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FinTech

Mexico

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2020



How lawyers are ranked

Every year we carry out thousands of in-depth interviews with clients in order to assess the reputations and expertise of business lawyers worldwide. The qualities we look for (and which determine rankings) include technical legal ability, professional conduct, client service, commercial awareness/astuteness, diligence, commitment, and other qualities most valued by the client.

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MEXICO: An Introduction

Contributed by Von Wobeser y Sierra, SC

Introduction

It is no secret that in the past decade, Mexico has been actively taking part in the worldwide FinTech revolution, developing a strong ecosystem and positioning itself as a FinTech hub with high growth potential in Latin America. From an ever-growing community of entrepreneurs – offering disruptive and innovative financial solutions – to an untapped market potential, the development of the FinTech industry has allowed the creation of new financial products and services available for almost everyone in the country.

As shown by the last National Survey of Financial Inclusion (*Encuesta Nacional de Inclusión Financiera*), only 68% of Mexican adults hold a financial product, and only 13% of every 10,000 adults in Mexico have access points to cash withdrawals and deposits, which means that most Mexicans do not have access to the financial system. The numbers dramatically change when you consider the potential number of Mexicans with access to a smartphone or to internet: it is clear that digital technologies represent a crucial factor to: (a) increase financial inclusion, (b) reduce informality, (c) lower the use of cash, and (d) reactivate the economy.

The FinTech industry provided Mexico with an opportunity to evolve, grow and change its financial market. But at what price? It changed the fundamentals of banking and the structure of financial services as we know them. And with such huge stakes at play, it was only a matter of time for the government to regulate the industry.

Consequently, the Law Regulating Financial Technology Institutions ("**FinTech Law**") was published in the Official Federal Gazette on March 9, 2018 (becoming effective the following day), positioning Mexico as one of the first countries in Latin America to formally regulate the FinTech industry: a true pioneer.

The FinTech Law was met with a certain level of disapproval from the big players of the Mexican market for its lack of technical sophistication in some matters. Nevertheless, it provided a legal framework that provides certainty to the operation of crowdfunding and electronic payment fund institutions ("Regulated Entities") and establishes guidelines to, among others, promote financial inclusion and innovation, ensure fair competition and consumer protection, prevent financial systemic crisis, and prevent money laundering activities.

A Feasible Financial Alternative

FinTech entities have become a feasible investment opportunity in developing economies such as Mexico's. With its privileged geographical location (just a few hours away from Silicon Valley and New York City and as a hub for the rest of Latin America), Mexico will continue to lead in the development of FinTech companies in 2020.

If that development continues at the same pace as 2019, the Mexican FinTech market will remain the top market in Latin America (above more developed countries such as Brazil and Chile). This will encourage competition and the placement of new financial services, and it will ultimately generate new jobs and improve the economy. It should not go unnoticed that labour costs in Mexico are better than in other parts of the continent (and the world) and that the Mexican universities are full of young talent, a perfect recipe for the success of the FinTech environment.

FinTech companies offer financial alternatives to small businesses and people who otherwise would not have access to financial services. They do have a significant technological component, but FinTech ventures also challenge the *status quo* of the financial services industry. They disrupt traditional sectors, having more liberty to innovate in the type of services offered. It is all about the financial inclusion.

Today Mexico stands out as well-prepared for both continuous technological disruption and financial regulatory changes, but to maintain this advantage, the authorities need to be careful in their approach in the coming year. We should bear in mind that FinTech companies play an essential role in the Mexican economy and they represent a new opportunity for lower informality and job generation. The current government (and those who will come after) should find an adequate balance between this potential and the essence of the FinTech industry which is the minimum participation of the government: "*If it ain't broke, don't fix it.*"

The New Age Of Banking

One constant concern we have noticed in our clients and peers towards 2020 is the seeming expiration date of the traditional banks and the financial system as we know it. Many sometimes wonder if the FinTech industry will take over the banking institutions and the services they have historically offered their clients, based on certain comments of high ranked officials at respected banks. But while some people are concerned, others are taking advantage of the situation.

FinTech companies were conceived as a necessity in the new millennium, not necessarily as a replacement for classic institutions and services. Over the past year, many Mexican FinTech companies have attracted significant investments from consolidated financial groups. In 2019, Japan's SoftBank Group invested approximately USD20 million in the Mexican payment startup Clip and Goldman Sachs invested USD42 million in the Mexican FinTech company Credijusto, just to name a few examples.

Banks and financial institutions are understanding that the market requires adaptability and that many FinTech companies need funds. In this new economic environment, many FinTech companies are still in a stage of growth and expansion, but they are ready to take other steps and escalate. Many companies are looking for commercial launches and need money and investors with big pockets to strengthen their opportunities. Who is better suited for this challenge than the big players of the financial sector? Banks are (and will remain) as the main pillar of the financial system in Mexico, but this wind of change will bring interesting and enriching ingredients to the table. In the end, it is necessary to understand (for the sake of fair competition) that unlike the U.S. (which has nearly 7,000 banking institutions), Mexico has 50+ banks, out of which, 4 have nearly 70% of the market. The system required a change.

