null and void.

Should you have any question on the New LMV and its effects, please contact *Michell Nader S.* (5255) 5267-4507; [mnader@jnn.com.mx](mailto:mnader@jnn.com.mx) or *Yves Hayaux-du-Tilly L.* (5255)5267-4573; [yhayaux@jnn.com.mx](mailto:yhayaux@jnn.com.mx).