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CREDIT INSTITUTIONS LAW

New Law published in the Official Journal of the Federation on July 18, 1990

TEXT IN EFFECT

Last amendment published in the Official Journal of the Federation on May 20, 2021

In the margin, a seal bearing the National Coat of Arms reading: United Mexican States. – Presidency of the Republic.

CARLOS SALINAS DE GORTARI, Constitutional President of the United Mexican States, to its inhabitants, let it be known:

That the Honorable Congress of the Union has addressed to me the following

DECREE

“THE UNITED MEXICAN STATES H. CONGRESS HEREBY ENACTS THE:

CREDIT INSTITUTIONS LAW

TITLE FIRST

On the Preliminary Provisions

Article 1. - This is a public order Law of general observance within the United Mexican States and its purpose is to regulate the banking and credit service, the organization and operation of credit institutions, the activities, and transactions that these institutions may carry out, their sound and balanced development, the protection of the public interest and the terms in which the State shall conduct the financial governance of the Mexican Banking System.

Article reformed OJF 02-01-2001

Article 2. -Banking and credit service can only be provided by credit institutions that can be:

- I. Commercial Banks, and
- II. Development Banks.

For purposes of the provisions of this Law, it shall be considered as banking and credit service the raising of funds from the public within the domestic market for their placement among the public, through acts resulting in direct or contingent liabilities, being the intermediary bound to cover the principal and, as the case may be, the financial ancillaries of the funds raised.

It shall not be considered as banking and credit transactions those carried out by financial intermediaries duly authorized by applicable laws other than credit institutions, in the performance of their respective duties. Such intermediaries may not receive in any case, demand deposits in checking accounts.

Likewise, the raising of funds from the public through the issuance of securities registered in the National Registry of Securities, placed through an initial public offer, shall not be considered as a banking and credit transactions, even if those funds are used for granting any kind of financing.

Paragraph repealed OJF 04-30-1996. Added OJF 11-30-2005

For purposes of this article and of article 103 it shall be considered that there is raising of funds from the public whenever: a) there is a request, an offer, or a promotion to obtain funds or resources from any undetermined person or through mass media, or b) funds or resources are obtained or requested in a regular or professional manner.

Paragraph added OJF 11-30-2005

Article 3. - The Mexican Banking System shall be composed by Banco de México, commercial banks, development banks and public trusts created by the Federal Government for economic development that carry out financial activities, as well as by self-regulatory banking entities.

For effects of what is set forth in the paragraph above, it shall be understood that economic development public trusts carry out financial activities whenever their main purpose is to regularly and professionally carry out credit transactions, including the assumption of liabilities in the name of third parties. Said transactions must represent fifty percent or more of the total average assets during the fiscal year immediately before the date of determination as provided in article 125 of this Law.

Paragraph reformed OJF 01-10-2014

All economic development public trusts may be granted concessions in the same terms as the Government-controlled entities.

Article reformed OJF 02-01-2008

Article 4. - The State shall conduct the governance of the Mexican Banking System in order to direct its activities mainly to support and promote the development of the productive forces of the country and the domestic economy growth. Said governance shall be based on a sovereign economic policy, encouraging savings in all sectors and regions of the Mexican Republic, as well as its proper

channeling into a broad regional coverage enabling the decentralization of the System itself, abiding by sound banking practices and usages.

Development banks shall focus on the productive activities that the Congress of the Union determines as the specialty of each of them, in their respective organic laws.

Article 5. - The Federal Executive, through the Ministry of Finance and Public Credit, may interpret the provisions of this Law, as well as the general provisions issued by the Ministry for administrative purposes in the exercise of the powers vested on him by this Law.

Article reformed OJF 06-04-2001

Article 5 Bis. - The Ministry of Finance and Public Credit may request the opinion of Banco de México, the National Banking and Securities Commission, the National Insurance and Bonding Commission and the Pensions System, as well as of the Institute for the Protection of Bank Savings, within the scope of their respective powers and duties, whenever it deems it convenient for the best performance of the powers vested on it by this law.

Furthermore, the Ministry may consult the National Commission for the Protection of Users of Financial Services, in those cases where it requires its opinion and according to the powers vested on the latter.

Article added OJF 06-04-2001

Article 5 Bis 1. – Unless another term is set forth by specific provisions, administrative authorities shall decide whatever may be applicable within a term that shall not exceed ninety days. After said applicable term has elapsed, it shall be understood that the resolution is a denial to the petitioner, unless otherwise provided in applicable legal provisions. By request of the interested party, a certificate stating such circumstance may be issued, within two business days following the filing of the relevant petition to the competent authority that is to solve the issue, under the terms of the relevant Internal Regulations. The same certificate shall be issued whenever specific provisions establish that, after the applicable term has elapsed, the resolution is to be understood affirmatively. If such certificate is not issued within the aforementioned term, the resulting liability, if any, shall be determined and attributed.

Paragraph reformed OJF 02-01-2008

The filing requirements and the terms, as well as other applicable information that is relevant to the filings carried out by credit institutions must be specified in provisions of general nature.

When the initial petition fails to contain the data or to meet the requirements set forth in the applicable provisions, the authority shall serve a written notice thereof to the interested party once, so that it

may correct the failure within a term of at least ten business days. Unless specific provisions establish another term, such notice shall be made no later than within half of the term during which the authority must reply and, if such term were not determined, within twenty business days following the filing of the initial petition.

After the aforesaid notice has been served, the term shall be suspended so that the administrative authorities may decide the petition and the term shall be resumed as of the next business day following the one on which the interested party files its reply. In the event that the reply to such notice is not filed within the term established, the authorities shall dismiss the petition.

Should the authorities fail to request information within the relevant term, they shall not dismiss the petition on grounds that it is incomplete.

Except as otherwise expressly provided, the terms for the authorities to give their answer shall begin on the next business day following the filing of the relevant petition.

Article added OJF 06-04-2001

Article 5 Bis 2. - The term referred to in the preceding article shall not apply to any motions where under an explicit provision in this Law, administrative authorities must hear the opinion of other authorities, in addition to those related to authorizations regarding the organization, merger, split-off and liquidation of credit institutions. In these cases, the term for administrative authorities to decide whatever is applicable shall not exceed one hundred and eighty days, and the rules set forth in article 5 bis 1 of this Law shall apply.

Article added OJF 06-04-2001. Reformed OJF 02-01-2008

Article 5 Bis 3. - Competent administrative authorities, upon request by the interested party, may extend the terms set forth in this Law, but in no event shall such extension exceed half of the term originally set forth in the applicable provisions, whenever the case requires such extension and provided they are not aware that any harm could be caused to the rights of third parties.

Article added OJF 06-04-2001

Article 5 Bis 4. - The provisions in articles 5 Bis 1, 5 Bis 2 and 5 Bis 3 shall not apply to administrative authorities in the exercise of their supervision, inspection, and surveillance duties.

Article added OJF 06-04-2001

Article 5. Bis 5. - For effects of the present Law, the terms set in days shall be understood as calendar days, except when it is expressly indicated as business days. In the case of calendar days, if the term expires on a non-business day, it shall be understood as concluded on the following business day, except for the terms set forth in article 29 Bis of this Law that shall conclude the same day that they expire.

Article added OJF 02-01-2008. Article reformed OJF 01-10-2014

Article 6. - In the event of any issues not provided for in this Law and in the Organic Law of Banco de México, the following provisions shall be applicable to commercial banks in the following order:

- I. The commercial legislation;
- II. The banking and commercial practices and usages,
- III. The federal civil legislation.

Section reformed OJF 02-06-2008

- IV. The Federal Law of Administrative Procedure in connection with the process of any legal remedies referred to in this Law, and

Section added OJF 06-09-1992. Reformed OJF 02-06-2008

- V. The Federal Tax Code in connection with the updating of penalties.

Section added OJF 02-06-2008

Development banks shall be governed by their corresponding organizational law, and in the absence thereof, by the provisions of this article.

Article 7. - The National Banking and Securities Commission, upon previous agreement by its Board of Governors, may authorize the establishment of foreign financial institutions representative offices in the Mexican territory. Such offices may not carry out in the domestic market any financial intermediation activity which requires previous authorization by the Federal Government and they shall refrain from acting directly or through third parties, in any operation for the raising of funds from the public, either on their own or on behalf of others. Notwithstanding the foregoing, such offices may provide, by request of their customers, information on the transactions that the foreign financial institutions they represent carry out in their country of origin, provided that such offices may not release any publicity or propaganda to the public at large regarding passive transactions.

The activities carried out by representative offices shall be subject to the provisions issued by the Ministry of Finance and Public Credit which, for such purposes shall hear the opinion of Banco de México and of the National Banking and Securities Commission.

The National Banking and Securities Commission, upon prior resolution by its Board of Governors, may declare the revocation of the relevant authorizations whenever the aforementioned offices fail to adjust to the provisions referred to in this article, notwithstanding the application of the sanctions established in this Law and any other legal provisions.

Such offices shall be subject to the inspection and surveillance of the National Banking and Securities Commission, and they shall pay the fees established for such purposes by applicable legal provisions.

Article reformed OJF 02-01-2008

Article 7 Bis. - The self-regulatory banking entities shall have the purpose of implementing behavioral and operational standards for their members, in order to contribute to the sound development of credit institutions. Such organizations may be of a different type according to the activities they may carry out.

The associations or professional organizations of credit institutions shall have capacity as self-regulatory banking entities when, by their request, they are acknowledged as such by the National Banking and Securities Commission, upon previous resolution by their Board of Governors.

Article added OJF 02-01-2008

Article 7 Bis 1. - Self-regulatory banking organizations, under their bylaws and abiding by the provisions of article 7 Bis 2 of this Law, may issue rules related to:

- I. Admission, exclusion and separation requirements of their members;
- II. Policies and guidelines that must be followed by their members when dealing with the clientele to which they provide their services;
- III. Disclosure to the public of information other than or additional to the one resulting from this Law;
- IV. Behavior policies and guidelines oriented to achieve that their members and other persons related to them by reason of any employment, position, or commission agency in such organizations, know and abide by the applicable legal provisions, as well as by sound banking practices;
- V. Technical qualifications, honorability, and satisfactory credit history requirements applicable to the personnel of their members;
- VI. Pursuance of efficiency and transparency in the performance of banking activities;
- VII. Process for the adoption of standards and verification of their compliance;
- VIII. Disciplinary and corrective measures that are to be applied to their members in the event of default, as well as the process to enforce them, and
- IX. Banking usages and practices;

In addition, associations or professional organizations of credit institutions that obtain recognition as self-regulatory banking entity by the National Banking and Securities Commission may carry out certifications on technical capabilities of employees, officers, and directives of credit institutions, as well as of their attorneys-in-fact law, whenever it is so established in the provisions referred in this article.

Self-regulatory banking entities shall carry out periodic evaluations of their members, on the compliance of rules issued by such entities for the granting of certifications referred in the preceding paragraph. Whenever any administrative transgressions or offenses may arise from the results of the aforementioned evaluations, in the opinion of the relevant organization, such organization must

report such event to the National Banking and Securities Commission, regardless of the supervision powers that the Commission itself may enforce. Furthermore, such organizations shall keep record of the corrective and disciplinary measures applied to individuals certified by them, which shall be made available to the Commission itself.

Any self-regulatory rules issued in terms of the provisions established hereunder shall not contradict or exempt the provisions set forth in this Law and any other applicable provisions.

Article added OJF 02-01-2008

Article 7 Bis 2. - The National Banking and Securities Commission shall issue the general provisions to establish the requirements to be met by the associations or professional organizations of credit institutions in order to obtain, in accordance with their own corporate type, the recognition as self-regulatory entity referred in article 7 Bis of this Law, as well as to regulate their operations.

The aforementioned general provisions shall set forth the requirements related to the internal organization and operation of the associations or professional organizations that intend to be recognized as self-regulatory entities. Said general provisions shall enable the corporate bodies of the self-regulatory entities to be composed in an equitable manner, by honorable individuals with technical capabilities, who conduct themselves with independence and represent their professional organization in the exercise of their activities, as well as any other requirement that may contribute to their sound development.

Article added OJF 02-01-2008

Article 7 Bis 3. - The National Banking and Securities Commission shall have authority to:

- I. Veto any self-regulatory rules issued by self-regulatory banking organizations, when the Commission considers that these may adversely affect the sound and balanced development of the financial system, in order to protect the interests of the public, in which case such rules shall not take effect or shall be annulled;
- II. Order the suspension, removal or destitution of any directors or officers of the self-regulatory banking organizations, as well as to impose a veto from three months and up to five years, to the aforementioned individuals should they incur in serious or reiterated violations to this Law and to the general provisions derived thereof, regardless of any monetary penalties that may be applicable under this or other laws, and
- III. Revoke the acknowledgment of any self-regulatory banking organizations that incur in any serious or reiterated violations to the provisions contained in this or other laws and to any other general provisions resulting therefrom.

In order to act as provided in subsections II and III of this article, such Commission shall obtain the prior approval of its Board of Governors. Before rendering the relevant resolution, the Commission must grant the interested party and the relevant organization right to a legal hearing.

The resolutions referred to in this article may be appealed before the National Banking and Securities Commission within fifteen business days after the date they were notified. The Commission itself, upon previous approval from its Board of Governors, may revoke, amend, or confirm the resolution appealed, previously granting the affected party right to a legal hearing.

Article added OJF 02-01-2008

TITLE SECOND
ON CREDIT INSTITUTIONS
CHAPTER I
On Commercial Banks
SECTION FIRST
General Provisions

Section added OJF 07-06-2006

Article 8. - In order to be organized and operate as a commercial bank it is required to obtain the authorization from the Federal Government, which may be granted at the absolute discretion of the National Banking and Securities Commission, upon the prior approval of its Board of Governors and the favorable opinion of Banco de México. These authorizations shall be non-transferable.

Within five business days following the date when the Board of Governors of the National Banking and Securities Commission has decided to grant the authorization referred to in the preceding paragraph, such Commission shall notify such resolution, as well as its favorable opinion as to the draft of the corporate bylaws of the respective corporation, so that any acts leading to the incorporation or transformation of its organization and its operation may be carried out, as the case may be. The petitioner, within a term of ninety days from the date of such notice, shall submit to the approval of said Commission, the public instrument containing the bylaws of the corporation according to the terms of this Law in order to proceed thereafter to its registration with the Public Registry of Commerce, without requiring any court order for such purpose.

The authorization granted pursuant to this article, shall be subject to the condition of obtaining the authorization to start with the relevant operations in terms of article 46 Bis of this Law; such authorization shall be requested within a term of one hundred and eighty-days from the date of the approval of the public instrument mentioned in the preceding paragraph. When the registration of the aforesaid public instrument is made, it must include the indication that the authorization to be organized and to operate as a commercial bank is subject to the condition set forth in this paragraph.

Authorizations to be organized and to operate as a commercial bank, as well as any amendments thereof, shall be published, at the expense of said commercial bank, in the Official Journal of the Federation and in two newspapers of broad circulation in its corporate address.

Article reformed OJF 02-01-2008

Article 8 Bis. - Notwithstanding the provisions of the preceding paragraph, until the authorization to be organized and to operate as a commercial bank becomes effective, the relevant corporation, upon receiving the notification mentioned in such article, may carry out the necessary acts to comply with the requirements set forth in article 46 Bis of this Law to start its operations as a bank. However, during such term, it may not carry out any of the transactions mentioned in article 46 of this Law, except those set forth in subsection XXIII. During the aforementioned term, the relevant corporation shall be exempted from the provisions contained in the first paragraph of article 105 of this Law.

The authorization to be organized and to operate as a commercial bank under this Law shall not become effective if the condition hereinbefore is not satisfied, such event does not require any statement by any authority.

Article added OJF 02-01-2008

Article 9. - The authorization shall only be granted to fixed capital corporations, organized according to the provisions of the Business Associations Law, on any issues not provided in this Law and, particularly according to the following:

- I. Their corporate purpose shall be the rendering of banking and credit service, in terms of this Law;
- II. The duration of the corporation shall be indefinite;
- III. They shall have the relevant corporate and minimum capital stock according to the provisions of this Law, and
- IV. Their corporate address shall be within the territory of Mexico.

The corporate bylaws, as well as any amendments thereof, shall be submitted to the approval of the National Banking and Securities Commission. Upon the approval of the corporate bylaws or any amendments thereto, the public instrument containing them shall be registered in the Public Registry of Commerce, without any court order required for such purpose.

Paragraph reformed OJF 02-01-2008

Article 10. - Any petitions to obtain the authorization to be organized and to operate as a commercial bank shall enclose the following:

- I. Draft of bylaws of the corporation which shall include corporate purpose and shall expressly and individually state the transactions it intends to carry out according to the provisions of

article 46 of this Law, and they must also meet the requirements that, in terms of this Law and any other applicable provisions, must be included therein;

- II. List and information of individuals who directly or indirectly intend to hold an interest in the corporate capital stock of the commercial bank to be incorporated, which shall contain, according to the general provisions issued to such effect by the National Banking and Securities Commission, upon prior approval by its Board of Governors, the following:
 - a) The amount of capital stock that each one of them shall subscribe and the origin of the funds that shall be used to such purpose;
 - b) The economic condition, in case of individuals, or the financial statements, in case of legal entities, in both cases, of the last three years, and
 - c) Any information suitable to verify their honorability and satisfactory credit and business history.
- III. A list of the prospective directors, general director, and main officers of the corporation, together with the information proving that such persons fulfill the requirements set forth by this Law for such positions.
- IV. General operations plan for the corporation including, at least:
 - a) Operations to be carried out according to article 46 of this Law;
 - b) Security measures in order to preserve the integrity of the information;
 - c) Raising of funds and extension of credit programs reflecting the diversification of active and passive transactions according to applicable rules, as well as the market segments that shall be preferably targeted;
 - d) Geographical coverage forecast, indicating the regions and marketplace where it intends to operate;
 - e) Financial feasibility survey of the corporation;
 - f) The bases to apply profits, with the understanding that corporations authorized to organize and operate as commercial banks may not distribute dividends during their first three fiscal years and that, in that same period, they must apply their net profits to reserves. The aforementioned restriction shall not be observed by those commercial banks that have a capitalization index ten percentage points above the required index, including its supplements of capital, in accordance with article 50 of the present Law and, at the same time, comply with the minimum capital established in article 19 of this Law, and

Subsection reformed OJF 01-10-2014

 - g) The basis regarding its organization, administration and internal control;
- V. Proof of the security deposit in Mexican currency made in a credit institution or of a government securities for its market value, in favor of the Federal Treasury, in an amount equal to ten percent of the minimum capital stock with which the corporation is to operate according to this Law, and
- VI. Any other related documents and data requested by the National Banking and Securities Commission, for such purpose.

The National Banking and Securities Commission shall have the power to verify that the petition referred in this article meets the requirements of this Law; to such end, this Commission shall be vested with the powers to verify the truthfulness of the information submitted and, therefore, the Federal Public Administration agencies and entities as well as any other federal instrumentalities, shall hand over any information related thereto. Furthermore, the Commission may request foreign organizations vested with similar supervision or regulatory duties, to verify the information provided to it for such purposes.

Should the corporation fails to submit the public instrument containing the bylaws of the corporation for approval, within the ninety-day term set forth in the second paragraph of article 8 of this Law; fails to obtain or to request the authorization to start operations in terms of article 8 and 46 Bis of this Law, respectively; starts operations other than those set forth in article 8 Bis of this Law without having said authorization, or should the authorization to be organized and operate as a commercial bank under subsection I of article 28 of this Law is revoked; the National Banking and Securities Commission shall instruct the Federal Treasury to enforce the guarantee of the security deposit mentioned in subsection V of this article.

Should the authorization is denied, or the interested party abandon its request or the corresponding commercial bank start operations in terms of this Law, the security deposit referred to in subsection V herein shall be returned.

Once the notice provided in article 8 of this Law has been served and the approval of the bylaws as set forth by said article has been granted, the commencement of operations of the commercial bank shall be subject to the provisions of article 46 Bis of this Law.

Article reformed OJF 12-23-1993, 02-01-2008

Article 10 Bis. - The corporations already incorporated that, under article 8 of this Law, request authorization to be organized and to operate as commercial banks, shall attach to their petition the information and documents set forth in article 10 of this Law, as well as the draft of the resolution of their governing body, including the data regarding the transformation of their organization and operations regime and the resulting amendment of their bylaws.

In the event that the National Banking and Securities Commission grants its authorization in terms of article 8 of this Law to companies that, at the time such authorization becomes effective, have a former authorization to be incorporated, organized, work or operate, as different kind of financial entities, such other authorization shall be ineffective by operation of law, and no explicit statement shall be required for such purpose from the authority that granted it.

Article added OJF 02-01-2008

Article 11. - The capital stock of the commercial Banks shall be composed by an ordinary stock portion and may also be made-up by an additional portion.

The ordinary capital stock of commercial banks shall be composed by series "O" shares.

Paragraph reformed OJF 01-19-1999

If applicable, the additional capital stock shall be represented by series "L" shares, which may be issued for up to an amount equal to forty percent of the ordinary capital stock, with the prior authorization of the National Securities Commission.

Article reformed OJF 06-09-1992, 12-23-1993, 02-15-1995

Article 12. - The shares shall have equal value; within each series, they shall confer their holders the same rights and, they shall be wholly paid in cash upon their subscription, or otherwise, in kind if, in the latter case, the National Banking and Securities Commission so authorizes considering the financial condition of the institution and watching over its liquidity and solvency. The aforementioned shares shall be kept in deposit with any of the securities depository institutions regulated by the Securities Market Law, who shall never be required to hand them over to their holders.

Paragraph reformed OJF 02-01-2008

The series "L" shares shall be of limited vote and shall grant the right to vote only in the issues relative to the change of purpose, merger, split-off, transformation, dissolution, and liquidation, the corporate acts referred to in articles 29 Bis, 29 Bis 2, and 158 of this Law and the cancellation of its registration in any stock exchange.

Paragraph added OJF 06-09-1992. Reformed OJF 07-06-2006, 01-10-2014

In Addition, series "L" shares may confer the right to receive a preferred and cumulative dividend, as well as a dividend greater than the one of the shares representing the ordinary capital stock, provided it is so established in the bylaws of the issuing institution. In no event may the dividends of this series be less than those of the other series.

Paragraph added OJF 06-09-1992

Institutions may issue unsubscribed shares that shall be kept in the treasury and shall not be accounted for purposes of determining the shareholding limits established in this Law. The subscribers shall receive the relevant certifications against the total payment of their par value and of the premiums that, as the case may be, are fixed by the institution.

Paragraph reformed OJF 06-09-1992, 02-15-1995

Article 13. - Series "O" and "L" shares shall be of free subscription.

The foreign governments may not participate, directly or indirectly, in the capital stock of the commercial banks, except in the following cases:

- I. When they do so by reason of prudential measures of temporary nature such as financial support and rescues.

Commercial banks that are in the situation mentioned in this section must hand in to the National Banking and Securities Commission within the following fifteen business days in which they find themselves in said situation, the information and documentation that attest they are under said prudential measures. The National Banking and Securities Commission shall have a term of ninety business days, counting from the day when it receives the corresponding information and documentation to resolve, with the previous agreement by its Board of Governors, if the participation in question is indeed in the event of exception set forth in this section.

- II. When the corresponding participation implies the control of the commercial bank, in terms of article 22 Bis of this Law, through official legal entities, such as funds, government promotion entities, among others, through previous discretionary authorization by the National Banking and Securities Commission with agreement by its Board of Governors, provided that said entities attest that:
 - a) They do exercise duties of authority, and
 - b) Their decision bodies operate in an independent manner from the foreign government in question.
- III. When the corresponding participation is indirect and does not imply control over the commercial bank, in terms of article 22 Bis of this Law. The foregoing, without prejudice of the notices and requests of authorization that must be done pursuant to what is established in this Law.

Article Reformed OJF 06-09-1992, 02-15-1995, 01-19-1999, 01-10-2014

Article 14. - Individuals acquiring or transferring more than two percent of series “O” shares of a commercial bank paid-in capital stock, shall notify such event to the National Banking and Securities Commission within three business days following the acquisition or transfer.

Article reformed OJF 02-15-1995, 01-19-1999, 02-01-2008

Article 15. - For purposes of the provisions of this Law, institutional investors are: insurance and bond companies, only when they invest their technical reserves; investment funds and the ones specialized in retirement funds; pension or retirement funds, complementary to those set forth in the Social Security Law and seniority premiums, that meet the requirements established in the Income Tax Law, as well as any other institutional investors expressly authorized by the Ministry of Finance and Public Credit.

Article reformed OJF 06-09-1992, 02-15-1995, 05-23-1996, 06-04-2001

Article 16. - Any person appearing at shareholders' meetings of any institution on behalf of shareholders shall prove his/her legal capacity through a proxy written in the forms prepared by the institution itself, which must meet the following requirements:

- I. They shall contain in an evident manner, the name of the institution, as well as the instructions of the grantor for the exercise of the proxy;
- II. They shall be numbered and signed by the secretary or assistant secretary of the board of directors before their handing over, and
- III. - They shall contain the corresponding agenda.

Section reformed OJF 06-04-2001

The institution shall make available to the shareholders' representatives the proxy forms, during the term referred in article 173 of the Business Associations Law, so that said representatives may deliver them to their principals in a timely manner.

The tellers shall be obliged to verify compliance with the provisions of this article and to report it to the meeting. This report shall be entered in the relevant minute.

Article 16 Bis. - The agenda shall list all the matters to be discussed in the shareholders' meeting, even those included in the item of general matters. The documents and data related to the matters to be dealt with at the corresponding shareholders' meeting must be made available to the shareholders at least fifteen days in advance to the holding of such meeting.

Article added OJF 06-04-2001

Article 17. - Any individual or entity may, through one or several simultaneous or successive transactions, acquire series "O" shares of the capital stock of a commercial bank, provided that they abide by the provisions of this article.

When someone intends to acquire directly or indirectly over five percent of the ordinary paid-in capital stock, or otherwise to grant a security interest on the shares representing such percentage, it shall be necessary to obtain the prior authorization of the National Banking and Securities Commission, who may grant it at its discretion, hearing the opinion of Banco de México. In these cases, the individuals or companies intending to carry out the aforementioned acquisition or encumbrance must prove that they meet the requirements set forth in subsection II of article 10 of this Law, as well as provide the Commission any information that, for such purposes and with the prior resolution from its Board of Governors, it may require through general rules aimed at the preservation of the sound development of the banking system.

In the event any individual or a group of persons, either shareholders or not, should attempt to acquire twenty percent or more of the shares representing series "O" of the capital stock of a

commercial bank or to gain control of the institution itself, it shall be necessary to obtain prior authorization from the National Banking and Securities Commission. Said Commission may grant it at its sole discretion upon previous favorable opinion by Banco de México. For purposes of what it is hereunder described, control shall be understood as provided in subsection II of article 22 Bis of this Law.

Such petition must contain the following items:

- I. A list or information of the person or persons intending to obtain control over the commercial bank in question, which shall include information evidencing the fulfillment of the requirements set forth in subsection II of article 10 of this Law, as well as any other provided in the general rules set forth in the second paragraph of this article;
- II. A list of the directors and officers to be appointed in the commercial bank over which the aforementioned percentage or control is to be acquired, attaching thereto the information verifying that such persons fulfill the requirements that this Law provides for such positions;
- III. General operation plan of the relevant commercial bank in question, which shall contemplate the aspects set forth in article 10, subsection IV of this Law, and
- IV. Strategic plan for the organization, administration, and internal control of the relevant institution.

Other related documents required by the National Banking and Securities Commission in order to assess the relevant petition.

Article reformed OJF 06-09-1992, 12-23-1993, 02-15-1995, 01-19-1999, 06-04-2001, 02-01-2008

Article 17 Bis. - Repealed.

Article added OJF 12-23-1993. Repealed OJF 06-04-2001

Article 18. - Commercial banks shall refrain, in its case, from carrying out the registration in the registry that articles 128 and 129 of the Business Association Law refer to, of the transfer of shares that are done in violation of what is set forth by articles 13, 14, 17, 45-G and 45-H of this Law. They must inform such circumstance to the National Banking and Securities Commission within the five business days following the date in which they become aware of any of these violations.

When the acquisitions and other legal acts through which ownership of representative shares of the capital stock of the commercial bank are obtained directly or indirectly are done in violation of what is set forth by articles 13, 14, 17, 45-G, and 45-H of this Law, the property and corporate rights that are inherent to the shares corresponding to the bank shall be suspended and therefore may not be exercised, until it is attested that the corresponding authorization or decision has been obtained or that the requirements that the Law establishes have been fulfilled.

Article reformed OJF 12-23-1993, 02-15-1995, 02-01-2008, 01-10-2014

Article 19. - The minimum subscribed and paid-in capital stock for commercial banks who explicitly have set forth in their bylaws the performance of all the transactions provided in article 46 of this Law, shall be the amount in Mexican currency, equivalent to ninety million Investment Units. The National Banking and Securities Commission, upon previous agreement from its Board of Governors, shall determine, through general provisions, the minimum capital amount that commercial banks must have. This minimum capital amount shall be established taking into consideration the operations the commercial banks have explicitly established in their bylaws, the necessary infrastructure for their development, the markets in which they intend to participate and the risks entailed, among others.

In no event shall the minimum subscribed and paid-in capital applicable to a commercial bank, be less than forty percent of the minimum capital stock set forth for institutions that carry out all the transactions provided in article 46 of this Law.

The minimum capital stock amount that shall be kept by the institutions must be subscribed and paid-in no later than on the last business day of the relevant year. For such purpose, the value of the Investment Units corresponding to December 31st of the immediately preceding year shall be the one considered.

The minimum capital stock must be fully paid-in. When the corporate capital stock exceeds the minimum, it shall be paid, at least, in fifty percent, provided this percentage is not less than the minimum established.

When any commercial bank announces its capital stock, it shall announce at the same time its paid-in capital stock.

Commercial banks shall only be obliged to create the capital reserves provided in this Law and in any administrative provisions resulting from it in order to pursue the solvency of said institutions, protect the payments system and the saving public.

In order to comply with the minimum capital stock, the institutions, based on the transactions expressly provided in their bylaws, may consider their existing net capital according to the provisions of article 50 of this Law. The net capital may in no event be less than the minimum capital stock that is applicable under the first paragraph of this article.

The National Banking and Securities Commission shall set forth the cases and conditions under which commercial banks may transitorily acquire shares representing their own capital stock,

regardless of any applicable cases under the Securities Market Law, and shall pursue the sound development of the banking system and not to affect the liquidity of the institutions.

Article reformed OJF 12-23-1993, 06-04-2001, 02-01-2008

Article 20. - Commercial banks in which the Federal Government has control due to its shareholding, shall only abide by the guidelines issued by the Ministry of Finance and Public Credit in the preparation and approval of their annual budgets, as well as in the management of salaries and benefits, and other matters subject to regulation.

The institutions referred to in the previous paragraph, may carry out with their own funds, acquisitions, leases and sales, including real estate ones; carry out works and hire services, through competitive biddings where at least three suppliers, contractors or bidders are invited to bid, or through direct awarding with the prior approval, in each case, of the board of directors. Notwithstanding any other requirements established by the corresponding board of directors the following procedure shall be followed in all biddings: bids shall be submitted in a closed envelope on the date, time and place previously determined; they shall be considered and decided by a committee in which an officer in charge of internal comptrollership shall participate, and they shall be awarded in favor of whomever submits the most favorable bid to the institution in the opinion of such collegiate body, according to economic, effectiveness, efficiency, impartiality and honesty criteria.

The provisions of the first paragraph of article 41 of this Law shall apply to the directors of these institutions.

Article 21. - The management of commercial banks shall be entrusted to a board of directors and to a general director, within the scope of their respective powers.

The board of directors shall have an audit committee of consulting nature. The National Banking and Securities Commission shall set forth, in the provisions referred to in the second paragraph of article 22 of this Law, the minimum duties that the audit committee shall carry out, the rules regarding its composition, the periodicity of its meetings and the timeliness and sufficiency of the information that it shall take into consideration.

Paragraph added OJF 06-04-2001

The general director shall prepare and submit to the board of directors, for approval, the policies for the appropriate use and advantage of the human and material resources of the institution. Said policies shall consider their rational use, restrictions for using certain goods, supervision, and control mechanisms and, in general, the application of resources to the activities pertaining to the institution itself and to the fulfillment of its corporate purpose.

Paragraph added OJF 06-04-2001

The general director shall always provide accurate data and reports to help the board of directors in the appropriate decision-making process.

Paragraph added OJF 06-04-2001

Article 22. - The board of directors of commercial banks shall be composed by a minimum of five and a maximum of fifteen regular directors, of whom at least twenty-five percent shall be independent. An alternate director may be appointed for each regular director, provided that alternate directors of independent directors shall have such capacity as well.

The independent director shall be an individual who is foreign to the management of the relevant commercial bank, and who meets the requirements and conditions determined by the National Banking and Securities Commission, through general provisions. In these provisions the Commission will also establish the assumptions under which, for purposes of this article a director shall cease to be independent for purposes of this article.

In no event shall the following persons be independent directors:

- I. Employees or head officers of the institution;
- II. Any individual who falls within any of the assumptions set forth in article 73 of this Law, or who may have decision-making power;
- III. Any partners or individuals who are employed by, have a position with, or are entrusted with, a commission agency in important partnerships or associations providing services to the institution or to the companies belonging to the same corporate group to which it is a party.

It shall be considered that a partnership or association is important when the income it receives from the provision of services to the institution or to the same corporate group to which the institution belongs to, represent more than five percent of the total income of the partnership or association in question;

- IV. Customers, suppliers, service providers, debtors, creditors, partners, directors, or employees of a company that is an important customer, supplier, service provider, debtor or creditor of the institution.

It shall be considered that a customer, supplier, or service provider is important when the services provided by it to the institution or the sales carried out by the former to the latter represent more than ten percent of the services or total sales of the customer, supplier, or service provider, respectively. Furthermore, it shall be considered that a debtor or a creditor is important when the amount of the corresponding transaction is greater than fifteen percent of the assets of the institution or of its counterparty;

- V. Employees of a foundation, civil association or partnership receiving important donations from the institution.

Donations representing over fifteen percent of the total donations received by the foundation, civil association or partnership in question shall be considered as important donations;

- VI. General directors or high-level officers of a company having in its board of directors the general director or a high-level officer of the institution;
- VII. General Directors or employees of companies pertaining to the financial group to which the institution itself belongs to;
- VIII. Spouses, female or male concubines, as well as blood, marriage, or civil relatives up to the first degree, of any of the individuals mentioned in subsections III to VII above, or, up to the third degree of any of those set forth in subsections I, II, IX and X of this article;
- IX. Officers or employees of companies in which the shareholders of the institutions have a controlling interest;
- X. Those who have conflicts of interest or who are subject to personal, property or economic interests of any of the individuals who control the institution or the consortium or corporate group to which the institution belongs, or the decision-making power in any of these, and
- XI. Those that may have been included in any of the aforementioned assumptions, during the previous year before their appointment is intended to be made;

The board shall meet at least quarterly, and extraordinarily, when it is summoned by its chairman or by the directors representing, at least, twenty-five percent of all the members of the board or by any of the examiners of the institution. To hold ordinary and extraordinary meetings of the board of directors, the attendance of the directors representing, at least, fifty-one percent of the totality of the directors, shall be necessary, out of which at least one shall be an independent director.

The shareholders representing, at least, ten percent of the ordinary paid-in capital stock of the institution shall have the right to appoint a director. The appointment of minority directors may only be revoked, upon the revocation of all other directors.

The Chairman of the board shall have a tie-breaking vote in the event of ties.

Article reformed OJF 06-09-1992, 07-23-1993, 02-15-1995, 01-19-1999, 06-04-2001, 02-01-2008

Article 22 Bis. - For purposes of article 22 of this Law, it shall be understood as:

- I. Consortium, the group of entities linked with one another by one or more individuals who forming a group of individuals have control over the former;
- II. Control, the capacity of imposing, directly or indirectly, decisions in the general shareholders' meetings of the institution; holding title of rights allowing to, directly or indirectly, exercise the voting right in regards to more than fifty percent of the corporate capital stock of the institution, conduct, directly or indirectly, the management, strategy, or main policies of the institution, either through the holding of securities or through any other legal act;
- III. Relevant officer, the general director of the credit institutions, as well as any individual who, being employed by or having a position at or commission therein or at the entities controlling said institutions or which control the same, make decisions that may transcend in a substantial

manner in the administrative, financial, operational or legal condition of the institution itself or of the corporate group to which it belongs, without including within such definition the directors of said credit institutions;

IV. Group of persons, the individuals or entities who have entered into agreements of any kind, in order to make decisions in the same direction. It is presumed, except otherwise proven, that the following ones constitute a group of persons:

a) The persons who are related by blood, marriage, or civil kinship up to the fourth degree, the spouses, the male concubine, and the female concubine.

b) The companies that are part of the same consortium or corporate group and the person or group of persons who control such companies.

V. Corporate group, the group of corporate entities organized under direct or indirect capital interest holding schemes, in which one single corporation keeps control over such entities. Furthermore, it shall be considered as a corporate group the financial groups organized under the Financial Groups Law, and

VI. Decision-making power, the factual capability to influence in a determinant manner, the resolutions adopted in a shareholders' meetings or meetings of the board of directors or in the management, direction, and performance of the businesses of the respective commercial bank or the entities it controls. The persons that fall within any of the following assumptions shall be considered as having decision-making power on a commercial bank, unless otherwise evidenced:

a) The shareholders who control management.

b) Any individuals having links with the commercial bank or the entities that compose the corporate group or consortium to which it belongs, through life tenure or honorary positions or under any analogous or similar positions to the foregoing ones.

c) Individuals who have transferred control over a commercial bank under any title whatsoever and without charge or at a value below the market or book value, in favor of individuals with whom they are related by blood, marriage or civil kinship up to the fourth degree, the spouse, or the female or male concubine.

d) Any individuals who instruct directors or relevant officers of a commercial bank on the decision-making or the execution of transactions in such institution or in the entities controlled by it.

Article added OJF 02-01-2008

Article 23. - The appointments of directors of commercial banks shall fall on individuals who have technical qualifications, who are honorable and have a satisfactory credit history, as well as broad knowledge and expertise in financial, legal or administrative matters.

Paragraph reformed OJF 06-04-2001

Directors are obliged to expressly refrain from intervening in the deliberations and voting on any issues implying a conflict of interest to them. Furthermore, they shall keep absolute confidentiality

about all acts, facts, or events regarding the commercial bank where they are directors, as well as in respect to any deliberation by the board regardless of the obligation the institution shall have, to provide any information required under this Law.

Paragraph added OJF 06-04-2001

In no event shall the following persons be directors:

- I. The officers and employees of the institution, except for the general director and other officers of the corporation who hold positions two ranks immediately below the former, who shall not be more than one third of the board of directors.

Section reformed OJF 06-09-1992

- II. The spouse, female or male concubine of any of the persons referred in the preceding subsection. The persons related by blood or marriage up to the second degree, or civil kinship, to more than two directors.

Section reformed OJF 06-09-1992, 02-01-2008

- III. The individuals having a pending litigation with the relevant institution;
- IV. The individuals who have been condemned for offenses against property; those who have been banned to engage in trade; those who have been banned to perform any employment, position, or commission agency in the public service, or in the Mexican financial system;
- V. Those in bankruptcy or undergoing a reorganization proceeding who have not yet been rehabilitated;
- VI. Those who carry out inspection and surveillance duties of the credit institutions, and
- VII. Those who carry out regulation and supervision duties over credit institutions, except when the Federal Government or the Institute for the Protection of Bank Savings have any interests in the capital stock thereof, or if they receive any support from the latter, and

Section reformed OJF 02-15-1995, 02-01-2008

- VIII. Those who participate in the board of directors of another commercial bank or a holding company of a financial group to which the commercial bank belongs.

Section added OJF 06-04-2001, 02-01-2008

The majority of the directors must be Mexican or foreign individuals with residence in the Mexican territory.

Paragraph reformed OJF 02-15-1995, 01-19-1999

Any person who is to be appointed director of a commercial bank and is already a director of another financial entity shall disclose such circumstance to the shareholders' meeting of said institution for its appointment.

Paragraph added OJF 02-01-2008

Article 24. - The appointments of the general director of commercial banks and the officers who hold positions two ranks immediately below; shall fall on individuals who are eligible due to their credit history and honorability, and who meet, in addition, the following requirements:

Paragraph reformed OJF 06-04-2001

- I. To be a resident in Mexican territory, in terms of the provisions of the Federal Tax Code;
Section reformed OJF 06-04-2001
- II. To have served for at least five years in high decision-making positions which performance requires knowledge and expertise in financial and administrative fields;
- III. Not to fall into any of the disqualifications for directors set forth in subsections III through VIII of the preceding article, and
Section reformed OJF 06-04-2001
- IV. Not to be in performance of regulating duties over credit institutions.

Examiners of the institutions shall have technical qualification, honorability and satisfactory credit history as provided in subsection II of article 10 of this Law, as well as broad knowledge and expertise in financial, accounting, legal or administrative matters and must additionally meet the requirement set forth in subsection I of this article.

Paragraph reformed OJF 06-04-2001, 02-01-2008

(Last paragraph repealed)

Paragraph repealed OJF 06-04-2001

Article 24 Bis.- Each commercial bank shall verify that the individuals who are appointed as directors, general director, and officers two ranks immediately below the latter, meet, before starting in the exercise of their duties, the requirements set forth in articles 23 and 24 of this Law. The National Banking and Securities Commission may establish, through general provisions, the criteria to be applied concerning the information to be included in the files to evidence compliance with the requirements of this article.

In all cases, the individuals mentioned in the preceding paragraph shall state in writing:

- I. That they do not fall in any of the assumptions set forth in subsections III to VIII of article 23, concerning directors and III of article 24 concerning the general director and officers referred in the first paragraph of this article;
- II. That they are up to date in the payment of their credit obligations of any kind, and
- III. That they know the rights and obligations that they undertake by accepting the relevant office.

Commercial banks must report to the National Banking and Securities Commission the appointments of directors, general director, and of any officers two ranks immediately below the latter, within five business days after their appointment, indicating that they comply with the corresponding requirements.

Article added OJF 06-04-2001

Article 24 Bis 1. - Commercial banks must implement a remuneration system pursuant to this Law and to the provisions issued by by the National Banking and Securities Commission. The managing board shall be responsible for the approval of the remuneration system, the policies, and the

procedures that regulate it; of defining its scope and determining the personnel subject to said system, as well as surveying its adequate functioning.

Said remuneration system must consider all the remunerations, whether granted in cash or through other mechanisms of compensation, and they must at least comply with the following:

- I. Establish the responsibilities of the corporate organizations in charge of the implementation of the remuneration schemes;
- II. Establish policies and procedures that regulate the ordinary and extraordinary remunerations of the persons subject to the remuneration system.
In any case, the policies and procedures that limit or suspend the extraordinary remunerations must be provided in the labor conditions of the commercial banks;
- III. Establish the periodic revision of the payment policies and procedures, as well as the pertaining adjustments, and
- IV. The other aspects that the National Banking and Securities Commission indicates through its provisions.

The National Banking and Securities Commission, hearing the opinion of Banco de México, may require capitalization requirements additional to those indicated in article 50 of this Law when the commercial banks default their remuneration system.

Article added OJF 01-10-2014

Article 24 Bis 2. - The board of directors must constitute a remunerations committee whose purpose shall be the implementation, maintenance, and evaluation of the remuneration system that article 24 Bis 1 of the present Law refers to, for which it shall have the following duties:

- I. Propose, for the board of directors' approval, the remuneration policies, and procedures, as well as their possible amendments;
- II. Inform the board of directors about the functioning of the remuneration system, and
- III. Others determined in the provisions issued by the National Banking and Securities Commission.

The National Banking and Securities Commission shall indicate the form in which the remunerations committee must be integrated, meet, and function, through the provisions of general nature. In these provisions, said Commission may establish the cases and conditions under which the risks committee of the credit institutions may carry out the duties of the remunerations committee.

Likewise, the National Banking and Securities Commission, in accordance with the criteria that it determines in the provisions of general nature that this article refers to, may exclude the commercial banks from having a remunerations committee.

Article added OJF 01-10-2014

Article 25. - The National Banking and Securities Commission, in accordance with the Board of Governors, may at all times determine the removal of members of the board of directors, as well as of the general directors, examiners, directors and managers, trust officers, and officials that may bind the institution with their signature. Likewise, the Commission may determine, with the approval of its Board of Governors to suspend said persons for a period of three months and up to five years when it considers they do not have the technical quality, honorability or satisfactory credit history for the performance of their duties, do not fulfill the needed requirements, or incur in serious or reiterated transgressions to the present law or to the provisions that derive from it.

Paragraph reformed OJF 01-10-2014

In the two last assumptions, the National Banking and Securities Commission itself may also, ban the aforementioned persons from the performance of an employment, position or commission agency within the Mexican financial system, for the same three-month and up to five-year term, notwithstanding the sanctions that may be applicable under this or other laws. Before issuing the relevant resolution, the aforementioned Commission must hear the interested party and to the corresponding commercial bank.

The Commission itself may, in accordance with its Board of Governors, order the removal of the independent external auditors of the commercial banks, as well as suspend or disqualify said persons for the period indicated in the paragraph above, when they incur in serious or reiterated transgressions to this Law or provisions of general nature that arise from it, or, provide reports or opinions that contain false information, independently of the sanctions that they might deserve.

Paragraph reformed OJF 01-10-2014

For purposes of this article, it shall be understood as:

- a) Suspension, the temporary interruption in the performance of duties under the responsibility of the transgressor in the financial entity upon the commission or detection of such violation; but they may perform other duties different to those that caused said sanction, provided they are not directly or indirectly related with the position or activity that gave rise to the suspension.
- b) Removal, the separation of the transgressor from his/her employment, position or commission agency in the financial institution at the time the violation was committed or detected;
- c) Ban, the temporary impediment in the exercise of an employment, position or commission agency in the Mexican financial system.

Article reformed OJF 06-04-2001, 02-01-2008, 02-06-2008

Article 26.- The surveillance body of commercial banks, shall be composed by at least one examiner appointed by series "O" shareholders and, if applicable, an examiner appointed by the series "L" shareholders, as well as their respective alternates. The appointment of examiners shall be made at

a special meeting for each series of shares. The provisions applicable to ordinary shareholders' meetings provided in the Business Associations Law shall apply, in the relevant parts, to the meetings held for the aforementioned purpose.

Article reformed OJF 06-09-1992, 02-15-1995, 01-19-1999

Article 27. - For the merger of two or more commercial banks, or of any corporation or financial institution with a commercial bank, the prior authorization of the National Banking and Securities Commission shall be required, with the approval of its Board of Governors, upon previous opinion by the Federal Antitrust Commission and the favorable opinion of Banco de México, within the scope of their respective powers. The merger shall be carried out in accordance with the following basis:

- I. The relevant corporations shall submit to the National Banking and Securities Commission the drafts of resolutions of the shareholders' meetings regarding the merger, the merger agreement, and the amendments that would be made to the bylaws of the relevant corporations and the liability agreement set forth in the Financial Groups Law; the merger plan of such corporations indicating the stages in which it shall be completed; accounting statements representing the conditions of the corporations, which shall serve as basis for the shareholders' meeting authorizing the merger; the projected financial statements of the company resulting from the merger and the information referred in subsections I, II, III and IV of article 10 of this Law, as well as any other corresponding documents and information that the National Banking and Securities Commission may request to such end;
- II. The authorization referred in this article, as well as the public instrument containing the merger resolutions and agreement, shall be registered in the Public Registry of Commerce.
The surviving commercial bank shall be obliged to continue with the merger proceedings and shall undertake the obligations of the merged corporation as of the date the merger has been agreed upon, provided that such act has been authorized in terms of this article.
The merger shall become effective before third parties when the authorization and the public instrument containing the merger resolutions shall have been registered in the Public Registry of Commerce;
- III. Upon the registration referred in subsection II of this article, the merger agreements adopted by the corresponding shareholders' meetings shall be published in the Official Journal of the Federation and in two newspapers of broad circulation in the place of the corporations' registered addresses;
- IV. The authorization granted by the National Banking and Securities Commission for the merger of a commercial bank as merged corporation, shall annul the authorization granted to it to be organized and to operate as such, and no explicit statement shall be required from the authority that granted such authorization, and
- V. Within ninety days following the publication referred in subsection IV of this article, the creditors of any of the corporations, even those of other financial institutions or of the financial groups to which the corporations subject matter of the merger pertain, may oppose

to the merger, through court action, with the sole purpose of obtaining the payment of their credits, and such opposition shall not suspend the merger.

The merger of a commercial bank that belongs to a financial group, either as surviving or merged corporation, shall be subject to the provisions of this article and not to the provisions established in article 10 of the Financial Groups Law.

Article reformed OJF 04-30-1996, 06-04-2001, 02-01-2008

Article 27 Bis. - For the split-off of a commercial bank, the prior authorization of the National Banking and Securities Commission shall be necessary, with the approval of its Board of Governors and after hearing the opinion of Banco de México.

The original corporation in the split-off shall submit to the National Banking and Securities Commission the draft of the minutes containing the resolutions of its general extraordinary shareholders' meeting regarding its split-off, the draft of amendments to the bylaws of the original corporation in the split-off, the draft of the bylaws of the emerging corporation, the accounting statements representing the condition of the original corporation in the split-off and which shall serve as basis for the shareholders' meeting that authorizes the split-off, the projected financial statements of the corporations emerging from the split-off and any other related documents requested by the National Banking and Securities Commission in order to assess the relevant request and to comply with its supervision and regulating duties within the scope of its powers and duties.

The authorization referred in this article and the resolutions of the shareholders' meetings regarding the split-off and the articles of incorporation of the emerging corporation shall be registered in the Public Registry of Commerce. The split-off shall become effective as of the date of such registration.

Once the aforementioned registration has been made, the resolutions on the split-off adopted by the shareholders' meeting of the splitting-off corporation shall be published in the Official Journal of the Federation and in two newspapers of broad circulation in the place where the splitting-off corporation has its corporate address.

Within ninety calendar days following the date of publication referred in the preceding subsection, the creditors of the splitting-off corporation may file their opposition thereto before a court, with the purpose of obtaining the payment of their credits, which opposition shall not suspend the split-off.

The split-off corporation shall not be understood as authorized to be organized and to operate as a commercial bank and the splitting-off corporation that survives shall preserve the authorization that has been granted to it to such effect.

By virtue of the split-off, only active and passive transactions and any trusts, mandates or agencies of the splitting-off commercial bank, may be transferred to the split-off corporation in cases where the National Banking and Securities Commission authorizes it. Said authorization will be granted when the Commission considers that the interest of the counterparties of the institution, in the relevant transactions, are not adversely affected and there is no opposition by creditors. Trusts, mandates, or agencies, may only be transferred when the final successor-in-interest is a financial entity authorized to carry out this type of activities.

In the event that the split-off results in the extinction of the splitting-off commercial bank, the authorization granted to organize and operate as such shall be ineffective, without requiring the issuance of an explicit statement for such purpose.

Article added OJF 06-04-2011, reformed OJF 02-01-2008

SECTION SECOND

On the Commercial Banks Organized and Operated by the Institute for the Protection of Bank Savings

Section added OJF 07-06-2006

Article 27 Bis 1. - The Institute for the Protection of Bank Savings may organize and operate commercial banks, exclusively with the purpose of executing transactions of transfer of assets and liabilities of the credit institutions in liquidation in terms of what is set forth in article 197 of this Law.

The banks organized and operated in terms of this article may provide banking and credit services that article 2 of this Law refers to starting from its incorporation, without the need of the expressed authorization of the National Banking and Securities Commission. For such effects, the cited Commission shall issue the corresponding evidence, at the request of the Institute for the Protection of Bank Savings. The Institute must publish said evidence in the Official Journal of the Federation and two broadly distributed national newspapers.

In the corporate bylaws of the commercial banks that are organized and operated by the Institute for the Protection of Bank Savings pursuant to the present Section, the capital stock to be subscribed by the latter must be expressed. The articles of incorporation of the commercial banks organized in accordance with this article must be registered in the Public Registry of Commerce.

Commercial banks organized and operated by the Institute for the Protection of Bank Savings shall be subject to this Law, to the provisions applicable to the commercial banks, except for what refers to the minimum capital, to the capitalization index, and to the supplements of capital that article 50 of this Law refers to, as well as what is set forth by article 20 of the Bank Savings Protection Law. The Ministry of Finance and Public Credit, the National Banking and Securities Commission, and Banco

de México, within the scope of their respective powers and duties, may exclude them from the fulfillment of the provisions or rules of general nature applicable to the commercial banks.

Commercial banks organized and operated by the Institute for the Protection of Bank Savings in terms of the present Section shall not be considered public entities, therefore, in terms of article 60 of the Bank Savings Protection Law, the investments that said Institute makes pursuant to this Section shall not be subject to the legal provisions, regulations, and administrative norms that are applicable to the entities of the Government-Controlled Federal Public Administration.

Section added OJF 07-06-2006, Reformed OJF 02-01-2008, 01-10-2014

Article 27 Bis 2. - Commercial banks that are organized and operated by the Institute for the Protection of Bank Savings in terms of the previous article shall have a duration of up to six months, which may be extended only once and up to the same term, by resolution of a shareholders' meeting.

Article added OJF 07-06-2006

Article 27 Bis 3. - During the operation of the commercial bank organized and operated by the Institute for the Protection of Bank Savings as provided in this Section, the following acts may be carried out:

- I. Transfer the shares of the capital stock of the bank in question to another authorized commercial bank or to a holding company of a financial group that a commercial bank belongs to, in which case both companies must merge with previous authorization from the National Banking and Securities Commission in the terms of article 27 of this Law, or
- II. Transfer the assets and liabilities to another or other commercial banks authorized to organize and operate with such nature or, transfer the assets to any individual or legal entity that has the legal possibility to acquire them, pursuant to what is indicated in article 194 of this Law.

Section reformed OJF 02-01-2008, 01-10-2014

Subsection reformed OJF 01-10-2014

The Institute for the Protection of Bank Savings shall guarantee the total amount of all the liabilities of the commercial bank organized and operated by said Institute. Additionally, the Institution may provide the bank financial support through the granting of credits. The Institute for the Protection of Bank Savings and the bank in question may agree on the conditions of the credits granted in terms of this article, therefore the provisions of Section C of the Section First of Chapter II of Title Seventh of this Law shall not be applicable to these credits.

Paragraph reformed OJF 01-10-2014

Article added OJF 07-06-2006

Article 27 Bis 4. - During the term set forth in article 27 Bis 2 of this Law, the Institute for the Protection of Bank Savings shall maintain the totality minus one, of the shares of the institution that is organized and operated in terms of this Section. The remaining share representing the capital stock of the bank will be subscribed by the Federal Government.

The shares representing the capital stock of the bank organized and operated by the Institute for the Protection of Bank Savings owned by such Institute shall be considered as Property for purposes of the Bank Savings Protection Law.

Article added OJF 07-06-2006

Article 27 Bis 5. - The bank organized pursuant to the present Section may contract, always for valuable consideration, with the bank that is in a state of dissolution and liquidation in respect to which, in terms of article 186, section II of this Law, it was determined to transfer its assets and liabilities, the provision of the goods and services necessary for its operation.

The clauses that imply the early termination of the agreements whose purpose is the provision of the goods and services that the paragraph above refers to that the bank that is in a state of dissolution or liquidation executed with the companies that belong to the same business group of which the latter is a part of, for the fact of starting a resolution procedure, shall not be considered.

For these effects, the referred to bank in bankruptcy proceeding shall be excluded from what is set forth by article 233 of the Business Associations law.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

Article 27 Bis 6. - Without prejudice to what is set forth in article 232, first paragraph of the Business Associations Law, the shareholders' meeting must acknowledge the dissolution and bankruptcy proceeding of the bank organized and operated by the Institute for the Protection of Bank Savings once the corresponding term of duration of the company, set forth in article 27 Bis 2 of this Law has elapsed, for effects of its bankruptcy proceeding. Said bank shall be subject to what is set forth by this ordinance, without what is established in article 186 of this Law being applicable to it.

Article added OJF 07-06-2006, Reformed OJF 01-10-2014

SECTION THIRD

On Revocation

Section added OJF 07-06-2006

Article 28. - The National Banking and Securities Commission, with the approval of its Board of Governors, after hearing the affected commercial bank, as well as the opinion of Banco de México and of the Institute for the Protection of Bank Savings, may declare the revocation of the authorization it granted to such institution to be organized and operate under such capacity, in the following cases:

Paragraph reformed OJF 02-01-2008

I. If it does not start operations within the term of thirty days from the date in which it is notified of the authorization referred to in article 46 Bis of this Law;

Section reformed OJF 01-02-2008

II. If the general shareholders' meeting of the commercial bank in question, through decision adopted in extraordinary session, determines to request it;

Section reformed OJF 02-01-2008, 01-10-2014

III. If the commercial bank in question dissolves and enters into liquidation, in terms of the applicable legal provisions;

Section reformed OJF 01-10-2014

IV. If the commercial bank in question does not fulfill any of the minimum corrective measures that article 122 of this Law refers to; does not fulfill more than one additional special corrective measure that said article refers to; or defaults an additional special corrective measure in a recurrent manner;

Section reformed OJF 01-10-2014

V. If the commercial bank in question does not fulfill the minimum capitalization index required pursuant to what is set forth by article 50 of this Law and the provisions that said provision refers to;

Section reformed, 01-10-2014

VI. If the commercial bank in question falls within any of the assumptions of non-compliance mentioned below:

a) In the event that, for an amount in Mexican currency higher to the equivalent of twenty million investment units:

- i) It fails to pay credits or loans granted to it by another credit institution, a foreign financial entity or Banco de México, or
- ii) It fails to settle the principal or interest of any securities that it may have issued and that are deposited with a securities depository institution.

b) In the event that, within a term of two business days or more, and for an amount in Mexican pesos above the equivalent of two million investment units:

- i) It fails to settle the balances with one or more participants, that result to be payable by it from any compensation process carried out through a clearing house or central counterparty, or if it does not pay three or more checks which as a whole add up to the amount set forth in the first paragraph of this subparagraph, which have been excluded from a clearing house for causes attributable to the drawee institution in terms of applicable provisions. For such purposes, the central entity or the centralized processing mechanism shall be considered as the clearing house, through which payment instructions and other financial obligations are exchanged, which are not regulated by the Payment Systems Law, or
- ii) It does not pay at the counter of one or more of its branches, the withdrawals from bank deposits in cash carried out by one hundred or more of its customers

and that in the aggregate add up to the amount set forth in the first paragraph of this subparagraph. In such event, any depositor may report it to the National Banking and Securities Commission, so that the latter, if it considers it appropriate, shall carry out inspection visits at the branches of the bank, to verify if it actually falls in such situation.

The provisions of this subsection shall not be applicable when the bank in question proves before the National Banking and Securities Commission that it has the necessary liquid resources to fulfill the relevant payment obligations, or otherwise, when the respective payment obligation is subject to litigation, to an arbitration proceeding or to a conciliation proceeding before an authority of competent jurisdiction.

Paragraph reformed OJF 02-01-2008

Clearing houses, central counterparties, securities depository firms, Banco de México, as well as any creditor of the institution, may report to the National Banking and Securities Commission if the bank should fall within any of the assumptions referred to in this subsection.

Paragraph reformed OJF 02-01-2008

VII. If the bank repeats the prohibited transactions set forth in article 106 of this Law and that are penalized pursuant to article 108 Bis of the same, or if it finds itself in the event set forth in subparagraph b) of subsection IV of article 108 of this Law due to recidivism.

It shall be considered that the bank repeats the transgressions indicated in the paragraph above when it incurs in one transgression that was penalized and it commits another one of the same kind or nature, within the two years immediately following the date in which the corresponding resolution was final, and

Section added OJF 02-06-2008, Reformed OJF 01-10-2014

VIII. If the assets of the commercial bank in question are not sufficient to cover its liabilities pursuant to what is established in article 226 of this Law.

Section added OJF 01-10-2014

The declaration of revocation shall be published in the Official Journal of the Federation and in two broadly distributed newspapers on national territory, it shall be registered in the Public Registry of Commerce and shall put the bank in liquidation, without the need of an agreement by the shareholders' meeting, pursuant to what is set forth in the Section Second of Chapter II of Title Seventh of this Law. The motion for review set forth in article 110 of this Law shall not proceed against the declaration of revocation.

Paragraph reformed OJF 02-01-2008, 01-10-2014

The notice of the revocation of the authorization to organize and operate as a commercial bank shall become effective on the calendar day following when it was carried out pursuant to what is set forth in Chapter III of Title Fifth of this Law.

Paragraph added OJF, 01-10-2014

The commercial banks whose authorization was revoked, shall be subject to the provisions related to the liquidation. The National Banking and Securities Commission must report the declaration of revocation to the Institute of the Protection of Bank Savings.

Paragraph added OJF, 01-10-2014

Article reformed OJF 07-23-1993, 01-19-1999, 06-04-2001, 06-16-2004, 07-06-2006

Article 29. - Repealed.

Article reformed OJF 01-19-1999, 06-04-2001. Repealed OJF 07-06-2006

Article 29 Bis. - When the National Banking and Securities Commission has knowledge that one of the commercial banks has incurred in any of the events set forth in article 28 of this Law, except for what is established in subsections II and III of said article, it shall notify the bank of said situation so that it may manifest whatever may be in its best interest in writing, within the following terms:

- I. Fifteen days in respect to banks that have incurred in the causes for revocation set forth in article 28, subsections I and VII of the present Law;
- II. Seven days in the cases of banks that incurred in the causes for revocation set forth in article 28, subsections IV and V of this Law. The banks that fall in the assumption of subsection V mentioned above may, within the same term, draft the request that article 29 Bis 2 of this Law refers to, and
- III. Three days in respect to commercial banks that:
 - a. Incurred in the cause for revocation set forth in article 28, subsection V of this Law, whose capitalization index has decreased from being equal or above what is required pursuant to article 50 of this Law, to a level equal or under the minimum requirement of fundamental capital established pursuant to said article, in the period between a calculation and the immediately following one carried out pursuant to the applicable provisions;
 - b. Incurred in the cause for revocation that article 28, subsection VI of this Law refers to, or
 - c. Incurred in the cause for revocation that article 28, subsection VII of this Law refers to.

In the event that a commercial bank subject to the conditioned operation regime that article 29 Bis 2 of this Law refers to, finds itself in any cause for revocation additional to that set forth in article 28, subsection V of the present Law, it shall have one business day complementary to the term granted to it pursuant to this article to use its right to a hearing and to contribute the additional elements that it considers relevant.

Commercial banks that incur in a cause for revocation set forth in article 28, subsection V of this Law, may reintegrate the capital in the amount necessary to keep their operations within the respective limits in terms of the law, within the term indicated in subsection II of the present article. To the effect,

the increase of capital must be integrally subscribed and paid-in on the same date that the shareholders' meeting is held pursuant to what is set forth in article 29 Bis 1 of this Law.

In case that commercial banks that incur in the causes of revocation established in subsection III, subparagraphs a) and c) of this article, hand in within the term considered in said subparagraphs, a formal communication in which a financial entity proves that it has put at the disposal of the bank in question, unconditionally and irrevocably, the necessary resources to increase the level of the capitalization index of said bank up to the legal level that corresponds, as well as the publication of the call of the shareholders' general extraordinary meeting of the bank to reintegrate its capital, an extension of five days shall be granted for the commercial bank to carry out the necessary acts to the ends of reintegrating the capital. The National Banking and Securities Commission, in the provisions of general nature that article 50 of this Law refers to, may establish the requirements that said communication must fulfill, as well as the other means pursuant to which the banks may request said extension.

For effects of carrying out the corporate acts necessary to reintegrate the capital that the paragraph above refers to, the terms set forth in article 29 Bis 1 of this Law shall be applicable.

In case the commercial bank that incurs in a cause for revocation does not present the elements that the National Banking and Securities Commission considers that attest that the acts or omissions indicated in the corresponding notice have been corrected, or does not reintegrate the capital in the amount necessary to keep its operation within the limits required, in terms of the present article, said Commission shall proceed to revoke the respective authorization, for the protection of the interests of the saving public, of the stability of the financial system, and of the sound functioning of the payment systems.

In the events set forth in the present article, the National Banking and Securities Commission may issue, in precautionary form, the provisional remedies and special additional corrective measure that it determines pursuant to what is established in subparagraph e) of subsection III of article 122 of this Law.