2020 may lead us to realize that FinTech is the next step in the evolution of the financial system and traditional banking institutions will come to understand this and invest in its opportunities. Banks can become the nexus between people and all financial services available. The co-existence of the FinTech companies and banks is crucial for an organic development of the FinTech industry and the satisfaction of the general public. Those financial institutions not willing to accept the future will be forced to upgrade their services and offer more technological products to their clients, facilitating access to their services and promoting financial inclusion. We are potentially on the verge of a new golden age of banking.

The “Desired” Authorization Process

Considering the importance of the FinTech ventures for Mexico, both as a financial alternative and as a disruptive revolution for banking, the regulation of who is entitled to operate as a FinTech company (and most importantly, how) becomes an essential topic to analyse and discuss. The FinTech Law set forth September 25, 2019 as the deadline to file the request for authorization to operate as a Regulated Entity before the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, the “CNBV”); the mere filing would grant such entities the permission to keep operating. As expected, this deadline was exclusively for those entities that operated as FinTech companies prior to the FinTech Law taking effect, implying that anyone else would need to wait for the issuance of the authorization to operate as a Regulated Entity.

According to official numbers from the CNBV, 85 companies filed the request for authorization on or before the deadline, out of the more than 400 existing FinTech companies and the 200 that were expected to file. This regulatory setback, along with potential investment opportunities on the horizon, and the new political mindset of the current administration, promise to make 2020 an interesting year in the industry. Everyone seems eager to understand how the authorizations and the regulation will work.

On the one hand, those who filed the request for authorization to operate as Regulated Entities before the deadline will not be affected by an apparent delay caused by recent changes in several departments of the CNBV (which were directly involved in the process) and will be able to continue operating for at least the first half of 2020. On the other hand, those that did not file the request for authorization before the deadline or that intend to initiate operations as Regulated Entities, face uncertainties regarding timing.

It remains to be seen whether the CNBV will insist on the formalities of the authorization process. The filing process has been criticized for being burdensome and costly, especially considering that many of the companies seeking authorization are startups with a limited budget to spend on regulatory compliance, requiring them to implement a bank-like corporate structure. And with only one chance to answer and comply with comments from the CNBV during the process (in terms of the FinTech Law and related regulations), it is our job as lawyers to help our clients fully understand how this complicated process works, guide them in the legal and technical aspects of it, and walk them through the basics of touching base with the authority prior to the filing, to avoid any hindrance or delay. A good interaction with the authorities and an exceptional lawyer-client communication will facilitate the understanding and compliance with the related legal, tax and technical matters, making the process simpler.

We are certain that the current administration understands the importance of the FinTech industry and the urgency of granting the authorizations necessary to keep those financial services operating. Thus, although we cannot know for sure, we expect that once the CNBV begins issuing the authorizations, it will gain momentum and the process will go more smoothly. Anyhow, both investors and FinTech companies are aware that the FinTech Law does not regulate all the business models related to the FinTech industry, leaving space for other opportunities.

Final Remarks

The political and economic uncertainty that Mexico faces at various levels (from the world, the Latin America region and internally) may have short-term negative effects on the FinTech agenda in 2020 for two main reasons: (i) regulatory burden; and (ii) the lack of direct investments. Nevertheless, we believe both issues will be overcome by popular demand for new services and products in the financial market.

History has taught us as lawyers that the social context dictates the laws, not the other way around. The following round of regulations of the FinTech Law will be enacted early this year and with them, Mexico will have a more complete legal framework that will bring certainty to the FinTech companies and to their investors.

Also, notwithstanding that predictions do not show high economic expectations for Mexico, our economy has been very dynamic in the past 25 years, proving that when there is demand there is investment. Our culture must continue to encourage the development of technological tools and systems that allow the Mexican FinTech industry to grow.

And although Mexico is a leader in the FinTech industry in Latin America, there are still obstacles we need to face, like access to monetary and human capital. The FinTech industry requires human capacity and expertise in the financial sector to transform it and advanced knowledge in the banking and finance sectors to increase the chances of success in these types of companies. In any case, we expect 2020 will mark the year of the opportunities for FinTech companies in Mexico and everyone should be excited about it.

FINTECH LEGAL

FinTech Legal
Leading Firms
Band 1
Creel, García-Cuellar, Aiza y Enríquez, S.C. *
Greenberg Traurig, S.C.
Nader, Hayaux y Goebel, S.C.
Band 2
Chevez, Ruiz, Zamarripa y Cia., S.C.
Ritch, Mueller, Heather y Nicolau, S.C.
Band 3
Bello, Gallardo, Bonequi y García, S.C.
Santamarina y Steta SC
Von Wobeser y Sierra, SC *
White & Case SC
Band 4
Galicia Abogados, S.C. *
Kuri Breña, Sánchez Ugarte y Aznar, S.C.
Mijares, Angoitia, Cortés y Fuentes, S.C.
SOLCARGO (Solórzano, Carvajal, González, y Pérez
Leading Individuals
Band 1
Flores Eduardo Creel, García-Cuellar, Aiza y Enríquez, S.C. *
Perez Estrada Arturo Greenberg Traurig, S.C.
Band 2
Ibarra Valentin Chevez, Ruiz, Zamarripa y Cia., S.C.
López Adrián Nader, Hayaux y Goebel, S.C.
Band 3
Nieto Andrés Von Wobeser y Sierra, SC
Soto Pamela LegalProject MX (ORL) ◇
Valderrama Narváez Carlos Legal Paradox (ORL) ◇
* Indicates firm / individual with profile.
◇ (ORL) = Other Ranked Lawyer.
Alphabetical order within each band. Band 1 is highest.

