SECURITIES MARKET LAW

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TEXT IN FORCE
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On the left margin a seal with the national coat of arms that reads: United Mexican States. – Presidency of the Republic.

VICENTE FOX QUESADA, President of the United Mexican States, to its inhabitants, let it be known:

That the Honorable Congress of the Union has addressed to me the following

EXECUTIVE ORDER

"THE GENERAL CONGRESS OF THE UNITED MEXICAN STATES, ENACTS THE:

SECURITIES MARKET LAW

Title I
Preliminary provisions

Article 1. - This is a public policy law to be generally applied within the United Mexican States which purpose is to develop the securities market in an equitable, efficient and transparent manner; to protect the interests of the investing public; to minimize systemic risk; to promote a sound competition and to regulate the following issues:

I. The registration and updating, suspension and cancellation of the registration of securities in the National Registry of Securities and the organization of such Registry.

II. The offer and trading of securities.

III. The corporations placing shares in the securities and over-the-counter market as provided by this Law; as well as the special regime to be followed in connection with any legal entities controlled by said companies or where such companies may have a significant influence or with any entities controlling them;

IV. The obligations of any legal entities issuing securities, and of any individuals or legal entities trading with securities.

V. The organization and operation of securities firms, stock exchanges, securities depository firms, securities central counterparties, price vendors, securities rating agencies and companies managing systems to facilitate securities transactions.

VI. The development of securities trading systems that enable any transactions therewith.

VII. The liability incurred by individuals or legal entities that perform or fail to perform any acts of facts established by this Law.

VIII. The powers of the authorities in the securities market.

Article 2. - For purposes of this Law, the following shall be understood as:

I. Commission, the National Banking and Securities Commission.

II. Consortium, the group of legal entities linked amongst them by one or more individuals that, composing a group of individuals or legal entities, hold control over the former one.

III. Control, the capacity of one individual or legal entity or group of individuals or legal entities, to perform any of the following actions:

a) To impose, directly or indirectly, any decisions on the general shareholders' or partners' meetings as well as other equivalent bodies, or to appoint or remove the majority of the directors, managers or their equivalent, in a legal entity.

b) To keep their title to ownership of rights which allow, directly or indirectly, exercising voting rights in connection with more than fifty percent of the capital stock of a legal entity.

c) To direct, indirectly or directly, the management, strategy or the main policies of a legal entity, either through the ownership of securities, by virtue of an agreement or otherwise.

IV. Relevant executive officers, the general director of a company subject to this Law, as well as any individuals who, being employed by or having a position or commission in such company, or in any legal entities controlled by it or controlling it, take decisions that transcend in a material manner, the administrative, financial, operational or legal condition of said company or corporate group to which it belongs, without including in such definition those directors of such company subject to this Law.

V. Issuer, the legal entity that requests, and as the case may be, obtains and maintains, the registration of its securities in the Registry. Furthermore, it shall include trust institutions when they act in the aforementioned capacity, only in connection with the relevant trust property.

VI. Financial entities, the holding companies of financial groups, general deposit warehouses, financial leasing companies, financial factoring companies, foreign exchange firms, bonding companies, insurance companies, limited scope financial institutions, securities firms, credit institutions, investment companies, managing companies of investment companies, retirement funds management companies and any other legal entities considered as financial entities by the laws regulating the Mexican financial system.

VII. Relevant events, any acts, facts or occurrences, of any nature, that have an influence or that may have an influence on the price of securities registered in the Registry. The National Banking and Securities Commission shall provide, through General Provisions, without limitation, the acts, facts or occurrences that are considered as relevant events, as well as the criteria to be followed by the issuers to determine whenever an occurrence has such nature.

VIII. Subsidiary, the corporation authorized to be organized and to operate according to this Law as securities firm, in which capital stock a foreign financial institution or a holding company subsidiary may have the majority interest.

IX. Group of individuals or legal entities, any individuals or legal entities that have agreements, of any kind, to take decisions in the same direction. It is presumed, unless otherwise proved, that the following constitute a group of individuals or legal entities:

a) Any individuals related either by blood, marriage or civil kinship up to the fourth degree, the spouses, the concubine and the male concubine.

b) Those companies that belong to the same consortium or corporate group and the individual or legal entity or group of individuals, or legal entities, that have control over such companies.

X. Corporate group, the aggregate of legal entities organized under direct or indirect capital stock participation schemes, in which the same company keeps control over such legal entities. Furthermore, any financial groups organized under the Law to Regulate Financial Groups, shall be considered a corporate group.

XI. Significant influence, any ownership of rights that allow, directly or indirectly, to vote in connection with at least twenty percent of the capital stock of a legal entity.

XII. Relevant information, all the information of an issuer that is necessary to know, its actual and current situation in financial, administrative, operational, economic and legal matters, and its risks, and as the case may be, the information on the corporate group to which it belongs, regardless of its position within the group, provided it has an influence or affects such situation, and that it is necessary to take reasoned investment decisions and an estimate of the price of securities issued by the issuer, according to the analysis of uses and practices of the Mexican stock exchange.

XIII. Foreign financial institution, any financial institution organized in a country with which the United Mexican States has entered into an international treaty or agreement by virtue of which the establishment of subsidiaries within the Mexican territory is allowed;

XIV. Financial Derivative Instruments, the securities, contracts or any other legal act which valuation is referred to one or more assets, securities, rates or underlying indexes.

XV. Trading with securities, the customary and professional performance of the following activities:

a) Any acts intended to put in contact the supply and demand of securities.

b) Execution of transactions with securities by third parties such as a commission agent, attorney-in-fact or with any other capacity, taking part in the corresponding legal acts in name and representation of third parties.

c) Trading of securities on its own account with the general public or with other intermediaries acting in the same manner or through third parties.

XVI. Qualified investor, the individual who regularly has the income, assets or qualifications established by the Commission through general provisions. The Commission may establish different kinds of qualified investors in the referred to provisions.

Subsection amended FOG 01-10-2104

XVII. Institutional investor, the individual or legal entity that has such capacity under the federal laws or that is a financial entity, including when they act as trustees under trusts considered by the laws, as institutional investors.

XVIII. Public offering, the offering, with or without price, made within the Mexican territory through mass media and to undetermined persons, to subscribe, acquire, sell or transfer securities, by any title.

The offering that is done in terms of the foregoing paragraph, directed at certain kinds of investors shall also be considered a public offer.

Paragraph added FOG 01-10-2014

XIX. Related parties are those who are placed within any of the following events in regards to an issuer:

a) Any individual or entities that control or have a significant influence in a legal entity that belongs to the corporate group or consortium to which the issuer belongs, as well as the directors or managers and relevant executive officers of the members of such group or consortium.

b) Any individuals who have decision-making powers within a legal entity that is a party to a corporate group or consortium to which the issuer may belong to.

c) The spouse, concubine or the male concubine and the blood or civil kinship relatives up to the fourth degree or marriage kinship relatives up to the third degree, with individuals who are placed in any of the events indicated under subparagraphs a) and b) above, and the partners of and co-owners with the individuals mentioned in such subparagraphs with whom they maintain any business relations.

d) Any legal entities that are members of the corporate group or consortium to which the issuer belongs.

e) The legal entities over which any of the persons mentioned in subparagraphs a) and c) above, exercise control or a significant influence.

XX. Decision-Making Power, the actual ability of having a material influence in the agreements adopted in shareholders' meetings or board of directors' meetings or in management, direction and execution of the businesses of an issuer or the legal entities it controls or over which it may have a significant influence. It shall be presumed that any individuals who fall in any of the following cases have decision-making power over a legal entity, unless otherwise evidenced:

a) The shareholders who hold the controlling interest.

b) Any individuals who have links with an issuer or with the legal entities comprising the corporate group or consortium to which the former belongs, under life or honorary positions or under any other analogous or similar title.

c) The individuals who have transferred the control of a legal entity under any title and for free or for a value below its market or book value, in favor of individuals with whom they are related by blood, marriage or by civil kinship up to the fourth degree, the spouse, concubine or the male concubine.

d) Anyone who directs the taking of decisions or the execution of transactions of the relevant directors or executive officers of a legal entity, in a company or in the legal entities it controls.

XXI. Registry, the National Registry of Securities.

XXII. Ministry, the Ministry of Finance.

XXIII. Holding Company Subsidiary, the Mexican company authorized to be organized and to operate as a holding company in terms of the Law to Regulate Financial Groups and, in which capital stock a foreign financial institution has a majority interest.

XXIV. Securities, the shares, ownership interests, debentures, bonds, options, certificates, promissory notes, bills of exchange and any other nominated or innominate negotiable instruments, registered or not registered in the Registry, subject to be traded in the stock exchanges mentioned in this Law, issued in series or in a single offering and representing the capital stock of a legal entity, a proportional part of an asset or an interest in a collective credit or any other individual credit right, in terms of applicable domestic or foreign laws.

The aforementioned terms may be used in their singular or plural form without their meaning being understood as changed.

Article 3. - Public corporations shall be obliged to provide whatever is necessary so that the legal entities controlled by them are able to take any actions to comply with the provisions of articles 28, subsections I to III, V and VII, 31, 44, first paragraph and subsections I, III to V, XII and XIII, 47 and 104 to 106 of this Law. Regardless of the adoption by the public corporations of any resolutions,

determinations and requests of information as provided by such articles, for their implementation it shall be necessary to follow all the formalities required by the competent bodies of the legal entity they control, abiding by the Laws and any other applicable provisions governing the latter, including foreign companies.

The public corporations and the legal entity controlled by these shall be considered as a single economic unit for purposes of information disclosure, accountancy and execution of transactions as mentioned in articles 28, subsection III and 47 of this Law, besides any duties imposed by other Laws to the aforementioned entities.

In connection with legal entities controlled by public corporations, controlled in turn by another public corporation, compliance with the obligations provided hereunder with respect to such legal entities, shall correspond to the public corporations which directly controls them.

Those obligations imposed by this Law on the corporate bodies of public corporations in regards to legal entities that they control shall not be applicable when the latter are public corporations.

Article 4. - Any legal acts entered into, in violation of the provisions of this Law, shall result, as the case may be, in the payment of damages and lost profits and in the imposition of such administrative and criminal penalties as provided by this Law, but such violations shall not result in the annulment of such acts to protect bona fide third parties, except when this Law expressly provides otherwise in the corresponding case.

Article 5. - Commercial laws, stock exchange and commercial practices and federal civil laws, in the order mentioned, shall supplement this Law.

The Federal Executive, through the Ministry, may interpret this Law for administrative purposes.

Article 6. - The release of information under purposes of promotion, marketing or advertising of securities, addressed to the public in general, shall be subject to the prior approval of the Commission. Notwithstanding the foregoing, such Commission may, through general provisions, establish the cases under which the fulfillment of such request shall not be necessary.

No addresses related to the securities subject matter of a public offering or a placement may be released under promotional or marketing purposes, which content is not included in the placement prospectuses, supplements, brochures or informative documents approved by the Commission.

The information disclosed by virtue of a securities public offering shall be consistent and it shall refer to the prospectus, supplement, brochure or informative document, in the form determined by the Commission through general provisions.

The promotion, marketing or advertising related to the services or operations of stock exchange intermediaries, stock exchanges, securities depository institutions, central counterparties of securities, price vendors, securities rating agencies and companies managing systems to facilitate securities transactions, shall not require the approval set forth in the first paragraph of this article, nevertheless, shall abide by the guidelines and criteria set forth by the Commission through general provisions.

The Commission may order the rectification, suspension or cancellation of the information that according to its opinion is disclosed against the provisions of this article.

Article 7.- To be subject to a public offering in Mexican territory, securities shall be registered in the Registry.

Any offer abroad, of securities issued in the United Mexican States or by Mexican legal entities, directly or through trusts or similar or equivalent schemes, shall be notified to the Commission, describing the main characteristics of the offering and adjusting it to the general provisions issued by the Commission to such end.

Paragraph amended FOG 01-10-2014

Any individuals or legal entities making public offering of securities as provided in the above paragraph, must expressly state in the information document used for their release, that the securities subject to the offering may not be publically offered in Mexican territory.

Paragraph amended FOG 01-10-2014

Article 8. – Any private offering of securities that are not registered in the National Registry of Securities in the Mexican territory may be carried out by any individual or legal entity, provided any of the following requirements are met:

Paragraph amended FOG 01-10-2014

I. To be made exclusively for institutional or qualified investors.

II. To be made with securities representing the capital stock of legal entities, or their equivalent, to less than one hundred individuals or legal entities, notwithstanding that they may belong to one or more classes or series.

III. To be made under any plan or program which applies in general, to employees or groups of employees of the company issuing the securities or of the legal entities controlled by it or that control it.

IV. To be addressed to shareholders or partners of legal entities which fulfill their corporate purpose exclusively or mainly through such acquisition.

The Commission, subject to the guidelines approved by its Board of Governors, shall have powers to approve the issuance of private offerings other than those established in the aforementioned subsections, hence it shall take into account the means of disclosure to be used, the number or kind of investors to whom the relevant offering is intended to be addressed, the allocation of the securities, as well as the terms and conditions intended to be established.

Article 9. - Trading with securities registered in the Registry may only be carried out by authorized financial entities, under the provisions of this or other laws, to act as intermediaries in the securities market.

Stock exchange intermediaries may provide trading services for securities not registered in the Registry, only in regards to shares representing the capital stock of legal entities, abiding by the provisions of this Law.

Trading activities with securities that are traded abroad or issued according to foreign Laws, subject to be listed in the international quoting system of any stock exchange may only be provided through such system.

Except for the provisions of the preceding paragraphs, the purchase and sale of securities may be carried out by any individual or legal entity provided nothing is established to the contrary in this Law.

Title II
On stock exchange corporations

Article 10. - Corporations that fall in any of the following premises shall be subject to the provisions of this Law:

I. Those adopting the nature of or incorporated as, Promoting Investment Corporations.

II. Those which obtain the registration in the Registry of the shares representing their capital stock or negotiable instruments representing such shares, in which case they shall be considered as public corporations.

Promoting Investment corporations are not subject to the supervision of the Commission, unless they register their securities in the Registry.

Article 11. - Corporations intended to be incorporated through public subscription procedure as established in article 90 of the Business Associations Law, shall register the shares representing their capital stock in the Registry and obtain the authorization by the Commission to make their public offering, complying with applicable requirements in terms of this Law.

Chapter I
On promoting investment corporations

Article 12. - Corporations may be incorporated as promoting investment corporations or adopt such nature, abiding, for such purposes, by the special provisions contained in this legal statute and, in regards to issues not provided in this law, by the provisions of the Business Associations Law.

Any corporations already incorporated, that intend to organize themselves according to the modality mentioned hereunder shall obtain the prior authorization by their general extraordinary shareholders' meeting. The shareholders voting against it may exercise their separation right at book value for the shares they hold on the date they exercise such right, after the corresponding resolution becomes effective.

The corporate name of the corporations mentioned in this article shall be freely decided according to article 88 of the Business Associations Law, provided such corporate name is followed by the expression of the term "Investment Promotion" or the abbreviation "P.I" for the words in Spanish.

Article 13. – Promoting Investment corporations, in addition to abiding in their bylaws by the requirements of article 91 of the Business Associations Law, may include provisions that, notwithstanding the contents of article 16, subsection I to V of this Law:

I. Impose limitations of any nature, to the transfer of property or rights, in regards to the shares of the same series or class representing the capital stock, other than those provided in article 130 of the Business Associations Law.

II. Establish causes for the exclusion of shareholders or for the exercise of separation, or withdrawal rights, or else, to redeem shares, in addition to the provisions of the Business Associations Law, as well as the price or the basis for their determination.

III. Allow the issuance of shares other than those set forth in articles 112 and 113 of the Business Associations Law that:

a) Fail to confer voting rights or which vote is limited to certain issues.

b) Grant non-economic corporate rights other than the voting right or exclusively the voting right.

c) Restrict or broaden the allocation of profits or other special economic rights, as an exception to the provisions of article 17 of the Business Associations Law.

d) Confer rights of veto or require the affirmative vote of one or more shareholders in connection with the resolutions of the general shareholders' meeting.

The shares regulated by this section shall be computed to determine the quorum required to convene the shareholders' meeting and to vote thereat, exclusively in issues in respect to which they confer their holders the right to vote.

IV. Implement mechanisms to be followed in case the shareholders fail to reach agreements in regard to specific issues.

V. Broaden, restrict or withhold the right of preferential subscription provided in article 132 of the Business Associations Law. In such regards, divulgation means other than the ones mentioned in such legal statute, may be stipulated.

VI. Allow the establishment of limitations to liabilities in respect to damages and lost profits caused by their relevant directors and executive officers, resulting from the acts they execute or the decisions they adopt, in terms of the provisions of article 33 of this Law.

Certificates regarding the shares representing the capital stock of the promoting investment corporations shall include, as the case may be, the provisions contained in this article.

Section I
On management and surveillance

Article 14. - Management of promoting investment corporations shall be entrusted to a board of directors.

Article 15. – Promoting investment corporations may adopt for their management and surveillance, the regime pertaining to integration, organization and operation for public corporations, in which case the requirement of independence of the directors shall not be mandatory.

When adopting the aforementioned regime, the directors and the general director of the company shall be subject to the provisions pertaining to organization, duties and responsibilities provided in this legal statute for public corporations; otherwise, they shall be subject to the organization, duties and responsibilities regime established in the Business Associations Law.

Promoting investment corporations adopting the regime set forth hereunder shall not be subject to the provisions of article 16, subsection II of this legal statute, however, in all cases, they shall engage an independent external auditor and shall have a committee composed by directors in charge of such audit duties in substitution of the position of examiner.

Section II
On shareholders' meetings and shareholders' agreements

Article 16. - Shareholders of the promoting investment corporations shall be entitled to:

I. Appoint and revoke, in any general shareholders' meeting, any member of the board of directors, when individually or in the aggregate, such shareholder holds ten percent of the shares entitled to vote, including limited or restricted voting rights, the percentage set forth in article 144 of the Business Associations Law shall not be applicable. Such appointments may only be revoked by the other shareholders, when the appointment of all the other directors are also revoked, in which case the individuals who have been replaced may not be appointed to such office again, during the twelve months following the date of such revocation.

Subsection amended FOG 01-10-2014

II. To appoint an examiner whenever individually or in the aggregate they hold ten percent of the shares entitled to vote, including limited or restricted voting rights, the percentage set forth in article 171 of the Business Associations Law shall not be applicable. Such right may not be exercised when the company falls under the regime provided in article 15 of this Law, under which they do not avail themselves of the office of examiner.

Subsection amended FOG 01-10-2014

III. To request the chairperson of the board of directors or, as the case may be, any of the examiners, in regards to the issues over which they have voting rights, to summon, at any time, to general shareholders' meeting, or else, to adjourn only once the voting on any issues in respect to which they do not consider themselves sufficiently informed, within three calendar days and without requiring the issuance of new summons, provided that individually or in the aggregate, they hold ten percent of the capital stock of the company, the percentages set forth in articles 184 and 199 of the Business Associations Law shall not be applicable.

IV. To file a civil liability action against the managers in the benefit of the company, in terms of article 163 of the Business Associations Law and without requiring resolution from the general shareholders' meeting, when they hold individually or in the aggregate, fifteen percent or more of the shares entitled to vote, including limited or restricted voting rights, or no voting rights. Such action may be filed also in connection with the examiners for any applicable purposes in accordance with article 171 of the aforementioned law.

In the event that the regime applicable to public corporations shall have been adopted, the shareholders may not file any legal action under the provisions of article 38 of this Law.

V. To oppose in court, according to the provisions of article 201 of the Business AssociationsLaw, the resolutions of the general shareholders' meetings, provided they are entitled to vote on the corresponding business, when they hold individually or in the aggregate twenty percent or more of the capital stock of the company, the percentage set forth in such law provision shall not apply. The foregoing, shall apply in addition to the provisions of article 13, section III, paragraph d) of this Law.

VI. To agree amongst them:

a) To oblige themselves not to develop any business activities that compete with the company, obligation that shall be limited in regards to time, subject matter and geographical coverage, as such limitations shall not exceed a term of three years, regardless of the provisions of other laws that may be applicable.

b) Any rights and obligations that establish any purchase or sale options in connection with the shares representing the capital stock of the company, such as the following:

1. That one or several shareholders shall be entitled to transfer only the totality or a portion of their ownership interest, when the acquiring party also commits to acquire a portion or the totality of the shares held by other shareholder or shareholders, in equal conditions.

2. That one or several shareholders shall be entitled to require from another partner the transfer of the totality or part of their ownership interest, when they accept a purchase offer, in equal conditions.

3. That one or several shareholders shall have the right to transfer or to acquire from another shareholder, who shall be obliged to transfer or acquire, as the case may be, the totality or part of the ownership interest subject matter of the transaction, at a determined or determinable price.

4. That one or several shareholders shall remain obliged to subscribe and pay certain number of shares representing the capital stock of the company, at a determined or determinable price.

c) Transfers and other legal actions pertaining to the ownership, exercise or enforcement of the preemptive right provided in article 132 of the Business Associations Law, regardless of the fact that such legal acts are entered with other shareholders or with other third parties.

d) Agreements for the exercise of the right to vote in shareholders' meetings, in which case article 198 of the Business Associations Law shall not apply.

e) Agreements for the transfer of their shares through a public offering.

The agreements mentioned hereunder shall not be opposable to the company, except in case of a court resolution.

Article 17. – Promoting investment corporations, under previous authorization by their board of directors, may acquire shares representing their capital stock, and the prohibition established in the first paragraph of article 134 of the Business Associations Law shall not be applicable.

Such companies may acquire the corresponding shares charged to their shareholders' equity, in which case they may keep them without being required to decrease their capital stock or else, charge them against their capital stock, provided it is decided to cancel such stock or to convert them into issued and unsubscribed shares kept in treasury. Fixed capital companies may convert the shares they acquire under this article into unsubscribed shares kept in treasury.

The placement, as the case may be, of the shares acquired under the provisions of this article, shall not require the resolution by the shareholders meetings, notwithstanding that the board of directors may decide the matter. The shares issued and unsubscribed that are kept in the treasury may be subscribed by the shareholders. For purposes of the provisions of this paragraph, the provisions of article 132 of the Business Associations Law shall not be applicable.

As long as the shares belong to the corporation, they shall not be represented nor shall they be voted in any shareholders' meetings of any kind, neither shall any corporate or economic rights of any kind whatsoever be enforced.

Article 18. – Promoting investment corporations shall be exempted from the requirement of publishing their financial statements, under the provisions of article 177 of the Business Associations Law.

Section III
On promoting stock investment corporations

Article 19. – Promoting investment corporations may request the registration in the Registry of the shares representing their capital stock or negotiable instruments representing such shares provided that:

I. The shareholders' meeting agrees, prior to the registration of the securities, to:

a) The amendment to their corporate name by adding to their corporate name, the expression "publicly traded" or its abbreviation "B" for the word in Spanish.

b) The adoption of the modality of public corporation in a term that may not exceed ten years, counting from when the registration in the Registry takes effect, or before said term, if the shareholders equity of the promoting stock investment corporation in question, at the end of the year in question, surpasses the equivalent to two hundred and fifty million investment units in national currency in accordance with the respective annual, audited, or issued financial statements.

The Commission, through general provisions , shall establish the terms, period of time, and conditions in which the promoting stock investment corporations shall adopt the modality of public corporation once the events referred to in the paragraph above have been fulfilled.

Subparagraph amended FOG 01-10-2014

b) A program that provides for the progressive adoption of the regime applicable to public corporations in the term mentioned in subparagraph b) above. Such program, shall comply with the requirements established by the bylaws of the stock exchange where the shares or negotiable instruments representing them are intended to be listed.

c) Any amendments to the bylaws necessary to adjust integrating capital stock to the regime applicable to public corporations, as well as to provide for the causes and consequences of the cancelation of the registration in the Registry, in the terms set forth in article 108, subsection I of this Law. In no event shall such bylaws include any of the provisions established in article 13, subsections I to III of this legal statute.

The shareholders' meeting, in addition to the aforementioned provisions, must identify the individual or legal entity, or the group of individuals or legal entities, that hold the controlling interest over the company, who shall subscribe the minutes of the meeting held to authorize consent.

II. The board of directors has, at the time of the registration in the Registry, at least one independent director who meets the requirements set forth in article 26 of this Law.

III. The company has a committee that assists the board of directors in the performance of activities related with corporate practices, as provided for public corporations. Such committee shall be composed exclusively by members of the board of directors and it shall be chaired by a director who has an independent character.

The company may choose to assign to such committee the audit duties provided in this Law for public corporations, in which case the provisions of articles 15 and 16, subsection IV of this legal statute shall apply.

IV. The secretary of the board of directors authenticates the stockholdings of each shareholder.

Article 20.- Promoting investment corporations that obtain the registration with the Registry of the shares representing the capital stock or negotiable instruments representing such shares, may place such securities in the stock exchange with or without public offering, provided that:

I. They provide in their prospectus or informative brochure used for the placement of securities, in an express and notorious manner:

a) Any existing differences in the organization, operation and disclosure of information regime and, as the case may be, listing and maintenance requirements, in connection with the public corporations.

b) The terms and conditions of the program established in article 19, subsection I, subparagraph c) of this Law.

c) Is repealed

Subparagraph repealed FOG 01-10-2014

II. Obtain the approval of the program referred in the aforementioned article 19, subsection I, subparagraph c) of this legal statute, by the stock exchange where they intend to list their securities.

Amended FOG 01-10-2014; the then last paragraph is repealed from the article

Article 21.- Promoting investment corporations, to obtain and preserve the registration provided in article 19 of this Law, shall be subject to the provisions of articles 48, 49, subsection IV, penultimate and last paragraphs, 53 to 57, 83 to 92 and 95 to 112 of this Law.

The Commission, through general provisions, may reduce the requirements applicable to the registration and maintenance in the Registry for shares representing the capital stock of the promoting stock investment corporations or negotiable instruments representing such shares, as well as in any matters regarding the disclosure of information in connection with those required, under this Law, for public corporations.

Stock exchanges shall be obliged to verify periodically, the degree of progress and compliance by promoting stock investment corporations, with the programs mentioned in article 19, subsection I, subparagraph c) of this Law. Such stock exchanges shall report to the Commission on any defaults they detect in the aforesaid programs, within five business days following the day they become aware of such default.

Any serious default to the programs mentioned in the preceding paragraph shall constitute a cause for cancellation of the registration in the Registry, of the shares representing the capital stock of such promoting stock investment corporations or negotiable instruments representing them, in which case the relevant company, prior to the cancellation of the registration, shall be obliged to carry out a tender offer, within a term of one hundred and eighty calendar days after the date when the Commission issued the requirement, or else, when the three-year term of the aforementioned program expires, whatever occurs first, abiding by, as applicable, the provisions of article 108, subsection I of this Law. To the extent that the aforementioned tender offer does not take place, the Commission may decree, as a precautionary measure, the suspension of the registration of the securities in question in the Registry, in order to prevent any alterations in the market.

Chapter II
On public corporations

Article 22. - The corporations which shares representing their capital stock or negotiable instruments representing such shares, are registered with the Registry, shall freely create their corporate name according to the provisions of article 88 of the Business Associations Law, provided they add to their corporate name the expression “public” or its abbreviation “B”, for the word in Spanish.

Public corporations shall be subject to the special provisions contained in this legal statute and, in everything not provided for herein, to the provisions of the Business Associations Law.

Any financial entities obtaining the registration in the Registry, of the shares representing their capital stock or negotiable instruments representing such shares shall be subject to the provisions of the special laws of the financial system governing them and to any other subordinated provisions issued in accordance with such Laws, as well as to the following:

I. Their shareholders shall have the rights set forth in articles 48 to 52 of this Law.

II. Their capital stock shall be composed in accordance with the provisions of the Laws related to the financial system that governs them. When the aforementioned Laws fail to regulate such composition, the entity shall be subject to the provisions of this Law.

Financial entities may issue unsubscribed shares to be kept in the treasury, and acquire and place the shares representing their capital stock, in terms of the provisions of articles 53, 56 and 57 of this legal statute, except in in the case of investment companies in debt instruments, equity instruments and specialized in retirement funds, which shall be subject, as the case may be, to the Investment Companies Law, to the Pensions System Law and to the general provisions arising from such Laws.

III. The disclosure of information, in addition to the provisions set forth in the special Laws of the financial system regulating such disclosure and any subordinated provisions resulting from said Laws, shall be governed by the provisions of articles 104 to 106 of this Law and by the general provisions arising from this legal statute, except in connection with investment companies in debt instruments and equity instruments and specialized in retirement funds, who shall be subject to the Law of Investment Companies, to the Pensions System Law and to general provisions derived from such Laws.

IV. The integration, organization and operation of the corporate bodies, including management and surveillance ones, shall abide by the provisions of the special Laws of the financial system governing such bodies and to subordinated provisions resulting from such Laws, except in connection with holding companies of financial groups that shall be subject, in regards to such matters, to the provisions of this legal statute.

Notwithstanding the foregoing and save for the exception mentioned, the duties that this legal statute provides for the shareholders' meeting, the board of directors, the committees performing duties related to corporate and audit practices and the general director of the public corporations, shall be performed, in the relevant financial entities, by a corporate body or by an individual, in the terms set forth in the special Laws governing the financial system and any other provisions arising therefrom. Whenever such special regulations fail to regulate any of the duties, the financial entity shall abide, in connection with such a duty, by the provisions of this Law.

V. The shareholders, as well as the heads of the corporate bodies and the individuals in charge of management and surveillance of any financial entity, shall be accountable for their actions in the terms provided, as applicable, by the special laws of the financial system governing the aforementioned persons and according to applicable commercial and civil laws.

In connection with holding companies of financial groups, the shareholders and the individuals in charge of the management and surveillance of the entity shall be subject to in the aspects related to duties, obligations and liabilities, the provisions of this law.

Section I
On management

Article 23. – Public corporations shall entrust their management to a board of directors and to a general director, who shall perform the duties established in this legal statute.

Article 24. - The board of directors of the public corporations shall be composed by a maximum of twenty-one members, out of which, at least twenty five percent shall be independent. Per each regular director, an alternate director may be appointed, on the understanding that the alternate directors of the independent directors shall meet this same requirement.

Individuals who have served as external auditors of the company or of any legal entity constituting the corporate group or consortium to which this may belong, may not be directors of the public corporations, during a twelve-month period immediately preceding the date of their appointment.

Likewise, the board of directors shall appoint a secretary who shall not be a member of such corporate body, who shall be subject to the obligations and liabilities established under this Law.

The directors shall continue performing their duties, even when the term for which they are appointed expired or if they have resigned, for a term of up to thirty-calendar days, in the absence of the appointment

of their replacement or whenever such replacement has not taken office, without being subject to the provisions of article 154 of the Business Associations Law.

The board of directors may appoint provisional directors, without the intervention of the shareholders' meetings, when any of the events set forth in the preceding paragraph or in article 155 of the Business Associations Law occurs. The shareholders' meeting of the company shall ratify such appointments or appoint the alternate directors in the meeting following the occurrence of such event, regardless of the provisions of article 50, subsection I of this legal statute.

Article 25. - The board of directors, for the performance of the duties entrusted to it by this Law, shall have the assistance of one or more committees established by it to such end. The committee or committees carrying out the activities pertaining to corporate practices and audits mentioned in this Law shall be composed exclusively by independent directors and by a minimum of three members appointed by the board itself, upon the proposal by the chairperson of such corporate body. In connection with public corporations that are controlled by an individual or legal entity or group of individuals or legal entities holding fifty percent of more of the capital stock, the corporate practices committee shall be composed of, at least, a majority of independent directors, provided such circumstance is disclosed to the public.