When a commercial bank is notified in terms of the present article, that it has incurred in some cause for revocation, and said bank is an issuer in terms of what is set forth in the Securities Market Law, the bank may postpone the revelation of said relevant event, in terms of article 105 of the referred Law, until the National Banking and Securities Commission issues the resolution that ends the procedure initiated with the notice.

Article added OJF 07-06-2006. Reformed OJF 02-01-2008,01-10-2014

Article 29 Bis 1. - For effects of the corporate acts referred to in articles 29 Bis, 29 Bis 2, 129, 152 and 158 of this Law, except for what is established in the Business Associations Law and in the

bylaws of the commercial bank in question, in the corresponding general shareholders' meeting, the following shall be observed:

Paragraph Reformed OJF 01-10-2014

I. A unique call for the shareholders' meeting shall be done and published in a term of two days that shall be counted, in respect to the events in articles 29 Bis, 29 Bis 2, and 129, from the day on which the notice that the first paragraph of article 29 Bis refers to becomes effective or for the cases set forth in articles 152 and 158 starting from the date on which the receiver assumes the administration of the credit institution in question, in terms of article 135 of the present statute;

Section Reformed OJF 01-10-2014

II. The call referred to in the subsection above must be published in two broadly distributed newspapers in the city that corresponds to the domicile of the commercial bank, in which, at the same time, it shall be specified that the meeting shall be held within the five days following the publication of said call;

Section Reformed OJF 01-10-2014

III. During the term mentioned in the previous subsection, the information related to the issues to be dealt with in the meeting shall be made available to the shareholders, as well as the forms referred in article 16 of this Law, and

IV. The meeting shall be considered legally convened when at least three fourths of the capital stock of the institution in question is represented thereat, and its resolutions shall be valid with the affirmative vote of shareholders representing in the aggregate, fifty-one percent of said capital.

For the protection of the interests of the saving public, the objection filed against the notice summoning to the shareholders' meetings referred to in this article, as well as against the resolutions adopted therein, shall only generate, if applicable, the payment of damages and lost profits, but such objection shall not result in annulment of the actions.

Article added OJF 07-06-2006

SECTION FOURTH

On the Conditioned Operation Regime

Section added OJF 07-06-2006

Article 29 Bis 2. - The National Banking and Securities Commission, after hearing the opinion of Banco de México and of the Institute for the Protection of Bank Savings, may refrain from revoking the authorization to operate, to any institution that incurs in the revocation cause established in subsection V of article 28 of this Law, so that such institution may continue operating as provided in this Section.

Paragraph reformed OJF 02-01-2008

The provisions of the foregoing paragraph shall be applicable, provided that the bank in question, upon prior approval by the shareholders' meeting held according to the provisions of article 29 Bis 1

of this Law, should request it in writing to the National Banking and Securities Commission, and it evidences before this Commission, within the term set forth in article 29 Bis of this statute, the execution of the following actions approved at such meeting:

Paragraph reformed OJF 02-01-2008

- I. The allocation of shares representing at least seventy-five percent of the capital stock of such bank to an irrevocable trust created under the provisions of article 29 Bis 4 of this Law, and
- II. The presentation before the National Banking and Securities Commission of the restoration of capital plan that subparagraph b) of subsection I from article 122 of this Law refers to.

Section reformed OJF 01-10-2014

For purposes of the provisions of subsection I of this article, in the shareholders' meeting referred to in the second paragraph of this Law, the general director of the bank or the attorney-in-fact appointed as such in said meeting, shall be instructed to carry out, in the name and on behalf of the shareholders, the necessary acts to transfer the shares to the trust set forth in such subsection.

In the same meeting provided in the second paragraph of this article, the necessary instructions shall be given to create the trust provided in article 29 Bis 4 of this Law. Likewise, in said meeting it shall be explicitly stated that the shareholders know and agree with the content and scope of such legal provision and with the obligations that they shall undertake by entering into the trust agreement.

The content of article 29 Bis 4 mentioned above, as well as the obligations arising thereunder, shall be set forth in the bylaws of the commercial banks, as well as in the share certificates representing its capital stock.

Article added OJF 07-06-2006

Article 29 Bis 3. - Those commercial banks that do not comply with the minimum fundamental capital required pursuant to the provisions established in article 50 of this Law, may not resort to the conditioned operation regime that the present Section refers to.

Article added OJF 07-06-2006, reformed OJF 01-10-2014

Article 29 Bis 4. - The trust that the shareholders' meeting of a commercial bank agrees to create, in terms of subsection I of article 29 Bis 2 of this Law, shall be set up in a bank different from the affected one. The latter cannot be part of the same financial group to which, the former belongs to.

To that end, the respective agreement shall provide the following:

- I. That, for the protection of the interests of the saving public, the purpose of the trust shall be to keep in reserve the shares representing, at least, seventy-five percent of the capital stock of the commercial bank, so that such bank continues operating under the conditioned operation regime established in this Section. Should the bank fall within any of the

- assumptions set forth in subsection V hereof, the Institute for the Protection of Bank Savings shall exercise the property and corporate rights of the shares kept in reserve in the trust;
- II. The transfer of the shares mentioned in the foregoing subsection to the trust, through the general director or attorney-in-fact designated to such effect, in compliance with the resolution of the shareholders' meeting referred in article 29 Bis 2 of this Law;
 - III. Report the instruction adopted in the shareholders' meeting set forth in article 29 Bis 2, to the general director of the bank or to the attorney-in-fact appointed in said meeting, so that, in the name and on behalf of the shareholders, said director or attorney-in-fact requests the securities depository institution where the shares representing the capital stock of the bank in question are deposited, to transfer the shares held in the trust, to an account opened in the name of the trustee of the trust referred to in this article.

For the protection of public interest and the interest of the persons who carry out with the credit institution in question, any of the transactions generating any of the obligations secured as provided by the Bank Savings Protection Law, should the general director or the attorney-in-fact does not request the transfer mentioned in the previous paragraph, the securities depository institution must make such transfer. To that regard, a written request from the trustee shall be sufficient, in order to comply with the instruction given by the shareholders' meeting;

- IV. The appointment of the shareholders as first beneficiaries. These beneficiaries may exercise the corporate and property rights resulting from the shares kept in reserve in the trust, as long as the assumptions set forth in the following subsection do not turn into fact;
- V. The appointment of the Institute for the Protection of Bank Savings as second beneficiary. The Institution may exercise of the corporate and property rights from the shares kept in reserve in the trust, in case the following assumptions turn into fact:
 - a) The Board of Governors of the National Banking and Securities Commission does not approve the capital restoration plan that the commercial bank presents in terms of subparagraph b) of subsection I from article 122 of this Law, or determines that said bank has not complied with it;

Subsection reformed OJF 01-10-2014

- b) Although the respective commercial bank resorted to the conditioned operation regime indicated in the present Section, the National Banking and Securities Commission informs the trustee that said bank presents a fundamental capital equal to under the minimum required pursuant to the provisions that article 50 of this Law refers to, or

Subsection reformed OJF 01-10-2014

- c) The respective commercial bank incurs in any of the events set forth in subsections IV, VI, and VIII of article 28 of this Law. In this case, the National Banking and Securities Commission shall proceed pursuant to what is set forth by article 29 Bis of this Law, so that said bank uses its right to a hearing and presents the elements that prove that the acts and omissions indicated in the respective notice have been corrected;

Subsection reformed OJF 02-01-2008, 01-10-2014

VI. The agreement of the shareholders' meeting of the commercial bank in terms of what is set forth by article 29 Bis 2, that includes the instruction to the trustee to sell the shares kept in reserve in the trust in the case and under the conditions that article 154 of this law refers to;

Subsection reformed OJF 01-10-2014

VII. The causes to terminate the trust, which are stated hereunder:

a) In the event the commercial bank reestablishes and maintains during three consecutive months its capitalization index according to the minimum required by the provisions set forth in article 50 of this Law, as a result of compliance with the capital restoration plan submitted by it to such end.

In the case set forth in this subparagraph, the National Banking and Securities Commission shall report said compliance to the trustee so that the latter reports it to the securities depository institution. Said institution shall carry out the transfer of the shares to the respective accounts of the shareholders;

b) When, after having applied the resolution plan determined by the Board of Governors of the Institute for the Protection of Bank Savings to the respective commercial bank, as provided in this Law, the shares kept in reserve in the trust are cancelled or the proceeds from the sale of the shares or the balance of the equity, if any, are delivered to the shareholders, and

c) The respective commercial bank reestablishes its capitalization index pursuant to the minimum required by the provisions of article 50 of this law as a consequence of the fulfillment of its capital restoration plan and, before the term that subparagraph a) of this subsection elapses, it requests the revocation of the authorization to organize and operate as a commercial bank in terms of subsection II of article 28 of this Law, provided it is not in any of the assumptions referred to in subsections IV or VI of article 28.

Subsection reformed OJF 01-10-2014

VIII. The instruction to the trustee to deliver if applicable, to the shareholders, the balance of the equity, as provided in subparagraph b) of the preceding subsection.

The institution acting as trustee in trusts regulated in this article shall be subject to the general rules issued, for such purposes, by the National Banking and Securities Commission.

For the benefit of public interest, both in the bylaws and in the share certificates representing the capital stock of the commercial banks, shall be expressly set forth the powers and authority of the shareholders' meeting held in terms of article 29 Bis 1 of this Law. Said powers and authority shall enable the shareholders' meeting to agree on the creation of the trust set forth in this article; to encumber in the name and on behalf of the shareholders, the shares representing the capital stock; to agree on the instructions to the trustee for the sale of the shares in terms of the provisions of

subsection VI below since the date when the meeting is held, and to carry out all the other acts set forth in this article.

Article added OJF 07-06-2006

Article 29 Bis 5. - When, in the exercise of its inspection and surveillance duties, the National Banking and Securities Commission notices the occurrence of any of the events established in subsection V of article 29 Bis 4 of this Law, it shall report such event to the Ministry of Finance and Public Credit, to Banco de México, to the Institute for the Protection of Bank Savings and to the trustee in charge of the trust created as provided in such article.

The National Banking and Securities Commission must proceed to declare the revocation of the authorization to organize and operate as commercial bank when it has knowledge that the bank in question has incurred in any of the events that subparagraphs a), b) and c) of subsection V of the previous article refers to, unless said Commission, the Ministry of Finance and Public Credit, Banco de México, or the Institute for the Protection of Bank Savings requests to summon to a meeting of the Banking Stability Commission referred to in Section Fifth of the present Chapter , in which case what is set forth in article 29 Bis 12 of the present Law shall be followed.

Paragraph reformed OJF 02-01-2008, 01-10-2014

When the Institute for the Protection of Bank Savings has knowledge of the occurrence of any of the assumptions indicated in subsection V, as mentioned in the foregoing paragraph, it shall act according to this Law and to the Bank Savings Protection Law.

Likewise, in case of incurrence in the assumption established in subparagraph c) of subsection VII of article 29 Bis 4 of this Law, the National Banking and Securities Commission shall declare the revocation of the authorization set forth in such provision.

Paragraph reformed OJF 02-01 2008

Article added OJF 07-06-2006

SECTION FIFTH

On the Banking Stability Committee

Section added OJF 07-06-2006 Denomination reformed OJF 01-10-2014

Article 29 Bis 6. - In the terms of this Section, the Banking Stability Committee shall meet before there is a resolution regarding the revocation of the authorization granted to a commercial bank to be organized and operate under such capacity, for the causes established in subsections IV, V, VI or VIII of article 28 of this law. The Banking Stability Committee must determine if in the event that the bank in question defaulted its obligations, said default may:

- I. Directly or indirectly generate serious negative effects to another or other commercial banks or other financial entities, in a manner that it puts its stability or solvency in danger, provided it may affect the stability or solvency of the financial system, or
- II. Endanger the functioning of the payments systems necessary for the development of the economic activity.

Should the Banking Stability Committee determines that the revocation of the authorization of the commercial bank in question may carry out any of the events set forth in the section above, the same Committee shall determine a general percentage of the balance of all the liabilities against said bank that are not considered guaranteed obligations in terms of the Bank Savings Protection Law, as well as those others considered guaranteed obligations that surpass the limit indicated in article 11 of that same Law, whose payment may avoid that the events mentioned take place. For effects of what is set forth in this precept, there shall not be considered those transactions established in subsections II, IV and V of article 10 of the Bank Savings Protection Law attributable to the bank in question, nor the liabilities arising from the issuance of subordinated debentures by said bank. Those transactions carried out pursuant to what is set forth in this paragraph and in article 148, subsection II of this Law must be subject to what is set forth in articles 45 and 46 of the Bank Savings Protection Law. Notwithstanding the foregoing, the Committee may meet again to increase the abovementioned percentage, when circumstances arising after its determination, make necessary to increase it.

When the Banking Stability Committee determines that the respective commercial bank does not carry out any of the events established in subsections I and II of this article, and afterwards, any of the authorities that article 29 Bis 7 of this Law refers to, had knowledge that circumstances exist for which said events may take place, it may have a new meeting in terms of what is set forth in the mentioned article.

Likewise, the referred to Committee may meet at any time in case that any of its members have knowledge that the financial deterioration of a commercial bank may cause that any of the events provided for in subsections IV, V, VI, or VIII of article 28 of this Law might take place.

In any case, when determining the events that the first paragraph of this article refers to, the Banking Stability Committee, based on the available information, shall consider if the possible cost to the Federal Public Treasury or to the Institute for the Protection of Bank Savings, for paying obligations attributable to the bank in question, is deemed reasonably less than the damage that it would cause to the saving public of other financial entities and to the society at large.

The Institute for the Protection of Bank Savings must send a report to the Congress of the Union regarding the determinations of the Banking Stability Committee, as well as on the resolution plan

adopted by its Board of Governors pursuant to article 148, subsection II of this Law, in a maximum term of thirty business days after the meeting of the Banking Stability Committee is being held.

The Federal Superior Audit, when revising the Account of the Federal Public Treasury of the corresponding year, shall exercise the duties and powers that the Law that governs it grants upon it in respect to the activities that this article refers to.

Article added OJF 07-06-2006 Reformed OJF 01-10-2014

Article 29 Bis 7. - The Ministry of Finance and Public Credit must call to a meeting of the Banking Stability Committee before the National Banking and Securities Commission resolves on the revocation of the authorization granted to a commercial bank to organize and operate with such nature for the causes that subsections IV, V, VI, or VIII of article 28 of this Law refer to, when it determines that it exist elements to consider that the bank may find itself in any of the events set forth in article 29 Bis 6 of this Law, or when Banco de México, the National Banking and Securities Commission or the Institute for the Protection of Bank Savings requests so in writing.

The Banking Stability Committee may also be called to a meeting in terms of the paragraph above, if before any of the causes established in subsections IV, V, VI, or VIII of article 28 of this Law takes place, there is knowledge that the financial deterioration of a commercial bank may originate that any of the causes referred to in article 29 Bis 6 might take place.

The cited call must take place no later than the day immediately after the Ministry took the alluded determination or it received the mentioned written request. The Banking Stability Committee must hold its meeting within the following two days, without prejudice that it may validly hold a meeting on a non-business day or without there being a previous call for it, provided that the minimum quorum established in article 29 Bis 9 of this Law is met.

In those cases where the capitalization index of a bank is equal or above the amount required pursuant to article 50 of this Law and in the immediately following calculation its fundamental capital decreases to a level equal or below the minimum required pursuant to the cited article and the provisions that arise from it, the National Banking and Securities Commission may call to a meeting of the Banking Stability Committee on the same day on which said decrease is determined, pursuant to the applicable provisions.

Article added OJF 07-06-2006, Reformed OJF 01-10-2014

Article 29 Bis 8. - The Banking Stability Committee referred to in article 29 Bis 6 of this Law, shall be integrated by:

- I. The Ministry of Finance and Public Credit, represented by its head and the Undersecretary of Finance;

- II. Banco de México, represented by the Governor and the Deputy Governor appointed by the former for such purposes;
- III. The National Banking and Securities Commission, represented by its Chairman and the Vice-Chairman of said Commission empowered to supervise the bank in question, and
- IV. The Institute for the Protection of Bank Savings, represented by an Executive Secretary and a member of its Board of Governors appointed by said collegiate body from among its regular members referred to in article 76 of the Bank Saving Protection Law.

The members of the Banking Stability Committee shall have no alternates.

The meetings of the Banking Stability Committee shall be presided by the Secretary of Finance and, in his/her absence, by the Undersecretary of Finance.

The Chairman of the Banking Stability shall appoint a minutes secretary whom shall be a public officer of the Ministry of Finance and Public Credit. The minutes secretary must verify that the attendance quorum set forth in article 29 Bis 9 is met in the sessions of the Banking Stability Committee; keep the detailed minutes of said sessions, which must be signed by all of the attending members of the Committee; shall provide the information that article 20 Bis 10 refers to, to said members, and notify the resolutions of said Committee to the Institute for the Protection of Bank Savings no later than the business day following when they are adopted, to the effect that said Bank may proceed to the determination of the method of the corresponding resolution.

The Banking Stability Committee may agree on the attendance of guests to its sessions when it considers it convenient for taking decisions.

The information related to the topics dealt with in the Banking Stability Committee shall have a reserved nature until its revelation does not endanger the commercial bank in question or its customers, without prejudice that said Committee agrees on the issuance of public statements.

Article added OJF 07-06-2006 Reformed OJF 01-10-2014

Article 29 Bis 9. - For the Banking Stability Committee to be considered legally met, the attendance of at least five of its members shall be required, provided that it is present at least one representative of each of the authorities that integrates it.

The members of the Banking Stability Committee that have a conflict of interest for participating in its meetings must excuse themselves pursuant to the procedure set forth in the following paragraph.

The members of the Banking Stability Committee must attend all the meetings to which they are called and may only be excused under his/her strict responsibility, for justified cause, which must be

previously reported to the minute's secretary of the Committee in writing. Said report shall be made to the ends that, in the meeting in question, that collegiate body determines the justification of the absence. The Committee shall determine the causes for justification that shall be considered for such effects. Only for the determination of the justification of the absence, the Committee may have meetings with the number of members present.

The following voting quorum is required so the Banking Stability Committee may determine that a commercial bank is in any of the events that article 29 Bis 6 of this Law refers to. The favorable vote of six of its members when seven or more of them attend to said meeting; of five members, when six of them attend, or of four, when only five members attend.

Article added OJF 07-06-2006, Reformed OJF 01-10-2014

Article 29 Bis 10. - The members of the Banking Stability Committee must present the information that they have within the scope of their corresponding duties and powers, either printed or through electronic, optic, or the means of any other technology, in order to allow to said Committee to evaluate the adoption of the determinations that are within their responsibility in terms of this Law. The presentation of the information indicated in this article to the members of the Banking Stability Committee, in terms of the present Law, shall not be understood as a transgression to what is established in article 142 of this Law or any other provision that obligates for a secret to be kept.

The same day of the session, the members of the Committee must issue their vote, in a reasonable manner, in respect to the issues that are submitted for their consideration and, when doing this, they must express the considerations and basis that support it. In no case may they abstain from voting.

Article added OJF 07-06-2006, Reformed 01-10-2014

Article 29 Bis 11. - The members of the Banking Stability Committee shall only be subject to liability in the exercise of their duties when they cause damages or lost profits that may be estimated in money, including those that are caused on the State in its Federal Public Treasury or to the equity of the Institute for the Protection of Bank Savings.

The members of the Banking Stability Committee shall not be considered liable for damages or lost profits when they chose the most adequate alternative to the best of their knowing and understanding, or if the possible negative effects were not foreseeable, in both cases, based on the information available at the time of the decision.

Independently of what is set forth in the first paragraph of this article, the deceitful inaction of revealing available and relevant information that is necessary for the adequate decision taking or the unjustified non-attendance to the session to which the members of the Bank Stability Committee are called,

provided that, due to the non-attendance, said Committee may not hold a meeting, shall give place to administrative liability.

In the liability procedures that, in its case, are carried out against the members of the Banking Stability Committee, it shall be necessary to prove the deceit with which they conducted themselves to be able to base the liability of civil, criminal, or administrative nature that corresponds.

Article added OJF 07-06-2006, Reformed 01-10-2014

Article 29 Bis 12.- In those cases in which the Banking Stability Committee determines that a commercial bank is in any of the events set forth in article 29 Bis 6 of this Law, for the protection of the interests of the saving public and of the public interest, what is set forth in subsection II of article 148 of this Law shall apply.

When the Banking Stability Committee determines that a bank is not in any of the events set forth in article 29 Bis 6 of this Law, the National Banking and Securities Commission shall revoke the authorization to organize and operate as a commercial bank and the Institute of the Protection of Bank Savings shall proceed in terms of what is set forth by Section Second of Chapter II of Title Seventh of this Law.

Article added OJF 07-06-2006. Article reformed OJF 02-01-2008, 01-10-2014

SECTION SIXTH

Of the Credits of Last Resort of the Banco de México with Shareholding Guarantee of the Commercial Bank

Section added OJF 01-10-2014

Article 29 Bis 13. - The guarantees on representative shares of capital stock of the commercial banks that Banco de México requires to cover the credits that it, in terms of what is set forth in the Banco de México Law, grants to said banks, in the performance of its duty as lender of last resort, must be constituted as pledge on securities, pursuant to the following:

- I. The general director of the commercial bank or whomever exercises his/her duties, on the date and time that, to the effect, Banco de México indicates, must request in writing to the securities depository institution in which said shares are deposited, to transfer one hundred percent of them to the account that the Banco de México designates, and for that sole action said shares will be encumbered as pledge on securities by operation of law.

In the event that the general director or whomever exercises his/her duties does not carry out the request that the paragraph above refers to, the securities depository institution, through previous request in writing presented by Banco de México, must proceed on the date of the

request to carry out the transfer of said shares to the account that Banco de México indicated, same which shall be encumbered as pledge on securities.

- II. For the constitution of this preferable and of public interest guarantee, no additional formality shall be necessary, therefore, what is set forth in articles 17, 45 G and 45 H of this Law shall not be applicable.
- III. The guarantee shall be created through the legal delivery of shares, such delivery of shares shall be understood as carried out when the shares are recorded in deposit in the account indicated by Banco de México. The guarantee shall be valid until the obligations arising from the credit are fulfilled or another guarantee is approved by Banco de México. The guarantee provided for in this article is an exception to what is set forth in article 63, subsection III of the Banco de México Law.
- IV. During the validity of the referred to pledge on securities, the exercise of the corporate and property rights inherent to the shares shall correspond to the shareholders. In case the borrowing commercial bank intends to hold any shareholders' meeting, it shall give written notice to Banco de México, attaching a copy of the corresponding call and the agenda at least five business days before the meeting is held.

Banco de México may grant exceptions in writing to the term mentioned. When the commercial bank does not carry out said notice in the terms indicated in the paragraph above, the agreements from the shareholders' meeting shall be null and may only be validated if Banco de México manifests its consent which will only be granted when it is in its best interest or in the best interest of the commercial bank in question.

The Banco de México shall be entitled to attend the shareholders' meeting with voice but no vote. Notwithstanding the foregoing, the commercial bank must inform Banco de México in writing of the agreements adopted in the meeting on the following business day from the date on which the meeting was held. Likewise, the bank must send a copy of the respective minutes no later than the following banking business day from the date on which the latter was formalized.

- V. In the event of any default to the credit agreement, Banco de México shall be entitled to exercise the property and corporate rights inherent to the shares or to appoint the person that shall exercise said rights in the shareholders' meeting on behalf of Banco de México.

The execution of the shares granted in pledge on securities shall be carried out through non-judicial sale pursuant to what is set forth in the Securities Market Law, except for the following:

- a) The executor of the guarantee shall be *Nacional Financiera, S.N.C.* When said institution is unable to perform such position, it must notify Banco de México no later than the following business day, to the ends that the latter may designate another executor.
- b) Once Banco de México notifies the default of the borrowing commercial bank to the executor, the latter must notify said bank on the following business day that it will carry out the non-judicial sale of the shares granted in guarantee, giving it a term of three business days, to the ends that, in its case, invalidates the default showing evidence of the payment of the credit, of the extension of the term or of the novation of the obligation.
- c) Once the term set forth in the subparagraph above has elapsed, the executor shall proceed to the sale of the shares in guarantee.

For the protection of the interests of the saving public, of the payments systems and of the public interest in general, what is set forth in this article must be expressed in the bylaws and in the shares of the commercial banks. Additionally, in both documents shall be expressed the irrevocable consent of the shareholders to grant the shares of their ownership in pledge on securities when the commercial bank is granted a credit by Banco de México as lender of last resort.

Article added OJF 01-10--2014

Article 29 Bis 14. - To the ends of preserving its financial stability and avoiding the deterioration of its liquidity, the commercial banks that receive credits that the article above refers to, must observe the following measures during the validity of the respective credit:

- I. Suspend the payment of the dividends coming from the bank to the shareholders, as well as any mechanism or act that implies a transfer of pecuniary benefits.
In case the bank in question belongs to a financial group, the measure set forth in this section shall be applicable to the holding company of the group to which it belongs;
- II. Suspend the repurchase programs of representative shares of the capital stock of the commercial bank in question and in case of belonging to a financial group, also those of the holding company of said group;
- III. Abstain from agreeing on increases in the valid amounts in the credits granted to the persons considered as related in term of article 73 of this Law;
- IV. Suspend the payment of the compensations and extraordinary bonuses additional to the salary of the general director and of the salary of the officials of the two hierarchical level under the general director, as well as not granting new compensations in the future to the general director and officials, until the commercial bank pays the credit of last resort granted by Banco de México;
- V. Abstain from agreeing on increases in the salaries and benefits of the officials, except for the agreed upon salary revisions and respecting the acquired labor rights at all times.

What is set forth in the present section shall also be applicable in respect to the payments that are done to legal entities different from the commercial bank in question, when said legal entities make the payments to the officials of the bank, and

- VI. Other measures that in its case, Banco de México agrees with the borrowing bank.

The legal acts done against what is set forth in the above subsections before shall be null.

Commercial banks must establish in their bylaws the implementation of the above mentioned measures, and they must commit themselves to adopt those actions in case they become applicable. Additionally, the measures indicated in subsections IV), V), and VI) must be included in the agreements and other documentation that regulate the labor conditions.

Article added OJF 01-10--2014

Article 29 Bis 15. - In the event that the Banking Stability Committee resolves that a commercial bank is in any of the events that article 29 Bis 6 of this statute refers to and said bank defaults on the payment of the credit of last resort that Banco de México granted it, in terms of article 29 Bis 13 of this Law, the receiver must contract, in the name of the same bank, a credit granted by the Institute for the Protection of Bank Savings for an amount equal to the resources that are necessary for said bank to cover the referred to credit that was granted to it by Banco de México.

The credit granted by the Institute for the Protection of Bank Savings mentioned in the paragraph above shall be subject, where pertinent, to what is set forth in articles 156 to 164 of this Law. For the granting of said credit, the Institute shall subrogate itself in the rights to which Banco de México is entitled against the borrowing bank, including the guarantees.

Once the mentioned rights are subrogated, the guarantee in favor of the Institute for the Protection of Bank Savings shall be considered of public interest and shall have preference over any other obligation.

Article added OJF 01-10--2014

CHAPTER II

On Development Banks

SECTION FIRST

General Provisions

Section added OJF 01-10-2014

Article 30. - Development Banks are entities of the Federal Public Administration, with legal capacity and property of their own, incorporated as national banking corporations, in terms of their respective organizational laws and of this Law.

The Ministry of Finance and Public Credit shall issue the organizational regulations for each institution, which shall establish the basis under which the organization and performance of its bodies shall be regulated.

The development banks' fundamental purpose is to facilitate the access to credit and the financial services to individuals and legal entities, as well as to provide them with technical assistance and training in terms of their respective organic laws with the ends of driving the economic development. In the development of its duties, the referred to banks must ensure the sustainability of the bank through the efficient, prudent, and transparent channeling of resources and the sufficiency of the guarantees that are constituted in its favor, without them being excessive. The development banks may carry out functions of social banking, pursuant to what is determined in its respective organic laws.

Paragraph added OJF 06-24-2002 Reformed OJF 01-10-2014

Development Banks, when contracting any services that are required to carry out the operations and services set forth in articles 46 and 47 of this Law, shall not be subject to the Procurement, Leases and Services of the Public Sector Law.

Paragraph added OJF 02-01-2008

Any contracting made by development banks regarding expenses associated to materials and supplies, general services, and physical investment in personal property and real estate, under article 30 of the Regulations to the Federal Budget and Treasury Accountability Law shall be subject to the Procurement, Leases and Services of the Public Sector Law.

Paragraph added OJF 02-01-2008

For purposes of the provisions of the preceding paragraphs, the Ministry of Finance and Public Credit shall be empowered to issue general guidelines under this article, as well as to decide consultations on specific contracts favoring at all times efficiency, effectiveness and due opportunity in the services to be provided by development banks.

Paragraph added OJF 02-01-2008

The organizational regulations and their amendments shall be published in the **Official Journal of the Federation** and shall be registered in the Public Registry of Commerce.

Article 31. - The development banks shall formulate their operational and financial programs, their general expenditure and investments budgets, as well as the estimates of revenue every year. The national credit corporations and the public promotion trusts must submit for the authorization of the Ministry of Finance and Public Credit, in accordance with the methodologies, guidelines, and mechanisms established to the effect, the limits of internal and external net debts, net financing, and the limits for the result of financial intermediation, concept that must include at least; the transaction deficit plus the net constitution of preventative credit reserves. This information must be presented in the Report on the Economic Condition, the Public Finances, and the Public Debt, that corresponds.

Paragraph reformed OJF 01-10-2014

Programs shall be prepared according to the guidelines and purposes of the National Development Plan, as well as of the National Financing for Development Program and other sector programs of the Plan itself. Within the framework of the aforesaid plans, each development bank shall prepare its institutional programs, which shall contain a section regarding the way in which they shall coordinate with the other development banks.

The development banks and the public trusts for economic promotion shall provide the authorities and the public in general, information in regards to their transactions, as well as the indicators that measure the services with which each bank and trust assists the sectors that their respective organic laws and incorporation agreements establish, in accordance with the guidelines issued by the Ministry of Finance and Public Credit for such effect, using the electronic, optic, and means of any other technology that allows them to report said information in accordance with the rules of general nature that the Ministry of Finance and Public Credit issues to such effect. In the fulfillment of this obligation, the development banks shall observe what is set forth in article 142 of this Law.

Paragraph reformed OJF 05-06-2009. 01-10-2014

Likewise, each national banking corporation, through the electronic means available to it, shall make known the credit and guarantee programs, indicating the policies and criteria under which it shall carry out such transactions; the reports on the current expense and investment budget; the contingencies derived from the security interests granted by the national banking corporation, as well as the labor contingencies, or of any other type which imply a risk for the institution.

Article reformed OJF 06-24-2002

Article 32. - The capital stock of the development banks shall be represented by negotiable instruments that shall be regulated by the applicable provisions of the Credit Instruments and Operation Law, in issues which are compatible with its nature and are not provided for in this Chapter. These instruments shall be named capital contribution certificates; they shall be nominative and shall be divided into two series: series "A", that shall represent at all times, sixty-six percent of

the capital stock of the entity, which may only be subscribed by the Federal Government; and series "B", that shall represent the remaining thirty-four percent.

Series "A" certificates shall be issued in a single instrument, they shall be non-transferable and in no event shall change their nature or the rights they confer to the Federal Government as holder thereof. The series "B" certificates may be issued in one or several instruments.

Article 33. - Except for the Federal Government and the general investment companies, no individual or entity may acquire, through one or several transactions of any nature, whether simultaneous or successive, the control of series "B" capital contribution certificates for more than five percent of the paid-in capital of a development bank. The mentioned limit shall apply, also, to the acquisition of the control by the individuals or entities who according to the general provisions issued by the Ministry of Finance and Public Credit, shall be considered, for such purposes, as a single individual or entity.

The Ministry of Finance and Public Credit may authorize, through general rules, that entities of the Federal Public Administration and Governments of the Federal States and of the municipalities, may acquire certificates of cited series "B", in a higher proportion to that established in this article.

Foreign individuals or entities, or Mexican companies whose bylaws do not include the direct or indirect foreigner-exclusion clause, shall never hold any interests whatsoever in the capital stock of development banks.

Individuals or entities who violate the provisions of this article shall forfeit in favor of the Federal Government their respective interests.

Article 34. - The Ministry of Finance and Public Credit shall establish, through general provisions, the manner, proportions, and other conditions applicable to the subscription, holding and circulation of series "B" certificates. Such provisions shall be subject to the modalities set forth in the respective organizational laws, considering the sector and regional specialty of each development bank.

Article 35. - The capital contribution certificates shall grant their holders the right to profit sharing in the issuing institution and, if applicable, in the liquidation quota.

Series "B" certificates shall be of equal value and shall confer the same rights to their holders, which shall be:

- I. To appoint and remove the respective examiners for this series of certificates;

Section reformed OJF 06-24-2002

- II. Repealed.

Section repealed OJF 06-24-2002

- III. To acquire under the same conditions and in proportion to the number of their certificates, those issued in case of capital increase. This right shall be exercised in the term established by the board of directors, which shall be calculated from the date when the relevant agreement of the Ministry of Finance and Public Credit is published in the **Official Journal of the Federation** and such term cannot be of less than thirty days;
- IV. To receive the reimbursement of their certificates at its book value according to the last financial statement approved by the Board of Directors and reviewed by the National Banking Commission, when the capital stock of the institution is reduced in terms of article 38 of this Law, and,
- V. Any others conferred to them by this Law.

Article 36. - Development banks shall carry out a registry of series "B" capital contribution certificates which shall contain data regarding holders of the certificates and transfers carried out.

These institutions shall only consider as holders of the series "B" certificates those who are registered as such in the registry referred to in this article. To that end, they shall record in such registry and at the request of the legitimate holder, the transfers that are carried out, provided that they abide by the provisions of this Chapter.

Article 37. - The minimum capital of development banks shall be that established by the Ministry of Finance and Public Credit, through general provisions, which shall be fully paid in. When the corporate capital stock exceeds the minimum, at least fifty percent shall be paid, provided that this percentage is not less than the minimum established.

Said institutions may issue unsubscribed capital contribution certificates that shall be kept at the treasury and that shall be delivered to subscribers against the total payment of their face value and of the premiums established by such institutions, if applicable.

When a development bank announces its corporate capital stock, it shall also announce at the same time its paid-in capital.

Article 38. - The capital stock of the development banks may be increased or reduced at the proposal of the Board of Directors, by Agreement of the Ministry of Finance and Public Credit, modifying the respective Organizational Regulations, which shall be published in the **Official Journal of the Federation**.

In case of capital decrease, the board shall propose if such reduction shall be carried out through decrease in face value of the certificates or redemption of part of them. In this last case, the series

"B" certificates to be redeemed shall be determined by a drawing before the National Banking Commission.

For purposes of a decrease, through exchange or redemption, series "B" certificates shall be considered at their book value according to the last financial statement approved by the board of directors and reviewed by the National Banking Commission.

The Ministry of Finance and Public Credit shall establish the cases and conditions where development banks may provisionally acquire series "B" certificates, representing their own capital.

Article 39. - The distribution of profits and, if applicable, the bankruptcy proceeding fee, shall be made in proportion to the contributions. Losses shall be distributed in like manner and up to the limit of the contributions. If there were losses of the capital stock, such capital shall be reimbursed or reduced before carrying out the profits distribution.

Profits may only be distributed after the balance sheet has been approved, without exceeding the amount that would have been actually obtained.

Article 40. – The administration of the development banks shall be entrusted to a managing board, whose independent board members shall have equal standing, and a general management, in terms of their own organic laws.

Paragraph added OJF 06-04-2019

The managing board must include an audit committee, which shall be advisory in nature. The National Banking and Securities Commission shall set forth, in general provisions, the minimum responsibilities to be handled by said audit committee, as well as how the committee itself should be composed, the frequency of its meetings and the timeliness and adequacy of the information which it must consider.

Paragraph added OJF 02-01-2008

The audit committee may directly submit for consideration by the management board, those projects, programs, and other matters related to the powers referred to in the foregoing paragraph, and must inform it of any differences of opinion that may exist between management at the development bank in question, and the audit committee itself.

Paragraph added OJF 02-01-2008

Article 41. - The Ministry of Finance and Public Credit shall set the general basis to establish the remuneration that shall correspond to the external directors in an independent capacity and

examiners of the development banks that are designated by the holders of series “B” capital contribution certificates.

Development banks shall have a human resources and institutional development committee. Regardless of the duties pertaining to said committee, the latter shall recommend to board of directors the remuneration amount for the aforementioned external directors in an independent capacity and the examiners, as provided in the first paragraph of this article. It shall also propose the remunerations to the experts who shall take part in the support committees created by the board.

The appointments of the directors of development banks shall be carried out according to their respective organizational laws, as well as to the provisions of this article.

External directors in an independent capacity shall comply with the requirements set forth in article 22, as well as with the provisions of article 23 second paragraph and subsections II to VI, both of this Law.

External directors in an independent capacity shall not have alternates and they shall provide their services during a term of four years. The terms of such directors shall be staggered and they shall follow each year. The persons who shall act as such may be designated in such capacity more than once.

The vacancy generated by any external director in an independent capacity shall be filled by a new member designated to integrate the board of directors and he/she shall remain in office only for the remaining time in office that the substituted director had.

Upon taking office, each director shall subscribe a document prepared by the development bank in question, in which he/she declares under oath to tell the truth that he/she has no impediment to perform as director of said institution, and in which he/she accepts the rights and obligations of such position.

Article reformed OJF 06-24-2002. Errata OJF 07-08-2002. Reformed OJF 02-01-2008

Article 42. - The board shall direct the development bank based on the policies, guidelines, and priorities that pursuant to what is set forth by the Law is established by the Federal Executive through the Ministry of Finance and Public Credit, for the achievement of the objectives and goals of its programs and shall instruct the general director in the matter, for the execution and carrying out of said programs. Likewise, the board shall promote the development of alternatives to individually or with other intermediaries, maximize the access to the financial services in benefit of whom, due to their characteristics and capacities have limited access to them.

Paragraph reformed OJF 01-10-2014

The board of directors, in representation of the institution may agree to carry out all the transactions inherent to its purpose and to discretionally delegate its powers onto the general director as well as to designate attorneys-in-fact and to appoint within such board delegates for specific actions or duties.

The following powers may not be delegated by the board:

- I. To appoint or remove, at the proposal of the general director, the public officers of the institution who hold positions two ranks immediately below the former, and those others stated in the organizational regulations, as well as to grant them leaves of absence;

Section reformed OJF 02-01-2008

- II. To appoint and remove the secretary and the assistant secretary of the board;

- III. To approve the establishment, relocation and closing of branches, agencies and offices in the country and abroad;

Section reformed OJF 06-24-2002, 02-01-2008

- IV. To agree on the creation of credit, human resources and institutional development, integral risk administration committees, as well as those considered necessary for the attainment of its purpose;

Section reformed OJF 06-24-2002

- V. To determine the powers of the different bodies and of the public servants of the institution, for the granting of credits;

- VI. To approve the financial statements of the bank in order to proceed to their publication. The annual financial statements shall be approved with the prior report of the examiners and they shall be subscribed by the general director, by the person responsible for the institution's accounting and by the person responsible for the internal audit duties, according to their competence, prior to their approval.

Section reformed OJF 02-01-2008

- VII. To approve as the case maybe, the creation of reserves;

Section reformed OJF 06-24-2002

- VII bis. To approve if applicable, the allocation of profits, as well as the manner and terms in which it shall be carried out;

Section added OJF 06-24-2002

- VIII. To agree on the proposal of terms and dates for the payment of the duties caused by reason of the sovereign guarantee of the Federal Government, as well as of requests of capital of the institution, which shall be presented to the Ministry of Finance and Public Credit;

Subsection repealed OJF 02-01-2008, added 01-10-2014

- VIII bis. To approve the expense and investment general budgets, without being subject to the provisions of article 31, subsection XXIV of the Federal Public Administration Law;

Subsection added OJF 06-24-2002

- IX. To approve the proposals of the external and internal net indebtedness limits, net financing, as well as the financial intermediation limits;
- Section reformed OJF 06-24-2002*
- IX Bis. To approve the estimates of annual earnings, its financial program, including any section of the same relative to direct financing and to its operative programs;
- Section added OJF 06-24-2002, reformed OJF 01-10-2104*
- IX Ter. Define the strategy and criteria in which the following must be established, among others; rates, terms, risks of the transactions and types of business, considering the yields that the Board of Directors itself agrees as the objective;
- Section added OJF 01-10-2104*
- IX. Approve the annual programs of procurement, leasing and sale of movable property and real estate property, of carrying out works and provision of services that the institution requires. To approve the policies and general bases that regulate the agreements or contracts that the institution must execute with third parties in these matters pursuant to the applicable provisions and without said programs, policies, and bases relative to their branches being purpose of the powers and duties that article 37, subsections XX and XXIII of the Federal Public Administration Law refer to, in matters of leasing of real estate property. The board is also entitled, without the possibility of delegation, to approve the policies and general bases to which the contracting of services required by the institution to carry out the transactions and services set forth in articles 46 and 47 of this Law must be subject to;
- Section reformed OJF 02-01-2008, 01-10-2014*
- XI. To propose to the Ministry of Finance and Public Credit the amendments to the organizational regulation;
- Section reformed OJF 02-01-2008*
- XI Bis To approve the norms and general bases for the transfer of the institution's assets and liabilities, in which the transaction that must be subject to previous authorization by the Board of Directors shall be determined;
- Section added OJF 02-01-2008. reformed OJF 01-10-2014*
- XII. To approve the issuance of provisional or definite capital contributions certificates;
- XIII. To propose to the Ministry of Finance and Public Credit, the increase or decrease of the corporate capital stock;
- XIV. To agree the paid-in capital increases of the institution, as well as to set the premiums, that the subscribers of capital contributions certificates shall pay, if applicable;
- XV. To agree the issuance of subordinated debentures;
- XVI. To approve investments in the capital of the companies indicated in articles 75, 88 and 89 of this Law, as well as their transfer;
- Section reformed OJF 02-01-2008*
- XVII. To approve the annual publicity and advertising programs of the institution, without the need for the approval of the Ministry of Internal Affairs;

Section reformed OJF 06-24-2002

XVIII. To approve, by proposal of the human resources and institutional development committee and without requiring additional authorization of any office of the Federal Public Administration, the organizational structure, scales of salaries and benefits, salary policy and for the granting of extraordinary payments for the fulfillment of goals subject to the evaluation of the performance. In order to issue said approval the board of directors shall take into consideration the governing labor market conditions in the Mexican financial system; policies of promotions and retirements; guidelines for selection, recruitment, and training; criteria for separation as well as other economic and social security benefits established in benefit of the public servants that work in the institution. The board is also entitled, without the possibility of delegation, to approve the remuneration of the directors and examiners appointed by the holders of the series "B" capital contribution certificates;

Section reformed OJF 06-24-2002, 02-01-2008, 01-10-2014

XIX. To approve the general labor conditions of the institution proposed by the human resources and institutional development committee and taking into account the opinion of the corresponding labor union, pursuant to article 18 of the Law to Implement Section XIII (Bis), Part B of Article 123, of the Political Constitution of the United Mexican States;

Section reformed OJF 06-24-2002, 01-10-2014

XIX Bis. To approve the manual of remunerations, retirements, right and obligations that are applicable to the non-union personnel, proposed by the human services and institutional development committee;

Subsection added OJF, 01-10-2014

XX. Those established with such character by the respective law or organic regulation of the institution.

XXI. To authorize the holding on its own account of the securities registered in the National Securities Registry, representing the corporate capital stock of corporations, as well as the manner to administer it;

Subsection added OJF 06-24-2002

XXII. To authorize a financing program in line with the goals established for the development bank in question, by the Ministry of Finance and Public Credit;

Section added OJF 06-24-2002. Reformed OJF 02-01-2008

XXIII. To have knowledge, and if applicable, to approve the reports submitted to it by the integral risk management committee, as well as the prudential risks limits proposed to it by such committee, and

Section added OJF 06-24-2002. Reformed OJF 02-01-2008

XXIV. To analyze and approve, as the case maybe, the matters that the audit committee submits to its consideration and to determine the applicable or appropriate measures in matters of internal control.

Section added OJF 02-01-2008

In the assumptions established in subsections III, VII, IX and XV of this article the express authorization of the Ministry of Finance and Public Credit shall be required.

Paragraph reformed OJF 06-24-2002, 02-01-2008

In the exercise of the powers conferred to the boards of directors in this article, they shall only abide by the provisions of their organic laws, this Law and the guidelines issued by the Ministry of Finance and Public Credit.

Article 43. - The general director, within his administrative duties, shall submit to the consideration of the board of directors, the projects and programs related to the powers conferred to the board in the previous article.

Beside those indicated in this and other laws, it is the responsibility of the general director to appoint and remove trust officers. Regarding the appointment of the special trust officers that are required by the legal provision for the performance of their duties as public officers of public trusts that are considered government-controlled entities, whether they be federal, state, or municipal. These appointments must be granted by the institution without any process before the board, at the request of the competent public officers or bodies of the public trust that correspond in terms of the federal or state statutes.

Paragraph reformed OJF 01-10-2014

The general director shall be appointed by the Federal Executive, through the Ministry of Finance and Public Credit, and such appointment shall fall upon the person who meets the requirements set forth in article 24 of this Law.

The same requirements shall be met by the public officers that hold positions in two administrative ranks immediately below that of the general director and those determined to such effect by the organizational regulation. Their designation shall be made based on their merits and according to the provisions of aforesaid article 24. When in the opinion of the Ministry of Finance and Public Credit, public officers holding positions in two administrative ranks below do not carry out duties of a material nature, it may exempt them from the requirements contained in subsection II of article 24 of this Law.

The National Banking and Securities Commission, with its Board of Governors approval and after having heard the interested party, may determine to proceed to the removal or suspension of the trust officers and public officers who may bind the institution with their signature, with the exception of the general director when it considers that such persons do not have sufficient technical or moral qualities to perform their duties or that in the performance of such duties they had not abided by the

applicable legal and administrative provisions. The removal and suspension resolutions may be contested before the National Banking and Securities Commission, which shall resolve through its Board of Governors within fifteen business days following the date when such resolution would have been notified. The Commission itself may recommend the Federal Executive, through the Ministry of Finance and Public Credit, the removal of the general director of the institution, when it considers that he/she has not abided by the applicable legal and administrative provisions in the performance of his/her duties, or otherwise, he/she had not directed the institution based on sound banking practices.

Article reformed OJF 06-24-2002, 02-01-2008

Article 43 Bis. - The remunerations, including salaries and benefits of the employees of the development banks, shall have as objective to acknowledge the labor effort and the contribution of the employees to the achievement of the objective of the bank, as it is determined by the corresponding scales, as well as the general work conditions that are applicable to the permanent employees set forth in the general positions catalogue and in the manual of remunerations, retirements, rights, and obligations applicable to the non-union personnel set forth pursuant to the approved organic structure. The Board of Directors, as well as the public officers of the development banks may not grant remunerations, retirements, pensions, or any other benefit to the employees in terms and conditions that are different to what is set forth in said instruments, and abiding by the limits and expenses that are approved for said concepts in the Federal Expenditure Budget.

The remunerations, retirements, pension, rights, obligations, and any other benefit of the non-union public officers must be approved in the terms of subsection XVIII of article 42 of this Law and be established in the respective remunerations, retirements, right, and obligations manual.

The payments manual that article 66 of the Regulations of the Federal Budget and Treasury Accountability Law refers to shall not be applicable to the employees of the development banks.

The development banks shall include their scales approved in their respective budgeting projects and shall inform on the amounts destined to the payment of remunerations, retirements, pensions, and other benefits when rendering the Public Account.

Article added OJF 06-24-2002, reformed OJF 01-10-2014

Article 44. - The surveillance body of the development banks shall be composed by two examiners, one of whom shall be appointed by the Ministry of Government Services and the other by the series "B" holders of capital contribution certificates. An alternate shall be appointed for each regular examiner. The examiners shall have the broadest powers to examine the accounting books and other documents of the development bank in question, including that of its board, as well as to carry

out all other actions required for the adequate performance of their duties, and it shall have the right to attend to the board of directors meetings with voice.

The appointment of the examiners made by the series "B" holders of capital contribution certificates shall correspond to the person or persons who maintain in the aggregate the majority of such series. In the case that the holder is the Federal Government, the relevant appointment shall be made by Ministry of Finance and Public Credit.

Article reformed OJF 06-24-2002, 02-01-2008

Article 44 Bis. - In the liquidation of the development banks, the position of liquidator shall fall on the Asset Management and Disposition Agency.

Article added OJF 01-10-2014

Article 44 Bis 1. - The Ministry of Government Services and the internal control bodies of the development banks and of *Financiera Nacional de Desarrollo Agropecuario, Rural Forestal y Pesquero*, as an exception of what is set forth in article 37 of the Federal Public Administration Law and in the Federal Government-Controlled Entities Law, shall only have powers and duties to control, evaluate, and survey the administrative provisions that are applicable to the development bank regarding:

- I. Budget and treasury accountability;
- II. Contracting derived from the Procurement, Leases, and Services of the Public Sector Law and of the Law of Public Works and Services Related to the Same;
- III. Conservation, use, destination, allocation, sale and cancellation of movable property and real estate;
- IV. Administrative liabilities of public officers, and
- V. Transparency and access to the public information, pursuant to the law on the matter.

The Ministry of Government Services and the internal control bodies, except for what is set forth in article 37 of the Federal Public Administration Law, may not carry out audits or investigations aimed at revising aspects different from what is expressly indicated in this article.

Likewise, the Ministry of Government Services and the internal control bodies may not exercise, in any case, the powers in those topics regarding control, revision, verification, confirmation, evaluation, and surveillance, granted by the applicable legal provisions to the National Banking and Securities Commission, Banco de México, and the bodies that must be established in compliance with the provisions issued by said institutions, or of the legal provisions issued by said institutions, the Board of Directors, or the abovementioned bodies.

Article added OJF 01-10-2014

SECTION SECOND

Of the Inclusion, Promotion of the Innovation, and Gender Perspective

Section added OJF 01-10-2014

Article 44 Bis 2. - The development banks, in compliance with their purpose, may develop programs and products aimed to the attention of the priority areas for the national development, which promote the financial inclusion of individuals and legal entities. Those development banks with the necessary powers may develop the mentioned programs and products aimed to attend the micro, small, and medium companies, as well as small field producers, through the provision of services, and the offering of products, technical assistance, and training.

Due to the foregoing, development of the small and medium institutions may be promoted to improve the competition conditions in the financial system.

Article added OJF 01-10-2014

Article 44 Bis 3. - The development banks shall offer financial services and products that promote innovation, the creation of patents, and generation of other industrial property rights.

To the effect that the innovators and creators to whom the development banks provide services, may preserve their property rights, the technical assistance and training that the development banks provide, shall include information and support for the registration of industrial property and the creation of patents.

Article added OJF 01-10-2014

Article 44 Bis 4. - Development banks must promote equality between men and women and foster financial inclusion of children and youths, whilst being considerate of gender in their products and services.

Development banks, public trusts constituted by the Federal Government for economic development, that are engaged in financial activities, and the National Finance Agency for the Development of Farming, Rural Communities, Forestry and Fisheries, must seek and prioritize, within the resources set aside for offering financial products and services, programs and projects which meet the specific needs of women in matters of savings, investments, credit and protection mechanisms.

Paragraph added OJF 06-04-2019

Article added OJF 01-10-2014

Article 44 Bis 5. - The development banks must promote environmental sustainability in their operative and financial programs, as well as encourage the corporate environmental responsibility in themselves, in the terms that the Board of Directors establish pursuant to the applicable legal provisions.

Article 45. – Repealed.

Article repealed OJF 06-24-2002

CHAPTER III

On the Subsidiaries of Foreign Financial Institutions.

Chapter added OJF 12-23-1993

Article 45-A. - For purposes of this Law it shall be understood as:

- I. **Subsidiary:** The Mexican corporation authorized to be organized and to operate, under this Law, as a commercial bank, in which capital stock a Foreign Financial Institution or Holding Company Subsidiary has an interest, in terms of this chapter;
- II. **Foreign Financial Institution:** The financial institution organized in a country with which Mexico has entered into an international treaty or agreement by virtue of which the establishment of Subsidiaries within the Mexican Territory is allowed; and
- III. **Holding Company Subsidiary:** The Mexican company authorized to be organized and to operate as a holding company in terms of the Financial Groups Law and, in which capital stock a Foreign Financial Institution has an interest.

Section reformed OJF 07-18-2006

Article added OJF 12-23-1993

Article 45-B. - Subsidiaries shall be regulated by the provisions of the relevant international treaties or agreements, this chapter, the provisions contained in this Law that are applicable to commercial banks and, the rules for the establishment of subsidiaries issued to such end by the Ministry of Finance and Public Credit, hearing the opinion of Banco de México and the National Banking and Securities Commission.

Paragraph reformed OJF 07-18-2006

The Ministry of Finance and Public Credit has the authority to interpret, for administrative purposes, the provisions on financial services included in international treaties or agreements mentioned in the preceding paragraph, and to provide for their application.

Article added OJF 12-23-1993

Article 45-C. - In order to be organized and operate as a Subsidiary it is required to obtain the authorization from the Federal Government, which may be granted at the absolute discretion of the National Banking and Securities Commission, upon the prior approval of its Board of Governors and the opinion of Banco de México. These authorizations shall be non-transferable due to their particular nature.

Paragraph reformed OJF 02-01-2008

The authorizations granted for such purpose, and any amendments thereof, shall be published in the **Official Journal of the Federation** and in two newspapers of broad circulation in the place of the corporate address of the relevant Subsidiary.

Article added OJF 12-23-1993

Article 45-D. - Financial authorities, within the scope of their relevant duties, shall guarantee compliance of national-treatment commitments undertaken by Mexico, as the case may be, in terms of any applicable international treaty or agreement.

Subsidiaries may execute the same transactions as commercial banks, unless any applicable international treaty or agreement provides any limitation thereto.

Paragraph reformed OJF 07-18-2006

Article added OJF 12-23-1993

Article 45-E. - In order to invest in the capital stock of a Subsidiary, the Foreign Financial Institution shall carry out, in the country where it is incorporated, directly or indirectly, according to the applicable laws, the same kind of transactions that the Subsidiary is authorized to carry out in Mexico, according to the provisions of this Law and the rules established in the first paragraph of article 45-B.

Those Subsidiaries where in its capital stock a Holding Company Subsidiary has an interest according to the Financial Groups Laws and the rules mentioned in the preceding paragraph, are exempted from the provisions of the previous paragraph.

Article added OJF 12-23-1993

Article 45-F. - The application for an authorization to be organized and to operate as a Subsidiary must comply with the requirements set forth in this Law and in the rules established in the first paragraph of article 45-B.

Article added OJF 12-23-1993

Article 45-G. - The capital stock of Subsidiaries shall be composed by series "F" shares, representing at least fifty-one percent of such capital stock. The remaining forty-nine percent of the capital stock may be composed indistinctly or jointly by series "F" and "B" shares.

Paragraph reformed OJF 11-17-1995

Series "F" shares may only be acquired by a Holding Company Subsidiary or, directly or indirectly, by a Foreign Financial Institution.

Paragraph reformed OJF 11-17-1995, 01-10-2014

Series "B" shares of Subsidiary commercial banks shall be regulated by the provisions set forth in this Law for series "O" shares. Foreign Financial Institutions holding series "F" shares of a Subsidiary commercial bank shall not be subject to the limitations set forth in article 17 of this Law, in regard to their series "B" shareholding.

Paragraph reformed OJF 11-17-1995, 01-19-1999

The shares shall be of equal value; within each series, they shall grant the same rights to their holders and must be integrally paid in the act of being subscribed, in terms of article 12 of this Law. The mentioned shares shall be kept in deposit in any of the securities depository institutions regulated by the Securities Market Law, which in no case shall be obligated to deliver them to the holders. In any case, what is set forth in article 13 of the present law shall be applicable to what is relative to the foreign governments.

Paragraph reformed OJF 02-01-2008, 01-10-2014

(Last paragraph repealed)

Paragraph repealed OJF 11-17-1995

Article added OJF 12-23-1993. Reformed OJF 02-15-1995

Article 45-H. - Series "F" shares representing the capital stock of a Subsidiary*, may only be transferred with the prior authorization of the National Banking and Securities Commission, with the approval of its Board of Governors.

Except in case the purchaser is a Foreign Financial Institution, a Holding Company Subsidiary or a Subsidiary, to make the transfer, the bylaws of the Subsidiary which shares are subject to the transaction, must be amended. In connection with Subsidiary commercial banks, the provisions of Chapter I of this Title must be complied with.

When the purchaser is a Foreign Financial Institution, a Holding Company Subsidiary or a Subsidiary, the provisions of subsection I of article 45-I of this Law must be followed.

Paragraph reformed OJF 01-10-2014

Neither the approval of the National Banking and Securities Commission, nor any amendment to bylaws, shall be required whenever the transfer of shares is made, either as collateral or transfer of title, to the Institute for the Protection of Bank Savings.

Any person intending to acquire, directly or indirectly, series "F" shares representing the corporate capital stock of a Subsidiary commercial bank, shall obtain the prior authorization of the National Banking and Securities Commission, who may grant it at its own discretion, after hearing the opinion of Banco de México.

The foregoing authorizations shall be subject to the general provisions issued by such Commission promoting the sound development of the banking system, and they shall be granted, as the case may be, regardless of the provisions of article 17.

Article reformed OJF 12-23-1993, 02-15-1995, 11-17-1995, 02-01-2008

Article 45-I. - The National Banking and Securities Commission, with the approval of its Board of Governors and after hearing the opinion of Banco de México, may authorize Foreign Financial Institutions, Holding Companies Subsidiaries or Subsidiaries, to acquire shares representing the corporate capital stock of one or more commercial banks, provided the following requirements are met:

Paragraph reformed OJF 06-04-2001, 07-18-2006, 02-01-2008

I. Foreign Financial Institution, Holding Company Subsidiary or the Subsidiary as the case may be, shall acquire shares representing at least fifty-one percent of their capital stock;

Section reformed OJF 02-15-1995, 11-17-1995

II. In the event of intending to transform the institution into a Subsidiary, the corporate bylaws of said institution which shares are to be transferred shall be amended, to comply with the provisions of this Chapter;

Section reformed OJF 07-18-2006, 02-01-2008

III. Repealed.

Section repealed OJF 06-04-2001

IV. Repealed.

Section reformed OJF 07-18-2006. Repealed OJF 02-01-2008

V. Repealed.

Section reformed OJF 02-15-1995. Repealed OJF 06-04-2001

(Last paragraph repealed)

Paragraph added OJF 01-19-1999. Repealed OJF 06-04-2001

Article added OJF 12-23-1993

Article 45-J. - Repealed.

Article added OJF 12-23-1993. Repealed OJF 06-04-2001

Article 45-K. - The board of directors of subsidiary commercial banks shall be composed by a minimum of five and a maximum of fifteen regular directors, of whom at least twenty-five percent shall be independent. An alternate director may be appointed for each regular director, provided that alternate directors of independent directors shall have such capacity as well.

Paragraph reformed OJF 01-19-1999, 06-04-2001

Their appointment shall be made in a special meeting for each series of shares. The provisions of general ordinary shareholders' meetings established in the Business Associations Law shall apply, as applicable, to the meetings convened with this purpose, and to those held for the appointment of examiners for each series of shares.

Paragraph added OJF 06-04-2001

Series "F" shareholder representing at least fifty-one percent of the paid-in corporate capital stock shall appoint half plus one of the directors and for each ten percent of shares of this series exceeding such percentage, such director shall be entitled to appoint an additional director. Series "O" shareholders shall appoint the remaining directors. The appointment of minority directors may only be revoked, when the appointment of the remaining directors of the same series is also revoked.

Paragraph reformed OJF 01-19-1999, 06-04-2001

The board of directors shall be composed by at least twenty-five percent of independent directors, who shall be appointed in a proportional manner according to the preceding paragraphs. It shall be understood as an independent director an individual who is foreign to the management of the relevant subsidiary commercial bank, and who meets the requirements and conditions determined by the National Banking and Securities Commission, through the general provisions mentioned in article 22 of this Law. In said provisions it shall also be established the assumptions under which a director shall be considered that he/she lost his/her independent capacity for purposes of this article.

Paragraph reformed OJF 06-04-2001

In no event shall the following persons be independent directors:

Paragraph repealed OJF 01-19-1999. Added OJF 06-04-2001

I. Employees or head officers of the institution;

Section added OJF 06-04-2001

II. Shareholders who without being employees or head officers of the institution have decision-making power over its head officers;

Section added OJF 06-04-2001

III. Partners or employees of partnerships or associations providing advisory or consulting services to the institution or to the companies belonging to the same economical group to which it is a party, and whose income represents ten percent or more of their income;

Section added OJF 06-04-2001

IV. Customers, suppliers, debtors, creditors, partners, directors or employees of a company that is an important customer, supplier, debtor or creditor of the institution.

It shall be considered that a customer or supplier is important when the services provided by it to the institution or the sales carried out by the former to the latter represent more than ten percent of the services or total sales of the customer or provider, respectively. Furthermore, it shall be considered that a debtor or a creditor is important when the amount of the corresponding credit is greater than fifteen percent of the assets of the institution or of its counterparty;

Section added OJF 06-04-2001

V. Employees of a foundation, civil association or civil partnership receiving important donations from the institution.

Donations representing over fifteen percent of the total donations received by the foundation, civil association or civil partnership in question shall be considered as important donations;

Section added OJF 06-04-2001

VI. General directors or high-level officers of a company having in its board of directors the general director or high-level officer of the institution;

Section added OJF 06-04-2001

VII. Spouses, concubines, as well as blood, marriage or civil relatives up to the first degree, of any of the individuals mentioned in subsections III to VI above, or, up to the third degree of any of those set forth in subsections I, II, and VIII of this article, and

Section added OJF 06-04-2001

VIII. Those who have occupied a direction office or management position within the institution or financial group which, as the case may be, where the institution itself belongs to, during the previous year when his/her appointment is intended to be made.

Section added OJF 06-04-2001

The board must meet at least quarterly and additionally, whenever it is summoned by the Chairman of the board, by at least one fourth of the directors, or by any examiner of the institution. To hold ordinary and extraordinary meetings of the board of directors, the attendance of at least fifty-one percent of the directors shall be necessary, out of which at least, one shall be an independent director.

Paragraph added OJF 06-04-2001

(Seventh paragraph repealed)

Paragraph added OJF 11-17-1995. Repealed OJF 07-18-2006

The chairman of the board shall be elected from regular directors appointed by series "F" shareholders, and shall have a tie-breaking vote in the event of ties.

Paragraph reformed OJF 06-04-2001

Subsidiaries commercial banks where at least ninety-nine percent of the shares representing the corporate capital stock are held, directly or indirectly, by a Foreign Financial Institution or a Holding Company Subsidiary, may freely determine the number of directors, which in no event may be less than five. Said determination shall follow the provisions of paragraphs first, third and fourth of this article.

Paragraph reformed OJF 11-17-1995, 06-04-2001

The majority of the members of the board of directors of a Subsidiary shall reside in Mexican territory.

Article added OJF 12-23-1993. Reformed OJF 02-15-1995

Article 45-L. - The general directors of Subsidiary commercial banks shall be exempted from the requirements established in subsection I of article 24 of this Law. General directors of the Subsidiaries shall reside in Mexican territory.

Article added OJF 12-23-1993

Article 45-M. - The surveillance body of the Subsidiaries, shall consist of at least one examiner appointed by series "F" shareholders and, as the case may be, one examiner appointed by series "B" shareholders, and their respective alternates.

Article 45-N. - Regarding Subsidiaries, the National Banking and Securities Commission shall have all the powers as the ones granted in the present Law for commercial banks. When the supervisory authorities of the country of origin of the Foreign Financial Institution, owner of the representative shares of the capital stock of a Subsidiary or of a Holding Company Subsidiary, whatever the case may be, wish to carry out inspection visits, they shall request them to the Commission. At the Commission's discretion, the visits may be done with or without the Commission's participation. Article 143 Bis of this Law shall be followed regarding the visits requested by the foreign financial authorities.

Article added OJF 12-23-1993. Reformed OJF 06-04-2001, 07-18-2006-01-10-2014

CHAPTER IV

On commercial banks having business or property relations with entities engaged in business activities

Chapter added OJF 02-01-2008

Article 45-O. - Any commercial banks that have business or economic ties with entities that are engaged in business activities shall be regulated by the provisions of this chapter and other provisions contained in this Law.