Band 1

Creel, García-Cuellar, Aiza y Enríquez, S.C.

See profile on p.125

What the team is known for Creel, García-Cuellar, Aiza y Enríquez serves the Mexican financial sector with exemplary advice in capital markets, corporate structuring, M&A and intellectual property. At the heart of their FinTech team are ex-regulators previously involved in the drafting of Mexico's FinTech Law, making them the firm of choice for top institutions registering for authorisation to operate as financial technology entities. Multinational financial and technology companies instruct the firm when they wish to extend their products to the Mexican market.

Strengths "They have the right experience and the right mindset, and are able to adapt to our demands as a modern technology company." "They are expert authorities and have a very good relationship with the regulators."

Work highlights Advised leading Brazilian open banking institution Nubank in all matters related to their incursion in the Mexican market, including on corporate, financial regulatory and consumer protection issues.

Notable practitioners

Eduardo Flores (see p.124) is a distinguished name among peers and clients in the Mexican FinTech sector. As former vice-president for the Securities Supervision of the CNBV, Flores is universally recognised as a top-tier expert on capital

markets regulatory matters, and since joining Creel García-Cuellar was an active participant in negotiations over the secondary regulation for FinTech. One happy client calls him a "real expert in the area of innovation."

Greenberg Traurig, S.C.

What the team is known for Celebrated across the Mexican FinTech market for its work in the venture capital arena, Greenberg Traurig's practice operates at the heart of the country's FinTech community, working closely with both investment funds and startups to empower ground-breaking entrepreneurs and promote the growth of the industry. The firm equally brings formidable capability in payments and lending platforms, advising a roster of leading clients on regulatory matters.

Strengths "Excellent expertise and really available."

"They present you with the whole picture – different approaches, and the advantages and disadvantages. You can feel confident in their advice."

Work highlights Represented Mexican-based venture capital firms IGNIA and Dalus Capital as lead co-investors in the series A equity round in digital payment platform UnDosTres.

Notable practitioners

Arturo Perez Estrada has developed an exemplary reputation among the startup community in Mexico and advises both startups and VC funds on all aspects of financial regulatory compliance. Active at industry accelerators and startup hubs, Perez Estrada has negotiated numerous venture capital, M&A and joint venture deals at the heart of the FinTech industry in the country and is held in high esteem by clients for his "proactive commercial thinking" and "top expertise."

Nader, Hayaux y Goebel, S.C.

What the team is known for For many years, Nader, Hayaux y Goebel has operated at the highest level in handling banking and finance and capital markets matters in Mexico via its team's strong regulatory expertise. In FinTech matters, the firm reinforces its regulatory prowess with an impressive TMT offering. The result is a first-rate FinTech practice with a diverse client base, encompassing international heavyweights and pioneering startups such as neo-banks, payment platforms and crypto-trading solutions.

Strengths "They are very strong in their expertise. An experienced team and the right connections in the industry."

"They've been really helpful in assisting us to strategically navigate the market and they've clarified tons of questions – even those we didn't ask."

Notable practitioners

Adrián López has considerable experience advising leading foreign and domestic financial institutions in connection with M&A transactions, regulatory compliance and business structuring in relation to digital services and products. Clients appreciate his diligent and pragmatic approach in regulatory analysis and his solid advice in groundbreaking new areas of the financial sector such as cryptocurrencies, where the legal framework can be hazardous to navigate.

Band 2

Chevez, Ruiz, Zamarripa y Cia., S.C.

What the team is known for Chevez, Ruiz, Zamarripa y Cia. leverages its potent tax practice to advise financial and tech institutions, startups and FinTech industry bodies on the tax implications of their business models. The firm is also fast developing a strong reputation in broader corporate and regulatory advice in the FinTech space, assisting a number of leading domestic and international players in the sector with licence applications to operate under the FinTech Law and helping them develop their businesses strategically in Mexico and Latin America.

Strengths "They have fantastic subject knowledge and commercial acumen."

"Super-accessible, responsive and very efficient."

Notable practitioners

Valentin Ibarra co-ordinates Chevez Ruiz's work in the FinTech sector in tax-related matters and in the firm's advisory on FinTech licences, commercial and business structuring and implementation of digital/e-products. His regulatory and strategic expertise is utilised best in advising the most innovative of FinTech startups, which include some of the leading break-out names in the industry. Clients praise him for his sharp business mind, creativity and for going "above and beyond" in his advice. Ibarra is also professor of FinTech law at the Universidad Iberoamericana in Mexico City.

Ritch, Mueller, Heather y Nicolau, S.C.

What the team is known for Ritch, Mueller, Heather y Nicolau is renowned for its banking and finance and capital markets capabilities. Its team of talented financial regulatory lawyers is now turning towards the FinTech sector to assist up-and-coming financial technology entities with their licence filings. The firm also advises big-name players on the diversification of their businesses and entry into the Mexican market, most notably in the area of new payments solutions.