In the absence, due to any reason, of the minimum number of members of the committee performing the audit duties and when the board of directors has not appointed any provisional directors according to the provisions of article 24 of this Law, any shareholder may request the chairperson of the aforesaid board to call, within a term of three calendar days, to a general shareholders' meeting which shall make the corresponding appointment. In the event the calling is not made in the aforementioned term, any shareholder may appear before the judicial authority of the company's legal domicile, to request such court to issue make the call. In the event that the meeting cannot be convened or if convened, the appointment were not made, the judicial authority of the company's legal domicile, upon request and proposal by any shareholder, shall appoint the corresponding directors, who shall hold office until the general shareholders' meeting makes the final appointment.

Article 26. - Independent directors and, as the case may be, their corresponding alternates, shall be chosen on the basis of their experience, capability and professional prestige, taking into consideration also that in the light of their qualities, they shall be able to perform their duties free from any conflicts of interest and without being subject to personal, patrimonial or economical interests.

The general shareholders' meeting, where the members of the board of directors are appointed or ratified or, as the case may be, where such appointments or ratifications are reported shall qualify the independence of its directors. Notwithstanding the foregoing, the following individuals shall never be appointed or act as independent directors:

I. The relevant executive officers or employees of the company or the legal entities composing the corporate group or consortium to which such company may belong, as well as the examiners of the latter. The aforementioned limitation shall be applicable to those individuals that shall have occupied such positions during a period of twelve months immediately before the date of appointment.

II. Any individuals who have significant influence or decision-making power on the company or in any of the legal entities composing the corporate group or consortium to which such company belongs.

III. The shareholders who are part of the group of individuals or legal entities holding a controlling interest in the company.

IV. The customers, service providers, suppliers, debtors, creditors, partners, directors or employees of a company that is an important customer, service provider, supplier, debtor or creditor.

It is considered that a customer, service provider or supplier is important, when the sales of the company represent more than ten percent of the total sales of the customer, of the service provider or of the supplier, during a twelve-month period preceding the date of the appointment. Likewise, it is considered that a debtor or creditor is important, when the amount of the credit is greater than fifteen percent of the assets of the same company or of its counterparty.

V. Those who are related by blood, marriage or civil kinship up to the fourth degree, as well as the spouses, the concubine and the male concubine, of any of the individuals mentioned in subsections I to IV of this article.

Any independent directors who during their office cease to meet such qualifications, shall inform such situation to the board of directors no later than on the next meeting of such body.

The Commission, upon having granted previously the right to be heard to the company and to the relevant officer and with the agreement from its Board of Governors, may object to the qualification of independence of the members of the board of directors, whenever there are elements that evidence lack of independence under the provisions of sections I to V of this article, in which case they shall be deprived of the aforementioned qualification. The Commission shall have a term of thirty-business day from the notice date made for such purpose by the public corporation as set forth in applicable provisions, to object, as the case may be, the independence of the relevant director; once such term has elapsed without the Commission having rendered its opinion, it shall be understood that no objection whatsoever exists. The foregoing, notwithstanding that the Commission may object such independence, when it is detected afterwards, that during the performance in office of any director he falls in any of the causes to which this article refers.

Article 27. - The board of directors may hold meetings at least four times during each fiscal year.

The chairperson of the board of directors or of the committees, who carries out the duties of corporate practices and audit provided in this Law, as well as twenty-five percent of the directors of the company, may call a meeting of the board and insert in the agenda the items they deem convenient.

The external auditor of the company may be called to the meetings of the board, in his/her capacity as guest who may have right to speak but no voting rights, provided he/she abstains from being present in any business of the agenda where he/she may have a conflict of interests or that may compromise his/her independence.

Article 28. - The board of directors shall take care of the following matters:

I. To provide general strategies to lead the business of the company and the legal entities it controls.

II. To survey the performance and direction of the company and the legal entities controlled by it, considering the relevance that the latter may have in the financial, administrative and legal condition of the company, as well as the performance of the relevant executive officers. The foregoing, in accordance with the provisions set forth in Section II of this Chapter.

III. To approve, upon previous opinion of the competent committee:

a) The policies and guidelines for the use or enjoyment of the properties constituting the equity of the company and the legal entities it controls, by related parties.

b) The transactions, each one individually, with related parties, that the company or the legal entities it controls, intend to enter into.

The transactions listed below shall not need the approval of the board of directors, provided they abide by the policies and guidelines approved by the board to such end:

1. Transactions that due to their quantity lack any relevance for the company or the legal entities controlled by it.

2. Transactions carried out among the company and the legal entities controlled by it or in which it has a significant influence or between any of these, provided:

i) They pertain to the ordinary or regular business line of the company's business.

ii) They are considered done at market prices or supported on appraisals made by external expert agents.

3. Transactions carried out with employees, provided they are carried out in the same conditions as with any other costumer or as a result of labor benefits of general nature.

c) Transactions executed, either simultaneously or successively, that due to their particularities may be considered as one single transaction and that are intended to be made by the company or the legal entities it controls, within the lapse of a fiscal year, when they are unusual or non-recurrent, or else, when their quantity represents, on the basis of the corresponding figures as of the closing of the immediately preceding quarter, in any of the following events:

1. The acquisition or transfer of properties with a value equal to or greater than, five percent of the consolidated assets of the company.

2. The granting of collateral or the assumption of liabilities in an amount equal to or greater than, five percent of the consolidated assets of the company.

Investments in debt instruments or in banking instruments shall be exempted provided they are made in accordance with the policies approved by the Board to such end.

d) The appointment, election and, as the case may be, the removal of the general director of the company and his overall remuneration, as well as the policies for the appointment and overall remuneration of other relevant executive officers.

e) The policies for the granting of money loans, loans or any other type of credits or collaterals to related parties.

f) Any permission for a director, relevant executive officer or any individual with decision-making power, to take advantage of any business opportunities for him/her or in favor of third parties, that correspond to the company or the legal entities it controls, or over which it has a significant influence. The permissions for transactions which amount is higher than the one mentioned in subparagraph c) of this subsection, may be delegated in any of the committees of the company in charge of audit duties or corporate practices to which this Law refers.

g) The guidelines in the field of internal control and audit of the company and of the legal entities it controls.

h) The company's accounting policies, abiding by the accepted accounting principles or issued by the Commission through general provisions.

i) The financial statements of the company.

j) The retention of the legal entity that provides external auditing services and, as the case may be, any additional or complementary services to those of an external audit.

When the determinations of the board of directors are not in agreement with the opinions issued by the corresponding committee, the aforementioned committee shall instruct the general director to disclose such circumstance to public investors, through the stock exchange where the shares of the company or the negotiable instruments representing such shares are being traded, abiding by the terms and conditions that such exchange provides in its bylaws.

IV. To submit to the general shareholders' meeting held on the closing of the fiscal year:

a) The reports mentioned in article 43 of this Law.

b) The report that the general director has prepared as provided in article 44, subsection XI of this Law, accompanied with the opinion of the external auditor.

c) The opinion of the board of directors on the content of the report of the general director mentioned in the preceding paragraph.

d) The report mentioned in article 172, subparagraph b) of the Business Associations Law which contains the main accounting and information policies and criteria followed in the preparation of the financial information.

e) The report on the transactions and activities in which this would have intervened in accordance to the provisions of this Law.

V. To follow up the main risks to which the company and the legal entities that it controls are exposed to, identified on the basis of the information submitted by the committees, the general director and the legal entity providing external auditing services, as well as by accounting, internal control and audit, recording, archive or information systems, of the former and the latter ones, which may be completed through the committee in charge of auditing duties.

VI. To approve the policies on information and communication with shareholders and the market, and with the relevant directors and executive officers, to comply with the provisions of this legal statute.

VII. To determine any applicable actions in order to cure any irregularities known by it and to implement the corresponding corrective measures.

VIII. To establish the terms and conditions by which the general director shall abide in the exercise of his/her powers for acts of ownership.

IX. To order the general director to disclose to the public of any relevant events he may be aware of. The foregoing, besides the obligation of the chief executive officer contained in article 44, subsection V of this Law.

X. Any others provided by this Law or by the bylaws of the company, in accordance with this legal statute.

The board of directors shall be responsible for the surveillance over the resolutions of the shareholders' meeting, which may be carried out through the committee in charge of those auditing duties mentioned in this Law.

Article 29. - The members of the board of directors shall perform their duties endeavoring to create value for the benefit of the company, without favoring certain shareholder or group of shareholders. To such end, they shall act diligently by adopting reasoned decisions and complying with any other duties imposed on them by this Law or the bylaws of the company.

Part A
On the duty of diligence

Article 30. - The members of the board of directors, in the diligent performance of the duties that this Law and the bylaws confer to such corporate body, shall act in good faith and in the best interest of the company and the legal entities controlled by it, thus they may:

I. Request any information of the company and legal entities controlled by it, which is reasonably necessary for the decision making process.

To such end, the board of directors of the company may provide, with the prior opinion of the committee in charge of auditing duties, the guidelines that establish the form under which such requests shall be made and, as the case may be, the scope of such requests of information by the directors.

II. To request the attendance of the relevant executive officers and other persons, including external auditors, who may contribute or provide elements for the decision making process in the meetings of the board of directors.

III. To adjourn the meetings of the board of directors, in the event a director has not been called or has not been called in time or, as the case may be, because the information delivered to the rest of the directors has not been delivered to him. Such adjournment shall be for up to three calendar days, provided the board may hold its meeting without the need of a new call and provided, further, that the default has been cured.

IV. Discuss and vote, requesting the presence, if they so wish it, of the members of the board of directors and the secretary of the board of directors exclusively.

Article 31.- The members of the board of directors,, the relevant executive officers and any other individuals having representation powers in any public corporation, shall provide whatever is necessary to comply with the provisions of this Law, subject to the provisions set forth in article 3 of this Law.

The information submitted to the board of directors of the company by the relevant executive officers and any other employees, both, from the same company and from the legal entities it controls, must be subscribed by the persons who are responsible for their contents and preparation.

The members of the board of directors and any other individuals performing an employment, position or commission in any of the legal entities controlled by a public corporation or in the ones over which it has a significant influence, shall be bound by the duty of discretion and confidentiality established in this and other laws, whenever they provide information according to the provisions hereunder, to the board of directors of the public corporation, in regards to the aforesaid legal entities.

Article 32. - The members of the board of directors of public corporations shall fail in their duty of diligence and shall be accountable in terms of article 33 of this Law, in the event they cause a pecuniary damage to the company or the legal entities controlled by it, or over which it has a significant influence, in case any of the following events occurs:

I. Whenever they fail to attend, except under a justified cause, in the opinion of the shareholders' meeting, any meetings of the board of directors and, as the case may be, of the committees they belong to, and by cause of their absence, the corresponding corporate body is unable to legally hold its meeting.

II. Whenever they fail to disclose to the board of directors or, as the case may be, to the committees they belong to, any relevant information they may know that is necessary for the appropriate decision making process of such corporate bodies, except in case they are legally or contractually obliged to keep secrecy or confidentiality in such regards.

III. Whenever they fail to comply with the duties imposed to them by this Law or the company's bylaws.

Article 33.- The liability, consisting in indemnifying for any damages and lost profits caused to the company or to the legal entities controlled by it or over which it has a significant influence, due to lack of diligence of the members of the board of directors of public corporations, arising from their actions or decisions taken by the board, or from any such decisions not taken by cause of the impossibility of such body to legally hold a meeting, shall be joint and several among the accountable individuals that have adopted the decision or caused the failure of the aforementioned corporate body to hold the meeting. Such indemnification may be limited according to the terms and conditions expressly set forth in the company's bylaws or due to the resolution of the general shareholders' meeting, provided it is not a case of fraudulent, bad faith or illegal actions according to this or other Laws.

Public corporations may agree on indemnifications and procure in favor of the members of the board of directors any insurance policies, safety bonds or guarantees that cover the amount of the indemnification for damages, caused by their performance, to the company or the legal entities controlled by it or over which it may have a significant influence, except in the case of fraudulent or bad faith acts or illegal actions according to this or any other Laws.

Part B
On the duty of loyalty and on illegal acts or actions

Article 34. - The members and secretary of the board of directors of public corporations shall keep confidential any information and businesses they know by virtue of their position in the company, when such information or business are not in the public domain.

Members and, as the case may be, the secretary of the board of directors, who have a conflict of interest in any business, shall refrain from participating and being present in the discussion and voting of such business, without such situation affecting the quorum required for the board to be duly convened.

The members of the board shall be jointly and severally liable with their predecessors, for any irregularities in which the latter may have incurred if, being aware of such irregularities, they failed to inform in writing the committee performing the audit duties and the external auditor. Furthermore, such directors shall be bound to report to the auditing committee and the external auditor, of any irregularities of which

they are aware during their term in office, and which are related to the company or the legal entities it controls or over which the company has a significant influence.

Article 35.- The members and secretary of the board of directors and of public corporations shall incur in disloyalty to the company and, consequently, they shall be liable for damages and lost profits caused to such company or to the legal entities controlled by it or over which it has a significant influence, whenever, without a just cause, by virtue of their employment, position or commission, they obtain any economic benefits for themselves or in favor of third parties, including certain shareholders or group of shareholders.

Likewise, the members of the board of directors shall incur in disloyalty to the company or legal entities controlled by it or over which it may have a significant influence, being responsible for any damages and lost profits caused to the latter or the former one, whenever they incur in any of the following behaviors:

I. Whenever they vote, having a conflict of interests, in the meetings of the board of directors or take resolutions related to the assets of the company or the legal entities controlled by it or in where it has a significant influence.

II. Whenever they fail to disclose, in respect to the issues dealt in the meetings of the board of directors or committees where they participate as members, any conflicts of interests they may have in connection with the company or the legal entities controlled by it or in which the company has a significant influence. In such event, the members of the board of directors shall specify the details of the conflict of interests, unless they are bound by law or agreement, to keep secrecy or confidentiality in such regards.

III. Whenever they knowingly, favor certain shareholder or group of shareholders of the company or the legal entities it controls or in which the company has a significant influence, in detriment of or causing prejudice to, the other shareholders.

IV. Whenever they approve the transactions entered into with the company or the corporate entities it controls or in which it has a significant influence, with related parties, without abiding by or complying with, the requirements established by this Law.

V. Whenever they take advantage for themselves or they approve in favor of third parties, the use or enjoyment of the properties that are part of the company's assets or of assets of the legal entities controls, in violation of the policies approved by the board of directors.

VI. Whenever they misuse any relevant information which is not for public domain, regarding the company or the legal entities it controls or where it holds a significant influence.

VII. Whenever they take advantage of or exploit, in their own benefit or in the benefit of third parties, without the permission of the board of directors, any business opportunities that correspond to the company or legal entities it controls or in which it has a significant influence.

For such purpose, it shall be considered that, except as otherwise proven, a business opportunity is being taken advantage of or exploited, when a director, directly or indirectly, performs any activities that:

a) Are the same as those of the ordinary or customary business line of the company or the legal entities it controls or where it holds a significant influence.

b) Imply the execution of a transaction or a business opportunity that is originally addressed to the company or the legal entities mentioned in the preceding subparagraph.

c) Involve or intend to involve, any commercial or business projects to be developed by the company or the legal entities mentioned in the preceding subparagraph a), provided that the director has been previously aware of such situation.

The provisions of the first paragraph of this article, and of subsections V to VII of the same, shall also be applicable to individuals with decision-making power in the company.

In connection with legal entities where a public corporation has a significant influence, the liability resulting from disloyalty shall be enforced on the members and secretary of the board of directors of such

company who have participated in obtaining, without just cause, of the benefits mentioned in the first paragraph of this article.

Article 36. - The members and the secretary of the board of directors of public corporations shall abstain from incurring in any of the following behaviors:

I. To generate, disclose, release or provide information to the public at large, in regards to the company or the legal entities controlled by it or where it has a significant influence, or else, in regard to the securities or any of them, knowing that is false or misleading or else, to order any of such acts.

II. To order or cause the omission in the registration of any transactions entered by the company or the legal entities it controls, as well as to alter or to order the alteration of any records to conceal the true nature of the transactions entered, affecting thereby any item in the financial statements.

III. To conceal, omit or cause the concealing of, or the failure to disclose, any relevant information that in terms of this legal statute, must be disclosed to the public, the shareholders or the holders of securities, except when this Law provides for the possibility of its deferral.

IV. To order or agree to, the recording of false data in the accounting records of the company or legal entities controlled by it. It shall be presumed, unless otherwise evidenced, that any data included in the accounting records is false whenever the authorities, in the exercise of their powers, request information related to the accounting records, and the company or legal entities controlled by it, lack such information and, the information in the accounting records cannot be verified.

V. To destroy, modify or order the destruction or amendment, in whole or in part, of the accounting systems or records or of any documents which are the source for the accounting entries of a company or of the legal entities it controls, before the expiration of the legal term set forth for their keeping and with the purpose of concealing their records or evidence.

VI. To destroy or to order the destruction, in whole or in part, of any information, documents or files, including electronic ones, to prevent or hinder the supervision acts by the Commission.

VII. To destroy, in whole or in part, any information, documents or files, even electronic ones, to manipulate or conceal any data or relevant information of the company from anyone who may have a legal interest in knowing it.

VIII. To submit to the Commission any false documents or altered information, with the purpose of concealing their true content or context.

IX. To alter any active or passive accounts or the terms and conditions of agreements, to make or to order the registration of non-existing transactions or expenditures, to exaggerate those that are real or to willfully commit any action that is illegal or forbidden by the Law, creating, by incurring in any of such events, a breach or harm to the relevant company's property or to the property of the legal entities controlled by it, for their own economical benefit, either directly or through a third party.

The provisions of this article shall also be applicable to the individuals vested with decision-making power in the company.

Article 37. - The liability consisting in the indemnification for damages and lost profits caused by any of the acts, events or omissions mentioned in articles 34, 35 and 36 of this Law, shall be joint and liable among the responsible persons who have taken the action and shall be enforceable as a consequence of the damages and lost profits caused. The corresponding indemnification shall cover any damages and lost profits caused to the company or to the legal entities controlled by it or over which it has a significant influence and, in any case, the individuals liable shall be removed from office.

In no event shall the affected company ever agree otherwise, nor shall it provide in its bylaws any considerations, benefits or any exculpatory release from liabilities to restrict, release, substitute or compensate the liability for the defaults established in the legal provisions mentioned in the preceding

paragraph, nor shall it contract in favor of any person, any insurance policy, security bond or guarantees to cover the amount of the indemnification for the damages and lost profits caused.

Part C
On actions enforced against liabilities

Article 38. - Any liability resulting from the acts mentioned in this Chapter, shall be enforced exclusively in favor of the Company or the legal entity it controls or where it holds a significant influence, which has suffered pecuniary damages.

The action for liability may be filed by:

I. The public corporation.

II. The shareholders of the public corporation who, individually or in the aggregate, hold voting right shares, even the ones with limited or restricted voting rights or without voting rights, representing five percent or more of the capital stock of the public corporation.

The plaintiff may settle in trial the amount of the indemnification for damages and lost profits, provided the terms and conditions of such settlement are previously submitted to the approval of the board of directors of the company. The lack of the aforementioned formality shall render the settlement null and void.

The filing of any legal action provided in this article shall not be subject to the satisfaction of the requirements established in articles 161 and 163 of the Business Associations Law. In any case, such legal actions shall include the total amount of liabilities in favor of the company or the legal entities controlled by it or over which it holds a significant influence and not only the personal interest of the plaintiffs.

The action provided in this article, filed by any of the individuals or legal entities mentioned in subsections I and II above, in favor of the legal entities controlled by a public corporation or over which it holds a significant influence, is to be exercised regardless of the actions that the legal entities or shareholders thereof are entitled to file, under the provisions of articles 161 and 163 of the Business Associations Law.

Any actions aimed at claiming liabilities as provided in this article, shall be subject to a statute of limitations of five years from the date the act or action that caused the corresponding pecuniary damage occurred.

In any case, the individuals or legal entities who in the opinion of the judge, have filed the legal action mentioned in this article, recklessly or with bad faith, shall be sentenced to pay court costs as provided in the Commerce Code.

Article 39.- The liability that this Law establishes for the members and the secretary of the board of directors, as well as the relevant executive officers of the public corporations, shall be enforceable even if the shares representing the capital stock of those companies, are placed among the public at large through negotiable instruments representing such shares, issued by trust institutions under trusts, in such case the action mentioned in article 38 of this Law may be filed by the trust institution or by the holders of such negotiable instruments representing the percentage of the capital stock as provided in subsection II of this article.

Article 40. - The members of the board of directors shall not incur, individually or in the aggregate, in any liabilities for damages or lost profits caused to the company or to the legal entities it controls or where it holds a significant influence, resulting from their acts or the decisions they take, whenever, acting in good faith, they incur in any of the following exculpatory circumstances:

I. Whenever they comply with the requirements that this Law or the company's bylaws provide for the approval of the issues to be considered by the board of directors or, as the case may be, by the committees where they are members.

II. Whenever they take actions or vote in the meetings of the board of directors, or as the case may be, in the committees to which they belong, relying on the information provided by relevant executive officers, by the legal entity that provides external auditing services or by independent experts, whose capability and credibility are not the cause of a reasonable doubt.

III. Whenever they have chosen the most appropriate alternative, to the best of their knowledge and belief, or the negative pecuniary effects were not foreseeable, in both cases, relying on the information available at the time the decision was made.

IV. Whenever they comply with the resolutions of the shareholders' meeting provided these are not against the Law.

Section II
On surveillance

Article 41.- The surveillance over management, governance and performance of the businesses of public corporations and of the legal entities these control, considering the relevance of the latter ones in the financial, administrative and legal condition of such public companies, shall be entrusted to a board of directors through the committee or committees created by it to carry out the activities in respect to corporate practices and auditing, as well as through the legal entity in charge of carrying out the external auditing of the company, each of them, within the scope of their respective powers and authority, as set forth in this Law.

Public corporations shall not be subject to the provisions of article 91, subsection V of the Business Associations Law, nor shall such companies be subject to articles 164 to 171, 172, last paragraph, 173 and 176 of the aforementioned Law.

Article 42. - The board of directors, in the performance of its surveillance duties, shall be assisted by one or more committees in charge of carrying out the following activities:

I. In respect to corporate practices:

a) To render their opinion to the board of directors on the matters within the scope of their duties according to this Law.

b) To request the opinion of independent experts in any issues they deem convenient, for the appropriate performance of their duties or whenever it is required according to this Law or to any applicable general provisions.

c) To summon to general shareholders' meetings and to see that the issues they deem convenient are inserted in the agenda of said meetings.

d) To support the board of directors in the preparation of the reports indicated in article 28, subsection IV, subparagraphs d) and e) of this Law.

e) Any other provided by this Law or the company's bylaws, according to the duties entrusted to them by this legal statute.

II. In respect to audit issues:

a) To render their opinion to the board of directors on any matters within the scope of their duties according to this Law.

b) To assess the performance of the legal entity providing external auditing services, as well as to analyze the certified opinion, opinions, briefs or reports prepared and subscribed by said external auditor. To such end, the committee may require the attendance of the aforementioned auditor whenever it deems it convenient, notwithstanding the fact that it shall meet with the latter at least once a year.

c) To discuss the financial statements of the company with the persons who are responsible of their preparation and review and on such basis, recommend or not recommend their approval to the board of directors.

d) To report to the board of directors the prevailing conditions of the internal control system and internal audit of the company or the legal entities controlled by it, including any irregularities detected, if any.

e) To prepare the opinion mentioned in article 28, subsection IV, subparagraph c) of this Law and to submit it to the consideration of the board of directors for its later submission to the shareholders' meeting, based on, among other elements, the report of the external auditor. Such opinion must indicate, at least:

1. Whether the accounting and information policies and criteria followed by the company are appropriate and sufficient, taking into consideration the particular circumstances thereof.

2. Whether such policies and criteria have been consistently applied in the information submitted by the chief executive officer.

3. Whether as a consequence of numbers 1 and 2 above, the information submitted by the general director reflects in a reasonable manner the financial condition and the results of the company.

f) To support the board of directors in the preparation of the reports mentioned in article 28, subsection IV, subparagraphs d) and e) of this Law.

g) To supervise that the transactions set forth in articles 28, subsection III and 47 of this Law, are carried out according to whatever is established for such purposes, in said legal provisions as well as in the policies resulting therefrom.

h) To request the opinion of independent experts in the cases they deem convenient, for the adequate performance of their duties or whenever it is required in accordance with this Law or applicable general provisions.

i) To request from the relevant executive officers and any other employees of the company or the legal entities controlled by it, any reports related to the preparation of financial information and any other kind of information they deem necessary for the performance of their duties.

j) To investigate any potential defaults of which they become aware, in respect to the transactions, guidelines and operation policies, internal control and internal audit system and accountancy, either of the company itself or of the legal entities controlled by it, therefore they shall carry out an analysis of the documents, records and any other evidence, in the degree and to the extent necessary for the completion of such surveillance.

k) To receive any remarks from the shareholders, directors, relevant executive officers, employees and, in general, from any third party in connection with the matters mentioned in the preceding subparagraph, as well as to take any other actions that are appropriate in connection with such remarks.

l) To request periodical meetings with relevant executive officers, as well as the delivery of any kind of information related to the internal controls and internal auditing of the company or of any legal entities controlled by it.

m) To report to the board of directors of any material irregularities detected in the exercise of their duties and, if any, the corrective actions adopted or the ones it proposes must be taken.

n) To summon to general shareholders' meetings and to request the insertion in the agenda of such meetings, of any issues deemed convenient.

o) To see that the general director complies with the resolutions taken by the shareholders and the board of directors meetings of the company, in accordance with the instructions given, as the case may be, by the shareholders' meeting itself or by the aforementioned board of directors.

p) To watch that the establishment of mechanisms and internal controls that enable the verification of acts and transactions carried out by the company and by the legal entities it controls, abide by applicable standards, as well as to implement any methodologies to allow reviewing the compliance with the foregoing.

q) Any other duties set forth by this Law or by the company's bylaws, in accordance with the duties vested on it by this legal statute.

Article 43. - The chairpersons of the committees entrusted with corporate practices and audit duties shall be appointed and/or removed only by the general shareholders' meeting. Such chairpersons may not chair the board of directors and they shall be chosen because of their experience, their recognized capability and professional prestige. Likewise, they shall prepare an annual report on the activities corresponding to such bodies and submit it to the board of directors. Said report, shall contemplate, at least, the following elements:

I. In regards to corporate practices:

a) The remarks in connection with the performance of the relevant executive officers.

b) Any transactions with related parties, during the fiscal year that is being reported, specifying in detail the characteristics of the significant transactions.

c) The complete compensations or remunerations packages for the individuals mentioned in article 28, subsection III, subparagraph d) of this Law.

d) The permissions granted by the board of directors in terms of the provisions of article 28, subsection III, subparagraph f) of this Law.

II. In connection with audit:

a) The prevailing status of the internal control system and internal audit of the company and the legal entities controlled by it and, if any, the description of their deficiencies and deviations, as well as the aspects requiring an improvement, taking into account the opinions, reports, communications and the external audit's report, as well as the reports issued by independent experts who provided their services during the period covered by the report.

b) To mention and report the follow up of any preventive and corrective measures implemented on the grounds of the results of any investigations related to the non-compliance with accounting records and operation guidelines and policies, either of the company itself or of the legal entities controlled by it.

c) Performance assessment of the legal entity that provides external audit services as well of as the external auditor in charge thereof.

d) Description and the assessment of any additional or complementary services, if any, provided by the legal entity in charge of carrying out the external audit, as well as of those provided by independent experts.

e) Main results of the reviews to the financial statements of the company and of the legal entities controlled by it.

f) Description and consequences of any modifications to the accounting policies approved during the period covered by the report.

g) Measures adopted by virtue of the remarks considered relevant, submitted by any shareholders, directors, relevant executive officers, employees and, in general, by any third party in connection with the accounting, the internal controls and the internal or external audit, or otherwise, resulting from accusations concerning any facts considered irregular in management.

h) To follow up any resolutions of the shareholders' and board of directors' meetings.

To prepare the reports provided herein, as well as the opinions set forth in article 42 of this Law, the corporate practices and audit committees shall hear the relevant executive officers; in the event there is a difference of opinion between one and other, such differences shall be incorporated to the aforementioned reports and opinions.

Section III
On management, governance and performance of corporate business

Article 44.- Management, governance and performance duties of the company's businesses and the ones of the legal entities controlled by it, shall be under the responsibility of the general director, as provided by this article. In the performance of such duties, said general director shall abide by the strategies, policies and guidelines approved by the board of directors.

For the performance of his/her duties, the general director shall be vested with the broadest powers and authority to represent the company in acts of administration and lawsuits and collections, including the special powers that require a special clause according to the Laws. In regards to acts of ownership he/she shall abide by the provisions of article 28, subsection VIII of this legal statute.

The general director, besides abiding by the aforementioned provisions, shall:

I. Submit to the approval of the board of directors the business strategies of the company and of the legal entities controlled by it, on the basis of the information that the latter may provide.

II. Comply with the resolutions taken by the shareholders' meetings and by the board of directors' meetings, according to the instructions that, if any, are issued by the shareholders' meeting or the aforementioned board.

III. Propose the committee in charge of performing auditing duties, the internal control and internal audit guidelines of the company and of the legal entities controlled by it, as well as to carry out the guidelines approved for such purpose by the board of directors of the aforementioned company.

IV. Subscribe any relevant company information together with the relevant executive officers in charge of preparing it, within the scope of their duties.

V. Release the relevant information and events that must be revealed to the public, adhering to what is set forth in this Law, being responsible for the content and opportunity of said information, even when the release of the same is delegated onto third parties, except for deceit or inexcusable fault of said third parties.

Subsection amended FOG 01-10-2014

VI. Comply with any provisions related to the execution of acquisition transactions and placement of the company's own shares.

VII. Exercise, by himself or through an authorized deputy, within the scope of his powers or by instructions from the board of directors, any applicable corrective and liability actions.

VIII. Verify that any capital contributions made by the partners, if any, are actually made.

IX. Comply with the legal and statutory requirements provided in regards to dividends to be paid to the shareholders.

X. Make sure that the company's accounting, recording, archive or information systems are duly maintained.

XI. Prepare or submit to the board of directors the report mentioned in article 172 of the Business Associations Law, except for the content of subparagraph b) of such legal provision.

XII. Establish any internal mechanisms and controls enabling the possibility of verification that the acts and transactions of the company and the legal entities it controls, shall have been done abiding by applicable standards, as well as to follow up the results of such internal mechanisms and controls and to take any necessary actions, if any.

XIII. File any liability actions mentioned in this Law, against related or third parties who have, presumably, caused damage to the company or the legal entities controlled by it or over which it holds a significant influence, except when the board of directors of the public corporation

determines, relying on the previous opinion by the committee in charge of audit duties, that the damage caused is not relevant.

XIV. Any other duties established in this Law or set forth in the company's bylaws, in accordance with the duties that this legal statute assigns to him/her.

Article 45. - The general director, to exercise his/her duties and carry out his/her activities, and to duly comply with the obligations established by this or any other applicable Laws, shall be assisted by the relevant executive officers appointed for such purpose and by any employee of the company or of the legal entities controlled by it.

The general director, in management, governance and performance of the company's businesses, shall provide whatever is necessary so that the legal entities controlled by the company, can comply of the provisions set forth in article 31 of this Law.

The reports related to the financial statements and the information concerning financial, administrative, economic and legal matters, indicated in article 104 of this Law, shall be subscribed, at least, by the general director and other relevant executive officers who are the heads of financial or legal divisions or their equivalent, within the scope of their respective powers. Likewise, this information shall be submitted to the consideration of the board of directors and, if applicable, the approval with the respective supporting documents.