Notwithstanding the foregoing, the provisions contained in this Chapter, shall not apply to:

- I. Commercial banks that belong to a financial group organized in terms of the Financial Groups Law, in regards to companies who are members of the financial group and its subsidiaries, including the holding company, and
- II. Commercial banks that do not belong to a financial group in regards to financial entities regulated by financial laws in force belonging to the same corporate Group or Consortium to which the commercial bank belongs.

Article added OJF 02-01-2008

Article 45-P. - For purposes of this Chapter, consortium, control, relevant executive officer, group of individuals, corporate group, and decision-making power, shall be understood as set forth in article 22 Bis of this Law. Additionally it shall be understood as:

- I. Business activities, those mentioned in article 16 of the Federal Tax Code. Regular and professional credit activities amounting in one fiscal year the proportion of credit assets or income related to such activities, according to the provisions of article 8 of the Income Tax Law, shall be excluded.

- II. Significant influence, the holding of rights that allow, directly or indirectly, exercising the voting rights in regards to, at least, twenty percent of the corporate capital stock of an entity.
- III. Business tie, the relation resulting from the execution of agreements for the investment in capital stock of other entities, whereby a significant influence is obtained, including any other kind of legal acts producing similar effects to such investment agreements.
- IV. Economic tie, the one resulting from the fact that a commercial bank belongs to a consortium or corporate group, to which the entity also belongs.

Article added OJF 02-01-2008

Article 45-Q. - Commercial banks that maintain business or economic ties with entities engaged in business activities, shall abide by the following:

- I. They shall take internal control actions and have computers and accounting systems assuring their operational independence from any of the other members of the consortium or corporate group to which they belong, or, from their associates.
- II. They must have facilities assuring the independence of physical space of their administrative offices from any of the other members of the consortium or corporate group to which they belong, or from their associates. Notwithstanding the foregoing, the physical space assigned to customer service, such as branches, may be located in the same building, provided that the access to the inner working area of the branch is allowed only to the institution's own personnel.

Article added OJF 02-01-2008

Article 45-R. - The shareholders of commercial banks regulated by this Chapter shall appoint the members of the board of directors

The majority of the board members may be related to the person or group of individuals in control of the consortium or corporate group carrying out business activities and having business or property relationships with the commercial bank. The aforementioned majority shall be established with the following persons:

- A) Those having a relation with the consortium or corporate group controlled by the aforementioned person or group of persons, that is:
 - I. Individuals having any employment, position, or agency whereby they may take decisions significantly affecting the administrative, financial, operational, or legal condition of the entity, or of the consortium or corporate group to which such entity belongs. The foregoing shall also be applicable to the individuals that have held such employments, positions, or commissions, within a twelve-month period prior to their appointment or to the relevant meeting.
 - II. Individuals having a significant influence or decision-making power, in the consortium or corporate group to which the institution belongs.

- III. Any customer, service provider, supplier, debtor, creditor, partner, board member or employee of a corporation carrying out business activities, who may be an important customer, service provider, supplier, debtor, or creditor of the entity.

It shall be considered that a customer, service provider or supplier is important, when the sales of the company represent over ten percent of the total sales of the customer, service provider or supplier, within a twelve-month period prior to the corresponding appointment or meeting. Furthermore, it is considered that a debtor or creditor is important, when the amount of the credit is greater than fifteen percent of the assets of the corporation itself or of its counterparty.

- IV. Individuals related by blood, marriage or civil kinship up to the second degree, and the spouses, the female or male concubine, of any of the individuals mentioned in subsections I to III of this article.

B) Officers of the relevant commercial bank.

The majority set forth in this article may only be reached by a combination of the individuals described in subparagraphs A) and B) above, in such manner, that the individuals mentioned in subparagraph A) are not a majority.

Notwithstanding the foregoing, the composition of the board of directors shall comply with the percentages of directors set forth in articles 22 and 23 of this Law, and with any other provisions contained in this legal statute.

Commercial banks may not appoint as general director or as officers or executive officers holding the two positions immediately below the former one, any individuals being employed by, having a position or commission of any kind, with any of the members of the consortium or corporate group to which the institution belongs or with entities performing business activities with which the institution maintains business ties. The provisions of this paragraph shall not be applicable to the members or the secretaries of the board of commercial banks.

Article added OJF 02-01-2008

Article 45-S. - The board of directors of commercial banks, or, a committee established by said corporate body, comprised of at least one independent member, who shall chair such, shall approve the entering into transactions of any kind with any of the members of the corporate group or consortium to which the institutions belong to, or with entities carrying out business activities with whom the bank maintains business ties.

The execution of such transactions must be agreed in market conditions. Additionally, the transactions that due to their importance are significant for the commercial bank, must be executed

based on the studies of transfer prices, formulated by an expert of renowned prestige and independent from the business group or consortium that the bank belongs to. The information that this paragraph refers to, must be available at all times to the National Banking and Securities Commission. Said Commission may suspend or partially or totally limit the execution of the transactions that the paragraph above refers to, if at its discretion, they were not agreed in market conditions.

Paragraph reformed OJF 01-10-2014

Commercial banks shall prepare and submit to the Commission, within the first quarter of each year, an annual study on the transfer prices used for executing the transactions mentioned in this article, made during the immediately preceding calendar year.

Whenever any transactions that imply a transfer of risks of relative importance to the property of the corresponding commercial bank are carried out by any of the members of the consortium or corporate group to which such bank belongs to, the general director shall prepare a report on that regard and submit it to the National Banking and Securities Commission within twenty business days following the date such transactions are executed.

Article added OJF 02-01-2008

Article 45-T. - Commercial banks, previous to the execution of the transactions of any nature with any of the members of the business group or consortium that they belong to, or with legal entities that carry out business activities with which the bank maintains business or economic ties, must only obtain the necessary information that allows them to evaluate the risks inherent to said transaction from said entities.

The National Banking and Securities Commission may request from the commercial banks that are member of business groups or consortiums, or, that have business or economic ties with legal entities that carry out business activities, information on any of the other companies that are members of the consortium or business group, only in matters of risk management, financial, as well as the business strategy of said entities, pursuant to what the National Banking and Securities Commission indicates through provisions of general nature related to the transactions referred to in the paragraph above.

In case commercial banks do not have the information referred to in this article, the National Banking and Securities Commission shall presume that with the execution of the respective transactions, the bank would default the limits of diversification set forth in section II of article 51 of this Law, for which it may suspend or partially or totally limit the execution of the transactions with the business group or consortium that it belongs to, or with legal entities that carry out business activities with which the bank maintains business or economic ties.

Article added OJF 01-10-2014

TITLE THIRD
On the Transactions
CHAPTER I
On the General Rules

Article 46. - Credit institutions may only perform the following transactions:

- I. Receive cash bank deposits:
 - a) On demand;
 - b) Subject to withdrawal on pre-established days;
 - c) Saving deposits, and
 - d) Time deposits or with prior notice withdrawal deposits;
 - II. Accept loans and credits;
 - III. Issue bank bonds;
 - IV. Issue subordinated debentures;
 - V. Make deposits with credit institutions and foreign financial entities;
 - VI. Make discounts and grant loans or credits;
 - VII. Issue credit cards based on revolving loan agreements;
 - VIII. Undertake obligations on behalf of third parties, based on credits extended, through the granting of acceptances, endorsements or guarantee of negotiable instruments, as well as the issuance of letters of credit;
 - IX. Trade with securities as provided in this Law and the Securities Market Law;
 - X. Promote the organization and transformation of all kinds of companies and corporations and to subscribe and preserve shares or interests in such, in terms of this Law;
 - XI. Trade with commercial documents on their own account;
 - XII. Carry out on their own account or on behalf of third parties, transactions with gold, silver and foreign currency, including repurchase agreements on the latter;
 - XIII. Provide safe-deposit box services;
 - XIV. Issue letters of credit with the prior receipt of their amount, cash credits and carry out payments on behalf of customers;
 - XV. Carry out the trust transactions set forth in the Credit Instruments and Operations Law, and carry out agencies and commission agencies;
- Credit institutions may enter into transactions with themselves in the fulfillment of trusts, agencies or commission agencies, when Banco de México authorizes it through general provisions, that establish requirements, terms and conditions promoting that the respective transactions are performed consistently with market conditions at the time of their execution, and avoiding conflicts of interest;

Paragraph added OJF 02-01-2008

- XVI. Receive deposits for management or custody, or security deposits on account of third parties, of instruments or securities and in general of commercial instruments;
- XVII. Act as common representative of the holders of negotiable instruments;
- XVIII. Provide cashier and treasury services in regard to credit instruments on account of the issuers;
- XIX. Keep the accounting and minutes' books and the ledgers of companies and businesses;
- XX. Act as executor of an inheritance;
- XXI. Act as receiver or be in charge of any judicial or out of court liquidation of businesses, establishments, and business reorganization or inheritance proceedings;
- XXII. Make appraisals that shall have the same weight of evidence as the one the laws attribute to those made by public certifier or by expert;
- XXIII. Acquire any necessary movable property and real estate for the fulfillment of their corporate purpose and transfer the same when applicable, and
- XXIV. Enter into financial leasing agreements and acquire the properties subject to such agreements.

(Second paragraph repealed)

Paragraph repealed OJF 06-04-2001

Section added OJF 07-23-1993

- XXV. Carry out derivative transactions, abiding by the technical and operational rules issued by Banco de México, that provide the elements for such transactions, such as kind, terms, counterparties, underlyings, collateral securities, and liquidation forms;

Section reformed OJF 07-23-1993 (moved forward), 06-04-2001, 02-01-2008

- XXVI. Perform financial factoring transactions;

Section added OJF 06-04-2001. Reformed OJF 02-01-2008

- XXVI bis. Issue and set in circulation any means of payment determined by Banco de México, abiding by the technical and operational rules issued by it, that provide, among other elements, the ones referred to their use, amount and term, in order to foster the use of various means of payment;

Section added OJF 02-01-2008

- XXVII. Intervene in the procurement of insurance policies; for such purposes, they shall comply with the provisions of the Insurance and Mutual Insurance Companies Law and in the general provisions resulting therefrom, and

Section added OJF 02-01-2008

- XXVIII. Any other analogous or related transactions authorized by the Ministry of Finance and Public Credit, hearing the opinion of Banco de México and of the National Banking and Securities Commission.

Section added OJF 06-04-2001. Reformed OJF 02-01-2008 (moved forward)

Commercial banks may only carry out transactions established in the aforementioned subsections that are expressly established in their corporate bylaws, upon previous approval from the National Banking and Securities Commission as provided in articles 9 and 46 Bis of this Law.

Paragraph added OJF 06-04-2001. Reformed OJF 07-18-2006, 02-01-2008

The Ministry of Finance and Public Credit, the National Banking and Securities Commission, and Banco de México, within the regulation that they must issue within the scope of their duties and powers, must consider the transactions that the commercial banks are authorized to carry out pursuant to what is set forth in articles 8, 10, and 46 Bis of this Law, and differentiate, when they deem it appropriate, said regulation in aspects such as the infrastructure that the commercial banks must have and the information that they must provide, among others. Likewise, the business models or characteristics of their transactions may be considered.

Paragraph added OJF 02-01-2008 Reformed OJF 01-10-2014

Article 46 Bis. - The National Banking and Securities Commission shall authorize commercial banks to start operations or to perform other additional transactions to those that have been authorized to it, from amongst the ones stated in article 46 of this Law, when they evidence compliance with the following:

- I. That the relevant transactions are expressly set forth in their bylaws;
- II. That they have the minimum capital stock that may correspond to them according to article 19 of this Law, by virtue of the transactions they intend to carry out;
- III. That they have suitable governing bodies and corporate structure to perform the transactions they intend to carry out, according to this Law and the general technical or operational rules issued by the National Banking and Securities Commission aimed at the proper performance of the institutions;
- IV. That they have the necessary infrastructure and internal controls to carry out the transactions they intend to perform, such as the operational, accounting and safety systems, offices, and the relevant manuals, according to applicable provisions, and
- V. That they are current in the payment of sanctions imposed for failure to comply with this Law and that are final, and in the compliance with any observations and corrective actions that, in the performance of their duties, said Commission and Banco de México have instructed to them.

The National Banking and Securities Commission shall carry out any inspection visits it deems necessary to verify compliance with any requirements established in subsections I to IV of this article. The Commission will consult with Banco de México the compliance with any measures and sanctions that it had imposed on commercial banks, by exercising its duties.

The commercial bank shall register with the Public Registry of Commerce, for declarative purposes, the authorization granted to it to start operations in terms of this article, no later than within thirty days following notification of such authorization.

Article added OJF 06-13-2003. Reformed OJF 02-01-2008

Article 46 Bis 1. - Credit institutions may agree with third parties, including other credit institutions or financial entities, the provision of services that are necessary for their operation, as well as agencies to carry out the transactions established in article 46 of this Law, as provided in the general provisions issued by the National Banking and Securities Commission, upon previous agreement from its Board of Governors.

The transactions performed by the agents shall be performed in the name and on behalf of the credit institutions with which they enter the legal acts mentioned in the first paragraph of this article. Furthermore, the legal instruments documenting the agency shall provide that credit institutions are liable for the transactions that the agents may enter into on behalf of such institutions, even in the event such transactions are performed in other terms than those established in such legal instruments. The general provisions referred in the first paragraph of this article, must contain, among others, the following elements:

- I. The technical and operational guidelines that must be observed for the completion of such transactions, and to safeguard the confidentiality of the information of the banking system users and to provide that in the execution of such transactions the applicable legal provisions are complied with;
- II. The qualifications of any individuals or entities that may be hired by the institutions as third parties in terms of this article. In connection with the entities of the Federal or State Public Administration, the rules may only include those expressly empowered by their law or regulations to provide the relevant services or agencies;
- III. The requirements in connection with the operational and control processes that the institutions must require from any third parties hired;
- IV. The kind of transactions that may be performed through third parties. The National Banking and Securities Commission will be empowered to indicate the kind of transactions that shall require its previous authorization;
- V. Any services or agency agreements entered into under this article, which the Commission determines are to be submitted to it by commercial banks, and the form, conditions and terms of such handing over;
- VI. Any applicable limitations to transactions that may be performed through third parties on behalf of the institution, abiding at all times, in regards to the transactions established in subsections I and II of article 46 of this Law, by the following provisions:
 - a) Individual limitations, by kind of transaction and customer, that shall not exceed per agent, a daily amount equivalent in Mexican currency to 1,500 Investment Units, for

each kind of investment and account, in connection with cash withdrawals and payment of checks, and the equivalent in Mexican currency to 4,000 Investment Units with regards to cash deposits, and

- b) Added limitations, which shall not exceed per agent, a monthly amount equivalent to fifty percent of the total amount of the transactions performed in the period by the relevant institution. The limit established in this subparagraph, shall be equal to sixty-five percent, during the first eighteen months of operations with the agent. For purposes of the foregoing, a corporate Group shall be understood as a single commission agent, as provided in the definition provided in subsection V of article 22 Bis of this Law.

The performance of those transactions that may be carried out through third parties on account of the institution, referred in subsections I and II of article 46 of this Law, shall be subject to the authorization provided in subsection IV of this article.

The limitations set forth in this subsection shall not be applicable in the following cases:

- i) The third party is an entity of the Federal, State or Municipal Public Administration;
- ii) In the case of transactions related to subsection XXVI Bis of article 46 of this Law;
- iii) The third parties with whom agreements are entered into are credit institutions, securities firms or popular savings and credit entities.

Section reformed OJF 06-25-2009

- VII. Policies and procedures which credit institutions must have, to supervise the performance of any third parties who are hired, as well as the compliance with their contractual duties, which must include the obligation of such third parties to furnish the National Banking and Securities Commission, and the external auditors of the institutions, at the request of such institutions, any records, data and technical support in respect to the services provided to the institutions, and
- VIII. Those transactions and services that the institutions may not agree with third parties to be provided to them in an exclusive basis.

The provisions of article 142 of this Law shall also be applicable to the third parties referred in this article, as well as their representatives, head officers and employees, even should they cease to work for or to provide services to, such third parties.

Paragraph reformed OJF 01-10-2014

The National Banking and Securities Commission, upon having previously granted the right to a hearing to the credit institution, shall order the partial or full, temporary or final, suspension of services or agencies by the relevant third party, whenever the provisions set forth in this article are not complied with or when the operational continuity of the credit institution may be affected, or in order to protect the interests of the public. The foregoing is to be applied unless the Commission

shall approve a regularization plan which meets the requirements established for such purpose, by the aforementioned general provisions.

The National Banking and Securities Commission shall directly furnish credit institutions with the information requirements and, as the case may be, the observations and corrective measures resulting from the supervision carried out by it, by virtue of the activities that institutions perform through service providers or agents according to the provisions of this article, to assure the continuity of the services that such institutions provide to their customers, the integrity of the information and compliance with the provisions of this Law. Likewise, the Commission shall be authorized, at all times, to carry out supervision, inspection and surveillance acts in respect to the service providers or agents hired by the institutions in terms of this article, and to carry out inspections to any third parties hired by the credit institutions with respect to the activities agreed upon, or, to order the institutions to carry out audits to such third parties and said institutions are obliged to render a report to the Commission in that regard.

The Commission shall specify the subject of the inspections or audits, which shall be limited to the subject matter of the service hired and to the compliance with the provisions of this Law and any other provisions resulting herefrom. To such end, institutions shall establish in the agreements through which the provision of these services or agencies are formalized, the express agreement of the third party hired, stating that such party agrees to abide by this article.

The companies mentioned in article 88 of this Law, as well as the entities who are members of the financial group to which the institution belongs, including the holding company and the subsidiaries of the financial group itself shall not be subject to the provisions of this article. Regardless of the foregoing, such companies shall be subject to any general provisions are applicable to them.

Article added OJF 02-01-2008

Article 46 Bis 2. - The hiring of the services or commission agencies provided in article 46 Bis 1 of this Law shall neither exempt credit institutions, nor their head officers, trust officers, employees and other persons having an employment, position, or commission in the institution, of the obligation to abide by the provisions resulting from this legal statute and the general provisions arising herefrom.

The National Banking and Securities Commission may request the service providers or agents set forth in article 46 Bis 1 above, through credit institutions, any information, including books, records and documents, in regards to the services they provide to such institutions, and carry out inspection visits and decide the measures that credit institutions must observe in order to guarantee the continuity of the services they provide to their customers, the integrity of the information and the compliance of the provisions of this Law.

Article added OJF 02-01-2008

Article 46 Bis 3.- Whenever any credit institutions enter into transactions as a result of which, their officers or employees or any individuals entrusted with a position, an agency or commission or any other legal title which such institutions grant for the performance of activities of their own, shall abide by the following:

- I. They may only enter into such transactions, in the event they correspond to work benefits granted generally, or
- II. In case of credits denominated in Mexican currency, documented in credit cards, for the acquisition of durable goods or used for housing, provided that in any of the aforementioned cases they are executed in the same terms and conditions as those established by the credit institution for the general public.

The limitation provided in this article, is also applicable to the transactions that credit institutions intend to enter into, with the regular or alternate examiner or examiners of the institution itself, and the independent external auditors.

Article added OJF 02-01-2008

Article 46 Bis 4. - Credit institutions may grant bonds or sureties only when they cannot be taken by the bonding companies due to their amount and with the prior authorization of the National Banking and Securities Commission. The authorization issued by the Commission may only approve sureties in certain amounts and, provided credit institutions evidence they demanded the countersecurity in cash or in securities of the kind credit institutions may acquire according to this Law.

Article added OJF 02-01-2008

Article 46 Bis 5. - Credit institutions are also allowed to:

- I. Grant collaterals on their properties in those cases authorized by the National Banking and Securities Commission, provided such action contributes to the stability of the credit institutions or the banking system.
- II. Grant as collateral, including as pledges, securities pledge or guaranty trust, any cash, credit rights in their favor or the instruments or securities of their portfolio, in transactions executed with Banco de México, development banks, the Institute for the Protection of Bank Savings or public trusts constituted by the Federal Government for economic promotion. Banco de México, through general provisions, may authorize the granting of such collaterals in terms different to those mentioned before, provided it shall establish to such end, among other aspects, the kind of transactions to be secured.
- III. Pay in advance, in whole or in part, any obligations payable by such institutions resulting from any cash bank deposits, loans or credits, when it is authorized by Banco de México through general provisions, that establish the requirements, as well as the terms and conditions according to which the corresponding advance payments may apply.

- IV. Pay in advance any repurchase transactions entered into with Banco de México, credit institutions, securities firms, and with any other individuals authorized by Banco de México through general provisions, that establish requirements according to which the advance payment of these transactions may be made.

Article added OJF 02-01-2008

Article 46 Bis 6.- The orders, acts and transactions executed through foreign payment systems concerning the execution, processing, compensation and settlement in regards to transfers of funds requested or made by, participating credit institutions to be executed through such payment systems which, according to applicable substantive law in terms of the provisions ruling the relevant payment system, are considered final, irrevocable, enforceable or opposable to third parties, shall have such nature according to Mexican laws. The foregoing shall also be applicable to any act which, in terms of the internal rules of such payment system, is executed in regards to said orders and funds transfer transactions.

For purposes of the foregoing paragraph, the conflict-of-law rules regulating a foreign payment system, which make the substantive laws of Mexico or of a third state applicable, shall not be taken into account.

Any judicial or administrative resolution, including the seizure and any other enforcement actions, as well as the ones resulting from the application of business reorganization rules or procedures implying the liquidation or dissolution of any institution participating in the aforementioned foreign payment systems, which are aimed at prohibiting, suspending or otherwise restricting any payments or fund transfers that the participating credit institutions make or instruct to be made, through the aforementioned systems, may only be effective and, shall therefore be mandatory and enforceable, from the banking business day following to the date it is notified to the relevant payments system manager.

Notices become effective on the next banking business day, following to the date when notice is served according to applicable legal provisions. Before the notices become effective, such notices shall not prevent the completion, through such payment systems, of processing, compensation and settlement of the orders entered, or of transactions executed in said payment systems, or affect the definitiveness of such acts.

In its case, the resources or goods received by the participating bank in question as consideration for the fulfillment of the respective transaction, shall form part of its equity to the ends that they be used by the liquidator or judicial liquidator, as the case may be, to pay the liabilities of the bank in the order of payment or preference established in this Law.

Paragraph reformed OJF 01-10-2014

The accounts that managers of foreign payment systems indicated in the first paragraph of this article keep in Banco de México may not be seized, as provided in the second paragraph of article 15 of the Payment Systems Law.

Notwithstanding the provisions of the aforementioned paragraphs, the creditors, the bankruptcy bodies or any third party having any legal interest, may require from the participants of the payment systems, through any applicable legal actions, the benefits, indemnifications and liabilities that may apply according to Law.

Article added OJF 02-01-2008

Article 47. - Development banks shall carry out, in addition to the transactions provided in article 46 of this Law, those which are necessary for the adequate assistance to the relevant sector of the domestic economy and the fulfillment of the duties and purposes that are inherent to them, according to the modalities and exceptions that, in regards to those established in this or other laws, are determined by their organicanic laws. Regarding the recording and accounting systems of banking transactions, the provisions of subsection VIII of article 37 of the Federal Public Administration Law shall not apply.

Paragraph reformed OJF 06-24-2002, 06-13-2003, 02-01-2008

The transactions established in subsections I and II of article 46 of this Law, shall be entered by the development banks seeking to facilitate the beneficiaries of their activities the access to the banking and credit service and to promote among them, saving habits and the use of the services provided by the Mexican Banking System, to prevent any disruptions in the fund raising system from the public.

Paragraph reformed OJF 06-13-2003

Bank bonds issued by development banks shall bring about the development of capital markets and institutional investment.

The Ministry of Finance and Public Credit shall issue the guidelines and establish the measures and mechanisms to enable a better use and the most adequate channeling the financial resources of development banks. In said guidelines, measures, and mechanisms, said Ministry will take into consideration the coordination of financing plans with other development banks, as well as with national auxiliary credit organizations, funds and public trusts created by the Federal Government for economic promotion, and commercial banks.

Furthermore, development banks, when carrying out any transactions and providing the banking services established in article 46 of this law, only as an exception granted by the Ministry of Finance and Public Credit, may hire the services of third parties or other credit institutions mentioned in article 46 Bis 1 of this Law.

Paragraph added OJF 01-10-2014

What is set forth in article 106, sections XVI and XVII of this law shall not be applicable to development banks; regarding the shares set forth in subsection XVII, subparagraph c), these must have been placed at least one year before the date on which the respective credit was requested. Without prejudice to the foregoing, in order to carry out the transactions referred to, development banks, must have previous authorization from the Ministry of Finance and Public Credit, which shall request the opinion of Banco de México and the National Banking and Securities Commission.

In the event that a development bank grants credits or loans receiving as collateral shares of commercial banks, the capitalization index of the latter must comply with the minimum amount set forth by the applicable provisions.

Paragraph added OJF 01-10-2014

Article 48. - Interest rates, commissions, premiums, discounts, or other analogous concepts, amounts, terms, and any other elements of active, passive and service transactions, as well as gold, silver and foreign currency transactions performed by credit institutions and any mandatory investment of their current liabilities, shall be subject to the provisions of the Organic Law of Banco de México, to serve monetary and credit regulation needs.

(Second paragraph repealed).

Paragraph repealed OJF 12-23-1993

Credit institutions are obliged to exchange banknotes and metal coins in circulation, and to remove from circulation any pieces that Banco de México indicates.

Paragraph added OJF 07-23-1993

Regardless of the sanctions established in this Law, Banco de México may suspend operations with the institutions that violate any provisions of this article.

Paragraph added OJF 07-23-1993

Article 48 Bis 1. - Whenever customers of credit institutions hand the latter any presumably counterfeit banknote dispensed to them by any automatic teller machine or at the counter of any of their branches, the credit institutions shall proceed in the following manner:

- I. They shall provide the customer a claim format, where the customer shall write down his/her name and address; the place, date and manner in which the pieces were dispensed to him/her, and the features and number of such pieces. A photocopy of an official identification card of the customer must be attached thereto.
- II. They shall withhold the relevant pieces, issuing the corresponding receipt to the customer. Said pieces shall be sent to Banco de México so it may render a pronouncement. The institutions must provide Banco de México with the information it requests for such purpose.

- III. They shall verify, within a term of five banking business days that the transaction was carried out as declared by the customer in the claim format.
- IV. In the event that the information provided by the customer and the result of the verification carried out, lead to presume that the pieces in question were dispensed by automatic teller machines or at the counter of any of the branches of the institutions, they shall deliver the customer the amount of the pieces he/she submitted, provided these resulted from two different transactions at most. No more than two pieces may be exchanged per each transaction to the same customer within a period of one year. The exchange is not applicable when more than five banking business days have elapsed between the date of the transaction and the presentation of the pieces before the relevant credit institution.
- V. In the event the credit institution considers that the exchange of the pieces is not applicable, it shall inform the customer in writing the reasons that lead to its refusal. In such case, the customer is entitled to appear before the National Commission for the Protection of Users of Financial Services to enforce his/her rights.

Credit institutions that carry out the exchange of pieces according to the provisions herein shall subrogate in all the rights resulting from such action.

Banco de México, without formal petition or at the request of any interested party, may verify the compliance with the provisions of this article or with any general provisions issued by it regarding storage, supply, exchange, delivery and withdrawal of banknotes and metallic coins. Should by virtue of such verification Banco de México detect any default whatsoever, it may penalize the corresponding institution with a penalty of up to one hundred thousand days of the general minimum wages in force in the Federal District on the date of the infringement. Previously to the imposition of any sanction, Banco de México must honor the right to be heard of the credit institution involved.

The motion for reconsideration shall be available against the resolutions where Banco de México imposes any sanction, according to the provisions of articles 64 and 65 of the Banco de México Law. The filing of such motion is mandatory and must be filed within 15 banking business days following to the date such resolutions are notified. In the resolution of said motion, the provisions of the last paragraph of article 65 of the Banco de México Law shall apply. The enforcement of the resolutions on penalties shall be made in terms of articles 66 and 67 of the Banco de México Law.

Article added OJF 06-15-2007

Article 48 Bis 2. - Credit institutions receiving bank cash deposits on demand from individuals, shall be obliged to offer a payroll or savings account banking basic product in the terms and conditions determined by Banco de México through general provisions, considering that such accounts whose monthly credits do not exceed the amount equivalent to one hundred and sixty five daily minimum wage in effect in the Federal District, are exempted from any opening, withdrawals and consultations

fees or from any other concept in the institution that has the account. Furthermore, credit institutions are obliged to offer a product with the same characteristics to the general public.

Banco de México shall consider the opinion that the obliged credit institutions submit to it regarding the design and offerings to the public of the product set forth in the preceding paragraph.

Credit institutions granting to individuals credit lines in current accounts related to credit cards shall be obliged to provide those customers eligible as borrowers, a basic credit card product that can be used for the sole purpose of acquiring goods or services. The characteristics of said credit cards shall be the following:

- I. Their credit limit shall be of up to two hundred times the daily minimum general wage in force in the Federal District;
- II. They shall be free of annual fee or any other kind of fee; and
- III. The institutions shall not be obliged to incorporate additional features to the credit line of such basic product.

Article added OJF 06-15-2007. Reformed OJF 05-25-2010

Article 48 Bis 3. - The payment of interest in regard to any credits, loans or financings that credit institutions grant, may not be required in advance but only for overdue periods, besides abiding by applicable commercial statutes. Banco de México through general provisions shall determine the amounts of the credits, loans, and financings to which this article shall apply; the foregoing shall be disclosed by credit institutions to their customers at the time they agree on the terms of the credit.

Article added OJF 06-15-2007

Article 48 Bis 4. - Credit Institutions shall keep in their website on the worldwide web "Internet", any information regarding the amount of fees charged for the services they offer to the public related to the use of debit cards, credit cards, checks and fund transfer orders. Likewise, their branches shall display the aforementioned information on boards, lists and brochures in an evident manner, and also allow such information to be obtained through any electronic means located in such branches, so that anyone requesting said information can consult it for free.

To guarantee the protection of the interests of the public, the determination of fees and charges for the services provided by credit institutions, shall be subject to the provisions of the Financial Services Transparency and Regulation Law.

Article added OJF 06-15-2007

Article 48 Bis 5. – Credit institutions are bound to take the necessary steps to ensure their clients may terminate any adhesion contract they may have entered into therewith in lending and deposit transactions, in writing, stating their wish to terminate their legal relationship with that institution.

Clients may, at any time, perform such transactions with another credit institution. In these cases, the provisions of the third paragraph of this article shall apply upon the time frames for transferring the respective funds and terminating the transaction, once the respective request of the client has been received.

Clients may agree with any credit institution with which they may decide to enter into an adhesion contract to carry out lending and deposit transactions, to let them do the necessary procedures in order to terminate those lending and deposit transactions provided for in adhesion contracts, which the client him/herself should request and which he/she may have entered into with other Entities.

As far as passive operations are concerned, the credit institution with which the client has decided to terminate a transaction, shall be obliged to deliver the institution in charge of carrying out the respective termination procedures, all information necessary for doing so, including the balance of said transactions. Likewise, it shall be obliged to transfer the resources involved in the lending transaction in question, to the account in the name of the holder(s) at the requesting credit institution, which the latter provides to it, and to terminate the transaction, at the very latest, on the third bank business day following that on which the respective request was received. For these purposes, the communication sent to them by the requesting institution under the terms provided in this article shall suffice. In the case of long-term passive trades, the cancellation request shall become effective upon maturity.

It shall be the responsibility of the institution requesting the money transfer and the termination of the operation, to obtain the authorization of the holder(s) in question for performing the actions outlined in this article.

If the account holder in the passive operation whereof termination is being sought, objects to said termination or the transfer of funds, on the grounds of not having given proper consent, the requesting institution must send the funds in question to the original institution, in the terms and time frames defined by the National Commission for the Protection and Defense of Financial Services Users in its general provisions. The foregoing notwithstanding any payments for damages and losses which may have been incurred by the client and any penalties applicable in terms of this, and other laws, if applicable.

The requests, authorizations, instructions and communications referred to in this article may be made in writing and signed, or by electronic or optical means or any other technology, as long as the legal act in question can be reliably verified. The provisions of this paragraph shall be without prejudice of the requirements that the Entities shall comply, according to the regulations on the matter to which they are bound under their special laws.

The provisions of this article shall be governed by the general provisions issued by the National Commission for the Protection and Defense of Financial Services Users.

Article added OJF 06-25-2009. Reformed OJF 01-10-2014

Article 49. - Credit institutions shall receive the requests from their customers to terminate the adhesion contracts they entered into, and, as the case may be, settle any pending active or passive transactions, in terms of applicable legal provisions, at any branch or at the offices of the corresponding credit institution, when such institution lacks branches providing customer service.

The customer, provided he/she has so agreed with the credit institution, may submit the aforementioned request through any equipment, electronic or optic means or any other technology, automatized systems for data processing and telecommunication networks, either public or private.

Customers of credit institutions may make the requests provided in this article through other credit institution that shall act as receiving party of the relevant transactions. This credit institution may carry out the necessary procedures to cancel the aforementioned agreements and, as the case may be, to settle any transactions, under its responsibility and without charging any fee for such arrangements. For purposes of the provisions of this paragraph, the receiving institution shall receive the written requests at the branch.

The National Commission for the Protection of Users of Financial Services, shall establish through general provisions, the requirements and procedures to carry out the provisions of the preceding paragraph.

*Article repealed OJF 06-04-2001. Added OJF 01-28-2004. Reformed OJF 07-18-2006. Repealed OJF 06-15-2007.
Added OJF 05-25-2010*

Article 50. - The credit institutions must keep a net capital at all times that shall be expressed through an index that may not be less than the amount that results from adding the requirements of capital established by the National Banking and Securities Commission in terms of the general provisions that it issues, with the approval of its Board of Governors, for the commercial banks, on one side, and for the development banks on the other side. To that effect, said capital requirements shall be referred to the following:

- I. Market, credit, operational, and other risks in which the banks incur in their operation, and
- II. The relation between their assets and liabilities

The net capital shall be determined by said Commission in the abovementioned provisions and shall consist of different parts, among which a basic one shall be defined. This basic part shall have two

sections, one of which shall be denominated fundamental capital. Each of the parts and the sections of the net capital shall not be below the minimum amounts determined by the National Banking and Securities Committee in the provisions referred to in the first paragraph of this article.

The requirements of capital established by the National Banking and Securities Commission shall have the purpose of safeguarding the financial stability and the solvency of the credit institutions, as well as protecting the interest of the saving public.

The net capital shall be made up of contributions of capital, as well as the withheld profits and capital reserves, without prejudice that the National Banking and Securities Commission allows to include or subtract other concepts of the equity in the net capital, subject to the terms and conditions that said Commission establishes in the mentioned provisions.

When exercising the powers and issuing the provisions of general nature that this article refers to, the National Banking and Securities Commission must hear the opinion of Banco de México. It shall also take into consideration the international bank uses in respect to the adequate capitalization of the credit institutions, and determine the classifications of the assets, of the transactions that cause contingent liabilities and other transactions, determining the treatment that corresponds to the different groups of assets and transactions that result from said classifications.

Additionally, to the abovementioned capitalization index, credit institutions shall have capital buffers above the minimum required capitalization index, determined by the National Banking and Securities Commission in the referred to provisions of general nature. To determine said capital buffers, the Commission may take into consideration different factors such as; the need to have a margin of capital to operate above the minimum, the economic cycle, and the systemic risks that each bank, due to its characteristics or those of its transactions, may represent for the stability of the financial system or of the economy as a whole.

The National Banking and Securities Commission, in the provisions that this article refers to, shall establish the procedure to calculate the capitalization index. The calculation will be carried out based on the recognition of the different components of the net capital pursuant to what is set forth in the provisions that this article refers to, as well as based on the requirements indicated in the first paragraph of this article and in the capital buffers, applicable to the credit institutions, as well as based on the information that regarding each bank may be reported to the public at large.

When the National Banking and Securities Commission, by reason of its supervisory duty, requires the credit institutions to make adjustments to the accounting records, as a corrective measure, relative to their active, passive, and capital transactions that, at the same time, may derive in amendments to its capitalization index or to its capital buffers, said Commission must carry out the necessary actions

for the calculation of said index or buffers to be done pursuant to what is set forth in this article and in the applicable provisions, in which case it must give the right to a hearing to the affected commercial bank and resolve in a term no greater than three business days.

In case that said corrective measure may cause that a commercial bank records a capitalization index, a fundamental capital, a basic portion of the net capital, or capital buffers at levels below to those required pursuant to the provisions of general nature that this article refers to, said corrective measure shall be agreed by the Board of Governors of the National Banking and Securities Commission considering the elements provided by the commercial bank in question.

The calculation of the capitalization index, the fundamental capital, the basic portion of the net capital or the capital buffers that, in terms of the present article, result from the adjustments required by the National Banking and Securities Commission shall be the one used for all the pertinent legal effects.

Article reformed OJF 06-04-2001, 07-06-2006, 02-01-2008, 01-10-2014

Article 50 Bis. - The commercial banks must evaluate, at least once a year, if the capital that they have is sufficient to cover possible losses arising from the risks in which said banks may incur in different scenarios, including those in which adverse economic conditions prevail, pursuant to the provisions of general nature that are determined for such effect by the National Banking and Securities Commission.

The results of the evaluations done by the commercial banks shall be submitted in the terms, form, and data that, to the effect, the same Commission determines through the provisions of general nature cited before. Likewise, the banks whose capital is not sufficient to cover the losses that the bank comes to estimate in the evaluations that the present article refers to, must attach a plan of action to said results with the forecasts of capital that, in its case, allows them to cover the estimated losses. Said plan must fulfill the requirements for its presentation, established by the Commission in the provisions of general nature cited above.

Article added OJF 01-10-2014

Article 51. - The credit institutions must diversify their risks when carrying out their transactions. The National Banking and Securities Commission shall determine the following through provisions of general nature with the agreement of its Board of Governors:

- I. The maximum percentages of the liabilities attributable to a bank that correspond to direct or contingent liabilities in favor of one individual, entity, or group of persons that in accordance with the same provisions must be considered for such effects, as a sole creditor, and

- II. The maximum limits of the amount of the direct or contingent liabilities including the investments in representative certificates of capital, of one person, entity, or group of persons that due to their equity or liability connections, constitute common risks for a credit institution.

In addition to the limits indicated in subsections I to II of this article, said provisions may refer to limits per entity or market segments that represent a concentration of credit, market, or even operational risk. For this last case, maximum limits may also be provided for transactions done with one or more entities that form part of a consortium or business group, and that imply the acquisition or the right to use or to enjoy of goods and services of any kind, under any legal title, even by reason of trust transactions.

For effects of this article, control, consortium, and business group shall be understood as what is established in article 22 Bis of this law.

Article reformed OJF 06-04-2001, 06-24-2002, 02-01-2008, 01-10-2014

Article 51 Bis. - The National Banking and Securities Commission, through provisions of general nature that to the effect it issues with agreement of its Board of Governors, shall establish the maximum amount of the active transactions of the credit institutions. This amount shall be determined in relation to the basic portion of its net capital.

Article added OJF 01-10-2014

Article 52. – Credit institutions may allow the use of advanced electronic signatures or any other method of authentication for agreeing on transactions and the provision of services to the public, through the use of electronic or optical means or equipment or any other technology, automated data processing systems and telecommunications networks, whether public or private, and shall establish in each respective agreement, the bases for determining the following:

Paragraph reformed OJF 03-09-2018

- I. The transactions and services being agreed upon;
- II. The means of identification of the user and the responsibilities inherent to the use thereof, and
- III. The means whereby the creation, transfer, modification or extinction of the rights and obligations inherent to the transactions or services in question, are to be notified.

When so agreed with their clientele, institutions may suspend or cancel the processing of any transactions said clientele attempt to perform through the use of equipment or means referred to in the first paragraph of this article, as long as they have sufficient grounds for presuming that the means of identification agreed for such purposes have been used unduly. The foregoing shall also be applicable when the institutions detect some error in their respective instructions.

Likewise, institutions may agree with their clientele that, when the latter have received funds through any of the equipment or means listed in the foregoing paragraph and they have sufficient grounds for presuming that the means of identification agreed for use in such instances have been used unduly, access to said funds may be restricted for up to fifteen business days, in order to carry out any investigations and inquiries that may be necessary with other credit institutions, relating to the transaction in question. The credit institution may extend the aforementioned time frame by up to ten more business days, as long as the competent authority has been notified of any possible unlawful deeds committed in the course of the respective transaction.

Notwithstanding the provisions of the previous paragraph, whenever institutions have so agreed with their clientele, in cases in which, as a result of the aforementioned investigations, they have evidence that the respective account was opened using false information or documentation, or, that the means of identification agreed for the performance of the transaction in question were used unduly, it may, at its own risk, debit the corresponding amount, in order to credit it to the account wherefrom the funds originated.

Any institution that may have mistakenly credited funds to one of the accounts held by their clientele, may debit the respective amount from the account in question in order to correct the error, as long as this has been agreed with the client.

In the cases outlined in the four foregoing paragraphs, institutions must notify the client in question of the performance of any actions carried out, according to the provisions thereof.

The use of means of identification established according to the provisions of this article, which take the place of a wet signature, shall have the same effects as law bestows to the relevant documents and, consequently, they shall have the same probative value.

The installation and use of the equipment, means and methods of authentication outlined in the first paragraph of this article shall be governed by general rules issued by the National Banking and Securities Commission, notwithstanding the powers of Banco de México to regulate transactions carried out by credit institutions relating to payment systems and those of fund transfers in terms of the applicable law.

Paragraph reformed OJF 03-09-2018

Credit institutions may exchange information in terms of the general provisions referred to in article 115 of this Law, for the purpose of strengthening measures for the detection and prevention of acts, omissions or transactions that could encourage, provide assistance, help or cooperation of any kind in the commission of crimes against clients or the institution itself.

The exchanging of information as mentioned in the above paragraph does not imply any breach of the provisions of article 142 of this Law.

*Paragraph reformed OJF 01-10-2014
Article reformed OJF 06-04-2001, 02-01-2008*

Article 53.- The transactions with securities done by the credit institutions acting by own account, shall be done in the terms set forth in this Law and by the Securities Market Law, and shall be subject to the inspection and surveillance of the National Banking and Securities Commission.

In the cases indicated in Title Eighth of this Law, the National Banking and Securities Commission shall establish, as measures that the credit institutions must comply with in order to encourage the channeling more resources to the financing of the productive sector, parameters for the execution of transactions with securities that said institutions enter into on their own behalf. Said parameters may also have the possibility of being differentiated by each type of security. Said measures must be established in provisions of general nature, approved by the Board of Governors of said Commission and may also have a temporary nature. Additionally, the Commission may impose said measures, per agreement of the Board of Governors, to guide the activities of the Mexican Banking System in compliance with what is established in article 4 of this Law.

When the transactions with securities done by the credit institutions by own account, are done with securities registered in the National Registry of Securities, these must be carried out with the intermediation of the brokerage firms, except in the following cases:

- I. Those with securities issued, accepted, or guaranteed by credit institutions;
- II. Those that Banco de México, for reasons of credit or exchange policy, determines through rules of general nature, and
- III. Those that the Ministry of Finance and Public Credit excludes, provided they are done to:
 - a) Finance businesses of new creation or expansion to the existing ones;
 - b) Transfer important proportions of businesses capitals, and
 - c) Other purposes that the normal mechanisms of the market do not adjust to.

The Ministry of Finance and Public Credit shall hear the opinion of Banco de México as well as of the National Banking and Securities Commission to resolve on the exceptions set forth in this section.

Article reformed OJF 01-10-2014

Article 54. - The repurchase agreements over securities entered by credit institutions shall be subject to the provisions applicable to that kind of transactions, and to the following:

Paragraph reformed OJF 07-23-1993

- I. They shall be formalized, including any extensions thereto, as determined by Banco de México through general rules, not being necessary for such repurchase agreements to be recorded in writing;

Section reformed OJF 07-23-1993

- II. In the event that the term of the repurchase agreement expires on a non-business day, it shall be understood as extended to the next business day;
- III. The term of the repurchase agreement and, as the case may be, any extension thereto may be freely agreed by the parties, without exceeding the terms established for such purpose by Banco de México, through the rules mentioned in subsection I above, and

Section reformed OJF 07-23-1993

- IV. IV. Except agreement to the contrary, in the event that on the day the repurchase agreement is to be paid, the seller of securities fails to discharge the transaction or this is not extended, it shall be considered deserted and the purchaser of securities may demand forthwith the seller of securities the payment of any differences resulting against the same.

Article 55. - Any investment charged to the basic portion of the net capital of the institution set forth in article 50 of this Law, shall be subject to the following limits:

- I. Investments in furniture and equipment, in real estate or interests in property other than those pertaining to a collateral, plus the amount of investments in the capital stock of the companies set forth in article 88 of this Law, shall not exceed sixty percent of the basic portion of the aforementioned net capital of the institution;
- II. The amount of the arrangements and improvements to furniture and buildings may not exceed ten percent of the basic portion of the institution's own net capital. The National Banking and Securities Commission may temporarily increase in individual cases this percentage, and the one established in the subsection above, when in its judgment the resulting amount is not sufficient for the indicated purpose, and
- III. The total amount of investments in the capital stock of companies set forth in article 89 of this Law may not exceed the lowest of the following amounts:
 - a) The equivalent to fifty percent of the basic portion of the net capital of the institution, or
 - b) The surplus of the basic portion of the net capital of institution over the minimum capital stock.

The aggregate of the investments referred to in subsections I and II of this article, the amount of the transactions exceeding the limits established for the investment of its liabilities, and the estimated value of the properties, rights and titles they receive in payment of debts or as a result of an allotment in auction within any legal processes related to credits in their favor, may not exceed the basic portion of the net capital stock of the institution, set forth in article 50 of this Law.

Likewise, the credit institutions that receive properties, rights and securities in payment of debts or as a result of allotments in auction within the legal processes related to any credits in their favor, that they may not maintain in their assets, shall make the corresponding accounting entry and the

maximum value estimate that the Commission itself provides for these assumptions based on the provisions of articles 99 and 102 of this Law.

Article reformed OJF 02-01-2008

Article 55 Bis. - Repealed.

Article added OJF 06-24-2002. Repealed OJF 01-10-2014

Article 55 Bis 1. - Development banks and public economic development trusts shall send to the Federal Executive, through the Ministry of Finance and Public Credit, and the latter to the Congress of the Union, together with the reports on the economic conditions, public finance and public debt and during the recesses of the latter to the Permanent Commission, the following:

Paragraph reformed OJF 05-06-2009

- I. In the report from January to March of each year, an exposition on the credit, collateral, subsidy and tax funds transfers programs, and those expenses that may be the subject matter of subsidies or tax funds transfers during the relevant fiscal year, sustained on the facts occurred in the preceding fiscal year with the best information available, indicating the policies and criteria pursuant to which they will carry out their transactions in order to cooperate in the compliance of the National Development Plan. Additionally they must submit a report on their current expenditure and investment budget, corresponding to the current fiscal year. This report shall also contain an account of any contingencies resulting from the collateral granted by the corresponding development bank or public economic development trust and the Federal Government, and the labor contingencies they may face, covered by a survey made by a prestigious rating company, on the previous fiscal year; furthermore, the report must include indicators measuring the services provided to the sectors established in their respective organizational laws or charters of incorporation, as provided in the guidelines issued for such purpose by the Ministry of Finance and Public Credit.

Section reformed OJF 05-06-2009

- II. Within one hundred and twenty days following the closing of each fiscal year, the development banks shall issue an annual report on the compliance of the annual programs of the aforesaid fiscal year and in general, on the current and investment expenditure, and the activities of these during said fiscal year. Furthermore, such report shall include the report or reports prepared by the National Banking and Securities Commission, sent by the Ministry of Finance and Public Credit, in respect to the financial condition and the risk level of each one of the development banks, and
- III. In the report from July to September of each year, a report on the compliance of the annual program of the relevant development bank, during the first semester of the corresponding fiscal year.

Likewise, each development bank must quarterly publish the condition of its equity, as well as the most representative indicators of its financial, administrative, and portfolio situation, including its targeted population assisted, the distribution for direct credit, through intermediaries and guarantees.

Paragraph reformed OJF 01-10-2014

Article added OJF 06-24-2002

Article 55 Bis 2. - The Ministry of Finance and Public Credit must publish on an annual basis two inquiries performed to development banks or public economic development trust, in order to assess that:

- I. They promote the financing of those sectors defined by their organic laws and charters of incorporation, that private financial intermediaries do not serve;
- II. They have available mechanisms to channel to private financial intermediaries anyone who may already be credit worthy by these intermediaries, and
- III. They harmonize actions with other entities of the public sector in order to make a more effective use of the funds.

Two domestic prestigious academic institutions shall participate in the elaboration of these inquiries. Their results of these inquiries shall be disclosed to the Finance Commissions of both Chambers of the Congress of the Union no later than in the month of April following the fiscal year assessed.

Article added OJF 05-06-2009

CHAPTER II

On Passive Transactions

Article 56.- Account holders engaging in transactions, as referred to in article 46, subsections I and II of this Law, as well as holders of bank deposits in securities administration by credit institutions, must designate beneficiaries and may at any time change them, as well as modify, if necessary, the proportion corresponding to each one of them.

In the event of the death of an account holder, the credit institution shall transfer the amounts corresponding to each beneficiary designated by aforesaid, expressly and in writing, as beneficiaries, in the proportions stipulated for each one of them.

In the event that the account holder is considered a missing person and a Special Declaration of Absence resolution is issued, in terms of the special legislation on the matter, the credit institution shall transfer the funds to the beneficiaries, under the terms established in the corresponding Special Declaration of Absence resolution.

Paragraph added OJF 06-22-2018

If no beneficiaries were to exist, the funds must be transferred under the terms provided in the civil legislation.

Article reformed OJF 03-23-2009

Article 57.- Clients of credit institutions that hold accounts linked to transactions as established in article 46, sections I and II, of this Law may authorize third parties to make cash withdrawals from said accounts. For this, institutions must have the consent of the account holder(s). In the case of commercial banks, they must also ensure that, in the agreements in which the aforementioned transactions are documented, it be expressly stated to the person or persons concerned that they shall have the right of payment of the guaranteed obligations referred to in the Law for the Protection of Bank Savings.

Paragraph reformed OJF 01-10-2014

Moreover, credit institution clients may set up direct billing for goods and services on the deposit accounts referred to in article 46, section I, subsections a) and c) of this Law. Clients may authorize direct billing to the credit institution or to vendors of goods and services.

Credit institutions may debit the aforementioned accounts by the corresponding amounts, as long as:

- I. They have the consent of the account holder(s) in question, or
- II. The account holder(s) authorize(s) the debit through the vendor and the latter, through the credit institution offering the respective billing service, instructs the credit institution handling the corresponding deposit to charge the debit. In this case, the document of the authorization may remain in possession of the vendor.

Deposit account holders that wish to object to a payment, of the kinds listed in the second paragraph of this article, must follow the procedure, and meet the requirements laid out for such purposes by Banco de México in general provisions.

In the events and time frames stated in the provisions referred to in the preceding paragraph, when a single institution administers the accounts of a depositor who has objected to a debit and also of the vendor, it must credit the former account the full amount of the debit being challenged, and afterwards may debit said amount from the account of the vendor. When the aforementioned accounts are administered by different credit institutions, the institution administering the account of the vendor must return the corresponding funds to the institution administering the account of the depositor, to be credited thereto, and then, the institution that administers the account of the vendor may debit them the corresponding amount.

Before providing direct billing services, as referred to in this article, credit institutions must agree with vendors on the billing procedure as referred to in the above paragraph.

At any time, the depositor may ask the credit institution that administers his/her account to cancel the direct billing, regardless of who holds the authorization of the corresponding debits. Said cancellation shall become effective in the time frame set forth by Banco de México in the general provisions mentioned in this article, which may not be greater than ten bank business days following the day on which the credit institution receives it, and thenceforth it must refuse any new charge payable to the vendor.

The authorizations, instructions and communications referred to in this article may be made in writing and include wet signatures, or using electronic or optical means or any other technology, in accordance with what the National Banking and Securities Commission may establish in its general provisions.

Paragraph reformed OJF 03-09-2018

Article reformed OJF 06-04-2001, 02-01-2008

Article 58.- The general conditions established in regards to any deposits payable on demand, subject to withdrawal on pre-established days and savings deposits, may be amended by the institution according to applicable provisions, upon a thirty-day previous written notice, through releases in newspapers of broad circulation. In connection with increases to the amount of fees, as well as any new fees intended to be collected, the provisions of the Financial Services Transparency and Regulation Law shall apply.

Paragraph reformed OJF 02-01-2008

When the requirements for the remittance of the authorized statement of the amounts added and charged to the account are fulfilled, the entries appearing in the accounting books of the institution shall be sufficient proof, unless otherwise evidenced, in the relevant legal process. Said requirements must be specified in the general conditions for the deposits payable on demand and subject to withdrawal on pre-established days.

Article 59. - Savings deposits are bank deposits of money that accrue compound interest. They shall be recorded as entries in special booklets that depository institutions must provide free of charge to depositors. These booklets shall contain information on the applicable conditions and shall function as directly enforceable instruments against the depository institution, with no need to provide proof of signature or any other prior requirement.

Money bank deposit accounts, as referred to in article 46, subsection I, of this Law, can be opened on behalf of minors under 18 years of age by their legal representatives and in such cases, funds may only be accessed by the representatives of the account holder.

Paragraph reformed OJF 02-01-2008, 03-27-2020

As an exception to the stipulations of the above paragraph, youths over 15 years of age may enter into such money bank deposit agreements, and have access to funds deposited in said accounts, without the involvement of their representatives.

Paragraph added OJF 03-27-2020

Banco de México shall determine, thorough general provisions, the characteristics, level of transactionality, limitations, requirements, terms and conditions of the accounts mentioned in the above paragraph, which shall be limited to electronic deposit methods only, coming from government programs and from payments of salaries and wages deposited by employers. The receipt of cash deposits and electronic transfers from natural or legal persons other than those mentioned in this paragraph, remains forbidden.

Paragraph added OJF 03-27-2020

Likewise, minors under 18 years of age as mentioned above, may not take out loans or credit against funds deposited in the accounts referred to in the preceding paragraph.

Paragraph added OJF 03-27-2020

Noncompliance with the requirements set forth by the Ministry of Finance and Public Credit and Banco de México in general provisions for regulating the deposit agreements mentioned in the third paragraph of this article, shall be penalized in accordance with the provisions of article 115, paragraph 14, of this Law and the Banco de México Law, in their respective competence.

Paragraph added OJF 03-27-2020

Article 60. - The amounts that have been deposited for at least on year in a saving accounts shall not be subject to attachment up to an amount equal to whichever is greater of the following limits:

Paragraph reformed OJF 01-10-2014

- I. The equivalent to twenty times the daily general minimum wage in force in the Federal District added up to a year, or
- II. The equivalent to seventy-five percent of the amount of the account.

Section added OJF 01-10-2014

Section added OJF 01-10-2014

The provisions of this article shall only be applicable to any amounts corresponding to one account per person; regardless of the fact that one single person has several savings accounts with one or several institutions.

Institutions shall not incur in liability for complying with any attachment or attachment release orders issued by the relevant court or administrative authorities.

Paragraph added OJF 02-01-2008

Article 61. - The principal and interests of fund raising instruments lacking an expiration date, or which despite having an expiration date are renewed automatically, as well as the expired and unclaimed transfers or investments, that over a three-year term have not had any movements resulting from any deposits or withdrawals and, after the customer has been given a ninety-day written notice at his/her registered address shown in the relevant file, shall be credited to a global account to be kept by each institution for such purposes. In regards to the foregoing, collections of fees carried out by credit institutions shall not be considered as movements.

From the moment the fund-raising banking instruments fall in the cases set forth in this article and are transferred to the global account, the institutions cannot charge any fees on them. The funds contributed to such account may only generate monthly interest equivalent to the increase of the National Consumers Price Index rate on the corresponding period.

When the depositor or investor appears at the bank to make a deposit or withdrawal or to claim the transfer or investment, the bank must withdraw from the global account the total amount, in order to add such amount to the corresponding account or to deliver it to him/her.

The rights resulting from deposits and investments and their interest as established herein, that have no movement during a period of three years from the date they are deposited in the global account, which amount does not exceed, per account, an amount equivalent to three hundred days of the general daily minimum wage in force in the Federal District, shall pass over to the property of the public welfare. The institutions are obliged to transfer the corresponding funds to the public welfare within a maximum term of fifteen days as of December 31st of the year when the event set forth in this paragraph occurs.

The institutions are obliged to notify the National Banking and Securities Commission on the compliance of this article within the first two months of every year.

Article reformed OJF 02-01-2008

Article 62. - Term deposits may be represented by certificates that will be negotiable instruments and they shall bear an executory action in regards to the issuer, upon previous payment requirement made with a public certifier. They shall contain: the inscription stating they are cash bank deposit certificates, the place and date of their subscription, the name and signature of the issuer, the amount deposited, the type of interest agreed upon, the interest payment regime, the term to withdraw the deposit and the single payment place.

Article 63. - The bank bonds and their coupons shall be negotiable instruments to be paid by the issuing institution and they shall bear an executory action in regards to the issuer, upon previous payment requirement made with a public certifier. They shall be issued in series by virtue of unilateral

declaration of intent of said institution, which shall be evidenced before the National Banking Commission in the terms this may instruct and shall contain:

- I. The inscription stating they are bank bonds and instruments payable to bearer;
- II. The expression of the place and date of their subscription;
- III. The name and signature of the issuer;
- IV. The amount of the issue, specifying the number and the face value of each bond;
- V. The type of interest they may accrue, if any;
- VI. The terms for the payment of interests and principal;
- VII. The conditions and the forms of redemption;
- VIII. The single payment place, and
- IX. The periods or terms and conditions of the prospectus.

They may have coupons attached for the payment of interests and, as the case may be, receipts for partial redemptions. The certificates may cover one or more bonds. The issuing institutions shall be authorized to redeem the bonds in advance, provided that the prospectus, any propaganda or publicity addressed to the public and the certificates issued, clearly describe the terms, dates and conditions for the advanced payment.

Paragraph reformed OJF 06-04-2001

Any amendment to the payment terms, dates and conditions shall be carried out with the favorable resolution of three fourths, both, of the board of directors of the relevant institution, and of the holders of the relevant certificates. The call for the corresponding meeting shall contain all the issues to be discussed at the meeting, including any amendment to the prospectus and it shall be published in the **Official Journal of the Federation** and in any newspaper of broad national circulation at least fifteen days in advance to the date in which the meeting is scheduled to be held.

Paragraph added OJF 06-04-2001

The issuer shall keep the bonds under custody with any of the securities depository institutions regulated by the Securities Market Law, handing over to the holders of the same, a proof of their holdings.

Paragraph reformed OJF 06-04-2001

Article 64. - The subordinated debentures and their coupons shall be negotiable instruments with the same requirements and characteristics as the bank bonds, except for those set forth in the present article. The subordinated debentures may be not susceptible to becoming shares; of voluntary conversion into shares, and of obligatory conversion into shares. Likewise, the subordinated debentures, according to their order of preference, may be preferable or non-preferable.

The subordinated debentures may grant yields not documented in coupons that may only be paid with the profits of the commercial bank. Likewise, the subordinated debentures may not have expiration date.

In case of liquidation or judicial liquidation of the issuer, the payment of the preferable subordinated debentures shall be done pro rata, without any distinction as to the dates of issuance, after covering all the other debts of the institution, but before distributing corporate equity, in its case, to the holder of shares or of the capital contribution certificates. The non-preferable subordinated debentures shall be paid in the same terms indicated in this paragraph, but after having paid the preferable subordinated debentures.

The issuing institution may, subject to the terms and conditions and under the assumptions expressly established by the National Banking and Securities Commission in the provisions that article 50 of the present law refers to, defer or cancel, totally or partially, the payment of interests, or, defer or cancel, totally or partially, the payment of the principal, or totally or partially convert in advance the subordinated debentures. Any of the mentioned events shall be considered as a default on payment. In the cases of conversion of subordinated debentures in shares, the holders of said debentures shall be subject to what is set forth by articles 14 and 17 of the present Law and, as long as they do not attest the fulfillment of said articles before the same issuing institution, they shall not exercise the corporate rights that correspond to them under such shares. The characteristics indicated in the present paragraph must be recorded in the prospectus and the respective debentures.

What is set forth in the abovementioned paragraphs must be recorded, in an notorious manner, in the debenture indenture, in the informative prospectus, in any other kind of advertising and in the issued debentures.

These certificates may be issued in domestic or foreign currency, through unilateral statement by will of the issuer that shall be recorded before the National Banking and Securities Commission, through previous authorization granted by Banco de México. To the effect, the request for authorization must be presented in writing to the Central Bank, accompanying the respective prospectus project and indicating the conditions under which said certificates are intended to be placed. Likewise, the credit institutions, besides complying with the requirements set forth in article 63 of this statute, shall require the authorization of Banco de México to pay in advance the subordinated debentures that they issue. The institutions may also acquire those debentures issued by themselves, with the prior authorization from Banco de México as long as said acquisition is done to cancel them definitively.

A common representative of the holders of debentures may be appointed in the prospectus, in which case, his/her rights and obligations must be indicated, as well as the terms and conditions in which his/her removal and the appointment of a new representative may proceed. What is set forth in the

Credit Instruments and Operations Law for the common representative of bondholders shall not be applicable to the common representative of the holders of debentures.

The investment of the resources coming the placement of subordinated debentures shall be done pursuant to the provisions issued by Banco de México. Said resources may not be invested in the assets referred to in subsections I, II and III of article 55 of this Law, unless they come from the placement of subordinated debentures of obligatory conversion into shares.

Article reformed OJF 06-04-2001, 01-10-2014

Article 64 Bis. - The National Banking and Securities Commission may determine through general provisions, rules for the organization and investment regime of pensions or retirement systems that are established for the personnel of the credit institutions, in a complementary manner to the ones contemplated in the social security laws.

Article added OJF 06-04-2001

CHAPTER III

On Active Transactions

Article 65.- For the granting of credits, credit institutions shall estimate the payment feasibility of such credits by its borrowers or counterparties, relying for such purpose on an analysis of quantitative and qualitative information, that allows to establish their credit solvency and payment capacity within the established term of the credit. The foregoing shall be observed notwithstanding the monetary value of the collateral that had been offered.

Likewise, the amendments to the credit agreements agreed upon by the institutions and their borrowers, as it fits their respective interests, shall be based on a payment feasibility analysis, based on quantitative and qualitative information, in terms of the preceding paragraph.

When adverse financial circumstances occur or are assumed to be different from those considered at the time of the original analysis, which prevent the borrower from complying with his/her obligations in a timely and proper manner, or when the feasibility of recovery improves, credit institutions shall rely on quantitative and qualitative analyses that reflect an increase in the credit recovery probabilities, to sustain the restructuring feasibility agreed upon. In these cases, the credit institutions shall carry out the necessary actions in order to obtain partial payments or additional collateral to those originally contracted. Should in the restructuring, besides the modification to the original conditions, additional funds are required, a study shall be made that supports the payment feasibility of the aggregated debt under the new conditions.

As an exception to the foregoing, to the ends of keeping the operation of the productive plant, development banks may grant financing for the payment of liabilities. In cases requiring immediate attention, they may grant credits considering in an integral manner, only the feasibility of the credit with the adequacy and sufficiency of the collateral. In both cases, the prior authorization of the Board of Directors of the development bank shall be needed.

Paragraph added OJF 01-10-2014

In all cases, there must be evidence that credit institutions complied with the policies and guidelines established in their own manuals regulating their credit process. In such policies and guidelines credit institutions shall include the procedures regarding credit transactions and over the counter derivatives, as well as those applicable to the counterparties.

For the adequate observance of the provisions set forth in this article, credit institutions shall abide by the provisions of prudential nature that the National Banking and Securities Commission issues, on the subject of credit and risk management, in order to pursue solvency of credit institutions and to protect the interests of the public.

The National Banking and Securities Commission shall oversee that the credit institutions duly comply with the provisions of this article.