Strengths "They've been very professional in their advice and in the quality of the work they have done – I'd certainly recommend them."

"They have the knowledge and the experience of a top law firm, but are startup-friendly."

Work highlights Advised Uber in various consultations on regulations applicable to financial technology institutions in Mexico.

Notable practitioners Luis Nicolau Gutiérrez is a key contact.

Band 3

Bello, Gallardo, Bonequi y García, S.C.

What the team is known for Bello, Gallardo, Bonequi y García offers specialist regulatory expertise to a number of FinTech entities in Mexico, representing them in their licence applications to operate under the FinTech Law. The firm also provides expert counsel to worldwide platform-based institutions. Operating a top-tier TMT practice alongside their established offering in banking and finance, the firm is well placed to

advice both national and international clients on a range of technology matters including issues around data protection and IP advice.

Strengths *"Excellent experience. Very capable lawyers and great client service."*

"We've worked with several associates and they are always available. Despite the complexity of the work, they've kept on top of it perfectly."

Work highlights Advised Mercado Libre on legal, regulatory and compliance matters, including the authorisation of a FinTech entity by the National Banking and Securities Commission.

Notable practitioners Miguel Gallardo Guerra is a key contact.

Santamarina y Steta SC

What the team is known for Prominent law firm Santamarina y Steta brings together the combined force of its recognised prowess in banking and finance, M&A and IP to advise a range of companies and FinTech startups in regulatory and related matters, including support with licence applications to operate as regulated financial technology institutions. The firm also hosts seminars and is active within the ecosystem of conferences and events that take place in the FinTech community, such as with the startup accelerator Finnovista and the British Embassy.

Strengths *"They really know what they are doing. Full of ideas, including suggestions for your business model."*

"They are involved in the ecosystem. Very well connected in the sector."

Notable practitioners Sergio Chagoya Díaz is a key contact.

Von Wobeser y Sierra, SC

See profile on p.127

What the team is known for A well-respected multidisciplinary firm, Von Wobeser y Sierra works hand in hand with its FinTech clients to assist them comprehensively with all aspects of the planning, negotiating and structuring of their operations in Mexico. Drawing on significant capital markets, corporate and data protection capability, they work with a variety of startups spanning the e-commerce, lending, crowdfunding and cryptocurrencies fields in their regulatory and corporate set-up, including applications for licences to operate as FinTech entities.

Strengths *"Very professional and supportive throughout."*

"They always bring creativity and ingenuity alongside their expertise."

Notable practitioners

Andrés Nieto is a regular speaker on the Mexican FinTech conference scene and is forging a reputation as a thought leader on such topics as open banking. Until early 2019 he also acted as co-ordinator of the Banking & Securities Commission of the Mexican Bar Association, where he was closely involved in the development and promotion of the FinTech Act. As such he is a recognised expert on this law and the regulations falling within it. One market commentator describes him as *"leading the legal FinTech discussion in Mexico."*

White & Case SC

What the team is known for White & Case is involved in the Mexican FinTech industry on multiple levels, advising banks and financial institutions on regulatory issues around electronic and open banking, assisting complex financial platform providers with their operational set-up and providing expert counsel to startup accelerators within the sector. The firm's strong international network and ties with US offices is an added draw for serious players in Mexico's fast-growing FinTech arena.

Strengths *"What's impressive about the team at White & Case is that despite being busy, they are the most responsive in terms of timings and availability."*

"Excellent service. The opinions they gave us were thoroughly researched and they provided a comprehensive analysis of the whole regulatory landscape around our business."

Notable practitioners Juan Antonio Martín and María Teresa Fernández Labardini are key contacts.

Band 4

Galicia Abogados, S.C.

See profile on p.126

What the team is known for Galicia brings a substantial offering to the FinTech market, drawing on its strong reputation in the areas of banking and finance, capital markets, IP and corporate/M&A. From this standpoint, the firm provides counsel to neobanks, e-commerce institutions and crowdfunding platforms among other verticals, and is assisting with licences relating to the FinTech law, e-money institutions and the upcoming Mexican sandbox.

Strengths *"Very knowledgeable, very intelligent, and meticulous in the details."*

"They have incredible experience and the quality of their work with us has been very high."

Work highlights Advised BitcoinTrade on their application to become licensed as an e-money provider in Mexico.

Notable practitioners Arturo Perdomo is a key contact.

Kuri Breña, Sánchez Ugarte y Aznar, S.C.

What the team is known for Kuri Breña, Sánchez Ugarte y Aznar has a long-standing reputation for excellence in banking and finance, capital markets and corporate/M&A matters. The firm is actively growing its startup practice, working closely with them to navigate safely through regulatory frameworks and become licensed as FinTech entities, or assisting them to operate with virtual assets. The firm has created a new practice group specialised in FinTech, focused largely on startups and entrepreneurs, as well as advising established companies and investors on critical sector-specific issues.

Strengths *"They are a really capable team and know the market well."*

"Extraordinary service. They attended to all aspects of our product and provided us with various alternatives that could bring us with the solution we needed."

Notable practitioners Rodrigo López Márquez is a key contact.

Mijares, Angoitia, Cortés y Fuentes, S.C.