Paragraph amended FOG 01-10-2014

Article 46. - The general director and the other relevant executive officers shall be subject to the provisions of article 29 of this Law, within the scope of their respective powers, therefore they shall be liable for damages and lost profits resulting from their respective duties. Furthermore, any exculpatory circumstances and limitations mentioned in articles 33 and 40 of this Law, shall apply as appropriate.

Additionally, the general director and the other relevant executive officers shall be liable for damages and lost profits caused by the company or the legal entities controlled by it due to:

I. The lack of timely and diligent care, due to any cause attributable to them, concerning the requests for information and documents, required from them, within the scope of their duties, by the directors of the company.

II. The deliberate submission or disclosure of any false or misleading information.

III. To incur in any behaviors set forth in articles 35, subsections III and IV to VII and 36 of this Law, and the provisions of articles 37 to 39 of this legal statute shall apply.

Section IV
On shareholders' meetings and shareholders' rights

Article 47.- In addition to the provisions set forth in the Business Associations Law, general ordinary shareholders' meetings shall meet to approve transactions that the company or the legal entities controlled by it, intend to execute within the lapse of a fiscal year, whenever such transactions represent twenty percent or more of the company's consolidated assets, based on the figures corresponding to the closing of the immediately preceding quarter, regardless of the way in which they are executed, whether simultaneously or successively, but which, by their characteristics, may be considered as a single transaction. In such meetings the holders of voting shares, including those with limited or restricted voting rights, may vote.

Article 48.- Public corporations may stipulate in their bylaws, clauses that establish measures intended to prevent the acquisition of shares that will transfer the control of the company to third parties or to the existing shareholders, whether directly or indirectly, provided that such clauses:

I. Are approved by a general shareholders' meeting where five percent or more of the capital represented by the shareholders present at such meeting has not voted against it.

II. Do not exclude one or more shareholders other than the person intending to gain control, from the economic benefits that, if any, result from the aforementioned clauses.

III. Do not restrict in an absolute manner, the taking over of the company's control. In case of clauses that require approval by the board of directors for the acquisition of a specific percentage of the capital stock, said board must establish the criteria to be considered to issue its resolution, as well as the term to issue it, which term shall not exceed three months.

IV. Do not contravene the provisions of this Law for mandatory tender offers, nor do they render ineffective the exercise of the pecuniary rights of the acquiring party.

Any corporate bylaws clause of the kind set forth in this article, which does not meet the aforesaid requirements, shall be null and void by operation of law.

Public corporations may not stipulate the clauses set forth in article 13, subsections I to III of this Law, except for the provisions established in article 54 hereunder.

Article 49. - Shareholders of public corporations shall have, without prejudice to those established in other Laws or in the bylaws, the following rights:

I. To have available, at the company's offices, the information and documents related to each of the items included in the agenda of the relevant shareholders' meeting, free of charge and at least fifteen calendar days before the date of the meeting.

II. To prevent the general shareholders' meeting from considering any issues submitted in the agenda under the heading of general issues or other equivalent ones.

III. To be represented at the shareholders' meetings, by persons who evidence their powers by means of proxy forms prepared by the company and made available to such shareholders through stock exchange intermediaries or at the company, at least fifteen calendar days before such meeting.

The aforementioned forms shall satisfy at least, the following requirements:

a) To indicate in a notorious manner, the name of the corporation, and the respective agenda.

b) To **i**nclude a space for the instructions that the grantor gives for the exercise of such powers.

The secretary of the board shall be obliged to make sure that the provisions of this subsection are satisfied and to report it to the meeting, the foregoing shall be recorded in the corresponding minutes.

IV. Enter into agreements among them, as provided in article 16, subsection VI of this Law.

Notice of the execution of the agreements set forth in subsection IV of this article and their characteristics, shall be served on the company within five business days following their agreement, so to be disclosed to the investing public through the stock exchange where the shares or negotiable instruments representing such shares are traded, under the terms and conditions established by such stock exchanges, so that the existence of such agreements be disclosed in the annual report set forth in article 104, subsection III, subparagraph a) of this Law, making it available for the public to consult it at the company's offices. Such agreements shall not be enforceable against the company and their noncompliance shall not affect the validity of the vote at the shareholders' meetings, but they shall be effective only among the parties once they have been disclosed to the investing public.

The members of the board of directors, the general director, and the individuals appointed by the legal entity providing the external audit services may attend the shareholders' meetings of the company.

Article 50. - The holders of voting shares, including those with limited or restricted voting rights, who individually or in the aggregate hold ten percent of the capital stock of the corporation, shall have the right to:

Paragraph amended FOG 01-10-2014

I. Appoint and revoke the appointment of a member of the board of directors at a shareholders' meeting. The other shareholders may only revoke such appointment, when the appointment of

the other directors is in turn revoked, in which case the persons replaced may not be appointed for any such offices during the twelve months immediately following the date of their revocation.

II. To require from the chairperson of the board of directors or of the committees performing the duties in matters of corporate and audit practices established in this Law, to call, at any time, to a general shareholders' meeting, in which case, the percentage set forth in article 184 of the Business Associations Law, shall not be applicable.

III. To request, for a single time, for three calendar days and without requiring the issuance of a subsequent notice, the postponement of the vote on any issue on which they consider themselves insufficiently informed, in which case, the percentage set forth in article 199 of the Business Associations Law shall not apply.

The shareholders of the variable portion of the capital stock of a public corporation shall not have the right of withdrawal established in article 220 of the Business Associations Law.

Article 51. - The holders of voting shares, including those with limited or restricted voting rights, who individually or in the aggregate hold twenty percent or more of the capital stock, may oppose in court the resolutions of the general shareholders' meetings with respect to which they have voting rights, in which case, the percentage set forth in article 201 of the Business Associations Law shall not be applicable.

Article 52. - Shareholders of public corporations, in the exercise of their voting rights shall abide by the provisions of article 196 of the Business Associations Law. For such purpose, it shall be presumed, unless otherwise evidenced, that a shareholder has in an specific transaction, an interest contrary to the interest of company or legal entities controlled by it, when, having control over the company, he/she votes in favor or against the execution of transactions, obtaining benefits which exclude other shareholders or such company or any legal entities controlled by such company.

Any legal actions enforced against those shareholders who violate the provisions of the preceding paragraph shall be exercised as provided in article 38 of this Law.

Section V
On special provisions applicable to the issuance of shares of public corporations

Article 53.- Public corporations, including fixed capital companies, may issue unsubscribed shares to keep in their treasury, to be subsequently subscribed by the public, provided that they abide by the following premises:

I. The general extraordinary shareholders' meeting shall have approved the maximum amount for a capital increase and the conditions under which the respective stock issuance shall be made.

II. The subscription of the shares issued shall have been made through public offering, upon previous registration in the Registry, complying in both cases with the provisions of this Law and any other general provisions arising therefrom.

III. The amount of subscribed and non-assessable stock shall have been announced when the authorized capital represented by the issued and unsubscribed shares is released.

Preferred subscription rights established in article 132 of the Business Associations Law shall not be applicable in the case of capital increases made through public offering.

Article 54. - Public corporations may only issue shares that do not limit or restrict the rights and obligations of their holders, such shares shall be denominated common stock, except in the cases provided in this article.

The Commission may authorize the issuance of shares other than shares of common stock, provided that the limited, restricted or non-voting shares, including those indicated in articles 112 and 113 of the Business Associations Law, do not exceed a twenty-five per cent of the total non-assessable stock which the Commission considers placed among the investing public, on the date of the public offering, according to the general provisions issued by it for such purpose.

The Commission may extend the limit established in the preceding paragraph, provided there is a program that establishes the issuance of any kind of shares mandatorily convertible into shares of common stock, in a term not to exceed five years, as of the date of their placement, or provided that such respective shares or investment programs restrict voting rights on the basis of the holder's nationality.

Non-voting shares shall not be calculated for purposes of determining the shareholders' meetings quorum, while limited or restricted voting shares shall only be computed to legally hold the shareholders' meetings to which their holders must be called to exercise their right to vote.

Article 55. - No person may implement mechanisms through which limited, restricted or non-voting shares of common stock of the same issuer, including those indicated in articles 112 and 113 of the Business Associations Law, are jointly traded or offered, except when they are convertible into shares of common stock within a maximum term of five years. Neither may shares of common stock be held in trust, when their purpose is the issuance of participation certificates representing such shares and that prevent all of their holders to freely exercise their voting rights.

The aforementioned prohibitions shall not be applicable to negotiable instruments representing shares of the capital stock of two or more public corporations, nor to investment programs that limit voting rights on the basis of the holder's nationality.

Section VI
On the transactions that public corporations execute with shares of their capital stock or negotiable instruments representing such shares

Article 56.- Public corporations may acquire shares representing their capital stock or negotiable instruments representing such shares, in which case the prohibition established in the first paragraph of article 134 of the Business Associations Law shall not apply, provided that:

I. The acquisition is made through a domestic stock exchange.

II. The acquisition and, if applicable, the sale on the stock market, is made at market price, except in the case of public offerings or of auctions authorized by the Commission.

III. The acquisition is made against its stockholders' equity, in which case they may keep such shares in their own holding without the need to make a capital decrease, or otherwise, against the capital stock, in which case they shall be converted into unsubscribed shares to be kept in the treasury, without requiring a resolution by a shareholders' meeting. Fixed capital companies may convert the shares that they acquire under this article into unsubscribed shares to be kept in their treasury.

In any case, the amount of the subscribed and non-assessable stock must be announced when the authorized capital, representing the issued and unsubscribed shares, is released.

IV. The general ordinary shareholders' meeting expressly agrees, for each fiscal year, the maximum amount of funds that may be allocated for the purchase of the company's own shares or negotiable instruments representing such shares, with the only limitation that the sum of the funds that may be allocated to such end, may not exceed, in any case, the total balance of the company's net profits, including profits withheld.

V. The company is current in the payment of its obligations derived from debt instruments registered in the Registry.

VI. The acquisition and sale of shares or negotiable instruments representing such shares shall never cause, under any circumstances, to exceed the percentages set forth in article 54 of this Law, nor the non-compliance with the maintenance requirements of the listing of the stock exchange where such securities are being traded.

The company's own shares and the negotiable instruments representing such shares held by the company or, as the case may be, the unsubscribed shares issued that are kept in treasury, may be placed among the investing public without requiring a resolution by the shareholders' meeting or the approval of the board of directors. For purposes of this paragraph, the provisions of article 132 of the Business Associations Law shall not be applicable.

As long as the shares belong to the company, they may not be represented nor voted in the shareholders' meetings, nor shall any type of corporate or economic rights be exercised.

The legal entities that are controlled by a public corporation may not acquire, directly or indirectly, shares representing the capital stock of the public corporation to which it is related or the negotiable instruments representing such shares. Acquisitions made through investment companies are exempted from the foregoing prohibition.

The provisions of this article shall also be applicable to acquisitions or sales that are made on derivatives or options having as underlying, shares representing the capital stock of the company, that are payable in kind, in which case the provisions of subsections I and II hereunder, shall not be applicable to the acquisitions or sales.

The acquisitions and sales established in this article, the reports on such transactions that must be submitted to the shareholders' meetings, the disclosure regulations on the information and on the form and terms in which these transactions are reported to the Commission, to the stock exchange and to the public, shall be subject to the general provisions issued by the Commission itself.

Article 57.- The persons related to a public corporation and the trustees of trusts created with the purpose of establishing stock option plans for employees and pension funds, retirement, seniority premiums and any other fund for similar purposes, constituted directly or indirectly, by any public corporation, upon trading shares or negotiable instruments representing shares representing the capital stock of the company with which they are related, shall abide by the provisions of articles 366 and 367 of this Law.

Chapter III
On foreign companies and other issuers

Article 58. - Foreign companies requesting the registration of the securities representing their capital stock in the Registry, must evidence to the Commission that they have minority rights equal to or greater than those required for public corporations, and that their corporate bodies maintain an organization, performance, integration, duties, responsibilities and internal controls, equal at least, to those of such companies.

Article 59. - Foreign companies that request and, as the case may be, obtain the registration in the Registry, of securities representing their capital stock or negotiable instruments representing such securities, shall not be subject to the provisions of articles 23 to 57 of this Law.

Article 60.- Whenever the federal government, any autonomous organizations, the states of the federation, municipalities and the government-controlled corporations, whether federal, state or municipal, ones, in their capacity as issuers, take any actions in violation of the provisions hereunder, shall be responsible for any damages caused to the assets or rights of the individuals by their irregular administrative activity, as set forth in the applicable laws regulating State liability and, as the case may be, in civil law.

Title III
On stock exchange certificates, options and other provisions

Chapter I
On stock exchange certificates

Article 61. - Any domestic or foreign legal entities, that according to legal provisions and regulations have legal capacity to subscribe negotiable instruments, may issue stock exchange certificates, abiding by the provisions of this Law.

Article 62.- The stock exchange certificates are negotiable instruments that represent:

I. The individual participation of its holders in a collective credit attributable to legal entities, or

II. One or some of the rights that article 63 of this Law refers to in respect to an equity encumbered in a trust.

Said certificates may be preferable or subordinated and even have different priority in the right to collect among its holders, and may be issued through unilateral declaration of intent.

Article amended FOG 01-10-2014

Article 63. - Stock exchange certificates may be issued through an irrevocable trust whose trust property may be constituted, if applicable, with the proceeds of the funds obtained from their placement. The certificates issued for such purposes under the trust shall be named “trust stock exchange certificates”. Additionally, such certificates shall include and represent one or more of the following rights:

I. The right to a portion of the ownership interest or of the legal title on the assets or rights held in trust.

II. The right to a portion of the proceeds, yields and, if any, to the residual value of the assets or rights held in trust for such purpose.

III. The right to a portion of the proceeds resulting from the sale of the assets or rights comprising the property held in trust.

IV. If applicable, the right to receive payment for capital, interests or from any other amount.

Subsection amended FOG 01-10-2014

Only credit institutions, securities firms, and managing companies of investment funds may act as trustees in trusts which purpose is the issuance of stock exchange certificates. The foregoing, notwithstanding that such financial entities issue stock exchange certificates on their own.

Paragraph amended FOG 01-10-2014

Article 63 Bis.- The administrator of the equity of the trust that issues indexed stock exchange certificates, is prohibited from:

I. Having some link with those who generate or determine the indexes, financial assets, or reference parameters, and

II. Keep the custody of the equity of the trust.

Article added FOG 01-10-2014

Article 63 Bis 1.- The trust stock exchange certificates:

I. Whose issuance resources are destined to the investment in shares, ownership interest, or the financing of Mexican companies, either directly or indirectly, through various investment vehicles, shall add the expression “of development” to the denomination of its trust stock exchange certificates.

II. Whose issuance resources are destined to the investment in real estate for their development, marketing, or administration, in companies that carry out said investments, or in certificates or rights of any kind over said real estate, or a combination of any of the foregoing, shall add the word “real estate” to the denomination of its trust stock exchange certificates.

III. That represent rights in respect to securities, assets, derivative financial instruments, or other assets that seek to copy the behavior of one or more indexes, financial assets or reference parameters, shall add the work “indexed” to the denomination of its trust stock exchange certificates.

The stock exchange certificates that subsections I to III above refer to, that are registered in the National Registry of Securities, must be listed and traded along the stock exchange sessions in the stock exchange. The Commission may determine, through general provisions, the characteristics of the issuers of each of said stock exchange certificates for effects of their registration in the Registry.

Article added FOG 01-10-2014

Article 64.- The stock exchange certificates must include:

I. The mention of being stock exchange certificates, bearer securities, and its type.

II. The place and date of issuance.

III. The denomination of the issuer and its corporate purpose. The federal and municipal entities shall only be obligated to indicate their denomination. In cases of trusts, these must also indicate the ends to which they were constituted, without it being necessary to include the corporate purpose of the trust company.

IV. The amount of the issuance, number of certificates, and when it is so provided, the series that form part of it, the nominal value of each of them, as well as the specification of the destination that shall be given to the resources that are obtained due to the issuance or of each of its series.

V. The rights granted to their holders. Likewise, the type of interest or yield that, given the case, shall be accrued.

VI. Given the case, the term for the payment of capital and of the interest or yields.

VII. Given the case, the conditions and forms of amortization.

VIII. The place of payment.

IX. The obligations to give, hold responsibility before the holders by the issuer and, given the case, of the surety, the guarantor, the originator, the trustor, and of the company that manages the equity of the trust in case it exists and any other third party.

X. The causes and conditions of the accelerated maturity, given the case.

XI. The specification of the guarantees that are incorporated for the issuance, given the case.

XII. The name and autograph signature of the representative or attorney-in-fact of the legal entity, who shall have the general powers for acts of administration and to subscribe negotiable instruments in the terms of the applicable laws, as well as for acts of ownership when there is a lien or encumbrance on the assets of the company, as a guarantee or payment source of the respective securities.

XIII. Given the case, the autograph signature of the common representative of the holders, certifying their acceptance and declaration of having proven the incorporation and existence of the assets that are object of the guarantees of the issuance, as well as their obligations and powers.

This requisite shall not be necessary in the case of stock exchange certificates that shall not be registered in the Registry.

XIV. The powers of the shareholders' meeting and, given the case, of the other decision-making bodies that are considered.

What is set forth in subsections V and XIV must be fulfilled pursuant to what is established in article 64 Bis 1 of this Law.

The issuance of the stock exchange certificates may be recorded in different series, which shall grant their holders, the rights that are provided for each of them. In any case, the holders of the same series shall have the same rights.

When it is the case of issuances of development trust stock exchange certificates and the possibility of making the calls for capital that this Law refers to is provided, the terms and conditions in which these may be done shall be specified, including the rights and obligations of the holders.

In case the trustee carries out the issuances of two or more series of trust stock exchange certificates under one same trust, it may be established that the assets or rights encumbered to the accounts or sub-accounts that correspond to each series may only be destined to the fulfillment of the obligations of the respective series, without these being able to be used for the fulfillment of obligations under different series even in the case of business reorganization or bankruptcy of the issuing trust.

The stock exchange certificates may have coupons attached for the payment of interest and, given the case, for the partial amortizations, which may be negotiated separately. The certificates may cover one or more certificates and shall be kept in deposit in any of the securities depositary institutions regulated by the present law.

Article amended FOG 01-10-2014

Article 64 Bis.- The trust agreements for the issuance of development, real estate, or indexed trust stock exchange certificates must provide the occurrence of the investments in the assets and rights that article 63 Bis 1 of this Law refers to, as it may correspond, as well as the terms and conditions pursuant to which such investments shall be carried out.

In cases of indexed trust stock exchange certificates, the trust agreement must establish that its purpose shall be the issuance of the securities, as well as the investment of the assets or the occurrence of operations that allow it to copy an index, financial asset, or reference parameter, except if the Commission authorizes different investments through general provisions.

In the cases indexed trust stock exchange certificates that seek to explicitly obtain yields above those of the index, financial asset, or reference parameter, the contracting of a managing company of investment funds for the administration and management of the trusted equity shall be provided.

Article added FOG 01-10-2014

Article 64 Bis 1.- The issuance documents relative to issuances of development or real estate trust stock exchange certificates, as the case may be, that are registered in the Registry must establish the following minimum provisions and rights:

I. The general holders' meeting of development or real estate trust stock exchange certificates must meet having been called by the trustee at least ten days in advance, through the stock exchanges where the trust stock exchange certificates in question are quoted, in terms of the general provisions issued to the effect by the Commission.

The powers of the general holders' meeting are described in the following:

a) Approve changes in the investment regime of the trust property.

b) Determine the removal of the company that administers the property of the trust.

c) Approve the transactions that are intended to be done when they represent twenty percent or more of the property of the trust, based on the figures corresponding to the closing of the trimester immediately before, considering, given the case, the investment commitments of the capital calls, independent that said transactions are executed simultaneously or successively in a period of twelve months counting from when the first transaction is settled, but that may be considered as only one.

II. The following rights of the holders of the development or real estate trust stock exchange certificates:

a) To oppose in court to the resolutions of the general holders' meetings, when they individually or jointly represent twenty percent or more of the number of trust stock exchange certificates in circulation, and provided that the plaintiffs did not appear to the meeting or that they voted against the resolution and the corresponding claim is presented within the fifteen days following the date of the adoption of the resolutions, indicating the defaulted contractual provision or the transgressed legal precept and the concepts of the violation.

The execution of the challenged resolutions may be suspended by the judge, provided that the plaintiffs grant a bond which is sufficient to assume responsibility for the damages and lost profits that may be caused on the rest of the holders for the lack of execution of said resolutions, in case the judgment declares the opposition as lacking grounds or inadmissible.

The judgment that is issued as a result to the opposition shall be binding for all the holders. All the oppositions against the same resolution must be decided in one judgment.

b) Execute liability actions against the company that manages the property of the trust for the default on its obligations, when it individually or jointly represents fifteen percent or more of the development or real estate stock exchange certificates in circulation.

The actions which purpose is to demand liability in terms of this article, shall expire in five years counting from when the acts or event was carried out that caused the corresponding property damage.

c) Appoint a member of the technical committee, for the individual or joint holding of every ten percent of the total number of development or real estate trust stock exchange certificates in circulation. The other holders may only revoke such appointment when the appointment of all the members of the technical committee or equivalent body is also revoked; in this event, the substituted persons may not be appointed during the twelve months following the revocation.

d) Request the common representative to call a general holders' meeting, as well as to adjourn the voting of any issue in respect to which they do not consider themselves sufficiently informed one only one occasion, for three calendar days and without the need for a new call, when they individually or jointly represent ten percent or more of the number of stock exchange certificates in circulation.

e) Have the information and documents related to the items of the agenda at their disposal, for free, and at least ten calendar days before the general holders' meeting.

f) Execute agreements for the exercise of the vote in the general holders' meeting. In any case, these must be notified to the trustee, including their characteristics, within the five business days following when they are set, so that they may be revealed by the trustee to the investing public through the stock exchanges where the trust stock exchange certificates are quoted, in terms of the provisions of general nature issued to the effect by the Commission.

III. The issuing trust must have a technical committee integrated by at least twenty-five percent of independent members.

Independent member shall be understood as that person that adheres to what is set forth in articles 24, second paragraph and 26 of this Law. The independence shall be graded in respect to the trustor as well as to the company that manages the property of the trust or to whoever said duties are entrusted.

Likewise, the articles of incorporation of the issuing trust and the documents of the relevant issuance must provide the powers of the technical committee that the present subsection refers to.

The member of the technical committee may execute agreements to exercise the voting right in their sessions. Such agreements and their characteristics must be notified to the trustee, within the five business days following when they are set, so that they may be revealed to the investing public by the trustee through the stock exchanges where the trust stock exchange certificates of development or real estate in question are quoted.

The Commission shall establish provisions of general nature to prevent conflicts of interest in the resolution of the issues of the technical committee.

Article added FOG 01-10-2014

Article 64 Bis 2.- The issuances of development trust stock exchange certificates that are done under the mechanism of capital calls, that are registered in the Registry, shall be done through unilateral declaration of intent. Pursuant to this mechanism, the issuers may exercise the option to require additional contributions of resources to the property of the trust for the execution of their ends from the holders, after the placement of one part of the issuance.

The mechanism of capital calls shall imply the modification in the number of the certificates and in the amount of the issuance and shall adhere to what is stipulated in the trust and in the prospectus, of which the corresponding certificate shall be a part of.

The trust and the prospectus of the development trust stock exchange certificates that are issued providing the mechanism of the capital calls, shall stipulate at least the following:

I. The amount up to which the capital call may be done. In no case may the maximum amount of the issue be broadened when the issuer has already carried out capital calls payable by the property of the trust, except with the consent of seventy five percent of the corresponding holders.

II. The obligation of the holders of the development trust stock exchange certificates of carrying out an initial contribution to the property of the trust at the time of the placement, through the acquisition of the certificates. Said minimum initial contribution may not be below twenty percent of the total that the issuance may reach.

III. The expressed mention that the issuer has the option to carry out capital calls.

IV. The liquidated damages that the issuer shall apply in case that one or more holders of development trust stock exchange certificates do not comply with the capital calls in time and form, the consequences that shall be generated on the other holders, as well as the actions that the issuer may exercise in relation to the capital calls in question. Likewise, the procedure for the modification of the cited liquidated damages must be established.

V. The others that are established by the Commission through general provisions.

The prospectus of development stock exchange certificates must be recorded before the Commission.

Article added FOG 01-10-2014

Article 64 Bis 3.- The provider of the index, financial asset, or reference parameter may not have any of the relations that article 2, subsection XIX of this law refers to, in relation to the administrator of the property of the trust.

Article added FOG 01-10-2014

Chapter II

On options

Article 65. - Foreign corporations or legal entities similar to such companies that according to legal provisions and regulations, have the legal capacity to subscribe negotiable instruments, may issue options abiding by the provisions of this Law.

Securities firms and credit institutions may issue options referred to an underlying asset, provided that according to their corporate purpose they can trade with such options.

Article 66. - Options are negotiable instruments that shall confer to their holders the rights to buy or to sell, in exchange for the payment of an issue premium:

I In case of call options, the right to acquire an underlying asset from the issuer of the security through the payment of a strike price previously determined during a pre-established period or date.

II. In the case of put options, the right to sell an underlying asset to the issuer of the instrument at a strike price previously determined during a pre-established period or date.

The underlying assets may only be shares of corporations registered with the Registry or negotiable instruments representing such shares; groups or items comprised of shares representing the capital stock or negotiable instruments representing shares of two or more of the aforesaid corporations; shares, instruments equivalent or similar to these or to instruments referenced to assets listed by the international quotation system, as well as domestic and foreign stock price indexes of markets recognized by the Commission. The Banco de México may authorize other underlying assets analogous or similar to those cited above in general provisions, when they contribute to the ordered development of the securities market due to their characteristics.

Paragraph amended FOG 01-10-2014

The legal entity issuing such instruments may be released of their obligation through the payment in cash of the differences between the strike price and the reference value which results against such entities, when it has been so provided.

Options must be issued with the denominations corresponding to issue premium and strike price, stated in Mexican currency or by percentage, in relation to the underlying asset's reference price.

Options may be issued attached to other securities, in which case they may be separately negotiated as of the date determined in the indenture.

Article 67. - Options shall include the following:

I. The statement that they are options, either call or put options. These instruments may be negotiable instruments payable to bearer.

II. The place and date of issue.

III. The corporate name of the instrument's issuer.

IV. The identification data of the underlying asset, and of the corresponding coverage.

V. The effective term of the options, and the period or dates established for the exercise of the right conferred by such options.

VI. The number of options, the issue premium that must be covered by the first buyer to the individual or legal entity issuing such options, and the number and kind of underlying assets covered by the options. In the case of the underlying assets referred to an index, it shall be stated in monetary terms or investment units, identifying such underlying asset and the calculation procedure.

VII. The strike price, and the form and place of payment. In the case options payable in cash, the basis to determine the amount for its payment must be indicated.

VIII. The circulating conditions, in case of extraordinary events, on the underlying assets and options, and the applicable exercise, payment and adjustments procedures, if any.

IX. The name and autographic signature of the representative or attorney-in-fact of the individual or legal entity that issues the instruments, who shall have been granted general powers for acts of administration and to subscribe negotiable instruments as provided in applicable laws.

X. The autographic signature of the common representative of the title holders, evidencing their acceptance of such position, as well as of his obligations and powers.

Chapter III
Other provisions

Article 68.- Articles 81, 109 to 116, 130, 151 to 162, 164, 166 to 169, 174, second paragraph, 216, 217, subsections VIII and X to XII, 218 to 221 and 223 to 227 of the Credit Instruments and Operations Law are applicable in their relevant parts, to stock exchange certificates and options.

The publication of the calls may be made in any national newspapers of broad circulation.

For the issuance of participation certificates that are recorded with the Registry, the expert's opinion, and his survey or appraisal established in article 228-H of the Credit Instruments and Operations Law, may be prepared by credit institutions and securities rating agencies.

Article 69.- The issuers of representative securities of a debt attributable to it, that are placed on national territory and that must be registered in the Registry, must appoint a common representative of its holders. In the corresponding prospectus or certificate, the rights and obligations of the common representative must be provided, as well as the terms and conditions in which his/her removal may proceed and the appointment of a new one. In the absence of the express mention, the regime set forth in the Credit Instruments and Operations Law shall be supplementary applicable in respect to the common representative of bondholders. The Commission may issue provisions of general nature where it determines, for the protection of the rights of holders, in what other cases the securities issuers must appoint the cited common representative.

Paragraph amended FOG 01-10-2014

The provisions of the preceding paragraph shall not be applicable to securities that are shelf filed pursuant to article 93 of this Law.

Title IV
On the registration and offering of securities

Chapter I
On the Registry

Article 70. - The Registry shall be public, it shall be under the authority of the Commission, and securities subject to public offering and trading in the securities market shall be registered therein, as applicable. Likewise, the investment funds constituted and organized in terms of the Investment Funds Law shall be registered in the Registry.

Article amended FOG 01-10-2014

Article 71. - The Registry shall contain the registration entries and annotations pertaining to:

I. Securities registered pursuant to articles 85 and 90 of this Law.

II. Securities registered under a shelf registration statement pursuant to articles 91 to 94 of this Law.

III. Investment funds, as well as the shares representing its capital stock.

Subsection added FOG 01-10-2014

Furthermore, the Registry shall contain information concerning public offerings abroad, securities issued in the United Mexican States or by Mexican legal entities, directly or through trusts or similar or equivalent legal concepts. Such information shall have a statistical nature and it shall not constitute a registration entry or annotation.

Paragraph amended FOG 01-10-2014

Article 72. - The Registry shall be kept by assigning electronic folios per issuer where the entries concerning the registration, suspension, cancellation and any other acts pertaining to registration, concerning the issuers and the securities registered shall be recorded.

Article 73. - The Registry's folios shall include three sections according to the following:

I. General information on issuers.

II. Registration of Securities.

III. Record of notes.

Article 74. - The section of the folio concerning general information of issuers shall include:

I. The issuer's matriculation.

II. The issuer's name.

III. The kind and nature of the issuer.

IV. The general data of the issuer.

Article 75. - The section of the folio concerning the registration of securities shall include:

I. The matriculation of each kind of security.

II. The kind of securities and their main characteristics.

III. The data of the public instrument or base instrument of the issue, if applicable.

IV. The name of the placing agent, if any.

V. The date and amount placed, specifying the kind of offer made.

VI. The data of the common representative, when appropriate.

VII. The trustee's data and the main characteristics of the trust agreement, if that is the case.

VIII. The data concerning the administrative act including the resolution on the registration and, if applicable, the suspension or cancellation of the registration.

IX. Any other registration entries concerning the registration.

Any amendments as to the number, class, series, amount, term or rate and any other characteristics of the securities, shall cause an update of the registration.

Paragraph added FOG 01-10-2014

Article 76. - The section of the folio concerning the record of notes shall include any annotation in the Registry with respect to those corporate actions by the issuer that do not result in an update of the registration.

In any case, the data of the public instrument, document or base certificate concerning the annotation shall be recorded in writing.

Article 77. - The Registry shall have an appendix for each folio that shall be an integral part thereof and it shall contain the prospectuses, supplements or original informative brochures and any other documents that have served as the base to make each registration of securities, their amendments, suspensions, cancellations and any other acts pertaining to registration.

Article 78. - The Commission may make corrections to the records and annotations due to errors, whether by operation of law or at the request of an interested party.

Substantial errors shall be corrected with a new registration entry, without eliminating the entry in the Registry containing such error.

Article 79.- The registrations in the Registry shall have declaratory effects and they do not validate legal acts that are null and void according to applicable laws, nor do they imply a certification on the good qualities of the securities registered therein or on the solvency, liquidity or creditworthiness of the issuer.

