

Secondary legislation to the Law Regulating Financial Technology Institutions, in relation to money-laundering and applicable to the Electronic Funds Transfer Institutions.

Following up on our note of August 8¹ of this year, we inform you that today the Ministry of Treasury and Public Credit, the National Banking and Securities Commission and the Bank of Mexico, issued and published in the Official Federal Gazette (the “DOF”) the *General provisions applicable to the Financial Technology Institutions*, the *general provisions referred to in Article 58 of the Law to Regulate Financial Technology Institutions* (the “Provisions”) and the *Circular 12/2018 directed to the Electronic Funds Transfer Institutions, regarding the general provisions applicable to the operations of the Electronic Funds Transfer Institutions* (the “Circular”), complying with the deadlines indicated in the Law for Regulating Financial Technology Institutions published on March 9 of this year in the DOF.

The purpose of the Provisions is to develop a regulatory framework for the Financial Technology Institutions (the “FTI”) and their participants, promoting inclusion and financial innovation and competition, protecting and preserving financial stability in matters such as (i) obtaining their authorization to operate; (ii) minimum capital; (iii) limits for the reception of cash resources and transfer of funds; (iv) accounting and disclosure of financial information; (v) electronic record of risks that the collective financing institutions must obtain from their clients; (vi) methodology of evaluation, selection and ranking of applicants and projects; (vii) limits on resources that the collective financing institutions can maintain on behalf of their clients; (viii) mandates and commissions, and (ix) business continuity plan.

The Provisions also establish the framework for preventing transactions with resources of unlawful origin and financing of terrorism (PLD/FT) recognizing (i) the use of technological innovations in providing financial services, (ii) the importance of having policies for identifying and knowing their clients and (iii) the identification of the risks of money-laundering and financing of terrorism that the FTI are exposed to.

For its part, the purpose of the Circular is to ensure the proper functioning of the payment systems and the healthy development of the financial system, protecting the interests of the public, for which it establishes a regulatory framework that makes it possible to take advantage of the benefits of the efficacy of the electronic funds transfer institutions, establishing requirements with regard to their operation and administration.

In VWyS we have specialized lawyers who can address any doubts or comments you may have.

¹ http://vonwobesersierra.com/images/PDF_news/2018/Reglas-Sec-Inst-Tec-Fin-ing-OK.pdf



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Sincerely,

Von Wobeser & Sierra, S.C.

Mexico City, September 10, 2018.