Article reformed OJF 01-19-1999, 02-01-2008

Article 66.-Fixed assets loan and working capital loan agreements, entered into by credit institutions, shall abide by the provisions of the Credit Instruments and Operations Law, and the following basis:

- I. They shall be contained, as it is convenient to the parties thereto regardless of their amount, in a document granted before a licensed public certifier, either in a public deed or in a private instrument, which in the latter case shall be signed in triplicate before two witnesses and it shall be ratified before a notary public, public certifier, first instance judge acting as notary, or before the registrar of the relevant Public Registry;
- II. Without fulfilling any more formalities than those set forth in the preceding subsection, collateral on personal or real property may be granted, in addition to the one constituting the collateral characteristic of such credits, or on farming, livestock or other primary activities business, industrial, commercial or service units, having the characteristics mentioned in the following article;
- III. The properties on which the pledge is created if applicable may remain in possession of the debtor in terms of article 329 of the Credit Instruments and Operations Law;
- IV. The debtor may use and keep the availability of the pledge, as provided in the agreement, and

Section reformed OJF 06-13-2003

- V. Only in those cases the National Banking and Securities Commission authorizes the credit institution to that regard, may the portion of the fixed asset loans allocated to cover the liabilities set forth in the second paragraph of article 323 of the Credit Instruments and Operations Law, exceed fifty percent, provided that the fulfillment of the requirements set forth in article 65 of this Law is evidenced.

Section reformed OJF 02-01-2008

Article 67. - Any mortgage created in favor of credit institutions on the entire farming, livestock, or other primary activities business, industrial, commercial, or service units, must include the respective concession or authorization, if applicable; all material elements, movable property or real estate subject to exploitation, considered in the aggregate. They may also include, cash on hand from the ordinary business activity and any credits in favor of the business enterprise arising from their operations, regardless of the right to their availability and to replace the same during the normal course of operations, without the need of obtaining the creditor's consent, unless otherwise agreed.

Paragraph reformed OJF 06-13-2003

Credit institutions acting as creditors in the mortgage agreements provided in this article, shall allow the exploitation of the properties encumbered according to their corresponding intended use, and in the case of properties subject to a public service concession, such institutions shall allow the alterations or modifications that are necessary for the better provision of the relevant public service. However, creditor banking institutions may oppose to the sale or to the disposition of part of the properties and to the merger with other companies, in the event that the security of the mortgage loans would thereby be jeopardized.

The mortgages that this article refers to must be registered in the Public Registry of Property of the place or places where the goods are located. Once the credit has been paid to the institution, in the term of three days, it shall issue a letter of release of mortgage to the corresponding Public Registry of Property.

Paragraph reformed OJF 01-10-2014

The provisions of article 214 of the Credit Instruments and Operations Law shall apply to everything related to the mortgages hereunder.

Article 68. - The agreements or the policies in which, in its case, the credits granted by the credit institutions are recorded, along with the account statements certified by the accountant empowered by the crediting credit institution shall be executory instruments, without the need of acknowledgement of signature or any other requisite.

The account statement certified by the accountant that this article refers to, shall attest, except evidence to the contrary, in the respective suits for the settling of the remaining balances attributable to the borrowers or to the borrowers on mutuum.

The certified account statement cited above must include the name of the borrower, date of the agreement, notary and instrument number, in its case, amount of the credit granted and credit used, date to when the debt was calculated, due capital and other due payment obligations, expired at the time of the closing, the subsequent provisions that were done to the credit, in its case, ordinary interest rates applied to each period, payments done on the interest, specifying the rates applied to the interest and the redemption done on the capital, applied past-due interest and rate applicable for past-due interest. For the credit agreements that the first paragraph of this article refers to, the certified account statement issued by the accountant shall only include the activity done up to one year before, counting from the time in which the last payment default is verified.

Article reformed OJF 06-13-2003, 01-10-2014

Article 69. - The pledge on properties and securities shall be created as provided in the Credit Instruments and Operations Law, it being sufficient for that purpose that in the relevant credit document the necessary data is expressed in order to identify the property granted as collateral.

In any advance on instruments or securities, of a pledge thereon, on their products and goods, credit institutions may carry out the sale of the securities, properties or goods, in the cases established under the aforementioned Law through notary public or two local merchants, keeping the part of the price that covers the debtor's liabilities, in order to settle it against the credit and, making available to the debtor any remainder available.

The provisions of the first paragraph of this article shall not apply to pledges granted by virtue of loans extended by credit institutions for the acquisition of durable goods; such pledge may be created by handing over to the creditor the invoice proving ownership on the purchased item, and by making the relevant notation therein. The property shall remain in the possession of the debtor, acting as depositary; such capacity may not be revoked as long as the debtor is complying with the terms of the loan agreement.

Article 70. - When credit institutions take as pledge, credits registered in accounting books, it shall be sufficient that it be recorded in the relevant agreement, in terms of in the preceding article, that the credits on which a pledge is created have been specified in the relevant notes or accounts, and that such notations have been transcribed by the creditor banking institution in successive entries in chronological order in a special book in which the date of registration shall be stated, from which date the pledge shall be deemed to have been created.

The debtor shall be considered as the creditor's agent for the collection of the credits, and shall have the civil and criminal obligations and liabilities pertaining to agents.

Article 71. - Credit institutions, upon issuing the letters of credit provided in subsections VIII and XIV of article 46 of this Law, shall comply with the provisions set forth in this article and, in a complementary manner, with the uses and practices expressly stated by the parties in each of such letters, without being applicable the provisions of the Credit Instruments and Operations Law regarding letters of credit.

For purposes of this Law, a letter of credit shall be understood as the instrument whereby a credit institution binds itself to pay, on demand or in installments, in its name or on behalf of its client, directly or through a nominated bank, an amount of money determined or determinable in favor of the beneficiary, against the presentation of the respective documents, provided that the terms and conditions established in such letter of credit are complied with.

Letters of credit may be issued by credit institutions based on the granting of credits or the prior receipt of their amount as the provision of a service. In both cases, the documents based on which the issuance of the letter of credit is carried out must include, at least, the terms and conditions for the exercise of the credit or the rendering of the service, the payment of the principal, related charges, expenses, and fees, as well as the refund of amounts not used.

Once that the letters of credit have been issued, the payment obligation of the issuing credit institution shall be independent of any available rights and obligations of the same to its customers. The letters of credit shall set forth a determined or determinable duration.

Irrevocable letters of credit may only be modified or cancelled with the express acceptance of the issuing institution, the beneficiary and, if applicable, the confirming institution.

For purposes of this article, confirmation shall be understood as the express payment commitment undertaken by a credit institution with respect to a letter of credit issued by another credit institution, at the request of the latter. The confirmation of the letter of credit carried out by a credit institution shall involve for such institution a direct payment obligation to the beneficiary, subject to the fulfillment of the terms and conditions set forth in such letter of credit. Such payment obligation is independent of the rights and obligations existing between the credit institution carrying out the confirmation and the issuing institution.

Credit institutions shall not be responsible for:

- I. The fulfillment of or default with the fact or action, giving rise to the letter of credit;

- II. The accuracy, authenticity or legal value of any document presented under the letter of credit;
- III. The actions or omissions of third parties, even if such third parties are designated by the issuing credit institution, including banks acting as nominated banks;
- IV. The quality, quantity, weight, value or any other characteristic of the goods or services described in the documents;
- V. The delay or loss in the shipment or communication means, and
- VI. Default due to acts of God or force majeure.

The letters of credit established in this article may be commercial, as well as standby letters of credit.

Commercial letters of credit allow the beneficiary to make the payment of an obligation arising from a business operation payable on demand, against the presentation of the documents provided therein and according to their terms and conditions. When expressions such as “documentary credit”, “commercial documentary credit” and “commercial credit” are used, it shall be understood that they refer to the commercial letters of credit provided for in this paragraph.

The issuing or confirming institutions may pay obligations attributable to them in advance that come from commercial letters of credit at fixed terms and, in its case, of the acceptances at fixed terms issued in relation to such letters of credit, when the documents presented by the beneficiary comply with the terms and conditions set forth in said letters of credit. The foregoing shall not modify the obligations of the client with the issuing institution.

Paragraph reformed OJF 01-10-2014

Standby letters of credit guarantee the payment of a determined or determinable amount of money, upon de presentation of the demand for payment and other documents specified therein, provided that the stipulated requirements are fulfilled.

Unless otherwise agreed, the resolution of disputes regarding letters of credit shall be subject to the jurisdiction of the competent courts of the place where they are issued. Notwithstanding the foregoing, the payment obligation derived from the confirmation of the letters of credit shall be, except as otherwise agreed upon, enforceable before the competent courts of the place where the confirmation is made.

Article reformed OJF 02-01-2008

Article 72. - Repealed.

Article repealed OJF 06-13-2003

Article 72 Bis. – Credit institution clients who have made revolving loan agreements, as referred to in article 46, section VII of this Law, may authorize said institutions or vendors to make payments for goods and services from the account corresponding to said agreement.

For this purpose, credit institutions may debit said accounts the corresponding sums, as long as:

- I. They have the consent of the holder(s) of the account in question, or
- II. The account holder(s) authorize(s) the charges from the vendor and the latter, through the credit institution offering the respective debit service, instruct the credit institution administering the corresponding account, to charge the debit. In this case, the power of authorization may remain with the vendor.

An account holder wishing to object to a payment must follow the procedure set up for such purposes by Banco de México through general provisions. Before the provision of direct billing facilities, as referred to in this article, credit institutions must agree with vendors, the procedures to be used for billing them.

The client may at any time ask the credit institution to cancel the authorization mentioned in this article, regardless of who holds the authorization. Said cancellation shall become effective in the time frame set forth by Banco de México in the general provisions mentioned in the foregoing paragraph, which may not be greater than ten bank business days following the day on which the credit institution receives it, and thenceforth it must refuse any new charge payable to the vendor.

The authorizations, instructions and communications referred to in this article may be made in writing and include wet signatures, or using electronic or optical means or any other technology, in accordance with what Banco de México may establish in general provisions.

Paragraph reformed OJF 03-09-2018

Article added OJF 02-01-2008

Article 73.-Commercial Banks shall require of the agreement of at least, three fourths of the directors present at the meetings of the board of directors in order to approve the execution of related-party transactions.

Paragraph reformed OJF 06-09-1992, 02-15-1995, 01-19-1999, 06-04-2001

For purposes of this Law, related-party transactions shall be understood as those arising from, deposit or other forms of disposition or loan, credit or discount transactions, granted in a revocable or irrevocable manner and documented through credit instruments or any agreement, restructuring, renewal or amendment, including the net positions in favor of the institution for derivatives and

investments in securities other than shares, where they result or may result as debtors of commercial banks the following persons:

Paragraph added OJF 06-06-2001. Reformed OJF 02-01-2008

- I. Individuals or entities who directly or indirectly control two percent or more of the instruments representing the capital stock of the institution, of the holding company or of the financial entities and companies integrating the financial group to which, as the case maybe, the institution belongs, according to the most recent stock ledger;

Section reformed OJF 06-04-2001

- II. Members of the board of directors, of the institution, of the holding company or of the financial entities and companies integrating the financial group to which, as the case may be, the institution belongs;

Section reformed OJF 06-04-2001

- III. Spouses and persons in a relationship with the persons stated in the precedingsubsections;

Section reformed OJF 04-06-2001

- IV. Persons other than the officers and employees who may bind the institution with their signature;

- V. Entities, as well as their directors and officers, in which the institution or the holding company of the financial group to which, as the case may be, the institution belongs, directly or indirectly, control ten percent or more of the instruments representing its capital stock.

The indirect holding of interest of commercial banks and holding companies through the institutional investors provided in article 15 of this Law shall not be calculated in order to consider the issuing company as a related party;

Paragraph reformed OJF 02-01-2008 Section reformed OJF 06-04-2001

- VI. Legal entities in which the institution's officers are directors or managers or hold any of the three first levels in the hierarchy of such legal entities, and

Section repealed OJF 04-06-2001. Added OJF 02-01-2008

- VII. Legal entities in which any of the entities indicated in the sections above, as well as the entities that article 46 Bis 3 of this ordinance refers to, have direct or indirect control of ten percent or more of the representative certificates of the capital or said legal entities or, in which they have decision-making powers.

Section reformed OJF 06-04-2001, 02-01-2008, 01-10-2014

Furthermore, it shall be considered a related-party transaction that which is carried out through any entity or trust, when the counterparty and source of payment of said transaction depends on any of the related parties set forth in this article.

Paragraph added OJF 02-01-2008

Directors and officers shall excuse themselves from participating in discussions and they shall excuse from voting in those cases where they have a direct interest.

Paragraph reformed OJF 06-04-2001

In any event, related-party transactions shall not be carried out in terms and conditions more favorable than those transactions of the same nature carried out with the general public.

Paragraph reformed OJF 06-04-2001

Article 73 Bis. - The related-party transactions that must be submitted to the approval of the board of directors, shall be presented through and with the favorable opinion of the respective credit committee. Should the approval be granted, the institution shall submit to the National Banking and Securities Commission, a certified copy of the resolution in which the approval of the board is contained, it shall inform the Commission of the granting of such approval and, if applicable, the renewal of such credits, as well as the method of payment or termination thereof, as provided by the Commission.

Related-party transactions which do not exceed in the aggregate two million Investment Units or one percent of the basic portion of the net capital of the institution, whichever is greater, to be granted in favor of the same individual or entity or group of individuals or entities which by their economic or responsibility ties constitute common risks for the credit institution, shall not require of the approval of the board of directors, however, the board shall be informed of such transactions and all the information thereof shall be made available to it.

The board of directors of the institutions may delegate its powers to a director's committee, whose duties shall exclusively be the approval of related-party transactions, in those transactions which total does not exceed six million Investment Units or five percent of the basic portion of the net capital. Such committee shall be composed of a minimum of four and a maximum of seven directors, of which, at least one third shall be independent directors, as provided in article 22 of this Law.

In such committee there may only be one director who is, at the same time, an officer or employee of the institution, of the members of the financial group to which the institution belongs, or of the holding company itself.

The resolutions of the committee set forth in the preceding paragraph, shall require of the agreement of three fourths of the members present at the meeting.

The aforementioned committee shall submit a report on its administration to the board of directors with the periodicity indicated by such board, provided such periodicity may not exceed one hundred and eighty days.

Paragraph reformed OJF 02-01-2008

The total sum of related-party transactions may not exceed thirty-five percent of the basic portion of the net capital of the institution, set forth in article 50 of this Law. In the case of loans or revocable credits, only the portions disposed of shall be calculated for this limit.

Paragraph reformed OJF 02-01-2008, 01-10-2014

In all cases of related-party transactions the aggregate amount of other credit transactions granted to individuals or entities that are considered related to the officer, director or shareholder in question shall be informed to the credit committee of the institution at issue or to the board of directors as the case may be.

For purposes of the preceding paragraphs, the basic portion of the net capital that must be used shall be the one corresponding to the last business day of the calendar quarter immediately preceding the date in which the calculations are made.

Furthermore, the National Banking and Securities Commission shall set forth general provisions, aiming at regulating the related-party transactions established in articles 73, 73 Bis and 73 Bis 1.

The institutions shall request the relevant information to the persons indicated in subsections I to VII of article 73, pursuant to the rules mentioned in the previous paragraph.

Transactions carried out with the following shall not be considered as related-party transactions:

- a) The Federal Government and the Institute for the Protection of Bank Savings;
Subsection reformed OJF 02-01-2008
- b) The banking complementary or auxiliary services companies, set forth in article 88 of this Law;
Subsection reformed OJF 02-01-2008
- c) The financial entities being part of the financial group to which, as the case may be, the commercial bank belongs to, or those financial entities in which the commercial bank has an ownership interest, unless such entities grant in turn any type of financing to the individual or entities set forth in subsections I to VII of article 73 and for the amount of such financing.
Subsection added OJF 07-18-2006
- d) Any of the related-parties established in article 73, that are approved using the same parameters applicable to the clientele in general, for up to an amount not to exceed the equivalent of 400,000 Investment Units per individual or entity, and
Subsection added OJF 02-01-2008
- e) Non-related parties granting credit rights or securities as collateral, whose debtor is any of the individuals or entities established in article 73 of this Law, so long as such collateral is not enforced, provided that they have a primary source of payment that is independent from the collateral granted.

Article 73 Bis 1.-For the purposes set forth in articles 73 and 73 Bis, the following shall be understood as:

- a) Relationship.- the kinship existing by blood, and marriage in straight line in first degree, and by blood and marriage in collateral line in second degree or civil kinship.
- b) Officers.- the general director or equivalent position and those officers holding offices with the immediately lower hierarchy to the latter.
- c) Direct Interest.- When the capacity as debtor in any related-party transaction relies on the spouse of the director or officer, or the persons with whom he is related, or otherwise, an entity with respect to which any of the aforementioned individuals or entities, hold directly or indirectly the control of ten percent or more of the instruments representing its capital stock.
- d) Decision-making power.- refers to the premise incurred by an individual as it is provided in article 22 Bis of this Law.

Subparagraph added OJF 02-01-2008 Article added OJF 06-04-2001

Article 74. - For the protection of the interests of the saving public, of the payments systems, and to ensure the solvency, liquidity, or stability of the commercial banks, the National Banking and Securities Commission may adopt precautionary measures pursuant to the present article.

The National Banking and Securities Commission may order commercial banks requirements of capital additional to what is set forth in article 50 of this Law and in the provisions of general nature that derive from it, up to fifty percent of the minimum capitalization index required, or, the partial or total suspension of the transactions that the second paragraph of article 73 of this Law refers to, of the transfers, distribution of dividends, or any other pecuniary benefits, as well as the purchase of assets, in all the events mentioned above, with the entities that the following paragraph refers to.

The precautionary measures mentioned in the paragraph above may be applied by the National Banking and Securities Commission when it has knowledge that the entities that have Significant Influence or that exercise Control in respect to the commercial banks in question, or those with which said entities have a business or economic ties are subject to some corrective measures procedure due to problems of capitalization or liquidity, intervention, liquidation, remedial proceeding, resolution, business reorganization, bankruptcy, dissolution, government support for liquidity or insolvency or any other equivalent procedure. In any case, the precautionary measures imposed by the National Banking and Securities Commission shall have a precautionary nature for the protection of the public interest and shall be valid until the means for defense established by this Law, filed by the institution in question, if any, is definitively resolved.

For effects of what is indicated in the paragraph immediately above, the National Banking and Securities Commission may obtain information through any means, including that provided to it by financial home or host authorities that exercise duties of supervision and surveillance on national territory or abroad, as well the information revealed by the entities mentioned in the paragraph above in their capacity of issuers.

Notwithstanding the foregoing, the National Banking and Securities Commission may request commercial banks, which shall be obliged to provide, in the terms said Commission determines, the information related to the financial condition of entities that have Significant Influence or that exercise the Control regarding the commercial bank in question, or those in which said entities have a business or economic ties.

When the commercial bank in question does not submit, on time and in form, the information requested by the National Banking and Securities Commission, in accordance with the previous paragraph, it shall be assumed that the entity has problems that affect its liquidity, stability or solvency. In this event, the same Commission may, at its discretion, adopt the precautionary measures referred to in the second paragraph of this article.

The power and duty indicated in this article shall be exercised by the National Banking and Securities Commission, pursuant to the provisions of general nature that to the effect are approved by its Board of Governors.

For effects of what is established in this article, the definitions set forth in articles 22 Bis and 45-P of this Law shall be considered.

Article repealed OJF 07-23-1993. Added OJF 01-10-2014

Article 75. - The credit institutions may make investments, acquire obligations for the purchase or sale of representative certificates of the capital or carry out future contributions of capital of corporations different from those indicated in articles 88 and 89 of this Law, pursuant to the following bases:

Paragraph reformed OJF 01-10-2014

- I. Up to five percent of the paid-in capital of the issuer;
- II. More than five and up to fifteen percent of the paid in capital of the issuer, during a term not exceeding three years, through previous agreement of the majority of the directors of series "O" or "F", as it may correspond and, in its case, of the majority of those of series "B". The National Banking and Securities Commission may widen the term that this subsection refers to, considering the nature and situation of the company in question.

Section reformed OJF 01-10-2014

III. In the case of commercial banks, for greater percentages and terms, regarding corporations that develop new long-term projects. Said investment shall only be made with the previous authorization from the National Banking and Securities Commission, whom shall grant or deny it at its discretion, after hearing the opinion of Banco de México, and

Section reformed OJF 01-10-2014

IV. In the case of development banks, for greater percentages and terms, regarding companies that carry out activities related to its purpose, with the previous authorization of the Ministry of Finance and Public Credit.

Section added OJF 01-10-2014

The Commission or the Ministry, as it corresponds, shall set the measures, conditions, and terms of shareholding, in accordance with the nature and ends of the companies. Likewise, in the case of commercial banks, when the institution has the control of said corporations and, the latter intend to invest in other corporations, previous authorization from the National Banking and Securities Commission shall be obtained in terms of subsection III above.

Paragraph reformed OJF 01-10-2014

Credit institutions shall diversify the investments established in this article pursuant to the basis foreseen in article 51 of this Law and, shall observe the limits that promote risk scattering, as well as a sound revolving of funds in order to support a greater number of projects. Furthermore, such investments shall be subject to the prudential measures and the general provisions issued by the National Banking and Securities Commission, regardless of any others that, the Commission itself or the Ministry of Finance and Public Credit determine in particular, within the scope of their duties under this article, for the respective institutions.

The total amount of the investments in accordance with this article shall not exceed thirty percent for the investments in shares traded in the stock exchanges acknowledged by the Mexican financial authorities, based on subsection I of this article; or thirty percent for the investments in shares not traded in the cited stock exchanges, based on subsection I of this article, as well as those pursuant to subsections II, III, and IV above; both percentages of the basic part of the net capital indicated in article 50 of the present Law. For effect of the limit of the investments or obligations regarding shares from companies traded in stock exchanges, of those included in subsection I of this article, this limit shall be calculated pursuant to the provisions of general nature that the paragraph above refers to, which may provide the cases in which the net positions shall be considered.

Paragraph reformed OJF 01-10-2014

Share acquisitions derived from an accord and satisfaction settlement or capitalization of liabilities from individuals or entities other than those established in article 73 of this Law, shall not be

considered to determine the total amount of the investments during the first three years after the relevant transaction has been carried out.

In no event may commercial banks carry out investments in shares representing the capital stock of companies that have, in turn, the capacity as shareholders in the institution itself or in such institution's holding company. Such restriction shall be applied to investments in shares representing the capital stock of companies controlled by such shareholders or that control them.

Article reformed OJF 06-09-1992, 02-15-1995, 02-01-2008

Article 76. - The National Banking and Securities Commission, after hearing the opinion of Banco de México, shall determine through technical and operative general provisions, the basis for the rating of the credit portfolio of credit institutions, the documentation and information that such institutions shall request for the granting, renewal and, during the term of any kind of credits, with or without collateral on personal or real property, the requirements that such documentation shall meet and the periodicity with which it shall be obtained, as well as the integration of the preventive reserves, which have to be created for each grading rate, seeking to insure the solvency and stability of the institutions and the reliability of their financial information.

Article reformed OJF 02-01-2008

CHAPTER IV

On Services

Article 77. - Credit institutions shall provide the services set forth in article 46 of this Law, under the applicable statutory and administrative regulations, and in compliance with sound practices that promote security in these transactions and which promote an adequate service to users of such services.

Article 78. - The safe deposit box service shall bind the institution providing such service to respond for the integrity of the boxes and in exchange for the payment of the corresponding fee, to provide free access to such boxes on business days and hours. The holder of the box is responsible for all the expenses, damages and lost profits caused to the institution by reason of its use.

The general conditions and the agreement entered into by the credit institutions for the provision of this service, shall clearly stipulate the causes, formalities and requirements that shall be fulfilled in order that the institution may proceed, before a notary public, to open and remove the contents of the box, as well as that related to the custody of the items removed therefrom.

Article 79. - In trust, agency, commission agency, management or custody transactions, the institutions shall open special accountings for each agreement, and they must register therein and in their own accounting the money and other property, securities and rights that are entrusted

to them, as well as any increases or decreases, derived from the respective proceeds or expenses. The balances of the controlled accounts of the credit institution's accounting must always coincide with those of the special accountings.

In no event shall such property be subject to liabilities other than those arising from the trust, agency, commission agency or custody, or liabilities pertaining to third parties against such property in accordance with the Law.

Article 80. - In the transactions provided in subsection XV of article 46 of this Law, the institutions shall perform their duties and they shall exercise their powers through their trust officers.

The institution shall be liable in terms of the civil law for the damages and lost profits caused by the failure to comply with the terms and conditions of the trust, agency or commission agency, or the law.

In the articles of incorporation of the trust or in its amendments, the formation of a technical committee, the rules for its functioning, and the powers of the trustee may be set forth. When the credit institutions act abiding by the certificates or agreements of this committee, they shall be released from all liability, provided that in the execution or fulfillment of said certificates or agreements, the ends established in the trust agreement are fulfilled and adhere to the applicable legal provisions.

Paragraph reformed OJF 01-10-2014

Article 81. - Securities transactions carried out by credit institutions in fulfillment of trusts, agencies, commission agencies and management agreements, shall be performed in terms of the provisions of this Law and the Securities Market Law, as well as pursuant to the general rules that, as the case may be, Banco de México issues, hearing the opinion of the National Banking and Securities Commission, in order to pursue the ordered development of the securities market.

Credit institutions may carry out repurchase and securities lending transactions on behalf of third parties, without the intermediation of securities firms, subject to the general provisions issued by Banco de México. In such provisions, it shall be established among other aspects, their characteristics, the authorized counterparties, the securities subject matter of these transactions, the time periods, and the method of payment, as well as the collateral that, if applicable, may be granted.

Article reformed OJF 04-30-1996, 06-04-2001, 02-01-2008

Article 81 Bis. - Credit institutions shall have guidelines and policies tending to identify and know their customers, as well as to determine their investment objectives with respect to the securities transactions and derivatives transactions that they carry out in the fulfillment of trusts, agencies, commission agencies and management agreements. Furthermore, credit institutions shall provide

their customers with the necessary information for investment decision-making, taking into consideration the profiles determined to such effect, abiding by the general provisions issued by the National Banking and Securities Commission.

Credit institutions upon entering into the transactions set forth in the preceding paragraph with their customers shall conform to the profile corresponding to each of them. When transactions and services are entered into which are not in accordance with the customer's profile, the express consent of such customer must be obtained. Credit institutions shall be liable for damages and lost profits caused to the customer for the default on the provisions of this paragraph.

Article added OJF 06-25-2009

Article 82. - The personnel assigned by the credit institutions directly or exclusively to trusts, shall not be part of the staff of the institution, but, as the case may be, shall be considered to be at the service of the property under the trust. Nevertheless, any rights conferred on these persons under the law, shall be exercised against the credit institution, which, if applicable, and in order to comply with the resolutions issued by the competent authority shall affect, to the extent necessary, the property held in trust.

Article 83. - If no procedure is expressly agreed by the parties at the time of execution of the trusts which purpose is to guarantee the performance of obligations, the procedures established in Title Third Bis of the Commerce Code shall be applied, at the trustee's request.

Paragraph reformed OJF 05-23-2000

(Second paragraph repealed)

Paragraph repealed OJF 05-23-2000

Article 84. - When the credit institution, upon being required to do so, fails to render accounts of its administration within a fifteen business days term, or is declared, by final judgment, liable for the losses or deterioration suffered by the properties held in trust or responsible for these losses or deterioration due to gross negligence, shall be removed as trustee.

Actions brought to demand the rendering of accounts, the liability of credit institutions, and to request removals, shall correspond to the trust beneficiaries or to their legal representatives, in any case to the extent of their interests, and in their absence, to the Prosecuting Authority. Notwithstanding the above, the settlor may reserve the right to bring such action at the time of execution of the trust or in the amendments thereto.

The provisions of the final paragraph of article 385 of the Credit Instruments and Operations Law shall apply to cases of resignation or removal.

Paragraph reformed OJF 02-01-2008

Article 85. - In case of trust transactions created by the Federal Government or which, for purposes of this article, the Federal Government declares through the Ministry of Finance and Public Credit, to be of public interest, the time period established in subsection III of article 394 of the Credit Instruments and Operations Law shall not apply.

Article reformed OJF 06-13-2003

Article 85 Bis. - In order to act as trustees of guaranty trusts, the institutions set forth in subsections II, III, IV and VI of article 395 of the Credit Instruments and Operations Law shall have the additional minimum capital that the Ministry of Finance and Public Credit determines to such effect through general provisions, with the prior opinion of the National Banking and Securities Commission and the National Insurance and Bonding Commission, as may correspond depending on the institution in question, as well as with the authorization that the Federal Government shall grant discretionally, through such Ministry.

Paragraph reformed OJF 06-04-2001, 07-018-2006

(Second paragraph repealed)

Paragraph repealed OJF 07-18-2006

The companies established in subsections II, III, IV and VI of article 395 of the Credit Instruments and Operations Law shall manage the operations of the trust subject matter of such article in the terms set forth for credit institutions in articles 79 and 80 of this Law.

Paragraph reformed OJF 07-18-2006 Article added OJF 05-23-2000

Article 85 Bis 1. - The National Banking and Securities Commission and the National Insurance and Bonding Commission, as applicable, may suspend, for a period of no less than one hundred and eighty days, the contracting of new guaranty trusts transactions, to those entities that are ordered to pay in more than one occasion the indemnifications provided in article 393 of the Credit Instruments and Operations Law.

Article added OJF 05-23-2000. Amended OJF 02-01-2008

TITLE FOURTH
On General and Accounting Provisions
CHAPTER I
On General Provisions

Article 86. - As long as the members of the Mexican Banking System are not in liquidation or in bankruptcy proceedings, they shall be considered solvent and they shall not be obliged to constitute judicial deposits or bonds, not even for the purpose of obtaining the stay of execution of a

governmental action being contested in amparo proceedings or to secure the fiscal interest in the respective proceedings.

Article 87. - Commercial banks shall insert in a periodic publication of broad regional circulation in the relevant location, a notice addressed to the public containing information regarding the relocation or closing of the respective branches, fifteen days prior to the date when such relocation or closing is scheduled.

Paragraph reformed OJF 06-04-2001, 11-05-2004, 02-01-2008

Commercial banks shall require the authorization of the National Banking and Securities Commission for the establishment, relocation and closing of any kind of offices abroad, as well as for the assignment of the assets and liabilities of its branches.

Paragraph reformed OJF 06-04-2001, 02-01-2008

The Ministry of Finance and Public Credit may authorize branches of credit institutions established abroad to carry out transactions that are not provided for under Mexican law, so as to conform to the market conditions in which they operate, to that effect, they must provide to the aforesaid Ministry, the background, procedures, provisions and formalities inherent to the practice of each type of transaction.

The Ministry of Finance and Public Credit shall hear the opinion of Banco de México and of the National Banking and Securities Commission in order to render its authorization.

Paragraph reformed OJF 06-04-2001, 02-01-2008

(Fifth paragraph repealed)

Paragraph repealed OJF 06-04-2001

Article 88. - Credit institutions shall require authorization from the National Banking and Securities Commission to invest the representative certificates of the capital stock of companies that provide them complementary or auxiliary services in their administration or in carrying out their objectives, as well as real estate companies that are owners or administrators of property destined to their offices.

Paragraph reformed OJF 01-10-2014

When the investments of the development banks mentioned in the preceding paragraph are carried out with respect to companies who provide complementary or auxiliary services in the fulfillment of their corporate purpose, such authorization shall correspond to the Ministry of Finance and Public Credit.

The companies and corporations in which capital stock the credit institutions hold an interest under this article shall abide by the general rules issued by the National Banking and Securities

Commission. Said rules shall have as main purpose to allow the supervision on the performance and condition of the institutions, as well as to the inspection and surveillance of said Commission and, consequently these companies and corporations shall cover the corresponding inspection and surveillance fees.

Article reformed OJF 02-01-2008

Article 89. - Authorization from the National Banking and Securities Commission and previous agreement from its Board of Governors is required for the credit institutions to invest, directly or indirectly, in representative certificates of the capital stock of foreign financial entities.

Paragraph reformed OJF 01-10-2014

When any credit institution holds, directly or indirectly, voting shares of foreign financial entities representing, at least, fifty-one percent of the paid-in capital, or controls the general shareholders' meetings, or is able to appoint the majority of the members of the board of directors or equivalent bodies or, controls the aforesaid entities through any other means, the relevant credit institution shall provide whatever is necessary in order that the financial entity in question carries out its activities abiding by the applicable foreign legislation and by the provisions established by the Mexican financial authorities.

The institutions referred to in the first paragraph of this article may invest in the corporate capital stock of investment funds, managing companies of investment funds, retirement fund management companies, investment companies specialized in retirement funds and multiple-purpose financial institutions, without being applicable, with respect to those institutions which are part of financial groups, the limits set forth in article 31 of the Financial Groups Law, as well as in credit information bureaus in terms of the applicable legislation. Furthermore, when such institutions are not part of financial groups, they may invest in the corporate capital stock of auxiliary credit organizations and financial intermediaries that are not credit institutions, securities firms, insurance companies and mutual insurance companies and bonding companies, with the prior authorization of the National Banking and Securities Commission with the approval of its Board of Governors.

The requests for authorization for the investments provided in this article shall be accompanied by the document that sets forth the policies to resolve a probable conflict of interest that may occur in the carrying out of operations with the public.

Credit institutions and the subsidiaries set forth in the third paragraph of this article in which capital they hold an interest, may use identical or similar names, act in a joint manner and offer complementary services.

Upon exercising the powers conferred to it in this article, the National Banking and Securities Commission shall hear the opinion of Banco de México.

The investments provided in this article, as well as in articles 75 and 88 of this Law, carried out by development Banks, as well as by commercial banks in which capital the Federal Government has an interest, shall not be calculated in order to consider the issuers as state owned companies, and they shall not be subject to the provisions applicable to the Federal Public Administration entities.

Article reformed OJF 06-09-1992, 07-23-1993, 05-23-1996, 06-04-2001, 07-18-2006, 02-01-2008

Article 90. - In order to evidence the capacity and powers of the officers of credit institutions, including trust officers, it shall be sufficient to present a certification of their appointment, issued by the secretary or assistant secretary of the managing board or board of directors.

The powers of attorney granted by credit institutions shall not require of other insertions besides those regarding the resolution of the managing board or the board of directors, as the case may be, whereby the granting of such powers is authorized, to the authority conferred to such board in the bylaws or in the respective organizational laws and regulations, and to the verification of the appointment of the directors.

It shall be understood that the powers of attorney conferred in accordance with the provisions of the first and second paragraphs of article 2554 of the Federal Civil Code or its correlative articles of the states of the Mexican Republic and of the Federal District, include the power to grant, subscribe, guarantee, and endorse credit instruments, even when such power is not expressly mentioned.

Paragraph reformed OJF 02-01-2008

The appointments of banking officers shall be registered in the Public Registry of Commerce, with the prior ratification of signatures, before a public certifier, of the original document in which the respective appointment is recorded.

The appointments of the secretary and assistant secretary of the managing board or the board of directors shall be granted in a public instrument before a public certifier and shall be registered in the Public Registry of Commerce.

Paragraph reformed OJF 02-01-2008

Article 90 Bis. - Credit institutions, upon entering into transactions with the general public shall use the services of attorneys-in-fact, representatives, officers and employees who have the knowledge and technical capabilities regarding the characteristics of the transactions that are offered or entered into. The institutions shall be responsible for providing training to its personnel in order to comply with the foregoing.

The National Banking and Securities Commission, may determine through general provisions, the persons who, according to their duties, shall prove the technical quality, honorability and satisfactory

credit history before a self-regulatory banking organization in order to protect the interests of the saving public.

Article added OJF 02-01-2008

Article 91. - Credit institutions shall be directly and unlimitedly liable for the actions carried out by their officers and employees in the performance of their duties, as well as for the actions carried out by those who hold any position, agency, commission agency or any other legal title that such institutions would have granted in order to carry out their transactions. The foregoing shall be applicable regardless of the civil or criminal liabilities in which such persons may incur individually.

Persons holding a position, agency, commission agency or any other legal title assigned to them by any credit institution shall comply with the requirements and obligations that this Law imposes on officers and employees carrying out equivalent activities, and the same provisions in the matter of liabilities shall be applicable to them.

Article reformed OJF 02-01-2008

Article 92. - When any person assists customers of credit institutions in the execution of transactions pertaining to the latter, such person may not at any time:

- I. Carry out such transactions on its own account;
- II. Determine the time periods or rates of the transactions in which he/she/it intervenes;
- III. Obtain differentials in prices or rates for the transactions in which he/she/it intervenes; or
- IV. In general, carry out activities that require the authorization of the Federal Government in order to operate as a financial entity of any type.

Such transactions must always be documented under the name of the customer.

Persons offering assistance to customers of credit institutions by virtue of a power of attorney or a commission agency in terms of this article must disclose the customer, at the time of providing such service, that they are not authorized by the Federal Government nor by such institutions to undertake obligations in their or own name and on behalf of the latter and that they are not supervised nor regulated by any financial authority. Said disclosure shall be evidenced in its publicity or advertising and in the agreement or in any other document in which the respective commission is recorded.

Paragraph added OJF 02-01-2008

Credit institutions who establish business relations or commercial ties, *de facto* or legally, with any third party for the massive receipt of funds, in cash or in checks, which involves the raising of public funds or the payment of credits in favor of the institutions themselves, shall enter into with such third parties a commission agency agreement so that such third parties act at all times before the public as their commission agents according to the provisions of article 46 Bis 1 of this Law.

Article 93. - Credit institutions may assign or discount their loan portfolio with any person.

Paragraph reformed OJF 06-04-2001, 02-01-2008

Assignments or loan portfolio discounts entered into with Banco de México, other credit institutions, trusts created by the Federal Government for economic promotion or trusts which purpose is the issuance of securities shall be carried out without any restriction.

Paragraph added OJF 02-01-2008

When credit institutions enter into assignments or loan portfolio discounts with persons other than those mentioned in the preceding paragraph and they intend to respond for the debtor's solvency, grant financing to the assignee or borrower, or agree with them obligations or rights allowing such institutions to reacquire the assigned or discounted loan portfolio, they shall require of the prior authorization of the National Banking and Securities Commission, which shall safeguard the solvency and financial stability of the credit institutions and the protection of the interests of the public. Furthermore, those who subrogate in said portfolio's rights may not receive financing from the credit institution, with respect to said transaction or the credits subject matter thereof, nor may this institution respond for the debtor's solvency. The rules and regulations governing financial institutions on this subject shall be applied to the assignees.

Paragraph added OJF 02-01-2008

Credit institutions shall not be subject to the provisions of the first paragraph of article 142 of this Law with regard to the information related to the assets mentioned below, when such information is provided to persons with whom the following transactions are negotiated or carried out:

Paragraph added OJF 04-30-1996. Reformed OJF 01-10-2014

- I. Credits which shall be subject to assignment or discount; or
- II. Their portfolio or other assets, regarding the transfer or subscription of a significant percentage of their corporate capital stock or that of the holding company of the financial group to which they belong. To disclose such information they must obtain the prior authorization of the National Banking and Securities Commission.

Section added OJF 04-30-1996

Section added OJF 04-30-1996. Reformed OJF 06-04-2001

During the negotiation processes established in this article, the participants shall maintain due confidentiality with respect to the information to which they have access as a result of such processes.

Paragraph added OJF 04-30-1996. Reformed OJF 06-04-2001

Article 94. - Commercial banks which agree, in any manner, with entities that carry out business activities, to jointly release advertising to the general public through printed, hearing, audiovisual or electronic means, shall provide the necessary information so that the content of such advertising prevents the confusion regarding the independence between the institution and the entity in question, as well as the offeror and the responsibilities of the parties in the the entering into of the transactions and the financial services from the aforesaid institution.

Article repealed OJF 06-15-2007. Added OJF 02-01-2008

Article 94 Bis. - The National Commission for the Protection of Users of Financial Services, seeking at all times the adequate protection of the interests of the public, may issue general provisions to establish those activities of credit institutions that will be considered that fail to follow sound practices and uses regarding the offering and commercialization of financial operations and services,.

Article added OJF 02-01-2008. Reformed OJF 06-25-2009

Article 95. - Credit institutions must close their doors and suspend operations on the days indicated by the National Banking Commission through general provisions.

The days so indicated under the terms cited may be considered non-business days for all legal purposes, when this is so established by such Commission.

Article reformed OJF 12-23-1993

Article 96. - Credit institutions must establish basic security measures which include the installation and operation of essential devices, mechanisms, and equipment for the purpose of providing due protection within the banking premises, for the public, officers and employees occupying such premises, as well as to the equity of the institution. When the institutions hire the persons set forth in article 46 Bis 1 of this Law, with the purpose that the latter receive funds from their customers, in cash or check, they shall additionally make sure that the premises used by such persons in order to carry out such transactions in representation of the institutions, have the basic security measures established under the provisions of this article.

Such institutions must have a specialized unit in order to implement the provisions of the preceding paragraph.

The National Banking and Securities Commission may issue through general rules, the guidelines to which the basic security measures that the credit institution and the service providers or commission agents that the institutions hire for the receipt of funds from their customers, in cash or check, shall conform to, in terms of article 46 Bis 1 of this Law, and it shall oversee that the institutions comply with the applicable provisions on this matter.

The hiring of personnel shall not be permitted under article 46 Bis 1 of this Law, in order to carry out inside the credit institutions' branches where customer service is offered, any of the transactions established in article 46 of this statute.

Article reformed OJF 06-04-2001, 02-01-2008

Article 96 Bis. - Credit institutions and other entities regulated by this law shall comply with the general provisions of precautionary nature issued by the National Banking and Securities Commission, as well as other rules and regulations that Banco de México issues within the scope of its duties, which are aimed at preserving the solvency, liquidity and stability of such institutions and, if applicable, of the entities regulated by this law, as well as the sound and balanced development of the transactions subject matter of this law.

Furthermore, the credit institutions and other entities regulated by this statute shall comply with the general provisions issued by the National Commission for the Protection of Users of Financial Services, within the scope of its competence.

Credit institutions who open accounts of their own with the purpose of raising funds to be destined for the assistance of communities, sectors or villages derived from natural catastrophes, shall comply with the requirements that the National Commission for the Protection of Users of Financial Services establishes through general provisions regarding transparency and accountability, which shall include, among other aspects, those related to the specific destination of the funds and the time periods in which such funds shall be delivered.

For purposes of the provisions of the preceding paragraph, the credit institutions must establish an adequate coordination with the Federal Government and the federal states.

Article added OJF 02-06-2008.Reformed OJF 06-25-2009

Article 96 Bis 1. - The commercial banks must comply at all times with the liquidity requirements established by the National Banking and Securities Commission and Banco de México through jointly issued provisions, in accordance with the guidelines established by the Bank Liquidity Regulation Committee in terms of this Law.

The liquidity requirements may be expressed through indexes whose calculations must be determined in the provisions mentioned in the previous paragraph.

The inspection and surveillance of the compliance with the liquidity requirements referred to in this article shall correspond to the National Banking and Securities Commission. When a commercial bank does not comply with said liquidity requirements, the Commission may apply the measures established in article 128 of this Law, in terms of the mentioned provisions.

When the National Banking and Securities Commission, due to its supervisory duty, as a corrective measure, requires the credit institutions to carry out adjustments to the accounting records that, at the same time, may derive in modifications to their liquidity indexes, said Commission must carry out the necessary actions for the calculation of said indexes to be done pursuant to what is set forth in this article and in the applicable provisions, in which case it must previously hear the affected commercial bank, and resolve in a term no greater than three business days.

The Bank Liquidity Regulation Committee's purpose shall be to order the guidelines to establish the liquidity requirements that the commercial bank must comply with.

Such guidelines shall be aimed at ensuring that the commercial banks may deal with their payment obligations in various terms and scenarios, including those in which adverse economic conditions prevail. The referred to Committee shall consider the expiration structure of the active and passive transaction of the same institutions, taking into account the liquidity and nature of the assets and the stability of the liabilities.

The Bank Liquidity Regulation Committee shall be integrated by:

- I. The Secretary of Finance;
- II. The Undersecretary of Finance;
- III. The Chairman of the National Banking and Securities Commission
- IV. The Governor of Banco de México, and
- V. Two members of the Board of Governors of Banco de México appointed by the Governor.

The members of the Committee shall not have alternates.

The sessions of the Bank Liquidity Regulation Committee shall be presided by the Secretary of Finance, and in his/her absence, by the Governor of Banco de México and, in the absence of both, by the Undersecretary of Finance.

The Secretary of Finance or in its case, the Undersecretary of Finance shall have the tie-breaking vote in case of tie.

The Committee may meet at any time at the request of the Secretary of Finance or of the Governor of Banco de México; its sessions must be held with the attendance of at least three of its members, provided that said Ministry as well as Banco de México are represented.

The resolutions of the Committee that the present article refers to, shall be taken by majority of votes, with the favorable vote of at least one of the representatives of the cited Ministry being necessary at times.

Article added OJF 01-10-2014

Article 96 Bis 2. - In the event that a credit institution does not comply with the requirements that the article above refers to or it determines that it will not be possible to comply with said requirements in the future, it must immediately notify the National Banking and Securities Commission. Additionally, said Commission may order the application of the following measure on the corresponding institution:

- I. Inform the National Banking and Securities Commission and Banco de México of the causes that gave place to the default of the respective requirements;
- II. Inform their Managing Board, through a detailed report, of its liquidity condition, as well as the causes that motivated that default of the requirements;
- III. Present a liquidity restoration plan in a term no greater than five business days from when said notice is done to comply with said requirements;
- IV. Suspend the payment of dividends to shareholders that come from the institution, as well as any mechanism or act that implies a transfer of pecuniary benefits;
- V. Limit or prohibit transactions in such a manner that the compliance with the requirements is reestablished;
- VI. The other measures that, in its case, the general provisions issued by the National Banking and Securities Commission establishes based on the present article.

The measures determined by the National Banking and Securities Commission must take into consideration the magnitude, duration, and frequency of the defaults on the liquidity requirements, according to what is established in the general provisions issued for such effect by the Commission.

Article added OJF 01-10-2014

Article 97. - Credit institutions must present the information and documentation that, within the scope of their respective powers and duties, the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings request, within the terms and through the means requested.

With the purpose of preserving the financial stability, avoid interruptions, or alterations in the functioning of the financial system or of the payments system, as well as to facilitate the adequate fulfillment of its duties, the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, the National Insurance and Bonding Commission, the National Pension System Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings must, at the request of the interested party and in terms of the agreements that the last paragraph of this article refers to, exchange information among themselves that they have, for having it obtained through:

- I. The exercise of their powers;
- II. As a result of their actions in coordination with other entities, individuals, or authorities or,

III. Directly from other authorities.

To the authority mentioned in the paragraph above, the restrictions regarding to reserved or confidential information in terms of the applicable legal provisions shall not be opposed. Whomever receives the information that this article refers to shall be administratively and criminally liable, in terms of the applicable legislation, for the dissemination to third parties of said confidential or reserved information.

In case a commercial bank enters into resolution, the exchange of information between the mentioned authorities must be considered a priority.

For effects of what is set forth in the present article, the indicated authorities must execute information exchange agreements in which the information that is to be exchanged is specified and the terms and conditions to which these shall adhere shall be determined. Likewise, said agreements must define the degree of confidentiality or reservation of the information, as well as the respective control entities to which the cases in which the delivery of information is denied or when the delivery is made outside of the established terms must be informed to.

Article reformed OJF 06-15-2007, 01-10-2014

Article 98. - Banking and credit operations carried out by credit institutions and other members of the Mexican Banking System, as well as the income and profits obtained under the same concepts, may not be levied in the Federal District, the States or the Municipalities.

Credit institutions shall be obliged to request information from their clientele, regarding their identification and address, according to the provisions issued to such effect by the National Banking Commission.

Article 98 Bis. - The National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services shall publish in the Official Journal of the Federation the provisions and general rules that they issue in the exercise of the authority granted to them by this or other laws, as well as the administrative acts that must be published in the same Gazette, in compliance with the laws.

Article added OJF 02-01-2008. Reformed OJF 06-25-2009

CHAPTER II

On Accounting

Article 99. - Any act or agreement which implies a variation in the assets or liabilities of a credit institution, or which involves a direct or contingent obligation, must be recorded in the accounting on

the same day it is effected. Such accounting, the books and documents corresponding thereto, and the time period in which they must be preserved, shall be regulated by the general provisions issued by the National Banking and Securities Commission tending to secure the reliability, timeliness and transparency of the accounting and financial information of the institutions.

The National Banking and Securities Commission, for the protection of the interests of the saving public, may order the credit institutions, as a corrective measure, to make corrections or modifications to their financial statements. It may also instruct the publication of said corrections and modifications. In these events, it must previously grant the affected credit institution its right to a hearing, and resolve in a term no greater than three business days. The foregoing without prejudice of the sanctions that may correspond.

Paragraph added OJF 01-10-2014

The accounting, with the adjustments required by the National Banking and Securities Commission, shall be the one used for all the pertinent accounting and legal effects.

Paragraph added OJF 01-10-2014

Article reformed OJF 02-01-2008

Article 99 A. - Credit institutions shall establish a capital reserve fund, annually allocating to such fund at least ten percent of their net profits, until such fund reaches an amount equal to the amount of the paid-in capital.

Article added OJF 07-23-1993

Article 100. - Credit institutions may microfilm or record on optical disks, or any other means authorized by the National Banking and Securities Commission, all those books, records and documents in general, in their possession, related to the activities of the institution, that the National Banking and Securities Commission may provide through general provisions, in accordance with the technical regulations for microfilming or recording on optical disks, handling and preservation, as the same Commission may establish.

The original camera negatives obtained through the microfilming system and images recorded through the optical disk system or any other means authorized by the National Banking and Securities Commission indicated in the preceding paragraph, as well as any prints obtained from such systems or media, duly certified by an authorized officer of the credit institution, shall have in any lawsuit the same probative value as any books, records or documents which are microfilmed or recorded on optical disks, or preserved through any other authorized means.

Once that the term in which the credit institutions are obliged to keep the accounting, books and other documents has elapsed according to article 99 of this Law and to the provisions issued by the

National Banking and Securities Commission, the records that appear in the accounting of the institution shall be proof, except in the presence of evidence to the contrary, in the respective actions for the determination of the resulting balances of the transactions set forth in subsections I and II of article 46 of this Law.

Paragraph added OJF 02-01-2008 Article reformed OJF 04-30-1996

Article 101. - The National Banking and Securities Commission, through general rules furthering transparency and reliability in the financial information of credit institutions, shall set forth the requirements to which the approval of the financial statements by the managers of credit institutions shall be subject to; their release through any means of communication, including electronic or optic means or any other technology; as well as the procedure to which the review of the financial statements that the Commission carries out shall conform to.

The Commission shall establish, through general provisions promoting transparency and reliability in the financial information of credit institutions, the terms and contents that the financial statements of the credit institutions shall have; in like manner it may order that the financial statements be released with the relevant modifications and in the time periods established for that purpose by such Commission.

Credit institutions as an exception to the provisions of article 177 of the Business Associations law must publish their financial statements in the terms and through the means set forth through the general provisions established in the first paragraph of this article.

The annual financial statements shall be accompanied by the opinion of an independent external auditor who shall be appointed directly by the board of directors of the institution in question.

The Commission may establish through general provisions promoting transparency and reliability on the financial information of the credit institutions, the characteristics and requirements that shall be met by the independent external auditors. It may also determine the content of the opinions and other reports of the independent external auditors. The Commission may also issue measures to ensure the adequate alternation of such auditors in the credit institutions, as well as establish the information that their opinions shall disclose, regarding other services, and in general, of the professional or business relations that they provide or maintain with the credit institutions that they audit or with related companies.

Article reformed OJF 07-23-07-1993, 06-04-2001, 02-01-2008

Article 101 Bis. - Credit institutions shall be obliged to make available to the general public the corporate, financial, administrative, operational, economic and legal information that the National Banking and Securities Commission determines, through general rules issued by it to such effect.

To issue such rules the Commission shall take into consideration the relevance of the information in order to show the public the solvency, liquidity and operative security of the institutions.

Article added OJF 02-01-2008

Article 101 Bis 1. - The National Banking and Securities Commission shall have inspection and surveillance powers with respect to entities that provide external audit services in terms of this Law, including partners or employees of those entities that are part of the audit team, in order to verify the compliance with this Law and the observance of the general provisions arising therefrom. For such purpose the aforesaid Commission may:

- I. Require all kind of information and documentation related to the provision of this type of services;
- II. Carry out inspection visits;
- III. Require the appearance of partners, representatives and other employees of the entities providing external audit services, and
- IV. Issue or recognize audit rules and procedures that must be observed by the entities which provide external audit services upon providing or issuing opinions regarding the financial statements of credit institutions.

The exercise of the powers provided in this article shall be limited to audit certificates, opinions and audit practices carried out, in terms of this Law, by the entities that provide external audit services, as well as their partners or employees.

Article added OJF 02-01-2008

Article 101 Bis 2. - Credit institutions must observe the provisions of articles 101 and 101 Bis 3 of this Law, regarding the requirements that must be met by the entity providing the external audit services, as well as by the external auditor who subscribes the opinion and other reports corresponding to the financial statements.

Article added OJF 02-01-2008

Article 101 Bis 3. - External auditors subscribing the opinion of the financial statements in representation of the entities that provide external audit services must have the honorability in terms of article 10, subsection II, of this Law; meet the personal and professional requirements established by the National Banking and Securities Commission through general provisions, and be partners of the entity providing financial statements audit professional services and meeting the quality control requirements established for that purpose by the Commission in said provisions.

Also, the aforementioned external auditors, the entity of which they are partners and the partners or individuals that are part of the audit team shall not fall within any of the assumptions of lack of independence established to that effect by the Commission, through general provisions, in which it

is considered, among other aspects, financial or economic dependency relations, the provision of additional services to those of audit and maximum terms during which the external auditors may provide external audit services to credit institutions.

Article added OJF 02-01-2008

Article 101 Bis 4. - The external auditor, as well as the entity of which he/she is partner of, shall be obliged to keep the documentation, information and other elements used to prepare their certificate, report, or opinion, for a term of at least five years. For such purposes, automatized or digitalized means may be used.

Furthermore, external auditors must provide the National Banking and Securities Commission the reports and other judgment elements in which they sustain their reports and conclusions. Should during the practice of or as a result of the audit, the external auditors find out irregularities which affect the liquidity, stability or solvency of any of the credit institutions to which they provide their audit services, they shall submit to the audit committee, and to the Commission, a detailed report on the situation observed.

The persons who provide external audit services shall be liable for the damages and lost profits that they cause to the credit institution hiring them, when:

- I. Due to gross negligence, the report or opinion that they provide contains flaws or omissions that, by reason of their profession or trade, should be part of the analysis, evaluation or study giving rise to such report or opinion.
- II. In the report or opinion, they intentionally:
 - a) Omit relevant information of which they have knowledge of, when such information should be included in their report or opinion;
 - b) Incorporate false or misleading information, or otherwise, adapt the result with the purpose of pretending a different condition to that corresponding to the reality;
 - c) Recommend the execution of a certain transaction, choosing from the existing alternatives, that which generates patrimonial effects materially adverse to the institution, or
 - d) Suggest, accept, propitiate or propose that a specific transaction be registered contravening the accounting criteria issued by the Commission.

Article added OJF 02-01-2008

Article 101 Bis 5. - The persons indicated in article 101 Bis 2 of this Law shall not incur in liability for the damages or lost profits that they cause, derived from the services or opinions that they provide, when acting in good faith and without fraud, the following occurs:

- I. They render their report or opinion based on information provided by the entity to whom the services are provided, and

- II. They render their report or opinion abiding by the rules, procedures and methodologies that must be applied to carry out the analysis, evaluation or study corresponding to their profession or trade.

Article added OJF 02-01-2008

Article 102. - The National Banking and Securities Commission shall set the rules for the maximum estimate of the assets of the credit institutions and the rules for the minimum estimate of their obligations and liabilities, in the interest of obtaining the adequate assessment of such concepts in the accounting of the credit institutions.

Additionally, the National Banking and Securities Commission, for the protection of the interest of the saving public, may order of the credit institutions, as a corrective measure, the constitution of preventative reserves when it detects an inadequate valuation or an incorrect estimate in terms of the paragraph above. Said reserves shall be additional to those that the credit institutions have the obligation to constitute in terms of the applicable provisions, having to previously give the right to a hearing to the affected credit institution, and resolve in a term of three business days. The foregoing, without prejudice of the sanctions that correspond.

Paragraph added OJF 01-10-2014

Article reformed OJF 12-23-1993, 06-04-2001, 02-01-2008

TITLE FIFTH

On Prohibitions, Administrative Sanctions and Offenses

CHAPTER I

On Prohibitions

Article 103. – No natural or legal person may raise funds from the public in national territory, either directly or indirectly, through deposit, loan, credit, or lending transactions or by any other act that brings about direct or contingent liabilities, being obliged to cover the principal, and any applicable financial ancillaries upon funds raised.

Paragraph reformed OJF 06-09-1992, 11-30-2005

The following are exempt from the provisions of the foregoing paragraph:

- I. Credit institutions regulated by this Law, as well as other financial intermediaries, duly authorized according to applicable legal statutes;
- II. Issuers of instruments recorded with the National Registry of Securities placed by public offering, in respect of funds arising from said placements, and

Section reformed OJF 11-30-2005

III. Repealed.

Section reformed OJF 06-09-1992. Repealed OJF 07-23-1993

IV. Repealed.

Section added OJF 06-09-1992. Reformed OJF 12-23-1993. Repealed OJF 07-18-2006

V. Savings and Loan Cooperatives, as referred to in the General Law for Cooperatives.

Section added OJF 08-13-2009

VI. Associations and companies, as well as groups of natural persons that raise funds exclusively from their associates, members and partners, respectively, for placement therewith, which meet the following requirements:

- a) The placement and delivery of funds raised by the aforementioned associations and companies, as well as by groups of natural persons, may only be carried out by an actual member of the association, company or group of natural persons;
- b) Their assets may not be greater than 350,000 UDIs, and
- c) They shall not seek to raise funds from unspecified individuals or through mass media.

Section added OJF 08-13-2009

VII. Financial technology institutions, as well as users of cooperative financial institutions, in the transactions they make through said institutions, as referred to in the Law to Regulate Financial Technology Institutions.

Section added OJF 03-09-2018

The issuers referred to in subsection II, who use funds arising from placements to grant credit, must abide by any general provisions that the National Banking and Securities Commission may issue on matters of financial, administrative, economic, accounting, and legal information, which must be made known to the public under the terms of the Securities Market Law.

Paragraph added OJF 11-30-2005

Reform OJF 07-18-2006: Repealed from the article the then penultimate (previously added by OJF 06-09-1992 and reformed by OJF 07-23-1993) and last (previously reformed by OJF 06-09-1992 and 04-30-1996) paragraphs.

Article 104. - When the National Banking and Securities Commission presumes that an individual or legal entity is entering into transactions breaching the provisions of articles 2nd or 103 of this Law, or acts as a trustee without being authorized to do so by law, it may appoint an inspector and the necessary assistants to revise the accounting and other documentation of the business, enterprise or establishment of the individual or legal entity, to the ends of verifying if it is truly entering into the mentioned transactions, in which case, the National Banking and Securities Commission may order

the immediate suspension of transactions or proceed to closing the business, enterprise, or establishment of the individual or legal entity in question.

The inspection, suspension of transaction, and closing procedure that the paragraph above refers to is of public interest. What is set forth in the Only Chapter of Title Sixth of this Law shall be applicable where it is pertinent.

Article reformed OJF 06-09-1992, 07-23-1993, 01-10-2014

Article 105. - The words “bank”, “credit”, “savings” “trustee” and other words that express similar ideas in any language, which may lead to infer the practice of banking and credit, may not be used in the names of entities or establishments other than credit institutions.

The provisions of the preceding paragraph shall not be applicable to members of the Mexican Banking System; to banks and foreign financial entities, as well as to the corporations indicated in articles 7th, 88 and 89 of this Law; to those provided in the Law to Implement Section XIII (Bis), Part B of Article 123, of the Mexican Constitution and to the associations of credit institutions or other persons authorized by the Ministry of Finance and Public Credit.

Article 106. - Credit institutions shall be banned from:

I. Repealed.

Section repealed OJF 02-01-2008

II. Repealed.

Section reformed OJF 06-24-2002, 06-13-2003. Repealed OJF 02-01-2008

III. Granting as collateral, any credit instruments they issue, accept or keep in treasury;

IV. Operating directly or indirectly with instruments representing their capital stock, except as provided in the last paragraph of articles 19 and 38 of this Law and in Chapter IV, Title Second of the Bank Savings Protection Law, as well as granting credits for the acquisition of such instruments;

Section reformed OJF 04-30-1996, 06-04-2001

V. Entering into transactions with and providing services to their customers, under terms and conditions which significantly differ from prevailing market conditions at the time of their execution, from the institution’s general policies, and from sound banking practices;

VI. Repealed.

Section repealed OJF 02-01-2008

VII. Accepting or paying documents or certifying checks that are overdrawn, except in the case of opening of a credit line;

VIII. Undertaking responsibilities and obligations on behalf of third parties, other than those provided in subsection VIII of article 46 of this Law and with the exception provided in the following subsection;

IX. Repealed.

Section repealed OJF 02-01-2008

- X. Securing the performance of obligations resulting from direct debit documents, by setting their domicile for payments or notices. This provision shall be stated in the text of the documents in which the conventional domicile is stated;
- XI. Trading goods of any kind, except for transactions in gold, silver and currencies that they may carry out in terms of this Law and of the Banco de México Internal Organic Law;
- XII. Having an interest in corporations that are not limited liability companies and exploiting on their own, commercial or industrial establishments or rural properties, without prejudice of their powers to hold bonds, obligations, shares or other negotiable instruments of such establishments as provided in this Law. The National Banking and Securities Commission, may authorize credit institutions through general provisions, to continue the provisional exploitation of said corporations, establishment or properties, when the former receive the latter in payment of credits or to secure credits already extended. In this case the credit institution in question, shall enter the accounting registries and make the maximum value assessment which the Commission itself establishes for these cases under the provisions of articles 99 and 102 of this Law.

Section reformed OJF 02-01-2008

XIII. Repealed.

Section reformed OJF 12-23-1993, 06-04-2001. Repealed OJF 02-01-2008

XIV. Repealed.

Section repealed OJF 02-06-2008

XV. Repealed.

Section reformed OJF 06-04-2001. Repealed OJF 02-01-2008

XV Bis. Repealed.

Section added OJF 06-04-2001. Repealed OJF 02-01-2008

XV Bis 1. Prepaying obligations payable by such institutions arising from the issuance of bank bonds, unless they meet the requirements stated, to that effect, in article 63 of this Law;

Section added OJF 06-04-2001

XV Bis 2. Prepaying obligations payable by such institutions, arising from the issuance of subordinated debentures unless the institution meets the requirements stated, to that effect, in article 64 of this statute;

Section added OJF 06-04-2001

XVII. Directly or indirectly acquire certificates or securities issued or accepted by them, subordinated debentures issued by other credit institutions or holding companies; as well as reacquire credits payable by third parties that had been assigned, except in case of the transactions set forth in article 93 of this Law and of the acquisition of subordinated debentures issued by the same institutions, provided that said acquisition is done with the previous authorization of Banco de México pursuant to article 64 of this Law;

XVI. Granting credits and loans collateralized with:

- a) Liabilities set forth in subsection IV of article 46 of this Law, payable by such institutions, by any credit institution or by holding companies;

Subsection reformed OJF 04-06-2001, 01-10-2014

- b) Rights on trusts, agencies or commission agencies, which, have as their purpose, the liabilities mentioned in the preceding subparagraph;
- c) Shares of commercial banks or holding companies of financial groups, owned by any person holding five percent or more of the capital stock of the bank or holding company in question.

In case of shares other than those indicated in the preceding paragraph, representing the capital stock of credit institutions, holding companies or any financial entity, such institutions shall give a thirty-day prior notice to the Ministry of Finance and Public Credit;

Subsection added OJF 04-30-1996. Reformed OJF 06-04-2001

- XVIII. Entering into operations or offers on their own account or on behalf of third parties, to their depositors for the acquisition of goods or services in which it is stated that, in order to avoid charges on such concepts, the depositors must express their disagreement;

Section reformed OJF 06-04-2001

- XIX. In the performance of the operations provided in subsection XV of article 46 of this Law:

- a) Repealed.

Subsection repealed OJF 02-01-2008

- b) Being liable for the default of debtors, for credits granted by settlors, principals or principals under a commission agency. Being liable for the default of issuers, for any securities acquired by a third party, unless the institution itself incurred in said default, according to the provisions of the final part of article 391 of the Credit Instruments and Operations Law. Guaranteeing any returns for the funds whose investment is entrusted to them.

If upon termination of the trust, agency or commission agency constituted for the granting of credits, such credits have not been settled by debtors, the institution shall transfer them to the settlor or trust beneficiary, as the case may be, or to the principal or principal under a commission agency, refraining from paying the amount of such credits.

