

Corporate and Project Finance Practice Group Newsletter



Bill that adds article 362 Bis to the Mexican Commercial Code and article 174 Bis to the General Law of Negotiable Instruments and Credit Transactions

On April 6, 2022, a bill (hereinafter, the "**Bill**") with a draft decree was presented by the members of the Parliamentary Group of the Institutional Revolutionary Political Party to the Senate of the Mexican Republic (i.e., Chamber of Senators) adding an article 362 Bis to the Mexican Commercial Code and an article 174 Bis to the General Law of Negotiable Instruments and Credit Transactions regarding the suspension of the collection of default interest to debtors during a health emergency.

To this end, the Bill proposes: **(i)** to suspend the collection of default interest from debtors who are late in complying with their payment obligations, during the time in which the General Health Council issues, through a Decree published in the Federal Official Gazette, a declaration of health emergency (the "**Declaration**"); and **(ii)** to point out that once the Declaration ends, the creditors may resume the collection of default interest agreed or due, considering the balance of one day prior to the publication of the Declaration.

The articles that the Bill proposes to add are the following:

COMMERCIAL CODE

"Article 362 Bis. The collection of default interest agreed between creditors and debtors who default in paying their debts will be suspended, only during the time in which the General Health Council issues, by

means of a Decree published in the Federal Official Gazette, a Declaration of health emergency. Once the Declaration of emergency has concluded, the creditors may resume the collection of default interest agreed or due, taking into account the debtor balance of one day prior to the publication of the Declaration."

GENERAL LAW OF NEGOTIABLE INSTRUMENTS AND CREDIT TRANSACTIONS

"Article 174 Bis. When the General Health Council issues a Declaration of a health emergency by means of a Decree published in the Federal Official Gazette, the default interest generated by a breach in payment will be suspended from collection by the last holder, for as long as the Declaration is in force.

Once the declaration of emergency has concluded, the accrual of default interest may be resumed, taking into account the unpaid balance of the debtor one day prior to the publication of the decree in the Federal Official Gazette."

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

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Corporate and Project Finance

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