What the team is known for An illustrious law firm with particular strengths in banking and finance, IP and corporate/M&A. Mijares Angoitia build on substantial financial law expertise and close relationships with regulators, industry associations, banks and investment funds to advise various FinTech entities on their regulatory, financing, legal structuring and agreements. Meanwhile, their lawyers closely follow technological developments to meet the complex requirements of the FinTech industry.

Strengths *"They have profound knowledge and a lot of experience. We knew that we were in good hands."*

"They were very expedient and answered all our questions thoroughly."

Work highlights Provided counsel to HSBC in its joint venture with Global Payments regarding payment technology software solutions.

Notable practitioners Ignacio Armida is a key contact.

SOLCARGO (Solórzano, Carvajal, González, y Pérez-Correa)

What the team is known for A respected name in the Mexican FinTech sector, SOLCARGO approaches the market from its strong position in the M&A and IP fields. It also advises companies on acquiring regulatory status with the CNBV as FinTech entities, drawing on its lawyers' interdisciplinary expertise to provide across-the-board advisory services. Developing their position as thought leaders in the space, the firm's FinTech practitioners speak on panels on such topics as the development of legal issues around blockchain.

Strengths *"They are very active in the space, on the regulatory side and on digitalisation of financial services."*

Work highlights Assisted peer-to-peer loans and investments platform Doopla on its authorisation request before the CNBV to operate as a Financial Technology Institution.

Notable practitioners Fernando Eraña is a key contact.

Other Ranked Lawyers

Pamela Soto is a young lawyer who has developed a respected name as an expert on Mexico's FinTech law. Working independently, she is closely advising an array of FinTech startups on their filings with the CNBV to be licensed under the FinTech Law, as well as representing them in strategic partnerships, venture capital financing and joint venture agreements. One client calls her an *"amazing adviser,"* describing her as *"passionate, knowledgeable and very efficient."* Soto also speaks on the FinTech Law and its implications for different businesses at leading Mexican universities.

Carlos Valderrama Narváez is a specialist in FinTech and blockchain law, working to connect and empower players in these industries in Mexico. Besides directly advising his FinTech clients on their legal and regulatory matters, he teaches courses in the subject at ITAM and the Panamerican University, and is an active member of a number of industry associations including Endeavor Mexico and the British Blockchain Association. Narváez is establishing a name as

a thought leader in these fields, moderating and speaking at summits, and lobbying with regulators on relevant issues.

CONSULTING

Consulting
Leading Firms
Band 1
Deloitte
Band 2
KPMG
Band 3
The Boston Consulting Group
Tenet Consultores

Band 1

Deloitte

Global consulting powerhouse Deloitte is investing in Mexico's FinTech industry, with its name appearing regularly in the market. The firm is working with some of the sector's most innovative players, having created a bespoke service portfolio designed to meet the specific needs of FinTech entities. Most notably, in its risk advisory division Deloitte boasts the regulatory expertise of Carlos Orta, vice-president of regulatory policy at the CNBV at the time of the drafting of the Financial Technology Institutions Law.

Band 2

KPMG

KPMG offers a strong practice combining expertise in agile business strategy, digital transformation and risk advisory. Leveraging its international network and expertise, the firm is engaging actively with FinTech issues and is working closely with key industry bodies within the FinTech ecosystem. The firm advises and lobbies on tax and related regulatory issues affecting Mexican FinTech entities.

Band 3

The Boston Consulting Group

BCG is helping financial services institutions evolve to keep pace with market disruptions and the changing nature of the financial sector. The firm supports companies in adapting their business models via solutions such as their DigitalBCG tool, which integrates expertise in open banking, data and digital platforms, and robotics. Moreover, market insiders note that the firm is "active in the FinTech space, advising retailers and potential entrants to this market."

Tenet Consultores

Boutique consulting firm Tenet Consultores boasts a highly experienced team and delivers specialist advice in the financial services and technology fields. Combining these areas of expertise, they offer an advisory division devoted to the FinTech sector, for which their competencies include business strategy, regulatory and risk analysis, financial modelling, and a broad scope of IT-related services.

FINANCE Venture Capital

Finance: Venture Capital
Leading Firms
Band 1
ALLVP Venture Capital
Ignia Partners
Jaguar Ventures
Band 2
Cometa (formerly VARIV Capital)
Dalus Capital
Band 3
Angel Ventures
Soldiers Field Angels
<i>Alphabetical order within each band. Band 1 is highest.</i>

Band 1

ALLVP Venture Capital

What the team is known for ALLVP Venture Capital is lauded by market commentators as "the rockstars in venture capital in Mexico" and "really smart operational folks." The firm is a well-established player in Mexico and has a clear focus on the emerging FinTech sector, alongside other internet-enabled industries developing in the country. ALLVP invests from seed stage to series B and is regarded as an investor "with conviction" whose ticket sizes average USD2 million at seed stage through to USD11 million at series B. Chilean digital broker-dealer Fintual and Mexican SME banking platform Visor are recent portfolio entrees.