Article 80. - Statistical information recorded in the Registry concerning the public offering abroad, of securities issued in the United Mexican States or by Mexican legal entities, directly or through trusts or similar or equivalent legal concepts, shall include the name of the legal entity issuing the securities in question, the kind of securities and their main characteristics, the date and the amount placed and the name of the placing agent.

Paragraph amended FOG 01-10-2014

Notice of the information in question shall be served to the Commission by the issuer, in compliance with the provisions of article 7, second paragraph of this Law.

Article 81. - The obligations imposed by this Law on issuers shall be enforceable as long as the securities registered in the Registry have not been cancelled by the Commission, as provided in this Law.

The registration in the Registry shall become effective upon the placement of the securities. In the case of the registration of securities without public offering, such registrations shall become effective upon the same registration act.

The securities registered in the Registry shall be ready for execution, for such purposes the provisions article 1391 of the Commerce Code shall apply, even in cases where the registration in the Registry has been suspended or cancelled.

The securities registered in the Registry shall be considered authorized as subject matter of investment by institutional investors, whenever applicable financial laws establish, as a requirement for such purpose, the authorization by the Commission. Notwithstanding the foregoing, institutional investors may only acquire such securities, when their investment regime expressly provides it.

Article 82.- The certifications, certificates and official communication on registrations, suspensions, cancellations and any other acts pertaining to registration that are carried out in the data base contained in the equipment and electronic systems of the Registry, and the printed copies obtained from such equipment and systems, in which the official seal of the Commission and the autographic signature of the public officer authorized to such effect are evidenced, shall be an official certification for all relevant legal purposes.

Article 82 Bis.- The registration of the investment funds in the Registry shall include the entries and remarks relative to their incorporation, as well as the other corporate acts.

The registration section in which the investment funds are registered, shall be kept through the assignment of electronic folios for each investment fund. The entries relative to the incorporation, revocation, merger, split-off and other acts of registration nature shall be recorded in such electronic folios, relative to the investment funds that must be recorded in terms of the Investment Funds Law. Likewise, the Registry shall include an appendix for each folio that shall form integral part of this, where the minutes of the board of directors of the company that operates the investment funds that provide services of administration that served as base to carry out the registration in question shall be incorporated.

Additionally, the informative prospectus and its modifications for the investing public shall be published in such Registry.

Article added FOG 01-10-2014

Article 82 Bis 1.- The folios where the investment funds are registered shall include the following information:

I. Its denomination and that of the managing company of investment funds that provides the services of administration;

II. The type of investment fund based on its investment regime, as well as its modality and category;

III. The date of incorporation;

IV. The domicile of the managing company of investment funds that provides the services of administration, and

V. The other corporate acts of the investment funds.

Article added FOG 01-10-2014

Article 82 Bis 2.- The registrations relative to the investment funds in the Registry shall have declarative effects and do not ratify the legal acts that are null pursuant to the applicable laws. Likewise, they shall have effects in the same act of its registration.

Article added FOG 01-10-2014

Chapter II
On public offerings of securities

Article 83. - Public offerings of securities may be:

I. Subscription or sale offerings.

II. Tender offers.

Any public offerings of securities provided in this Law shall require the prior authorization of the Commission.

Article 84. - The transactions executed on grounds of a public offering of securities listed in any stock exchange, must be executed in such stock exchange.

Section I
On the registration and on subscription or sale offerings

Article 85. - Legal entities intending to obtain the registration of their securities in the Registry shall include attached to the respective application the following documents:

I. Public instrument in which their articles of incorporation are recorded, as well as any amendments thereto.

II. Prospectus and, if applicable, informative supplement, preliminaries, replacing them at the latest on the date of the start of the offering for the final prospectus which, in any case, must meet the requirements established by article 86 of this Law. Such documents shall be disclosed and shall be provided to the general public, pursuant to the general provisions issued for such purposes by the Commission.

Issuers of securities representing a liability with a maturity date equal to one year or less shall not be obliged to submit the aforesaid prospectus or supplement.

Additionally, a document with key information for the investment must be presented, which must include the requirements that the Commission determines through provisions of general nature. The documents with key information for the investment shall form part of the placement prospects.

Paragraph added FOG 01-10-2014

III. Certified annual financial statements of the legal entity, or otherwise, according to the nature of such entity, the information on its financial condition and results of operations, prepared, in any case, in accordance with the accounting principles issued or recognized by the Commission.

The financial statements and the financial information indicated in this subsection must be accompanied with the report issued by the external auditor appointed by the legal entity who provides the external auditing professional services.

IV. Legal opinion issued by an external independent attorney-at-law, on the issues provided in article 87, subsection II of this Law.

V. In the case of debt instruments and residual trust certificates, the rating of the credit risk of the issue, provided by at least, one securities rating agency. Residual trust certificates shall be considered those that only entitle their holders to the payment of principal and interests payable by the trust property.

Subsection amended FOG 01-10-2014

VI. Information of the surety or guarantor, in the case of secured or guaranteed instruments, as well as of the collateral, their constitution and form of execution.

VII. Any additional information determined by the Commission through general provisions in relation to the preceding subsections.

In the case of trust instruments, the information established in this article must be provided with respect to the trust property. When the compliance of the obligations concerning the securities that are issued under the trust depend, totally or partially, on the settlor, the administrator of the trust property, the guarantor or surety, or of any other third party, they must submit the information determined by the Commission through general provisions, in relation to the issues established in this article.

The issuer and the placing agent of the offering may not publicly offer, promote, announce or in any manner disclose, the intent to subscribe or sell the securities in question, until it has been submitted to the Commission and has made available to the public for its distribution, the preliminary placement prospectus and, if applicable, the informative supplement, according to the provisions of subsection II of this article.

The federal states; the municipalities; the decentralized government agencies, whether federal, state or municipal; the national banking corporations; the trustees of trusts under which negotiable instruments representing shares of the capital stock of two or more legal entities are issued; foreign companies and foreign entities or agencies, other than those mentioned in article 93, subsection IV of this Law, that request the registration of their securities or who are settlors in trusts that issue such securities or contribute assets and rights to such trusts for the issuance and authorization of public offerings, shall integrate in the respective application, the same information provided for in this article or, if applicable, the information that replaces it or which it is equivalent to it, pursuant to the general provisions issued by the Commission.

Foreign legal entities may request the registration in the Registry of securities representing capital, debt payable by or secured by such entities, issued under domestic or foreign laws.

Article 86. - Issuers who intend to obtain the registration of their securities in the Registry, to make a public offering, must prepare a prospectus or informative supplement, either preliminary or final, to attach to the registration application, including the relevant information and incorporating the rights and obligations of the offeror and of those persons who, as the case may be, accept the offer.

The aforesaid prospectus or supplement shall include, in all cases, the following information, according to the general provisions issued for such purpose by the Commission:

I. The characteristics of the offering and of the securities subject of such offering, the corresponding rights and obligations, the allocation of the funds and the distribution plan among the public. The final prospectus must additionally include the price or rate.

II. The financial, administrative, economic and legal condition of the issuer, as well as, if applicable, of the corporate group to which it belongs, as long as this is relevant for such issuer.

III. The description and the line of business of the issuer, including the condition of such issuer and, if applicable, of the corporate group to which it belongs, in the commercial, industrial or services sector in which they participate, when relevant, as well as the risk factors and the contingencies to which it is exposed.

IV. The composition of the corporate group, if any, to which it belongs.

V. The capital stock structure specifying, if applicable, the different series or classes of shares and the rights inherent to each of them, as well as the distribution of shares among the shareholders, including the individual or legal entity or group of individuals or legal entities that control or have a significant influence or that exercise the decision-making power in the holding company of the corporate group.

VI. The earnings, of whatever nature that the issuer grants to individuals who have capacity as related parties according to this Law.

VII. The agreements or programs in benefit of the members of the board of directors, relevant executive officers or employees of the issuer, that allows them to participate in the capital stock, describing their rights and obligations, the distribution procedure and the fixing of prices.

VIII. The significant transactions entered into with related parties, at least corresponding to the last three fiscal years.

IX. The commentaries and analysis of the administration on the results of operations and the financial condition of the issuer, including its perspectives.

X. The report and opinion indicated in subsections III and IV of article 85 of this Law.

XI. In the case of financial entities that intend to obtain the registration of the shares representing their capital stock or negotiable instruments representing such shares with the Registry, the description, if applicable, of the equivalences, similarities and differences of the special regime that is applicable to them according to the laws regulating the financial system governing them and the secondary provisions resulting from such laws, with respect to the provisions for public corporations, including the corporate bodies that shall perform the duties provided hereunder for the shareholders' meeting, the board of directors, the committees performing the duties in corporate and audit practices, and the general director, of the aforesaid public corporations. The

foregoing with the purpose of evidencing compliance with the provisions of article 22, subsection IV of this Law.

XII. The statements under oath and the signature of the persons that must subscribe the respective prospectus and supplement, where they expressly represent that, to the extent of their responsibilities, they are not aware that any relevant information has been omitted, misrepresented or may lead to error.

Issuers who obtain the registration of their securities in the Registry, must insert in a notorious manner in the prospectus, supplement and informative brochure, a legend where they explicitly state that the aforesaid registry does not imply the certification on the good qualities of the securities, the solvency of the issuer or on the accuracy or veracity of the information contained in the prospectus, nor does it validate the acts that, if any, would have been carried out in violation of these laws.

The Commission may request to extend, amend, detail or supplement any information, which according to its opinion, must be included or attached to the prospectus, supplement or information brochure, whenever it benefits the quality, clarity and degree of disclosure of information to the public. Furthermore, the Commission itself, through general provisions, considering the nature of the issuer and of the issue, may establish additional or equivalent requirements to the ones provided in this article, as well as any exceptions hereto.

Article 87. - The preparation of the external audit report and of the legal opinion that issuers shall attach to their application to obtain the respective registration with the Registry, shall abide by the following requirements:

I. The external audit report must be prepared based on the audit standards and procedures issued or recognized by the Commission and, in all cases, it shall deal with:

a) The reasonableness of the financial information.

b) Compliance with applicable accounting principles.

c) Financial statements prepared by the issuer.

II. The legal opinion issued by an external attorney-at-law shall deal at least with the following aspects:

Paragraph amended FOG 01-10-2014

a) The due incorporation and legal existence of the issuer.

b) The compliance of the bylaws with the provisions of this Law and with the general provisions resulting therefrom, in the case of corporations who pretend to register the shares representing their capital stock or the negotiable instruments representing such shares.

c) The legal validity of the resolutions of the competent bodies, if applicable, which approve the issuance and the public offering of the securities subject to registration.

d) The legal validity of the securities and their enforceability against the issuer, as well as the powers of whoever subscribes such securities, at the time of issuance.

e) The due constitution and enforceability of the collateral and the powers of whoever provides such collateral, as well as on the procedure established for their execution, in the case of secured or guaranteed instruments.

f) The legal validity and the enforceability of the trust agreement, and of the legal acts for the transfer of ownership or of title of the assets or rights held in trust, in the case where it is applicable, in regards to issuances under trusts.

Subparagraph amended FOG 01-10-2014

g) In the case of certificates representing the capital stock of foreign companies, on the legal aspects in connection with the equivalences of minority rights required for public

corporations, as well as in connection with the organization, performance, integration, duties and responsibilities of their corporate bodies, also with respect to such companies.

h) In the case of financial entities, on the legal aspects concerning the equivalences, similarities and differences that the special regime has, that is applicable to them according to the laws regulating the financial system governing them and the secondary provisions resulting from such laws, in connection with the corporate bodies that shall perform the duties provided hereunder for shareholders' meetings, the board of directors, the committees performing the duties in corporate and audit practices and with the chief executive officer of public corporations.

i) Any other aspect determined by the Commission through provisions of general nature.

Subparagraph added FOG 01-10-2014

Likewise, the opinion of an independent third party empowered to issue reports in tax matters pursuant to the legal provisions applicable to said matter, issued regarding if the tax regime revealed in the placement or informative supplement prospect is applicable to the issuances of trust stock exchange certificates of development, real estate, or indexed shall be attached.

Article 88. - The prospectus or informative brochure prepared for a public offering used to disclose information with respect to securities or issuers to the general public must include in writing, information concerning the veracity and integrity of the information, abiding by the general provisions issued by the Commission and it shall be subscribed by the persons mentioned below:

I. Two deputy directors, in the case of shares representing the capital stock of legal entities, who must exclusively subscribe the final prospectus or informative supplement, validating the information contained in the preliminary ones; all of which must be approved by the board of directors.

II. The general director and the chief officers of the finance and legal areas, or their peers in the issuer.

In the case of public officers, upon subscribing the prospectus or supplement, they shall do so pursuant to the applicable laws and administrative provisions or regulations.

III. The legal representative, agent or attorney-in-fact of the placing agent.

IV. The legal representative, agent or attorney-in-fact of the legal entity providing external auditing services and by the external auditor, who may be the same person, with respect to the report and opinions corresponding to the public offering.

V. The independent external counsel rendering his legal opinion on the public offering.

VI. Any other person determined by the Commission in the general provisions that this article refers to due to their relevance or participation in the issuance.

Subsection added FOG 01-10-2014

Article 89. - Issuers requesting the registration of their securities in the Registry, regardless of the kind of security in question, must simultaneously seek the listing of such securities in any stock exchange and provide the same information delivered to the Commission, for it to be made available to the public, except in the cases set forth in article 93 of this Law.

The stock exchange shall furnish the petitioner, after concluding with the process for the eventual listing of the securities, an opinion on the compliance with the requirements established for that purpose in their bylaws, including the disclosure of information contained in the corresponding prospectus, supplement or informative brochure. The petitioner shall provide a copy of the aforementioned opinion to the Commission.

Section II
On registration without offering

Article 90.- Issuers who intend to obtain the registration of their securities in the Registry, without a public offering, must request it to the Commission abiding, in the relevant parts, by the provisions of the preceding Section, in the understanding that, instead of the prospectus, they shall submit an informative brochure, which shall include the information indicated in articles 86 to 89 of this Law, except in respect to the public offering and the requirement set forth in article 88, subsection III hereof.

Issuers, who intend to obtain the registration under the procedure provided in this article, must comply with the applicable listing requirements of the corresponding stock exchange.

Section III
On shelf filing

Article 91. - Corporations may request the Commission the authorization for the shelf filing of shares representing their capital stock in the Registry, under a primary stock offering shelf registration statement, by attaching to their application the documents determined by the Commission through general provisions.

Shelf filing under a primary stock offering shelf registration statement shall allow the company to make the public offering of shares subject to such registration act, within a term to be determined by the Commission through general provisions, provided that they are up to date in their obligations to provide information and that at the time that they intend to make the respective placement, they comply with the provisions of Section I of this Chapter, and with any other legal and administrative provisions applicable on the placement date.

Stock exchanges must provide the measures leading to the establishment of the correlative listing set forth in this article.

Article 92. - Legal entities may request to the Commission the shelf filing of securities in the Registry, pursuant to the placement program modality, in accordance with the general provisions issued by the Commission.

Paragraph amended FOG 01-10-2014

The registration mentioned in the preceding paragraph shall allow the issuance and placement of one or more series of securities, successively, during a term and for a maximum amount in circulation determined or to be fixed, provided that the issuer is up to date with its obligations to provide information and that at the time it intends to make the respective placemen it complies with the provisions of Section I of this Chapter, and with any other legal and administrative provisions applicable on the placement date.

In the event that the issuer does not make the first placement of securities under the corresponding shelf registration statement, within a term to be determined by the Commission through general provisions, as of the date when the shelf filing is granted, such placement shall expire and it shall be annulled by operation of law.

Once the corresponding placement has been made, the Commission shall carry out the registration in the Registry.

Article 93.- The Commission shall register in the Registry, upon previous request by the interested party, in shelf filing and under a blanket shelf registration statement , securities of the same type or class, whether they are part of a placement program or not. Such registration shall have general effects and it shall allow the issuer to make unlimited issuances of securities subject to such registration act.

The aforesaid Commission may only grant shelf filing under a blanket shelf registration statement in the case of securities issued by:

I. The United Mexican States, including those securities secured by it.

II. The Bank of Mexico.

III. The Institute for the Protection of Banking Savings.

IV. The international multilateral financial institutions of which the United Mexican States is a party.

V. Credit institutions, in case of debt certificates representing a liability payable by such institutions in installments equal to one or less.

VI. The investment funds in instruments of debt, of equity, of capitals and of limited purpose, as well as the retirement fund investment companies, in the case of representative shares of its capital stock.

Subsection amended FOG 01-10-2014

The Ministry, through general provisions, may determine other securities subject to a blanket shelf registration statement as set forth in this article.

Issuers obtaining a blanket shelf registration statement shall not be subject to the provisions of articles 6, 85 to 89 and 104 to 107 of this Law. Furthermore, such issuers shall not be obliged to list the securities subject to the aforementioned registration in any stock exchange, except in the case of retirement fund management companies..

Paragraph amended FOG 01-10-2014

This article shall be applicable to the securities provided in subsections I and II hereof, whether they are subject to public offering in Mexican territory or abroad, or otherwise, subject to a private offering, in which case article 90 of this Law shall not be applicable.

Article 94. - Autonomous entities may request the registration of securities representing debt payable by them, in shelf filing and under a blanket shelf registration statement, when the laws regulating them allow contracting public debt payable by them. The foregoing shall also be applicable to the issuing of securities representing debt payable by foreign countries and other government levels corresponding to them.

International multilateral financial institutions to which the United Mexican States is a party, may request the registration of securities representing debt payable by them, in shelf filing and under a blanket shelf registration statement, provided they are allowed to issue such securities according to the treaty or agreement that was their source. When issuing such kind of securities they may do so according to foreign or domestic laws.

Section IV
On tender offers

Article 95. – Tender offers may be voluntary or mandatory and they shall be subject to the provisions of this Law and to the general provisions issued by the Commission for such purpose.

Article 96. - Individuals or legal entities who intend to obtain the authorization from the Commission to make a voluntary or mandatory tender offer, must integrate to the respective application the following documents:

I. Informative brochure containing the information established by the Commission through general provisions. Such brochure may omit the information regarding the final price and amount, as well as such information that is only possible to know on the day prior to the tender offer.

II. If applicable:

a) Public instrument or certified copy thereof, containing the general or special power of attorney of the legal representative or attorney-in-fact of the offeror. Additionally, in the case of legal entities, evidence subscribed by the secretary of the board of directors or someone in an equivalent position, attesting that the legal representative or attorney-in-fact has the necessary and sufficient powers to make the offer and that such powers have not been revoked, modified or limited as of the filing date of such application.

b) Copy authenticated by the secretary of the board of directors, of the minutes of the shareholders' meeting or of the resolution of the board of directors of the offeror, that determines to make the tender offer, or of the equivalent corporate bodies.

c) Copy of prior agreements with other purchasers, shareholders or directors of the securities issuer subject of the offer, in connection with such offer. In the event that such agreements were verbal, the main characteristics thereof must be stated.

III. Any other documents and information that the Commission requires through general provisions, with respect to the provisions set forth in the preceding subsections.

Part A
On voluntary tender offers

Article 97. - Voluntary tender offers must abide by the following terms and conditions:

I. The minimum term of the offer shall be of twenty business days.

II. The allocation of the offer must be pro rata, regardless of the time of acceptance within the term of the offer.

III. The offer and its characteristics may be amended at any time before its completion, provided it implies a more favorable deal for the recipient thereof, or it is so established in the corresponding brochure. In the event that the amendments are significant in the opinion of the Commission, the term for the offer must be extended for a period of at least five business days. In any case, the public must be informed of such amendments through the same means in which the offer was made. The individuals or legal entities that had accepted the offer shall be entitled to decline its acceptance in case of significant amendments, without being subject to any penalty.

The offeror and, if applicable, the individuals who are part of the group of persons or legal entities to which they belong, may not, directly or indirectly, execute transactions with securities subject to the offer, outside the offer, from the time they agreed to make such offer and until its conclusion.

Part B
On mandatory tender offers

Article 98.- Individuals or legal entities or group of individuals or legal entities who intend to acquire or to attain through any means, directly or indirectly, the ownership interest of thirty percent or more of the common stock of a corporation, registered in the Registry, in any stock exchange or over the counter, through one or several transactions of any nature, simultaneous or successive, shall be obliged to make the acquisition through public offering, abiding by the provisions of article 97 of this Law and subject to the following requirements:

I. The offer shall be extended to the different series of shares of the company, including those with limited or restricted voting rights or to non-voting shares.

II. The consideration offered must be the same, regardless of the class or type of shares. Notwithstanding the foregoing, the offeror must disclose, if applicable, the commitments undertaken or the affirmative or negative covenants entered into, as provided in article 100 of this Law, either with the company or with the holders of the securities he/she intends to acquire.

III. The offer shall be made:

a) For the percentage of the capital stock of the company equivalent to the proportion of common stock intended to be acquired, with respect to the total number of shares or for ten percent of such capital, whatever is greater, provided that the offeror limits his/her final shareholding resulting from the offering to a percentage that does not imply taking control over the company.

b) For one hundred percent of the capital stock when the offeror intends to gain control of the company.

IV. The offer shall indicate the maximum number of shares it covers and, if applicable, the minimum number to which such acquisition is conditioned. In the event that the offer in question results in the acquisition of one hundred per cent of the capital stock of the company, it shall be governed by the provisions of article 89, subsection I of the Business Associations Law.

The acquisition of securities convertible into shares of common stock or negotiable instruments representing such shares, as well as to options or derivatives payable in kind, having as underlying such shares or negotiable instruments, shall be computed for purposes of the calculation of the percentage mentioned in the first paragraph of this article.

Article 99.- The Commission may authorize the submission of tender offers for percentages lower to those indicated in subsection III, subparagraph b) of article 98 of this Law, when it is so justified, taking into consideration the rights of all the shareholders and specially of the minority shareholders, and provided that the application for its authorization is accompanied with the minutes in which the approval of the board of directors of the company is recorded, with the previous favorable opinion of the committee in charge of the corporate practices duties.

Article 100. - The offeror of a mandatory tender offer may not, by him/herself or through an agent, pay, deliver or provide any compensation that implies a premium or surcharge to the amount of the offer, in favor of any individual or legal entity or group of individuals or legal entities related to the recipient of the offer.

The payment of considerations resulting from the execution of agreements related to the offer, that impose on a person any affirmative or negative covenants in the benefit of the offeror or of the company, shall not be included in the limitations set forth hereinbefore, provided such agreements have been approved by the board of directors of the company, hearing the opinion of the committee in charge of the corporate practices duties, and provided, also, that such agreements have been previously disclosed to the public.

The offeror must state, under oath, in the offer brochure, the non-existence of payments other than the amount of the consideration subject of the offer.

Article 101. - The corporation and the legal entities controlled by it, as well as the members of the board of directors and the relevant executive officers thereof, shall refrain from carrying out any acts or transactions detrimental to the company, aimed at the hindering of the development of the offer, as of the date they know of the offer and until the conclusion of the term thereof, regardless of the application of the provisions included in the clauses set forth in article 48 of this Law.

No later than on the tenth business day following the start of the public offering, the members of the board of directors of the corporation shall prepare, by previously hearing the committee in charge of the corporate practices, and disclose to the investing public, through the stock exchange where the securities of the company are traded, and under the terms and conditions established by such stock exchange, their opinion with respect to the offer and the conflicts of interest that, if any, each of the members may have with regard to the offer. The opinion of the board of directors may be accompanied with another opinion given by an independent expert retained by the company.

Furthermore, the members of the board of directors and the general director of the company in question must disclose to the public, along with the opinion mentioned in the preceding paragraph, the resolution that they shall adopt with respect to the securities of their own.

The Commission may require the offeror to extend the term of the tender offer, or otherwise, reduce the term in which the members of the board of directors of the public corporation shall disclose to the investing public, the opinions indicated in the second and third paragraphs of this article, when according to their judgment, such actions contribute to investment decision making.

Article 102.- The individual or legal entity or group of individuals or legal entities who have made the public offering set forth in article 98 of this Law, with respect to a corporation which is in turn holder or owner of thirty percent or more of the shares of common stock of another corporation, whose capital stock the or negotiable instruments representing such stock, are registered in the Registry, shall not be obliged to make a tender offer with respect to the capital stock of the latter corporation, provided that such corporation represents at least, fifty percent of the consolidated assets of the corporation on which the offer has been made.

Notwithstanding the foregoing, the Commission may exempt from the obligation to make a tender offer in the following cases:

I. In acquisitions at a market price resulting from a redistribution of shares of common stock among members of a same group of individuals or legal entities, whether or not such group prevails, provided that the acquiring parties have been shareholders of the company for more

than five years and that the group of individuals or legal entities who maintain control as a result of the acquisition, had held a significant percentage of the capital stock during such term.

II. In capital stock decreases in which the equity interest of the individual or legal entity or group of individuals or legal entities in question, results in thirty percent or more of the total shares of common stock.

III. When the feasibility of the company as going concern is at risk and the shares of common stock are acquired as a consequence of capital increases or of corporate restructurings such as mergers, split-offs, purchase and sale of assets and liabilities capitalization, provided that there is a favorable opinion of the board of directors, with the prior agreement of the committee in charge of corporate practices duties.

IV. In the attachment and distribution of collateral on shares, whether in or out-of-court, resulting from a debt which collateral is constituted in favor of financial entities, even when such entities act as trustees.

V. In acquisitions by inheritance, bequest or free donation, of the spouse, concubine or male concubine, as well as from persons related by blood, marriage or civil kinship up to the fourth degree.

VI. In transactions that are consistent with the protection of the interests of the minority shareholders of the company. The authorization set forth in this subsection shall be granted by the Commission, with the prior agreement of its Board of Governors.

Article 103.- The individual or legal entity or group of individuals or legal entities that being obliged to make a tender offer fail to do so or who take control over company in violation of the provisions of article 98 of this Law, may not exercise the corporate rights arising from the shares or negotiable instruments acquired in contravention of such legal provision, neither from the shares that they obtain hereafter while they are in default, and any resolutions taken under such circumstance shall be null and void. In the event that the acquisition represented the totality of the shares of common stock, the holders of the other series of shares shall have full voting rights until the corresponding offer is made.

Any acquisitions contravening the provisions of aforesaid article 98 shall be voidable and the individual or legal entity or group of individuals or legal entities that make such acquisitions shall be liable before the other shareholders for any damages and lost profits that they cause for their failure to comply with the obligations set forth in this Law.

Chapter III
On obligations of the issuers

Article 104. - The issuers of securities registered in the Registry shall be obliged to submit to the Commission and to the stock exchange in which their securities are listed, the relevant information for its immediate disclosure to the general public through such stock exchange, by means of the following reports:

I. Continuous reports concerning corporate actions, resolutions taken by the corporate bodies and notices that must be given by reason of the foregoing, in compliance with the corporate stipulations or the applicable provisions.

II. Quarterly reports that include financial statements, as well as the commentaries and analysis of the administration on the results of operation and the financial condition of the issuer.

The reports mentioned in this subsection, must be subscribed in the terms set forth in article 88, subsection II, of this Law.

III. Annual reports that shall include:

a) The annual financial statements or their equivalent, according to the nature of the issuer, which shall include attached thereto the external audit report, and a report meeting the requirements set forth in article 86, subsections II to IX, XI and XII, of this Law.

The reports and the opinion of the external auditor mentioned in this subsection, must meet, as applicable, the requirements established in articles 87, subsection I, and 88, subsections II and IV, of this Law.

When the report indicated in this subsection is submitted to the approval of the shareholders' meeting to be held by reason of the closing of the fiscal year, it may be used instead of the one set forth in article 172 of the Business Associations Law, provided that such report contains the information mentioned in subsection IV of article 28 of this Law.

b) The provisions established in article 43 hereunder, with respect to the activities of the committees in charge of audit and corporate practices duties.

IV. Reports on corporate restructuring such as mergers, split-offs, acquisitions or sale of assets approved by the shareholders' meeting or the board of directors of the issuer.

The reports indicated in this subsection, must be subscribed in the terms set forth in article 88, subsection I, of this Law and, if applicable, in subsection IV hereunder, when the opinion of an external auditor is required.

V. Reports on relevant events, abiding by the provisions article 105 of this Law.

VI. Reports on the policies and operations set forth in article 28, subsection III, of this Law.

VI Bis**.** Reports on the positions maintained by issuers in derivatives, which must include, among other elements determined by the Commission, the underlying, the notional or reference values and the payment conditions on such positions at the time of disclosing the information, as well as any possible contingencies which the aforesaid positions represent in respect to the financial condition of the issuer.

For purposes of the provisions in this subsection, notional or reference value of a derivative shall be understood as the number of units specified in the contract, such as the number of certificates or of currencies, weight or volume units, among others.

Subsection added FOG 05-06-2009

VII. Any other ones containing the information and documents that the Commission determines through general provisions.

Financial statements of the issuers must be prepared according to accounting principles issued or recognized by the Commission. The corporations which shares representing the capital stock or negotiable instruments representing such shares are recorded with the Registry shall be exempted from the requirement of publishing their financial statements, as provided in article 177 of the Business Associations Law.

In case of trust certificates, the information indicated in this article must be provided with respect to the trust property. When compliance with the obligations concerning securities issued under the trust, depends in whole or in part on the settlor, the administrator of the trust property, the surety or the joint and several guarantor or any other third party, these persons must submit the information determined by the Commission through general provisions, in regards to the issues mentioned in this article.

The federal states; the municipalities; the decentralized government agencies, whether federal, state or municipal; the national banking corporations; the trustees of trusts under which negotiable instruments representing shares of the capital stock of two or more legal entities are issued; foreign companies, and foreign entities or institutions other than those mentioned in article 93, subsection IV, of this Law, shall submit the same information set forth in this article or, as the case maybe, the information replacing it or to which it is equivalent in accordance with to the general provisions issued by the Commission.

The Commission shall issue general provisions establishing the requirements, terms and conditions that the information set forth in this article shall meet.

Article 105. - The issuers are obliged to disclose through the stock exchange where they list their securities, for their immediate disclosure to the public and in the terms and conditions that such exchange

establishes, any relevant events, at the time that such events are known to them and they may only defer the release of such information when the following conditions occur:

I. That they are not consummated acts, facts or occurrences.

II. That there is no information on such matters in the mass media.

III. That there are no uncommon movements in the price or trading volume of the securities, considering such movements as any change in the offer or demand of the securities or in their price, that is not consistent with its historical performance and that cannot be explained with the information available to the public.

Upon disclosing the relevant events pursuant to the provisions of the first paragraph of this article, the issuers shall be bound to disclose to the public all relevant information in regard to the aforesaid events.

The issuers that have information that updates the obligations to reveal some relevant event, from the moment that they have knowledge of such information, shall be obligated to adopt the necessary measures to guarantee that the relative information be exclusively known by the persons who necessarily need to have access to it, as well as keep a control in writing and through electronic means, with the name of the persons that had access to the information in question, the documents that they knew of, the date, form, means, and time in which such circumstance took place. Said control shall be at the disposal of the Commission and shall be kept for a period of five years counting from the publication of the relevant event.

Paragraph amended FOG 01-10-2014

Article 106. - Issuers with securities registered in the Registry shall be bound to immediately report to the Commission and to the stock exchange where their securities are listed, for their immediate disclosure to the public at large through the latter, abiding by the terms and conditions established in the internal regulations of such stock exchange, the causes that in their opinion, generated any of the following events:

Paragraph amended FOG 01-10-2014

I. Uncommon movements in the market with respect to the price or trading volume of their securities.

II. Changes in the offer or demand of their securities or in their price that are not consistent with their historical performance and that cannot be explained with the information available to the public.