The trust, agency or commission agency agreements shall include, in a notorious manner, the provisions of this subparagraph and a statement by the trustee indicating it unequivocally explained the contents of such agreement to the persons from whom it received the goods or rights to be transferred to the trust ;

Subsection reformed OJF 06-13-2003

- c) Acting as trustees, attorneys-in-fact, or commission agents under a trust, agencies or commission agencies, respectively, whereby funds are raised directly or indirectly from the public, through any act causing direct or contingent liabilities, except in case of trusts constituted by the Federal Government through the Ministry

of Finance and Public Credit, and of trusts whereby securities registered in the National Registry of Securities are issued according to the provisions of the Securities Market Law;

Subsection reformed OJF 06-13-2003

- d) Performing the trusts, agencies or commission agencies set forth in the second paragraph of article 88 of the Investment Funds Law;

Subsection reformed OJF 06-13-2003

- e) Acting in trusts, agencies or commission agencies through which limitations or prohibitions established in financial laws are avoided;

Subsection added OJF 06-13-2003

- f) Using funds or securities of the trusts, agencies or commission agencies intended for the granting of credits, in which the trustee has discretionary powers in the granting said credits to carry out transactions whereby any of the following persons becomes or may become a debtor its trust officers; the members of the board of directors or managing board, as the case may be, whether regular or alternate directors, incumbent or non-incumbent; the employees and officers of the institution; the regular or alternate examiners, incumbent or non-incumbent; the external auditors of the institution; the members of the technical committee of the respective trust; the ascendants or descendants in the first degree or the spouses of the aforesaid persons, the corporations in whose shareholder meetings such persons or the same institutions have a majority, as well as any other persons indicated, through general provisions, by Banco de México;

Subsection added OJF 06-13-2003. Reformed OJF 02-01-2008, 02-06-2008

- g) Managing rural properties, unless they have received the administration in order to distribute the estate among heirs, legatees, associates or creditors, or to pay an obligation or to guarantee the performance thereof with the value of such rural property or its proceeds, and in such cases the administration shall not exceed a period of two years, except in cases of production trusts or guarantee trusts, and

Subsection added OJF 06-13-2003. Reformed OJF 02-06-2008

- h) Entering into trusts that manage amounts of money periodically contributed by groups of consumers composed by marketing systems, intended for the acquisition of specific goods or services, of the kind set forth in the Federal Consumer Protection Law.

Subsection added OJF 02-06-2008

Any covenant contrary to the provisions of the preceding subparagraphs shall be null and void.

Paragraph added OJF 06-13-2003

- XX. Disclosing, for any purpose, including for marketing of products or services, any information obtained due to entering into any transactions with customers, unless they have the explicit consent of the respective customer, which consent shall be written down

in a special section within the documents whereby the operation or service is contracted with the credit institution, and provided that, such consent is in addition to the one regularly required by the institution for entering into the transaction or service requested. In no event, shall the granting of such consent constitute a condition to contract such transaction or service, and

Section added OJF 06-04-2001. Reformed OJF 02-01-2008, 06-25-2009

XXI. Entering into any unauthorized transactions under the provisions of the second and third paragraph of article 46 of this Law.

Subsection added OJF 02-01-2008. Reformed OJF 01-10-2014

(Penultimate paragraph repealed)

Paragraph reformed OJF 02-15-1995, 06-04-2001. Repealed OJF 02-01-2008

(Last paragraph repealed)

Paragraph added OJF 02-15-1995. Reformed OJF 06-04-2001. Repealed OJF 02-01-2008

Article 106 Bis. - The legal acts contravening the provisions of this Law or the provisions arising therefrom, as well as the conditions that, in particular, are established in the authorizations issued to commercial banks to be organized and to operate under such legal capacity and in any other administrative acts, shall cause the imposition of the corresponding administrative and criminal sanctions. Said contraventions shall not annul any such acts, in order to protect third parties in good faith, except as otherwise provided hereunder.

Article added OJF 02-01-2008

CHAPTER II

On Administrative Sanctions

Article 107. - The use of the words that article 105 of this Law refers to, in the name of legal entities and establishments different from those authorized for it pursuant to the same precept, shall be punished by the National Banking and Securities Commission with a penalty of 2,000 to 20,000 days of general daily minimum wage in force in the Federal District, and the respective business may be administratively closed by said Commission until its name is changed.

Article OJF 01-10-2014

Article 107 Bis. - The National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection of Bank Savings, within the scope of their respective powers and duties, in the imposition of sanctions of administrative nature that this law refers to, shall be subject to the following:

- I. It shall be granted the legal right to a hearing to the alleged transgressor, who, in a term of ten business days counting from the business day following when the corresponding notice takes effect, must manifest in writing whatever is in its best interest, offer evidence and

formulate allegations. The National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection of Bank Savings, at the request of the party, may extend the term that this section refers to on only one occasion, for up to the same period of time, for which it shall consider the particular circumstances of the case. The notice shall take effect the business day following that on which it is practiced.

II. In case the alleged transgressor does not use its right to be heard that the section above refers to within the term granted or, having exercised it, it is unable to clear the accusation done against it, the accused transgressions shall be credited and the imposition of the corresponding administrative sanction shall proceed.

III. For the imposition of the sanction, it shall be taken into account:

- a) The impact to third parties or to the Mexican financial system that the transgression produced or may produce;
- b) The recidivism, the causes that originate it and, in its case, corrective actions applied by the alleged transgressor. It shall be considered as recidivist when it incurred a transgression that was penalized and, in addition to that, commits the same transgression within the two years immediately following the date on which the corresponding resolution was finalized.

The recidivism may be penalized with a penalty whose amount is equals up to double what is originally set forth;

- c) The amount of the transaction;
- d) The economic condition of the transgressor to the effect that the sanction is not excessive, and
- e) The nature of the transgression committed.

IV. In cases of behaviors graded as serious by this Law, in addition to what is established in section III of this article, any of the following aspects may be taken into account:

- a) The amount of the loss or monetary damage caused;
- b) The profit gained;
- c) The lack of honorability by the transgressor, pursuant to this law and the provisions of general nature that arise from it;
- d) The inexcusable negligence or deceit that may have been displayed;
- e) That the transgressing behavior that the administrative process refers to may constitute a crime, or
- f) The other circumstances that the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection of Bank Savings deem applicable for such effects.

Article added OJF 02-01-2008, Reformed OJF 06-25-2009, 01-10-2014

Article 108. - The transgressions to this Law or to the provisions issued on the grounds of this Law by the Ministry of Finance and Public Credit or the National Banking and Securities Commission shall be penalized with an administrative penalty imposed by said Commission, based on the general daily minimum wage in force in the Federal District, pursuant to the following:

- I. Penalty of 2,000 to 5,000 days of wage:
 - a. To the public trusts constituted by the Federal Government for economic promotion, as well as the entities that articles 7th, 88, and 89 of this Law refer to, that do not provide, within the terms established for such effect, the information or documentation that this Law refers to or the provisions that arise from it, as well as for not providing the information requested by the Ministry of Finance and Public Credit or by the National Banking and Securities Commission.
 - b. To the entities that article 88 of this Law refers to, for not providing the monthly, quarterly, or annual financial statements within the terms established in this Law or in the provisions that arise from it for such effects.
 - c. To the legal entities that are regulated by this Law, that default on any of the provisions that article 96 Bis of this Law refers to.
- II. Penalty of 3,000 to 15,000 days of wage
 - a. To the shareholders of commercial banks that, against what is set forth by article 12 of this Law, do not pay the shares that they subscribe in cash.
 - b. To the commercial banks that do not submit their articles of incorporation or any modification thereof to the approval of the National Banking and Securities Commission. To the entities that breach the provisions of article 14 of this Law. To the commercial banks that fail to inform regarding the acquisition of shares that articles 13, 17, 45-G, and 45-H of this Law refers to, breaching the provisions of article 18 of this same legal statute.
 - c. To the credit institutions that do not comply with what is set forth by article 95 of this Law as well as the provisions that arise from it.
 - d. To the credit institutions that do not comply with the obligations set forth in article 96 of the present Law or in the provisions that said article refers to.
 - e. To the credit institutions that do not comply with any of the provisions that article 96 Bis of the same refers to.
 - f. To the credit institutions that do not comply with what is indicated by article 101 of this Law or by the provisions that said article refers to.
 - g. To the credit institutions for not providing or not publishing the monthly, quarterly, or annual financial statements within the terms established in this Law or in the provisions that arise from it for such effects.
 - h. To the credit institutions that do not provide the information or documentation that this Law or the provisions that arise from it refer to within the term established for

such effect, as well as for not providing what is required by the Ministry of Finance and Public Credit or the National Banking and Securities Commission.

- III. Penalty of 10,000 to 50,000 days of wage:
 - a. To the credit institutions that, against what is set forth by article 12 of this Law, do not keep their shares in deposit in any of the securities depository institutions regulated by the Securities Market Law.
 - b. To the director of the commercial bank that, against what is set forth by article 23 of this Law, does not excuse himself/herself from the deliberation or vote of any issue that implies a conflict of interest.
 - c. To the credit institutions that do not comply with the obligations set forth in article 66 of this Law.
 - d. To the credit institutions that do not comply with the obligations set forth in article 79 of this Law.
 - e. To the credit institutions that do not comply with what is indicated by article 99 or 102 of this Law or by the provisions that said articles refer to.
 - f. To the independent external auditors and other professionals or experts that render or provide reports or opinions to the credit institutions that incur in transgressions to the present Law or to the provisions that arise from it.
- IV. Penalty of 15,000 to 50,000 days of wage:
 - a. To the credit institutions that do not comply with the obligations set forth in article 65 of this Law or the provisions of general nature that arise from it.
 - b. To the credit institutions that do not comply with the guidelines or requisites set forth in articles 73 and 73 Bis of the present Law or the provisions of general nature that arise from these.
 - c. To the credit institutions that do not comply with that is set forth by article 99-A of this Law.
- V. Penalty of 30,000 to 100,000 days of wage:
 - a. To the entities that acquire shares from a commercial bank against what is established in articles 13, 17, 45-G, 45-H of this Law and in the provisions of general nature that arise from them, as the case may be.
 - b. To the commercial banks that do not comply with what is set forth by article 19 of this Law, as well as the provisions of general nature that said article refers to.
 - c. To the credit institutions that do not comply with what is set forth by article 50 of this Law as well as by the provisions of general nature that arise from this.
 - d. To the commercial banks that do not comply with what is set forth by article 50 Bis of this Law as well as by the provisions of general nature that arise from this.
 - e. To the credit institutions that do not comply with what is indicated by article 51 of the present Law or by the provisions of general nature that said precept refers to.

- f. To the credit institutions that, when carrying out transactions with securities, do not comply with what is set forth by article 53 of this Law.
- g. To the credit institutions that do not comply with what is set forth by article 55 of this Law.
- h. To the commercial banks that do not comply with any of the precautionary measures that article 74 of this Law or the provisions of that arise from this article.
- i. To the credit institutions that do not comply with what is indicated by article 76 of the present Law or by the provisions of general nature that said article refers to.
- j. To the credit institutions that do not comply with what is indicated by article 93 of the present Law.
- k. To the commercial banks that do not comply with what is set forth by article 96 Bis 1 of this Law, as well as by the provisions of general nature that arise from it.
- l. To the commercial banks that do not have the contingency plan that article 119 of this law refers to.
- m. To the commercial banks that do not comply with any of the corrective measures that articles 121 and 122 of this Law or the provisions of general nature that arise from them refer to.
- n. To the credit institutions that give notice or information of the deposits, services, or any type of transaction against what is set forth by article 142 of this Law.
- o. To the credit institutions and other entities regulated by this Law that oppose or obstruct the exercise of the powers that this or other applicable provisions grant onto the Ministry of Finance and Public Credit or onto the National Banking and Securities Commission. Obstructing shall not be understood as using the defense resources that the law provides and, in any case, previously to imposing a sanction, the alleged transgressor must be rendered the legal right to a hearing.
- p. To the credit institutions that do not comply with the preventative and corrective actions ordered by the National Banking and Securities Commission in the exercise of their powers and duties in matters of inspection and surveillance.
- q. To the credit institutions that in a deceitful manner provide to the financial authorities false, inaccurate, or incomplete information, having as consequence that its true financial, administrative, economic, operational, or legal condition is not actually reflected. In this regard, it shall be proven that the general director or a member of the board of directors or of the managing board of the corresponding institution had knowledge of such an act.
- r. To the credit institutions that carry out transactions with related parties in excess of what is established in the seventh paragraph of article 73 Bis of this Law.

The National Banking and Securities Commission may abstain from penalizing the entities and persons regulated by this Law, provided the cause of such abstention is justified in accordance with

the guidelines issued by the Board of Governors of said Commission for such effect. The Commission may only abstain from penalizing if the transgressing behaviors refers to events, acts, or omissions that do not show seriousness or recidivism, there are no elements to demonstrate that the interest of third parties or of the financial system are affected and do not constitute a criminal offense.

Serious transgressions are considered those that violate what is set forth in articles 2; 50, when the capital requirements are not complied with and therefore the regime set forth in subsection 1 of article 122 of this Law occurs; 50 Bis; 65, when damages or lost profits are produced for the institution due to the credit transaction that is purpose of the default to said statute; 73; 75, subsection III; 96 Bis 1; 97, first paragraph; 99, when in the cases of omissions or alterations of accounting records; 101 Bis 4, when the reports or opinions of the independent external auditors of the credit institutions carry out the events in subsection I and II of said article; 102 when damages or lost profits are produced for the institution; 103; 106; 115, subsections I, in terms of the lack of presentation to the National Banking and Securities Commission of the documents regarding the identification and know your customer policies and II, first paragraph, subparagraph a) for unreported transactions, third paragraph of subsection II, subparagraphs e. and f.; 121; 122 and 142 of this Law. In any case, it shall be considered as serious transgressions the presentation to the National Banking and Securities Commission of information that is false or that deceitfully induces an error, due to hiding or omission.

Article reformed OJF 07-23-1993, 07-22-1994, 06-16-2004, 07-18-2006, 02-01-2008, 02-06-2008,06-25-2009, 01-10-2014

Article 108 Bis. - Transgressions regarding entering into prohibited or unauthorized transactions, pursuant to this Law and to the provision that arise from it, shall be penalized with a penalty that shall be imposed by the National Banking and Securities Commission on the credit institutions, as well as on the entities referred to in articles 7th, 45-A, sections I and III and 89 of this Law, in accordance with the following:

- I. Penalty equivalent to 1% up to 4% of the amount of the transaction in question or, in case the amount of the transaction cannot be determined, of 20,000 to 100,000 days of wage to the credit institutions that breach the provisions established in sections V, VII, VIII, XI, XII, XV Bis 1, XV Bis 2, XVIII, XIX, subparagraph g), and XX of article 106 of this Law, as well as in articles 17, first paragraph, 27, first paragraph, 27 Bis, first paragraph, 45-H, 45-I, 75, subsection III, 85 Bis, first paragraph, 87, second and third paragraphs, 88, first paragraph and 89, first paragraph of the same or in the provisions of general nature that arise from such articles, as the case may be.
- II. Penalty of 5% up to 15% of the amount of the transaction in questions, or in case the amount of the transaction cannot be determined, of 30,000 to 100,000 days of wage, to the credit institutions that breach the provisions set forth in subsections III, IV, X, XVI, XVII, and XIX, subparagraphs b), c), d), e), f), and h) of article 106 of this Law, or the provisions of general nature that arise from such articles, as the case may be.

In case any of the transgressions established in articles 108 and 108 Bis of this Law generates a monetary damage or a benefit, the sanction that corresponds may be imposed, adding to the same up to one and a half times the equivalent of said damage or benefit obtained by the transgressor, whichever is greater. For benefit it shall be understood the earning obtained or the loss avoided for the transgressor or for a third party.

Article added OJF 02-06-2008. Reformed OJF 01-10-2014

Article 108 Bis 1. - The entities that carry out activities, services, or transactions for which this Law sets forth that an authorization is needed, do so without having one, shall be penalized with a penalty that the National Banking and Securities Commission shall impose in accordance with the following:

Paragraph reformed OJF 01-10-2014

- I. Penalty from 1,000 to 5,000 times days of wage:
 - a) To entities and establishments other than those authorized to use in their name the words “bank”, “credit”, “savings”, “trustee” or others that express similar ideas in any language, from which it may be inferred there is practice of banking and credit, except for those exempted by the second paragraph of article 105 of this Law; and
 - b) To entities and establishments other than those authorized to express ideas in their names in any language, whereby it may be inferred that they are commercial banks, representative offices of foreign financial entities or holding company subsidiaries.
- II. Penalty from 5,000 to 20,000 times days of wage:
 - a) To the representative offices of foreign financial entities that, against what is set forth by article 7th of this Law, establish themselves on national territory without having the corresponding authorization;
Subsection Reformed OJF 01-10-2014
 - b) Repealed.
Subsection Repealed OJF 01-10-2014
 - c) To the entities that, against what is set forth by article 45-C of this Law, organize or operate as subsidiaries without having the corresponding authorization.
Subsection reformed OJF 01-10-2014
- III. Penalty of 30,000 to 100,000 days of wage to the entity that, against what is set forth by articles 2nd, 7th, or 103 of this Law, organize or operate, to the effect of raising public resources in the national market for their placement in the public, through acts causing direct or contingent liabilities, committing itself to cover the principal and, in its case, the financial ancillaries of the funds raised.
Section added OJF 01-10-2014
Article added OJF 02-06-2008

Article 108 Bis 2. - The breaches to this Law or to the provisions issued on the grounds thereof by the National Commission for the Protection of Users of Financial Services, shall be penalized with

an administrative penalty that shall be imposed by the aforesaid Commission, based on the general daily minimum wage in force in the Federal District, pursuant to the following:

- I. Penalty from 200 to 2,000 times days of wage:
 - a) To credit institutions that fail to comply with the provisions set forth in article 48 Bis 5 of this Law, as well as the provisions arising therefrom, and
 - b) To credit institutions that fail to comply with the obligations set forth in article 94 Bis of this Law or in the provisions referred to in such article.
- II. Penalty from 5,000 to 20,000 times days of wage to credit institutions that fail to comply with the provisions of paragraphs third and fourth of article 96 Bis of this Law.

The National Commission for the Protection of Users of Financial Services may abstain from penalizing the entities regulated by this Law, provided that it justifies such inaction and the transgressing behaviors refers to events, acts or omissions that do not show seriousness, do not constitute a criminal offense or do not jeopardize the interests of third parties.

When a credit institution incurs, by an act or omission, in a transgression that is reflected in multiple transactions or documents, it shall be considered as a single transgression for purposes of the sanction.

Article added OJF 06-25-2009

Article 108 Bis 3. - The following transgressions shall be penalized by the Institute for the Protection Bank Savings with administrative penalty imposed by said Institute, based on the general daily minimum wage in force in the Federal District, pursuant to the following:

- I. Penalty of 200 to 2,000 days of wage to commercial banks that do not submit the Institute for the Protection of Bank Savings the information that the latter requests in terms of article 123 of this Law;
- II. Penalty of 1,000 to 5,000 days of wage to commercial banks that do not classify the information, in terms of the rules of general nature issued for such effect by the Institute, pursuant to what is established in article 124 of this Law;
- III. Penalty of 2,000 to 5,000 days of wage to commercial banks that do not carry out the necessary acts to expressly indicate in the agreements they enter into regarding the transactions established in sections I and II of article 46 of this Law, the person or persons entitled to receive the payment of the guaranteed obligations that the Bank Savings Law refers to, and
- IV. Penalty of 20,000 to 100,000 days of wage to commercial banks that do not submit the documentation that is requested by the Institute for the Protection of Bank Savings in terms of article 120 of this Law.

The Institute for the Protection of Bank Savings may, in attention to the circumstances of each case, impose the penalty that corresponds to the transgressor, or, only admonish it.

Said Institute may abstain from penalizing commercial banks, provided the cause of inaction is justified and the transgressing behaviors refer to events, acts, or omissions that do not show seriousness or recidivism, and they endanger the interests of the individuals or entities that enter into the guaranteed transactions in terms of the Bank Savings Protection Law in danger.

Article added OJF 01-10-2014

Article 109. - The transgression of any other provision of this Law or of any of the provisions arising from it, different from those expressly indicated in any other article of this Law, and that do not have a specific sanction in this statute, shall be penalized by the National Banking and Securities Commission with a penalty of 2,000 to 10,000 days of wage, or 0.1% up to 1% of its paid-in capital and capital reserves, depending on the type of transgression. Likewise, the National Banking and Securities Commission may only admonish the transgressor in cases of behaviors that do not show seriousness, does not exist recidivism, is not committed a criminal offense, and the interests of third parties or of the financial system are not endangered.

Article reformed OJF 02-06-2008, 01-10-2014

Article 109 Bis. - In the administrative procedures set forth in this Law, the pertinent evidence regarding the contested acts shall be admitted, as long they are timely introduced during the substantiation of the due process. In the event of depositions by authorities, they must answer to the interrogatories in writing.

Once the right to a legal hearing that article 107 Bis of this Law refers to has been observed, or, the motion for review established in article 110 of this statute is lodged, only newly-discovered evidence shall be admitted, provided the corresponding resolution has not been issued.

The National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection of Bank Savings may seek the means of evidence that they consider necessary, as well as agree on the admissibility of the evidence introduced. Evidence provided by the interested party may only be rejected when they were not offered pursuant to law, are not related to the base of the issue, are inadmissible, unnecessary or against the morale or the law. The assessment of the evidence shall be done pursuant to what is established by the Federal Code of Civil Procedures.

Article added OJF 02-06-2008. Reformed OJF 06-25-2009, 01-10-2014

Article 109 Bis 1. - The powers of the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection

of Bank Savings to impose the penalties of administrative nature set forth in this law, as well as in the provisions that arise from it, shall expire in a term of five years, counting from the business day after the behavior was done or the event of transgression occurred.

The expiration term indicated in the paragraph immediately before shall be interrupted when the procedure begins. It shall be understood that the procedure in question has begun when the alleged transgressor is notified of the official letter through which it is granted the legal right to hearing that subsection I of article 107 Bis of this Law refers to.

To calculate the amount of the penalties based on days of wage for those assumptions provided in this law, it shall be considered the general daily minimum wage in force in the Federal District on the day on which the transgressing behavior was committed or the event that gave rise the corresponding penalty took place.

The penalties that said Commissions, as well as the Institute for the Protection of Bank Savings impose, must be paid within fifteen business days following the notice of such. When the penalties are not paid within the term indicated in this paragraph, its amount shall be updated from the month in which it should have been paid until it is actually paid, in the same terms that the Federal Tax Code establish.

Should the transgressor pay the penalties imposed by the mentioned authorities within the fifteen days referred to in the paragraph above, a reduction of twenty percent shall be applied on the amount, provided that no means of defense was filed against said penalty.

Article added OJF 02-06-2008. Reformed OJF 06-25-2009, 01-10-2014

Article 109 Bis 2. - Repealed.

Article added OJF 02-06-2008 Reformed OJF 06-25-2009 Repealed OJF 01-10-2014

Article 109 Bis 3. - The penalties shall be imposed by the Board of Governors of the National Banking Commission and by the National Commission for the Protection of Users of Financial Services, as the case may be, who may delegate such authority, according to the type of transgression or to the amount of the penalty, to the chairman or other public officers of such Commissions.

Paragraph added OJF 01-10-2014

Article added OJF 02-06-2008. Reformed OJF 06-25-2009

The sanctions that fall within the competence of the Institute for the Protection of Bank Savings, in terms of this law, shall be imposed by its empowered public officers in accordance with their Organic Statute and in terms of the regulations issued to that effect by the Federal Executive.

Article added OJF 02-06-2008. Reformed OJF 01-10-2014

Article 109 Bis 4. - The National Banking and Securities Commission may, considering the circumstances of each case, besides imposing the corresponding sanction, admonish the transgressor, or, only admonish the latter, considering the personal background, the seriousness of the behavior, that there are no elements that demonstrate that the interests of third parties or the financial system are affected, that having been a damage, this was repaired, as well as the existence of mitigating factors.

Article added OJF 02-06-2008. Reformed OJF 01-10-2014

Article 109 Bis 5. - The penalties established in Chapter II of Title Fifth of this Law may be imposed on the credit institutions and entities regulated in this law, as well as on members of the board of directors, general directors, head officers, officers, employees or persons holding an office, agency, commission agency or any other legal title that the aforesaid credit institutions as principals have granted to third parties for entering into their transactions, who have directly incurred or who ordered the acts which constitute the transgression. Notwithstanding the foregoing, the National Banking and Securities Commission, taking into account the circumstances of each case, may proceed according to the provisions of article 25 of this Law.

The penalties imposed by the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, as well as the Institute for the Protection of Bank Savings on the credit institutions shall be put into effect charging the respective amount in the account that Banco de México has of such institutions. It shall correspond to the Ministry of Finance and Public Credit to put into effect the penalties on entities different from the credit institutions.

Paragraph reformed OJF 06-25-2009, 01-10-2014

Banco de México shall carry out the respective charges within the three business days following when the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings request it, regarding penalties against which any legal means of defense does not proceed or the credit institution manifests, in writing to the cited Commissions or to the Institute, whichever the case may be, its approval for the referred charge to be done. In any case, the request for the corresponding charge must be done by the authority that imposed the penalty within the ten business days after the event set forth in this paragraph takes place.

Paragraph reformed OJF 06-25-2009, 01-10-2014

Article added OJF 02-06-2008

Article 109 Bis 6. - The National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings shall consider the following as a mitigating factor in the imposition of administrative sanctions; when

the alleged transgressor attests before the Commissions or said Institute to have corrected the damage caused, as well as the event that the alleged transgressor contributes information that helps in the exercise of the duties and powers of the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services in matters of inspection and surveillance or of the Institute for the Protection of Bank Savings, to the effect of determining liabilities.

Article added OJF 02-06-2008. Reformed OJF 06-25-2009, 01-10-2014

Article 109 Bis 7. - The procedures to impose administrative sanctions established in this law shall be commenced regardless of the opinion on the criminal offense that, as the case may be, the National Banking and Securities Commission issues as provided in article 115 of this legal statute.

Article added OJF 02-06-2008

Article 109 Bis 8. - To protect the exercise of the right to access the governmental public information, the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings, adhering to the guidelines that their respective Board of Governors approve, must make the general population aware, through its Internet site, the sanctions that are imposed for transgressions to this Law or to the provisions that arise from it, for which they must indicate:

- I. The name, denomination, or corporate name of the transgressor;
- II. The breached statute, the type of sanction imposed, amount or term, as the case may be and the transgressing behavior, and
- III. The condition of the resolution, indicating if it is finalized or, if it is vulnerable to being challenged, and in this last case, should some means of defense has been lodged and the type of means of defense, when there is knowledge of such circumstance for having been duly notified by the competent authority.

In any case, should the imposed sanction is left with no effect by some competent authority, such circumstance must also be published.

The information indicated before shall not be considered reserved or confidential.

Article added OJF 02-06-2008. Reformed OJF 06-25-2009, 01-10-2014

Chapter II Bis Of the Auto-correction Programs

Chapter added OJF 10-01-2014

Article 109 Bis 9. - Credit institutions may submit to the authorization of the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings, according to their competency, an auto-correction

program. Said program shall be submitted, through its General Director or equivalent and with the opinion of the auditing committee, when the credit institution in question when carrying out its activities, or the auditing committee, as a result of the duties that is granted to it, detects irregularities or defaults to what is set forth in this law and other applicable provisions.

The following may not be matter for an auto-correction program in terms of the present article:

- I. The irregularities or defaults that are detected by the National Banking and Securities Commission or the National Commission for the Protection of Users of Financial Services in the exercise of their powers of inspection and surveillance, or by the Institute for the Protection of Bank Savings, before the presentation of the respective auto-correction program by the credit institution.

It shall be understood that the irregularity was previously detected by the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, in the case of the powers of surveillance, when the institution was notified of the irregularity; in the case of the powers of inspection, when it was detected in the course of the inspection visit or corrected after there was a request in the course of the visit;

- II. When the violation of the norm in question corresponds to any of the criminal offenses established in this Law, or
- III. When it is regarding a transgression considered as serious in terms of this Law.

Article added OJF 01-10-2014

Article 109 Bis 10. - The auto-correction programs that article 109 Bis 9 of this Law refers to, shall adhere to the provisions of general nature issued by the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, whichever the case may be. Additionally, these must be signed by the chairman of the auditing committee of the credit institution and be presented to the board of directors or equivalent body, in the immediate following session after the request for authorization was submitted to the corresponding Commission or before said Institute. Likewise, it must include the irregularities or defaults, indicating the alleged breached provisions; the circumstances that originated the irregularity or default, as well as indicate the actions adopted or that are intended to be adopted by the credit institution to correct the irregularity or default that motivated the program.

In case the credit institution requires a period of time to correct the irregularity or default committed, the auto-correction program must include a detailed calendar of activities to be done for this effect.

Should the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings does not order the

credit institution to modify or correct the auto-correction program within the twenty business days following its presentation, the program shall be held as authorized in all of its terms.

When the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings order the credit institution to make amendments or corrections so the program adheres to what is established in the present article and other applicable provisions, the credit institution shall have a term of five business days counting from the respective notice to correct such deficiencies. Said term may be extended on one occasion for up to five additional business days, with previous authorization from the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, as it may correspond.

If the institution does not correct the deficiencies that the paragraph above refers to, the auto-correction program shall be held as not presented and, consequently, the irregularities or defaults committed may not be included in another auto-correction program.

Article added OJF 01-10-2014

Article 109 Bis 11. - During the validity of the auto-correction programs that were authorized by the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, whichever the case, in terms of articles 109 Bis 9 and 109 Bis 10 of this statute, these authorities shall abstain from imposing sanctions sets forth in this Law on the credit institutions, for irregularities or defaults whose corrections are included in said programs. Likewise, during such period, the expiration term to impose sanctions shall be interrupted, resuming until it is determined that the irregularities or defaults that are object of the auto-correction program were not corrected.

The auditing committee shall be obliged to follow up on the instrumentation of the authorized auto-correction program and to inform both the credit institution's managing board and the general director or the bodies and persons that are equivalent of the fulfillment of the program. It shall also inform of such fulfillment to the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, as it may correspond, in the form and terms that are established in the provisions of general nature that article 109 Bis 10 of this Law refers to. The foregoing, independent of the powers of the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings to supervise, at any time, the degree of advancement and fulfillment of the auto-correction program.

If as a result of the auditing committee's reports, or from the inspection and surveillance duties of the National Banking and Securities Commission, the National Commission for the Protection of Users

of Financial Services, or the Institute for the Protection of Bank Savings, it is determined that the irregularities or defaults regarding the auto-correction program were not corrected in the terms set forth, the corresponding sanction shall be imposed, increasing the amount of the sanction up to forty percent. Said amount may be updated in terms of the applicable tax provisions.

Article added OJF 01-10-2014

Article 109 Bis 12. - The individuals and legal entities that are subject to the supervision of the National Banking and Securities Commission or of the National Commission for the Protection of Users of Financial Services, may submit an auto-correction program for the authorization of said Commissions, should they detect irregularities or defaults to what is set forth in this Law and other applicable provisions when carrying out their activities. The auto-correction programs must adhere to what is set forth by articles 109 Bis 9 to 109 Bis 11 of this Law, whichever is applicable.

Article added OJF 01-10-2014

Paragraph amended OJF 06-25-2009

Article 110. - The parties affected by the acts of the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services, whichever the case, that end the procedures for authorizations, for modifications to the adhesion agreement models used by the credit institutions, as well as those affected by the imposition of administrative sanctions by said Commissions or by the Institute for the Protection of Bank Savings, may resort to the defense of their interests through a motions of review, whose filing shall be optional.

Paragraph reformed OJF 06-25-2009, 01-10-2014

The motion for review must be filed in writing within fifteen business days following the date in which the notice of the respective act becomes effective and it must be submitted to the corresponding Board of Governors of the relevant Commission, when such act has been issued by said Board or by the chairman of such Commission, or before the latter in case of acts performed by other public officers.

Paragraph reformed OJF 06-25-2009

Regarding the administrative sanctions imposed by the Institute for the Protection of Bank Savings, the parties affected must file the motion for review in writing, within fifteen business days following the date on which the notification of the respective act takes effect and before the administrative unit that issued the challenged act and it shall be resolved by the hierarchical superior, or in its case, by the Board of Governors of said Institute.

Paragraph added OJF 01-10-2014

The document whereby the motion for review is filed shall contain:

- I. The name, denomination or corporate name of the appellant;
- II. The designated address to hear and receive all kinds of summons and notices;
- III. The documents evidencing the capacity of the appellant;

- IV. The act being reviewed and the date it was notified;
- V. The grievances caused to him/her by the action established in subsection IV above, and
- VI. The evidence being introduced, which must be immediately and directly related to the contested act.

When the appellant does not comply with any of the requisites established in subsections I to VI of this article, the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services and, in its case, the Institute for the Protection of Bank Savings shall notify the appellant in writing and in one only occasion, so that it may correct the omission notified, within three business days following when the notice of said information takes effect and, in case the omission is not corrected in the term indicated in this paragraph, said authorities shall deem that it has not been filed. If the evidence were omitted, these shall be held as not being introduced.

Paragraph reformed OJF 06-25-2009, 01-10-2014

Article reformed OJF 07-23-1993, 02-06-2008

Article 110 Bis. - The filing of a motion for review shall suspend the effects of the act being reviewed in case of penalties.

Article added OJF 02-06-2008

Article 110 Bis 1. - The body entrusted to resolve the motion for review may:

- I. Dismissal of the motion for being inadmissible;
- II. Dismissal and non-suit in the following cases:
 - a) By the express withdrawal of the appellant.
 - b) By the sudden occurrence of grounds of inadmissibility.
 - c) Because the effects of the act being challenged have ceased.
 - d) Others admissible according to law.
- III. Confirmation of the challenged act;
- IV. Revocation, totally or partially, of the challenged act, and
- V. Amendment of the challenged act or order to correct or to replace the challenged act.

Administrative acts may not be revoked or amended in the sections not challenged by the appellant.

Paragraph reformed OJF 06-25-2009, 01-10-2014

The body in charge of resolving the motion for review must deal with it without the intervention of the public officer of the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or of the Institute for the Protection of Bank Savings that issued the administrative sanction that gave origin to the imposition of the corresponding motion.

Paragraph reformed OJF 06-25-2009, 01-10-2014

The resolution of the motions for review must be issued in a term that does not exceed ninety business days after the date on which the motion was filed, when it must be resolved by the chairs of the Commissions, as the case may be or by the Executive Secretary of the Institute for the Protection of Bank Savings or the competent administrative unit of said Institute, nor shall they exceed one hundred twenty business days when it is the case of motions that are competence of the corresponding government bodies.

Paragraph reformed OJF 06-25-2009, 01-10-2014

The National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, and the Institute for the Protection of Bank Savings must provide the mechanisms that avoid conflicts of interest between the areas that issues the resolution of the motion and that which resolves it.

Paragraph reformed OJF 06-25-2009, 01-10-2014. Article added OJF 02-06-2008

Chapter III

On Notices

Chapter added OJF 02-06-2008

Article 110 Bis 2. - Notices on the requirements, ordinary and special inspection visits, provisional remedies, requests for information and documents, citations, service of process, resolutions on the imposition of administrative sanctions or any act that puts an end to the suspension, revocation of authorizations procedures established hereunder, as well as the acts that deny the authorizations provided in this law and the administrative resolutions that fall upon the motion for review and to the cancellation requests filed pursuant to the applicable laws, may be done as follows:

- I. Personally, according to the following:
 - a) In the offices of financial authorities, as provided in article 110 Bis 5 of this Law.
 - b) At the domicile of the interested party or his/her representative, in terms of the provisions of articles 110 Bis 6 and 110 Bis 9 of this Law.
 - c) In any other place where the interested party or his/her representative is, in the cases established in article 110 Bis 7 of this Law.
- II. Through an official communication delivered by courier or by registered mail, both with return receipt requested;
- III. Through service by publication, in the cases stated in article 110 Bis 10 of this Law, and
- IV. Through electronic means, in the cases provided in article 110 Bis 11 of this Law.

Paragraph reformed OJF 01-10-2014

Article added OJF 02-06-2008

Regarding the information and documentation that must be presented to the inspectors of the National Banking and Securities Commission and the National Commission for the Protection of Users of Financial Services under an inspection visit, what is set forth in the regulations issued by the Federal

Executive in matters of supervision must be observed, under what is established by articles 5, first paragraph of the National Banking and Securities Commission Law and 92 Bis, first paragraph of the Protection of Users of Financial Services Law.

Paragraph reformed OJF 01-10-2014

For effects of this Chapter, financial authorities shall be understood as the Ministry of Finance and Public Credit, the Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, the Institute for the Protection of Bank Savings, and Banco de México.

Paragraph reformed OJF 01-10-2014

Article added OJF 02-06-2008

Article 110 Bis 3. - The authorizations, revocations of authorizations requested by the interested party or its representative, the acts resulting from the application processes filed at the request of the interested party and any acts other than those stated in article 110 Bis 2 of this Law, may be notified through the delivery of the official communication in which the corresponding act is recorded, in the offices of the authority serving the notice, obtaining the signature and the name of the person receiving such notice in the copy thereof.

Likewise, the financial authorities may serve such notices through regular mail, telegram, fax, e-mail or courier service when the interested party or his/her representative requests it in writing indicating the necessary data to receive the notice, leaving in the respective file evidence of the date and time when such notice was served.

The acts established in the first paragraph of this article may also be notified through any of the means established in article 110 Bis 2 of this Law.

Article added OJF 02-06-2008

Article 110 Bis 4. - Notices on investigation visits and on the intervention declaration established hereunder shall be carried out in a single act and in accordance with the regulations referred to in the penultimate paragraph of article 110 Bis 2 of this Law.

Article added OJF 02-06-2008

Article 110 Bis 5. - Personal notices may be served in the offices of the financial authorities only when the interested party or its representative visits such offices and express their consent to receive said notices; for such purposes, whoever is serving the notice shall prepare the minutes in duplicate complying with applicable regulations for this kind of acts.

Article added OJF 02-06-2008

Article 110 Bis 6. - Personal notices may also be served on the interested party or its representative, at the last address it provided to the corresponding financial authority or at the last address that it

indicated to the authority in the administrative-law proceeding in question, to such end, the minutes established in the penultimate paragraph of this article shall be prepared.

In the event that the interested party or its representative is not found in the aforementioned address, whoever is serving the notice shall deliver the citation to the person attending the administrative-law proceedings, indicating thereon to the interested party or its representative to expect and receive the person serving the notice at the time set forth on the following business day and under warning that if the person to be notified does not appear at the time and day set, the notice shall be carried out with whomever receives it, or in the event that such address is closed or that they refuse to receive the respective notice, shall serve it through process by citation as provided in article 110 Bis 9 of this Law. Whoever serves the notice shall prepare the minutes in the terms provided in the penultimate paragraph of this article.

The aforesaid citation shall be prepared in duplicate and shall be addressed to the interested party or to its representative, indicating the place and date of issuance, the date and time set in which he/she must await the process server, who must write down his/her name, title and signature in such citation, the purpose of his/her appearance at the domicile and the corresponding warning, as well as the name and signature of the person receiving it. In the event that such person refuses to sign it, such circumstance shall be written down in the citation, without this affecting its validity.

On the day and hour set to carry out the administrative proceedings concerning the citation, the person in charge of carrying it out shall appear at the corresponding address, and if the person cited is present, he/she shall draft the minutes in the terms set forth in the penultimate paragraph of this article.

In the event that the person being cited were not present, the notice shall be served on any person found at the address; in such case the minutes shall be made as provided in this article.

In any case, the person serving the notice shall prepare in duplicate the appearance reports which shall record, in addition to the circumstances previously indicated, its name, title and signature, that he/she verified that he/she appeared at the correct address, that he/she served notice on the interested party, its representative or the person who attended the proceedings, after identification of such persons, the official letter containing the administrative act to be notified, he/she shall also leave evidence of the appointment of the witnesses, the place, time and date in which it is drafted, the identification numbers of the official letter, the means of identification provided, the name of the interested party, legal representative or person attending the proceedings and the designated witnesses. If the person who intervenes refuses to sign or to receive the minutes, such circumstance shall be recorded thereat, without this affecting its validity.

For the appointment of witnesses, whoever is serving the notice shall require the interested party or its representative or person attending the proceedings to designate them; in case of refusal or in the event the witnesses appointed do not accept such appointment, then the process server shall designate them.

Article added OJF 02-06-2008

Article 110 Bis 7. - In the event that the process server appears in search of the interested party or its representative at the address established in the first paragraph of article 110 Bis 6 of this Law, and the person at the domicile denies that such address corresponds to said interested party or of its representative, the process server shall prepare the minutes to record such circumstance. Such minutes must comply, as appropriate, with the requirements provided in the penultimate paragraph of article 110 Bis 6 of this legal statute.

In the case provided herein, the process server may serve the personal notice at any place where the interested party or its representative is present. For purposes of such notice, the process server shall prepare the minutes attesting that the person being served notice is personally known to him/her or has identified such person by two witnesses, in addition to entering in writing, in the relevant parts thereof, the requirements provided in the penultimate paragraph of aforesaid article 110 Bis 6, or otherwise shall serve such notice before a public certifier.

Article added OJF 02-06-2008

Article 110 Bis 8. - Notices served through official communication delivered by means of courier service or registered mail, with return receipt requested, shall become effective the business day following the date recorded as the receipt date in such acknowledgment of receipt.

Article added OJF 02-06-2008

Article 110 Bis 9. - In case that on the day and hour set forth in the notice delivered as provided in terms of article 110 Bis 6 of this Law, the process server finds the corresponding address closed or otherwise, if the interested party, its representative or whoever attends the proceedings refuses to receive the official communication subject of the notice, the process server shall make effective the official warning stated in the aforesaid notice. For such purpose the process server shall serve the notice by putting a document in a visible place of the domicile, attaching the official communication containing the subject matter of the notification, before the presence of two witnesses that shall be designated to such effect.

The service of notice by placing the hereinbefore referred document shall be made in duplicate and shall be addressed to the interested party or its representative. In such document the circumstances justifying the notification in such a way shall be attested, the place and date of issuance; the name, title and signature of the process server; the name, identification information

and signature of the witnesses; the reference that whoever served such notice verified that he/she presented and appeared at the correct address, and the identification data of the official letter containing the act to be so notified.

The foregoing notification document shall be considered proof of the existence of the acts, actions or omissions contained therein.

Article added OJF 02-06-2008

Article 110 Bis 10. - Notices by publication shall be served in cases when the interested party has disappeared, has died, or his/her address is unknown or it is impossible to locate him/her, and there is no known representative or address in Mexican territory or is abroad without having left a representative.

To such effects, a summary of the respective official letter shall be published three consecutive times in a national newspapers of national circulation, notwithstanding that the financial authority that notifies the service of process by publication in the website on the worldwide net "Internet" corresponding to the financial authority that is notifying; indicating that the original official communication is available at the address that shall also be established in such service of process by publication.

Article added OJF 02-06-2008

Article 110 Bis 11. - Notices through electronic means, with acknowledgement of receipt may be served provided that the interested party or its representative has accepted it or expressly requested it in writing to the financial authorities through the automatized systems and secure mechanisms established in such notices.

Article added OJF 02-06-2008

Article 110 Bis 12.- Any notices not served according to this Chapter, shall be considered legally served and shall become effective the business day following the date when the interested party or its representative state they are aware of its contents.

Article added OJF 02-06-2008

Article 110 Bis 13.- For the effects of this Law, the domicile to hear and receive notices related to the acts regarding the performance of their assignments as members of the board of directors, general directors, agents, directors, officials, trust officers, head officers that occupy the hierarchy immediately below the general director, and other persons that may bind the companies regulated by this Law with their signature, shall be the place where the company that provides services is located, except if said persons indicate the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of

Bank Savings, as the case may be, a different domicile, which must be located within the national territory.

Paragraph reformed OJF 01-10-2014

In the assumptions set forth in the preceding paragraph, the notice may be served with any of the persons who are present at the aforesaid address.

Article added OJF 02-06-2008

Paragraph reformed OJF 01-10-2014

For that set forth in this article, the last domicile provided before the National Banking and Securities Commission, the National Commission for the Protection of Users of Financial Services, or the Institute for the Protection of Bank Savings, whichever the case may be, or in the administrative procedure in question, shall be considered the domicile of the company.

Paragraph reformed OJF 01-10-2014

Article added OJF 02-06-2008

Article 110 Bis 14. - The notices referred in this chapter shall become effective the business day following the day:

- I. They were personally served;
- II. The official letter was delivered, in the assumptions established in articles 110 Bis 2 and 110 Bis 11;
- III. The last publication established in article 110 Bis 10 was carried out, and
- IV. They were served through regular mail, telegram, fax, electronic means or courier service

Article added OJF 02-06-2008

Chapter IV On Criminal Offenses

Chapter relocated OJF 02-06-2008 (it is repositioned, formerly Chapter III)

Article reformed OJF 06-09-1992, 05-17-1999, 01-10-2014

Article 111. - Whomever carries out acts against what is set forth by articles 2nd or 103 of this Law shall be penalized with prison time of seven to fifteen years and a penalty of five hundred to fifty thousand times the general daily minimum wage in force in the Federal District.

Article reformed OJF 06-09-1992,05-17-1999, 01-10-2014

Article 111 Bis. - Persons who on their own or through another person or by means of commercial names, through any means of advertising represent themselves before the public as an intermediary or financial entity without having the authorization to be incorporated, perform, be organized or operate in such capacity, as the case may be, issued by the competent authority, shall be penalized with one to six years prison term.

Article added OJF 02-06-2008

Article 112. - When the amount of the operation, loss, or monetary damage, as the case may be, does not exceed the equivalent of two thousand times days of wage the sanction shall be a prison term of three months to two years and a penalty of thirty to two thousand days of wage.

When the amount of the operation, loss, or monetary damage, as the case maybe, exceeds the equivalent of two thousand and not fifty thousand days of wage; the sanction shall be a two to five-year prison term and a penalty of two thousand to fifty thousand times days of wage.

When the amount of the operation, loss, or monetary damage, as the case maybe, exceeds the equivalent of fifty thousand but not three hundred and fifty thousand times days of wage, the sanction shall be a five to eight-year prison term and a penalty of fifty thousand to two hundred and fifty thousand times days of wage.

When the amount of the operation, loss, or monetary damage, as the case maybe, exceeds the equivalent of three hundred and fifty thousand times days of wage, the sanction shall be a prison term from eight to fifteen years and a penalty of two hundred and fifty thousand to three hundred and fifty thousand times days of wage.

Considering the amount of the operation, loss or monetary damage, the sanctions established in this article shall be imposed to:

- I. Persons who, for purposes of obtaining a credit, provide to a credit institution false data concerning the amount of assets or liabilities of an entity, individual or corporate entity, if as a consequence thereof there is a loss or monetary damage for the institution;
Those officers, employees or commission agents of third party intermediaries or of construction companies, real estate developers and/or real estate or commercial agents, who participate in the application and/or processing for the granting of the credit, and who know of the falsehood of the data concerning the amount of the assets or liabilities of the borrowers, or who directly or indirectly alter or substitute the information mentioned to hide the real data concerning such assets or liabilities, shall be penalized with up to an additional half of the penalties set forth in this article.
- II. Persons that, to obtain credits from a credit institution, submit appraisals that do not correspond to reality, resulting in loss or monetary damage to the institution as a consequence thereof;
- III. The directors, officers, employees of the credit institution or those who directly intervene in the authorization or enter into the transactions, knowing that such authorization or transaction shall result in loss or monetary damage for the institution.

Paragraph added OJF 02-06-2008

The following persons shall be considered as included within the provisions of the preceding paragraph and, consequently, shall be subject to the same sanctions; any directors, officers, employees of institutions or those persons, who intervene in the following:

- a) Those who grant credits to companies organized for the purpose of obtaining financing from credit institutions, knowing that such companies have not contributed the capital stated in the corresponding articles of incorporation;
 - b) Those who grant credits to one or several individuals or entities that have become insolvent, in order to release a debtor, by replacing in the books of the relevant institution certain assets for others;
 - c) Those who grant credits to individuals or entities knowing of their insolvency, if it was foreseeable, at the time the transactions was entered into, that they lacked the economic capacity to pay or to be responsible for the sum of the amounts borrowed, resulting in loss or monetary damage for the institution;
 - d) Those that renew, partially or totally, expired credits to the individuals or legal entities that the subsection above refers to, if it is foreseeable when entering into the transaction, that do not have the economic capacity to pay or be responsible for the amount of the credited amounts, producing loss or monetary damage to the institution;
- Subsection reformed OJF 02-01-2008, 01-10-2014*
- e) That knowingly allow a debtor to divert the amount of the credit in its own benefit or that of a third party, and consequently, there is loss or monetary damage to the institution, and
- Subsection reformed OJF 01-10-2014*
- f) That carry out those transactions that the National Banking and Securities Commission, in terms of article 74 of this law, expressly indicated as transactions that the commercial bank in question may not carry out during the period indicated by said Commission for the validity of the precautionary measure that was ordered pursuant to said article.

Subsection added OJF 01-10-2014

For purposes of the provisions of the first paragraph of this subsection, it shall not be considered that transactions entered into as part of processes of restructuring of payment transactions carried out in terms of article 65 of this Law, cause a loss or monetary damage to the institution.

Paragraph added OJF 02-01-2008

- IV. The debtors who do not apply the amount of the credit to the purposes agreed, and as a consequence thereof, a loss or monetary damage is caused to the institution, and
- V. The borrowers who divert a credit granted by any other credit institution to purposes other than those for which it was granted, if such purpose was determinant for the granting of the credit preferential conditions.

Article reformed OJF 05-17-1999

Article 112 Bis. - A three to nine-year prison term and a penalty for the equivalent of thirty thousand to three hundred thousand times days of wage shall be imposed to anyone who, without a legitimate cause or without the consent of the person empowered to that effect, regarding credit cards, debit cards, checks, formats or fill-out-forms of checks or in general any other payment instrument, of the kind used or issued by domestic or foreign credit institutions:

- I. Produces, manufactures, reproduces, introduces into the country, prints, transfers, even for free, trades or alters, any of the objects referred in paragraph first of this article;
- II. Acquires, possesses, holds, uses or distributes any of the objects referred in paragraph first of this article;
- III. Obtains, trades or uses the information of customers, accounts or transactions of the credit institutions issuing any of the objects referred to in paragraph first of this article;
- IV. Alters, copies or reproduces the magnetic band or the electronic, optic or of any other technology used as means of identification, of any of the objects referred to in paragraph first of this article;
- V. Removes, copies or reproduces information contained in any of the objects mentioned in paragraph first of this article, or
- VI. Possesses, acquires, uses or commercializes equipment or electronic, optic or any other technological means to remove, copy or reproduce information contained in any of the objects established in paragraph first of this article, with the purpose of obtaining economic resources, confidential or reserved information.

Article added OJF 05-17-1999. Reformed OJF 06-26-2008

Article added OJF 06-26-2008. Reformed 01-10-2014

Article 112 Ter. - It shall be penalized with prison for three to nine years and a penalty of thirty thousand to three hundred thousand days of wage, whoever possesses, acquires, uses, commercializes, distributes, or promotes the sale, through any means, of any of the objects that the first paragraph of article 112 Bis of this Law refers to, knowing that they are altered or forged.

Article added OJF 06-26-2008. Reformed 01-10-2014

Article 112 Quáter. - It shall be penalized with prison of three to nine years and a penalty of thirty thousand to three hundred thousand days of wage, to anyone who without a legitimate cause or without the consent of the person empowered for such purposes:

- I. Accesses the equipment or electronic optic or of any other technological means, of the Mexican banking system, to obtain economic funds, confidential or reserved information, or
- II. Alters or modifies the operating mechanism of the equipment or electronic, optic or of any other technological means for cash withdrawal of users of the Mexican banking system to obtain economic funds, confidential or reserved information.

Article added OJF 06-26-2008

Article 112 Quintus. - The corresponding sanction may be increased up to an additional half, if the person who incurs in the acts stated in articles 112 Bis, 112 Ter y 112 Quáter is the director, officer, employee or service provider of any credit institution, or carries out such conduct within two years following his removal from any of such positions, or if she said person is the owner or employee of any commercial entity which receives as consideration in exchange for goods or services payment through any of the instruments mentioned in article 112 Bis.

Article added OJF 06-26-2008

Paragraph reformed OJF 01-10-2014

Article 112 Sextus.- Any person who, by the use of any physical, documentary, electronic, optical, magnetic, sonic, or audiovisual means or any other kind of technology, impersonates the identity, likeness, or personality of a financial authority, or any of its departments, or any of the subjects referred to in article 3 of this Law, or of a public servant, director, board member, employee, official, or subordinates thereof, shall be liable to a sentence of between three to nine years incarceration and a fine of between 30,000 and 300,000 UMAs, under the terms set forth in article 116 Bis 1 of this Law.

Article added OJF 03-09-2018

Article 112 Septimus.- Any person who uses or obtains, directly or through an intermediary, any financial service or product provided by one of the subjects referred to in article 3 of this Law, or by a financial authority or any of its departments, under a false or stolen identity, shall be liable to a sentence of between three and nine years incarceration and a fine of between 30,000 and 300,000 UMAs.

The same sanctions shall be imposed on anyone who, in the course of carrying out any of the deeds mentioned in the foregoing paragraph, grants their consent to carrying out identity theft.

Article added OJF 03-09-2018

Article 113. - It shall be penalized with prison of two to ten years and penalty of five hundred to fifty thousand days of wage, the directors, officials, or employees of the credit institutions that do any of the following behaviors:

Paragraph reformed OJF 01-10-2014

- I. Who omit or order to omit registering in terms of article 99 of this Law, the transactions entered into by the institution in question, or who alter or order to alter the books to hide the true nature of the transactions carried out, affecting the composition of the assets, liabilities, contingent accounts or earnings;

Subsection reformed OJF 02-06-2008

- II. Who submit to the National Banking and Securities Commission false or altered data, reports or documents on the debtor's solvency or on the value of the guarantees protecting such credits;

Subsection reformed OJF 02-06-2008

III. Who, knowing of the untruthfulness on the amounts of the assets or liabilities, grants the credit;

Subsection reformed OJF 02-06-2008

IV. Who, knowing of the defects stated in subsection II of article 112 of this Law, grants the credit, if the amount of the alteration would have been determinant to grant such credit;

Subsection reformed OJF 02-06-2008

V. Who provide or allow that false data be included in the documents, reports, certificates, opinions, studies or credit rating, that must be submitted to the National Banking and Securities Commission in compliance with the provisions of this Law;

Subsection added OJF 02-06-2008

Subsection added OJF 02-06-2008. Reformed 01-10-2014

VI. Who destroy or order the total or partial destruction of the accounting records or systems or the supporting documentation that give rise to the respective accounting entry, before the expiration of the legal terms of conservation;

Subsection added OJF 02-06-2008. Reformed 01-10-2014

VII. Who destroy or order the total or partial destruction of information, documents, or files, including electronic ones, with the purpose of preventing or obstructing the acts of supervision and surveillance of the National Banking and Securities Commission, and

Subsection added OJF 02-06-2008. Reformed 01-10-2014

VIII. Who provide or disseminate false information in respect to the financial statements of the credit institution, directly or through any mass means of communication, including electronic, optic, or any other technological means.

Subsection added OJF 01-10-2014

Article reformed OJF 05-17-1999

Article added OJF 05-17-199. Reformed OJF 01-10-2014

Article 113 Bis. - Who in an inappropriate way uses, obtains, transfers, or in any other way disposes of resources or securities of the clients of the credit institutions or of the resources or securities of the latter, a sanction of five to fifteen years of prison and a penalty of five hundred to thirty thousand days of wage shall be applied.

If the persons committing the crime that is described in the paragraph above are officials or employees of the credit institutions or third parties that are external but have authorized access from these to the systems of the credit institutions, the penalty shall consist of seven to fifteen years of prison and a penalty of one thousand to fifty thousand days of wage.

Article added OJF 05-17-1999, Reformed OJF 01-10-2014

Article added OJF 05-17-1999. Reformed 01-10-2014

Article 113 Bis 1. - The directors, officials, examiners, or employees of a credit institution that encourage or order officials or employees of the institution to commit the crimes that subsection III of

article 112 and articles 113, 113 Bis, 114 Bis 1, 114 Bis 2, 114 Bis 3, and 114 Bis 4 refer to shall be penalized with up to one half more of the penalties set forth in the respective articles.

Article added OJF 05-17-1999. Reformed 01-10-2014

Article 113 Bis 2. - The public officers of the National Banking and Securities Commission shall be penalized with the sanction established for the corresponding criminal offenses plus an additional half, in the event of dealing with the criminal offenses set forth in articles 111 to 113 Bis and 114 of this Law, which:

- a) Conceal from the knowledge of their superiors, facts that may constitute a criminal offense;
- b) Allow that the officers or employees of the credit institution alter or modify records with the purpose of hiding facts that may constitute a criminal offense;
- c) Obtain or seek to obtain a benefit in exchange from refraining to inform their superiors facts that may constitute a criminal offense;
- d) Order or induce their subordinates to alter reports with the purpose of hiding facts that may constitute a criminal offense, or
- e) Induce or order not to submit the relevant petition, to the person empowered to such effect.

Article added OJF 05-17-1999

Article 113 Bis 3. - A three to fifteen years prison term shall be applied to the member of the board of directors, officer or employee of a credit institution who offers on his/her behalf or through an undisclosed, agent money or anything else to a public officer of the National Banking and Securities Commission, to do or to omit a specific act pertaining to his duties.

The same sanction shall be imposed on the public officer of the National Banking and Securities Commission, who on his/her behalf or through an undisclosed agent requests for him/herself or anyone else money or anything else, to do or stop doing any act pertaining to his/her duties.

Article added OJF 05-17-1999

Article 113 Bis 4. - A two to seven years prison term shall be applied to anyone who having been removed, suspended or disqualified, by final resolution from the National Banking and Securities Commission, as provided in article 25 of this Law, continues performing the duties from which he/she has been removed or suspended or otherwise, holds a job, position or agency, within the Mexican financial system, in spite of being suspended or disqualified in respect thereof.

Article added OJF 07-06-2006. Reformed OJF 02-06-2008

Article 113 Bis 5. - The officials, high officers, officers, employees, commission agents or business agents of the specialized third parties that, due to carrying out the acts that articles 124 and 187 of this law refers to, use the information that they have access to for ends different from what is

established in said provisions, shall be penalized with prison for three to nine years and with a penalty of thirty thousand to one hundred thousand days of wage.

Article added OJF 01-10-2014

Article 113 Bis 6. - The general directors as well as the other officials of the commercial banks that participate in transactions with related parties in excess of what is established in the seventh paragraph of article 73 Bis of the present Law shall be penalized with prison for two to five years and a penalty of five hundred to fifty thousand days of wage, if as a consequence of the actions above, there is loss or monetary damage for the institution.

Article added OJF 01-10-2014

Article 114. - The directors, officers or employees of credit institutions that, regardless of the charges and interests set by the institution, on their behalf or through an undisclosed agent, unduly receive from customers any benefit to enter into any transaction, shall be penalized with a three month to three years prison term and a penalty of thirty to five hundred days of wage, when the amount of the benefit cannot be subject to valuation or when it does not exceeds the equivalent of five hundred days of wage, at the time that the offense is committed. When the benefit exceeds such amount they shall be penalized with a two to ten year prison term and a penalty of five hundred to fifty thousand days of wage.

Article reformed OJF 05-17-1999

Article 114 Bis. - The sanctions provided in this Law, shall be reduced to a third part when it can be proved that the damage caused has been compensated or that the lost profits have been indemnified.

Article added OJF 02-06-2008

Article 114 Bis 1. - It shall be penalized with prison from five to ten years:

- I. Alters, forges, destroys, records, or omits to record information in the accounting of a commercial bank with the intention that said accounting does not reflect that the commercial bank in question finds itself in the event of extinction of capital, pursuant to article 226 of this Law, or
- II. Enters into any act that causes the extinction of capital of a commercial bank or that worsens the financial situation of an institution that finds itself in said event.

The cases set forth in the subsections above shall proceed provided that the commercial bank has been declared in judicial liquidation pursuant to article 231 of this Law.

The judge shall take into consideration, to individualize the penalty, the amount of damage caused to the creditors.

Article added OJF 01-10-2014

Article 114 Bis 2. - It shall be penalized with prison from one to nine years, whomever, on its behalf or through third parties, carries out acts aimed at the acknowledgement of an inexistent credit or for an amount above what is effectively owed by a commercial bank in the judicial liquidation proceeding established in that Part C of Section Second of Chapter II from Title Seventh of this Law refers to, .

Article added OJF 01-10-2014

Article 114 Bis 3. - It shall be penalized with prison from four to eight years, the officials or employees of the commercial banks whose authorization to organize and operate has been revoked or is in bankruptcy proceeding or judicial liquidation pursuant to Section Second of Chapter II of Title Seventh of this Law, that with the purpose of concealing the true nature of the transactions entered into, affecting the composition of the assets, liabilities, contingent accounts or results:

- I. Do not record the transactions done by the bank in question, in the terms that article 99 of this refers to, or
- II. Alter, hide, forge, or destroy records or documents.

Article added OJF 01-10-2014

Article 114 Bis 4. - It shall be penalized with prison from three to twelve years, the person who, knowing that a commercial bank will fall in the event of extinction of capital that article 226 of this law refers to, does acts that are declared null pursuant to article 261 of the present Law.

Article added OJF 01-10-2014

Article 114 Bis 5. - When the liquidator or judicial liquidator that Title Seventh of this law refers to, in the exercise of its duties, finds elements that allow for the presumption of the existence of one or more of the criminal offenses set forth in articles 114 Bis 1 to 114 Bis 4 of this Law, it must inform the competent authorities so that they may proceed within the scope of their duties and powers.

In the criminal offenses that the paragraph above refers to, the liquidator or judicial liquidator, must provide the information that is requested from it by the competent authorities.

Article added OJF 01-10-2014

Article 114 Bis 6. - Criminal offenses referred to in articles 114 Bis 1, 114 Bis 2, 114 Bis 3, and 114 Bis 4 of this Law may be pursued without waiting for the conclusion of the bankruptcy proceeding or judicial liquidation, whichever the case may be, and without prejudice to its continuation.

The decisions of the judge resolving the judicial liquidation are not mandatory in the criminal jurisdiction. Classification shall not be necessary to pursue the crimes set forth in the paragraph above.

Article added OJF 01-10-2014

Article 115. - In the cases set forth by articles 111 to 114 of this law, action will be taken indistinctively at the request of the Ministry of Finance and Public Credit, who shall require the previous opinion of the National Banking and Securities Commission or, by request of the credit institution in question, or of the holder of the bank accounts or of whoever has legal interest.

Paragraph reformed OJF 05-17-1999, 02-06-2008, 01-10-2014

In the cases set forth in articles 114 Bis 1, 114 Bis 2, 114 Bis 3, and 114 Bis 4 of this Law, action shall be taken at the request of the Ministry of Finance and Public Credit, at the request of whoever has legal interest. Said Ministry shall request the previous opinion of the National Banking and Securities Commission.

Paragraph repealed OJF 05-17-1999. Added OJF 01-10-2014

The provisions of the articles mentioned in this Chapter, do not exclude the imposition of any other sanctions under other applicable laws, for the commission of any other criminal offenses.

Credit institutions, shall be obliged, as set forth in general provisions issued by the Ministry of Finance and Public Credit, upon hearing the previous opinion from the National Banking and Securities Commission, in addition to complying with other applicable obligations, to:

Paragraph reformed OJF 07-18-2006

- I. Establish measures and procedures to prevent and detect any kind of actions, omissions or transactions that may favor, assist, aid or cooperate in the commission of the criminal offenses set forth in articles 139 or 148 Bis of the Federal Criminal Code, or which may fall in any of the assumptions of article 400 Bis of the same Code, and
- II. Submit to the Ministry of Finance and Public Credit, through the National Banking and Securities Commission, reports on:
 - a. Acts, transactions, and services that they carry out with their customers and users, concerning the preceding subsection, and
 - b. Any act, transaction, or service, carried out by the members of the board of directors, directors, officers, employees, and attorneys-in-fact that may fall within the assumptions set forth in subsection I of this article or that as the case may be, may contravene or impair the adequate application of the aforesaid provisions.