Ignia Partners

What the team is known for Named as "one of the top VCs in FinTech," Ignia Partners backs companies within new industries serving the emerging middle class in Mexico and has a strong focus on B2C businesses. Of these, FinTech comprises a significant vertical. The firm is stage-agnostic and brings added value to its investees by offering companies strategic support and access to its business network. One entrepreneur praises the firm as being "always supportive, straightforward, and willing to act fast to help when needed." Ignia recently backed SME digital credit solution Credijusto, online payments platform UnDosTres and digital neo-bank Fondeadora.

Jaguar Ventures

What the team is known for Early-stage venture capital firm Jaguar Ventures is a respected name in the Mexican VC space and is investing actively in the country's growing FinTech industry. The firm is said to boast "a very strong portfolio" in the FinTech field. Jaguar usually invests at smaller ticket sizes and collaborates with its portfolio companies to provide them with expert ongoing operational support. The firm has made investments in various FinTech companies, such as digital bank Nubank, remittance and payments platform Conekta and the online lending platform Konfio.

Band 2

Cometa (formerly VARIV Capital)

What the team is known for Cometa, formerly VARIV Capital, is a seed and early-stage venture capital firm recognised by market insiders as a well-established presence in the field. The firm has a keen interest in the Mexican FinTech space, as part of its wider focus on software-centric businesses. Cometa typically invests upwards of USD1 million at seed stage, while reserving two thirds of its capital for follow-up funding. One entrepreneur in the firm's portfolio praises Cometa as "very hands-on" in its support. Besides its recent stake in Spanish mobile neo-bank Bnext, the firm also holds investments in Mexican lending platform yotepresto and remittance and payments platform Conekta.

Dalus Capital

What the team is known for Dalus Capital is an early and growth-stage investment firm headquartered in Monterrey that is acknowledged by market insiders as "a very consolidated player in the VC market." The firm is active in the FinTech space across Latin America and leverages its team's recognised entrepreneurial expertise and pan-American network of contacts to support its companies in scaling up their business. Through its first fund the firm invested in such FinTechs as the digital financing platform Kubo Financiero and mobile payment solution Clip.

Band 3

Angel Ventures

What the team is known for Angel Ventures is a sector-agnostic, early-stage investor in the Mexican venture capital space. The firm is active in Mexico and across Latin America through its partnership with startup incubator Archetype, which is a network of investors and entrepreneurs providing its portfolio companies with support in business and financial planning. Digital financial advisory tool Rocket.La is the most recent Fin-Tech startup to join Angel's portfolio, while earlier investments include a stake in mobile payments solution company Clip and micro-loan platform provider Kueski.

Soldiers Field Angels

What the team is known for The early-stage investor Soldiers Field Angels has a reputation for being *"perhaps the best-connected group of partners"* in Mexico's venture capital market. The firm typically co-invests with other firms and is highly selective with those it includes in its portfolio, often preferring high-impact Mexican businesses and providing them with tailored mentorship and an *"excellent experience."* Mobile payments company Billpocket and digital payments platform UnDosTres count among the firm's recent Fin-Tech investments.

Leaders' Profiles in Mexico

FLORES, Eduardo

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S.C., Mexico City
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eduardo.flores@creel.mx

Featured in FinTech Legal (Mexico)

Practice Areas: Financial Services

Career: Eduardo Flores Herrera is a partner in the firm's. His key practice areas are capital markets, banking/finance and regulatory/Fintech. Before joining Creel, Mr. Flores was vice president for Securities Supervision of the National Banking and Securities Commission (CNBV) from July 2014 to June of 2017. In this position, he was in charge of the supervision of all securities market participants, including issuers, broker dealers, mutual funds, rating agencies, introducing brokers, exchanges, central counterparties, central deposits, and price vendors; he was also in charge of authorizing all public offerings of securities in Mexico and the incorporation of mutual funds, in addition to participating in the drafting of all securities-related secondary regulation. Since his incorporation to Creel, García-Cuellar, Aiza y Enríquez in 2017, Mr. Flores has been one of the most active lawyers in the new fintech ecosystem in Mexico and was actively involved in the negotiation of the secondary regulation under the Fintech Law. He has represented some of the most notable fintech players in regulatory matters, M&A transactions and financings. In particular, he represents companies like Nubank, PayPal, Bitso, GlobalPayments, Klar, UnDosTres, Stripe, Ualá, iZettle, Fintonic, Kueski, among other relevant players in their regulatory, financing and general legal needs.

CREEL, GARCÍA-CUÉLLAR, AIZA Y ENRÍQUEZ S.C.

www.creel.mx tel: +52 55 4748 0600

Number of partners: 30 Number of other lawyers worldwide: 200+

Firm Overview:

With over 80 years of history, Creel, García-Cuéllar, Aiza y Enríquez, S.C., is a leading full service corporate firm with an unwavering commitment to excellence. The firm has an established reputation for delivering creative, specialised and responsive legal advice on the most complex and innovative matters in Mexico for the most sophisticated and demanding clients.

Main Areas of Practice:

Administrative Litigation & Claims:

Advice in complex high-stakes cases as opposed to case-volume. Specifically all kinds of constitutional and administrative claims and litigation, including amparo claims before all Federal and local courts, in multiple areas of law.

Antitrust & Competition:

Advises on all matters involving competition laws, merger control, cartel investigations, abuse of dominance, pricing and distribution policies and proceedings before the competition authorities.