In addition, the Commission or the stock exchange where the securities are listed shall have the power to request the issuers to publish a relevant event that explains the causes that gave rise to it, as well as request the disclosure of additional information when the information existing in the market is insufficient, inaccurate or confusing, or otherwise, to rectify, ratify, deny or add to any event that has been released to the public by third parties and which due to its interpretation may impact or influence in the quotation of the issuer's securities.

Paragraph amended FOG 01-10-2014

In the event that the issuers do not know the causes that originated the events set forth in this article, they must make a statement in that regard. In these events, the issuers must also clarify if the repurchase fund carried out or did not carry out transactions with the issuer's securities.

Paragraph amended FOG 01-10-2014

Chapter IV
On the suspension of the registration of securities in the Registry

Article 107. - The Commission may order, as a precautionary measure, to suspend the registration of the securities of an issuer in the Registry, for a term not to exceed sixty business days, to avoid that

disorderly conditions or transactions which deviate from sound market practices may occur or when they are happening, or in cases where the issuers of the corresponding securities:

I. Fail to comply with the obligations imposed on them by articles 104 to 106 of this Law.

II. Do not follow policies with respect to their activity and participation in the securities market, which are consistent with the interests of their shareholders. The Commission may issue general provisions setting forth the minimum aspects that issuers must follow with respect to the aforementioned policies.

III. Carry out any acts or transactions contrary to this Law or to sound practices of the securities market.

IV. Start the cancellation procedure established in article 108 of this Law.

If the aforesaid suspension is to continue for a longer term, the Commission must grant the right to a hearing to the issuer in question.

The suspension of the registration in the Registry shall cause the suspension of the quotation of the securities listed and does release the issuer from complying with the provisions herein.

Chapter V
On the cancellation of the registration of securities in the Registry

Article 108. - The Commission may cancel the registration of securities in the Registry, in any of the cases established below, provided that in its opinion, it is evidenced that the interests of the saving public have been protected and that additionally the requirements provided in this article are met:

I. In the case of corporations whose shares representing the capital stock or negotiable instruments representing such shares are registered in the Registry, when they incur in material or repeated infractions to this Law, or otherwise, when their securities do not satisfy the stock exchange listing maintenance requirements, in which cases, the company in question is bound, upon prior request by the Commission, to make a public offering in a maximum term of one hundred and eighty calendar days, as of the date when such request becomes effective, in which case, the provisions of articles 96, 97, 98, subsections I and II, and 101, first paragraph, of this Law, shall apply, as well as the following rules:

a) The offer must be exclusively addressed to the shareholders or to the holders of negotiable instruments representing the issuer's shares, which are not part, at the time of the request of the Commission, of the group of individuals or legal entities in control of the company.

b) The offer must be made at least at the highest price between the quotation value and the book value of the shares or negotiable instruments representing such shares, in this second case, according to the last quarterly report submitted to the Commission and to the stock exchange before the start of the offering, adjusted, when such value has been modified, according to criteria applicable for the determination of relevant information, in which case, the most recent financial information that the company has, must be considered and a certification of an authorized executive officer of the issuer must be submitted with respect to the determination of the book value.

The stock market quotation value shall be the weighted average price per trading volume during the last thirty days in which the shares or negotiable instruments representing such shares were traded, before the start of the offering, during a term not to exceed six months. In case that the number of days when the aforesaid shares or negotiable instruments were traded, during the established term, were less than thirty, the actual days in which they were in fact traded shall be considered. If there was no trading during such period, the book value shall be considered.

In the event that the company has more than one series of shares listed, the average mentioned in the preceding paragraph shall be calculated for each series that is intended to be cancelled, the average that turns out to be greater shall be considered as the quotation value for the public offering of all series.

c) The company bound to make the offer, must transfer to the trust, during a period of six months, as of the cancellation date, the necessary funds to acquire at the same price of the offering, the securities of the investors that would not have participated in such offer.

The individual or legal entity or group of individuals or legal entities who have control over the company at the time when the Commission makes the request mentioned in the first paragraph of this subsection, shall be subsidiarily liable with the company for the compliance of the provisions of this subsection.

The Commission may order, at the expense of the company, that a valuation be carried out by an independent expert with the purpose of determining the price of the offer, when this is considered indispensable in order to protect the interests of the saving public.

The corporations, whose registration in the Registry of the shares representing their capital stock or negotiable instruments representing such shares has been cancelled, may not place securities again among the investing public until one year has elapsed as of the date of the corresponding cancellation.

II. The issuer requests it, with the prior resolution of its general extraordinary shareholders' meeting and with the affirmative vote of the holders of shares with or without voting rights, representing ninety-five per cent of the capital stock.

Once that the aforesaid resolution of the shareholders' meeting has been obtained, a tender offer shall be made pursuant to the provisions of subsection I of this article.

For purposes of evaluating the admissibility of the cancellation of the securities in the Registry, the Commission shall consider the following aspects:

a) The number of investors that would have participated in the offer.

b) The percentage of the capital owned by such investors.

c) The characteristics of investors that did not participate in the offer and, in case of knowing them, the circumstances why they abstained from accepting the offer.

Furthermore, the Commission may establish through general provisions, exemptions to the obligation to make the aforementioned public offering, when the reduced number of securities placed among the investing public and its amount so justifies it, but in any case, the trust mentioned in subparagraph c) of subsection 1 of this article must be created.

III. In cases of instruments different from those indicated in subsections I and II above, it is attested to the Commission to be up to date in the obligations derived from the certificates or, given the case, the agreement of the holders' meeting that determines the registration cancellation is presented. The agreement must be at least agreed by the holders that represent ninety-five percent of the securities in circulation.

Subsection amended FOG 01-10-2014

The board of directors of the corporations that make the public offering as provided in this article must release their opinion to the public on the price of the offer, abiding by the provisions of article 101 of this Law.

The corporations, whose registration in the Registry of the shares representing their capital stock or negotiable instruments representing such shares has been cancelled, shall cease to have the capacity as publicly traded companies, being subject by operation of law, to the regime set forth in the Business Associations Law for corporations, or otherwise, to the provisions of this legal statute, under the condition that they adopt the modality of promoting investment corporation.

The Commission may authorize the use of a different base for the determination of the price of the offering, considering the financial condition and the prospects of the company in question, provided it has the approval of the board of directors of such company, with the prior opinion of the committee in charge of corporate practices duties, which opinion must specify the cause according to which it is deemed justified to establish a different price, supported by the report of an independent expert.

Title y
On the acquisition of securities subject to disclosure

Article 109.- The individuals or legal entities or group of individuals or legal entities who acquire, directly or indirectly, in the stock exchange or over the counter, through one or several transactions of any kind, simultaneously or successively, shares of common stock of a corporation, registered in the Registry, resulting in an ownership interest equal to or greater than, ten percent and less than thirty percent of such shares, must inform the public of such circumstance, at the latest on the next business day following such occurrence, through the corresponding stock exchange and abiding by the terms and conditions established by such exchange. In the case of groups of individuals or legal entities, they shall disclose the individual stockholding of each and every member of such group.

Furthermore, the aforementioned individuals or legal entities or group of individuals or legal entities must inform of their intent to acquire or not to acquire a significant influence on the company in question, as provided in the preceding paragraph.

Article 110.- Related parties of a corporation whose shares representing the capital stock are registered with the Registry, who directly or indirectly increase or decrease in five percent their capital interest, through one or several transactions, simultaneous or successive ones, shall be bound to inform the public of such circumstance, the next business day following the date when the occurrence took place, through the corresponding stock exchange and abiding by the terms and conditions established by such exchange.

Furthermore, they shall state their intent to acquire or not to acquire a significant influence or of increasing it, as provided in the preceding paragraph.

Article 111.- The individuals or legal entities or group of individuals or legal entities who directly or indirectly have ten percent or more of the shares representing the capital stock of corporations registered in the Registry, as well as the members of the board of directors and relevant executive officers of such companies, must inform the Commission, in the cases where such Commission so establishes it, through general provisions for the public, on their acquisitions or sales of such securities, within the terms stated by the Commission itself in such provisions.

Article 112. - The acquisition of securities convertible into shares of common stock; of negotiable instruments representing them, and of options or derivatives payable in kind, which underlying is such shares or negotiable instruments, shall be computed for purposes of the calculation of the percentages set forth in articles 109 to 111 of this Law.

Any transactions made on shares representing the capital stock of financial entities registered in the Registry, additionally to the provisions hereunder, must comply with the authorizations and notices established in the laws regarding the financial system and with secondary provisions, applicable to the entity in question.

The Commission shall establish, through general provisions, the manner and terms how the information set forth in articles 109 to 111 of this Law, must be provided.

Title VI
On stock exchange intermediaries

Article 113. - The stock exchange intermediaries shall be:

I. The securities firms.

II. The credit institutions.

III. Managing companies of investment funds and retirement fund management companies.

IV. Investment fund stock distribution companies and financial entities authorized to act as distribution companies.

The securities firms shall abide by the provisions of this Law for their organization and operation.

Credit institutions, managing companies of investment funds, retirement fund management companies, investment fund stock distribution companies and financial institutions authorized to act as distribution companies, shall abide by the provisions of the financial system Laws governing them and by any other provisions resulting from them for their organization and operation.

Chapter I
On securities firms

Section I
On organization

Article 114. - The authorization of the Commission shall be required to be organized and operate as a securities firm, upon previous agreement by its Board of Governors. Such authorization shall be granted to corporations organized in accordance with the special provisions set forth in this legal statute and, in respect to any issues not provided hereunder, according to the provisions of the Business Associations Law. Due to their own nature, these authorizations shall be non-transferable and shall not imply any certification on the solvency of the respective securities firm.

Authorizations granted for such purposes, as well as any amendments thereof, shall be published in the Federal official gazette at the expense of the interested party.

Article 115. - The authorization requests to be organized and operate as securities firm shall include attached thereto the following documents:

I. Draft of corporation bylaws which shall include the following:

a) The corporate name shall contain the wording "securities firm".

b) The term of the corporation shall be indefinite.

c) The corporate domicile shall be located within Mexican territory.

d) The corporate purpose shall be to act as securities firm performing the activities and providing the services regulated by this Law.

II. A list and information of the shareholders, indicating the amount of capital stock they shall subscribe and the source of the funds declared by them, as well as the prospective directors, general director and main officers of the company.

III. A general operations plan for the company including, at least, the following aspects:

a) Activities to be performed and the services to be provided;

b) Safety measures to preserve the integrity of the information.

c) Geographical coverage foresight pointing out the regions and locations where they intend to operate.

d) A financial feasibility survey of the company.

e) Basis for their internal organization and control.

f) The basis for the allocation of profits, provided, however, that dividends may not be allocated during the first three fiscal years and, provided further, that net income shall be allocated to capital reserves.

IV. The conduct manual that includes the policies for the solution of potential conflicts of interest when carrying out their activities. The cited manuals must include the norms determined to the effect by the Commission through provisions of general nature.

Subsection added FOG 01-10-2014

V. Proof of bank deposit in national currency or, as the case may be, of government securities at

their market value, deposited in financial institutions in favor of the Federal Treasury, in an amount equal to ten percent of the minimum capital stock with which the company must operate.

The principal amount and, as the case may be, the additional amounts of the aforementioned deposit shall be refunded to the petitioner in the event of abandonment of the petition and in the event the petition is denied or on the date operations start in terms of this Law. In the event the authorization were revoked under the provisions of article 153, subsections I to III, of this Law, the amount of the deposit shall be charged.

Subsection moved down FOG 01-10-2014

VI. Any other documents and information that the Commission, upon previous agreement by its Board of Governors concerning the aforementioned subsections, requires through general provisions.

Subsection moved down FOG 01-10-2014

The bylaws of the securities firms, as well as the amendments thereof, shall be approved by the Commission. Once the approval has been obtained, the relevant registration with the Public Registry of Commerce shall be completed. In any case, the aforementioned securities firms may provide the Commission, within ten business days following the holding of the corresponding shareholders' meeting, an authenticated copy by the secretary of the board of directors, of the minutes of the shareholders' meeting and, as the case may be, of the public deed containing the formalization of said minutes. In regard to capital increases, securities firms shall not require the aforementioned authorization, nevertheless, they shall submit to the Commission, at least fifteen business days in advance to the day the capital increase is intended to be performed, the information of the shareholders mentioned in subsection II of this article, term in which the Commission may oppose to the aforementioned capital increase in the event that it considers the existence of any impediment for the individuals or legal entities to be shareholders of the relevant securities firm.

Article 116. - Securities firms shall evidence to the Commission, at least thirty business days in advance to the start of their operations or by virtue of the later inclusion to their corporate purpose, of one or more of the activities or services mentioned in article 171 of this Law, that they have satisfied the following requirements:

I. To have the minimum non-assessable stock which is adequate in respect to the activities to be performed and the services to be provided.

II. That the directors, the general director, the executive officers immediately below the position of the latter and, as the case may be, the attorneys-in-fact who shall enter into transactions with the public at large and the stock brokers, fulfill the requirements set forth in this Law and other general provisions issued by the Commission.

III. That they have the infrastructure and internal controls required to perform their activities and to provide their services, according to applicable provisions, even if they have to retain third parties to provide for any necessary services to fulfill their corporate purpose.

The Commission may totally or partially withhold its approval for the start of operations if the satisfaction of the requirements set forth in this article is not proven.

Article 117. - The capital stock of securities firms shall be composed by a common portion and it may also be composed by an additional portion.

Series "O" shares shall compose the common capital stock of securities firms.

Additional capital stock, If any, shall be represented by series "L" shares, which shall be issued for up to an amount equivalent to forty percent of the common capital stock, upon previous authorization by the Commission.

The representative shares of series "O" and "L" shall be of free subscription, except in cases of foreign governments which may not participate, directly or indirectly, in the capital stock of the securities firms, except in the following cases:

I. When they do so, due to the reasonable measures of temporary nature such as financial aids or rescues.

The securities firms that fall in what is set forth in this subsection, must turn in the information and documentation that attests to satisfy what is indicated before to the Commission, within the fifteen business days following when it falls in said event. The Commission shall have a term of ninety business days, counting from when it receives the corresponding information and documentation, to resolve, through previous agreement of its Board of Governors, if the participation in question falls in the event of exception set forth in this subsection.

II. When the corresponding participation implies that there is control of the foreign exchange firm in terms of article 2, subsection III of this Law, and it is done by the official legal entities, such as funds, government promotion entities, among others, through previous discretional authorization of the Commission, with agreement of its Board of Governors, provided that at its judgment, said persons attest that:

a) They do not exercise duties of authority, and

b) Their decision-making bodies operate independent from the foreign government in question.

III. When the corresponding participation is indirect and does not imply that there is control of the securities firms, in terms of article 2, subsection III of this Law. The foregoing, without prejudice of the notices and requests for authorization that must be done pursuant to what is established in this law.

Paragraph with subsections amended FOG 01-10-2014

The series "L" shares shall be limited voting shares and they shall grant their holders the voting right only concerning the change of corporate purpose, merger, split-off, corporate transformation, dissolution and liquidation, and in regards to the delisting from any stock exchange and the cancellation of registration in the Registry, of all the shares or titles representing the capital stock.

Furthermore, series "L" shares may confer the right to receive a preferred and cumulative dividend, and a dividend higher than the one pertaining to the shares representing the common capital stock, provided it is set forth in the corporate bylaws. Dividends of this series shall never be lower than the series "O" dividends.

The shares shall be of equal value and within each series they shall confer their holders the same rights.

The securities firms may issue unsubscribed shares which shall be kept in the treasury, which shall not be calculated for effects of determining the limits of shareholding that this Law refers to. The subscribers shall receive the respective certificates against the total payment of the face value and of the premiums that, as the case may be, are set by the company.

Article 118. - The shares representing the corporate capital of securities firms shall be wholly paid in cash upon their subscription. The aforementioned shares shall be kept in deposit with any of the securities depository institutions regulated by this Law, which shall never be bound to deliver them to their holders.

Should the capital stock of the securities firms exceed the minimum, at least fifty percent of it must be paid, provided such percentage is not lower than the minimum established. In the case of variable capital corporations, the minimum capital shall be composed by shares without right of withdrawal. The amount of the variable capital shall never be higher than the minimum.

Securities firms shall disclose their non-assessable stock whenever they announce their capital stock.

Article 119. - The acquisition, through one or more simultaneous or successive transactions, of series 'O' shares of the capital stock of a securities firm, by any individual or legal entity or group of individuals or legal entities, shall be subject to the following requirements:

I. To report to the Commission the acquisition of two percent of the common portion of the capital stock, within three business days after the date such percentage is reached.

II. To obtain the previous authorization of the Commission, whenever five percent or more of the common portion of the capital stock is intended to be acquired, provided such acquisition shall not represent a percentage higher than the one established in the following subsection or the controlling interest of the securities firm. For such purposes, they shall submit to the Commission the list of individuals or legal entities intending to acquire the shares indicating the amount of capital stock they shall subscribe, the form of payment, as well as the source of the funds with which the payment is to be made.

III. To obtain before the acquisition, the approval of the Commission, upon previous agreement by its Board of Governors, whenever thirty percent or more of the common portion of the capital stock is intended to be acquired, or, the controlling interest of a securities firm, to such end, the following shall be attached to their petition:

a) List and information of the individuals or legal entities who intend to acquire the shares, indicating the amount of capital stock they shall subscribe, the form of payment, as well as the origin of the funds with which such payment is to be made.

b) General operations plan contemplating the aspects set forth in article 115, subsection III, of this Law.

c) Any **o**ther documents and information that the Commission, in connection with the aforementioned subparagraphs, should require through general provisions, upon previous agreement from their Board of Governors.

If the purchaser of the controlling interest is a securities firm, it shall proceed to the merger of both entities as set forth in the provisions applicable to mergers contained in this legal statute.

Article 120. - Securities firms shall abstain from making the entry in the registry indicated in articles 128 and 129 of the Business Associations Law, of those transfers of shares carried out contravening the provisions of article 117 and 119 of this Law, having to report such event to the Commission, within five business days following the date they become aware of such situation.

When the acquisitions and other legal acts through which the ownership of representative shares of the capital stock of a securities firm is directly or indirectly obtained, go against what is set forth in articles 117 and 119 of this Law, the property and corporate rights inherent to the corresponding shares of the securities firm shall be suspended and therefore may not be exercised, until it is attested that the corresponding authorization or resolution have been obtained, and the requisites that this law establishes have been fulfilled.

Article amended FOG 01-10-2014

Article 121. - When calling to general shareholders' meetings, securities firms shall indicate in the agenda all the business to be dealt with at the meeting, even those included under the item of general matters or any other equivalent. Furthermore, they shall make available to their shareholders at least fifteen calendar days in advance to the date when each meeting is to be held, any documents and information related to the issues to be discussed thereat.

The persons, who attend the meeting in representation of the shareholders, may evidence their powers by means of a proxy granted in the forms prepared by the company, which must meet the following requirements:

I. They shall indicate in a notorious manner the corporate name and the agenda of the meeting.

II. They shall provide a space for the instructions to be given by the principal for the exercise of the powers.

The securities firms shall make available to the shareholders' representatives the forms of proxies, during the term provided in the first paragraph of this article, so that they may deliver such forms to their representatives in time.

The secretary of the board is bound to verify compliance with the provisions of this article and to report it to the meeting, stating the foregoing in the corresponding minutes.

Section II

On management and surveillance

Article 122. - Management of securities firms shall be entrusted to a board of directors and to a general director, within the scope of their corresponding duties.

Article 123. - The board of directors of securities firms shall be composed by a maximum of fifteen directors out of which, at least, twenty-five percent shall be independent directors. Per each regular director an alternate director shall be appointed, on the understanding that the alternate directors of independent directors shall have the same capacity.

Likewise, the board of directors shall be supported by a secretary, who shall be appointed by the majority of the members of such corporate body and by the general shareholders' meeting, and shall be subject to the liabilities and duties provided by this legal statute.

Article 124. - The appointment of directors of the securities firms shall fall on individuals who have technical capabilities, honorability and a satisfactory credit history, as well as a broad knowledge and experience in the financial, legal or administrative field.

Those directors who have a conflict of interests in any business shall abstain from participating and being present during the discussion and voting of such issue, in such case the quorum required for the board meeting to be duly convened shall not be affected. Furthermore, they shall keep utmost confidentiality in regards to the acts, facts or events concerning the securities firm where they are directors, whenever such information is not public, as well as in regards to the discussions held in the board, notwithstanding the obligation of the securities firm to provide all information required by competent authorities under this Law.

In no event may the following individuals be directors:

I. The officers and employees of the securities firm, except for the general director and the executive officers of the company, who occupy positions immediately below the latter, without these constituting more than one third of the board of directors.

II. The spouse, the concubine or male concubine of any director as well as any individuals related by blood, marriage or civil kinship up to the fourth degree, to more than two directors.

III. The individuals who have any pending litigation against the corresponding securities firm.

IV. The individuals sentenced for any property offenses, as well as those banned from exercising commercial activities or to perform any employment, position or commission in the public office or in the Mexican financial system.

V. Those who are bankrupt and those under business reorganization who have not been rehabilitated.

VI. The public officers in charge of inspection and surveillance duties, or else, regulation duties, of the securities firms, except in the event the federal government has an interest in the capital stock of such firm.

VII. The individuals have performed as external auditor of the securities firm or of any of the companies composing the corporate group to which it pertains, during the twelve months immediately preceding the date of their appointment.

Directors of securities firms, who participate in the board of directors of other financial institutions, shall disclose such circumstance to the shareholders meeting in the act where they are appointed.

The majority of the directors shall be residents in Mexican territory, in terms of the provisions of the Federal Tax Code.

The shareholders representing ten percent of the common capital stock of securities firm shall be entitled to appoint and revoke a director at the general shareholders' meeting, in which case, the percentage mentioned in article 144 of the Business Associations Law shall not be applicable. Such appointment, may only be revoked by the other shareholders, when the revocation of the appointment of the rest of the

directors is also made, in which case the individuals replaced may not be appointed with such capacity for a twelve-month term following the date the revocation is made.

Article 125. - The positions of independent directors of securities firms shall fall on individuals alien to the management of the relevant entity who meet the requirements and conditions determined by the Commission, upon previous approval by its Board of Governors, through general provisions, which shall also establish the events under which it shall be considered that a director ceases to be independent, for purposes of this article.

The following individuals shall never be independent directors:

I. Those employees or officers of the securities firm.

II. The shareholders who, without being employees or officers of the securities firm, have decision-making power in the company.

III. Those partners or employees of companies or partnerships that provide advisory or consulting services to the securities firm or to the companies pertaining to the same corporate group of which said securities firm is a member, whose payments, during the last twelve months before their appointment, have represented ten percent or more of the total income of the aforesaid companies or partnerships.

IV. Any customers, suppliers, debtors, creditors, partners, directors or employees of a company that is an important customer, supplier, debtor or creditor of the securities firm.

It is considered that a customer or supplier is important when the services provided to it by the securities firm or the sales made by such customer or supplier for the securities firm, represent over ten percent of the total services or sales of the customer or supplier, respectively, during the twelve months previous to the date of the appointment. Furthermore, it shall be considered that a debtor or creditor is important whenever the amount of a credit is greater than fifteen percent of the assets of the securities firm or its counterparty.

V. Those employees of a foundation, association or partnerships that receive important donations from the securities firm.

Important donations shall be those representing over fifteen percent of the totality of donations received by the foundation, association, or civil partnership in question, during twelve months before the date of the appointment.

VI. General directors or high-level officers of a company in whose board of directors the general director or a high-level officer of the securities firm participates.

VII. The spouses or female or male concubines as well as relatives by blood line, marriage or civil kinship up to the first degree, in regards to any of the individuals mentioned in subsections III to VI above, or else, up to the fourth degree, in connection with those set forth in subsections I, II and VIII of this article.

VIII. The individuals who have occupied an executive or management position in the securities firm or in the financial group to which, as the case may be, the entity may belong, during twelve months immediately preceding the date of appointment.

Article 126. - The board of directors shall have an audit committee.

The Commission, under previous approval from its Board of Governors, shall establish through general provisions, the minimum duties of the audit committee, as well as the standards regarding its composition, periodicity of its meetings and the timeliness and sufficiency of the information it must consider.

Article 127. - The board of directors of securities firms shall meet, at least, four times during each fiscal year and whenever it is called by its chairperson, by at least twenty-five percent of the directors, or by any of the examiners of the securities firm.

The external auditors of securities firms may be present at the meetings of the board of directors in order to inform on the matters related to the development or the results of the audit, in which case he may be

present only during the discussion of the relevant matter, as a guest with the right to be heard but not to vote.

Article 128. - The appointments of the general directors of the securities firms and, the executive officers holding positions of the level next below the latter shall fall on honorable individuals, whose credit history is satisfactory and, who meet the following requirements:

I. To be residents in the Mexican territory in terms of the provisions of the Federal Tax Code.

II. To have served at least for five years in high-level and decision-making positions, the performance of which required the knowledge and experience in financial and administrative matters.

III. Not to have incurred in any of the impediments to be a director as provided in subsections III to VII of article 124 of this Law.

Article 129. - Securities firms shall verify that individuals appointed as directors, examiners, general directors and executive officers immediately below the position of the latter, fulfill prior to the beginning of their duties and during the development of the same, all the qualifications established by this Law. The Commission may establish, through general provisions, the criteria for the integration of the files to evidence the fulfillment of the requirements of this article and for the integration of the corresponding supporting documents.

The individuals mentioned in the preceding paragraph shall make the following written representations:

I. That they do not fall in any of the cases established in subsections III to VII of article 124 of this Law, in respect to the directors and subsection III of article 128 in regards to the general directors and the officers mentioned in the first paragraph of this article.

II. That they know the rights and obligations they undertake by accepting the corresponding position.

The securities firms shall report to the Commission the appointments, resignations and removals of directors, examiners, general director and officers of a level immediately below the latter, within ten business days following the occurrence of such event, expressly stating, in the case of appointments, that the individuals meet applicable requirements.

The directors, executive officers, and trust officer of the securities firms, in order to attest their capacity and powers, it shall be enough to present a certification of their appointment issued by the secretary of the board of directors.

Paragraph added FOG 01-10-2014

Article 130.- The securities firms must implement a remuneration system pursuant to what is established by the Commission through general provisions. The board of directors shall be responsible for the approval of the remuneration system, the policies and procedures that regulate it; of defining its scope and determine the personnel subject to said system, as well as of surveying its adequate functioning.

Said remuneration system must consider all the remunerations, whether these are granted in cash or through other compensation mechanisms, and must at least comply with the following:

I. Establish the responsibilities of the corporate bodies in charge of the implementation of the remuneration schemes.

II. Establish policies and procedures that regulate the ordinary and extraordinary remunerations of the persons subject to the remuneration system.

In any case, the policies and procedures that limit or suspend the extraordinary remunerations must also be provided in the work conditions of the securities firms.

III. Establish the periodic revision of policies and procedures of payment, as well as the pertinent adjustments.

IV. The other aspects indicated by the Commission through provisions of general nature.

The Commission, hearing the opinion of the Banco de México, may demand capitalization requirements additional to those indicated in article 173 of this Law when the securities firms do not comply what is relative to it remuneration system.

Article amended FOG 01-10-2014

Article 130 Bis.- The board of directors must constitute a remunerations committee which purpose shall be to implement, maintain, and evaluate the remuneration system that article 130 of this law refers to, for which it shall have the following duties:

I. Propose the remuneration and policies procedures for the approval of the board of directors, as well as the eventual amendments that are done to the same.

II. Inform the board of directors regarding the functioning of the remuneration system.

III. The others determined by the Commission through general provisions.

The Commission shall indicate the way in which the remunerations committee must be integrated, meet, and function through general provisions.

Likewise, the Commission, in accordance with the criteria determined in general rules, may exclude the securities firms from having a remunerations committee.

Article added FOG 01-10-2014

Article 131. - The surveillance body of the securities firms shall be composed by at least one examiner appointed by series "O" shareholders and by one examiner appointed by those of series "L" shares, if any, as well as their respective alternates. The appointment of the examiners shall be made in the special meeting for each series of shares. The shareholders' meetings convened for such purpose, shall be governed, as applicable, by the provisions of the general ordinary shareholders' meetings established in the Business Associations Law.

The examiners of the securities firms shall comply with the requirement established in subsection I of article 128 of this Law.

Section III
On mergers and split-offs

Article 132. - The merger of two or more securities firms, or of any company with a securities firm, shall be authorized by the Commission upon the previous approval by its Board of Governors. Such merger shall be made in accordance to the following basis:

I. The companies shall submit the drafts of resolutions of general extraordinary shareholders' meeting regarding the merger, merger agreement and merger plan of the corresponding companies indicating the stages in which it shall be completed, the financial statements showing the condition of the companies, as well as the projected financial statements of the surviving company.

II. The merger agreements, as well as the corresponding shareholders' meeting minutes shall be registered with the Public Registry of Commerce once the authorization mentioned hereunder has been obtained. The merger shall become effective as of the date of the aforementioned registration.

III. The basis, procedures and protection mechanisms to be adopted in favor of their clientele.

IV. The merger resolutions adopted by the corresponding general extraordinary shareholders' meeting, shall be published in the Federal official gazette and in two newspapers of broad circulation in the location where the companies have their registered domiciles, after the registration with the Public Registry of Commerce has been made.

V. The creditors of the companies may object the merger before the courts, within ninety days following the date of the publication mentioned in the preceding subsection, with the sole

purpose of obtaining the payment of their credits, and such objection shall not suspend the effects of the merger.

VI. The Commission, upon previous authorization by its Board of Governors, may establish through general provisions, any other documents and information that must be submitted, according to the aforementioned subsections.

The merger of a securities firm that belongs to a financial group, either as the merging or absorbed firm, shall adhere to what is set forth in article 10 of the Business Associations Law, and what is set forth in this article shall not be applicable to it.

Paragraph added FOG 01-10-2014

Article 133. - The authorizations to be incorporated and to operate as securities firm, held by the firm participating in a merger process as the merged company, shall be revoked by operation of law as of the date the merger becomes effective.

Article 134. - The split-off of securities firms shall be authorized by the Commission upon previous authorization by its Board of Governors. Such split-off shall be completed in accordance with the following requirements:

I. The company to disappear by virtue of split-off shall submit the draft minutes of the shareholders' meeting containing the resolutions of its general extraordinary shareholders' meeting regarding its split-off, the draft of bylaws amendments of this company, draft of bylaws of the emerging company, and the financial statements showing the condition of the company to disappear, as well as the projected ones for the companies resulting from the split-off.

II. The agreements of the general extraordinary shareholders' meeting regarding the split-off, the minutes of the shareholders' meeting, as well as the articles of incorporation of the emerging company, shall be registered with the Public Registry of Commerce upon obtaining the authorization established hereunder. The split-off shall become effective as of the date of the aforementioned registration.

III. The basis, procedures and protection mechanisms that will be adopted in favor of their clientele.

IV. The split-off resolutions adopted by the general extraordinary shareholders' meeting of the company disappearing shall be published in the Federal official gazette and in two newspapers of broad circulation in the location of the corporate domicile of the company disappearing, after the registration with the Public Registry of Commerce has been made.

V. The creditors of the companies may file their opposition to the split-off before a court, within ninety calendar days following the date of the publication mentioned in the preceding subsection, with the only purpose of obtaining the payment of their credits, without the opposition suspending the effects of the split-off.

VI. The Commission, upon previous approval by its Board of Governors, may establish through general provisions, any other documents and information that must be submitted concerning the preceding subsections.

The emerging company shall not be deemed authorized to be organized and to operate as a securities firm.

