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COVID-19 Compliance and Anti-Money Laundering (AML)

The Financial Intelligence Unit (UIF) and the Mexican Internal Revenue Service (SAT) in a joint communication indicated that, in case of any delay in the regulatory compliance in AML obligations as a result of COVID-19, obligated parties can request before the SAT an authorization to implement a self-correction program.

The UIF and SAT issued a joint communication on March 27, 2020 requesting that all parties involved in Vulnerable Activities set forth in article 17 of the Federal Anti-Money Laundering Law (Anti-Money Laundering Law) document any facts that may cause a delay in the presentation of Notices of Vulnerable Activities so as to be in a position to request the SAT for an authorization to implement a Self-Correction Program in respect of activities conducted since March 2020 and until the preventive measures determined by the Government of Mexico as a result of COVI-19 are lifted.

This action constitutes a support measure that the SAT and UIF are providing to those required to provide Notices of Vulnerable Activities.

Mexico's Anti-Money Laundering Law is designed to prevent and detect activities involving the use of illicit funds. The Central Administration of Legal Matters related to Vulnerable Activities of the SAT is the government agency responsible for collecting information regarding Vulnerable Activities, which has been actively engaged in strictly scrutinizing parties that are required to register and file Notices of Vulnerable Activities. The failure to complying with reporting obligations carries significant economic penalties.

The sectors that are covered by article 17 of the Anti-Money Laundering Law are the following:

- Real estate development
- Gambling and raffles
- Credit and prepaid cards and coupons
- Reward cards
- Travelers checks
- Loans
- Armored vehicles
- Real estate
- Works of art
- Vehicles
- Transportation and custody of valuables
- Professional services
- Donations
- International trade
- Real estate leasing
- Public faith (Public Notaries and Government Officials)
- Virtual Assets

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Also, the communication encourages anyone having information concerning irregularities detected related to the COVID-19 contingency to inform the UIF to the following email address: contacto_uif@hacienda.gob.mx

We are available to answer any questions concerning this topic.

Please contact our partner Luis Dantón Martínez at the following email ldanton@ritch.com.mx

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