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Mexico makes progress in financial technology compliance and prevention of unlawful transactions

On March 24, 2020, the Ministry of Finance (*Secretaría de Hacienda y Crédito Público*, “SHCP”) issued a resolution publishing the official forms to be used in connection with reporting obligations under the Law to Regulate the Financial Technology Institutions (*Ley para Regular las Instituciones de Tecnología Financiera*, “Resolution”) in respect of the following matters (i) designation of Compliance Officers, (ii) composition of Communication and Control Committees (*Comités de Comunicación y Control*) and (iii) relevant, unusual and internal vulnerable transactions that are required to be reported by law.

Pursuant to the Resolution, Financial Technology Institutions (“FTIs”) are required to report the SHCP the appointment and removal of their Compliance Officers, and report the composition of their Communication and Control Committees and any changes in them, using the relevant forms available on the SITI electronic system (Inter-institutional System for Transfer of Information), which may be accessed on <https://www.gob.mx/cnbv>.

The reporting related to appointments and removals of Compliance Officers entails the submission of specific information and documents required by the Resolution, including inter alia, personal information and certifications granted by CNBV in respect of appointees and the relevant appointment or removal document. The reporting related to the composition of Communication and Control Committees also entails the submission of specific information and documents required by the Resolution, including, inter alia, personal information and date of effectiveness of appointment in respect of each member of any such Committees. Pursuant to the Resolution, FTIs must provide relevant reports, by submitting them electronically through SITI by June 1, 2020, using specified forms set out in the Resolution.

As for reporting of relevant, unusual and internal vulnerable transactions that are required to be reported by law, the FTIs will need to submit to the Financial Intelligence Unit (Unidad de Inteligencia Financiera) of SHCP, through the CNBV, a report in respect of each relevant, unusual and internal vulnerable transaction, using the forms attached to the Resolution as Exhibits A, B and C, as the case may be. Such reporting will need to be carried out by the relevant Compliance Officer of the FTI submitting the report. Reporting of relevant transactions during the first and second quarters of 2020 must be carried out within the first ten business days of the month of July 2020. Reporting in respect of transactions during subsequent quarters will need to be carried out within the first ten business days of the months of January, April, July and October of each year, as applicable. Reporting of unusual and internal vulnerable transactions will start from July 1, 2020, and any such transactions will need to be reported within three business days.

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With the publication of the Resolution, Mexico takes an additional step in preventing money laundering and transactions with funds from illegal sources, which, according to the OECD, ensures the integrity of financial institutions, contributes to the economy and prevents crime.

For more information in connection with the above, please contact us at contacto@ritch.com.mx.

We hope you and your families stay safe and healthy in this difficult time.

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