By virtue of the split-off, no active or passive transactions by the securities firm may be transferred to the emerging company, except in those cases authorized by the Commission.

Section IV
On the preventive and corrective measures, suspension of operations, intervention, revocation of authorizations and dissolution and liquidation

Article 135.- In the exercise of its duties of inspection and surveillance, the Commission, through general provisions approved by its Board of Governors, shall classify the securities firms in categories, taking the capitalization index and its components as base, as well as the supplements of capital required pursuant to the applicable provisions issued by said Commission in terms of article 173 of this Law.

For effects of the classification that the paragraph above refers to, the Commission may establish diverse categories, depending if the securities firms maintain a capitalization index and its components and some supplements of capital above or below those required pursuant to the provisions that govern them.

The rules issued by the Commission must establish minimum and special additional corrective measures that the securities firms must fulfill in accordance with the category in which they were classified.

The Commission must report the category in which the securities firms were classified, in the terms and conditions established by said Commission in the general provisions.

For the issuance of the general provisions, the Commission must observe what is set forth in article 136 of this Law.

The corrective measure's purpose must be to prevent and, given the case, correct the problems that the securities firms present, derived from the operations that are done and that may affect its financial stability or solvency.

The Commission must notify the securities firms of the corrective measures that they must observe in writing, in terms of this Section, as well as to verify their fulfillment in accordance with what is set forth in this statute. In the notice that this paragraph refers to, the Commission must define the terms and periods of times for the fulfillment of the corrective measures that the present article and the following article 136 refer to.

What is set forth in this article, as well as in article 136 of this law shall be applied without prejudice of the powers that are attributed to the Commission pursuant to this Law and other applicable provisions.

The securities firms must provide what is relative to the implementation of the corrective measures within its corporate bylaws, committing to adopt the actions that, given the case, are applicable.

The adoption of any of the corrective measures imposed by the Commission, based on this provision and in article 136 of the present Law, as well a the rules that derive from it and, given the case, the penalties and revocation procedures that derive from its default, shall be considered of public order and social interest, for which no suspending measure shall proceed against it, this in protection of the interests of the investing public.

The corrective measures imposed by the Commission, based on this provision and in article 136 of this Law, as well as in the rules that derive from them, shall be considered precautionary.

Article amended FOG 01-10-2014

Article 136.- For effects of what is set forth in article 135 of this Law, the following shall be followed:

I. When the securities firms do not comply with the capitalization index or its components established pursuant to what is set forth in article 173 of this Law and in the provisions that arise from it, the Commission must order the application of the minimum corrective measures indicated in the following, that correspond to the category where the securities firm in question falls, in terms of the provisions referred to in the article above:

   a. Inform its board of directors its classification, as well as the causes that motivate it, for which they must present a detailed report of integral evaluation regarding its financial condition, that indicates the fulfillment of the regulatory frame and includes the expression of the main indicators reflecting the degree of stability and solvency of the securities firm, as well as the observations that, given the case, the Commission has directed to it.

      In case the securities firm in question is part of a financial group, it must inform its condition in writing to the general director and to the chairman of the board of directors of the holding company;

   b. In a term of seven days, present to the Commission, for its approval, a capital restoration plan who result is an increase in its capitalization index, which may include an improvement program in operative efficiency, rationalization of expenses and increase in the profitability, carrying out contributions to the capital stock and limits in the transactions that the securities firm in question may carry out the fulfillment of its corporate purpose, or to the risks derived

from said transactions. The capital restoration plan must be approved by the board of directors of the securities firm in question before being presented to the Commission itself.

The referred to securities firm must determine a capital restoration plan that, pursuant to this subsection, must present periodic goals, as well as the term in which it shall comply with the capitalization index set forth in the applicable provisions.

The Commission, through its Board of Governors, must resolve what corresponds regarding the capital restoration plan that was presented to it, in a maximum term of sixty days, counting from the date of the presentation of the plan.

The securities firms to which what is set forth in this subparagraph applies, must comply with the capital restoration plan within the term established by the Commission, which in no case may exceed two hundred seventy days counting from the day following when the securities firm is notified of the respective approval. For the determination of the term for the fulfillment of the restoration plan, the Commission must take into consideration the category in which the securities firm falls, its financial condition, and the conditions that generally prevail in the financial markets. The Commission, in accordance with its Board of Governors, may extend this term on only one occasion for a period that shall not exceed ninety days.

The Commission shall follow-up and verify the fulfillment of the capital restoration plan, without prejudice of the source of other corrective measures depending on the category in which the securities firm in question falls;

c. Totally or partially suspend the payment to the shareholders of dividends coming from the securities firm, as well as any mechanism or acts that implies a transfer of pecuniary benefits. In case the securities firm in question belongs to a financial group, the measure set forth in this subparagraph shall also be applicable to the holding company of the group that it belongs to, and to the financial entities or corporations that form part of said group.

   What is set forth in the paragraph above shall not be applicable in terms of the payment of dividends done by the financial entities or corporations that are part of the group different from the securities firm in question what the referred to payment is applied to the capitalization of the securities firm;

d. Totally or partially suspend the repurchase programs of representative shares of the capital stock of the securities firm in question and, in case of belonging to a financial group, also those of the holding company of said group;

e. Totally or partially defer or cancel the payment of interest and, given the case, totally or partially cancel or defer the payment of principal or convert to shares up to the amount that is necessary to cover the shortage of capital, in advance and at pro rata, the subordinated debentures that are in circulation, in accordance with the nature of such debentures. This corrective measure shall be applicable to those subordinated debentures that so provided it in their prospectus or issuance document.

   The securities firms that issue subordinated debentures must include in the corresponding negotiable instruments, in the prospectus, in the informative prospectus, and in any other instrument that documents the issuance, the characteristics of the same and the possibility that some of the measures considered in the paragraph above may proceed upon the corresponding causes occurrence pursuant to the rules that article 135 of this Law refers to, without it being cause of default by the issuing securities firm;

f. Suspend the payment of the compensation and additional extraordinary bonuses to the salary of the general director and the officials of the two levels below the latter, as well as not granting new compensations in the future for the general director and officials, until the securities firm complies with the capitalization index established by the Commission in terms of the provisions that article 173 of this Law refers to. This provision must be included in the agreements and other documentation that regulates the work conditions;

g. Abstain from agreeing on increases in the amounts in force in the credits granted to the parties considered as related in terms of the general provisions applicable to the securities firm, and

h. The other minimum corrective measures that, given the case, are established by the general rules that article 135 of this Law refers to.

II. When a securities firm complies with the minimum capitalization index required and its components in accordance with article 173 of this Law and the provisions that arise from it, it shall be classified in the category that includes said minimum. The Commission must order the application of the following minimum corrective measures:

a. Inform its board of directors of its classification, and well as of the causes that motivate it, for which they must present a detailed report of the integral evaluation of its financial condition, that indicates the fulfillment of the regulatory frame and includes the expression of the main indicators that reflect the degree of stability and solvency of the securities firm and the observations that, given the case, the Commission has directed to it.

In case the securities firm in question forms part of a financial group, it must inform its condition in writing to the general director and the chairman of the board of directors of the holding company;

b. Abstain from executing transactions whose carrying out generates its capitalization index to fall under what is required pursuant to the applicable provisions, and

c. The other minimum corrective measures that, given the case, are established by the general rule that article 135 of this Law refers to.

III. Independent minimum corrective measures applied pursuant to subsections I and II of the present article, the Commission may order the securities firm that corresponds, the application of the following additional special corrective measures:

a. Define concrete actions not to deteriorate its capitalization index;

b. Hire the services of external auditors or other specialized third parties to carry out special audits on specific issues;

c. Abstain from agreeing on increases in the salaries and benefits of the officials and employees in general, except for the agreed upon salary revisions and respecting at all times the acquired labor rights.

What is set forth in the present subparagraph shall also be applicable in respect to payments that are done to legal entities different from the securities firm in question, when said legal entities make payments to the employees and officials of the securities firm:

d. Substitute officials, directors, examiners, or external auditors, while the securities firm itself appoints the persons that shall occupy the respective posts. The foregoing is without prejudice of the powers of the Commission set forth in article 393 of this Law to determine the removal or suspension of the members of the board of directors, general directors, examiners, directors and managers, trust delegates, and other officials that may bind the securities firm with their signature, or

e. The others determined by the Commission, based on the result of its duties of inspection and surveillance, as well as of the sound banking and financial practices.

For the application of the measures that this subsection refers to, the Commission may consider, among other elements, the category in which the securities firm has been classified, its integral financial condition, the fulfillment of the regulatory frame and of the capitalization index, as well as of the main indicators that reflect the degree of stability and solvency, the quality of the accounting and financial information, and the compliance with the delivery of said information.

IV. When the securities firms do not comply with the supplements of capital established pursuant to what is set forth in article 173 of this Law and in the provisions that arise from it, the Commission must order the application of the minimum corrective measures indicated in the following:

a. Totally or partially suspend the payment to the shareholders of dividends coming from the securities firm, as well as any mechanism or acts that implies a transfer of pecuniary benefits. In case the securities firm in question belongs to a financial group, the measure set forth in this subparagraph shall also be applicable to the holding company of the group that it belongs to, and to the financial entities or corporations that form part of said group, and

b. The other minimum corrective measures that, given the case, are established by the general rule that article 135 of this Law refers to.

V. When the securities firm keeps a capitalization index and its components above what is required pursuant to the applicable provisions and they comply with the supplements of capital that article 173 of this Law and the provisions that arise from it refer to, the minimum corrective measures nor the additional special corrective measures shall apply.

Article 137.- The Commission may order the partial suspension of activities of securities firms that incur in the events of default mentioned in this Law, as well as of those securities firms that so request it, upon previous resolution by their general extraordinary shareholders' meeting.

Such partial suspension may refer to the performance of one or more activities, as well as to transactions with certain securities or new transactions.

The Commission must, as the case may be, order the securities firm to adopt the necessary measures to correct the causes that gave rise to the suspension and those that may be necessary to preserve the integrity of the market or to protect the assets of the customers of securities firms. The suspension shall not imply the alteration of the fulfillment of any transactions that have been entered into before the effectiveness of the notification of the order given by the Commission, except in case of illegal transactions in connection with which it is presumed that the customer or the securities firm acted in a fraudulent manner or with bad faith.

Article 138. - The Commission may, upon having previously honored the right to a hearing to the securities firm in question, suspend or limit in a partial manner, any activities of such securities firm, when it incurs in any of the following events:

I. It fails to have the necessary infrastructure or internal controls to carry out its activities and to provide its services, according to applicable legal provisions.

II. It fails to comply with or breaches any of the requirements for the start of operations.

III. It executes transactions other than those authorized under its corporate purpose.

IV. It fails to meet the necessary requirements to carry out specific transactions, as established in general provisions.

V. It executes transactions that may imply a conflict of interest to the detriment of its customers or intervenes in the ones prohibited by this Law or by provisions resulting therefrom.

VI. It repeatedly omits to comply with the requirements of financial authorities by virtue of the exercise of its powers.

VII. It intervenes in transactions with securities not registered with the Registry, except for the cases provided in this Law.

VIII. It enters into transactions with out-of-the-counter securities in contravention to the provisions of this Law.

IX. It is declared in business reorganization by the court.

X. When any error in the accounting records is determined or the transactions it varied out are missing or are not duly and timely registered in its accounting records and therefore its actual financial condition cannot be reflected.

The suspension order provided in this article shall be applicable, in addition to the penalties that may be applicable, as the case may be, in terms of the provisions of this Law and any other provisions.

Article 139. - The provisions of articles 137 and 138 of this Law shall apply regardless of the powers attributed to the Commission in accordance with this legal statute and any other applicable legal provisions.

Article 140. - When due to the supervision by the Commission, this one finds transactions of any securities firms which violate the Laws that regulate them or the general provisions arising therefrom, the Commission may:

I. Issue any necessary measures to set in good order any irregular transactions, granting such securities firm a term for their implementation and to enforce, as applicable, any actions that may be available in terms of the Laws.

II. Order, in accordance with article 138 of this Law, the suspension of the execution of any irregular transactions or the liquidation thereof.

Article 141. - The Commission may declare the managerial intervention of securities firms, when under its judgment, there are irregularities of any kind affecting their stability, solvency or liquidity and jeopardizing the interests of their customers or creditors.

For such purposes, the chairman of the Commission may propose its Board of Governors, a managerial intervention declaration on the securities firm and the appointment of the individual in charge of the administration of the firm in question, with capacity as conservator-manager according to the terms set forth in this article.

The professional associations of stock exchange intermediaries known by the Commission as self-regulatory organizations that perform certifications in terms of the provision of article 229, antepenultimate paragraph of this Law, must implement mechanisms so that individuals who are interested in serving as conservator-manager of a securities firm or to act as a member of the consulting committee mentioned in article 146 of this Law, may be registered in a registry kept for such purposes, provided they comply with the certification of such organizations.

In order to be certified and registered in the aforementioned registry, the interested individuals shall submit a written application to any of the professional associations mentioned in the preceding paragraph, adjoined with documents supporting their compliance with the requirements established in article 128 of this Law, the provisions of subsection VI of article 124 of such legal statute not being applicable, and to comply with the requirement set forth to such end by the relevant organization. The individuals, who may wish to be registered in the registry as members of the consulting committee, shall submit, together with their request, the documents proving that they comply with the requirements set forth in article 124 of this Law and that they do not fall under any of the disqualifying events established in such article.

The Commission shall appoint the conservator-manager from amongst the three nominees of certified individuals indicated by any of the professional associations established in this article. In the event that at the time of declaring the intervention there may not be professional associations of stock exchange intermediaries recognized by the Commission to act as self-regulatory organizations, or else, should these lack the necessary mechanisms set forth in the third paragraph of this article, the Commission may appoint the conservator-manager, provided that the individuals appointed meet the requirements provided by this Law to perform such positions.

Article 142. - Those persons who obtain the registration with the registry mentioned in article 141 of this Law, shall comply honestly and diligently with the duties arising from their appointment either as conservator-manager or as member of the consulting committee, in accordance with this Law and any other applicable legal provisions, and must keep confidential any information to which they have access in the performance of their duties.

Article 143. - The official communication containing the appointment of the conservator-manager and his/her revocation shall be registered with the Public Registry of Commerce of the domicile of the intermediary intervened, without any further requirements than the respective official communication from the Commission which contains such appointment, the substitution of the conservator-manager, or his/her revocation whenever the Commission authorizes to end the intervention.

In the event that the conservator-manager or any member of the consulting committee should resign to their position for a justified cause, the Commission shall have a term of up to thirty calendar days to appoint the individual to replace him/her. For purposes of such substitution the provisions of article 141 of this Law shall be followed.

Article 144.- The conservator-manager shall have all the powers required by the management of the company intervened and full general powers for acts of ownership, acts of management and for lawsuits and collections, with powers requiring special clause according to the Law, to draw and subscribe negotiable instruments, to file criminal complaints and accusations and to withdraw them, to grant any general or special powers he should deem convenient, to revoke the powers which shall have been granted by the intervened securities firm and those granted by him.

Article 145. - The conservator-manager shall exercise his powers without being subject to the shareholders' meeting or to the board of directors. From the moment the managerial intervention begins, all the powers of the board of directors and the powers of those individuals determined by the conservator-rmanager shall be subject to such conservator-manager. The shareholders meeting on a regular basis to deal with the matters of subject to it, also the board of directors may continue to meet to be informed of any matters that the conservator-manager considers convenient concerning the operations of the company, as well as to give their opinion on any issues the conservator-manager submits to their consideration. The conservator-manager may call to shareholders' meeting and to meetings of the board of directors for any purposes he/she deems necessary or convenient.

Article 146. - For the exercise of his/her duties, the conservator-manager may be assisted by a consulting committee, which shall be composed by a minimum of three and a maximum of five individuals, appointed by the Commission, from amongst those registered in the registry mentioned in article 141 of this Law.

The consulting committee shall meet upon previous summons by the conservator-manager to render its opinion on the issues he/she wishes to submit to their consideration. Minutes of every meeting containing the most relevant matters and the resolutions of the corresponding meeting shall be made.

The members of the consulting committee may only be excused from attending the meetings they have been called to, if there is a justified cause. In like manner, they may only abstain themselves from discussing and making a statement on issues submitted to their consideration, if there is a conflict of interest, in which case they shall inform such situation to the Commission.

Article 147. - The conservator-manager shall prepare an inventory of the assets and liabilities of the securities firm being intervened and submit it to the Commission within thirty calendar days following the date in which he took office, together with a work plan establishing the actions to be taken for the performance of his/her duties, as well as to, if any, to comply with the instructions from the Commission in accordance with the provisions of article 140 of this Law.

Article 148. - The conservator-manager shall prepare a quarterly report of activities, as well as an opinion in regards to the overall condition of the securities firm, being obliged to report to the Commission and the general shareholders' meeting on the content of such documents.

When a meeting has been summoned and it cannot be convened with the quorum required, the conservator-manager shall publish in two newspapers of the broadest circulation within the territory of Mexico, a notice addressed to the shareholders indicating that the aforementioned documents are available to them, setting forth the time and place where they can be reviewed. Furthermore, he/she shall forward the Commission a copy of the aforementioned opinion and report.

The conservator-manager shall file any legal actions available in order to determine any pecuniary liability, and to establish any existing accountability according to the Law and other applicable legal provisions.

Article 149. - The professional fees of the conservator-manager and of the staff such conservators retain for the performance of their duties, as well as those pertaining to the members of the consulting committee provided in article 146 of this Law, shall be paid by the intervened securities firm. For such purposes, the Commission may establish through general provisions, the criteria by which the payment of such fees shall be made, considering the financial condition of the intermediary and having, as a guiding principle, the evolution of remunerations in the domestic stock exchange system.

The Commission shall provide assistance and legal counsel services to the conservators-managers appointed by the Commission in terms of this Law, to the staff retained by such conservators and to the members of the consulting committee provided in article 146 of this legal statute, in regards to the acts performed in the exercise of the duties entrusted to them by this Law, when the securities firm in question lacks sufficient liquid funds to bear such assistance and legal counsel.

Assistance and legal counsel indicated herein shall be provided with charge against the funds available to the Commission according to the general guidelines approved by the Board of Governors of the Commission itself. For such purposes, the Ministry hearing the opinion of the Commission shall establish the necessary mechanisms to cover the expenses resulting from the assistance and legal counsel indicated herein.

Article 150. - The Commission shall decide the end of the intervention when the irregularities that affected the stability or solvency of the intermediary have been corrected.

In the event that within a non-extendable term of nine months from the declaration of the intervention, the existing irregularities have not been cured, the Commission, considering the result of the opinion issued by the conservator-manager, shall act as provided in article 153 of this Law.

When the Commission decides to put an end to a managerial intervention, it shall report it to the registrar of the Public Registry of Commerce who made the entry provided in the first paragraph of article 143 of this Law, to cancel the corresponding registration.

Article 151. - The conservator-manager shall prepare a final report of his/her administration, which shall include the actions taken during the intervention and the financial condition of the corresponding securities firm.

The aforementioned report shall be submitted to the general shareholders' meeting in terms of the provisions of article 148 of this Law, a copy of which is to be forwarded to the Commission.

The conservator-manager shall continue in office until the appointment of the new manager, liquidator or receiver, as the case may be, is registered with the Public Registry of Commerce and takes office.

Article 152. - In connection with intervened securities firms, the Commission shall continue with the exercise of the surveillance powers vested on it by this Law and any other applicable provisions.

Article 153. - The Commission, with the agreement of its Board of Governors and having previously granted the right to be heard in court to the securities firm, may revoke the authorization of such firm to operate as a securities firm, whenever the corresponding intermediary:

I. Is not incorporated or fails to submit the information regarding its registration with the Public Registry of Commerce, within a term of six months as of the date of its authorization.

II. Have failed to pay the minimum capital stock at the time of its incorporation.

III. Fails to start operations within a term of six months from the date of its registration with the Public Registry of Commerce.

IV. Obtains the authorization to be incorporated and to operate through false documents, information or misrepresentations, provided there are indubitable elements supporting such assumption.

V. Incurs in losses resulting in the decrease of its capital stock below the minimum required. The Commission may establish a term of not less than fifteen business days to reintegrate the capital stock in the necessary amount to keep the operation of the securities firm within the legal boundaries.

For purposes of the preceding paragraph, the terms established for the summons to shareholders' meetings provided by the Business Associations Law shall not be applicable.

VI. Furnishes in a fraudulent manner, any false, inaccurate or incomplete information to the financial authorities, resulting in the failure to reflect its actual financial, administrative, economic and legal condition.

VII. Fails to comply with the minimum or special additional corrective measures established in article 136 of this Law.

Subsection amended FOG 01-10-2014

VIII. Relapses into any situation or behavior that caused the partial suspension of its activities as provided in articles 137 y 138 of this Law.

IX. Repeatedly fails to comply with the provisions regarding the separation of cash and securities of its customers in regard to the assets of the securities firm.

X. Repeatedly fails to comply with the provisions applicable to accounting and operational records.

XI. Repeatedly fails, for causes attributable to it, to comply with obligations resulting from the transactions it enters into.

XII. Commits serious or reiterated infractions to the legal or administrative provisions applicable to it.

XIII. Fails to fulfill its corporate purpose during a term of six months.

XIV. Enters into a dissolution and liquidation..

XV. Is declared bankrupt by a court.

Article 154. - The Commission, at the request of the securities firm and upon previous approval by its Board of Governors, may revoke its authorization to operate as such, provided the following requirements are satisfied:

I. The shareholders' meeting of the securities firm has agreed to such firm's dissolution and liquidation and approved the financial statements which no longer show any entries concerning any liabilities due by the company, as a result of any transactions reserved as intermediary.

II. The company has submitted to the Commission the mechanisms and procedures to make the delivery or transfer of its customers' securities or cash, as well as the dates scheduled for their application.

III. The company has presented to the Commission, the financial statements approved by the shareholders' meeting, accompanied with the opinion of an external auditor, including the opinion of the auditor regarding any components or specific entries of the financial statements, where the status of the records mentioned in subsection I hereinbefore are confirmed.

Article 155. - The Commission shall publish the declaration of revocation in the Federal Official Gazette and in two newspapers of broad circulation in the country, and it shall be registered with the Public Registry of Commerce corresponding to the corporate domiciles of the securities firm. The revocation shall set the company in the process of dissolution and liquidation without requiring approval by the shareholders' meeting.

Article 156. - The dissolution and liquidation of securities firms shall be ruled by the provisions of Chapters X and XI of the Business Associations Law, with the following exceptions:

I. The appointment of liquidator shall correspond to the shareholders' meeting when the dissolution and liquidation has been voluntarily approved by such corporate body and subject to the proceeding of article 154 of this Law.

The securities firms shall report to the Ministry, the appointment of the liquidator within five business days following his appointment.

The Ministry may veto the appointment of the individual or legal entity who shall act as liquidator, when it considers that said individual or legal entity lacks sufficient technical qualifications, honorability and a satisfactory credit history for the performance of his/her or its duties, does not meet the requirements established for such purpose or has committed serious or reiterated infractions to this Law or the general provisions arising therefrom.

II. The appointment of a liquidator may fall on credit institutions, securities firms, on the organization named Management and Transfer of Properties Agency or, on individuals or legal entities having the necessary experience in bankruptcy proceedings of financial entities.

When the appointment of liquidator falls on individuals, there must be assurance that such individuals meet the requirements set forth in article 128, first paragraph and subsections I and III of this Law, the provisions of subsection VI of article 124 of this statute shall not be applicable, provided they are recorded in the registry kept by the Federal Institute of Business Reorganization Experts, or that they have been certified by any professional association recognized as a self-regulatory organization by the Commission.

In connection with legal entities in general, the individuals appointed to perform any activities related to this role, must meet the requirements established in the two preceding paragraphs.

The Management and Transfer of Properties Agency may serve as liquidator with its personnel or through attorneys-in-fact appointed by it for such purposes. Powers of attorney may be granted in favor of credit institutions, securities firms or individuals who comply with the requirements set forth in this subsection.

The institutions or individuals or legal entities that have opposite interests to such securities firm's interest, shall abstain from accepting the position of liquidator, expressing such circumstance.

III. The Ministry shall make the appointment of a liquidator, when the dissolution and liquidation of the corresponding securities firm results from the revocation of its authorization in accordance with the provisions of article 153 of this Law.

The Ministry may appoint any of the individuals or legal entities mentioned in the preceding subsection as liquidator, provided all the requirements of the aforementioned subsections are met.

In the event that due to a justified cause, the liquidator appointed by the Ministry, resigns to his/her position, the Ministry shall appoint his/her replacement within fifteen calendar days following the date the resignation becomes effective.

In the cases established in these subsections, the responsibility of the Ministry shall be limited to the appointment of the liquidator; therefore any acts and the results from the acts of the liquidator shall be his/her sole liability.

IV. In the performance of his/her duties, the liquidator shall:

a) Prepare an opinion on the overall condition of the securities firm. Should it be inferred from the liquidator's opinion, that the securities firm falls into an event of reorganization, the liquidator shall request the judge the declaration of the reorganization proceeding according to the provisions of the Business Reorganization Law, notifying the foregoing to the Ministry.

b) Submit to the Ministry for its approval, the necessary proceeding to make the delivery or transfer of its customer's securities or cash from any transactions by the securities firm on account of third parties, as well as the dates scheduled for their application.

c) Notwithstanding the provisions of subparagraph b) above, implement and adopt a scheduled work plan, that contains the necessary proceedings for the settlement or transfer to other stock exchange intermediaries, no later than within a year following the date the liquidator has been sworn in and accepted his or its appointment, of the obligations undertaken by the company as a result from any transactions reserved to securities firms.

d) To collect whatever it is owed to the securities firm and to pay whatever it owes to others.

For purposes of the foregoing, in the first place, the liquidator shall separate and make the delivery or transfer of customers' securities or cash resulting from the transactions of the securities firm on account of third parties, as provided in subparagraph b) of this subsection.

In the event the securities firm's securities or cash, resulting from transactions on account of third parties are not sufficient to fulfill its obligations, in protecting the interest of the securities firm's customers, the liquidator shall allocate any assets available to the securities firm on its own account preferably to the payment of any transactions it may have entered into with its customers, in the fulfillment of its corporate purpose, including the payment of transactions made by the intermediary on account of third parties. The foregoing provided the aforementioned securities, cash or assets have not been subject to any collateral guaranteeing other commitments or that rights of any third parties' creditors are not at stake.

In the event that the aforementioned assets are not sufficient to cover the liabilities of the company, the liquidator shall file for insolvency proceeding.

e) Call the general shareholders' meeting upon the termination of his term, in order to submit to it a complete report on the liquidation process. Such report shall contain the final liquidation balance sheet.

In the event that the liquidation is not over within twelve months following the date the liquidator accepted his position and swore in, the liquidator shall call the general shareholders' meeting to submit thereto, a report on the prevailing condition of the liquidation, pointing out the causes for which its completion has not been possible. Such report shall contain the financial statement of the company, which shall always be available to the shareholders. Notwithstanding the provisions of the following paragraph, the liquidator shall call to a general shareholders' meeting in the terms described before, for each year that the liquidation process takes place, in order to submit the aforementioned report.

If in spite that the liquidator has called to shareholders' meeting, the necessary quorum were not reached, he/she or it must publish in two newspapers of the broadest circulation in the country, a notice addressed to the shareholders indicating that the reports are available to them and, further indicating the time and place where they may be consulted.

f) To file before the judicial authority the approval of the final liquidation balance sheet, in case it were not possible to obtain the approval of the shareholders to such balance sheet in terms of the Business Associations Law, because despite having been called, the necessary quorum could not be reached, or else, such balance sheet may be objected by the meeting without grounds in the opinion of the liquidator. The foregoing, regardless of any legal actions available to shareholders as set forth in the Laws.

g) To report to the judge of the existence of a physical and material impossibility to complete the legal liquidation of the company, so that the judge orders the cancellation of its registration with the Public Registry of Commerce, which shall be effective one hundred and eighty calendar days following the court order.

The liquidator shall publish in two newspapers of the largest circulation in the Mexican territory a notice addressed to the shareholders and creditors on the petition made to the competent judge.

Interested parties may oppose this cancellation within a term of sixty calendar days following the notice, before the same judicial authority.

h) To file any legal actions available to determine any pecuniary liabilities, if any, and to determine any other liabilities that may apply in terms of the Law and other applicable provisions.

i) To abstain from purchasing for its benefit or the benefit of third parties, any property of the securities firm under liquidation, without the express agreement of the shareholders' meeting.

In cases of liquidation of securities firms where the Management and Transfer of Properties Agency performs as liquidator, the Federal Government may assign resources to said decentralized organization of the Federal Public Administration, with the exclusive purpose of dealing with the expenses associated to publications and other processes relative to such procedures, when it becomes known that these cannot be dealt with, payable by the equity of the securities firms in question for the lack of liquidity, in which case, it shall be constituted as creditor of the latter.

Paragraph added FOG 01-10-2014

Article 157. - The Commission shall execute its supervision faculties only in regards to compliance with the procedures established in subparagraph b) of subsection IV of article 156 of this Law. The foregoing, regardless of the powers provided by this legal statute in connection with the offenses set forth in Chapter II of Title XIV of this Law.

Article 158. – The business reorganization of securities firms shall be regulated by the provisions of the Business Reorganization Law, with the following exceptions:

I. The Ministry shall request a securities firm's business reorganization declaration when there are elements that meet the conditions for the declaration of business reorganization.

II. Once business reorganization have been declared, the Ministry, in defense of the creditors' interests, may request the procedure to be commenced at the bankruptcy stage or else, the early termination of the conciliation stage, in which case the judge shall declare bankruptcy.

III. The office of conciliator or receiver shall correspond to the person appointed by the Ministry for such purpose, within a maximum term of ten business days. Such appointment may fall on credit institutions, legal entities or individuals that satisfy the qualifications provided in subsection II of article 156 of this Law, or in the Management and Transfer of Properties Agency, which office may be exercised through its personnel or through attorneys-in-fact appointed for such purpose, who shall also comply with the requirements established in subsection II of article 156 of this Law.

IV. Once business reorganization have been declared, whoever is in charge of managing the securities firm shall submit to the approval of the judge, the procedures to be followed to make the delivery or the transfer of its customers' securities or cash, arising from transactions by the securities firm on account of third parties, as well as the dates scheduled for its application. The judge, before rendering his approval, shall hear the opinion of the Ministry.

V. The Commission shall exercise supervision duties only in regards to compliance with the procedures mentioned in the preceding subsection.

Should the Commission find any default, it shall report it to the judge.

In cases of commercial liquidation of securities firms, where the Management and Transfer of Properties Agency performs as receiver, the Federal Government may assign resources to said decentralized organization of the Federal Public Administration, with the exclusive purpose of dealing with the expenses associated to publications and other processes relative to such procedures, when it becomes known that these cannot be dealt with, payable by the equity of the securities firms in question due to insolvency, in which case, it shall be constituted as creditor of the latter.

Paragraph added FOG 01-10-2014

Section V
On representation offices and subsidiaries of foreign securities firms

Part A
On representation offices

Article 159. - The Commission, upon previous approval by its Board of Governors, may authorize the establishment within Mexican territory, of representation offices of foreign securities firms.

Such representation offices shall not perform any trading activities with securities neither on their own account nor on account of third parties. The activities performed by representation offices shall be subject to the general provisions issued by the Ministry.

The Commission, upon previous approval by its Board of Governors, may declare the revocation of the corresponding authorizations when the aforementioned offices fail to abide by the provisions of this article, aside from the application of the penalties established in this Law and in any other legal statutes.

The representation offices shall be subject to the Commission's inspection and surveillance.