Subsection reformed OJF 06-28-2007

Paragraph added OJF 11-17-1995. Reformed OJF 05-07-1997, 01-28-2004

Paragraph reformed OJF 17-18-2006, 01-10-2014

The reports that subsection II mentions, pursuant to the provisions of general nature set forth in the same, shall be drafted and presented taking into account, at least, such modalities that are included in said provisions to that effect; the characteristics that the acts, transactions, and services referred by this article, which are to be reported, must meet, taking into account their amounts, frequency, and nature, the monetary and financial instruments with which they are done, and the commercial and

banking practices that are observed in the area where they are done; as well as the regularity and the system through which the information is to be transmitted. The reports must at least refer to the transactions that are defined by the provisions of general nature as relevant, internal, worrying, and unusual, those related to the international transfers and cash transactions done in foreign currency.

Paragraph added OJF 05-07-1997. Reformed OJF 01-28-2004, 01-10-2014

Likewise, the Ministry of Finance and Public Credit, in the mentioned provisions of general nature shall issue the guidelines regarding the procedures and criteria that the credit institutions must observe in respect to:

Paragraph reformed OJF 07-18-2006, 01-10-2014

- a. Adequate knowledge of their customers and users, for which such institutions shall consider the background, specific conditions, economic or professional activity and the places where they operate;
- b. The information and documents that such institutions must obtain for the opening of accounts or entering into the agreements concerning the operations and services that they provide and that fully proves the identity of their customers;

Subparagraph reformed OJF 07-18-2006

Subparagraph reformed OJF 07-18-2006, 01-10-2014

- c. The form in which such institutions must safeguard and guarantee the safety of the information and documentation relative to the identification of their customers and users or of those who once were, as well as of those acts, transactions, and services reported pursuant to the present article;

Subparagraph reformed OJF 07-18-2006, 01-10-2014

- d. The terms to provide training inside the institutions regarding the matter that is purpose of this article. The provisions of general nature that the present article refers to shall indicate the terms for their due compliance;

Subparagraph reformed OJF 01-10-2014

- e. The use of automatic systems that support the fulfillment of the measures and procedures that are established in the same provisions of general nature that this article refers to, and

Subparagraph added OJF 01-10-2014

- f. The establishment of those internal structures that must function as areas of compliance in the matter, inside each credit institution.

Subparagraph added OJF 01-10-2014

Paragraph added OJF 05-07-1997. Reformed with subparagraphs OJF 01-28-2004

Credit institutions must keep, for ten years at least, the information and documents set forth in subparagraph c) of the preceding paragraph, regardless of the provisions of this or other applicable statutes.

Paragraph added OJF 05-07-1997. Reformed OJF 01-28-2004, 07-18-2006

The Ministry of Finance and Public Credit shall have the authority to require and obtain, through the National Banking and Securities Commission, from credit institutions, which shall be obliged to provide it, any information and documents pertaining to acts, transactions, and services set forth in this article. The Ministry of Finance and Public Credit shall be authorized to obtain any additional information with the same purpose from any other persons and to provide information to the competent authorities.

Paragraph added OJF 01-28-2004. Reformed OJF 07-18-2006

The credit institutions must immediately suspend carrying out the acts, transactions, or services with the clients or users that the Ministry of Finance and Public Credit informs them through a list of blocked persons that shall have a confidential nature. The list of blocked persons shall be to prevent and detect acts, omissions, or transactions that may be found in the events set forth in the referred articles in subsection I of this article.

Paragraph added OJF 01-10-2014

The obligation of suspension that the paragraph above refers to shall stop having effects when the Ministry of Finance and Public Credit eliminates the customer or user in question from the list of blocked persons.

Paragraph added OJF 01-10-2014

The Ministry of Finance and Public Credit shall establish, in the provision of general nature that this article refers to, the parameters for the determination of the introduction or elimination of persons in the list of blocked persons.

Paragraph added OJF 01-10-2014

The compliance with the obligations established in this article does not imply any transgression to the provisions of article 142 of this Law.

Paragraph added OJF 01-28-2004. Reformed 01-10-2014

The general provisions set forth in this article must be followed by credit institutions, as well as by the respective members of the board of directors, executive officers, officers, employees and attorneys-in-fact, to such end, the entities, as well as the aforesaid persons shall be liable for strict compliance with the obligations established by such provisions.

Paragraph added OJF 01-28-2004. Reformed OJF 07-18-2006

The breaches to the provisions that this article refers to shall be penalized by the National Banking and Securities Commission pursuant to the procedure set forth in article 107 Bis, 109 Bis 5, second and third paragraphs of the present Law, with penalty equivalent to 10% to 100% of the amount of the act, transaction, or service that is done with a customer or user of whom it was informed that was on the list of blocked persons that this article refers to; with penalty equivalent to 10% to 100% of the

amount of the unusual unreported transaction or, in its case, of the series of transactions related among them of the same client or user, that should have been reported as unusual transactions; in cases of relevant transaction, worrying internal, those related to international transfers and cash transaction done in foreign currency, not reported, as well as default on any of the subsections a., b., c., e. of the fifth paragraph of this article, shall be penalized with a penalty of 30,000 to 100,000 days of wage and in the other cases of default of this precept and to the provisions that arise from it, penalty of 5,000 to 50,000 days of wage.

Paragraph added OJF 01-28-2004. Reformed OJF 02-06-2008, 01-10-2014

(Eleventh paragraph repealed)

Paragraph added OJF 01-28-2004. Reformed OJF 07-18-2006. Repealed OJF 02-06-2008

Public officers of the Ministry of Finance and Public Credit and of the National Banking and Securities Commission, credit institutions, members of their board of directors, executive officers, officers, employees and attorneys-in-fact, must refrain from disclosing any news on the reports and other documents and information set forth in this article, to persons or authorities other than those expressly authorized in the related statutes to require, receive or maintain such documents and information. The breach of these obligations shall be penalized in the terms set forth in the relevant laws.

Paragraph added OJF 01-28-2004. Reformed OJF 07-18-2006

Article 115 Bis.- Credit institutions may exchange information in terms of the provisions of general nature that article 115 of this Law refers to, with the ends of strengthening the measures to prevent and detect acts, omissions, or transactions that may favor, provide help, assistance, or cooperation of any kind for the commission of the criminal offenses set forth in articles 139 and 148 Bis of the Federal Criminal Code, or that may be found in the events of article 400 Bis of the same Code.

The fulfillment of the obligations and the exchange of information that this article refers to shall not imply any transgression to what is established in article 142 of this Law.

Article added OJF 02-01-2008. Reformed OJF 01-10-2014

Article 116. - For the imposition of sanctions and penalties set forth in this Chapter and in Chapter II of this Title, respectively, the daily minimum wage in force in the Federal District shall be considered, at the time when the breach or the criminal offense in question was committed.

To determine the amount of the transaction, loss or monetary damage, set forth in this chapter, as days of wage will be considered the general daily minimum wage in force in the Federal District at the time when the offense in question was committed.

Paragraph added OJF 05-17-1999

(Last paragraph repealed)

Paragraph added OJF 05-17-1999. Repealed OJF 07-18-2006

Article 116 Bis. - The criminal offenses set forth hereunder shall only be considered as such when committed by willful misconduct. The criminal proceedings in the cases provided in this Law, prosecutable at the request of the Ministry of Finance and Public Credit, by the credit institution offended, or by anyone who has a legal interest, shall become subject to a statute of limitations of three years as of the day from which such Ministry or credit Institution or anyone having legal interest, has knowledge of the criminal offense and of the alleged transgressor and, in the absence of such knowledge, of five years, which shall be calculated pursuant to the rules established in 102 of the Federal Criminal Code. Once the requirement for admissibility has been met, the term of the statute of limitations shall continue elapsing, in accordance with the rules of the Federal Criminal Code.

Article added OJF 05-17-1999. Reformed OJF 02-06-2008

Article 116 Bis 1. - Any persons holding any position, agency or commission agency or any other legal title conferred by credit institutions, for the performance of the activities and operations that correspond to credit institutions, shall be considered as officers or employees of such institutions, for purposes of administrative and criminal liabilities established in this Title.

Article added OJF 02-01-2008

TITLE SIXTH

On the National Banking and Securities Commission

Title Denomination reformed OJF 01-10-2014

SINGLE CHAPTER

On the Inspection and Surveillance

Chapter added OJF 01-10-2014

Article 117. - The supervision of the entities regulated by this Law shall be attributed to the National Banking and Securities Commission, who shall carry said power adhering to what is set forth by this Law, to the respective Regulations, and to the other provisions that are applicable. The cited Commission may carry out inspection visits on the credit institutions, with the purpose of checking, verifying, recording, and evaluating the transactions, organization, functioning, procedures, internal control systems, the risk management and information systems, as well as the equity, the adaptation of the capital to the risks, the quality of the assets, in general, anything that might be possibly affecting the legal and financial position, is recorded or should be recorded in the records, to the ends that the credit institutions adhere to the compliance with provisions that govern them and to the normal practices of the matter.

The supervision of the entities regulated by the present Law in respect to what is set forth by articles 48 Bis 5, 94 Bis, and 96 Bis, second, third, and fourth paragraphs, as well of the matters expressly granted by other Laws, shall be under the charge of the National Commission for the Protection of the Users of Financial Services, who shall carry it out adhering to what is set forth in the Protection of the Users of Financial Services Law, in the respective Regulations, and in the other provisions that are applicable. The National Banking and Securities Commission, at the request of the National Commission for the Protection of the Users of Financial Services shall carry out inspection visits on the credit institutions, whose purpose shall be to revise, verify, record, and evaluate that the credit institutions adhere to the compliance with the provisions that this paragraph refers to.

Likewise, the National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services, within their respective powers and duties, may investigate events, acts, or omissions from which the violation of this Law and other provisions that derive from it may be presumed.

The inspection visits done by the National Banking and Securities Commission may be ordinary, special, and of investigation, the first shall be carried out pursuant to the annual program that is established to the effect; the second shall be those that without being included in the referred to annual program, are done in any of the following events:

- I. To examine and, in its case, correct special operative situations.
- II. To follow-up on the results obtained in an inspection visit.
- III. Where there are changes or modifications in the accounting, legal, economic, financial, or administrative situation of a credit institution.
- IV. When a credit institution begins operations after the drafting of the annual program that this paragraph refers to.
- V. When there are acts, events, or omissions in a credit institution that were not originally established in the annual program that this paragraph refers to, that motivate a visit.
- VI. When they arise from requests formulated by other national authorities empowered to do so, in terms of the applicable provisions, as well as the international cooperation.

The investigation visits shall be done provided that the National Banking and Securities Commission has indications from which a conduct that allegedly goes against what is set forth in this Law and other provisions of general nature that arise from it may be deduced.

In any case, the inspection visits that this article refers to shall adhere to what is set forth in this Law, in the National Banking and Securities Commission Law, in the Regulations that the first and second paragraph of this same article refer to, as well as the other provisions that are applicable.

When, in the exercise of the duty set forth in this article, the National Banking and Securities Commission so requests it, it may have the services of auditors and other professionals to assist it in said duty.

The surveillance by the National Banking and Securities Commission shall be done through the analysis of accounting, legal, economic, financial, administrative, of processes and procedures information that said Commission obtains based on the provisions that are applicable, with the ends of evaluating the adherence to the regulations that govern the credit institutions, as well as the stability and correct functioning of these.

The surveillance by the Commission for the Protection of the Users of Financial Services shall be done through the analysis of the information that said Commission obtains based on the provisions that are applicable, with the ends of evaluating the adherence to the legal norms that are of its competence, that govern the credit institutions, as well as the adequate protection of the users of financial services.

Without prejudice of the information and documentation that the credit institutions must periodically provide to it, the National Banking and Securities Commission may, within the scope of the applicable provisions, request information and documentation from them that it requires to be able to comply with its surveillance duty.

The National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services, as a result of their supervision duties, may formulate observations and order the adoption of measures aimed at correcting the irregular events, acts, or omissions that were detected be reason of said duties, in terms of this Law.

The Ministry of Finance and Public Credit, in the exercise of the powers and duties granted to it by article 5th of the present Law, shall resolve the consultations that are presented in respect to the scope of its powers and duties in matters of supervision that correspond to the National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services.

Article reformed OJF 12-30-2005, 07-01-2008, 01-10-2014

Article 117 Bis. - Repealed.

Article added OJF 06-04-2001. Reformed OJF 02-01-2008. Repealed OJF 01-10-2014

Article 118. - The surveillance shall consist of making sure that the credit institutions comply with the provisions of this Law and those that derive from it, and deal with the observations and indications of the National Banking and Securities Commission and the National Commission for the Protection of

the Users of Financial Services as a result of the inspection visits practiced by the National Banking and Securities Commission.

The measures adopted by the National Banking and Securities Commission, in the exercise of this powers shall be preventative, with the purpose of preserving the stability and solvency of the credit institutions, and regulations to define criteria and establish rules and procedures to which their functioning shall adhere to, pursuant to what is set forth by this Law.

The measures adopted by the National Commission for the Protection of the Users of Financial Services, in the exercise of its power of supervision shall be preventative for the adequate protection of the users of financial services, pursuant to what is set forth in this and other Laws.

Article repealed OJF 12-30-2005. Added OJF 01-10-2014

Article 118 A. Repealed.

Article added OJF 11-17-1995. Repealed OJF 06-25-2009

Article 118-B. - Repealed.

Article added OJF 11-17-1995. Repealed OJF 01-05-2000

Article 119. - The commercial banks must have a contingency plan that details the actions that shall be carried out by the bank to reestablish its financial condition before adverse scenarios that may affect its solvency or liquidity in terms of what the National Banking and Securities Commission establishes through provisions of general nature approved by its Board of Governors.

The contingency plan must be approved by the National Banking and Securities Commission with the previous opinion of the Institute for the Protection of Bank Savings, Banco de México, and the Ministry of Finance and Public Credit. Said plan shall be confidential, without prejudice of the exchange of information between authorities in terms of the present statute.

The National Banking and Securities Commission, through the provisions that the first paragraph of this article refers to, shall determine the requisites that the contingency plans must include, having to consider at least the following:

- I. Executive summary;
- II. The approval of the plan by the Managing Board of the institution, as well as the appointment of the officials that are responsible for developing, executing, and following up on the preparatory measures and the actions to implement the contingency plan;
- III. The strategic analysis that identifies the essential roles of the institutions as well as the activities whose interruption may cause adverse effects in other financial entities;

- IV. Description of the concrete actions to be followed for the timely implementation of the plan under each of the scenarios considered, including the indicators that will be taken into account to decide when to activate them, and
- V. Description of the necessary and sufficient elements that allow the implementation of the actions that the section above refers to, as well as the necessary legal documentation that shows that the implementation is feasible.

The provisions that the first paragraph of this article refers to must also include the regularity with which the Commission shall request the updating of said plan, the time periods for delivery and to hand in corrections, in case of not being approved, and the time periods for the Commission to approve it.

Without prejudice to the foregoing, when the Institute for the Protection of Bank Savings or Banco de México considers it convenient, it may request that the National Banking and Securities Commission requires any commercial bank to update the plan the this article refers to.

The National Banking and Securities Commission may request for drills of execution of the contingency plan to be carried out, and from the results of said drills it may request the adjustments to the plan that it considers necessary for its effectiveness.

Article reformed OJF 11-17-1995. Repealed OJF 01-18-1999. Added OJF 02-01-2008. Reformed OJF 06-25-2009, 01-10-2014

Article 120. - The Institute for the Protection of Bank Savings, with the participation of the National Banking and Securities Commission, Banco de México, and the Ministry of Finance and Public Credit, may prepare the resolution plans of the commercial banks, in which the form and terms in which they may be resolved in an expedited and organized manner shall be detailed. The resolution plans that are elaborated shall be confidential, without prejudice to the exchange of information between authorities that the present ordinance refers to. The Institute for the Protection of Bank Savings shall determine the programs and calendars for the exercise of its powers and duties through guidelines, as well as the content, scope, and other characteristics of the resolution plans that this article refers to.

The Institute for the Protection of Bank Savings, for the drafting of the resolution plans, may request the commercial banks all the information that it might need for such effects, whether it is information that the commercial banks have, or that the companies that belong to the same business group have. Likewise, the Institute for the Protection of Bank Savings may carry out inspection visits on the commercial banks without them being against the restrictions set forth in article 142 of this Law. Also, the Institute for the Protection of Bank Savings may request that the credit institutions carry out execution drills of the resolution plans.

For effects of what is set forth in the paragraph above, the commercial secrets in terms of the applicable legal provisions shall not be enforceable in that respect.

The resolution plans, shall under no event may condition the adoption of the resolution plan that the Board of Governors of the Institute for the Protection of Bank Savings determines, pursuant to what is set forth in article 148 of the present Law.

Article amended OJF 11-17-1995. Repealed OJF 01-18-1999 Added 01-10-2014.

Article reformed OJF 01-10-2014

Article 121. - In the exercise of its duties of inspection and surveillance, the National Banking and Securities Commission, through rules of general nature that are approved by its Board of Governors shall classify the commercial banks in categories, taking the capitalization index, the fundamental capital, the basic portion of the net capital, and the capital buffers as base, required pursuant to the applicable provisions issued by said Commission in terms of article 50 of this Law.

For effects of the classification that the paragraph above refers to, the National Banking and Securities Commission may establish diverse categories, depending if the commercial banks keep a capitalization index, a basic portion of the net capital, and some supplements of capital above or below those required in accordance with the provisions that govern them.

The rules issued by the National Banking and Securities Commission must establish the minimum and additional special corrective measures that the commercial bank must comply with in accordance with the category in which they were classified.

The National Banking and Securities Commission must report the category in which the commercial banks were classified, in the terms and conditions that said Commission established in the rules of general nature.

For the issuance of the rules of general nature, the National Banking and Securities Commission must observe what is set forth in article 122 of this Law.

The purpose of the corrective measures must be to prevent and, in its case, correct the problems that the commercial banks present, arising from the transactions that they carry out and that may affect its financial stability or solvency.

The National Banking and Securities Commission must notify the commercial banks in writing of the corrective measures that they must observe in terms of this Chapter, as well as verify its fulfillment in accordance with what is set forth in this ordinance. In the notice that this paragraph refers to, the

National Banking and Securities Commission must define the terms and time periods for the fulfillment of the corrective measures that the present article and article 122 refer to.

What is set forth in this article, as well as in articles 122 and 123 of this Law shall be applied without prejudice of the powers that are rendered to the National Banking and Securities Commission according to this Law and other applicable provisions.

The commercial banks must make the necessary acts to implement the corrective measures within their corporate bylaws, committing to adopt the actions that, in its case, are applicable.

The corrective measures imposed by the National Banking and Securities Commission, based on this article and in article 122 of this Law, as well as the rules arising from them, shall be considered of provisional nature.

Article reformed OJF 01-10-2014

Article 122. - For effects of what is set forth in article 121 of this Law, the following shall be observed:

- I. When the commercial banks do not comply with the capitalization index or with the basic part of the net capital, established pursuant to what is set forth in article 50 of this Law and in the provisions that arise from this precept, the National Banking and Securities Commission must order the application of the following minimum corrective measures , which shall correspond to the category where the bank in question is, in terms of the provisions referred to in the article above:
 - a. Inform its managing board of its classification, as well as the causes that motivated it, for which they must present a detailed report of integral assessment regarding its financial condition. Said report shall indicate the compliance with the regulatory frame and shall include the expression of the main indicators that reflect the degree of stability and solvency of the institution, and the observations that, in its case, the National Banking and Securities Commission and Banco de México, within the scope of their respective duties and powers, have told it.

In case the institution in question forms part of a financial group, it must inform its situation in writing to the general director and the chairman of the managing board of the holding company;
 - b. Within the term that subsection II of article 29 Bis of this Law refers to, present the National Banking and Securities Commission for approval, a restoration of capital plan, whose result shall be an increase of its capitalization index. Said restoration of capital plan may establish an improvement program in operational effectiveness, rationalizing of expenses and increase in profitability, carrying out capital stock contributions, and limits on the transactions that the commercial bank in question may carry out in the performance of its corporate purpose, or to the risks arising from

said transactions. The restoration of capital plan must be approved by the managing board of the institution in question before being presented to the Commission.

Said institution must determine in the restoration of capital plan, periodical goals, and the term in which it shall comply with the capitalization index, pursuant to the applicable provisions.

The National Banking and Securities Commission, through its Board of Governors, must resolve what corresponds regarding the restoration of capital plan that was presented to it, in a maximum term of sixty days counting from the date of presentation of the plan.

The commercial banks to which what is set forth in this subsection is applicable, must comply with the restoration of capital plan within the timeframe established by the National Banking and Securities Commission, which in no case may exceed two hundred seventy days counting from the day following when the commercial bank is notified of the respective approval. For the determination of the timeframe for the fulfillment with the restoration plan, the Commission must take into consideration the category that the institution is in, its restoring viability, and the conditions that generally prevail in the financial markets. The National Banking and Securities Commission, through agreement of its Board of Governors, may extend this timeframe on one occasion for a period that shall not exceed ninety days.

The National Banking and Securities Commission shall follow-up and verify the compliance with the restoration of capital plan, notwithstanding the application of other corrective measures depending on the category in which the commercial bank in question is classified;

- c. Totally or partially suspend the payment to the shareholders of dividends coming from the institution, as well as any other mechanism or act that implies a transfer of pecuniary rights. In the given case that the bank in question belongs to a financial group, the measure set forth in this subsection shall also be applicable to the holding company of the group to which it belongs, as well as to the financial entities or companies that form part of said group.

What is set forth in the paragraph above shall not be applicable regarding payments of dividends that the financial entities or companies that are part of the group different from the commercial bank in question carry out, when the referred to payment is applied to the capitalization of the commercial bank;

- d. Totally or partially suspend the repurchase programs of representative shares of the capital stock of the commercial bank in question and, in case of belonging to a financial group, also those of the holding company of said group;
- e. Totally or partially defer or cancel the payment of interest and, in its case, totally or partially defer or cancel the payment of the principal or convert into shares for up to the amount that is necessary to cover the shortages of capital in advance and pro

rata, the subordinated debentures that are in circulation, in accordance with the nature of such debentures. This corrective measure shall only be applicable should in the prospectus or issuance document of said subordinated debentures it is set forth that the commercial bank may adopt this measure.

The commercial banks that issue subordinated debentures must include, in the negotiable instruments, in the prospectus, in the informative prospectus, and in any other instrument that documents the issuance, their characteristics and the possibility that some of the measures considered in the paragraph above may proceed when the corresponding causes take place, pursuant to the rules that article 121 of this Law refers to, without this being a cause for default by the issuing institution;

- f. Suspend the payment of compensations and extraordinary bonuses additional to the salary of the general director and the officials of the two hierarchical levels below the latter, as well as not granting new compensations in the future for the general director or officials, until the commercial bank complies with the capitalization index established by the National Banking and Securities Commission in terms of the provisions that article 50 of this law refers to. This provision must be included in the agreements and other documentation that regulates work conditions.
- g. Abstain from agreeing on increases in the amounts in force in the credits granted to the parties considered as related in terms of article 73 of this Law, and
- h. The other minimum corrective measures that, in its case, are established in the rules of general nature that article 121 of this Law refers to.

II. When a commercial bank complies with the capitalization index and with the basic part of the net capital required in accordance with article 50 of this Law and in the provisions that arise from it, it shall be classified in the category that corresponds. The National Banking and Securities Commission must order the application of the following minimum corrective measures:

- a. Inform its managing board of its classification, as well as the causes that motivated it. To that regard they must submit a detailed report of integral assessment regarding their financial condition that indicates the compliance with the regulatory frame. Said report shall also include the main indicators that reflect the degree of stability and solvency of the bank, and the observations that, in its case, the National Banking and Securities Commission and Banco de México, in the scope of their respective duties and powers, have directed to it.

In case the bank in question forms part of a financial group, it must inform its situation in writing to the general director and the chairman of the managing board of the holding company;

- b. Abstain from entering into transactions that may make that its capitalization index goes below the minimum required pursuant to the applicable provisions, and
- c. The other minimum corrective measures that may establish the rules of general nature that article 121 of this law refers to.

III. Independent of the minimum corrective measures applied pursuant to sections I and II of the present article, the National Banking and Securities Commission may order the commercial banks to apply the following additional special corrective measures:

- a. Define concrete actions to avoid deteriorating its capitalization index;
- b. Contract the services of external auditors or specialized third parties to carry out special audits on specific issues;
- c. Abstain from agreeing on increases in the salaries and benefits of the officials and employees in general, except for agreed salary revisions and respecting at all times the acquired labor rights.

What is set forth in the present subsection shall also be applicable regarding payments done with legal entities different from the commercial bank in question, when said legal entities make payments to the employees or officials of the bank;

- d. Substitute officials, directors, examiners, or external auditors. The commercial bank shall appoint the persons who shall occupy the respective positions. The foregoing is without prejudice of the powers of the National Banking and Securities Commission set forth in article 25 of this Law to determine the removal or suspension of the members of the board of directors, general directors, examiners, directors and managers, trust officers, and other officials that may bind the bank with their signature, or
- e. The others determined by the National Banking and Securities Commission based on the results of their inspection and surveillance duties, as well as in the sound banking and financial practices.

For the application of the measures that this section refers to, the National Banking and Securities Commission may consider, among other elements, the category in which the commercial bank is classified, its integral financial condition, the compliance with the legal framework and the capitalization index, as well as the main indicators that reflect the degree of stability and solvency, the quality of the accounting and financial information, and the compliance with the delivery of said information.

IV. When the commercial banks do not comply with the capital buffers established in accordance with article 50 of this Law and in the provisions that arise from said article, the National Banking and Securities Commission must order the application of the following minimum corrective measures:

- a. Totally or partially suspend the payment to the shareholders of the dividends coming from the institution, as well as any other mechanism or act that implies a transfer of pecuniary rights. In the event that the institution in question belongs to a financial group, the measure set forth in this subsection shall also be applicable to the holding company of the group to which it belongs, as well as to the financial entities or companies that form part of said group, and
 - b. The other minimum corrective measures established by the rules of general nature that article 121 of this Law refers to.
- V. When the commercial banks keep a capitalization index and a basic part of the net capital above what is required pursuant to the applicable provisions and that comply with the supplements of capital that article 50 of this Law refers to and the provisions that arise from this article, minimum corrective measures and additional special corrective measures shall not be applied.

Article reformed OJF 07-23-1993, 02-15-1995, 04-30-1996. Repealed OJF 01-19-1999 Added OJF 01-10-2014

Article 122 Bis. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 2. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 3. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 4. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 5. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 6. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 7. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 8. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 9. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 10. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 11. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 12. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 13. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 14. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 15. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 16. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 17. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 18. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 19. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 20. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 21. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 22. – Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 23. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 24. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 25. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 26. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 27. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 28. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 29. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 30. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 31. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 32. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 33. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 34. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 122 Bis 35. - Repealed.

Article added OJF 07-06-2006, Repealed OJF 01-10-2014

Article 123. - The National Banking and Securities Commission must inform the Ministry of Finance and Public Credit, Banco de México, and the Institute for the Protection of Bank Savings, when a commercial bank does not comply with the capitalization index, with the fundamental capital, with the basic part of the net capital, and with the capital buffers established pursuant to what is set forth in article 50 of this law and in the provisions that arise from this article. Additionally, the Institute for the Protection of Bank Savings must inform the National Banking and Securities Commission of any irregularity that it detects in the commercial banks.

The National Banking and Securities Commission shall provide the Institute for the Protection of Bank Savings with the information that is necessary for the fulfillment of its duties, regarding this Law and the Protection of Bank Savings Law, for which it shall share its information and database.

For effects of what is set forth in the paragraph above, the National Banking and Securities Commission may execute agreements of exchange of information in terms of the Law.

The Institute for the Protection of Bank Savings may request commercial banks to submit relevant information regarding the guaranteed obligations that article 6 of the Bank Savings Protection Law refers to, information regarding the calculation of the fees that such institutions must pay to it on the grounds of said law, as well as the other information that it requires for the due compliance of its duties, when it considers it necessary.

What is set forth in this article shall be applied without prejudice of the powers granted onto the Institute for the Protection of Bank Savings in the Bank Savings Protection Law.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 124. - The commercial banks must have, in the automatic systems of processing and conservation of data, as well as in any other technical procedure, such as magnetic files, archives of microfilmed documents or others, with the information related to the holders of the active and passive transactions, to the characteristics of the transactions that the commercial bank keeps with each of them, and the information related to the transactions regarding the guaranteed obligations that the Bank Savings Protection Law refers to. Likewise, the abovementioned systems must disclose the information regarding the due balances of the credit rights in favor of the same bank, derived from active transactions, pursuant to the provisions of general nature regarding the loan portfolio issued by the National Banking and Securities Commission, and carry out the calculation of the compensation that, in its case, is done in terms of article 175 of this Law.

The classification that the paragraph above refers to shall abide the rules of general nature issued for such effects by the Institute for the Protection of Bank Savings, through its Board of Governors, notwithstanding its other obligations established by this Law and other applicable provisions regarding to the conservation and classification of information.

The Institute for the Protection of Bank Savings may carry out inspection visits, to the effect of revising, verifying, and assessing the information that the institutions have submitted to it in terms of article 123 of this Law and the fulfillment of the obligation set forth in the paragraph above, as well as to procure the information necessary to:

- I. Carry out the technical study mentioned in article 187 of this Law, and

- II. Prepare the implementation of the resolution plans that article 148 of this law refers to, which may include financial and accounting information, as well as of the active and passive transactions, and the other that the Institute considers necessary for such end.

In said visits, the entities having the capacity of specialized third parties who are hired for any of the ends indicated in the sections above may participate, who must at all times keep in absolute secrecy the information to which they have access.

The individuals taking part in the inspection visits mentioned by this article, shall have access to all the information and documentation related to the transactions examined in the visit. In these cases, the commercial banks may not argue what is set forth in article 142 of this Law.

The Institute for the Protection of Bank Savings may provide interested third parties participating in the transactions referred to in subsection II above, with the information that it gathers in terms of this article, without it implying any default to what is established in article 142 of this Law. Notwithstanding the foregoing, said third parties must at all times keep in absolute secrecy the information to which they have access.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 125. - The Ministry of Finance and Public Credit shall indicate, in the list that it publishes every year in accordance to what is set forth by article 12 of the Federal Government-Controlled Entities Law, those public trusts that have the nature of government-controlled entities and that form part of the Mexican Banking System, pursuant to article 3rd of this Law.

For effects of the integration of the list that the paragraph above refers to, the sector coordinating offices must indicate the Ministry of Finance and Public Credit those public trusts incorporated as government-controlled that are determined to form part of the Mexican Banking System in accordance of article 3rd of this Law, and that are grouped in the sector coordinated by them.

The public trusts that form part of the Mexican Banking System shall be subject to the supervision of the National Banking and Securities Commission. Said Commission shall carry out, even afterwards, the necessary acts for the imposition of the sanctions that may be applicable to those trusts that stop being a part of the said system and that incurred in defaults of the applicable provisions during the time in which they were subject to its supervision.

The referred to Commission, when exercising the powers of supervision on the trusts in question, shall have the same powers and duties that are granted to it by articles 117 and 118 of this Law, as well as those that are granted to it by the law that governs it, regarding the development banks.

The National Banking and Securities Commission shall issue prudential provisions of accounting records of transactions, of requests for financial information, of estimate of assets and liabilities, and of the constitution of preventative reserves, applicable to the trusts that this article refers to.

Article reformed OJF 07-23-1993, 12-23-1993. Repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 126. - The credit institutions and the companies that are subject to the inspection and surveillance of the National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services, shall provide to the inspectors all the support required, providing data, reports, records, minutes book, auxiliaries, documents, correspondence and, in general, the documentation that said inspectors deem necessary for its inspection. The National Banking and Securities Commission shall have access to the offices, establishments, and other premises of the credit institutions and the companies subject to its inspection.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 127. - The public officers of the National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services are prohibited from carrying out transactions with the institutions that are subject to their supervision, in conditions that are preferential to those offered to the public in general.

Said public officers must comply with the requisites of the position's profile that is determined by the Commissions, pursuant to what is set forth by the Professional Career Service in Federal Public Administration Law, where it is applicable.

Article reformed OJF 06-09-1992. Errata OJF 07-03-1992. Repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 128. - The National Banking and Securities Commission, for the protection of the interests of the public, may as a provisional remedy, partially suspend or limit the execution of the active and passive transactions and of services that article 46 of this law refers to, when said activities are found in any of the following events:

- I. The infrastructure or internal control necessary to carry out the respective transactions and services are not in place, pursuant to the applicable provisions;
- II. Any of the requisites to start entering into transactions and offering services stop being complied with or are defaulted on;
- III. Transactions different from the authorized ones are done;
- IV. The requisites necessary to carry out transactions or provide specific services that are established in the provision of general nature are defaulted on;
- V. Transactions are done or services are provided that imply conflict of interest that harm their clients or intervene in activities that are prohibited in this Law or in the provisions that arise from it, and
- VI. In the other cases that are indicated in this or other laws.

The National Banking and Securities Commission, as a provisional remedy, before the contempt of the credit institutes, may publish the suspension of operations ordered pursuant to this article through the electronic site that the same Commission has.

The suspension order that this article refers to is without prejudice of the sanctions that may be applicable in terms of what is set forth in this Law and other provisions.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 129. - The National Banking and Securities Commission, with agreement of its Board of Governors, for the protection of the interests of the saving public and creditors of a commercial bank, shall declare the intervention of the commercial bank as a provisional remedy when any of the following events presents itself:

- I. In the course of a month, the capitalization index of the commercial bank decreases to a level equal to or above of what is required pursuant to what is established in article 50 of this Law, to a level equal or below the required minimum fundamental capital established pursuant to said article 50 and the provisions that arise from it, except in the cases in which the Board of Governors of the Institute for the Protection of Bank Savings determines what is indicated in subparagraph b) of subsection II of article 148 of this Law, in which case what is set forth in the penultimate paragraph of article 29 Bis of this Law shall be applied;
- II. It incurs in the cause for revocation that subsection V of article 29 of this Law refers to, and said commercial bank does not operate under the regime that article 20 Bis 2 of this Law refers to, or
- III. Some event of default of the ones set forth in subsection VI of article 28 of this Law takes place, and the Banking Stability Committee determines that some of the events established in article 29 Bis 6 of this Law may take place.

In the case that a commercial bank falls in the event established in subsection I of this article, the National Banking and Securities Commission, previous to the intervention statement of the bank, shall inform this situation so that in a maximum term of one business day, it reintegrates the capital in the amount necessary to maintain its transactions within the respective limits in terms of this Law. Once said term has elapsed without the reintegration of the capital has been done, the Commission shall declare the intervention. Within the indicated term, the commercial banks may present the formal communication that article 29 Bis of this law refers to.

For effects of what is set forth in the paragraph above, the National Banking and Securities Commission may issue, in a precautionary manner, the provisional measures and additional special corrective measures that it determines pursuant to what is established in subsection III, subparagraph e) of article 122 of this Law.

Likewise, the National Banking and Securities Commission may declare the intervention of a commercial bank, when it considers that exist irregularities of any kind that may affect the bank's stability and solvency, that may endanger the interests of the public or of the creditors of the said bank.

The Executive Secretary of the Institute for the Protection of Bank Savings shall attend the session of the Board of Governors of the National Banking and Securities Commission where the intervention is determined and may contribute elements for taking this decision. The Executive Secretary of the referred to Institute may appoint, through agreement, a public officer of the same Institute to exceptionally substitute him/her, in case of absence in the sessions of the Board of Governors of the National Banking and Securities Commission that this article refers to. Such public officer must be hierarchically immediately after the Executive Secretary, in terms of what is set forth in the applicable provisions.

The intervention of a commercial bank shall imply that the person appointed by the Board of Governors of the Institute for the Protection of Bank Savings be constituted as receiver of the bank in terms of this Law.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 130. - Without prejudice of what is indicated in the article above, the Board of Governors of the Institute for the Protection of Bank Savings shall appoint a receiver when the same Institute grants financial support to the institution in question, in terms of what is set forth in Part B of the Section First of Chapter II of Title Seventh of this Law.

The receiver appointed by the Institute must elaborate a report regarding the integral condition of the commercial bank in question.

The Board of Governors of the Institute for the Protection of Bank Savings must establish, through guidelines of general nature, the elements that the report mentioned in this article must contain, which must include, at least, a detailed description of the financial condition of the commercial bank, an inventory of its assets and liabilities and, also, the identification of those obligations pending payment payable by the institution. The mentioned report must have the legal and accounting opinion drafted by the independent external auditors of the institution in question for this regard. A copy of the report must be submitted to the National Banking and Securities Commission and to the Institute for the Protection of Bank Savings.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 131. - The receiver appointed pursuant to articles 129 or 130 of this Law shall be constituted as the sole administrator of the institution in question, substituting the managing board in every case,

as well as the general shareholders' meeting, in those events in which the exercise of the corporate and property rights of the shares of said institution does not correspond to the Institute.

The receiver shall have the following powers:

- I. The representation and administration of the institution in question;
- II. Those that correspond to the managing board of the institution and its general director, enjoying full general powers for acts of ownership, administration, and lawsuits and collections, with powers that require special clause pursuant to the law, as well as to subscribe negotiable instruments, carry out credit transactions, present lawsuits, complaints, desist from the latter, grant pardon and to commit to arbitration;
- III. Formulate and present the budget necessary for the achievement of the objectives of the receiver for the approval of the Executive Secretary of the Institute for the Protection of Bank Savings;
- IV. Present the Executive Secretary of the Institute for the Protection of Bank Savings with periodic reports on the financial condition that the institution is in, as well as of the administrative operation and its possible resolution;
- V. Authorize the contracting of liabilities, including the credit of last resort granted by Banco de México, investments, expenses, acquisitions, sales, and in general, any expenditure done by the bank;
- VI. Authorize the granting of guarantees that are necessary for the contracting of liabilities, including the shares of the same institution;
- VII. Suspend the transactions that put the solvency, stability, or liquidity of the institution in danger;
- VIII. Hire and remove the employees of the institution and inform this to the Executive Secretary of the Institute for the Protection of Bank Savings, and
- IX. The others that the applicable provisions establish and those that the Board of Governors of the Institute for the Protection of Bank Savings grants.

The foregoing, without prejudice of the powers of the National Banking and Securities Commission to issue the necessary measures to organize the irregular transactions carried out by the commercial bank in question, indicating the term for this to be completed, as well as for the exercise of the corresponding actions applicable in terms of the present Law.

Article reformed OJF 07-23-1993, 12-23-1993. Repealed OJF 04-28-1995, Added OJF 01-10-2014

Article 132. - The receivers appointed by the Institute for the Protection of Bank Savings must meet the requirements set forth in article 24 of this Law, without being applicable what is set forth in subsection VI of paragraph three of article 23 of this Law.

Without prejudice of what is set forth in the paragraph above, the receivers must meet the following requirements:

- I. Not having performed the position of external auditor of the commercial bank or any of the companies that integrate the financial group to which it belongs to during the five immediate years before the date of the appointment, and
- II. Not been unable to act as visitors, bankruptcy conciliator, or liquidator, or have any conflict of interest in terms of the Business Reorganization Law.

In the cases where legal entities are appointed as receivers, the individuals that perform the activities related to this function must meet the requirements that are referred to in this article. The legal entities shall also be subject to the restriction set forth in subsection I above.

The persons that do not meet any one of the requirements mentioned by this article must abstain from accepting the position of receiver and shall manifest in writing such circumstance.

The Institute for the Protection of Bank Savings, through the guidelines approved by its Board of Governors, must establish governing criteria for the determination of the salary of the receivers when it is the case of individuals. In the case of legal entities, the compensation that these receive shall be the one that arises from the selection procedures approved by the Board of Governors of said Institute.

Article repealed OJF 04-28-1995, Added OJF 01-10-2014

Article reformed OJF 06-04-2001, 02-01-2008, 06-25-2009, 01-10-2014

Article 133. - In addition to what is set forth by article 131 of this Law, the receiver may grant the general and special powers that are deemed necessary and revoke those that were granted, as well as name trust officers of the commercial bank in question. The powers that this article refers to shall be understood as granted to the attorneys-in-fact of the receiver that may be individuals or legal entities, in the terms that the same establishes.

Article reformed OJF 06-04-2001, 02-01-2008, 06-25-2009, 01-10-2014

Article 134. - In no case shall the receiver be subjected in its action to the resolutions that were adopted by the board of directors of the commercial bank in question. In case of resolutions of the shareholders' meeting, it shall only be subjected to those that are adopted when the exercise of the corporate and property rights of the shares of the same bank correspond in their majority to the Institute for the Protection of Bank Savings.

Article reformed OJF 06-25-2009, 01-10-2014

Article 134 Bis. - Repealed.

Article added OJF 06-04-2001. Reformed OJF 06-16-2004, 02-01-2008. Repealed OJF 01-10-2014

Article 134 Bis 1. - Repealed.

Article added OJF 06-04-2001. Reformed OJF 06-16-2004, 07-06-2006, 02-01-2008. Repealed OJF 01-10-2014

Article 134 Bis 2. - Repealed.

Article added OJF 06-16-2004, Reformed 07-06-2006. Repealed OJF 01-10-2014

Article 134 Bis 3. - Repealed.

Article added OJF 07-06-2006. Repealed OJF 01-10-2014

Article 134 Bis 4. - Repealed.

Article added OJF 02-01-2008. Repealed OJF 01-10-2014

Article 135. - The receivership shall have full effect starting from the date of its publication in the Official Journal of the Federation and in two broadly circulated newspapers on national territory, without prejudice that the corresponding registrations be done in the Public Registry of Commerce afterwards, for which a communication of the Executive Secretary of the Institute for the Protection of Bank Savings shall be enough.

Article reformed OJF 6-25-2009, 01-10-2014

Article 136. - The National Banking and Securities Commission, in the exercise of the powers that this Law refers to, may indicate the form and terms in which its requests shall be fulfilled.

Likewise, the cited Commission, to make that their determinations in respect to the subjects regulated by the present law be complied with, may employ, indistinctly, the following enforcement measures:

- I. Admonish with a warning;
- II. Penalty of 2,000 to 5,000 days of wage;
- III. Additional penalty of 100 days of wage for each day that the transgression continues, and
- IV. The assistance of the public force;

Should the warning not being sufficient, the competent authority may be requested to proceed against the rebel due to disobedience of a legitimate mandate of a competent authority.

For effects of this article, the judicial authorities or prosecuting federal authorities and the bodies of security or federal or local police must present the support requested by the National Banking and Securities Commission in an expedited manner.

In the cases of bodies of public safety of the federal or municipal entities, the support shall be requested in the terms of the statutes that regulate the public safety or, in its case, pursuant to the agreements of administrative collaboration that are executed with the Federation.

Article 137. - The attorneys-in-fact of the receiver that performs duties of the two first hierarchical levels of the commercial bank must be persons of renowned knowledge in financial matters.

From the time the receivers and his/her attorneys-in-fact are appointed, as well as their spouses or family members up to the fourth degree may not execute transactions with the administered institution. The transactions expressly approved by the Board of Governors of the Institute for the Protection of Bank Savings are exempted from the previous provision.

Article repealed OJF 07-06-2006. Added OJF 01-10-2014

Article reformed OJF 06-04-2001, 01-10-2014

Article 137 Bis. - Repealed.

Article added OJF 02-01-2008. Repealed OJF 01-10-2014

Article 138. - For the exercise of his/her functions, the receiver may have the support of a consulting board, which shall be integrated by a minimum of three and a maximum of five persons, appointed by the Institute for the Protection of Bank Savings, from among those that are registered in the registry that the following paragraph refers to. The opinions of the consulting board shall not be binding for the receiver.

The professional associations that group commercial banks that are recognized as such by the National Banking and Securities Commission, must implement mechanisms so that the persons interested in serving as members of the consulting board mentioned in the above paragraph may be registered in a registry that the professional association shall have for that effect.

To be registered in the mentioned registry, the interested persons must present their request in writing to any of the professional associations mentioned in the paragraph above with the documents that attest they meet the requirements established in article 23 of this Law, as well as of the requisites established to that regard by the professional association in question.

The consulting board shall meet, through previous call of the receiver to give their opinion regarding the issues that he/she wishes to submit for their consideration. Detailed minutes shall be recorded for every session that shall contain the relevant issues and the agreements of the corresponding session.

The members of the consulting board may only abstain from analyzing and deciding in respect of the issues that are submitted for their consideration, when a conflict of interest exists, in which case it must be reported to the receiver.

The fees of the members of the consulting board shall be covered by the commercial bank in question.

The Institute for the Protection of Bank Savings shall establish, through rules of general nature, the other provisions that the consulting board must adhere to.

Article reformed OJF 06-04-2001, 01-10-2014

Article 139. - The National Banking and Securities Commission, through its Board of Governors, shall proceed to lift the intervention and, consequently, the receivership by the Institute for the Protection of Bank Savings shall cease, when:

- I. The commercial bank enters into dissolution or bankruptcy proceeding;
- II. The Institute for the Protection of Bank Savings carries out the sale of the representative shares of the capital stock of the bank in terms of the present law;
- III. The bank is declared in judicial liquidation, or
- IV. The irregular transactions or other violations of the laws have been corrected.

In the cases set forth in this article, the Institute for the Protection of Bank Savings shall proceed to cancel the registration in the office of the respective Public Registry of Commerce.

Article reformed OJF 07-06-2006, 01-10-2014

Article 140. - When the ceasing of the receivership is decreed, the receiver must draft a detailed report that justifies the acts carried out in the exercise of said function, as well as an inventory of the asset and liability of the institution and a certificate on the financial, accounting, legal, economic, and administrative condition of said institution.

The cited report must be presented to the general shareholders' meeting. Should after having called the meeting, the latter does not meet with the necessary quorum, the receiver must publish a notice directed to the shareholders indicating that the referred report is at their disposal, indicating the place and time in which it may be consulted. Likewise, a copy of said report must be sent to the National Banking and Securities Commission and to the Institute for the Protection of Bank Savings.

Article reformed OJF 07-06-2006, 01-10-2014

Article 140 Bis. - Repealed.

Article added OJF 06-04-2001. Amended OJF 07-06-2006, Repealed OJF 01-10-2014

Article 141. - The National Banking and Securities Commission may order the closing of the offices and branches of a commercial bank when the intervention referred to in article 129 of this law is determined, or when the Institute for the Protection of Bank Savings requests it in virtue of the resolution plans that are necessary to apply pursuant to what is set forth by this Law.

For effect of what is indicated in the present article, the agreement of the Board of Governors of the National Banking and Securities Commission shall be required as well as the favorable opinion of the Institute for the Protection of Bank Savings.

Article reformed OJF 07-06-2006, 01-10-2014

TITLE SEVENTH

Of the Protection of the Public Interest

Designation of the Title reformed OJF 07-06-2006. Title relocated with reformed designation OJF 01-10-2014

CHAPTER I

General Provisions

Chapter repealed OJF 04-28-1995. Chapter added and relocated with reformed designation OJF 01-10-2014

Article 142.- The information and documentation relating to those transactions and services referred to in article 46 of this Law, are of a confidential nature, hence credit institutions, for the protection of the right to privacy of their clients and users, as established in this article, may in no circumstance provide details or information on deposits, transactions or services, including those provided in article 46, subsection XV, other than to the depositor, debtor, holder, beneficiary, trustor, trustee, contracting party or principal, their legal representatives, or those granted power to control the account or to be involved in the transaction or service.

By way of exception to the provisions of the foregoing paragraph, credit institutions shall be bound to provide details and information, as referred to in said paragraph, whenever so requested by the judicial authority by virtue of an order issued in a trial, whereto the holder, or, as the case may be, the trustor, trustee, fiduciary, contracting party, commission agent, principal or agent, is party or defendant. For the purposes of this paragraph, the judicial authority may address its request directly to the credit institution, or through the National Banking and Securities Commission.

Credit institutions shall also be exempt from the prohibition described in the first paragraph of this article and, therefore, shall be obliged to provide the aforementioned details or information, when requested to do so by the following authorities:

- I. The Attorney General of the Republic, or the public officer to whom is delegated the authority to request information, in order to prove an alleged criminal deed and the alleged guilt of the accused;

Section reformed OJF 06-17-2016, 05-20-2021

- II. Attorney generals of the States of the Federation and the Federal District or assistant attorneys, in order to prove an alleged criminal deed or the alleged guilt of the accused;

Section reformed OJF 06-17-2016

- III. The Military Attorney General, in order to prove an alleged criminal deed or the alleged guilt of the accused;

Section reformed OJF 06-17-2016

IV. The federal treasury authorities, for taxation purposes;

Section reformed OJF 06-17-2016

V. The Ministry of Finance and Public Credit for the purposes of the provisions of article 115 of this Law;

VI. The Federal Treasurer, when oversight activities so require it, in order to request account statements and any other information relating to the personal accounts of public officers, assistants, and, as the case may be, private individuals linked to the investigation at hand;

VII. The Federal Superior Audit Office, in the course of exercising its powers of review and oversight of the Federal Public Account and with regards to accounts or agreements through which federal funds are administered or applied;

VIII. The head and deputy secretaries of the Secretariat of Civil Service, in the course of exercising its powers of investigation and oversight of the asset status of federal public officials.

Information and documentation requests, as referred to in the foregoing paragraph, must be formulated, in all cases, within the verification procedure referred to in articles 41 and 42 of the Federal Law of Administrative Liabilities of Public Officers, and

IX. The Oversight Committee for Political Party Funding, a technical body of the Federal Electoral Institute's General Council, in the exercising of its legal functions, under the terms set forth in the Federal Code of Electoral Procedures and Institutions. The electoral authorities of the federative entities shall also request and obtain any information necessary for exercising their legal functions through the aforementioned committee.

The authorities mentioned in the above subsections shall request the details and information referred to in this article in the course of exercising their powers and in accordance with any legal provisions applicable thereto.

The requests mentioned in the third paragraph of this article must be drafted with due grounds and motivation, through the National Banking and Securities Commission. Public officers and the institutions mentioned in sections I and VII, and the oversight body referred to in subsection IX, may choose to ask the judicial authority to issue the corresponding order, so that the credit institution may deliver the required information, as long as said officers or authorities specify the name of the institution, the account number, the name of the account holder or user and any other data or elements that allow it to be identified in full, as per the transaction in question.

Employees and officers of credit institutions shall be liable, under the terms of applicable provisions, for any breach of confidentiality requirements and institutions shall be obliged, in the event of undue disclosure of secrets, to remedy any losses and damages caused.

The foregoing in no way affects the obligation of credit institutions to provide the National Banking and Securities Commission all information and documents which, in the course of exercising its

inspection and oversight functions, may be requested of them, in relation to the transactions they make and the services they provide, nor the obligation to provide any information required by Banco de México, the Institute for the Protection of Bank Savings and the Commission for the Protection and Defense of Financial Services Users, under the terms of applicable legal provisions.

No breach of confidentiality shall be understood to exist upon the transactions referred to in article 46, section XV, of this Law, in cases in which the Federal Superior Audit Office, based upon the law that regulates it, requires the information referred to in this article.

Any documents and data provided by credit institutions within the scope of the exceptions to the first paragraph of this article, may only be used in actions that apply in terms of the law and in respect of which, the utmost confidentiality must be observed, even when the public officer in question leaves the public service. Any public officer who unduly breaches the confidentiality of procedures, provide copies or documents related thereto, or that in any other way should disclose information contained therein, shall be held liable of the corresponding administrative, civil, or criminal liabilities.

Credit institutions must answer any requirements made of them by the National Banking and Securities Commission, pursuant to petitions from the authorities stated in this article, within the time frames determined thereby. The Commission itself may penalize any credit institutions that do not comply with the established time frames and conditions, in accordance with the provisions of articles 108 through 110 of this Law.

The Commission shall issue general provisions wherein shall be established the requirements that must be met by information requests or citations brought by the authorities referred to in subsections I through IX of this article, so that credit institutions whereof information is requested may be able to identify, find and provide the details or information requested.

Article reformed OJF 07-06-2006, 01-10-2014

Article 143. - The Ministry of Finance and Public Credit, the National Banking and Securities Commission, the Institute for the Protection of Bank Savings, Banco de México, and the National Commission for the Protection of the Users of Financial Services, within the scope of their powers and duties, shall be empowered to provide the host financial authorities with all kinds of information that they deem appropriate to deal with the requests they receive, such as documents, records, registrations, statements, and other evidence that such authorities have in the exercise of their powers.

For effects of what is set forth in the paragraph above, the authorities must have an exchange of information agreement subscribed with the host financial authorities in question. In said agreements the principle of reciprocity must be observed.

The National Banking and Securities Commission shall be empowered to deliver the information protected by provisions of confidentiality that is in its powers for having obtained it in the exercise of its powers to the host financial authorities, acting in coordination with other entities, persons, or authorities, or directly from other authorities.

Banco de México shall be empowered to deliver the information protected by provisions of confidentiality that is in its powers for having obtained it directly in the exercise of its powers to the host financial authorities. Likewise, Banco de México shall be empowered to deliver information protected or not by provisions of confidentiality to the host financial authorities, that it obtains from other authorities of the country, only in the cases in which the former is expressly authorized in the agreement of exchange of information under it received said information.

In any case, the National Banking and Securities Commission and Banco de México may abstain from providing the information that the paragraphs above refers to, when it is intended to be used for a purpose different from that mentioned in the request, or is contrary to the public order, to national security, or to the terms agreed upon in the respective exchange of information agreement.

The Ministry of Finance and Public Credit, the National Banking and Securities Commission, the Institute for the Protection of Bank Savings, Banco de México, and the National Commission for the Protection of the Users of Financial Services must establish coordination mechanisms for effects of the delivery of information that this article refers to, to the host financial authorities.

The delivery of information that is done in terms of the present article shall not imply any transgression to the obligations of reserve, confidentiality, secrecy, or analogous that must be observed pursuant to the applicable legal provisions.

Article reformed OJF 06-04-2001, 07-06-2006, 01-10-2014

Article 143 Bis. - The National Banking and Securities Commission, at the request of the host financial authorities cited in article 143 of this Law and based on the principle of reciprocity, may carry out inspection visits on the subsidiaries. At the discretion of said Commission, the visits may be done through said Commission or in cooperation with the host financial authority in question, it may allow for the latter to carry them out.

The request that is mentioned in the paragraph above must be done in writing, at least thirty calendar days in advance and must be accompanied by the following:

- I. Description of the purpose of the visit, and
- II. Legal provisions applicable to the purpose of the request.

The National Banking and Securities Commission may request that the host financial authorities that carry out visits in terms of this article, provide a report of the results obtained.

Article added OJF 02-06-2008. Reformed OJF 01-10-2014

Article 144. - The commercial banks that in any way agree to carry out the behaviors that sections I and II of this article refer to, with legal entities that carry out business activities, shall be incorporated jointly as economic agents that give place to market concentrations in terms of the Federal Antitrust Law, when in addition to what is indicated by said Law:

- I. The access to the provision of goods and services of one or another economic agent is conditioned to the execution of transactions with the commercial bank in question;
- II. The opening of accounts or the use of means of payments of the commercial bank related to the legal entity in question are established exclusively or are imposed.

The banks must observe what is set forth in article 17 of the Financial Services Transparency and Regulation Law.

The National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services shall serve notice on the Federal Antitrust Commission, when in the exercise of their powers, they detect the existence of any of the practices mentioned in this article, to the effect that the latter resolves what corresponds pursuant to the law in the scope of its powers and duties.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

Article 145. - With the ends of not affecting the public interests regarding of the availability of cash and securities claimable to the credit institutions, in the cases of strike calls, before the suspension of the work, and in terms of the Federal Labor Law, the Federal Board of Conciliation and Arbitration in the exercise of its powers, hearing the opinion of the National Banking and Securities Commission, shall seek that, for the ends mentioned, during the strike, the essential amount of bank offices remain open and only those employees whose activities are strictly necessary, continue working.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

Article 146. - For the protection of interests of the saving public, the acts and resolutions of the Ministry of Finance and Public Credit, the National Banking and Securities Commission, the Institute for the Protection of Bank Savings, Banco de México, their respective Board of Governors, the Banking Stability Committee that article 29 Bis 6 of this Law refers to, of the receivers, the liquidators, the judicial liquidators, and of jurisdictional authorities that are set forth in articles 27 Bis 1 to 27 Bis 6, 28 to 29 Bis 15, 50, 74, 96 Bis 1, 99, 102, 121 to 124, 128, 129 to 141, and 147 to 273, of this Law, are of public order and social interest and cannot be put off for effects of what is set forth in

article 129, section XI of the Amparo Law, for which no suspension measure that is provided in said law and in any other statute shall proceed against them.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

CHAPTER II

Chapter relocated with reformed designation OJF 01-10-2014

Of the Protection of Bank Savings System

Section added OJF 01-10-2014

SECTION FIRST

Of the Resolution of the Commercial Banks

Paragraph added OJF 01-10-2014

Part A

General Provisions

Added OJF 01-10-2014

Article 147. - For effects of this Law, it would be understood as resolution of a commercial bank the combination of actions and procedures implemented by the competent financial authorities regarding a commercial bank that has solvency or liquidity problems affecting its financial viability, pursuing its orderly resolution or exceptionally, its recovery, in order to protect the interest of the saving public, the stability of the financial system, and the sound functioning of the payment system.

Article Added OJF 07-06-2006, Reformed OJF 01-10-2014

Article 148. - The resolution of a commercial bank shall be initiated when the National Banking and Securities Commission revokes the authorization that was granted to it to organize and operate as such, or, when the Banking Stability Committee determines that any of the events set forth in article 29 Bis 6 of this Law may take place.

The resolution of a commercial bank shall be carried out pursuant to the following methods:

- I. When the National Banking and Securities Commission revokes the authorization to organize or operate as a commercial bank, the Board of Governors of the Institute for the Protection of Bank Savings determines that the bankruptcy proceeding or judicial liquidation be done through the transactions set forth in the Section Second of this Chapter, or
- II. When the Banking Stability Committee resolves that the commercial bank in question may carry out any of the events of article 29 Bis 6 of this law, the Board of Governors of the Institute for the Protection of Bank Savings shall determine the resolution plan that corresponds pursuant to the following:
 - a. The recapitalizing the commercial bank in the terms set forth in the Part B or C of the present Section, as the case may be, provided that the Banking Stability Committee determines a general percentage of one hundred percent over the

balance of all the transactions payable by the bank in question in terms of article 29 Bis 6 of this Law, in which case the National Banking and Securities Commission shall abstain from revoking the authorization granted to the commercial bank in question to organize and operate as such, or

- b. The payment pursuant to article 198 or the transfer of assets and liabilities pursuant to what is set forth in articles 194 or 197 of this statute, when the Banking Stability Committee, in terms of the second paragraph of article 29 Bis 6 determines a percentage equal to or less than one hundred percent of all the transactions that are not considered guaranteed obligations in terms of the Bank Savings Protection Law and those guaranteed obligations that surpass the limit indicated in article 11 of that same Law, except for what is indicated in subsections II, IV and V of article 10 of the Bank Savings Protection Law and the liabilities derived from the issuance of subordinated debentures.

The Institute for the Protection of Bank Savings must notify the National Banking and Securities Commission of the adoption of the resolution plan this subsection refers to, so the latter carries out the revocation of the authorization rendered to the bank in question to organize and operate as such.

In the cases that this section refers to, the Board of Governors of the Institute for the Protection of Bank Savings must determine the resolution plan that corresponds, taking into account the information available and the possible cost for the Federal Treasury or for the Institute for the Protection of Bank Savings. The determination must be adopted through the majority of the attending members, and shall require the favorable vote of at least one of the three first members that article 75 of the Bank Savings Protection Law refers to. Said determination must be adopted in a maximum term of five business days counting from the date in which the Banking Stability Committee adopted the mentioned resolution.

The resolution plans that the present article refers to, as well as the acts or transactions that, in the scope of their respective resolution powers, are issued or executed for the implementation of said plans by the Ministry of Finance and Public Credit, the National Banking and Securities Commission, Banco de México, and the Institute for the Protection of Bank Savings, are considered of public order and social interest.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

Article 149. - Banco de México and the National Banking and Securities Commission, through previous agreement by its Governor and Chairman, respectively, may commission personnel to temporarily provide services to the Institute for the Protection of Bank Savings when said Institute requests it, with previous agreement of its Board of Governors for considering it necessary for the

orderly resolution plan of any commercial bank, pursuant to what is set forth in this law. The organic statute or regulations of the Institute for the Protection of Bank Savings may set forth the duties that the commissioned personnel may carry out, nevertheless, this personnel will never have the authority to represent the Institute. For such effects, Banco de México and the National Banking and Securities Commission may grant the commission personnel licenses with salary. The duration of the said licenses if necessary may be longer to the licenses term set forth in the Professional Career Service in Federal Public Administration Law.

The commission that the paragraph above refers to shall be governed by the labor provisions applicable to Banco de México and the National Banking and Securities Commission and throughout it, the personnel shall at all times keep their rights and benefits of labor nature and at the conclusion of the commission, the personnel shall reincorporate to the institution that it was commissioned by.

The commissions that this article refers to shall not create relations of labor nature between the commissioned personnel and the Institute for the Protection of Bank Savings, for which in no case shall the latter be considered a substitute or joint employer of the referred to personnel, in a manner that the preexisting labor relations are not interrupted by reason of the commission.

Likewise, the Institute for the Protection of Bank Savings may temporarily commission its personnel, in the events and under the terms and conditions determined by its Board of Governors, to perform duties in Banco de México; in the Management and Transfer of Properties Agency; in the National Banking and Securities Commission; in development banks; in companies in which the referred to Institute is a shareholder or associate, as well as in the trustee of the trust that the Law that creates the Trust that Manages the Fund for the Strengthening of Companies and Cooperatives of Savings, Loan, and Support to their Savers refers to, in this last case provided they develop functions related to said trust.

The Institute for the Protection of Bank Savings may carry out and support studies and investigations, share its database and provide advise to offices and entities of the Federal Public Administration, to Banco de México, and to the trustee of the trust that the paragraph above refers to, all of this related to the functions of the same Institute established in the present Law, in the Bank Savings Protection Law, and in the provisions that are issued based on the referred to laws. The advice or opinions issued by the Institute in the exercise of such authority shall not be mandatory.

For effect of what is set forth in this article, the Institute for the Protection of Bank Savings may execute coordination agreements with Banco de México, the offices and entities of the Federal Public Administration, as well as the bodies, companies, and institutions referred to in this precept.

Article added OJF 07-06-2006. Reformed OJF 01-10-2014

Article 150.- In the case that the Board of Governors of the Institute for the Protection of Bank Savings, pursuant to what is set forth by this law, determines a resolution plan applicable to a commercial bank that had adhered to the regime of conditioned operation set forth in article 29 Bis 2 of this law and, at the same time, it had been in any of the events of section of article 29 Bis 4 of this same law, the trust company in the trust that the last mentioned precept refers to, by instruction of said Institute and in the exercise of the corporate and property rights of the shares subject to said trust, must call an extraordinary general shareholders' meeting. Said meeting must acknowledge the corresponding resolution plan pursuant to what is determined by the Board of Governors of the Institute for the Protection of Bank Savings, as well as, in its case, the appointment of the receiver in terms of article 130 of this Law.

Article added OJF 01-10-2014

Part B

Of the Financial Recapitalization of the Commercial Banks through Financial Aid

Paragraph added OJF 01-10-2014

Article 151. - The financial aid considered in this Part shall be granted to those commercial banks that adhered to the regime of conditioned operation in which any of the events set forth by section V of article 29 Bis 4 takes place and that are also in the event set forth in article 148, subsection II, subparagraph a) of this Law.

To the effect, the aids that the present Part refers to must be carried out through the subscription of shares of the commercial bank in question. In this case, a receiver shall be appointed pursuant to article 130 of this Law.

Article added OJF 01-10-2014

Article 152. - Regarding the subscription of shares set forth in the article above, the trust company of the trust that article 29 Bis 4 of this Law refers to, by instructions of the Institute for the Protection of Bank Savings and in the exercise of the corporate and property rights of the representative shares of the capital stock of the corresponding commercial bank, shall call an extraordinary general shareholders' meeting to the ends of agreeing on carrying out the capital contributions that are necessary, pursuant to the following:

- I. They must be done in acts aimed at applying the positive items of the shareholders' equity of the commercial bank that are different from the capital stock, to the negative items of the same shareholders' equity, including the absorption of the losses of said bank.
- II. If after the application referred to in the subsection above, there are negative items of the shareholders' equity, the capital stock must be reduced. Once this is carried out, said capital must be increased for the amount necessary for the commercial bank to comply

with the capitalization index required by the provisions that article 50 of this Law refers to.

