

Amendments to several provisions of the General Law of Negotiable Instruments and Credit Transactions and the General Law of Credit Organizations and Auxiliary Activities regulating the issuance of negotiable instruments through electronic or optical means or any other technology

Corporate Finance - April 1, 2024

On March 26, 2024, a decree was published in the Official Gazette of the Federation by virtue of which several provisions of the General Law of Negotiable Instruments and Credit Transactions ("LGTOC", as per its Spanish acronym) and the General Law of Credit Organizations and Auxiliary Activities ("LGOAAC", as per its Spanish acronym) were added and amended in order to provide for the issuance of negotiable instruments through electronic or optical means or any other technology ("Electronic Means") (the "Amendment").

The main purpose of the Amendment is to regulate negotiable instruments issued through Electronic Means. For such purposes, negotiable instruments issued by Electronic Means shall:

- I. Be contained in an information system capable of processing data messages.

In accordance with the Commerce Code an information system is any system used to generate, send, receive, store or process data messages.

- II. Be kept in their entirety, unaltered and available at all times in the information system;
- III. Be digitally signed, ensuring that the signature is attributable to the signatory;

It would be understood that the signature is attributable to the signatory if the same (x) was sent by the signatory, (y) was sent the signatory's identification means, or (z) was sent by an information system programmed by the signatory; and,

- IV. Be transmitted, either by endorsement or by assignment, through Electronic Means in the information system in which they are kept, being considered as delivered as the same system registers it.

Likewise, the Amendment provides relevant changes to the regulation of General Warehouses. The LGTOC provides that certificates of deposit shall be issued through electronic means, by means of systems that guarantee the minimum standards of confidentiality, availability and integrity of the information and prevention of fraud and cybernetic attacks. Additionally, the certificates of deposit must be registered in the Sole Registry of Certificates, Warehouses and Goods, as established in the LGOAAC.

The attorneys of Mijares, Angoitia, Cortés y Fuentes are qualified to assist our clients in any matter related to the application of the Amendment. Should you have any questions or comments, please do not hesitate to contact us.

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