Arbitration & Dispute Resolution:

Advice, including advocacy, on domestic and international mediation, conciliation and negotiation; commercial arbitration, investment arbitration and investor-State disputes.

Banking & Finance:

Represents international and domestic lenders, borrowers and financing entities in single bank and syndicated loans, acquisition, secured and unsecured financings, structured and asset base financings and derivatives.

Bankruptcy & Restructuring:

All non-litigation aspects of corporate recovery, insolvency, restructurings and workouts.

Capital Markets:

Advises issuers, underwriters and other participants in the capital markets in domestic and cross-border initial public offerings, debt offerings, high-yield, offerings of structured securities, derivatives, securitisations, offerings of secured and asset backed securities, FIBRAS, SPACs and CKDs.

Corporate & Commercial:

Expert legal advice on corporate and commercial law matters to Mexican and international clients.

Employment & Labour:

Advises large multinational groups on employment and labour matters, including hiring and terminating employees, collective bargaining agreements, incentive compensation schemes, bonus plans and benefits, and employment law implications of commercial transactions.

Energy & Natural Resources:

Transactional and regulatory advice in the oil and gas, petrochemical, traditional and alternative power (including solar, wind, hydro, geothermal, biomass, waste-to-energy) mining, water and

Environmental:

Issues in transactions and real estate developments, compliance with environmental laws, remediation, permits, concessions, handling of hazardous waste, clean energy, water usage, climate change, zoning, natural protected areas, administrative proceedings and litigation.

Infrastructure:

Represents local and global infrastructure operators, investors and financial sponsors in a full array of transactions including M&A, capital markets, project and asset finance and PPP projects. Expertise includes airports, toll roads, railways and ports.

Insurance & Reinsurance:

Incorporation, licensing and operation of insurance business, authorisations for insuring Mexican cross border risk, structuring of new insurance products, M&A of insurance companies, regulatory compliance advice and administrative disciplinary proceedings.

Intellectual Property:

Registration and enforcement of intellectual property rights, technology transfer, licensing and franchising agreements, trademark, copyright, patent infringement and trade secret litigation and intellectual property implications of transactions. Experience on data privacy matters, including advising clients on the alignment of their legal structure to the Mexican Data Privacy Law.

Investigations & Compliance:

Risk prevention, risk management and protection, advise on design and implementation of compliance policies, compliance due diligence and investigations in the context of M&A transactions, handling all local legal needs of clients on legal and compliance investigations, advising governance bodies on compliance related matters.

Mergers & Acquisitions:

Representation of foreign and domestic clients buying, selling, combining or restructuring companies, businesses and assets including negotiated and unsolicited acquisitions, mergers, spin-offs, tender offers, leveraged buyouts, management buyouts, joint ventures, strategic alliances, privatisations and corporate restructurings.

PRACTICE AREAS

Blockchain
Mobile Banking & Payment
Smart Finance Management
Crowd Funding & Crowd Equity

OFFICES

MEXICO

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Tel: +52 55 4748 0600

MONTERREY: Corporativo Equus, Ricardo Margain Zozaya 335, Torre 2, Piso 22, Col. Valle del Campestre, San Pedro GG, Nuevo León, 66265
Tel: +52 81 8363 4221

Private Equity:

Representation of clients on all aspects of their activities and operations starting from fund formation to structuring and making investments, through successfully exiting through the capital markets or strategic sale.

Pro Bono:

The firm is committed to being an active participant and supporter of the community.

Project Development & Finance:

Advises international and domestic sponsors, developers, investors and financiers in the development and financing of infrastructure projects, M&A transactions relating to electricity generation plants, natural gas facilities, toll roads, railroads, airports and ports, representing major energy and infrastructure companies, engineering and construction companies, banks, private equity funds, consortia of investors, insurers, governments and multi-lateral institutions.

Real Estate:

Represents multinational and domestic developers, hospitality companies and investors in the commercial (including retail), residential, hospitality and industrial sectors advising.

Tax:

Design and implementation of tax structures for domestic and cross-border transactions, including M&A, private equity, capital markets and lending. Tax controversy, tax litigation and transfer pricing.

Social Security:

Advise on due diligence and other transactional matters arising in the context of corporate transactions and acquisitions and advising on compliance and litigation involving social security contributions, liabilities and benefits.

Telecommunications:

Transactional work, most notably M&A, lending and capital markets, advise to local and international telecommunication companies on competition and regulatory matters.

Transportation:

Representation of major participants in the maritime and ports, aviation and airports, railroad and surface transportation industry.

GALICIA ABOGADOS, S.C.

www.galicia.com.mx tel: +52 55 5540 9200 fax: +52 55 5540 9202

Managing Partner: Manuel Galicia Romero

Number of partners: 26 Number of Of Counsel: 1 Number of lawyers: 128

Firm Overview:

The firm is a powerful legal platform. It combines excellence, knowledge, and experience to advise in the most sophisticated and complex transactions.

Through a multidisciplinary approach from the firm's specialised practices it is a leader in five strategic sectors: financial, energy and infrastructure, private equity, real estate, and regulated industries.

Being regarded as a solution-oriented firm whose lawyers proactively facilitate transactions and make business happen, the firm has a proved leadership in strong regulatory expertise and strategic litigation capabilities, which clearly differentiates it from its peers.