For effects of what is set forth in this subsection, Banco de México and the National Banking and Securities Commission must provide said Institute with the information that it considers necessary.

In the shares that are issued to the increase the capital that the present section refers to, the consent of the holders must be provided so that, in the case that article 154 of this law becomes applicable, the Institute for the Protection of Bank Savings may sell on behalf of the shareholders their shareholding, in the same terms and conditions in which the Institute might sale the shares it subscribes.

- III. The Institute for the Protection of Bank Savings must carry out the necessary contributions to cover the amount of the capital increase indicated in the subsection above. On the same date on which the Institute subscribes and pays the shares that are issued by virtue of said increase of capital, it shall offer said shares for purchase to the trustors in the trust referred to in the first paragraph of this article or to those with the capacity to become shareholders, pursuant to the percentages that correspond, with the previous proportional payment of all the negative items of the shareholders' equity.

The trustors and shareholders cited in the paragraph above shall have a term of twenty business days to acquire the shares that correspond to them, starting from the day when the Institute for the Protection of Bank Savings publishes the corresponding agreement of the increase of capital in the Official Journal of the Federation.

Article added OJF 01-10-2014

Article 153. - Once the term that subsection III of article 152 of this Law refers to has elapsed, the Institute for the Protection of Bank Saving must proceed to carry out the acts necessary for the sale of the representative shares of the capital stock of the commercial bank that it is a holder of.

The sale must be carried out within a maximum period of one year counting from when the term indicated in the paragraph above has elapsed and in accordance with what is set forth in articles 199 to 215 of this Law. The term mentioned in this paragraph may be extended by the Board of Governors of the Institute for the Protection of Bank Savings on one occasion and for the same term.

Article added OJF 01-10-2014

Article 154. - The trust company in the trust that article 29 Bis 4 of this law refers to, in the execution of the instructions included in the respective trust agreement, and the Institute for the Protection of

Bank Savings, in attention to the consent provided in the shares that article 152 of this law refers to, whichever the case, shall sell the shares of the trustors or shareholders of the commercial bank in question, on their account and order, in the same conditions in which the Institute shall carry out the sale that the paragraph above refers to.

Likewise, the Institute for the Protection of Bank Savings shall sell, by account and order of the shareholders, the shares that were not allocated in the trust referred to in article 29 Bis 4 of this Law, in the same terms and conditions in which the Institute carries out the sale of its shareholding. In the corporate bylaws and in the shares themselves, the irrevocable consent of the shareholders to carry out the sale of the shares that this paragraph refers to must be expressly provided.

For effects of what is set forth in the paragraph above, for the protection of the public interest, the securities depository institution in which the shares are deposited, at the sole written request of the Institute for the Protection of Bank Savings, must transfer the shares to an account of such Institute.

The trustee and the Institute referred to in this article must deliver, to whom it corresponds, the product of the sale of the shares, in a maximum term of three business days, counting from the reception of the corresponding price.

Article added OJF 01-10-2014

Article 155. - The persons who had control of the commercial bank in question in term of what is set forth in Law on the date in which the trust that article 29 Bis 4 of this Law is constituted or on the date in which the Institute instructs the corresponding trustee in said trust to call the extraordinary general meeting pursuant to article 152 of this Law, may not directly or indirectly acquire the shares that the Institute for the Protection of Bank Savings sells in accordance with the provisions of the previous two articles.

PART C

Of the Financial Recapitalization of the Commercial Banks through Credits

Part added OJF 01-10-2014

Article 156. - The credits considered in the present Part shall only be granted to those commercial banks that are in the event set forth in article 148, subsection II, subparagraph a) of this law and that:

- i) had not adhered to the regime of conditioned operation that article 29 Bis 2 of this law refers to, or
- ii) had defaulted on the credit of last resort that Banco de México had granted it.

In this case, the receiver of the corresponding credit institution must contract, in the name of the institution itself, a credit granted by the Institute for the Protection of Bank Savings for an amount equal to the necessary resources to comply with the capitalization index established in article 50 of

this law or to comply with the payment of the expired credit of last resort granted by Banco de México. The credit granted by the Institute for the Protection of Bank Savings must be paid in a term that, in no event, may exceed fifteen business days counting from when it was granted. In any case, the event set forth in subsection III of article 129 of this Law shall continue to have effects until the commercial bank pays the credit granted by the Institute for the Protection of Bank Savings.

To grant the credit referred to in this article, the Institute for the Protection of Bank Savings shall consider the financial and operational condition of the commercial bank in question and, as a consequence of that, determine the terms and conditions that are deemed necessary and opportune.

The credit resources granted by the Institute for the Protection of Bank Savings shall be invested in government securities that shall be deposited in the custody of a development bank, except when they are used to pay credit of last resort of Banco de México.

Article added OJF 01-10-2014

Article 157. - The payment of the credit that the article above refers to shall be guaranteed with the totality of the representative shares of capital stock in the commercial bank in question, that shall be transferred to the account that the Institute for the Protection of Bank Savings keeps in any of the securities depository institution considered in the Securities Market Law. The corresponding transfer shall be requested by the receiver.

The payment of the credit may only be done with the resources that are obtained, in its case, by the increase of the capital that the following article refers to.

For the protection of the interest of the saving public, of the payments system, and of the public interest in general, in the event that the receiver of the commercial bank does not request the transfer of the shares that this article refers to, the respective securities depository institution must transfer said shares, being enough the sole written request of the Executive Secretary of the Institute for the Protection of Bank Savings.

As long as the guaranteed commitments arising from the credit granted by the Institute for the Protection of Bank Savings are not fulfilled, said Institute will be entitled to exercise the corporate and property rights inherent to the representative shares of the capital stock of the corresponding commercial bank. The guarantee in favor of the Institute for the Protection of Bank Savings shall be considered of public interest and preferable to any right constituted over said shares. Without prejudice of the foregoing, the representative shares of capital stock of the bank that are in guarantee pursuant to this article, may be object of a subsequent lien, provided said transactions are entered into pursuing the capitalization of the commercial bank and that do not affect the rights in favor of the Institute.

Article 158. - The receiver of the commercial bank must publish notices, at least, in two newspapers of wide circulation in the city that corresponds to the domicile of said commercial bank, to make aware the holders of the representative shares of the capital stock of that bank of the credit granted to said commercial bank by the Institute for the Protection of Bank Savings, as well as its expiration term and the other terms and conditions.

Likewise, the receiver must call an extraordinary general shareholders' meeting of the commercial bank in question, to which the holders of the representative shares of the capital stock of said commercial bank may attend. The Institute for the Protection of Bank Savings, in the exercise of the corporate and property rights indicated in the last paragraph of article 157 may agree on the increase of the capital of the commercial bank in the amount necessary to enable the commercial bank to pay the credit granted by said Institute.

For effect of what is set forth in the paragraph above, the shareholders' meeting of the bank in question, including its call, shall be held pursuant to what is set forth by article 29 Bis 1 of this law.

The shareholders that wish to subscribe and pay the shares derived from the increase to the capital that this article refers to must communicate it to the receiver so that the Institute for the Protection of Bank Savings, in the exercise of the corporate and property rights that correspond to it in terms of this Law, may adopt the corresponding agreements in the meeting held to the effect.

Article 159. - Once the meeting referred to in the article above has been held, the shareholders shall have a term of four business days to subscribe and pay the shares that are issued as a consequence of the resolution to increase the capital. The subscription of the increase of the capital shall be in proportion to the individual shareholding and before the loss allocation that corresponds to each shareholder.

As an exception of the provisions of the previous paragraph, the shareholders shall have the right to subscribe and pay shares in a number greater than what corresponds to them pursuant to said paragraph, if the shares that are issued regarding the increase of capital are not subscribed or paid in their totality. The event that this paragraph refers to shall be subject to what is set forth in this Law to acquire or transfer representative shares of the capital stock of the commercial banks.

In any case, the capital increased pursuant to the present Part must be enough for the commercial bank to have the possibility to pay the credit granted by the Institute for the Protection of Bank Savings.

Article 160. - In the event that the shareholders subscribe and pay the totality of the shares arising from the increase of capital necessary for the commercial bank to pay the credit granted by the Institute for the Protection of Bank Savings, the receiver shall pay, on the commercial bank's behalf, the credit granted by the Institute for the Protection of Bank Savings pursuant to article 156. In this case the guarantee that article 157 of this law refers to shall no longer be effective, and the receiver shall request the securities depository institution to transfer back the representative shares of capital stock of that commercial bank.

Article 161. - In case the obligations derived from the credit granted by the Institute for the Protection of Bank Savings, pursuant to the present Part were not fulfilled by the commercial bank in the term agreed upon, said Institute shall award itself the representative shares of capital stock of that commercial bank, given in guarantee pursuant to article 157 of this Law, and in its case, shall pay the shareholders the book value of each share, pursuant to the shareholders' equity of the last financial statements available on the date of such allotment.

The shares referred to in this article shall pass with full rights to the ownership of the Institute for the Protection of Bank Savings, except one, that shall be transferred to the Federal Government.

For the determination of the book value of each share, the Institute for the Protection of Bank Savings must contract, at the bank's sole expense, a specialized third party to the ends that in a term that may not exceed one hundred and twenty business days counting from the respective contracting, to audit the financial statements of the commercial bank mentioned in the first paragraph of this article. The referred book value shall be that determined by the specialized third party mentioned in this paragraph. Said value shall be calculated based on the financial information of the respective commercial bank, as well as on the information requested to the National Banking and Securities Commission to that regard and that it obtained from its inspection and surveillance duties. The specialized third party must comply with the criteria of independence and neutrality that said Commission determines based on what is set forth in article 110 of this law.

The Institute for the Protection of Bank Savings must make the payment of the shares in a term no greater than one hundred and sixty business days, counting from the date on which the allotment was carried out.

In the case that the value of allotment of the shares is lower than the balance of the credit on the date of the allotment, the commercial bank must pay the Institute for the Protection of Bank Savings the

difference between these amounts in a term no greater than two business days counting from the determination of the book value of the shares pursuant to what is set forth in this article.

For the protection of the interest of the saving public, of the payments system, and of the public interest in general, the securities depository institution authorized in the terms of the Securities Market Law in which the respective shares are deposited, shall transfer them to the accounts indicated by the Institute for the Protection of Bank Savings. To make the transfer it shall be enough the sole written request of the Executive Secretary of said Institute.

The holders of the shares at the time of the allotment in terms of this article may challenge only the value of the awarded shares. To this regard, said shareholders shall appoint a common representative, who shall participate in the procedure to appoint, together with the Institute for the Protection of Bank Savings, a third party. This third shall issue a resolution in respect to the book value of said shares.

Article added OJF 01-10-2014

Article 162. - Once the shares have been awarded in accordance with the provisions established in the article above, the receiver, in compliance with the agreement of the Board of Governors of the Institute for the Protection of Bank Savings that article 148, subsection II, subparagraph a) of this law refers to, shall call for an extraordinary general shareholders' meeting for effects that said Institute agrees on the necessary capital contributions to permit the commercial bank to comply with the capitalization index required by the provisions that article 50 of this Law, pursuant to the following:

- I. It must be carried out the acts aimed at applying the positive items of the shareholders' equity of the commercial bank different from the capital stock to the negative items of the shareholders' equity, including the loss allocation of said bank, and
- II. Once the application that is referred to in the subsection above is carried out, if there are negative items of the shareholders' equity, the capital stock must be reduced. Afterwards, an increase must be done to said capital for the amount necessary for the commercial bank to comply with the capitalization index required by the provisions that article 50 of this Law refers to. The increase shall include the capitalization of the credit granted by the Institute for the Protection of Bank Savings pursuant to article 156 of this Law, as well as the subscription and payment of the corresponding shares by said Institute.

Article added OJF 01-10-2014

Article 163. - Once the shares have been awarded pursuant to article 161 and, in its case, the acts that article 162 of this Law refers to have been executed, the Institute for the Protection of Bank Savings must sell the shares, in a maximum term of one year and in accordance with what is set forth in articles 199 to 215 of this Law. Said term may be extended by the Board of Governors of the Institute for the Protection of Bank Savings on one occasion and for the same duration.

The persons who had control of the commercial bank in question in terms of what is set forth in this Law may not acquire the shares that the Institute for the Protection of Bank Savings sells, on the date that the credit is granted that article 156 refers to as well as on the date of allotment of the shares pursuant to article 161 of this Law.

Article added OJF 01-10-2014

Article 164. - In protection of the interests of the saving public, of the payment systems and of the public interest in general, what is set forth in articles 156 to 163 of this Law must be expressly provided in the bylaws and representative titles of the capital stock of the commercial banks, as well as the irrevocable consent of the shareholders for the application of such articles in the event that the events set forth in them take place.

Article added OJF 01-10-2014

SECTION SECOND

Of the Liquidation and Judicial Liquidation of the Commercial Banks

Section added OJF 01-10-2014

PART A

Of the Transactions for the Liquidation of the Commercial Banks

Article added OJF 01-10-2014

Article 165. - For the protection of the interests of the saving public, of the creditors of the commercial banks, and of the public in general, the commercial banks and the Institute for the Protection of Bank Savings shall abide with this Section, trying to pay the savers and other creditors in the lowest possible time and to obtain the maximum recuperation value of the assets of said commercial banks.

Article added OJF 01-10-2014

Article 166. - The liquidation of the commercial banks shall be governed by this Law and, in what is applicable, by the provisions of the Bank Savings Protection Law and the Payment Systems Law. Chapter X and XI of the Business Associations Law shall be applicable regarding those events not regulated in the mentioned laws.

Article added OJF 01-10-2014

Article 167. - The Institute for the Protection of Bank Savings shall act as liquidator from the date on which the revocation of the authorization to organize and operate as a commercial bank takes effect, without prejudice of the corresponding registrations being done afterwards in the Public Registry of Commerce.

The Institute for the Protection of Bank Savings may perform of its authority as liquidator through its personnel or through the attorneys-in-fact that it appoints and hires for such effect, payable by the equity of the commercial bank in question. The granting of the respective powers may be done in

favor of an individual or legal entity and shall take effect against third parties starting from date granted, independently from it being registered later in the Public Registry of Commerce. The cited Institute, through the guidelines approved by its Board of Governors, must establish governing criteria to determine the fees of the attorneys-in-fact that might be appointed and hired pursuant to what is established in this article.

The Institute for the Protection of Bank Savings, in its capacity of liquidator, in addition to the powers that this section refers to, shall have the powers and duties that article 133 of this law refers to, it shall be the legal representative of the commercial bank in question and it shall have the broadest powers of ownership rendered by law, that are granted to it expressly in this law and those that derive from the nature of its duty.

For the adequate fulfillment of its duties, the liquidator may request the assistance of the public force, for which the competent authorities shall provide such assistance, with the availability and for all the time that is necessary.

Article added OJF 01-10-2014

Article 168. - Once the commercial bank enters a liquidation proceeding, the person or persons that have the powers to manage it must carry out the delivery of the administration to the liquidator or the attorney-in-fact that is appointed, in terms of article 167 of this Law.

The delivery that this article refers to shall include all the goods, books, and documents of the commercial bank in a bankruptcy proceeding, for which the persons that the paragraph above refers to must prepare a detailed inventory, identifying those goods that the bank keeps by account of third parties. Without prejudice to the foregoing, the reception by the liquidator shall not imply its approval of the content of said information.

The officials and employees of the commercial bank that have the goods that the latter possesses, administers, or of which it is an owner, including books, papers, records, documents, databases, or any other information storage system, shall be considered depositaries of such goods starting from the date said bank enters into a liquidation proceeding, for which they must render accounts on their condition to the liquidator, whom at any time may request its delivery.

It shall be assumed that all the correspondence that arrives to the domicile of the commercial bank in liquidation is regarding its operations, for which the liquidator, once it is in charge of the administration, may receive and open such correspondence without needing the presence or authorization of any person.

Article added OJF 01-10-2014

Article 169. - From the date in which the commercial bank enters into a liquidation proceeding, the Institute for the Protection of Bank Savings, in its capacity of liquidator, shall have the following powers:

- I. Collect what is owed to the commercial bank;
- II. Sell the assets of the commercial bank;
- III. Pay or transfer the liabilities payable by the commercial bank;
- IV. In its case, pay the shareholders' corporate equity, and
- V. Carry out the other acts aimed at the conclusion of the bankruptcy proceeding.

The foregoing, pursuant to the liquidation proceeding operations and the payment order set forth in the present Part.

The liquidator must carry out the initial balance of the liquidation proceeding to the ends that the value of the assets of the commercial bank is determined pursuant to the applicable norms of accounting records. Said balance must be reported by a specialized third party of renowned experience that the liquidator hires for such effect, and be submitted to the approval of the Board of Governors of the Institute for the Protection of Bank Savings.

Article added OJF 01-10-2014

Article 170. - Without prejudice of the power of the National Banking and Securities Commission to order the closing of the offices and branches of the commercial bank, pursuant to what is set forth in article 141 of this Law, starting from the date in which the bank enters into a liquidation proceeding, it must keep its offices and branches closed, as well as suspend any kind of active, passive, or service transaction from being carried out until a liquidator resolves what is pertinent in terms of the present Law. The foregoing, without prejudice of what is established in the Payment Systems Law.

The liquidator shall establish the terms and conditions in which the offices and branches of the commercial bank in a liquidation proceeding shall remain open for the attention of the clients for the active transactions and services determined by the liquidator. The liquidator must report said terms and conditions to the general public, through notice published in the Official Journal of the Federation and in a newspaper of wide national circulation.

Likewise, the liquidator may execute agreements with another commercial bank or some third party empowered to do so, through which these shall receive payments related to the active transactions of the commercial bank in liquidation proceeding or carry out any other action that the liquidator deems necessary or convenient for the liquidation proceeding of such bank.

Article added OJF 01-10-2014

Article 171. - Any contractual stipulation that establishes modifications that worsen the terms and conditions for a commercial bank in the respective agreements shall be deemed non-included, due to the entering into a liquidation proceeding.

Article added OJF 01-10-2014

Article 172. - Starting from the date on which the bank enters into a liquidation proceeding, the passive transactions payable by such bank shall be subject to the following:

- I. The obligations at fixed terms shall be considered expired with the accumulated interests to such date;
- II. The unpaid capital and financial ancillaries of the obligations in domestic currency, without guarantee *in rem*, as well as the credits that were originally denominated in investment units shall not cause interest;
- III. The unpaid capital and financial ancillaries of the obligations in foreign currency, without guarantee *in rem*, independent of the place agreed upon for its payment, shall stop causing interest and shall become domestic currency. For the determination of the value of the obligations denominated in currency of legal tender in the United States of America, its equivalency shall be calculated in domestic currency based on the exchange rate published by Banco de México in the Official Journal of the Federation, on the banking business day before the date on which the bank enters a liquidation proceeding, pursuant to the provisions relative to the determination of the exchange rate to settle obligations denominated in foreign currency payable in the Mexican Republic. The equivalency of other foreign currency with the Mexican peso shall be calculated by Banco de México at the request of the Institute for the Protection of Bank Savings, attending to the value that governs such currency against the currency of legal tender in the United States of America, in the international markets, on the aforementioned day;
- IV. The obligations with a guarantee or lien on real property, independent from it initially being agreed that its payment would be in the Mexican Republic or abroad, shall be kept in the currency or unit in which they are denominated and shall only cause the ordinary interest stipulated in the respective agreements, up to for the value of the good that guarantee them;
- V. In respect to the obligations subject to a condition precedent shall be considered as if the condition has not occurred;
- VI. The obligations subject to a condition subsequent shall be considered as if the condition has occurred, without the parties having to return the benefits received to each other while the obligation survived, and
- VII. The means for the disposal of funds shall be held as cancelled.

What is set forth in this article shall not apply to those transactions that are object of a transfer pursuant to articles 194 to 197 of this Law. Notwithstanding the foregoing, in the event that the holder of a passive transaction whose term has not expired, keeps expired loans in favor of the bank in

liquidation proceeding in terms of article 175 of the present Law, the passive obligation in question shall be extinguished due to novation by operation of the law, for which a new passive transaction shall be constituted for the amount that comes from deducting the expired amounts of the loans and which shall be subject to the transfer of assets and liabilities pursuant to what is set forth in articles 194 or 197 of the present Law. The other conditions agreed upon by the holder of the transaction and the commercial bank in liquidation proceeding shall remain without modifications and the term of the transactions shall be what was left to expire.

Article added OJF 01-10-2014

Article 173. - The active transactions of the commercial banks shall be subject to what is here indicated, starting from the date in which they enter a liquidation proceeding:

- I. The loans shall be terminated in the part that the borrowers did not dispose of, without prejudice of the validity of the other terms and conditions that correspond;
- II. In terms of agreements of an opening of a loan in a revolving account, the total or partial payments done by the borrowers after the date that the first paragraph of this article refers to, shall not give said borrowers any rights to dispose of the balance that results in their favor, which shall be paid off in each payment date, and
- III. All the means for the disposal of loans shall be cancelled.

What is set forth in this article shall not be applicable to those transactions that are subject to transfer pursuant to articles 194 or 197 of this Law.

Article added OJF 01-10-2014

Article 174. - The lease agreements that were entered into by the commercial bank in a liquidation proceeding as a tenant, as well as those that it entered into to receive services from any provider or from companies that belong to the same business group that it forms a part of, shall be expired starting from the date in which the bank enters a liquidation proceeding. Notwithstanding, the liquidator may determine that some of the mentioned agreements remain valid when the equity of the bank is benefited or when its use is essential during the liquidation proceeding.

The expenses originated by the continuation of the lease agreements or services mentioned before shall be considered expenses of ordinary operation, therefore what is indicated in the third paragraph of article 180 of this law shall be applicable.

What is set forth in this article shall not be applied to those transactions that are object of a transfer pursuant to articles 194 or 197 of this Law.

Article added OJF 01-10-2014

Article 175. - On the date on which a commercial bank enters into a liquidation proceeding, the balance of the passive transactions guaranteed by the Institute for the Protection of Bank Savings for up to the limit established in the Bank Savings Protection Law, shall be settled against the expired balance of the rights of loan in favor of said bank arising from active transactions. The compensation shall only be carried out in respect to the transactions that are in the systems that the commercial bank must keep that are referred to in article 124 of this law.

The calculation of the expired credits, for effects of what is set forth in this article, shall be done pursuant to the provisions of general nature regarding the loan portfolio issued by the National Banking and Securities Commission.

Regarding the settlement established in the present article, the following shall be observed:

- I. When carrying out the settlement, the following shall not be considered:
 - a. The balance of the loans payable by the holder of the transaction, when some jurisdictional procedure exists for the collection of the same or when the substance thereof consists in the validity of the same active transaction or on the expired balance payable by the holder, provided that the commercial bank or the holder of the transaction in question was summoned before the date in which the commercial bank entered into a liquidation proceeding, or
 - b. The balance of the passive transactions in respect to which the competent authority had notified the commercial bank in question, before the date of the liquidation proceeding, an order that affects the availability of the resources related with such passive transactions.
- II. The settlement shall take place even in the cases of transactions considered by the National Commission for the Protection of the Users of Financial Services as massively executed by the credit institutions in terms of the Financial Services Transparency and Regulation Law, notwithstanding that they were object of clarification under the procedure and for the amounts that article 23 of the cited Law refers to. In these cases, the settlement shall produce its effects as if the clarification was not presented, however, the commercial bank in liquidation proceeding must keep a reserve for an amount equal to that which is object of the claim.
- III. In the event that the request for clarification mentioned in the section above applies, it must observe the following:
 - a. If the compensation was done in respect to the passive transactions considered guaranteed obligations in terms of the Bank Savings Protection Law, the commercial bank in liquidation proceeding must report to the Institute for the Protection of Bank Savings, the amount in favor of its customer arising from the clarification, to the ends that the aforementioned Institute covers, in its case, the difference in favor of the guaranteed holder, provided that with said payment, the limit established in article 11 of the Bank Savings Protection Law is not exceeded.

The commercial bank must pay the persons that have a right to the payment of the guaranteed obligations that the Bank Savings Protection Law refers to, payable by the reserve that the paragraph above refers to, the amount exceeding the guaranteed limit, subject to the payment order that corresponds in terms of this law. The amount in excess of the aforementioned limit must be made effective before the commercial bank in liquidation proceeding, and

- b. Regarding the passive transactions that are not considered guaranteed obligations in terms of the Bank Savings Protection Law, or in respect to the amount that exceeds the limit established in article 11 of said statute, the commercial bank in liquidation proceeding must pay to the person who holds the legal right of the transaction, as the case may be, payable by the reserve that the paragraph above refers to and subject to the hierarchy of claims applicable in terms of this law, the amount that said person has a right to, as a result of the clarification procedure.

IV. If after the claim is resolved, and once the resources have been applied, a surplus of the reserve exists, said amount must be distributed among the creditors of said bank, pursuant to the hierarchy of claims applicable in accordance with article 180 of the present law.

Article added OJF 01-10-2014

Article 176. - Derivatives, repos and securities loan transactions, may not be terminated upon the exercise of any early termination right nor become liquid and payable in the terms agreed or under the provisions of this law, until a temporary stay of two business days has elapsed starting from the date on which the revocation of authorization granted to a commercial bank to organize and operate as such is published. Once said term has elapsed, the referred to transactions shall be settled through the payment of the debt balance pursuant to what is set forth in paragraph four of this article.

If once the mentioned transaction has been early terminated, it results that the commercial bank is debtor and creditor of a same counterparty, said transactions must be offset jointly and shall be enforceable in the agreed terms and as this law indicates, provided that they may be determined in money.

Once the offset referred to in the paragraph above has been done, in case guarantees were granted in which it was agreed that the property thereof would be transferred to the creditor, if necessary, these may be executed starting from the early termination of the mentioned transactions.

The debt balance resulting from the early termination or from the offset of the transactions that is payable by the commercial bank in liquidation proceeding, must be paid pursuant to the order established in article 180 of this Law.

If there were a credit balance in favor of the commercial bank, the counterparty shall deliver it to the liquidator in a term no greater than thirty calendar days, counting from the date on which the publication of the revocation is published, or pursuant to what was established in the agreements of such transactions, whichever is less.

In case that no provision exists in the agreements to determine the value of the securities object of the repo or of the securities loan, or of the underlying assets of the derivative transactions, or of the value of the guarantees that there may be, it shall be determined pursuant to its market value on the date of revocation of the authorization that the first paragraph of this article refers to. If there is no market price available and provable, the liquidator may commission an experimented third party in the matter, the valuation of the securities or underlying assets.

The transactions that, within the terms mentioned in the first paragraph of this article, are object of a transfer pursuant to articles 194 or 197 of this Law, may not be early terminated as a result of the revocation of the authorization of the bank from which they are transferred.

Article added OJF 01-10-2014

Article 177. - The payments or transfers that are done pursuant to the what is set forth in the present Section shall be carried out based on the information that the commercial bank in liquidation proceeding keeps in accordance with what is established in article 124 of this Law.

Article added OJF 01-10-2014

Article 178. - The liquidator shall not be responsible for the errors or omissions in the information that article 124 of this law refers regarding to the creditors and the characteristics of the obligations that the commercial bank keeps, whose origin was before the appointment of the liquidator and arise from the lack of registry of the credits payable by the commercial bank in liquidation proceeding or from any other error in accounting, records, or other information of said commercial bank.

Article added OJF 01-10-2014

Article 179. - When in another procedure a judgment, labor award or final administrative resolution has been issued, where a credit right against the commercial bank in liquidation proceeding has been declared, the corresponding creditor must submit to the liquidator a certified copy of said judgment, award or resolution.

The liquidator must recognize the credit in the terms of such resolutions, determining its hierarchy regarding the other claims in liquidation in the terms set forth in this Law.

Article added OJF 01-10-2014

Article 180. - The liquidator, to carry out the payment of the claims in liquidation regarding the commercial bank in liquidation proceeding, must consider the following order:

- I. Credits with guarantee or lien on real property
- II. Labor credits different from those referred to in subsection XXIII of part A of article 123 of the Political Constitution of the United Mexican States and tax credits;
- III. Credits that have special privilege in accordance with the laws that govern them;
- IV. Credits arising from the payment of guaranteed obligations pursuant to article 6 of the Bank Savings Protection Law, up to for the limit that article 11 of said Law refers to, as well as any other liability in favor of the Institute for the Protection of Bank Savings;
- V. Credits arising from guaranteed obligations pursuant to article 6 of the Bank Savings Protection Law, for the balance that exceeds the limits that article 11 of this Law refers to;
- VI. Credits arising from other obligations different from those indicated in the sections above;
- VII. Credits arising from preferable subordinated debentures, pursuant to what is set forth in article 64 of this law, and
- VIII. Credits arising from non-preferable subordinated debentures, pursuant to what is set forth in article 64 of this law.

The credits referred to in subsection XXIII of Part A of article 123 of the Political Constitution of the United Mexican States shall have preference over the obligations mentioned in the sections above.

Under no circumstance must the payment of the expenses of ordinary operation considered with such nature in terms of the Law be interrupted.

The expenses and fees that are generated by reason of the liquidation proceeding shall be considered expenses of ordinary operation of the commercial bank in question.

The surplus that, in its case, came from the corporate equity, shall be delivered to the holders of the representative shares of the capital stock.

What is set forth in the Payment Systems Law shall be applicable notwithstanding what is set forth in this article.

For the sole payment of the guaranteed obligations in terms of the Bank Savings Protection Law and, in its case, for the sole payment carried out in terms of subparagraph b) of subsection II of article 148 of this Law, the Institute for the Protection of Bank Savings shall subrogate in the corresponding collection rights, with the privileges corresponding to the holders of the paid transactions, for the

amount covered, being enough to that regard the document in which the referred to payment is recorded. The collection rights of the Institute for the Protection of Bank Savings indicated before shall have preference over those corresponding to the balance not covered by the latter of the respective obligations.

To carry out the payment to the creditors whose credits are in the sections included in the present article, the credits corresponding to the second paragraph of the present article and those before it must be paid or reserved, pursuant to the payment order established in this article.

Article added OJF 01-10-2014

Article 181. - The credits with guarantee or lien on real property that subsection I of article 180 of this Law refers to shall be paid with the product of the sale of the assets subject to the respective guarantee with absolute exclusion of the credits that subsections II to VIII of said article refer to, being subject to the collection order that is determined in accordance with the applicable provisions regarding the constitution of said guarantee, or in its defect, at pro rata.

In the event that the value of the guarantee or lien on real property that this law refers to, is below the amount of the debt per capital and ancillaries on the date on which the commercial bank enters into a liquidation proceeding, the respective creditors shall be considered included within the credits that subsection VI of article 180 of this law refers to, for the part that was not covered.

The creditors with special privilege shall collect in the same terms as the creditors with guarantee on real property or in accordance with the date of its credit, if this were not subject to registration. In case that several creditors concur on a determined thing, the distribution shall be done pro rata without distinction of dates, except if the laws establish otherwise.

Article added OJF 01-10-2014

Article 182. - The liquidator must constitute a reserve payable with the resources of the commercial bank in liquidation proceedings, in the following cases:

- I. When there are suits or procedures that the commercial bank is a part of and that do not have a final judgment or decision;
- II. In cases of credits that do not appear in the accounting and were notified by the competent authority as long as a final resolution does not exist, and
- III. When, at the resolution of the liquidator, the processing of an incident may derive in the sentence of damages and lost profits, according to the nature of the obligation that originated the dispute.

For the determination of the amount of the reserves that in term of what is indicated in this article, must be constituted, the liquidator must consider the provisions of general nature issued by the

National Banking and Securities Commission pursuant to article 99 of this Law, as well as the hierarchy regarding the claims in liquidation that article 180 of this Law refers to. The liquidator may periodically modify the amount of the reserves to reflect the best estimate possible.

Article added OJF 01-10-2014

Article 183. - The liquidator must invest the reserves constituted attributable to the resources that article 183 of the present law refers to, and other availabilities that the commercial bank in liquidation proceedings has, in instruments that gather the adequate security characteristics, liquidity, and availability, ensuring that said investment protects the real value of the resources.

Article added OJF 01-10-2014

Article 184.- The goods that are in the hands of the commercial bank in liquidation proceeding, arising from trust agreements, agency, commission, management, safety box service, custody, and other analogous acts for service transactions, shall not be considered part of the assets of the failed commercial bank.

Article added OJF 01-10-2014

Article 185.-In the transactions that article 184 of this law refers to, the liquidator must proceed to the substitution of the duties arising from the trust, agency, commission, administration, safety box service, custody, or respective act, which shall be agreed with the credit institution that fulfills the capitalization index and the capital buffers required pursuant to article 50 of this Law and the provisions that arise from it, the Management and Transfer of Properties Agency, a financial entity empowered to carry out this kind of activities, or in its case, with a commercial bank incorporated and operated by the Institute for the Protection of Bank Savings in terms of the Section Second of Chapter I of Title Second of the same law. The bank assuming the mentioned duties must inform the holders of the corresponding transactions about the substitution done in terms of this article within the thirty days following when this is executed.

In the cases in which the substitution of the duties that this articles refers to fall on the Management and Transfer of Properties Agency, the Federal Government may assign resources to said entity with the exclusive purpose of making the expenses associated to the performance of said duties, when it is informed that these may not be covered with the equity of the trust, or as the case may be, with the resources assigned to the provision of the respective service in which case, the Management and Transfer of Properties Agency shall be constituted as creditor of the entities that pursuant to the applicable legal provisions had the obligation of providing the necessary resources.

In the cases in which the liquidator cannot substitute the mentioned duties, it shall proceed to notify the holders of the respective transactions so that they withdraw their goods within the term of three hundred seventy five days counting from the date of the notice. Once this term has expired, the goods,

documents, and other papers that were not withdrawn shall be accounted for and kept by the liquidator during the liquidation proceeding and, in its case, during the term established in article 218 of this Law, after which they will pass in favor of the public welfare by adverse possession.

The liquidator may deliver the information related to the mentioned transactions to the entities negotiating said substitution, without being applicable the provisions of article 142 of this Law. During the negotiation processes for said substitution, the participants must keep confidentiality regarding the information that they have access to by said reason.

Article added OJF 01-10-2014

Article 186. - In the liquidation proceeding of the commercial bank, the Board of Governors of the Institute for the Protection of Bank Savings may determine that any of the following transactions take place:

- I. Transfer assets or liabilities of the bank in liquidation to another commercial bank (bridge bank), including the guaranteed obligations that article 6 of the Bank Saving Protection Law refers to, pursuant to what is set forth in article 194 of this Law, in the terms of the agreement that these enter into. In these cases, the transfer of assets may be done directly or through a trust;
- II. The incorporation, organization, and operation of a commercial bank by the same Institute, pursuant to what is set forth in the present Law and in the provisions that derive from it, with the purpose of transferring to the latter the assets and liabilities of the commercial bank in liquidation, or
- III. Any other that, pursuant to the limits and conditions set forth in this Law, it determines as the best alternative to protect the interests of the saving public, attending to the circumstances of the case.

The Institute for the Protection of Bank Savings shall proceed to pay the guaranteed obligations that are not object of some of the transfers indicated in the sections above, in terms of what is set forth in this law and in the Bank Savings Protection Law.

The transactions that the present article refers to may be done independently, successively, or simultaneously.

Article added OJF 01-10-2014

Article 187. - The transactions described in article 186 must adhere to the rule of lesser cost, understood as that under which the estimated cost that shall imply carrying out said transactions is less than the total estimated cost of the payment of the guaranteed obligations that article 6 of the Bank Savings Protection Law refers to.

For effects of what is set forth by the paragraph above, the total cost of the payment of the referred to guaranteed obligations of a commercial bank shall be calculated based on the financial information of said bank, available on the date on which the Board of Governors of the Institute for the Protection of Bank Savings determines the resolution plan. The cost of the payment of the guaranteed obligations of a commercial bank shall be equivalent to the result obtained from subtracting the value of its guaranteed obligations, for up to the amount that article 11 of the Bank Savings Protection Law refers to, the present value of the net amount that the Institute for the Protection of Bank Savings estimates to recover for the disposal of assets of said commercial bank and that, in its case, would correspond to it in case that what is set forth in article 17 of the Bank Savings Protection Law had taken place, as well as the estimated operative expenses in the liquidation proceeding.

In the case that the commercial bank in question resorted to, in its opportunity, to the regime of conditioned operation set forth in this Law and, notwithstanding that, it is in a liquidation proceeding, the Board of Governors of the Institute for the Protection of Bank Savings must also consider the results of a technical study drafted for such effects by the same Institute, with its personnel and through specialized third parties of renowned experience hired by it for such effects.

The Board of Governors of the Institute for the Protection of Bank Savings must establish, through guidelines of general nature, the elements that the technical study mentioned in this article must contain, which must include, at least, a detailed description of the financial condition of the commercial bank in question, the estimate of the total cost of the payment of the guaranteed obligations that result in terms of the present Law and the Bank Savings Protection Law and the estimated cost or, in its case, determined based on the specific proposals of acquisition of assets or liabilities presented by third parties, of at least one of the transactions that article 186 of this Law refers to.

The results of the technical study, as well as the information that is obtained to carry it out shall be considered confidential information for all legal effects. Thus, the specialized third parties hired by the Institute for the Protection of Bank Savings for its elaboration must at all times keep absolute secrecy regarding the information that they have access to for the elaboration of the study.

When a commercial bank belongs to a financial group, the technical study prepared in terms of this article shall have a preliminary nature and shall only be considered definitive after the requisites set forth in article 28 Bis of the Financial Groups Law are fulfilled.

Article added OJF 01-10-2014

Article 188. - For the protection of the saving public and regardless the commercial bank has sufficient resources, the Institute for the Protection of Bank Savings shall provide the necessary resources for the guaranteed obligations referred to in article 6 of the Bank Savings Law to be paid,

for up to the limit established in article 11 of the same Law, and it shall subrogate in the corresponding collections rights, in the terms set forth in article 180 of this Law.

Within the term of five days following the date on which the commercial bank entered into liquidation proceedings, said Institute shall publish a notice in the Official Journal of the Federation and, at least, in one newspaper of wide national circulation informing the date on which the commercial bank entered into a liquidation proceeding and that, within ninety days following the cited date, the mentioned guaranteed obligations shall be paid pursuant to what is set forth in article 191 of this Law, considering the information available pursuant to article 124 of this Law.

Article added OJF 01-10-2014

Article 189. - When a commercial bank enters a liquidation proceeding, the Institute for the Protection of Bank Savings shall proceed to cover the guaranteed obligations in terms of the Bank Savings Protection Law, pursuant to the following:

- I. The amount to be covered in accordance with what is established in the Bank Savings Protection Law shall be set in investment units, starting from the date on which the commercial bank in question enters into a liquidation proceeding, independent of the currency in which the guaranteed obligations, payable by the bank, are denominated or of the interest rates agreed upon;
- II. The payment of the guaranteed obligations shall be done in domestic currency, for which the conversion of the amount denominated in investment units shall be done using the valid value of the cited unit on the date on which the Institute for the Protection of Bank Savings issues the corresponding payment resolution;
- III. If a person has more than one account in one same bank and the sum of the balances exceed the limit indicated in article 11 of the Bank Savings Protection Law, the Institute for the Protection of Bank Savings shall only pay such limit, prorating it between the amounts based on their balance, and
- IV. Without prejudice of what is established in the section above, in cases of collective accounts with more than one holder or co-holders, the Institute for the Protection of Bank Savings shall cover the balances of the guaranteed obligation that derive from the respective account, for up to the limit indicated in article 11 of the Bank Savings Protection Law whatever the number or holder or co-holders.

The Institute for the Protection of Bank Savings shall establish the treatment that shall be given to the collective account through the provisions of general nature it issues with the previous approval of its Board of Governors.

Article added OJF 01-10-2014

Article 190. - For the determination of the value in investment units of the guaranteed obligations in currency of legal tender in the United States of America, its equivalency shall be calculated in domestic currency based on the exchange rate published by Banco de México in the Official Journal of the Federation on the banking business day before the date indicated in which the commercial bank enters into a liquidation proceeding, pursuant to the provisions relative to the determination of the exchange rate to settle the obligations denominated in foreign currency payable in the Mexican Republic.

The equivalency of other foreign currency with the Mexican peso shall be calculated by Banco de México at the request of the Institute, attending to the value that governs for such currency against the currency of legal tender in the United States of America, in the international markets on the referred to day.

Article added OJF 01-10-2014

Article 191. - The Institute for the Protection of Bank Savings shall carry out the payment of the guaranteed obligations that the Bank Savings Law refers to, for up to the limit established in article 11 of said Law, in a term no greater than ninety days counting from the date on which the commercial bank enters into liquidation proceeding. The foregoing, except in the cases in which the liquidator of the commercial bank in question transfers said obligations within the said term pursuant to articles 194 of 197 of the present Law.

The payment done by the Institute for the Protection of Bank Savings shall be subject to the procedure that it establishes through provisions of general nature.

In case that the holders of the deposits, loans, or credits that article 6 of the Bank Savings Protection Law refers to do not receive the payment of the guaranteed obligations in their favor, or, in case of receiving it, they do not agree with the corresponding amount, they may present to the Institute for the Protection of Bank Savings a request for payment, attaching copy of the agreements, account statements or other documents that justify said request, in a term of one year counting from the date on which the commercial bank entered into the liquidation proceeding. All of this in terms of the procedure that the Institute for the Protection of Bank Savings establishes in the provisions that the paragraph above refers to.

The Institute shall resolve said requests and when it considers them as valid, it will pay the guaranteed obligations that correspond within the ninety days following the date on which they were presented.

In the cases in which the information provided by the Institute for the Protection of Bank Savings in terms of article 124 of this law regarding guaranteed obligations is incomplete or presents

inconsistencies, the Institute may require that the holders of the deposits, loans, or credits that article 6 of the Bank Savings Protection Law refers to, present the request that this article refers to.

Article added OJF 01-10-2014

Article 192. - All the actions against the Institute for the Protection of Bank Savings regarding the collection of the guaranteed obligations that the Bank Savings Protection Law refers to, shall expire in a term of one year counting from the date on which the commercial bank enters the liquidation proceeding.

Article added OJF 01-10-2014

Article 193. - The exceeding amount of the guaranteed obligations in terms of the Bank Savings Protection Law payable by the commercial bank in question, that was not covered by the Institute for the Protection of Bank Savings, may be claimed by the holders of the respective transactions, directly to said commercial bank pursuant to what is established in the present Part.

If any person does not agree with receiving the amount corresponding from the guaranteed obligations in its favor from the Institute for the Protection of Bank Savings, it may claim the respective amount directly from the commercial bank, pursuant to what is established in the paragraph above.

Article added OJF 01-10-2014

Article 194. - With the purpose of ensuring the continuity of the bank services in benefit of the interest of the saving public of the commercial bank in liquidation proceeding, the liquidator may execute the transfer of assets and liabilities that the present Part refers to. Said transfer shall consist in the transmission of rights and obligations in favor or payable by a commercial bank in liquidation proceeding, to another commercial bank that complies with the capitalization index and the capital buffers required pursuant to article 50 of this Law and the provisions that arise from it. Regarding the assets, the transfer shall consist in their transmission to any individual or legal entity that is legally capable of acquiring them.

The transfer of assets or liabilities that the paragraph above refers to shall be subject to the guidelines of general nature issued by the Institute for the Protection of Bank Savings with the previous approval from its Board of Governors. In said guidelines, it must be provided as governing criteria for the selection of the acquiring entity, among others, the following aspects, its geographical coverage, the market segment that it attends, the infrastructure it has to ensure the mentioned continuity. Regarding the transfer of assets, it must be considered as governing criteria to maximize as possible their value of recuperation.

The mentioned guidelines must additionally consider the following:

- I. Goods, rights, and other assets of the commercial bank in liquidation proceeding may be transferred pursuant to what is set forth in articles 199 to 215 of the present Law or pursuant to an invitation procedure of at least three persons determined by the liquidator, with previous reserve of the necessary resources to face the obligations that section II and the second paragraph of article 180 of this Law refer to. Said goods may include availabilities or investments in securities whose transfer shall be done without being applicable the provisions firstly mentioned.

In case that, pursuant to what is set forth in the Federal Antitrust Law, the favorable resolution from the Federal Antitrust Commission regarding the concentration in question is required, the following procedure must be observed:

- a. The acquiring entity that the first paragraph of the present article refers to, must simultaneously notify the Federal Antitrust Commission, Banco de México, and the National Banking and Securities Commission about the concentration;
- b. Both Banco de México and the National Banking and Securities Commission, within the scope of their duties and powers, shall have a term of three business days counting from the reception of the notice that the subparagraph above refers to, to render their opinions to the Federal Antitrust Commission in respect to the implications that the concentration in question may have regarding the stability of the financial system, the sound functioning of the payment systems necessary for the development of the economic activity and the protection of the interests of the saving public. The foregoing, with the purpose that said opinions be heard.
- c. On its part, the Federal Antitrust Commission shall have a term of up to two business days, counting from the day following the reception of the notice that subparagraph a) of the present article refers to, to request additional information or documentation, in case it deems it necessary, to the commercial bank in liquidation proceeding and the acquiring entity, as well as to the Ministry of Finance and Public Credit, Banco de México, and the National Banking and Securities Commission.
- d. The commercial bank in liquidation proceeding, the acquiring entity, and the authorities mentioned in subparagraph c) must submit the requested information to the Federal Antitrust Commission in a term no greater than one business day counting from the date it was requested, without being applicable the restrictions set forth in article 142 of this Law.

The Federal Antitrust Commission shall classify the received information as confidential, in terms of article 31 bis of the Federal Antitrust Law.

- e. The Federal Antitrust Commission must issue the corresponding resolution in a term no greater than three business days counting from the day following the reception of the notice that subparagraph a) of the present article refers to or, in its case, of the reception of the additionally requested information that subparagraph d) of this article

refers to. Should said resolution is not issued in the term set forth in this subparagraph; it shall be understood as favorably resolved.

To issue the resolution that subparagraph e) above refers to, the Federal Antitrust Commission shall consider the elements that allow the effective functioning of the markets of the national financial system, the stability of said system, the sound functioning of the payment systems necessary for the development of the economic activity and the protection of the interests of the saving public.

For the protection of the interest of the saving public, the payment system, and the interest of the public in general, if the Banking Stability Committee determines that the commercial bank in question finds itself in any of the events that article 29 Bis 6 of this Law refers to, this subparagraph shall not be applicable, nor what is set forth in the Federal Antitrust Law;

- II. The obligation referred to in subsections I, III, IV, V, and VI of article 180 of this Law may be transferred as per their book value with the interest accrued on the date of the transaction, observing the payment order established in said article. Thus, the obligations included in any of the mentioned subsections may only be transferred as long as, in the same act, the obligations mentioned in the previous subsections are also transferred or when, these are previously transferred or when the assets necessary to pay them have been reserved. The liquidator may negotiate with the acquiring commercial bank, that the resources be registered through the subscription of payment instruments payable by the institution;
- III. Partial transfers of the obligations that subsections V and VI of article 180 may be done, observing the payment order that is established in said article, pursuant to what is set forth in article 195 of this Law;
- IV. In the event that the value of the assets that are object of the transfer are below the amount of the transferred obligations, the Institute for the Protection of Bank Savings shall cover said difference to the acquiring commercial bank and the commercial bank in liquidation proceeding must acknowledge a debt payable by it and in favor of said institute, for the amount of the mentioned difference. The payment of said debt shall be done pursuant to the payment order that corresponds to the transferred liabilities;
- V. In case the value of the assets that are object of the transfer are above the value of the obligations payable by the commercial bank in liquidation proceeding that were transferred, the acquiring commercial bank must cover the difference to the latter;
- VI. The transactions that article 176 of this law refers to may be object of a transfer, and
- VII. The transfer of assets and liabilities may be carried out separately or jointly, with one or various entities through one or more successive or simultaneous acts.

In the transactions of transfers of assets and liabilities, the labor rights acquired in favor of the entities that may be affected must be respected at all times. Likewise, the right of the creditors that are not

object of a transfer of assets or liabilities must not be affected in relation to what, in its case, corresponded to them if said transfer were not carried out.

The liquidator may share information related to the transactions mentioned before to the entities with whom the transfer of assets and liabilities that this article refers to is being negotiated, without being applicable what is set forth in article 142 of this Law. The participants must keep confidentiality regarding the information they might have access to due to said transfer.

Article added OJF 01-10-2014

Article 195. - In the transfers that the article above refers to, the acquiring commercial bank must respect, until its expiration, the terms and conditions originally agreed upon between the commercial bank in liquidation proceeding and the holders of the transactions that are object of the transfer, therefore it may not collect fees different from those originally agreed upon. Regarding the transaction that do not have an expiration date, any modification to the fees must adhere to what is set forth in the Financial Services Transparency and Regulation Law. In case that, after the transfer of the assets and liabilities, the holder of some passive transaction that is object of a transfer agrees the advanced payment of the balance in its favor that records the transactions in question with the acquiring commercial bank, the bank may carry out said advanced payment.

Without prejudice of what is set forth in this article, when carrying out partial transfers of liabilities, the obligations shall extinguish through novation by operation of the law, giving rise to a new obligation payable by the commercial bank in liquidation proceeding for an amount equal to the non-transferred part, and to another obligation payable by the acquiring commercial bank for the amount that is object of the transfer. The holder may enforce his/her rights in respect to the obligation payable by the commercial bank in liquidation.

Article added OJF 01-10-2014

Article 196. - The liquidator of a commercial bank, within the two business day after the date that the transfer of assets and liabilities that article 194 of this law refers to is carried out, shall publish a notice in the Official Journal of the Federation and in a newspaper of wide national circulation, in which it informs about said transfer, as well as the transactions that were object of it and the place in which the acquiring commercial bank shall carry out and receive the corresponding payments. Likewise, the liquidator must inform to the commercial bank in liquidation of said transfer placing notices in the branches of the latter.

For the protection of the interest of the saving public and the payments system of the country, the transfer of assets and liabilities shall take effect before the holders of the corresponding transactions and third parties, starting from the business day following the publication mentioned in the paragraph

above. The Institute for the Protection of Bank Savings, through rules of general nature, shall determine the characteristics of the publication that this article refers to.

In attention to what is set forth in this article, the expressed previous authorization by the holders of the passive transactions payable by the bank in liquidation that is object of the transfer transaction shall not be required.

When carrying out the transfers of assets, the commercial banks may assign their credits with their respective guarantees, without the need of notifying the debtor, entering into a public instrument, or registering said transfer in the corresponding Public Registry, being enough for all legal effects, with the publication of the notice mentioned in the first paragraph of this article. The foregoing, without prejudice that as applicable, the transfer is duly formalized through a public instrument and registered in the corresponding registries, pursuant to the applicable provisions.

Article added OJF 01-10-2014

Article 197. - With the purpose of trying to maintain the continuity of the services of the commercial bank in liquidation, in benefit of the interest of the saving public, the liquidator shall have the power to transfer the assets and liabilities of the failed commercial bank to a commercial bank operated and organized by the Institute for the Protection of Bank Savings.

In these cases, the transfer of assets and liabilities shall be subject to what is set forth in articles 194 to 196 of this Law, except for the following:

- I. The value of the assets that are object of the transfer shall be determined considering their book value net of reserves and its transfer shall not be subject to what is established in articles 199 to 215 of this Law;
- II. The Institute for the Protection of Bank Savings shall deliver to the commercial bank in liquidation, an amount equal to the book value net of reserves of the transferred assets.

For effects of what is set forth in this section, the Institute for the Protection of Bank Savings shall deliver the corresponding resources to the commercial bank in liquidation or, subscribe payment instruments payable by said Institute, which shall have the guarantee referred to in article 45 of the Bank Savings Protection Law;

- III. As a consequence of the transfer of liabilities, the commercial bank in liquidation shall acknowledge a debt payable by it and in favor of the Institute for the Protection of Bank Savings, for an amount equal to the value of the transferred liabilities. The payment of said debt shall be done pursuant to the payment order that corresponds to the transferred liabilities, in accordance with article 180 of this Law;

- IV. Should at the end of the term referred to in article 27 bis 2 of this Law there have been no transfer of shares as provided in subsection I of article 27 Bis 3 of this Law, and there still remain assets not being transferred, the latter may be returned to the commercial bank in liquidation proceeding. In such event, the assets shall be returned at their book value net of reserves on the date on which the return is done adjusting the amount that section II of this article refers to, pursuant to said value;
- V. At the conclusion of the acts that subsections I or II of article 27 Bis 3 of this Law refer to, the Institute for the Protection of Bank Savings must determine the liquidation value of the assets and in the case that the latter is greater than the final value determined pursuant to the last paragraph of this article, the bank organized and operated by the mentioned Institute, or in its case, the latter must reintegrate the difference to the commercial bank in liquidation.

For effects of what is set forth in subsection I of this article, within the seventy business days following the date on which the transfer takes effect, the liquidator must determine, through specialized third parties, the estimated liquidation value of the transferred assets. The final value of the assets shall be what results of the adjustments that, in its case, are done on the book value net of reserves, based on the results of the referred to valuation, for which the adjustments in the payments or instruments that section II of this article refers to shall be carried out. The specialized third parties must fulfill the criteria of independence and neutrality that the National Banking and Securities Commission determines based in what is set forth in article 101 of this law.

Article added OJF 01-10-2014

Article 198. - In those cases in which the payment of the passive transaction payable by the commercial bank in liquidation were determined, in terms of what is set forth in subparagraph b) of subsection II of article 148 of this Law, the Institute for the Protection of Bank Savings, in substitution of the commercial bank in liquidation, must provide the necessary resources to carry out the corresponding payment, pursuant to the following:

- I. The Institute for the Protection of Bank Savings shall pay the amount that results from applying the percentage that the Banking Stability Committee determines in terms of article 29 Bis 6 of this Law, to the balance of the transactions referred to in the first paragraph of this article, considering the amount on the principal and ancillaries. The foregoing, independently of the same person being creditor of the commercial bank for more than one transaction from those indicated in this article.

Without prejudice to the foregoing, in terms of guaranteed obligations whose balance exceeds the limit that article 11 of the Bank Savings Protection Law refers to, the amount that the cited Institute must pay, must in no case be below the amount established in said article.

In the case that a person has more than one account in the commercial bank, the percentage must be applied to the sum of the balance of the transactions that subparagraph b) of subsection II of article 148 of this Law refers to, pursuant to what is set forth in article 189 of this Law.

- II. The Institute for the Protection of Bank Savings must report to the commercial bank in liquidation, as well as to the public in general, the percentage of the obligations payable by said commercial bank that the Institute will cover and the program pursuant to which it shall carry out the corresponding payments. As an exception to what is set forth in article 4 of the Bank Savings Protection Law, the Institute shall carry out the notice set forth in this article through a publication in a newspaper of wide national circulation and through other broadcasting means that it considers suitable. Said notice must be carried out no later than the business day following the date on which the commercial bank in question enters into liquidation.
- III. The payment program that the numeral above refers to must include, at least, the form and terms in which the Institute for the Protection of Bank Saving shall carry out the payment of the obligations payable by the commercial bank in liquidation proceeding, expressly indicating the order and initial amount to be covered, as well as the programmed calendar for the payment of the remainder. In any case, the Institute must carry out the first installment no later than the second business day immediately following the date on which the notice established in the present article is published. The Institute for the Protection of Bank Savings shall try to cover in the first installment the total percentage that the Banking Stability Committee determined pursuant article 29 Bis 6 of the present statute. The programmed calendar for the following installments, shall not exceed ninety days counting from the date on which said commercial bank entered into liquidation.
- IV. The payment shall be done adhering to the procedure that the Institute for the Protection of Bank Savings establishes through provisions of general nature, based on the information that the commercial bank in liquidation proceeding keeps regarding said obligations in accordance to what is established in article 124 of this Law. In the cases when said information is incomplete or presents inconsistencies, the Institute may require the holders of the respective transactions to present the request that this article refers to.
- V. If the holders of the payment obligations that this article refers to do not receive the payment or, in case of receiving it, do not agree with the amount of said payment, they may present before the Institute for the Protection of Bank Savings, in a term of one year counting from the date on which the bank enters into a liquidation, a payment request attached to the same copy of the agreements, account statements, or other documents that justify said request, in terms of the procedure that the Institute establishes through the provisions that the subsection above refers to.

The Institute for the Protection of Bank Savings shall resolve said requests and, in its case, will pay the obligations derived from the transactions that correspond within the ninety days following the date on which it was presented. All the actions relative to the collection of the obligations indicated in this article shall expire in a term of one year counting from the date on which the bank enters into liquidation.

VI. In cases of transactions in which the creditors of the bank in liquidation are other credit institutions or institutional investors that the Securities Market Law refers to, the Institute for the Protection of Bank Savings may negotiate that the payment be done through the subscription of payment instruments payable by the same Institute, which shall have the guarantee that article 45 of the Bank Savings Protection Law refers to.

VII. The Institute for the Protection of Bank Savings shall carry out the payment of the obligations payable by the bank in liquidation that this article refers to in domestic currency, independent of the currency in which said obligations are denominated. For the determination of the value of the obligations denominated in currency of legal tender in the United States of America, as well as the equivalency of other foreign currency with the Mexican peso, the provisions of article 190 of this Law shall be observed.

The amount to be covered by said Institute pursuant to the present article shall be fixed in investment units starting from the date on which the commercial bank in question enters a liquidation proceeding, considering the value of the investment units on that date. The subsequent payments shall be done in domestic currency. The conversion of the amount denominated in investment units shall be done using the value of said unit in effect on the date in which the Institute for the Protection of Bank Savings issues the corresponding payment resolution.

VIII. For the determination of the amount that, in terms of this article, the Institute for the Protection of Bank Savings must cover in respect to the obligations of payment payable by the commercial bank in liquidation, derived from frame, normative, or specific agreements, entered into regarding derivatives, repos, securities loans, or other equivalent transactions, in which said commercial bank may become a debtor and, at the same time, creditor of a same counterparty, and whose amount may be determined numerically, the Institute shall apply the percentage determined by the Banking Stability Committee, to the balance that results payable by the bank in liquidation, once the set off referred to in article 176 of this Law has been carried out.

The outstanding balance of the obligations payable by the commercial bank in liquidation not covered by the Institute for the Protection of Bank Savings in terms of this article, may be claimed from the failed bank.

Article added OJF 01-10-2014

Article 199. - The sale of the goods of the commercial bank in liquidation, as well as the Goods that article 5, section VI of the Bank Savings Protection Law refers to, must be done pursuant to what is set forth in articles 200 to 215 of this Law.

Article added OJF 01-10-2014

Article 200. - The procedures of administration and sale of goods that are property of the commercial bank in liquidation are of public order and shall have as rationale to do the sale in an economical, effective, impartial, and transparent form, looking for the best conditions and shortest terms of recovery of resources. In the sale of the goods, looking forward to maximize the value of the recovery, considering the best conditions of opportunity and the reduction of the administration costs and custody attributable to the commercial bank in question.

Article added OJF 01-10-2014

Article 201. - The procedures and general terms in which the sale of goods referred to in this Law, shall be done, must focus on the commercial characteristics of the transactions, the normal practices, and bank and commercial governing uses, the zones in which the goods to be sold are located, as well as the time and general and particular conditions in which the transaction is entered into.

In every case, the elements of publicity and effectiveness that guarantees the objectivity and transparency of the corresponding procedures must be promoted.

The sale of goods procedures may be commissioned to specialized third parties when it helps to maximize their value of recovery or, when it is profitable considering the cost and benefit factors.

In the cases that this article refers to, the liquidator must supervise the performance of the specialized third parties regarding the acts in charged to them.

The specialized third parties that, in its case, have been commissioned to carry out the sale procedures, must deliver the necessary information to the liquidator to help the latter to make the assessment of the performance of the respective sales procedures.

Article added OJF 01-10-2014

Article 202. - The sale of the goods shall be carried out through the auctioning or bidding procedures in which individuals or legal entities that gather the eligibility requirements set forth in the call and in the bases of the respective process may participate.

The auction or bid must be carried out within a term no less than ten days or greater than one hundred and eighty days from the date in which the call is published.

Article added OJF 01-10-2014

Article 203. - In all processes regarding the sale of goods, it must be established a minimum value of reference for the goods that are object of the sale. To that regard, the studies that are deemed necessary shall be obtained from independent specialized third parties.

Regarding the determination of the minimum value of reference of any good with a legal problem that affects its availability or that implies an imminent deterioration in its value, it must be followed the guidelines of general nature issued for such effect by the Institute for the Protection of Bank Savings, with the prior approval of its Board of Governors.

For cases of securities that the Securities Market Law refers to, it may be used as a minimum value of reference, that which corresponds to it in accordance to its value in the stock exchanges of the markets in question and their sale may be done in accordance to the procedures established that are indicated by the regulation applicable in said markets.

In the case of securities where the total position of certificates represent the control of the company in terms of article 2, subsection III of the Securities Market Law, it shall be necessary to establish a minimum value of reference for that good, through specialized independent third parties.

In the cases where it will not be possible to recover the minimum value of reference of the good, due to its specific characteristics and the prevailing conditions of the market, the Board of Governors of the Institute for the Protection of Bank Savings may authorize its sale at a lower price, as long as it considers this is the manner to obtain the best conditions of recovery, once the prevailing financial circumstances have been considered.

Article added OJF 01-10-2014

Article 204. - The call for the auction or bid must be published at least in a newspaper of wide circulation, and must contain at least the following:

- I. A list and general description of the goods intended to be sold;
- II. Eligibility requirements that those interested in participating in the corresponding auction or bidding process shall fulfill;
- III. In its case, the minimum value of reference of the goods;
- IV. The form and place where the bases of the corresponding process may be obtained and in its case, the cost of said bases, and
- V. The other requisites determined by the Institute for the Protection of Bank Savings.

Article added OJF 01-10-2014

Article 205. - The bases that govern the auction or bidding processes must be made available the interested parties starting from the day on which the call is published, being the interested parties responsible for having them in a timely manner. The bases shall contain at least the following:

- I. Information related to the goods that are object of the auction or bidding process;
- II. Form in which the existence and legal capacity of the participant will be attested;
- III. Date, hour, and place of execution of the act of presentation and opening of bids, communication of the decision and signature of the agreement;
- IV. The terms in which the act of presentation and opening of bids will be developed, which shall be done before a notary public;
- V. Causes for disqualification of the participant;
- VI. The criteria for the evaluation of the bids and selection of the winning participant;
- VII. The minimum value of reference or the the information that it shall remain confidential until an act of opening of bids;
- VIII. Eligibility requirements that the parties interested in participating in the corresponding auction or bidding process shall gather, which must adhere to what is set forth in article 207 of this Law;
- IX. Form and conditions in which the payment of the winning bid must be done;
- X. Form in which the guarantees that ensure the seriousness of the participation of the parties interested in the process shall be constituted, and in its case, the signing of the agreement and the payment of the bids;
- XI. Sanctions in case of default on the bases, and
- XII. The causes for which the auction or bidding process may be suspended or cancelled.

Article added OJF 01-10-2014

Article 206. - All the bids that are done in a sales procedure shall comply with the requirements established in the bases on the corresponding procedure.

Article added OJF 01-10-2014

Article 207. - In any case the employees of the Institute for the Protection of Bank Savings or the members of its Board of Governors, their spouses, blood, marriage, or civil relatives up to the fourth degree, or corporations in which said persons form of have formed part, may not participate, or submit bids in the sales procedure referred to in this Section. Additionally, the following persons may not participate in the sales procedures:

- I. Officers, employees, and attorneys-in-fact of the liquidator, as well as the employees of said attorneys-in-fact, including their spouses, blood, or civil relatives up to the fourth degree, marriage relatives or corporations in which any of said persons form or had formed part, or said persons regarding the commercial bank subject to recapitalizing, liquidation, receivership, or judicial liquidation;
- II. Any individual or legal entity that has or has had inside information at any stage of the corresponding procedure. It shall be considered as inside information that related to the preparation, assessment, and placement of the goods to be sold;

- III. Individuals or legal entities that are part of a judicial procedure in which the commercial bank is part;
- IV. Individuals or legal entities that, as shareholders, form or had formed part of the controlling group of the corresponding commercial bank, in terms of article 17 of this Law, and
- V. Other Individuals or legal entities that fall within the conflict of interests assumptions established by the Board of Governors of the Institute for the Protection of Bank Savings, through general rules.

When submitting their bids or offers under the auction or bidding process rules, bidders shall manifest under oath in writing that they do not fall under any of the assumptions provided for in the paragraph above, or in those established in the call for the auction or in the bases that govern the auction or bidding process referred to in articles 204 or 205 of this Law.