Part B
On the Subsidiaries

Article 160. - Subsidiaries, to be organized and operate as such, shall require an authorization to be granted by the Commission, upon previous approval by its Board of Governors. Due to their nature, these authorizations shall be non-transferable.

Any authorizations granted to such subsidiaries, as well as any amendments thereto, shall be published in the Federal Official Gazette at the expense of the interested party.

Article 161. - Subsidiaries shall be governed by the provisions set forth in the corresponding international treaties or agreements; by this Part; by the provisions of this Law applicable to securities firms, and in the general provisions for the establishment of affiliates issued by the Ministry for such purposes.

The Ministry shall have powers to construe, for administrative purposes, the provisions on financial services included in the international treaties or agreements mentioned in the preceding paragraph and to provide the means for their application.

Article 162. - Financial authorities, to the extent of their corresponding competences, shall guarantee compliance with the commitments undertaken on treatment as nationals, if any, by the United Mexican States, according to the terms of any applicable international treaty or agreement.

Subsidiaries may enter into the same transactions as the securities firms, unless an applicable international treaty or agreement provides any limitations thereto.

Article 163. – Foreign financial institutions, to have an interest in the capital stock of a subsidiary, shall make in the country of their incorporation, directly or indirectly, under applicable laws, the same kind of transactions that the corresponding subsidiary is authorized to make in the United Mexican States in accordance with the provisions of this Law and the general provisions mentioned in article 161 of this legal statute.

Subsidiaries in which capital stock an affiliated holding company holds any interest, as provided in the Financial Groups Law and the provisions mentioned in said paragraph, shall be exempted from the provisions established in the preceding paragraph

Article 164. - The authorization request to be organized and to operate as a subsidiary shall comply with the requirements established in this Law and the general provisions to which article 161 thereof refers.

Article 165. - The subsidiaries' capital stock shall be composed by series "F" shares that shall represent at least fifty-one percent of such capital. Series "F" and "B" shares may compose the remaining forty-nine percent of the capital stock indistinctly or jointly.

Series "F" shares may be acquired only by a holding company subsidiary or, directly or indirectly, by a foreign financial institution, except in the case mentioned in last paragraph of article 163 of this Law, in connection with shares representing the capital stock of the subsidiaries.

Series "F" and "B" shares of the subsidiaries shall be governed by the provisions of this Law established for securities firms series "O" shares. Foreign financial institutions or holding company subsidiaries that hold series "F" shares of a subsidiary shall not be subject to the provisions of articles 119 of this Law, in regards to their series "B" shares holdings.

Paragraph amended FOG 01-10-2014

In any case, in what regards foreign governments, what is set forth in article 120 of this Law shall be applicable.

Paragraph amended FOG 01-10-2014

Article 166. - Series "F" shares representing the capital stock of a subsidiary may only be transferred with the authorization of the Commission upon previous approval by its Board of Governors.

Except when the purchaser is a foreign financial institution, any holding company subsidiary or any subsidiary, to make the aforementioned transfer, it shall be necessary to amend those bylaws of the

subsidiary whose shares are the subject matter of the transaction. The provisions of this Chapter shall be complied with In connection with subsidiaries.

Whenever the purchaser is a foreign financial institution, a holding company subsidiary or a subsidiary, the provisions of subsection I and the last paragraph of article 167 of this Law shall apply.

Article 167. - The Commission, upon previous approval by its Board of Governors, may authorize foreign financial institutions, holding company subsidiaries or subsidiaries, the acquisition of shares representing the capital stock of a securities firm, provided they comply with the following requirements:

I. The foreign financial institution, the holding company subsidiary or the subsidiary, if any, shall acquire the shares representing at least fifty-one percent of the capital stock in which case the provisions of article 119 of this Law shall not apply.

II. The bylaws of the securities firm whose shares are the subject matter of a transfer shall be amended to comply with the provisions of this Part.

In the event that the purchasing party is a subsidiary, the securities firm shall merge with the former one.

In everything that relates to foreign governments, what is set forth in article 117 of this Law shall be applicable.

Paragraph added FOG 01-10-2014

Article 168. - The board of directors of the subsidiaries shall be composed by a maximum of fifteen directors, out of whom at least twenty-five percent shall be independent directors in accordance with the provisions of article 125 of this Law. For each regular director, an alternate one shall be appointed, provided that the alternate directors of the independent directors shall have the same capacity as the incumbent ones.

The appointment of the members of the board of directors shall be made in a special shareholders' meeting for each series of shares. The shareholders' meeting convened with such purpose, as well as those having the purpose of appointing examiners for each series of shares shall apply, as appropriate, the provisions for the general ordinary shareholders' meeting contained in the Business Associations Law.

Series "F" shareholders representing at least fifty-one percent of the capital stock shall appoint half plus one of the directors and each ten percent of shares of this series which exceeds said percentage, shall be entitled to appoint an additional director. Series "B" shareholders shall appoint the remaining directors. The appointment of the minority directors may only be revoked, when other directors of the same series are also revoked, in which case, they shall not be appointed under such capacity during twelve months following the date of their revocation.

Independent directors shall be appointed in a proportional manner as provided in the preceding paragraphs.

In regards to subsidiaries where at least ninety-nine percent of the titles representing the capital stock are held, directly or indirectly, by a foreign financial institution or a holding company subsidiary, the number of directors may be freely determined.

The majority of the directors and the general directors of subsidiaries shall reside in the Mexican territory, in terms of the provisions of the Federal Tax Code.

Article 169. - The surveillance body of the subsidiaries shall be composed by at least one examiner appointed by series "F" shareholders and by one examiner appointed by series "B" shareholders, in the event such shares exist, as well as their respective alternates.

Article 170. - The Commission, in regards to subsidiaries, shall have all the powers vested on it by this Law concerning securities firms. Whenever any supervising authorities of the foreign financial institution's country of origin, that holds the shares representing the capital stock of a subsidiary or a holding company subsidiary, as the case may be, wishes to make inspection visits to subsidiaries, such authority must request said visit, subject to the provisions of article 358 of this Law.

Chapter II
On operation, activities and services of the securities firms

Article 171. - The securities firms may carry out the following activities and provide the following services, abiding by the provisions of this Law and any other general provisions issued by the Commission for such purpose:

I. To place securities through public offerings and to provide its services in tender offers. They may also make transactions of overallotment and stabilization with the securities subject to placement.

II. To enter into securities purchase, sale, repurchase and loan transactions, on their own account or on account of third parties, as well as international transactions and international arbitration.

III. To act as market makers with regards to securities.

IV. To grant loans or credits for the acquisition of securities with collateral thereof.

V. To act as creditor and debtor before central counterparties of securities and to undertake joint and several obligations in regards to transactions with securities made by other stock exchange intermediaries for purposes of their clearing and settlement before such counterparties, in which they are partners.

VI. To enter into transactions with derivatives, on its own account or on account of third parties.

VII. To promote or trade with securities.

VIII. To take any necessary actions to obtain the recognition of the markets and the listing of securities in the international quotation system.

IX. To manage securities portfolios making investment decisions in the name and on account of third parties.

X. To provide financial advisory or securities investment, investment analysis and recommendation services.

XI. To receive deposits of securities and commercial instruments in general, under management or custody, or as collateral on account of third parties.

XII. To act as manager and executor of pledges on securities.

XIII. To act as common representative of the holders of securities.

XIV. To act as trustees.

XV. To offer to other intermediaries the rendering of any external services necessary for the proper operation of the securities firm or of such intermediaries.

XVI. To trade with foreign exchange currency and coined metals.

XVII. To receive funds from their customers corresponding to the transactions with securities or derivatives entrusted to them.

XVIII. To receive loans and credits from credit institutions or securities market support organizations for the performance of activities of their own.

XIX. To issue subordinated debentures of mandatory conversion into titles representing their capital stock, abiding by the provisions of article 64 of the Credit Institutions Law, as well as options and stock exchange certificates for the performance of their own activities.

XX. To invest their non-assessable stock and capital reserves abiding by this Law.

XXI. To act as liquidators of other securities firms.

XXII. To act as investment fund stock distribution companies.

XXIII. To enter into transactions in foreign markets, on their own account or on account of third parties, in this case, under any trusts, mandates or commission agencies, provided they are exclusively made on account of any customers who may participate in the international quotation system. The foregoing, regardless of the trading services rendered in regard to the securities listed in the international quotation system of the stock exchanges.

XXIV. To offer mediation, deposit and management services over shares representing the capital stock of legal entities, not registered in the Registry, without being able to participate on account of third parties in the execution of the transactions.

XXV. Any other analogous, related or complementary to the above, that are authorized by the Ministry, through general provisions.

The provisions issued by the Commission pursuant to this article may not refer to any activities and services the regulation of which is conferred by this or other Laws to the Ministry or to the Banco de México.

Section I
On the capital requirements and diversification

Article 172. - The Commission, upon previous approval by its Board of Governors, shall determine through general provisions the amount of minimum capital stock of the securities firms based on the activities they perform and the services they provide.

Article 173.- The securities firms must at all times keep a net capital that may be expressed through an index and may not be less than the amount that results from adding the requirements of capital established by the Commission in term of the general provisions issued with the approval of its Board of Governors. To the effect, said requirements of capital shall be referred to the market, credit, operational, and other risks in which the securities firms incur in their operation.

The net capital shall be determined pursuant to what is established by the Commission itself in the mentioned provisions and shall be made up of various parts, among which a basic one shall be defined, that shall also have at least two sections, from which one shall be denominated fundamental capital. The basic capital and the fundamental capital, based on the market, credit, operational, and other risks in which they incur in their operation, must not be below the minimum determined by the Commission in the provisions that the first paragraph of this article refers to.

The requirements of capital established by the Commission shall have the purpose to safeguard the financial stability and solvency of the securities firms, as well as protect the interest of the investing public.

The net capital shall be made up of capital contributions, as well as by withheld profits and capital reserves, without prejudice that the Commission allows to include or subtract other concepts of the equity in said capital, subject to the terms and conditions established by said Commission in the referred to general provisions.

When exercising the duties and issuing the general provision that this article refers to, the Commission must take into account the international stock exchange uses in respect to the adequate capitalization of the securities firms, at the time that it shall determine the classifications of the assets, of the transactions that cause contingent liabilities and other transactions, determining the treatment that corresponds to the different asset groups and transactions that result from the referred to classifications.

Independent of the capitalization index that this article refers to, the securities firms must keep supplements of capital above the required minimum for said capitalization index, determined by the Commission in the referred to general provisions. To determine said supplements, the Commission may take into account diverse factors such as the needs to have a margin of capital to operate above the minimum, the economic cycle, and the risks of the characteristics of each securities firm or that its transactions may represent for the stability of the financial system or of the economy altogether.

In case of default of the supplements of capital that the paragraph above refers to, the Commission may apply the corrective measures that correspond that articles 135 and 136 of this Law refer to.

The Commission, in the provisions that this article refers to, shall establish the procedure for the calculation of the capitalization index. Said calculation shall be done based on the recognition that is done of the different components of the net capital pursuant to what is set forth in the general provisions that this

article refers to, as well as based on the requirements indicated in the first paragraph of this article and in the supplements of capital, applicable to the securities firms, as well as the information that may be reported to the public in respect to each securities firm.

When the Commission, based on its supervisory duty, requires of the securities firm to adhere, as a corrective measure, to the accounting records relative to its active, passive, and of capital transactions that may also derive in amendments to its capitalization index or to its supplements of capital, said Commission must carry out the actions necessary to do the calculation of said index or supplements pursuant to what is set forth in this article and in the applicable provisions, in which case it must previously hear the affected securities firm and resolve in a term no greater than three business days.

In case the corrective measure referred to in the paragraph above causes for the securities firm to have to register a capitalization index or its components or supplements of capital in levels below those required pursuant to the general provisions that this article refers to, this must be agreed by the Board of Governors of the Commission considering the elements provided by the securities firm in question.

The calculation of the capitalization index or its components or of the supplements of capital that, in terms of the present article, result from the adjustments required by the Commission shall be what is used for all the pertinent legal effects.

Article amended FOG 01-10-2014

Article 173 Bis.- The securities firms must evaluate, at least once a year, if the capital they have is enough to cover possible losses derived from the risks in which said securities firms may incur in different scenarios, including those in which adverse economic conditions prevail, pursuant to the general provisions determined to such effect by the Commission.

The results of the evaluations that the securities firms carry out must be presented in the terms, form, and with the information that, to the effect, the Commission determines through the provisions of general nature cited before.

Likewise, the securities firm whose capital is not enough to cover the losses that the securities firms comes to estimate in the evaluations that this article refers to, must attach to said results, an action plan with the forecasts of capital that, given the case, allows them to cover the awaited losses. Said plan must adhere to the requisites that are established by the Commission in the general provision cited before for its presentation.

Article added FOG 01-10-2014

Article 174. - The Commission, upon previous approval by its Board of Governors, may determine through general provisions the maximum operation percentages of the securities firms in regards to the same individual, entity or group of individuals or entities, who in accordance with such provisions must be considered, for these purposes, as one single customer.

Article 175. - The general provisions mentioned in article 174 of this Law, shall pursue conditions of safety for the transactions and appropriate provision of trading services and to prevent the establishment of relations of dependency for securities firms.

Section II
On operating rules

Article 176.- Securities firms intending to receive loans or credits for the performance of activities of their own; to grant loans or credits for the purchasing of securities; to enter into securities repurchase agreements and loans on securities; to enter into transactions with derivatives; to trade with foreign currency or coined metals, or to act as trustees, in accordance with this Law, shall be subject for the execution of such activities, to the general provisions issued by the Banco de México for such purposes.

Securities firms shall not be allowed to grant credits or loans with collateral on:

I. Subordinated debentures attributable to credit institutions, securities firms or holding companies of financial groups.

II. Interests on trusts, mandates or commissions which purpose is, in turn, any of the liabilities mentioned in the preceding subsection.

III. Shares representing the capital stock of credit institutions, securities firms or holding companies of financial groups, owned by any person holding five percent or more of the capital stock of the credit institution, the securities firm or holding company in question.

In case of shares other than the ones indicated in the foregoing paragraph, which represent the capital stock of credit institutions, securities firms, holding companies or any other financial entity, securities firms shall report it to the Commission at least thirty calendar days in advance.

Article 177. - Securities firms that participate in the placement of securities or render common representation services must have mechanisms and procedures to exercise effective control, confidentiality and safety concerning the information generated as a result of their acts.

Securities firms acting as market makers shall abide by the operation terms and conditions established by the markets where they participate.

Article 177 Bis. - The securities firm that participate in the placement of securities shall be obligated to:

I. Make sure that the placement prospectus, brochure or supplementary information, representative certificates of the securities, and other documents that form part of the structure or of the dissemination of the placement comply with the applicable legal provisions, considering the particularities of the offer in question, including what is relative to disclosure obligations:

II. Act in compliance with the Law, the general provisions that arise from it, and the agreements that are executed with the issuers for the provision of their services, and

III. Carry out the evaluation of the issuer that intends to carry out the offer, using methods that are generally recognized and accepted for such effects.

The securities firms shall be responsible for the damages and losses that they cause for the non-compliance with what is set forth in this article.

Article added FOG 01-10-2014

Article 178.- The securities firms, when placing or distributing securities object of a public offer, shall adhere to the maximum limits established by the Commission through general provisions, which shall consider the adequate distribution of securities among the investing public and the existence of possible conflicts of interest. Likewise, the securities firms shall keep a record where the requests or orders that they receive for the subscription, sale, or acquisition of said securities is certified, as well as the assignments that are done pursuant to the provisions that this article refers to.

Article amended FOG 01-10-2014

Article 179. - Securities firms may not trade outside the stock exchanges the securities listed therein, except as authorized by the Commission, upon previous approval by its Board of Governors, in which case it may additionally determine those transactions which without having been traded in the stock exchange, may be considered as if they had been executed therein. The transactions with securities listed in the stock exchanges entered into by securities firms in foreign markets, are exempted from the aforementioned authorization requirement.

The exercise of the Commission's power provided in the preceding paragraph shall be subject to the registry of the respective transactions in the stock market and made known to the public, according to general provisions issued by the Commission, upon previous approval by its Board of Governors.

The Commission may establish in the aforementioned provisions the securities that may be traded out of the stock exchange, without requiring authorization, provided such transactions are reported to the securities depository institution where the securities are deposited.

The provisions of this article shall not be applicable to transfers of securities requested by the customers to securities firms, provided such securities firms shall not have participated in the transaction that originated them.

Article 180. - Securities firms that receive instructions from third parties, concerning transactions with securities, must having an automated system for the reception, registration and channeling of orders and for the allocation of transactions.

Automated systems of the securities firms that, in addition to the service mentioned in the preceding paragraph, undertake the execution of the corresponding transactions must incorporate mechanisms for the transfer of such order to the trading systems in which they operate.

The systems indicated in this article must meet the minimum requirements established by the Commission through general provisions.

Article 181. - The reception and transfer of orders and the allotment of transactions in global accounts managed by securities firms, shall abide by the general provisions issued by the Commission.

For such purpose, a global account shall be understood as the account managed by securities firms, foreign financial institutions or managing companies of investment funds, where the transactions of several customers are registered following their instructions individually and anonymously before a securities firm with whom such securities firms, foreign financial institutions, or managing companies of investment funds have executed a public stock trading agreement.

Article 182.- Securities firms must keep in deposit any securities they purchase on their own account or in the account of third parties at any securities depository institution or at any institution instructed by the Commission in connection with securities, which due to their nature, cannot be deposited in the depository institution. Such deposit shall be made directly or through other securities market intermediary, who according to its authorized regime, may keep securities in deposit at such institutions.

Article 183.- Securities firms may only act as trustees in businesses related to any activities of their own and may receive any kind of assets, rights, cash or securities referred to the transactions or services they are authorized to carry out. Furthermore, any assets, rights or securities other than those mentioned herein, may be transferred to these trusts exclusively in cases authorized by the Ministry through general provisions.

Article amended FOG 01-10-2014

Article 184. - Securities firms previously to the performance of any trust activities shall establish any necessary measures to prevent conflicts of interest that may arise from the provision of trust services and the ones they provide to their customers, as well as to avoid any practices that prevent a sound operation or that are detrimental to the interest of the individuals or legal entities to whom they provide their services.

Likewise, the securities firms, when acting as trustees, shall abide, as applicable, by the provisions of the Credit Instruments and Operations Law and shall fulfill their purpose and exercise their authority and powers through trust delegates. The aforesaid trust delegates must meet the technical qualifications, honorability and satisfactory credit history requirements, in the terms provided by article 193 of this Law.

Article 185. - Securities firms acting as trustees shall be legally liable for any damages and lost profits they may cause for their failure to comply with the conditions or terms of the trust agreement.

The trust deed or any amendments thereto may provide the creation of a technical committee, the rules for its operation and the powers of the trustee. Whenever such securities firms act in accordance with the instructions or agreements of said committee, they shall be released from any liability, provided that in the execution or compliance with such instructions or agreements, the ends established in the trust agreement are fulfilled and they adhere to the applicable legal provisions.

Paragraph amended FOG 01-10-2014

The personnel employed by the aforementioned securities firms, directly or exclusively, for the creation of trusts, may not be part of the personnel of the securities firm, in which case it shall be considered as staff at the service of the trust property. Nevertheless, the rights to which those individuals are entitled to by Law, shall be exercised against the aforementioned securities firms, who, as the case may be, in order to comply with the resolutions issued by competent authorities, shall affect, as necessary, the properties, rights, cash or securities subject to the trust.

In the absence of any procedure expressly convened by the parties in the trust deed which purpose is to secure compliance with obligations, the procedures set forth in Title Three Bis of the Commerce Code shall apply, at the request of the trustee.

Article 186. - Securities firms acting as trustees shall be prohibited from:

I. Using properties, rights, cash or securities subject to trust, when they have discretionary

powers for management of such assets, for the performance of operations under which the following persons become or may become debtors or beneficiaries:

a) Members of the board of directors, the general director or the executive officers in the rank immediately below the latter, or any equivalent one, as well as the examiners or external auditors of the securities firm.

b) Trust delegates or the members of the technical committee of the corresponding trust.

c) First line ascendants or descendants or the spouse, concubine or male concubine of the individuals mentioned in subparagraphs a) and b) above.

d) The companies in which the individuals mentioned in subparagraphs a) to c) above or the same securities firm hold the majority interest.

II. To enter into transactions on their own account, except for the ones authorized by the Banco de México through general provisions, when they do not imply a conflict of interest.

III. To answer to settlors or beneficiaries for any default of the debtors concerning the properties, rights or securities acquired, except if such failure is due to their own fault as provided in the last part of article 391 of the Credit Instruments and Operations Law, or to guarantee earning yields on the funds which investment was entrusted to them.

If at the termination of the trust, the properties, rights or securities shall not have been paid by the debtors, the fiduciary shall transfer them, together with any cash, properties and other rights, or securities constituting the trust property, to the settlor or the beneficiary, as the case may be, abstaining itself from paying their price.

In trust agreements, the provisions of this section and a statement of the trustee as to having clearly explained their contents to the individuals from whom it has received the properties to be subject to the trust, shall be inserted in a notorious manner.

IV. To act as trustees in trusts through which funds from the public may be raised, directly or indirectly, through any act causing direct or contingent liabilities, except in the case of trusts constituted by the Federal Government through the Ministry and of those through which securities of that must be recorded in the Registry as provided in this Law, including the issuance of ordinary participation certificates, as an exception to the provisions of article 228-B of the Credit Instruments and Operations Law, as well as of stock exchange certificates.

V. To act in trusts through which any limitations or prohibitions contained in the financial Laws are eluded or reserved transactions are done to the other financial entities that are members of the Mexican financial system.

Subsection amended FOG 01-10-2014

VI. To enter into trust agreements that manage sums of money contributed on a periodic basis by groups of consumers composed by marketing systems, directed to the acquisition of certain assets or services, including the ones provided by the Federal Consumer Protection Law.

VII. To manage rural real estate property.

In respect to transactions of trusts constituted by the Federal Government or which are declared, through the Ministry, for purposes of this article, as public interest trusts, the term established in subsection III of article 394 of the Credit Instruments and Operations Law shall not be applicable.

Any agreement against the provisions of this article shall be null and void ipso jure.

Article 187. - When securities firms acting as trustees are requested to, but fail to, account for their management, within a term of fifteen business days, or when they are held through a final judgment, liable for the losses or reductions suffered by the properties transferred to be held in trust or are found liable for such losses or reductions due to gross negligence, they shall be removed as trustees.

The actions to request accounts, to enforce liability of said securities firms and to request their removal, shall correspond to the trust beneficiary or to its legal representatives and, in the absence of the latter, to the public prosecutor, regardless of the right of the settlor to withhold, upon the execution of the deed of trust or of any amendment thereof, the right to enforce this action.

In the event of resignation or removal, the provisions of article 385 of the Credit Instruments and Operations Law shall apply.

Section III
On sales practices

Article 188. - Securities firms, in handling their customers' accounts, shall act in a professional manner and they shall be prohibited from:

I. Executing transactions with securities whose listing is suspended.

II. Guarantying returns, directly or indirectly; assuming the obligation of refunding the principal of the funds delivered for the execution of transactions with securities, except in case of repurchase agreements or securities loans; undertaking the responsibility for the losses that their customers may suffer as a consequence of such transactions, or assuming in any manner, the risk for variations in the differential of the price or rate in favor of their customers.

III. Act against the interest of their clients.

Subsection added FOG 01-10-2014

IV. Provide recommendations in advising services without adhering to this Law or general provisions that arise from it.

Subsection added FOG 01-10-2014

Article 189. - Securities firms shall be responsible for the existence, authenticity and integrity of the securities that they place through public offerings, as well of those securities that they deposit in securities depository institutions or in the institutions indicated by the Commission in case of securities which by their nature may not be deposited in the former ones.

Furthermore, securities firms shall be obliged to excuse themselves from complying, without incurring in any responsibility, with their customer's instructions whenever such instructions contravene this Law and any other provisions resulting therefrom, and the rules applicable to the trading system through which they execute their transactions.

The securities firms must issue recommendations and carry out transactions that are reasonable when providing advising services. For the determination of the reasonableness of the recommendations or transactions, congruence must exist between:

I. The profile of the client or of the account;

II. The financial product and its appropriateness to the profile of the client or of the account, and

III. The policy for the diversification of the investment portfolio that are established to the effect by the securities firms themselves, in terms of the general provisions issued by the Commission.

Paragraph with subsection amended FOG 01-10-2014

The transactions that are done without having the congruence that this article refers to may not come from the advice of the securities firm and may only be executed with the previous instruction of the client, with such entities preserving such document as an integral part of the client in question's file. The securities firms shall be responsible for the damages and losses caused on the client for the non-compliance with what is set forth in this paragraph.

Paragraph added FOG 01-10-2014

In no case shall it be understood that the advisory in the terms of this article guarantees the result or success of the investments or its yields.

Paragraph added FOG 01-10-2014

The customers shall answer to the securities firm for the damages and lost profits that they cause to such firm, whenever they order, authorize or consent to stock market actions or transactions knowing that they are prohibited by law, that they contravene the provisions of the agreement entered into with the securities firm or when they do not actually deliver the amount of the investments. The attorneys-in-fact authorized to enter into transactions with the public, who intervene in the aforementioned actions or transactions on behalf of the securities firm, shall be jointly and severally responsible with the customer before the aforesaid securities firm, if they were aware of such irregularities.

Article 190.- When the securities firms provide advisory services to its clients, they must determine the profiles of each of them or of their accounts, assigning them a level of risk tolerance in each event, as the case may be.

The Commission, through general provisions, shall determine the elements that the securities firms must take into account to establish the policies and guidelines in the integration of the profile of its clientele or of the accounts that they keep for them, at least considering the evaluation of the financial condition, the knowledge and experience of the client, and the objectives of the investment.

Additionally, in the provision that this article refers to, the Commission shall establish the minimum elements that the securities firm must consider in their policies and guidelines to the effects of carrying out an analysis of the financial product and determine its profile, including its risk and complexity.

Article amended FOG 01-10-2014

Article 190 Bis.- The securities firm must have a committee that shall be responsible for the analysis of the financial products whose integration and duties shall adhere to the general provisions issued for such effect by the Commission.

In the referred to general provisions, the duties of the committee responsible for the analysis of the financial products must be included, which shall be obligated to carry out at least the following:

I. Draft the policies and guidelines that the securities firms shall adhere to in the provision of the advised and non-advised services, including those relative to preventing the existence of conflicts of interest. Such policies must be submitted to the board of directors for their approval.

II. Approve the type of investment profile for which it is reasonable to invest in determined financial product, pursuant to the characteristics of these.

III. Determine guidelines and limits for the composition of the investment portfolios, attending to the characteristics of the securities and investment profiles of the clients.

IV. Authorize the offering to the market or the acquisition under the advised services of new financial products, considering the information available in the market and the particular risks of the same, pursuant to the criteria established to the effect, except in the case of Securities issued by the United Mexican States or by the Banco de México.

V. Follow-up periodically on the performance of the financial products that the committee itself determines.

In no case must the members of the committee responsible for the analysis of financial products act or perform their duties in issues in which they have a conflict of interest.

Article added FOG 01-10-2014

Article 190 Bis1.- The securities firms must have the internal control mechanisms for the fulfillment of this law and the general provisions that arise from it in matters of advised and non-advised services, adhering to the general provisions issued by the Commission for this.

The board of directors of the securities firms must appoint a person responsible for the surveillance of the compliance with the provisions in matters of advised and non-advised services, who shall at least have the following duties:

I. Verify the fulfillment of the provisions relative to the clients' profile, the financial products, and the sufficiency of the evaluation and analysis of the reasonableness of the recommendations or transactions.

II. Survey the adherence to the policies and guidelines established by the committee of product analysis and the board of directors, given the case.

III. Verify the existence of adequate internal control mechanisms and infrastructure for the provision of advised and non-advised services.

IV. Evaluate the compliance with the policies and guidelines to avoid the existence of conflicts of interest.

V. Permanently revise and evaluate the behavior of the persons that provide advised and non-advised investment services, both in the transactions that are done on their own, and in those of the clients, pursuant to the mechanisms approved to the effect by the board of directors.

Article added FOG 01-10-2014

Article 191.- The securities firms must provide their clients with the information relative to the financial products that they offer, the activities, and services that they provide, and the fees charged, for which they shall have guidelines for the dissemination of such information. The commission may issue general provisions that establish both the minimum elements for the dissemination of this information and for the determination of the concepts and criteria to collect the fees.

Likewise, the securities firms must include the result of the calculation of the yields of the investment portfolios of their clients in the account statements. Said calculations shall be done pursuant to the general provisions established by the Commission.

Article amended FOG 01-10-2014

Section IV
On investors' protection

Article 192.- Securities firms may not provide under any circumstances, news or information on the transactions that they make or on the services that they provide, except to the holders, principals under a commission agency, principals, settlors, beneficiaries, or the legal representatives of the aforementioned persons or whoever has been granted powers to withdraw from the account or to intervene in the operation or service thereof, except when such information is requested, by the judicial authorities through an order issued in court proceedings to which the holder is a party, or the defendant, and by federal tax authorities, through the Commission, for tax purposes.

The employees and officers of securities firms, in terms of applicable provisions, for the infringement of the duty of confidentiality, and the securities firms, shall be obliged, in the event of disclosure of confidential information, to indemnify any damages and lost profits caused.

The provisions of this article shall not impact in any manner the obligation of securities firms to provide the Commission, all kinds of information and documents that, in exercise of its supervisory duties, such Commission shall requests concerning the transactions they execute and the services they provide, or otherwise, to answer requests by foreign financial authorities, pursuant to the provisions of article 358 hereunder.

Article 193. - Securities firms that receive instructions from third parties, execute stock exchange transactions or provide trust services, must use the services of individuals to trade in the stock exchange, to enter with the public into advisory, promotion, purchase and sale transactions with securities or to act as trust officers, as the case may be, authorized by the Commission, provided it is evident they have technical qualifications, honesty and satisfactory credit history. In any case, the corresponding powers of attorney shall be granted.

Such authorization shall be granted to individuals who evidence having technical qualities, honor and satisfactory credit history, before a professional association recognized as a self-regulatory organization by the Commission. In the case of stockbrokers, they must additionally meet the requirements established by the bylaws of the relevant stock exchange. The foregoing according to general provisions issued for such purpose by the Commission.

In no event may the individuals who have the authorizations mentioned in this article offer simultaneously their services to more than one financial entity, unless they are part of the same financial group or they act as investment fund stock distribution companies.

Article 194.- Whenever under any circumstance, securities firms are unable to apply the funds to the corresponding purpose on the same day such funds are received, to apply them, if such impediment persists, securities firms must deposit those funds in a credit institution at the latest on the next business day or acquire shares representing the capital stock of an investment company in debt instruments, depositing such shares in the account of the respective customer, or otherwise, invest such funds in short term government securities repurchase agreements. In both cases, the funds shall be registered in a different account to those that are part of the assets of the securities firm.

Article 195. - Securities firms that receive instructions from third parties for the execution of securities transactions, and who under the provisions of articles 219 and 220 of this Law, channel those instructions for their execution and settlement through another securities firm, must transfer to such other securities firms the monetary funds, if any, that third parties deliver to them, on the same day they are received.

Article 196. - Securities firms may not dispose of the funds received from a customer or of its securities for other purposes than those ordered or contracted by such customer.

Article 197. - Securities firms may not enter into any transactions under which the agreed conditions and terms deviate significantly from sound market practices.

Article 198. - Securities firms shall be liable with their customers for any actions performed by their directors, executive officers, attorneys-in-fact and employees in the performance of their duties, in addition to the civil or criminal liabilities in which they may personally incur.