The firm seeks and trains highly qualified professionals with international presence, most of whom have studied at prestigious universities and have worked at leading law firms in the United States and Europe.

Galicia Abogados, S.C. is committed to making sure that each acquisition, each securities issuance, each energy and infrastructure project it helps develop and finance, and each transaction that the firm participates in, translates into economic development and social benefits, for which it is devoted to drive the growth of clients, of the firm, and of its human capital.

Consistent with its global commitment, the firm has created strategic alliances with international firms in the United States and in key European, Asian and Latin American countries in order to support clients with a global reach and strong local business knowledge and sensibility.

Over the past 25 years, the firm has had the privilege of being part of landmark transactions which have helped build a more competitive Mexico facing the challenges of the 21st century. Galicia Abogados, S.C. is Mexico's law firm of preference, recognised for its collaborative business culture, focus on diversity, pro bono, innovation and transactional work, and by making a clear difference in the way it provides integral and multidisciplinary advice to clients.

Main Areas of Practice:

- Antitrust
- Arbitration & Dispute Resolution
- Banking & Finance
- Capital Markets
- Compliance
- Corporate/Commercial
- Energy
- Environmental
- Estate Planning
- Financial Restructuring & Insolvency
- Life Sciences
- Infrastructure
- Insurance
- Intellectual Property
- International Trade
- Labour
- Litigation
- M&A
- Mining
- Oil & Gas
- Private Equity
- Pro Bono
- Project Finance
- Real Estate
- Tax

OFFICES

MEXICO

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Email: despacho@galicia.com.mx

GALICIA
ABOGADOS

VON WOBESER Y SIERRA, SC

www.vonwobeserysierra.com tel: +52 55 5258 1000 fax: +52 55 5258 1098/99

Chairman: Claus Von Wobeser Hoepfner

Number of employees: 200+

Languages: English, Spanish, Finnish, French, German, Japanese

Overview & History:

Founded in 1986 in Mexico City, Von Wobeser y Sierra, S.C. ('Von Wobeser'), was originally conceived by its founding partners as a boutique corporate and arbitration law firm. With the unmatched experience and skills of its lawyers, the firm began attracting a vast array of clients locally and internationally (mainly in the US and in Europe). In a very short period, Von Wobeser became one of the foremost Mexican law firms with full-service legal solutions. As a result of this growth, the firm is now composed of more than 35 different practice areas including specialised desks with a strong roster of international and national clients. Its lawyers are renowned for their expertise in advising and fortifying leading companies in establishing and conducting day-to-day business dealings related to entering and expanding their operations in Mexico and internationally.

Practice Areas:

FinTech:

Von Wobeser is a full-fledged participant in the revolution in the application of new technologies to financial services, the so-called fintech industry. From its already consolidated and select group of partners and associates that offers the highest quality banking and financial legal services, the firm has developed a team of global, multidisciplinary experts to provide services to both financial institutions and fintech innovators, to walk with them in the process of developing new businesses within the new legal framework in Mexico or to adjust to it.

Von Wobeser is currently providing legal advice to Mexican and foreign companies (including start-ups), in different sectors within the fintech ecosystem, such as e-commerce, crowdfunding, peer-to-peer lending and cryptocurrencies, among others.

The fintech practice draws upon the firms extensive experience in capital markets, data security and privacy, corporate transactions, financial regulations, intellectual property and technology to help clients invest in, fund, develop and market the innovative services and products that are revolutionising the financial services and technology industries. This is in addition to Von Wobeser's broad experience in providing legal services to financial institutions and other companies at all stages of all types of financial and banking transactions, such as fixed asset and working capital loans and leveraged, secured, unsecured and syndicated loans.

The firm's strengths include planning, negotiating and structuring all types of financial operations, as well as providing long-term assessment to our clients. The firm goes beyond the transaction level and walks with its clients through the whole life cycle of their businesses. As part of the journey with each client and the commitment the firm has to each of them, Von Wobeser advises fintech companies and financial institutions on the regulatory authorisation process, as well as their incorporation, organisation and operation in Mexico, including, when necessary, planning and negotiating credit and debt restructuring.

Key Clients:

- Tutasa
- Travelex
- PrimeiroPay
- Evo-Payments Mexico
- ICO Storecoin
- Ripple
- M2Crowd
- Revolut

Recent Highlights & Awards:

Von Wobeser has recently been recognised internationally by various institutions including *Chambers Global*, *Chambers Latin America*, *Latin Lawyer 250*, *Global Arbitration Review (GAR 100)*, *Global Competition Review (GCR)*, *Global Investigations Review (GIR)*, *Legal 500*, *Who's Who Legal*, *Latin America Corporate Counsel Association (LACCA)* and *IFLR 1000*, *IFLR Energy & Infrastructure* and *Benchmark Litigation* among others.

In addition to legal-related recognition, in December 2019, Von Wobeser obtained the Human Rights Foundation certification on LGBT Equity. It is one of the 3 law firms in Mexico that has such distinction.

SECTORS

FinTech
Crowdfunding
Crowdfunding
Smart Contracts
Blockchain
Mobile Banking
Cryptocurrencies
ICO's

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