The falsehood of said manifestation shall cause the nullity of any award resulting from the acceptance of the corresponding bid, notwithstanding the liabilities that may arise. In this case, the goods may be assigned to the second best bid, as long as its offer bid is equal or over the minimum value of reference, without having to call to a new procedure. In the contrary, the auction procedure shall be considered as not made. In any case, the guaranty granted shall be made effective in favor of the commercial bank.

Article added OJF 01-10-2014

Article 208. - In any auction or bidding process, once declared who the winner is, the latter shall enter into the corresponding agreement. Should the winning bidder does not sign said agreement, the bid shall be disregarded and the goods may be assigned to the second best bidder, as long as the offer bid is equal or over the minimum value of reference, without having to call to a new procedure. In this case, the guaranty granted shall be made effective in favor of the seller.

Article added OJF 01-10-2014

Article 209. - The sale of the goods may be carried out through a procedure different from the one established in article 202, in the following cases:

- I. When the goods have to be sold immediately due to their easy spoilage or because they cannot be kept without their deterioration, destruction or serious diminish of their value, or when their conservation is too expensive in relation with their value;
- II. When, due to their nature, the goods cannot be kept or deposited in appropriate places for their conservation;
- III. When the goods cannot be sold after two auctioning or bidding procedures, or
- IV. When, due to their nature, the goods must be sold in a restricted market.

In these cases, it shall be rendered an opinion with description of the goods sold, the sale procedure proposed, and the rationale for the convenience of carrying out the sale through a procedure different than the one established in article 199. The sale procedure shall be approved by the Board of Governors of the Institute for the Protection of Bank Savings, based on said opinion.

Article added OJF 01-10-2014

Article 210. - Procedures of donation or destruction of movable property may be implemented, to that end it must be formulated a certificate where it is attested that the cost of its conservation, administration, maintenance, or sale is bigger that the benefit that may be obtained from selling it. Regarding donations, they shall be done in favor of the public benefit.

Likewise, procedures of marking-down, writing-off or cancellation of goods may be considered when the cost of its conservation, collection, administration, or maintenance is bigger than the benefit that may be obtained through its sale. In this procedures it shall be observed the guidelines issued to that regard by the Board of Governors of the Institute for the Protection of Bank Savings.

Article added OJF 01-10-2014

Article 211. - The sale of the goods may be carried out by grouping them to form packages, in order to reduce the time it may take to sell them and reasonably maximize their value of recovery, considering their commercial characteristics.

Article added OJF 01-10-2014

Article 212. - The sale of portfolio of commercial bank in liquidation proceeding shall imply the transfer of the litigious obligations and rights.

Article added OJF 01-10-2014

Article 213. - In cases of Goods that article 5, section VI of the Bank Savings Protection Law refers to, the Board of Governors of the Institute for the Protection of Bank Savings may authorize the sale of those that have been declared national artistic monuments or historic monuments pursuant to the Federal Law on Monuments and Archaeological, Artistic and Historical Zones, in terms of article 202 of this Law, as well as grant their use at free title in favor of the autonomous bodies indicated in the Political Constitution of the United Mexican States, of offices or entities of the Federal Public Administration or of the public administration of any federal entity, or donate them to the Ministry of Public Education.

Article added OJF 01-10-2014

Article 214.-The seller may agree with the acquirer to limit its liability for the eviction and the hidden defects of the goods sold.

Article added OJF 01-10-2014

Article 215. - The liquidator shall not be liable for the deterioration in the value of the assets of the commercial bank in liquidation proceeding, or from the loss arising from their sale due to the prevailing market conditions. The foregoing, without prejudice that, until the sale is carried out, the acts necessary for the conservation and administration of the assets shall be done.

Article added OJF 01-10-2014

Article 216. -At the conclusion of the liquidation proceeding, the liquidator shall publish the final balance of the liquidation proceeding for three times, every ten banking business days, in the Official Journal of the Federation and in a newspaper of wide national circulation.

The same balance, as well as the documents and books of the commercial bank, shall be at the disposal of the shareholders, who shall have a term of ten business days starting from the last publication, to present their claims to the liquidator. Once this terms has elapsed, and in the event that there were a surplus, the liquidator shall carry out the payments that correspond and shall proceed to deposit and record the final balance of the liquidation proceeding in the Public Registry of Commerce and to obtain the cancellation of the registration of the corporate agreement. For effects of what is set forth in the present article, what is established in article 246 of the Business Association Law shall not be applicable.

For effects of the payments that the paragraph above refers to, the liquidator shall notify the shareholders by summoning them, in its case, to receive the corresponding payments, for which these must attest their right through a record issued by the securities depository institution where the respective shares are deposited.

Article added OJF 01-10-2014

Article 217. - Once the payments that article 216 of this Law refers to are carried out, and having obtained the cancellation of the registration of the corporate agreement in the terms mentioned in the second paragraph of said article, the liquidator shall inform such circumstance to the securities depository institutions where the shares of the commercial bank in question are deposited, so that the latter may proceed to cancel the shares of the corresponding capital stock.

Article added OJF 01-10-2014

Article 218. - Without prejudice to what is set forth by the corresponding tax provisions, the liquidator shall keep in deposit, during ten years after the date on which the final balance of the liquidation proceeding is registered, the books and documents of the commercial bank in liquidation proceeding, for which it must carry out the necessary reserves of the resources of the commercial bank in liquidation proceeding.

Article added OJF 01-10-2014

Article 219. - When the liquidation proceeding has concluded, and the final resolution of one or more suits against the commercial bank in liquidation proceeding is still pending, the liquidator shall proceed pursuant to what is set forth by articles 216 of this Law. To that regard, it must carry out the necessary actions with the purpose that the resources corresponding to the reserves that, in its case, were created in relation to such suits, are administered and applied pursuant to the legal instruments that are constituted for such effect.

When constituting such legal instruments, the liquidator shall observe the following in all cases:

- I. The expenses arising from the administration and application mentioned before shall be attributable to the resources of the corresponding reserves;
- II. The liquidator must add to the reserves an amount sufficient to cover the expenses that derive from the legal attention of the suits, and
- III. If after all the suits have been resolved, and once the resources have been applied, there were remaining amounts, said amounts must be delivered to the creditors whose credits were not totally paid, pursuant to the payment order established in article 180 of this Law.

The liquidator must indicate in the final balance the suits that are in the assumptions that this article refers to, indicating the legal instrument for their administration and application.

Article added OJF 01-10-2014

Article 220. - When the Institute for the Protection of Bank Savings finds that there is a impossibility to carry out or conclude the liquidation proceeding of a commercial bank, without the need of the previous agreement of the shareholders meeting, it shall report this to the corresponding judge, so that without the need of an ulterior process, the cancellation of its registration in the Public Registry of Commerce may be ordered, which shall take effect once ninety days have elapsed from the court order. The foregoing, once the payment of the obligations that article 188 of this Law refers to has been done.

The interested parties may oppose this cancellation within the cited term, before the same judicial authority.

Article added OJF 01-10-2014

PART B

On the Dissolution and Conventional Liquidation Proceeding of Commercial Banks

Article added OJF 01-10-2014

Article 221. - The general shareholder's meeting of a commercial bank in liquidation proceeding may appoint its liquidator only in those cases in which the revocation of its authorization arises from the request that subsection II of article 28 of this Law refers to, and provided that the following is fulfilled:

- I. The commercial bank in question does not have guaranteed obligations in terms of what is set forth in the Bank Savings Protection Law, and
- II. The shareholders' meeting of the respective commercial bank has approved the financial statements of the latter, in which guaranteed obligations referred to in the Bank Savings Protection Law are no longer registered that are payable by the company, and they are presented to the National Banking and Securities Commission, accompanied by the report of an external auditor that includes the opinions of the auditor relative to the components, accounts, or specific items of the financial statements, where the foregoing is confirmed.

Article added OJF 01-10-2014

Article 222. - To carry out the liquidation proceeding of the commercial banks in terms of what is set forth in article 221 of this Law, the following must be observed:

- I. It shall correspond to the shareholders' meeting to appoint the liquidator. To the effect, the commercial bank must report the appointment of the liquidator to the National Banking and Securities Commission within the five business days following the appointment, as well as the start of the process for the liquidator's corresponding registration in the Public Registry of Commerce;
- II. The post of the liquidator may fall on credit institutions or on individuals or legal entities with experience in the liquidation proceeding of corporations.

Regarding individuals, the appointment must fall on those that have technical quality, honorability, and satisfactory credit history and that meet the following requisites:

- a) To be residents on national territory in terms of what is set forth by the Federal Tax Code;
- b) To be registered in the registry that the Federal Institute of Specialists in Commercial Bankruptcy keeps;
- c) To submit a Special Credit Report, pursuant to the Credit Information Bureaus Law, provided by credit information bureaus, that include his/her background of at least five years before the date on which the post is intended to start;
- d) Not have any pending suits against the commercial bank in question;
- e) Not have been sentenced for crimes against property, nor have been banned from exercising commerce or from performing a job, post, or commission in the public service or in the Mexican financial system;
- f) Not be declared in bankruptcy or reorganized without being rehabilitated;

- g) Not have performed the post of external auditor of the commercial bank or of any of the companies that integrate the financial group that the bank belongs to, during the twelve months immediately before the date of the appointment, and
- h) Not be prevented from acting as visitor, mediator, or liquidator, or have conflict of interest, in terms of the Business Reorganization Law.

In the cases in which legal entities are appointed as liquidators, the individuals appointed to perform the activities related to this function must comply with the requisites that this section refers to. The commercial banks must verify that the entity that is appointed as liquidator fulfills, before the start of the exercise of its functions, the requisites indicated in this section.

The entities that do not fulfill any one of the requisites set forth in subparagraphs a) to h) of this section must abstain from accepting the post of liquidator and shall manifest such circumstance in writing;

III. In the performance of its function, the liquidator must:

- a) Collect what is owed to the commercial bank and pay what the latter owes;
- b) Prepare a report regarding the integral situation of the commercial bank;
- c) Present to the National Banking and Securities Commission, for its approval, the procedures to be done for the delivery of goods that are property of third parties and the fulfillment of the non-guaranteed obligations in favor of its customers that are pending fulfillment;
- d) Instrument and adopt a scheduled work plan which includes the necessary procedures and measures to settle or transfer the non-guaranteed obligations of the commercial bank arising from its transactions, to other credit institutions, within one year following the date in which the liquidator's post is sworn and accepted;
- e) Call the general shareholders' meeting at the conclusion of his/her/its management, to present it with a complete report of the liquidation proceeding. Said report must include the final balance of the liquidation proceeding.

In the event that the liquidation proceeding does not conclude within the twelve months immediately following, counting from the date on which the liquidator accepted or swore its post, the liquidator must call the general shareholders' meeting with the purpose of rendering a report in regarding the status of the liquidation proceeding, indicating the causes why its conclusion has not been possible. Said report must contain the financial statement of the commercial bank and must be at the disposal of the shareholders at all times. The liquidator must call a general shareholders' meeting in the terms described above, for each year that the bankruptcy proceeding lasts, in order to render the mentioned report.

When having called the meeting, the latter does not meet with the necessary quorum, the liquidator must publish in two gazettes of major circulation on national territory, a notice to the shareholders indicating that the reports are at their disposal, indicating the place and time in which they may be consulted;

- f) Promote before the judicial authority the approval of the final balance of the liquidation proceeding, in the cases in which it is not possible to obtain the approval from the shareholders of said balance in terms of the Business Associations Law, because, notwithstanding having been called, it has not met with the necessary quorum, or said balance has been objected by the meeting, unjustifiably in the opinion of the liquidator;
- g) In its case, report to the competent judge that there exists a material impossibility to carry out the liquidation proceeding of the commercial bank, so that the judge may order the cancellation of its registration in the Public Registry of Commerce. Said cancellation shall take effect once one hundred and eighty days have elapsed from the date of the court order.

The liquidator must publish a notice directed to the shareholders and creditors in two newspapers of major circulation on national territory, regarding the request to the competent judge.

The interested parties may oppose this cancellation within a term of sixty days following the notice, before the same legal authority;

- h) Exercise the legal actions to determine the economic liabilities that, in its case, exist and attribute the liabilities that are applicable in terms of law and other provisions, and
- i) Abstain from purchasing for himself/herself or for others, the goods that are property of the commercial bank in liquidation proceeding, without the expressed consent of the shareholders' meeting.

Article 223. - The National Banking and Securities Commission shall exercise the duty of supervision of the liquidators only in respect to the fulfillment of the procedures that subparagraph c) of subsection III of article 222 of this Law refer to.

Article added OJF 01-10-2014

Article 224. - For whatever matters not set forth by articles 221 to 223 of the present Law, the provisions in articles 172 to 176, and from 180 to 184 of Part A of this Section shall be applicable to the dissolution and conventional liquidation proceeding of the commercial banks, provided that said provisions are compatible with the present Part.

Article added OJF 01-10-2014

The transactions of conclusion of the conventional liquidation proceeding shall be governed by what is established in articles 216 to 220 of this Law.

Article added OJF 01-10-2014

Part C
Of the Judicial Liquidation of the Commercial Banks

Part added OJF 01-10-2014

Article 225. -The judicial liquidation of the commercial banks shall be governed by what is set forth in this Law, and in whatever is applicable, by the Bank Savings Protection Law, and the Payment Systems Law.

In what is not set forth in these Laws, the Commercial Code and the Federal Code of Civil Procedures shall be applicable to the commercial banks in judicial liquidation, in that order.

Article added OJF 01-10-2014

Article 226. - It shall proceed the declaration of judicial liquidation of a commercial bank when its authorization to organize and operate as such had been revoked and it is in the assumption of extinction of capital. It shall be understood that a bank is in this assumption when the assets of said commercial bank are not enough to cover its liabilities, pursuant to a report of its financial information regarding the occurrence of said assumption. This report shall be issued based on the criteria of accounting record established by the National Banking and Securities Commission, pursuant to the following:

- I. Regarding commercial banks that incurred in the cause for revocation established in subsection VIII of article 28 of this Law, the National Banking and Securities Commission must formulate the report regarding the occurrence of the event of extinction of capital and submit it for the approval of its Board of Governors.

The report must be done with the information submitted by the commercial bank itself or with that information adjusted pursuant to the procedures set forth in articles 50, 96 Bis 1, 99, and 102 of this Law.

Once said report has been approved, it must be sent to the Institute for the Protection of Bank Savings along with the communication that the last paragraph of article 28 of this Law refers to, and

- II. Regarding commercial banks in which the insufficiency of their assets to cover their liabilities occur after the revocation, the report must be done by a specialized third party of renowned experience that the liquidator shall hire for such effect, and be submitted for the approval of the Board of Governors of the Institute for the Protection of Bank Savings. Said report must consider the determination of the estimated liquidation value of the assets of the commercial bank in liquidation proceeding in terms of the norms of the

applicable accounting record, which must be reflected in the initial balance of the liquidation proceeding or in the following financial statements.

The reports that are done pursuant to this article shall have the nature of public document.

Without prejudice to the foregoing, the Institute for the Protection of Bank Savings may request from the National Banking and Securities Commission, the information that it considers necessary for effects of the request of declaration of the judicial liquidation that this Part refers to.

Article added OJF 01-10-2014

Article 227. - Only the Institute for the Protection of Bank Savings with the prior approval of its Board of Governors may request the declaration of judicial liquidation of a commercial bank.

Article added OJF 01-10-2014

Article 228. - The district judge of the domicile of the commercial bank in question shall analyze and resolve the judicial liquidation, with the powers and duties established by the present law. The lack of fulfillment of his/her obligations in the terms set forth in this Law shall be a cause of liability attributable to the judge, except for causes of force majeure or Acts of God.

Article added OJF 01-10-2014

Article 229.-The request of the judicial liquidation must include:

- I. The jurisdictional authority before which it is requested;
- II. The denomination and domicile of the petitioner;
- III. The denomination and the domicile of the commercial bank in question and, in its case, those corresponding to the holding company of the financial group that the bank is a part of;
- IV. A description of the events that motivate the request;
- V. The basis of the law, and
- VI. The request that the bank be declared in judicial liquidation.

Article added OJF 01-10-2014

Article 230. - The request of the judicial liquidation must be accompanied by the following:

- I. Certified copy of the agreement of the Board of Governors of the Institute for the Protection of Bank Savings through which the referred collegiate body approved the presentation of said request;
- II. Certified copy of the report that was done in terms of article 226 of this Law;
- III. Copy of the last financial statements available of the commercial bank in question;
- IV. Copy of the articles of incorporation of the commercial bank and of its record of registration in the Public Registry of Commerce, and

- V. Copy of the commercial bank's shareholders registry.

The lack of documents that subsections IV and V above refer to, shall not be a constraint in respect of the request of the declaration of judicial liquidation, nor for the judge to issue it.

Article added OJF 01-10-2014

Article 231. - If the request complies with the requirements established in articles 229 and 230, subsections I, II, and III of this Law, the district judge to which the judicial liquidation was requested, for the protection of the interests of the saving public, of the creditors of the commercial bank, as well as of the public order and social interest, shall issue the resolution that declares the start of the judicial liquidation, in a maximum term of twenty four hours. Should the request not comply with the mentioned requirements, the judge shall alert the petitioner, so that in a term of twenty-four hours it may correct said omission.

The declaration of judicial liquidation may only be denied in the event that the corresponding request does not comply with the requirements established in the articles indicate in the paragraph above.

Article added OJF 01-10-2014

Article 232. - In the resolution of declaration of the judicial liquidation, it shall be indicated that the Institute for the Protection of Bank Savings, pursuant to what is established in this Law, shall serve as judicial liquidator, and may carry out the transactions that Part A of the present Section refers to. Additionally, it must contain the following:

- I. The denomination and domicile of the commercial bank in question and, in its case, those corresponding to the holding company of the financial group that the bank is a part of;
- II. The date on which it is issued;
- III. The basis of the resolution in terms of this Law;
- IV. The declaration of the judicial liquidation;
- V. The order to the liquidator to deliver to de judicial liquidator the possession and management of the goods and rights that integrate the equity of the commercial bank in question;
- VI. The order to the individuals or entities that have in their possession goods of the commercial bank, except those that are subject to the execution of a final resolution for the fulfillment of obligations arising before the process of judicial liquidation started, to deliver them to the judicial liquidator;
- VII. The prohibition to the debtors of the commercial bank to pay or deliver goods without authorization of the judicial liquidator, with a warning of double payment in case of disobedience. The foregoing shall not be applicable to the payments that are done

pursuant to the second paragraph of article 167 of the present law and in terms of the Payment Systems Law;

- VIII. The order to suspend the order of attachment or execution of the goods and rights of the commercial bank. The suspension shall not proceed in terms of:
- a. The order of attachment or execution of labor nature, in cases of what is set forth in section XXIII of Part A of article 123 of the Political Constitution of the United Mexican States, and
 - b. The credits with guarantee *in rem*, having to observe what is set forth in articles 259 and 260 of the present Law.

What is set forth in the Payment Systems Law shall be applicable notwithstanding what is set forth in the present section.

- IX. The order to the mail, telegraph, and other offices that transmit information or provide the service of delivery of documents, so that the correspondence of the commercial bank may be delivered to the judicial liquidator;
- X. The order to the judicial liquidator to publish an extract of the resolution, two consecutive times in the Official Journal of the Federation and in a newspaper of national circulation;
- XI. The order to the judicial liquidator to record the resolution in the Public Registry of Commerce and in those public registries that are deemed convenient;
- XII. The period of retroaction in the terms of this Law;
- XIII. The order to the commercial bank's manager to put the books, record, and other documents of the commercial bank at the disposal of the judicial liquidator, as well as the necessary resources to cover the publications set forth in the present Law;
- XIV. The order to the judicial liquidator to proceed to the acknowledgment of the credits;
- XV. The adoption of the measures that are deemed convenient, and
- XVI. The order to issue a certified copy of the resolution, at the expense of whomever requests it.

The day following the resolution declaring the judicial liquidation, the judge must personally notify the commercial bank, through certified mail or through any other means established in the applicable laws to the competent tax authorities, and by official letter to the Institute for the Protection of Bank Savings, the National Commission for the Protection of the Users of Financial Services, the General Attorney of the Defense of Labor, as well as the union representative of the employees of the commercial bank in question.

Article added OJF 01-10-2014

Article 233. - Starting from the date on which the judicial liquidation of a commercial bank is being declared, it shall be applicable what is established in articles 168, 169, 178, 179, and from 186 to 198 of this Law shall be applicable. Therefore, the judicial liquidator shall carry out the acts and transactions established in them, except for what is set forth in this Part.

When in the articles mentioned in the previous paragraph, there is a reference to the liquidator or to the date on which the commercial bank enters a liquidation proceeding, it shall be understood for effects of what is set forth in the present Part, that the reference is made to the judicial liquidator or to the date on which the judicial liquidation of the bank is being declared, whichever the case may be.

Article added OJF 01-10-2014

Article 234. - The post of judicial liquidator shall fall on the Institute for the Protection of Bank Savings starting from the date on which the judicial liquidation of the bank in question is being declared, without prejudice of the corresponding registrations being done afterwards in the Public Registry of Commerce.

The Institute for the Protection of Bank Savings may perform the post of judicial liquidator through its personnel or through the attorneys-in-fact appointed and hired for such effect, payable by the equity of the commercial bank in question. The respective power may be granted in favor of an individual or legal entity and must be registered in the Public Registry of Commerce. The cited Institute, through guidelines approved by its Board of Governors, must establish governing criteria for the determination of the fees of the attorneys-in-fact that might be appointed and hired pursuant to what is established in this article.

The Institute for the Protection of Bank Savings, in its capacity of judicial liquidator, in addition to the powers that the present Section refers to, shall have the powers and duties that article 133 of this law refers to, shall be the legal representative of the commercial bank in question and shall have the broadest powers of ownership that proceed by law, those that are expressly granted to it in this Law and those that arise from the nature of its duties.

Article added OJF 01-10-2014

Article 235. - Once the commercial bank is declared in judicial liquidation, the judicial liquidator shall prepare a certificate to evidence the delivery of the administration by the liquidator or the attorney-in-fact appointed by the latter, and the modifications that, in its case, are applicable for the inventory prepared pursuant to article 168 of this law.

A copy of the financial statements of the commercial bank audited as from the date on which its judicial liquidation is being declared, must be attached to the certificate that is prepared pursuant to this article.

At the request of the judicial liquidator, the judge resolving the judicial liquidation must take the pertinent measures to the case and issue as many resolutions as are necessary to ensure the delivery of the administration of the bank to the judicial liquidator.

Article added OJF 01-10-2014

Article 236. - The judicial liquidator must present a bimonthly report to the judge resolving the judicial liquidation, which must contain the following:

- I. A general description of the procedures of the sale of goods of the commercial bank in question done in the period, which must include the amount and nature of the sold goods;
- II. The payments that were done pursuant to what is set forth in article 241 of this Law, and
- III. The statement of the reserves constituted in relation to the suits and procedures in which the commercial bank in question is a part of.

The judge shall give notice of the mentioned report to the National Commission for the Protection of the Users of Financial Services, which may formulate observations or request clarifications, through the same judge, in relation to the mentioned report.

The observations or clarifications arising from what is established in the paragraph above, as well as those that, in its case, the judge formulates, shall be reported to the judicial liquidator whom shall have a term no greater than fifteen business days, counting from the corresponding request, to present to the judge the final report in which said observations or clarifications are dealt with, indicating, in its case, the reasons to dismiss one or more of them.

Article added OJF 01-10-2014

Article 237. - The condition of closing of the offices and branches of the bank that is declared in judicial liquidation, shall be kept in terms of what is set forth in article 170 of the present Law, without prejudice that the judicial liquidator establishes or, in its case, modifies the terms and conditions in which said offices and branches shall remain open for the attention of the clientele for the active and service transactions determined by the same judicial liquidator, event in which the publicity established in the penultimate paragraph of said article must be done.

Article added OJF 01-10-2014

Article 238. - It shall correspond to the National Commission for the Protection of Users of Financial Services to represent the collective interests of the creditors of the commercial bank before the judicial liquidator, for which it shall have the following powers:

- I. Formulate observations and request clarifications regarding the content of the reports that article 236 of this Law refers to, and
- II. Request the judicial liquidator to examine any book or document, as well as any other means of storage of data of the commercial bank under judicial liquidation, regarding those issues that at its discretion, may affect the collective interests of the creditors.

The judge resolving the judicial liquidation shall automatically dismiss any request that goes against the provisions of this article.

Article added OJF 01-10-2014

Article 239. - The judicial liquidator must carry out the process of recognition of credits, pursuant to the following:

- I. In a term that shall not exceed of five days following the date on which the judicial liquidation of a commercial bank have been declared, the judicial liquidator must prepare a provisional list of the persons that, at such date, are creditors of said commercial bank, based on the information that the commercial bank keeps pursuant to what is set forth in article 124 of this law, with the adjustment that, in its case, correspond for the transactions that were done in the liquidation proceeding, and indicating the date of declaration of the judicial liquidation, the amount of credit on said date, as well as the hierarchy of claims and its preference of credits that corresponds pursuant to this Law.

Likewise, within that term, the judicial liquidator shall request the publication in the Official Journal of the Federation and, at least, in a newspaper of wide national circulation, of a notice indicating the date on which the commercial bank was declared in liquidation proceeding, as well as the place and means through which the creditors may consult the provisional list. Furthermore, the judicial liquidator shall inform this situation to the public, through ads placed in visible places in the accesses to the branches of the commercial bank in question and through its electronic page in the world wide web denominated Internet;

- II. The creditors shall have a term of thirty days counting form the date of the publication of the notice that the subsection above refers to, to verify if they are on the provisional list. During said term, the creditors may request to the judicial liquidator, in writing, adjustments or modifications to the provisional list attaching a copy of the documents that support said request. Once this term has elapsed, no creditor may request the recognition of its credit, or the modification or adjustment of what appears recognized in its favor in the definitive list or in the resolution of acknowledgement, graduation, and preference of credits.

In any case, the creditors of the commercial bank for credits subject to dispute before jurisdictional authority or arbitration court, that is pending resolution, must request to the judicial liquidator, the acknowledgment of its credit within the term that the paragraph above refers to. Should the acknowledgment is not requested, such credits may not be acknowledged afterwards, even when the creditor obtains a favorable final resolution. Should the creditors mentioned above request the acknowledgment of their credits, the judicial liquidator shall propose to acknowledge them for an amount pending determination. While a final resolution that resolves the dispute has not been issued, the judicial liquidator shall proceed in terms of article 247, subsection I of this Law. Once the

resolution that, in its case, condemns the commercial bank is unappealable and final, the creditor in question must present the judge a certified copy of it, so that the latter may order the inclusion of that credit in the resolution of acknowledgment, graduation, and preference of credits. The judge must observe for effects of its quantification the provisions of article 169 of this Law;

- III. Once the term for the presentation of the request that the section above refers to has elapsed, the judicial liquidator shall have a term of ten days to prepare a definitive list considering the corrections arising from the requests that were well grounded, as well as the transactions that were done pursuant to what is set forth in the last paragraph of this article, and
- IV. Once the definitive list that the subsection above refers to has been prepared, the judicial liquidator shall present it to the district judge resolving judicial liquidation so the latter, within the following ten days, issues the resolution of acknowledgment, graduation, and preference of credit automatically.

The day following the issuance of the mentioned resolution, the judicial liquidator must request the publication in the Official Journal of the Federation and, at least, in one newspaper of wide circulation on national territory, of a notice indicating the means through which the creditors may verify said list, as well as the extract of the corresponding resolution.

Once the term to challenge the aforementioned resolution has elapsed, there cannot be requested any other acknowledgment of credits or any modifications regarding the acknowledged ones. The foregoing, shall not be applicable regarding actions for collection of t guaranteed obligations in terms of the Bank Savings Protection Law, that article 192 of this Law refers to nor, in its case, to those regarding the collection of the liabilities that article 198 of the same Law refers to.

For the protection of the interest of the saving public and of the creditors of the commercial bank in question, the judicial liquidator may carry out the transactions that article 186 of this law refers to, regardless of the conclusion of the procedure of acknowledgment of credits established in the present article.

Article added OJF 01-10-2014

Article 240. - The creditors of a commercial bank in judicial liquidation, for the transactions that section V of article 241 of this law refers to, shall be understood as acknowledged for the amount that was not paid by the Institute for the Protection of Bank Savings in terms of what is set forth in articles

188 to 193 of this Law and in the Bank Savings Protection Law, or for the amount of the credit that in its case was not object of the transfer.

Likewise, the creditors of the transactions referred to in article 198 of this law shall be understood as acknowledged for the amount that was not covered by the Institute for the Protection of Bank Savings pursuant to what is set forth in said article of the present statute.

The Institute for the Protection of Bank Savings shall be understood as acknowledged creditor for the payments it had covered in the cases that this article refers to.

Article added OJF 01-10-2014

Article 241. - For the payment of the transactions attributable to the commercial bank in bankruptcy proceeding, the judicial liquidator must consider the following preference:

- I. Credits with guarantee or lien on real property;
- II. Labor credits different from those referred to in subsection XXIII, part A, from article 123 of the Political Constitution of the United Mexican States and tax credits;
- III. Credits that according to the laws that govern them, have special privilege;
- IV. Credits arising from the payment of guaranteed obligations pursuant to article 6 of the Bank Savings Protection Law, for up to the limit that article 11 of said law refers to, as well as any other liability in favor of the Institute;
- V. Credits arising from guaranteed obligations pursuant to article 6 of the Bank Savings Protection Law, for the balance that exceeds the limit that article 11 of said law refers to;
- VI. Credits arising from obligations different from those indicated in the previous subsections;
- VII. Credits arising from preferable subordinated debentures, pursuant to what is set forth by article 64 of this Law, and
- VIII. Credits arising from non-preferable subordinated debentures, pursuant to what is set forth by article 64 of this Law.

The excess of the corporate equity that, in its case, remains, shall be given to the holders of the representative shares of the capital stock.

The credits with guarantee or lien on real property that subsection I of this article refers to, shall be paid with the product of the sale of the goods subject to said guarantee with absolute exclusion of the credits that subsections II to VII of this article refer to, being subject to the order of collection that is determined as provided by the applicable provisions or, in its defect, at pro rata.

Regarding credits with guarantee or lien on real property in which the value of the latter is less than the amount of the credit and its ancillaries on the date on which the bank enters into a judicial

liquidation, the respective creditors shall be considered included within the credits that subsection VI above refers to, for the amount that was not covered.

What is set forth in the Payment Systems Law shall be applicable notwithstanding what is provided in this article.

For the sole payment of the guaranteed obligations in terms of the Bank Savings Protection Law and, in its case, for the payment done in terms of subparagraph b) of subsection II of article 148 of this Law, the Institute for the Protection of Bank Savings shall subrogate in the respective rights of collection, with the privileges corresponding to the holders of the paid transactions, for the amount covered; being enough instrument for its collection the document where the referred payment is evidenced. The rights of collection of the Institute for the Protection of Bank Savings mentioned before shall have preference over those corresponding to the balance not covered by the latter of the respective obligations.

For the protection of the saving public and independent that the commercial bank has sufficient resources, the Institute for the Protection of Bank Savings shall provide the necessary resources for the payment of the guaranteed obligations that article 6 of the Bank Savings Protection law refers to. The foregoing, without prejudice that said Institute will subrogate in the corresponding rights of collection, in the terms set forth in the present article.

To carry out the payment to the creditors whose credits are within any of the subsections listed in the present article, the credits corresponding to article 242 must have been paid or reserved as well as those that precede them pursuant to the preference established in this article.

In the event that the assets of the commercial bank in judicial liquidation are not sufficient to carry out the payments or constitute the reserves that correspond to the totality of the credits included in one of the subsections of this article, the judicial liquidator must request authorization of the judge resolving the judicial liquidation to carry out, at pro rata, the payments or constitute the reserves of the credits corresponding to said section. The judge must resolve on said request in a term that must not exceed ten business days counting from its presentation.

Article added OJF 01-10-2014

Article 242. - The following credits shall be paid in the order indicated and before any mentioned in articles 241 of this Law:

- I. Those referred to in subsection XXIII of Part A of article 123 of the Political Constitution of the United Mexican States;
- II. Those contracted to deal with the normal expenses for the security of the goods of the equity of the bank, its repair, conservation, and management, and

- III. Those proceeding from judicial or non-judicial administrative-law proceedings in benefit of the equity of the commercial bank.

Article added OJF 01-10-2014

Article 243. - The fees of the attorneys-in-fact of the judicial liquidator, as well as the expenses in which the judicial liquidator itself or said attorneys-in-fact incur upon, provided they were strictly necessary for their task performance, shall be considered as expenses of ordinary operation of the commercial bank in question.

Article added OJF 01-10-2014

Article 244. - Should the total amount of the obligations of the commercial bank in question for the concept that subsection I of article 242 of this Law refers to, is bigger than the value of all the goods of the equity of the commercial bank that are not granted as guarantee, the difference shall be divided among all the creditors of the credits that correspond to subsection I of article 241 of this Law.

To determine the amount with which every creditor must contribute to the obligation indicated in the paragraph above, the total amount of the obligations of the bank for the concept referred to in subsection I of article 242 shall be subtracted from, the value of all the goods of the equity of the commercial bank that are not object of guarantee on real property. The resulting amount shall be multiplied by the proportion that the value of the guarantee of the creditor in question represents of the sum of the values of all the goods of the equity of the bank that are object of a guarantee.

Article added OJF 01-10-2014

Article 245. - he creditors with special privilege shall collect in the same terms as the creditors with guarantee on real property or in accordance with the date of their credit, should said credit were not subject to registration, unless different credits had a guarantee on the same thing, in which case the distribution shall be done in a pro rata basis regardless of their dates, except that the laws provide otherwise.

Article added OJF 01-10-2014

Article 246. - The judicial liquidator may enter into an agreement with the acknowledged creditors, to establish the payment of their credits in a form different from what is established in this Section, including the agreement to deliver in payment the assets of the commercial bank, as full discharge of such credits, adhering to the following basis:

- I. For the negotiation of that agreement, the judicial liquidator may meet with the creditors that he/she deems convenient and with those that request it, either together or separately, and may communicate with them in any form;
- II. The judicial liquidator may recommend to carry out the studies and appraisals that he/she considers necessary to negotiate the agreement, putting them at the disposal of

the acknowledged creditors, through the judge, except for that information that has a confidential nature in terms of the applicable provisions;

- III. The agreement must be entered into by the judicial liquidator and one or more acknowledged creditors that together are the holders of at least 75 percent of the total of the recognized liability attributable to the commercial bank, through resolution of acknowledgement, graduation, and preference of credits, pending payment on the date on which said agreement is signed;
- IV. Regarding the acknowledged creditors that refuse to sign the agreement, it shall be agreed with them a payment equal or greater than the amount that it would have corresponded to them should they had received the payment in accordance with the provisions of this section. Once this condition has been fulfilled, they may neither oppose the signing of the agreement nor question its validity in any form or proceeding;
- V. The agreement must guarantee, in any of the forms set forth in the legal provisions, the payment of the differences that may arise from:
 - a. The reversal motions pending resolution, that were filed against the resolution of acknowledgment, graduation, and preference of credits;
 - b. The suits and procedures that are pending final resolution on the date of the signing of the agreement, provided that the creditor requested and obtained the acknowledgment of its credit in the resolution of acknowledgment, graduation, and preference of the credits, and
 - c. The tax credits pending determination on that date.

In the agreement itself, the form in which the guaranteed amount that exceeds that amount which is finally applied to the payment of the credits arising from the conclusion of the motions, legal actions and procedures, or from the determination of the corresponding tax credits, in its case, must be distributed among the acknowledged creditors must have been agreed, and

- VI. Those acknowledged creditors with guarantee on real property that have not subscribed the agreement, may begin or continue with the execution of their guarantees, unless the agreement considers the integral payment of the credits that are acknowledged in the resolution of acknowledgment, graduation, and preference of credits, or of the value of its guarantee on real property. In this last case, any excess of the acknowledged debt in respect to the value of the guarantee shall be considered as a common credit and shall be subject to what is established in the section above.

The judicial liquidator shall exhibit in the proceedings the agreement, once it has been entered into in accordance subsection III of this article, and the judge shall make it available to the parties for the term of three days, so that they may manifest whatever is

in their best interest. Once this term has concluded, whether they have or have not submitted any comments, the judge shall revise ex officio that the agreement adheres to what is established in this article, and if this is so, shall approve it at once without ulterior motion. Once this agreement has been approved, the judicial liquidator shall proceed in terms of article 263 of this Law.

Article added OJF 01-10-2014

Article 247. - The judicial liquidator must constitute a reserve with the resources of the commercial bank in judicial liquidation, in the following cases:

- I. Where there are suits or procedures that the commercial bank is a part of, and that do not have a final resolution or decision;
- II. Regarding credits that do not appear in the accounting and were notified by the competent authority as long as a final resolution does not exist, and
- III. When the judicial liquidator might consider that the solution of an ancillary claim may condemn the commercial bank to pay damages and lost profits, in accordance to the nature of the liability that originated the dispute.

To determine the amount of the reserves that must be constituted in terms of what is indicated in this article, the judicial liquidator must consider the provisions of general nature issued by the National Banking and Securities Commission pursuant to article 99 of this Law, as well as the hierarchy of claims that article 241 of this Law refers to. The judicial liquidator may periodically modify the amount of the reserves to reflect the best estimation possible.

Regarding trials and procedures against the commercial bank where the respective creditors have not requested nor obtained any recognition of credits, the obligation to constitute the abovementioned reserves shall not exist.

Article added OJF 01-10-2014

Article 248.- The judicial liquidator may invest the reserves constituted with the liquid resources that article 241 of the present law refers to and other available resources that the corresponding commercial bank has, in instruments that meet the adequate characteristics of security, liquidity, and availability, looking forward that said investments protect the real value of the resources.

In the cases in which the resolution of one or more motions may modify the amount that is to be distributed to the creditors, the judicial liquidator shall distribute only the amount that is not susceptible of being reduced as a consequence of the corresponding resolution. The difference shall be reserved or invested, in terms of what is set forth in the paragraph above. When the motions are resolved, the respective payments shall be done.

Article added OJF 01-10-2014

Article 249. - In case the labor authorities order the attachment of goods of the credit institution in judicial liquidation, to ensure credits in favor of the employees for accrued salaries or for indemnifications, the judicial liquidator shall be the depositary of the attached goods.

As soon as the judicial liquidator covers or guarantees said credits at the satisfaction of the labor authorities, the attachment must be lifted.

Article added OJF 01-10-2014

Article 250. - When in fulfillment of a labor resolution aimed to protect the rights in favor of the workers that subsection XXIII of Part A of article 123 of the Political Constitution of the United Mexican States and this section refer to, the competent labor authority orders the execution of a good that forms part of the equity of the bank that is also the object of a guarantee on real property, the judicial liquidator may request from the latter the substitution of said good for a bond, at the satisfaction of the labor authority, that shall guarantee the fulfillment of the labor resolution within a term of ninety days counting from when the notice takes effect.

When the substitution is not possible, the judicial liquidator, once the execution of the good is done, shall register the amount that is less between that of the acknowledged credit and that of the value of the sale of the good that was executed for the fulfillment of labor resolution that the paragraph above refers to, as a credit against the equity of the commercial bank in favor of the creditor with the guarantee on the real property in question. In case that the value of the sale of the good is less than the amount of the acknowledged credit, the difference that results shall be considered as included within the credits that section VI of article 241 of this law refers to.

Article added OJF 01-10-2014

Article 251. - The suits and procedures in which the commercial bank is plaintiff or defendant, that are in process when the resolution of the judicial liquidation is issued or that are started after the resolution, shall not be accumulated to the judicial liquidation, but shall be followed before the authority in charge of resolving them, under the surveillance of the judicial liquidator. The latter must inform the district judge resolving the judicial liquidation of the existence of the process.

The existence of the suit does not exempt the creditor from the obligation of appearing to the procedure of judicial liquidation to request the acknowledgment of its credit.

The judicial liquidator must represent the commercial bank in the trials and procedures that this article refers to, whether on its own behalf or through the attorneys-in-fact appointed to that end. The attorneys-in-fact that had represented the commercial bank in question in suits and procedures before the latter was declared in judicial liquidation, shall conserve their representation.

Article added OJF 01-10-2014

Article 252. - The judicial liquidator shall conclude the pending transactions that the liquidator might have entered into.

Article added OJF 01-10-2014

Article 253. - The goods in possession of the bank declared in judicial liquidation, that are identifiable, whose property was not transferred to the latter by definitive and irrevocable title, may be separated by its owners.

Article added OJF 01-10-2014

Article 254. - Pursuant to what is set forth in article 253 of this Law, the goods that are in the following situations or in others that have an analogous nature may be separated from the assets of the bank that is declared in judicial liquidation:

- I. Those that are recoverable by third parties according to the laws;
- II. The real estate sold to the commercial bank, not paid by the latter, when the purchase was not duly registered;
- III. The furniture sold to the bank, if the latter did not pay the totality of the price at the time of the declaration of the judicial liquidation;
- IV. The goods leased to the bank as tenant;
- V. Those that are property of the employees of the bank or of the persons that provide a service to it;
- VI. Those allocated to trusts, or that are subject to agencies, commissions, or custody, and
- VII. The contributions withheld, collected, or transferred by the bank by account of tax authorities.

Article added OJF 01-10-2014

Article 255. - Regarding the existence or identity of the goods whose separation is being requested, the following shall be taken into account:

- I. The separation actions shall only proceed when the goods are in the possession of the commercial bank since the declaration of the judicial liquidation:
- II. Should the goods perish after the declaration of the judicial liquidation and were insured, the separationist shall have the right to obtain the payment of the indemnification that might be received or to subrogate in the rights to claim it;
- III. Should the goods were sold before the declaration of the judicial liquidation, the price received for them cannot be separated. However, should they have not yet been paid , the separationist may subrogate in the right to collect the payment against the acquiring third party, having to deliver to the equity of the bank the excess between what is collected and the amount of its credit.

In the second assumption set forth in the paragraph above, the separationist may not present it/him/herself as a creditor in the judicial liquidation.

- IV. The goods that were sent, received in payment or changed for any judicial title, equivalent to those that were separable, may be separated;
- V. The identity test may be done even when the goods have been unpackaged or partially sold, and
- VI. Provided that the separable goods were given in pledge to third parties in good faith, the pledge creditor may oppose the delivery of the said goods, as long as the guaranteed obligation and the ancillaries that it has a right to have not been paid to it.

Article added OJF 01-10-2014

Article 256. - The separation action may be exercised before a judge resolving the judicial liquidation of the commercial bank, by the owners of the goods that article 254 of this law refers to. If there is no opposition to the demand for separation, the district judge may order, without more process, the requested exclusion. Once the opposition has been formulated, the suit shall be resolved through the incidental proceedings.

Article added OJF 01-10-2014

Article 257. - The judicial liquidator may oppose the demand of separation, when the goods in possession of the commercial bank that is declared in judicial liquidation, are in its possession due to leasing or financial leasing agreements, and their use by the bank during the judicial liquidation process, is essential.

The district judge resolving the judicial liquidation, after giving the holder of the good in question its right to be heard, shall issue the resolution that corresponds, which may include the extension of the leasing agreement, for up to the time that the judicial liquidation process lasts, through the payment of the rent established in the respective agreement, which shall increment annually for a percentage equal to the inflation observed in the immediately previous year, in accordance to the publications of Banco de México in the Official Journal of the Federation.

Article added OJF 01-10-2014

Article 258. - The sale of the goods of the commercial bank declared in judicial liquidation, must be done pursuant to the following:

- I. It shall be carried out in the terms set forth in articles 200 to 215 of the present Law. When in said articles there is a reference to the liquidator or to the date in which the bank entered into a liquidation proceeding, it shall be understood for effects of what is set forth in the present Part that a reference is made to the judicial liquidator or to the date in which the judicial liquidation of the bank is declared, as the case may be, and

- II. The judicial liquidator must inform the district judge resolving the judicial liquidation regarding the sales that were done, in terms of articles 209 and 210 of this law.

Article added OJF 01-10-2014

Article 259. - The execution procedures started by the creditors of the commercial bank in liquidation, against the latter, must be notified to the judicial liquidator, reporting the data that identify them.

The judicial liquidator may participate in the execution procedure in defense of the assets of the bank.

Article added OJF 01-10-2014

Article 260. - The judicial liquidator may avoid the separate execution of a guarantee when it considers that it is in benefit of the assets of the bank to sell it as part of a group of goods.

In these cases, before the sale of the group of goods in question, the judicial liquidator shall carry out a valuation of the goods that guarantee the credit.

In any case, the payment to the executing creditor must be done within the three days following the sale of the group of goods in question.

Article added OJF 01-10-2014

Article 261. - The judicial liquidator shall request the judge resolving the judicial liquidation, the declaration of nullity of the acts executed by the commercial bank in fraud of creditors during the period of retroaction. The creditors of the commercial bank in question may resort to the judge for the ends mentioned before.

For effects of what is set forth in the present section, the period of retroaction shall be understood as:

- I. The two hundred and seventy days before the date on which the receiver, the liquidator, or the judicial liquidator begins their function, whichever happens first, or
- II. In case the commercial bank presented the request for conditioned operation that article 29 Bis 2 of this Law refers to, the time from the two hundred seventieth day before the date of the presentation of said request up to the date on which the receiver, the liquidator, or the judicial liquidator begin their functions, whichever happens first.

The district judge resolving the judicial liquidation, at the request of the judicial liquidator or of any creditor, may establish a term longer than the one indicated in the subsections above when he/she considers it as justified.

Article added OJF 01-10-2014

Article 262. - The following are considered acts in fraud of creditors:

- I. Those that are executed gratuitously, as well as the payments of non-expired obligations done by the commercial bank;
- II. The debt acquittals done by the commercial bank;
- III. Those done against what is indicated in subsections III, IV, V, VII, VIII, X, XI, XII, XV Bis 1, XV Bis 2, XVI, XVII, XIX subparagraph b), of article 106 of this law;
- IV. The discount that the commercial bank does from its own effects;
- V. Those that cause the corresponding commercial bank to pay a consideration of a noticeably bigger value or to receive a consideration of a noticeably lower value from the one received by its counterpart;
- VI. The granting of guarantees or increase of the ones in effect, when the original obligation did not establish said granting or increase of guarantees;
- VII. The payment of debts done in kind, when it is different from the one originally agreed upon or when the consideration agreed upon was in money;
- VIII. The acts done against the corrective measures that subparagraph c) to h) of subsection I and subparagraph c) of subsection III of article 122 of this Law refer to, and
- IX. The transactions done against what is established in articles 73, 73 Bis, 73 Bis 1, and 75 of this Law.

The foregoing, without prejudice of the sanctions that correspond pursuant to the legal provisions that are applicable.

That acts that in accordance with the certificate issued by the judicial liquidator, benefit the equity of the bank in judicial liquidation, independent of the actions that, in its case, correspond, shall not be considered acts in fraud of creditors.

Whoever that had acquired goods in bad faith in fraud of creditors, shall respond for the damages and lost profits that are caused, when the good had passed to an acquirer of good faith or it were lost. The same liability falls on who, to avoid the effect of the nullity that the fraud of creditors would cause, destroyed or hid the goods that are object of the same.

If the third parties refunded what they received from the commercial bank, they may request the acknowledgment of their credits. When the refund to the commercial bank of any object or amount is resolved, it shall be understood, even if not expressed, that their liquid products or interests corresponding to the time in which the thing or money was enjoyed shall also be returned. For effects of the calculation of the liquid products or interests, what is agreed originally between the parties shall be followed or, in its defect, the legal interest shall be considered.

The acts regarding the transactions entered into following the corrective measure imposed by the National Banking and Securities Commission, those set forth in the restoration of capital plan, or in

the execution of the resolution plan determined by the Board of Governors of the Institute for the Protection of Bank Savings, as well as those related to it, may in no case be challenged as act of fraud of creditors and therefore declared null, in terms of what is set forth in the present law.

Article added OJF 01-10-2014

Article 263. - The Institute for the Protection of Bank Savings, in its capacity of judicial liquidator, shall issue the final balance of the judicial liquidation, if:

- I. The payment to the creditors was done in terms of the present Section and there were no more goods to be liquidated;
- II. An agreement of payment with the acknowledged creditors was executed in terms of what is established in article 246 of this Law, or
- III. It is shown that the goods of the bank are insufficient even to cover the credits that article 241 of the present law refers to.

The judicial liquidator must present the balance to the district judge resolving the judicial liquidation whom shall at the same time order its publication three times, every ten banking business days, in the Official Journal of the Federation, and in a newspaper of national circulation.

The same balance, as well as the documents and books of the commercial bank, shall be at the disposal of the shareholders, whom shall have a term of ten business days starting from the last publication, to resort to the district judge resolving the judicial liquidation to present its non-conformity which shall be substantiated in incidental proceedings. Once said term has elapsed or when a final resolution exists, the judicial liquidator shall proceed to deposit and register the final balance of the judicial liquidation in the Public Registry of Commerce.

Article added OJF 01-10-2014

Article 264. - Once the acts referred to in article 263 of this law have been carried out, the district judge resolving the judicial liquidation shall issue the resolution that declares the termination of the judicial liquidation, which must contain the following:

- I. The basis through which the termination of the judicial liquidation is declared;
- II. The declaration of termination of the judicial liquidation of the commercial bank;
- III. In its case, the agreement through which the judicial liquidation is terminated, as well as the mention that the approved agreement shall have the nature of resolution and it is binding to the commercial bank and the totality of the acknowledged creditors in the terms agreed upon in the same agreement, as well as the order of the judicial liquidator and the term to cancel the registrations done due to the judicial liquidation process;
- IV. The list of the recognized and paid creditors;

- V. The list of the acknowledged creditors that did not attend to claim their payment, including the mention that the corresponding deposit bill shall be deposited in the security of the court;
- VI. The order to the judicial liquidator to publish an excerpt of the resolution in the Official Journal of the Federation and in a newspaper of national circulation;
- VII. The order to the judicial liquidator to record the resolution in the Public Registry of Commerce and to request the cancellation of the registration of the corporate agreement;
- VIII. The form and terms in which the resolution shall be notified, and
- IX. The form and terms to challenge the resolution of termination of the judicial liquidation.

The resolution of termination of the judicial liquidation shall be notified through the Judicial Bulletin or by the publication of the corresponding court.

Article added OJF 01-10-2014

Article 265. - The judge may declare the termination of the judicial liquidation even when on that date, the definitive resolution of one or more suits against the commercial bank are pending.

In these cases, the judicial liquidator must carry out the necessary actions with the object that the resources corresponding to the reserves that, in its case, were constituted in relation to such suits, be administered and applied pursuant to the legal instruments that were constituted for such effect.

When constituting such legal instruments, the judicial liquidator shall observe the following in all cases:

- I. The expenses arising from the administration and application mentioned before shall be attributable to the corresponding reserve resources;
- II. The judicial liquidator must add to the reserves an amount that is sufficient to cover the expenses that arise from the legal attention of the suits, and
- III. If after the suits have been resolved, and once the resources have been applied, there were a surplus, it must be distributed among the acknowledged creditors pursuant to the degree and preference that corresponds to each of them, without requiring the reopening of the liquidation proceeding or the intervention of the judge.

The judicial liquidator must indicate the final balance corresponding to the suits that find themselves in the event of this article, with the indication of the legal instrument for its administration and application.

The suits and procedures followed by creditors of the commercial bank in judicial liquidation that did not request or obtain their acknowledgment, must be dismissed, whatever the instance that they are

in as a result of the resolution through which the termination of the liquidation proceeding is declared; for such effects, the judge resolving the judicial liquidation shall send a certified copy of that resolution to the judges, courts, or authorities that are appointed such procedures, once said resolution is final and unappealable.

Once the resolution that article 264 refers to has been issued, the judicial liquidator shall proceed pursuant to what is set forth in article 218, both of this Law.

Article added OJF 01-10-2014

Article 266. - For the public interest, in no case may the judge suspend the execution of the resolutions that are issued in the liquidation proceeding or the acts whose execution orders this Law to the judicial liquidator, except when the same judicial liquidator requests it, when losses and damages that would be difficult to repair could derive from said execution.

Article added OJF 01-10-2014

Article 267. - For the knowledge and decision of the disputes arising during the processing of the judicial liquidation, the interested party shall file the incidental via before the district judge resolving the judicial liquidation of the commercial bank in question, observing the following:

- I. They must be filed within the ten days following when the act that is matter of the dispute was carried out;
- II. From the initial statement of the incident, service shall be made providing a five-day term for the party or parties interested in the issue. The party that does not appear shall be held as confessed, unless there is evidence to the contrary;
- III. In the statements of incidental demand and answer to it, the parties shall offer evidence, expressing the points that must be dealt with and that are not foreign to the incidental issue proposed;
- IV. Once the term that the second section refers to has elapsed, the district judge resolving the judicial liquidation shall call a hearing for the presentation of evidence and grievances that must take place within the following ten days;
- V. When the parties offer the testimonial or expert evidence, they shall present with the statement of the offering, a copy of the interrogatories to be answered by the witnesses, or the questionnaire for the experts, indicating the name and domicile of the witnesses and in its case, of the expert of each party. The district judge resolving the judicial liquidation shall order for a copy to be delivered to each of the parties, so that they may verbally formulate questions when the hearing is verified. No more than three witnesses shall be admitted for each event. The testimonials or experts attributable to the public officers must be presented in writing;
- VI. When the expert evidence is filed, the district judge resolving the judicial liquidation shall appoint an expert, or as many as are thought necessary, without prejudice that each party

may also appoint an expert to be associated to the appointed by the judge or that renders a report separately;

- VII. To the ends that the parties may render evidence in the cited hearing, the officials or authorities have the obligation to issue as soon as possible to those, the copies or documents that are requested, warned that not doing it shall be object of the enforcement measures that the district judge resolving the judicial liquidation considers convenient, and those that were not prepared opportunely due to lack of interest in the presentation shall no longer be received, and
- VIII. Once the hearing has concluded, without the need for a summons, the district judge resolving the judicial liquidation shall issue the interlocutory resolution within the term of three days.

Article added OJF 01-10-2014

Article 268. - The reversal motion shall proceed against the resolution that resolves the declaration judicial liquidation, the resolution of acknowledgment, graduation, and preference of credits and against the resolution that declares the termination of the judicial liquidation. The judge shall automatically dismiss the motions aimed at challenging resolutions different from those indicated in this article.

Article added OJF 01-10-2014

Article 269. - The reversal motion must be filed in writing within the three days following the date on which the notice of the challenged resolution takes effects and the petitioner must express the grievances in the same statement. In the writ that allows the motion to proceed, the judge shall give notice to the interested parties for the term of three days, once these have elapsed, the judge shall call the parties to hear the resolution, which must be produced within the eight days following the citation.

Article added OJF 01-10-2014

Article 270. - The judge may employ, at his/her discretion, any of the following enforcement measures to make his/her determination be complied with:

- I. Penalty for an amount of 120 to 500 days of minimum general wage in force in the Federal District when committing a transgression, which may be duplicated in case of recidivism;
- II. The assistance of the public force and the breaking of locks if it were necessary, and
- III. The arrest for up to thirty-six hours.

If the case demands a greater sanction, the competent authority will be given notice.

When the district judge resolving the judicial liquidation, in compliance with what is set forth in this article, requests the assistance of the public force, the competent authorities shall be obligated to provide such assistance, with the availability and for all the time that it is necessary.

Article added F OJF 01-10-2014

PART D

Of the Legal Assistance, Defense and Liability

Article added OJF 01-10-2014

Article 271. - The Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission and the Institute for the Protection of Bank Savings shall provide the services of legal assistance and defense to the individuals who served as heads, members of its government bodies, officials, and public officers, in respect to the acts that the individuals referred to above carried out in the exercise of their function that by law were commissioned to them and that are related to what is set forth in article 50 of this Law, as well as in sections Second, Third, Fourth, and Fifth of Chapter I of Title Second, in the Only Chapter of Title Sixth, and in Chapter II of Title Seventh of this Law.

The receivers of the commercial banks, members of the consulting board, general director, and members of the board of directors of the banks incorporated and operated by the Institute for the Protection of Bank Savings and the attorneys-in-fact appointed by said Institute in terms of what is set forth in this Law, as well as the auxiliary personnel that the receivers, liquidators, or judicial liquidator grant powers to because it is necessary for the performance of their functions, shall also be subject to legal assistance and defense for the acts that they perform in the exercise of the powers that the laws grant on them, due to their functions.

The legal assistance and defense shall be paid with the resources that the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Bank Savings have for these effects, in accordance with the guidelines of general nature approved, in the first case, by the head of the cited Ministry, or, the respective government bodies. This guidelines shall establish that should the competent authority issue a final resolution against the subject of the legal assistance, said subject must reimburse the office or body, whichever the case may be, the expenses and any other expenditure that was incurred upon due to the legal assistance and defense.

For effects of what is set forth in this article, the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Bank Savings, in the scope of their respective duties, shall establish the mechanisms necessary to cover the expenses and any other expenditure that derives from the legal assistance and defense set forth in this article.

What is set forth in this article shall be applied without prejudice of the obligation that those subject to legal assistance and defense have, of rendering reports that are requested of them in the terms of the applicable legal provisions as part of the performance of their duties.

Article added OJF 01-10-2014

Article 272. - The Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, the Institute for the Protection of Bank Savings, the members of their respective government bodies, the officials and public officers that work in the offices and bodies cited, shall not be responsible for the losses that the commercial banks suffers derived from its insolvency, financial deterioration, or for the loss of the value of its assets during the liquidation proceedings or judicial liquidation; or, for any monetary damage, when they acted in the legal exercise of the duties entrusted to them by the law and that are related to what is set forth in article 50 of this Law when taking decisions, as well as in the sections Second, Third, Fourth, and Fifth of Chapter I of Title Second, in the Only Chapter of Title Sixth and in Chapter II of Title Seventh of this Law.

If it were determined that the liability that article 273 of the present law refers to, the payment of the indemnification that, in its case, was covered to the individuals may only be claimed from the public officers when, previous substantiation of the administrative disciplinary procedure set forth in the Federal Law of Administrative Liabilities of Public Officers, the liability were determined for administrative offense that had the nature of a serious transgression, pursuant to the criteria established in that same Law and taking into account what is set forth in the present article.

The receivers, the members of the consulting board, the general director, and the members of the board of directors of the banks incorporated and operated by the Institute for the Protection of Bank Savings and the attorneys-in-fact that are appointed by the cited Institute in terms of what is set forth in this law, as well as the auxiliary personnel that the receivers, liquidators, or judicial liquidator grant powers to because it is necessary for the performance of their functions, pursuant to what is set forth in article 133 of this law, shall not be liable for the losses that the banks suffer that derive from its insolvency, judicial liquidation, or financial deterioration, when they acted in the legal exercise of their duties when taking decisions. They also shall not be liable when said losses or financial deterioration of the bank in question, arises from any of the following causes:

- I. Lack of increase in the capital that the shareholders of the commercial bank must carry out;
- II. Lack of payment of the debtors of the bank;
- III. Deterioration in the value of the assets of the bank during the bankruptcy proceedings or judicial liquidation, or
- IV. Increase in the cost of the financing of the unproductive assets of the bank.

For effects of what is set forth in this article, it shall be understood that the individuals referred to in it, acted in the legal exercise of their duties and are not considered liable for damages and lost profits except when the acts that cause them were done with deceit, to obtain some wrongful profit for themselves or for third parties.

Article added OJF 01-10-2014

Article 273. - The acts carried out by the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Bank Savings, as well as any other federal public body that had some participation in the procedures referred to in this article, shall not be considered irregular administrative activity and therefore, shall not be a cause of assets liability of the State, when they are done in compliance with what is set forth in the present Title.

Only claims for the payment of some indemnification due to the processing of the procedures directed at maintaining the levels of capitalization or liquidity shall proceed or, those aimed at carrying out the intervention, revocation, or resolution of banks, in case it is attested that some act was ordered or executed illegally, and that this directly caused monetary damage to the interested party that the Government has the obligation to indemnify through the payment of damages and lost profits.

Besides the events expressly set forth in the Federal Government Assets Liability Law, those in which the information available at the time when taking the corresponding determination, served as base for this, did not allow to reasonably adopt a different resolution, are excluded from the obligation to indemnify. The information mentioned shall include that which the commercial banks have classified and kept in their automatic systems of processing and conservation of information pursuant to what is set forth in article 124 of this Law.

In any case, any payment that was done due to the processing of the respective resolution and liquidation proceeding must be subtracted from the amount of the damage or lost profits.

The Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Banking Savings, as well as any other federal public body that intervened in the mentioned procedures, may not claim the indemnification payment from their public officials, that they cover in terms of this article, except if, through previous substantiation of the administrative disciplinary procedure set forth in the Federal Law of Administrative Liabilities of Public Officers, it is determined that they committed a serious transgression in terms of said ordinance and, it is also attested that they acted with deceit and obtained wrongful profits for themselves or for third parties.

Article added OJF 01-10-2014

Article 274. - The actions arising from the acts of the Ministry of Finance and Public Credit, Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Banking Savings, as well as any other federal public body that intervened in the procedures directed at keeping the levels of capitalization or liquidity, or those relative to the intervention, revocation, or resolution of the banks, shall have a statute of limitations of one year, that shall be computed starting from the day following that on which they were produced.

In any case, the claims that are presented to obtain the payment of an indemnification for damages and lost profits shall be processed, where pertinent, through the procedure set forth in Chapter III of the Federal Government Assets Liability Law and the resolution of the administrative authority that denies the indemnification, or that for its amount do not pay the interested party off, may be challenged through the motion for review in administrative venue in terms of the indicated Law. The indemnifications that this Law refers to, shall be covered pursuant to what is set forth in the Federal Government Assets Liability Law, or in its case, in accordance with the corresponding budgeting regulations of each bank.

Article added OJF 01-10-2014

EIGHTH TITLE

On the Evaluation of the Performance of the Commercial Banks

Article 275. - In relation to the governance that the Mexican State must exercise in respect to the Mexican Banking System in accordance with the Political Constitution of the United Mexican States and what is established in the article 4th of this Law, and other applicable provisions, the Ministry of Finance and Public Credit shall regularly evaluate the performance of the commercial banks.

Article added OJF 01-10-2014

Article 276. - The performance evaluation shall be done in respect to the degree of orientation and compliance of the commercial banks with the development of their corporate purpose to support and promote the productive forces of the country and the growth of the national economy, adhering to the sound bank practices and uses, as well as those other aspects determined by the Ministry of Finance and Public Credit through the guidelines issued to this effect.

Article added OJF 01-10-2014

Article 277. - The performance evaluations' main purpose shall be to promote that the commercial banks fulfill their duties and assume the role that corresponds to them as integral part of the Mexican Banking System.

Article added OJF 01-10-2014

Article 278. - Banco de México, the National Banking and Securities Commission, and the Institute for the Protection of Bank Savings, at the request of the Ministry of Finance and Public Credit, shall contribute to the performance evaluations, in the scope of their respective duties.

Article added OJF 01-10-2014

Article 279. - The guidelines issued by the Ministry of Finance and Public Credit shall establish the regularity, methodology, and other aspects required for the performance evaluation that the present Title refers to. The methodology determined by the guidelines shall establish the parameters of evaluation that must pay attention to the characteristics of the credit institutions such as the size of their assets, their degree of intermediation or specialization, and any other determined to this effect, considering the criteria set forth in article 65 of this Law.

Article added OJF 01-10-2014

Article 280. - The performance evaluations shall be public and must be generally reported through the Internet sites of the Ministry of Finance and Public Credit, of the National Banking and Securities Commission, and of the Institute for the Protection of Bank Savings.

In any case, previous to the publication of the evaluations that this article refers to, the commercial bank being evaluated must be given its right to be heard.

In no case shall the performance evaluations refer to the financial condition, liquidity, or solvency of the evaluated commercial banks.

Article added OJF 01-10-2014

Article 281. - In case that the outcome of the performance evaluation is not satisfactory, the relevant bank must present a plan to correct the deficiencies that were found for the approval of the Ministry of Finance and Public Credit.

In case said plan is not presented by the corresponding bank, it is not approved, or is not fulfilled in its terms, the measures that article 53 of the present law refers to shall be applied.

The Ministry of Finance and Public Credit, the National Banking and Securities Commission, and Banco de México shall take the performance evaluations of the commercial banks into account, as the case may be, to resolve on the granting of the authorizations within the scope of their duties. Said authorities may also take into consideration the plans approved in terms of the present article.

Article added OJF 01-10-2014