

Resolution amending the General Provisions applicable to Financial Technology Institutions

On March 25 of this year, the National Banking and Securities Commission (the “CNBV”) published in the Official Federal Gazette (the “DOF”) the *Resolution amending the General Provisions applicable to Financial Technology Institutions* (the “**Resolution**” and the “**Financial Technology Institutions Circular**” or “**Circular**”, respectively), pursuant to the Law Regulating Financial Technology Institutions published in the DOF on March 9, 2018. This Resolution establishes conditions for addressing the risks of and vulnerability to possible attacks on information technology programs and systems and increasing the security of the operations of Crowdfunding Institutions (the “IFC”) with their clients, establishing a legal framework on information security, use of electronic media, contracting services with third parties, disclosure of information and regulatory reports that must be rendered to the CNBV.

With respect to information security, the Resolution establishes that the general director or sole administrator of the IFC is responsible for *i)* implementing internal controls to ensure confidentiality, integrity and availability; *ii)* ensuring that the Technology Infrastructure (as such term is defined in the Circular) fulfills the functions for which it was designed, developed or acquired; and *iii)* ensuring that its processes are documented and comply with information security aspects for project definition. Additionally, the possibility is established for the IFC to contract an independent third party with proven technical capacity to do penetration tests in its systems and applications.

Regarding the use of electronic media, the Resolution describes the information the IFC must know about their clients, including the operations and services they may carry out through them, as well as the rights and obligations such activity entails.

For contracting services with third parties, it is established that the IFC must have *i)* the authorization of the CNBV only when a) providing those services involves the transmission, storage, processing, safekeeping or custody of sensitive information (understood as personal information of the clients), provided the third party contracted has access privileges to such information or the security configuration information, or the management of access control; and/or b) they carry out processes abroad related to accounting and treasury; and *ii)* a registry of service providers.

Relative to disclosure of information, the Resolution establishes the information the IFC must include *i)* in the publications on the financing offers they make on their platforms; *ii)* when carrying out Crowdfunding Operations of a) Debt of Personal Loans between Persons, b) Debt of Business Loans between Persons and for Real Estate Development, c) Equity and d) Co-ownership or Royalties; *iii)* in the payment and performance behavior of the petitioner or project when carrying out Operations of a) Debt of Business Loans between Persons, Personal Loans between Persons and for Real Estate Development, b) Equity Crowdfunding and c) Co-ownership or Royalties; and *iv)* on the site the general public has access to.

Finally, with respect to the regulatory reports that must be provided to the CNBV (which will enter into force on January 1, 2020), the Resolution establishes the information and filing deadlines the IFC must comply with in function of the different activities they may carry out.

This Resolution entered into force as of March 26 of this year.

In VWyS we have specialized lawyers with broad knowledge of the law applicable to the finance and stock markets. Please let us know should you have any questions or doubts with respect to these or other matters.

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Sincerely,

Von Wobeser & Sierra, S.C.

Mexico City, March 29, 2019.