

Newsletter

Corporate and M&A Practice Group

Changes to the General Law of Securities and Credit Operations and the General Law of Organization and Auxiliary Credit Activities

On March 26, 2024, the "Bill Amending, Adding and Abolishing Various Provisions of the General Law of Credit Instruments and Credit Transactions and the General Law of Credit Organizations and Auxiliary Activities" (the "**Bill**") was published in the Official Gazette of the Federation, and became effective on March 27.

The Bill, which entered into force on March 27, 2024, aims to encourage the use of credit instruments that have been issued, subscribed, guaranteed, endorsed, transferred, and/or delivered through electronic means. While the issuance, subscription, and transmission of credit instruments electronically were already possible in Mexico under the legislation on electronic commerce in the Commercial Code, the Bill serves to clarify and provide certainty on this matter. It expressly recognizes in the General Law of Credit Instruments and Operations the same validity and legal effects to credit instruments contained in an Electronic Message^[1] in terms of what is indicated in the Commercial Code.

The Bill indicates that the issuance of electronic credit instruments will be through an information system used to generate, transmit, receive, deliver, or otherwise process data messages. Additionally, the information system will serve for the transmission, display, endorsement, delivery, and opposition of the credit instruments. In turn, the credit instrument that has been issued through electronic, optical, or any other technology will be presumed intact and available when it can be consulted in said information system.

The information system used must be complemented by the provisions of the Official Mexican Standard

NOM-151-SCFI-2016 Requirements to be Observed for the Preservation of Data Messages and Digitization of Documents ("**NOM 151**"). NOM 151 establishes the characteristics that conservation records of data messages must have when signing electronic documents and defines the necessary elements for the digitization of physical documents. In terms of NOM 151, there must be reliable assurance that the integrity of the information has been preserved and that the information can be displayed to the person to whom it should be presented when required.

Therefore, in addition to using a system compliant with the Commercial Code, it will be necessary to obtain an electronic signature (preferably an advanced electronic signature) that can be attributable to those executing the corresponding credit instrument. It should be noted that in Mexico, both handwritten signatures and electronic signatures are recognized under the principle of functional equivalence, giving value to the latter as if it had been written on paper.

Finally, the Bill restricts the issuance of deposit certificates so that they can only be issued electronically, and these must be registered in the Unique Registry of Certificates, Warehouses, and Goods. Likewise, the existence of pledge bonds is eliminated, being replaced by the option of a pledge loan.

This effort represents a significant step towards the modernization and adaptation of Mexican legislation to technological advances in the financial sector. By encouraging the use of electronic credit instruments and establishing clear requirements for their issuance, transmission, and preservation, the Bill seeks to promote

efficiency, security, and legal certainty in commercial transactions.

Learn more about this Initiative [here](#).

For more information, please contact our [Corporate and M&A](#), [Banking and Finance](#), [Intellectual Property](#) and [Litigation and Alternative Dispute Resolution](#) teams.

¹ According to Article 89 of the Commercial Code, "Electronic Message" is defined as "Information generated, sent, received, or archived by electronic means."

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