Section V
On trading agreements

Article 199.- Trade transactions entered into by securities firms with their investing clientele and on their own account, shall be governed by the provisions contained in securities trading agreements entered into in writing for such purpose, unless, as a consequence of the provisions of this or other laws, a different form of trading is established.

Through a securities trading agreement, the customer shall grant a power of attorney so that, on his/her behalf, the securities firm shall execute the transactions authorized by this Law, in said firm's name, unless the transaction's nature requires that it be entered in the name of and on behalf of the customer, neither such cases require the respective power of attorney to be granted in a public instrument.

Article 200. - As a consequence of the securities trading agreement:

I. The securities firm, in the performance of its duties, shall act according to the instructions of the customer received from a broker agent authorized to enter into transactions with the public appointed by the securities firm, or in any temporary absence of such agent, from the one the securities firm appoints for such purpose. Any final replacement of the agent appointed to handle the account shall be communicated to the customer, writing down the name and, if applicable, the number of the newly empowered agent, in the account statement of the month when such substitution takes place.

Customers may order trade transactions to be carried out through duly authorized legal representatives, or otherwise, through the persons authorized in writing for such purpose in the agreement.

The securities firm may advise its clients on the investments that may be done, stipulating the liabilities that derive from its advise for this effect, regardless of whether the discretional management is agreed or not in the agreement.

Paragraph added FOG 01-10-2014

It shall be understood that the securities firms provide advisory services when they carry out personalized recommendations through any means to their clients or said entity carries out transactions in discretional agreements without the participation of the client. When the securities

firms carry out the instructions that their clients communicate to them plainly and simply, it shall be understood that they do not provide advisory services. In the case of recommendations provided verbally, the securities firms shall be bound to keep an electronic or written record where the date and time in which the advice was given is certified, as well as the information necessary to identify the securities that are the subject of each recommendation.

Paragraph added FOG 01-10-2014

Likewise, the securities firms may promote or commercialize securities in a general manner independent of the client's profile when the characteristics of said securities may be appropriate for the needs of the investors, without having to formulate personalized recommendations. The Commission shall indicate the kind of securities that fall within this assumption in the general provisions considering the kind of investor.

Paragraph added FOG 01-10-2014

II. Unless the discretional handling of the account is agreed, instructions by the customer for the execution of specific trades or transactions in such account, may be given in writing, verbally, electronically or by phone, specifying in any case the type of trade or transaction, as well as the necessary data to identify the securities subject to the trade or transaction in the account. In the cases of instructions done verbally, the securities firms shall be obligated to carry out an electronic or written record that contains the data that the fourth paragraph of subsection I above refers to.

Paragraph amended FOG 01-10-2014

The parties may freely agree on the use of any means of communication, for sending, interchanging or, as the case maybe, confirming the orders of the investing clientele and other notices that must be given according to the agreement's provisions, as well as the cases in which any of the parties require other confirmation through such means.

III. The customer's instructions to enter trades on his/her behalf shall be carried out by the securities firm according to the trade orders reception and distribution system established through general provisions issued for such purposes by the Commission.

IV. The securities firm shall prepare a transaction receipt for each trade executed in performance of the customer's instructions; such order shall contain all necessary identification data and the amount of the transaction. Said order and its accounting record number shall be made available to the investor in the offices of the securities firm where the account was opened, additionally, each transaction shall be itemized in the account statement that must be sent to the investor as provided in this Law.

V. In the event that the parties agree on the use of electronic, data processing or telecommunications means for the sending, interchange and, if any, confirmation of orders and other notices that must be given, including the receipt of the account statements, they must specify reciprocal identification codes and the responsibilities involved in their use.

The identification codes agreed, to be used as provided in this article shall replace the autographic signature, therefore any documentary or technical records where they appear, shall produce the same effects as those that the laws grants to documents subscribed by the parties and, consequently, they shall have the same weight as evidence.

VI. The Securities firm shall be empowered to subscribe in the name and on behalf of the customer, the endorsements and assignments of registered securities issued or endorsed in favor of the same customer, which such customer confers to the securities firm for deposit, management or custody.

VII. In no event shall the securities firm be bound to comply with the instructions received for operating the account, if the customer has not furnished the funds or the securities necessary theretofore, or if there are no credit balances in a sufficient amount to execute the corresponding instructions.

VIII. Whenever the discretional operation of the account is expressly established in the agreement, the trades that the securities firm executes on behalf of the customer shall be ordered by the

agent authorized to enter into transactions with the public, appointed for such purpose by the securities firm, without requiring any previous authorization or ratification of the customer for each transaction.

It shall be understood that the account is discretional, when the customer authorizes the securities firm to act at its own discretion, but as reasonably and carefully as though it were the securities firm's own investments, observing what is set forth is article 189, third paragraph, subsections I to III, as well as fourth and fifth paragraphs of such precept of this law, and the general acting frame that must include the minimum elements that the Commission determines through general provisions.

Paragraph amended FOG 01-10-2014

The investor may limit the discretionary power to the execution of specific transactions or to the operation of specific securities, and may at all times revoke such powers, which revocation shall be effective as of the date when the written notice is served on the securities firm, without affecting any pending transactions settlement.

IX. All securities and cash owned by the customer which are deposited in the securities firm, shall be understood specially and preferably allocated to the payment of fees, expenses or any other charge in favor of the securities firm on account of the fulfillment of the securities trading duties conferred to it, therefore the customer may not withdraw such securities or cash without paying those charges.

X. The parties must clearly agree in securities trading agreements on any ordinary and penalty interests that may arise as a result of the services and transactions subject to the agreement, as well as on the adjustment formulas for such rates and the manner in which the notice of such amendments shall be served. The rates agreed shall be equally applied to charges payable both by the securities firm and by the customer.

In absence of an explicit agreement, the applicable rate shall be equal to the one resulting from the arithmetical average of the returns earned by the ten debt instruments investment companies which have the highest returns during the six months previous to the date in which the event that generates the application of such rate occurs.

XI. The parties shall agree in the securities trading agreements, that the customer grants his/her consent to the Commission to investigate actions or facts contravening the provisions of this Law, for which purpose the Commission may perform inspection visits concerning such acts or facts, may summon said customer to appear before it, require information from him/her that may be useful in the adequate development of the investigation and request his/her appearance to declare in that respect.

XII. The securities firms may not execute securities trading agreements where their attorneys-in-fact are co-holders of the respective accounts, to execute transactions with the public or stock-brokers.

Subsection added FOG 01-1-2014

Article 201.-In the agreements that the securities firms execute with their clientele, the investor that is the holder of the account may appoint or change the beneficiary at any time.

In case of the death of the accountholder, the securities firm shall deliver the corresponding amount to whoever was expressly and in writing assigned as beneficiaries by the holder, in the portion stipulated for each of them.

In this case, the beneficiary shall have the right to choose the delivery of a number of given securities recorded in the account or the amount of their sale.

If there were no beneficiaries, the amount must be delivered in the terms set forth in the civil legislation.

Article amended FOG 01-10-2014

Article 202. – Lack of the formalities required by this Law or by agreement between the parties, in respect to the acts or the transactions that are entered into between the securities firms and its investing clientele, shall result in the annulment of such actions or transactions.

In the event of amendments to the agreements, such intermediaries shall send their clientele the respective amendment agreement, duly signed by its legal representative, through registered mail, return receipt requested, and precisely to the last address that the customer indicated to them, which terms may be objected within the next twenty business days following the date of receipt. Otherwise, once such term has elapsed, the amendment agreement shall be deemed accepted and it shall become effective, even without the customer's signature.

Prior to the expiration of the term established in the preceding paragraph, any action or instruction carried out by the customer pursuant to the terms of the amendment agreement, shall be deemed as an acceptance thereof, therefore having full force and effect.

Whenever the parties shall have agreed on the use of the telegraph, telex, telefax or any other electronic, data processing or telecommunication means, the amendments to the agreements that they have entered into may be carried out through the same means, complying with the terms and the modalities for the statement of consent provided in this article.

Article 203. - Securities firms must send their customers, within the first five business days following the monthly cutoff, an authorized account statement with a list of all the transactions executed indicating the securities position of such customers on the last day of the monthly cutoff, and the securities position of the previous monthly cutoff. Likewise, it must contain the other information that the Commission determines through general provisions.

Paragraph amended FOG 01-10-2014

This document shall serve as the global invoice with respect to the transactions specified therein.

The aforesaid account statements shall be sent, unless otherwise agreed, specifically to the last address of the customer indicated by the latter by notice to the securities firm. If applicable, the entries stated therein may be objected in writing or through any other means agreed by the parties, within the next sixty business days following the date of receipt. Unless otherwise evidenced, it shall be deemed that the content of the account statements has been accepted, when the customers make no objections during the aforesaid established term. The customer may authorize the securities firm to, instead of sending the aforementioned account statements to his/her or its address, allow him/her or it to receive them through electronic means.

In order to make the respective objections timely, the customer shall have available and may pick up in the offices of the securities firm, a copy of the account statement as of the next day following the account's cutoff date. In the event that the customer considers he/she has been affected because there is a transaction that does not appear in his account statements, in spite of having delivered the necessary funds to execute it, he/she shall evidence before the securities firm or the relevant authority, the delivery of the funds in favor of the securities firm, as established in the agreement, to be able to submit his/her objection.

Any actions which purpose is to enforce the liability of the securities firms for the services provided to its customers under this Law shall be subject to a two-year statute of limitations from the date of the act or fact which originated such actions.

Article 204. - The pledge on securities constitutes a right *in rem* on securities which purpose is to secure the performance of an obligation and its payment priority.

To create a pledge on securities it shall suffice to execute an agreement in writing, and to request a securities depository institution, the opening or the increase of one or more accounts where such securities shall be deposited as collateral, without requiring any endorsement and delivery of the securities subject to the pledge, nor the annotation in the securities issuer's registries. The parties may secure one or more transactions under the same agreement.

The parties may agree that the ownership of the securities given as collateral be transferred to the creditor, in which case such creditor shall be bound to compensate the debtor, in case the debtor performs the relevant obligation, in the same amount and kind, in which case, the stipulations established, with respect to the buyer and seller of securities under a repurchase agreement, respectively, in articles 261 and 263, first part of the Credit Instruments and Operations Law shall be applicable. In this case the provisions concerning the opening

of accounts set forth in the preceding paragraph shall not be applicable and the collateral shall be perfected upon the delivery, by operation of law, of the securities to the creditor, through the procedures established for account transfers applicable to securities depository institutions.

The parties in securities pledge agreements may agree on the out-of-court sale of the securities given as collateral provided that, at least, the following enforcement proceedings are met:

I. That the parties appoint by mutual agreement the executor of the securities pledge and, if it is so agreed, the administrator of such collateral; such appointments may fall upon a securities firm or credit institution, other than the creditor. The appointment of the executor may be conferred to the administrator of the collateral.

In the agreement the procedure for the substitution of the executor must be provided, for those cases in which any impossibility of his/her acting arises or if any conflict of interest arises between the executor and the creditor or the debtor of a secured obligation.

II. If at the maturity of the secured obligation or when the securities pledge must be reconstituted, the creditor does not receive the payment or the amount of the pledge as increased, or an extension to the term or the novation of the obligation has not been agreed, the creditor, on its own or through the manager of the pledge shall request the executor to perform the out-of-court sale of the securities subject to a lien.

III. From the petition indicated in the preceding subsection, the creditor, or as the case may be, the administrator of the collateral, shall serve notice to the grantor of the pledge, who may oppose to the sale only by exhibiting the amount of the debt or the document evidencing the extension of the term or the novation of the obligation or the proof of its delivery to the creditor or by evidencing the constitution of the missing collateral.

IV. If the grantor of the collateral does not exhibit the amount of the debt or the document evidencing the extension of the term or the novation of the obligation or the proof of its delivery to the creditor or does not evidence the constitution of the missing collateral, the executor shall order the sale of the securities subject to the pledge at market price, up to the amount necessary to cover the principal and the additional amounts, which he shall deliver in payment to the creditor. The sale shall be made according to the agreements convened by the parties, and may be even made over the counter.

In the cases in which the parties of securities pledge agreements agree on the transfer of property of the securities granted in pledge, these may be additionally agreed that in case that there is a default in the guaranteed obligations, the creditor keeps the property of the securities granted in pledge for up to the amount of the value of the guaranteed obligations without the need for an execution procedure or legal resolution and the amount of the securities granted in pledge shall be applied to the payment of the payment obligations of the debtor, considering them at their market value. The effect of said application on the payment shall be to terminate the guaranteed obligations for up to the amount of the market value of the securities granted in pledge.

Paragraph added FOG 01-10-2014

If the market price of the securities granted in pledge does not cover the totality of the guaranteed obligations, the creditor shall have action in respect of the rest of the debt. In case the guarantees exceed the guaranteed obligation, the creditor must return the remainder to the debtor. In case the parties carry out the application of the payment pursuant to the paragraph above, it shall be understood that the application to the payment is carried out through the consent of the parties as a form of payment of the debtor's obligations and not in execution of the pledge on securities.

Paragraph added FOG 01-10-2014

The parties must agree the terms for the determination of the market value of the securities granted in pledge in the respective agreement.

Paragraph added FOG 01-10-2014

In securities pledge agreements it may be agreed that the grantor of such pledge may substitute to the creditor's satisfaction, the securities given as collateral, before the notices provided in subsection III of this article have been served.

When the administrator of the collateral is not creditor of the secured obligation he/she may act as the executor, subscribe the securities pledge agreement and encumber the relevant securities on behalf of his/her customers, exercising the proxies granted for such purpose by them, provided that a discretional handling of their account was not agreed with such customers.

In the account statements that securities firms send to their customers the elements corresponding to the pledge on securities constituted by them shall be outlined, with any necessary data for the identification of the securities given as collateral. The account statement shall serve as the safeguard of the securities until the termination of the securities pledge agreement.

Section VI
On accounting and external audit

Article 205.- Any acts or agreements that involve any variation or change in the assets, liabilities, capital or which imply a direct or contingent obligation, even in their memorandum accounts, of a securities firm, must be recorded in the accounting on the same day they are carried out.

The corresponding accounting, the books and documents and the term they must be kept, shall be regulated by general provisions issued by the Commission.

Article 206. - Funds and securities of securities firms' customers must be registered in an account other than those accounts that are part of the asset of the securities firm.

Article 207.- In any trust, agency or commission agency transactions, the securities firms shall open special accountings for each agreement, registering therein and in their own accounting, the money and other assets, securities or rights that are entrusted to them, as well as the increases or decreases, for the respective proceeds and expenses.

Invariably, balances in the memorandum accounts of the securities firm shall coincide with those of special accountings.

In no case shall these assets be subject to compliance of any other obligations than those resulting from the trust or the ones that may correspond to third parties against such assets according to this Law.

Article 208.- The securities firms shall be bound to record or document all the communications with their clients in electronic or digital means in respect to the advising, promotion, purchase, and sale of securities or trusts services related to the activities mentioned before, and to keep them for a term of at least five years as an integral part of the accounting of the securities firm, without prejudice of what is established in the last paragraph of subsection III of article 212 of this Law. Said information and documentation must be at the disposal of the Commission at all times, which may request their immediate delivery.

Article amended FOG 01-10-2014

Article 209. - The securities firms may microfilm, record in a digital format, through optical or magnetic means or in any other means authorized by the Commission, the books, records and documents in general, that they are bound to carry in accordance with the laws and established through general provisions by the Commission, pursuant to the technical basis established for their handling and preservation by such Commission.

The original negatives of the cameras obtained by the microfilm system and the first copy obtained from the optic and magnetic disks with digitalized images, as well as the printings obtained based on this technology, duly certified by the authorized personnel of the respective securities firm, shall have the same weight evidence in court than the original books, records and documents.

Article 210. - The Commission shall establish, through general provisions, the basis to which the approval of the financial statements of the administrators of the securities firms shall abide by; their disclosure through any mass media including electronic, optical or any other technology means, as well as the procedure to which the review of such means by the Commission shall adjust to.

The Commission shall establish through general provisions, the form and content that financial statements of the securities firms must submit, it may likewise order that the financial statements be released with the relevant changes when they have errors or alterations and within the terms established for such purposes.

The securities firms shall be exempted from the requirement of publishing their financial statements according to the provisions of article 177 of the Business Associations Law.

Annual financial statements must be certified by an independent external auditor who shall be directly appointed by the board of directors of the securities firm in question.

The Commission may establish, through general provisions, the characteristics and qualifications that must be met by independent external auditors; determine the content of their opinions and other reports; issue measures to ensure the adequate alternation of such auditors in the securities firms, as well as the information that must be disclosed in their reports, regarding other services and, in general, the professional or business relationships that they provide or maintain with the securities firms that they audit or with related companies.

Article 211. - The Commission shall set the rules for the maximum estimate of assets of securities firms and the rules for the minimum estimate of their obligations and responsibilities.

Section VII
Other provisions

Article 212. - The securities firms, as set forth in the general provisions issued by the Ministry, upon hearing the prior opinion of the Commission, shall be bound to:

I. Establish measures and procedures to avoid and to detect actions, omissions or transactions which may favor, assist, aid or cooperate in any way in the commission of the criminal offenses set forth in articles 139 or 148 Bis of the Federal Criminal Code or which may fall within the premises of article 400 Bis of such Code.

Subsection amended FOG 06-28-2007

II. Submit to the Ministry, through the Commission, reports on:

a) The actions, transactions or services that they perform with their customers or users, concerning the preceding subsection.

b) Any action, transaction or service that could fall within the premise provided in subsection I of this article or which, as the case may be, may contravene or impair the adequate application of the provisions set forth therein, carried out by, or in which any member of the board of directors, manager, executive officer, officer, employee or attorney-in-fact intervenes.

The reports indicated in this subsection, under the general provisions established in this article, shall be prepared and submitted considering at least, the modalities established for such purpose in said provisions; the characteristics that the actions, transactions and services set forth in this article must meet in order to be reported, taking into account their amounts, frequency and nature, the monetary and financial instruments with which they are carried out, and the commercial and stock exchange practices that are followed in the markets where they are performed; as well as the periodicity and the systems through which the information shall be transmitted. The reports must at least refer to transactions that are defined as relevant, internally alarming and unusual, those related to international transfers and transactions in cash done in foreign currency.

Paragraph amended FOG 01-10-2014

III. To have, as provided by the Ministry in the aforesaid general provisions, guidelines on the procedure and criteria that must be followed concerning:

a) An adequate knowledge of their customers and users, for such purpose the securities firms must consider the background, specific conditions, economic or professional activity and the markets in which they operate.

b) The information and documents that they must obtain for the opening of accounts or the execution of agreements concerning the transactions and services that they provide and which fully evidence the identity of their customers.

c) The manner in which they must protect and guarantee the safety of the information and documents concerning the identification of their current and former customers and of the actions, transactions and services reported under this article.

d) The terms to provide training inside the securities firm on the issues established in this article. The general provisions set forth in this article shall establish the terms for its due compliance.

e) The use of automatic systems that support in the compliance with the measures and procedures that are established in the same general provisions that this article refers to.

Subparagraph added FOG 01-10-2014

f) The establishment of those internal structures that must operate as areas of compliance in the matter, inside each securities firm.

Subparagraph added FOG 01-10-2014

Such intermediaries must keep, for at least ten years, the information and documents established in subparagraph c) of this subsection, notwithstanding the provisions of this or other applicable laws.

The Ministry shall be empowered to request and obtain, through the Commission, information and documents concerning the actions, transactions and services set forth in subsection II of this article. Furthermore, the Ministry shall be empowered to obtain additional information of other persons with the same purpose and to provide information to the competent authorities.

The securities firms must immediately suspend carrying out acts, transactions, or services with clients or users that the Ministry of Finance informs them through a confidential list of blocked persons. The list of blocked persons shall have the ends to prevent and detect acts, omissions, or transactions that may fall in the events set forth in the articles referred to in subsection I of this article.

Paragraph added FOG 01-10-2014

The obligation of suspension that the paragraph above refers to shall stop being effective when the Ministry of Finance eliminates the client or user in question from the list of blocked persons.

Paragraph added FOG 01-10-2014

The Ministry of Finance shall establish the parameters for the determination of the introduction or elimination of persons in the list of blocked persons in the general provisions that this article refers to.

Paragraph added FOG 01-10-2014

Compliance with the obligations set forth in this article shall not imply any violation to the provisions of article 192 of this Law.

The general provisions established in this article must be complied with by the securities firms, and by the members of the board of directors, managers, executive officers, officers, employees and the respective agents, therefore, both the entities and the aforementioned persons shall be responsible for the performance of the obligations established through such provisions.

The violation of the provisions that this article refers to shall be penalized by the Commission in accordance with the procedure set forth in article 391 of the present law, with a penalty equal to 10% to 100% of the amount of the act, transaction, or service that is done with a client or user of which it was informed that was on the list of blocked persons that this article refers to; with a penalty equal to 10% to 100% of the amount of the unusual unreported transaction, as the case may be, of the series of transactions related among themselves of that same client or user that should have been reported as unusual transactions; in the case of relevant transactions, alarming internal, those related to international transfers and cash transactions with foreign currency, not reported, as well as the lack of compliance with any of subparagraphs a), b), c), or e) of subsection III of this article, these shall be penalized with a penalty of 30,000 to 100,000 days of wage and in the other cases of default of this precept and for the provisions that arise from it, a penalty of 5,000 to 50,000 days of wage.

Paragraph added FOG 01-10-2014

The public officers of the Ministry of Finance and of the National Banking and Securities Commission, the securities firms, the members of their board of directors, executive officers, officials, employees, and attorneys-in-fact, must abstain from giving notice of the reports and other documentation and information that this article refers to, to persons or authorities different from those expressly empowered in the relative statutes to request, receive, or keep such documentation and information. The violation to these obligations shall be penalized in the terms of the corresponding laws.

Paragraph added FOG 01-10-2014

Article 213. - The securities firms, subject to the percentages and other requirements established by the Commission through general provisions, with the previous approval by of its Board of Governors, may invest their non-assessable stock and capital reserves in:

I. Furniture, real estate, installation expenses and any other expenses necessary for the fulfillment of their corporate purpose.

II. Shares representing the capital stock of business enterprises or companies as provided in articles 214 y 215 of this Law.

III. Securities and other active transactions under their corporate purpose.

In no case, may securities firms have an interest in companies that are not limited liability companies.

The Commission may establish in the general provisions indicated in the first paragraph of this article, a minimum investment regime for the non-assessable stock and capital reserve funds, seeking to maintain adequate solvency and liquidity conditions.

Article 214. - The securities firms may invest in shares representing the capital stock of companies that provide complementary or auxiliary services to them in their management or in the fulfillment of their corporate purpose, and in real estate companies that are the owners of or administrators of property used for their offices.

The business enterprises and companies indicated in the preceding paragraph shall be subject to the general provisions issued by the Commission, and to inspection and surveillance by such Commission.

Article 215. - Securities firms may invest, directly or indirectly, in shares representing the capital stock of foreign financial entities that execute the same type of transactions than the securities firm in question, provided that they obtain the Commission's authorization.

Securities firms that control any foreign financial entity must provide whatever is necessary for such entity to perform its activities abiding by foreign applicable laws and, as the case may be, subject to the provisions that the Mexican financial authorities determine for such purpose.

Securities firms, upon previous authorization by the Commission, may invest in the capital stock of investment companies, managing companies of investment funds, retirement fund management companies, and in investment companies specialized in retirement funds, as provided in applicable laws and, if they are not part of financial groups, in the capital stock of secondary-financial institutions and of foreign exchange firms. Such entities may use equal or similar names, act in a joint manner and offer complementary services.

The respective requests shall include attached thereto, the document specifying the policies to decide any potential conflict of interest that may occur in the execution of the transactions with the public.

Furthermore, securities firms may invest in the capital stock of stock exchanges, securities depository institutions and central counterparties of securities, without requiring authorization from the Commission.

The investments set forth in article 214 of this Law, and in this legal provision, executed by securities firms in whose capital the Federal Government has an interest, shall not be accounted to be considered as government-controlled corporations and, therefore, they shall not be subject to the provisions applicable to the entities pertaining to federal public administration.

Article 216. - Securities firms may perform activities of their own in foreign markets, according to the provisions set forth in this statute, in general provisions issued for such purpose by the Commission, upon previous approval by its Board of Governors, and subject to the laws of the country where such activities are performed.

Article 217. - Securities firms shall notify the Commission, at least thirty days in advance, about the opening, change of location and closing down of their offices.

For the closing down of offices, along with the notice set forth in this article, the measures adopted to ensure the continuity of the services to the clientele must be reported. The Commission may oppose to the closing down of the office in question, if the securities firm does not submit such measures, and until the satisfactory execution of said measures is evidenced.

In the event that the securities firms open or change their offices without serving the respective notice, or otherwise, if in their operation and performance, they contravene the provisions of this article, the Commission may proceed to the closing down of such offices, taking care that the services received by the clientele are adequately covered. Prior to the issuance of its resolution, the Commission must hear the securities firm in question.

Securities firms may perform activities of their own through offices, branches or agencies of credit institutions, but in any case they must serve the notice set forth in this article.

Article 218. - Securities firms must close their doors and suspend operations on the days stated by the Commission through general provisions.

The days set forth in the aforesaid terms shall be considered non-business days for all legal purposes when this so determined by the Commission.

Article 219. - Securities firms may retain third parties for the rendering of services to perform the activities they may carry out according to this Law, provided they previously obtain the authorization from the Commission and that they abide by the general provisions mentioned in the following paragraph.

The Commission, with the previous agreement of its Board of Governors, must establish through general provisions, the services that may be subject to be retained from third parties, and those services which due to their lack of relevance in connection with the corporate purpose of the securities firm, do not require of such authorization.

Article 220. - Securities firms that intend to obtain the authorization mentioned in article 219 of this Law, must meet the following requirements:

I. Submit to the Commission a report specifying the services to be retained and their risks, as well as the criteria and the procedures to select the service provider. Such criteria and the procedures shall be directed to evaluate the technical, financial and human resources capacity of the provider to render the service according adequate performance, reliability and safety levels.

Securities firms must maintain available for the Commission the documents evidencing the selection procedure applied.

II. Have policies and procedures to supervise the performance of the service provider and compliance with contractual obligations which must contain aspects pertaining to:

a) The amount, quality and costs of the services retained, specifying performance goals and the means to assess them.

b) The restrictions or conditions, with respect to the possibility that the service provider should, in turn, subcontract the rendering of the service.

c) The confidentiality and safety of the information of the customers and of the account.

d) The duties and responsibilities of the securities firm and of the service provider, the procedures to supervise the performance thereof, and of the collateral and indemnities in case of default.

e) The commitment of the service provider to render, at the request of the securities firm, the records, information and technical support concerning the services rendered to the securities firm, to its auditors and to the supervisors.

f) The mechanisms for the resolution of disputes regarding the service agreement.

g) The measures to ensure the continuity of the business and of the contingency procedures that include a recovery plan in case of disasters.

h) In case that the provision of services is carried out by a provider located abroad, such provider must accept in writing to abide by the provisions of this Law.

III. Have plans to evaluate and report to the board of directors the performance of the service provider, as well as compliance with applicable rules regarding such service.

The board of directors shall be responsible for approving and verifying compliance with the policies and criteria to select the service providers retained by the securities firm as set forth in this article, and the services provided and the activities carried out under such policies and criteria.

The general director shall be responsible for the implementation of the policies and criteria set forth in the preceding paragraph.

Article 221. - Retaining of the services indicated in article 219 of this Law shall not exempt the securities firms or their directors, executive officers and employees, from the obligation of strictly abiding by the provisions of this legal statute and the general provisions resulting therefrom.

Legal provisions concerning confidentially in respect to insider information shall extend to the service providers in question. Such provisions shall also apply to the representatives, executive officers and employees of the service providers, even when they cease to work or render services to the aforesaid service providers.

The Commission may request information, including books, records and documents, to third parties providing the aforesaid services, as well as to perform inspection visits and to issue the measures that it deems necessary to ensure the continuity of the services that the securities firms provide to their customers, the integrity of the information and the compliance with the provisions of this Law.

Article 222. - The provisions of the services shall be regulated by the agreement subscribed by the securities firm and the service provider, in which the rights and obligations of the parties must be specified.

Article 223. - The Commission may issue general provisions in connection with the minimum aspects that the agreements subscribed must meet under the terms established in article 222 of this Law, notwithstanding the provisions of article 220, subsection II thereof.

Article 224.- The Commission may establish prudential rules aimed at preserving the liquidity, solvency and stability of the securities firms in matters of internal control, prevention of conflict of interest, corporate and audit practices, risk management and transparency and equity in the operations and services, for the protection of the public and of the users and customers in general.

For the provision of advised and non-advised services, the securities firms must have separate and independent business areas in respect to the other business area, adhering to the general provisions issued by the Commission.

Paragraph added FOG 01-10-2014

Title VII
On investment advisors

Article 225.- The persons who without being stock exchange intermediaries provide on a regular and professional manner securities portfolio management services, making investment decisions in the name of and on behalf of third parties, as well as regularly and professionally grant securities investment advice, analysis and issuance of investment recommendations individually, shall have the nature of investment advisors.

The investment advisors are required to register before the Commission to be such. In cases of individuals, these must attest to have the honorability and satisfactory historical credit, in terms of the general provisions issued by the Commission, and of having the certification before an self-regulatory body pursuant to article 193 of this Law. For the case of legal entities, these must be civil partnerships in terms of the civil legislation, or corporations or limited liability corporations in terms of the Business Associations Law and adhering to the following requisites:

I. That the occurrence of the activities indicated in the paragraph above are provided in their corporate purpose.

II. That it be provided in their corporate bylaws that in the occurrence of their purpose, the investment advisor must adhere to what is set forth in the present Law and in the other applicable provisions.

III. That they have the physical establishments destined exclusively to carry out their corporate purpose.

IV. That they attach the list and information of the persons that directly or indirectly have a participation in the capital stock of the investment advisor to their request.

V. That presents the conduct manual including the policies for the solution of potential conflicts of interest when carrying out their activities, along with their request. The cited manual must include the norms determined by the Commission to the effect through general provisions.

The investment advisors whose shareholders, partners, members of the board of directors, as well as executive officers, attorneys-in-fact, and employees, do not participate in the capital or in the bodies of administration, nor have relations of dependence with credit institutions, securities firms, managing companies of investment funds, investment fund stock distribution companies, securities rating companies, must add the expression “independent” to their denomination. To the contrary, they shall be obligated to reveal such a situation to the clients at the time of contracting with them.

The companies that are registered in terms of the present article must present the information of their registration in the Public Registry of Commerce before the Commission, in a term that must not exceed fifteen business days counting from the granting of the same.

Within the three business days following when the investment advisor registered the transfer of any of its shares or ownership interest in the registry indicated in article 128 of the Business Associations Law, or when one of the partner assigned his/her rights, for more than ten percent of the non-assessable stock, it must give notice to the Commission of said transfer.

The registry kept by the Commission in accordance with what is set forth in this article shall be public, for which said Commission shall disseminate it on its electronic page of the worldwide web denominated Internet, and it shall include notes in respect to each investment advisor, that may refer to among others, to the cancellation of the registration. The Commission may establish the bases of the organization and functioning of the registry through general provisions, as well as the additional remarks that it must incorporate.

The persons that this article refers to may form part of a self-regulatory body recognized by the Commission in terms of this Law.

The investment advisors may not carry out trading with securities and shall be subject to the supervision of the Commission in terms of the first paragraph of article 350 of this Law.

Article amended FOG 01-10-2014

Article 226. - Investment advisors, in the provision of their services must:

I. Have a mandate allowing them to give instructions to the stock exchange intermediaries or foreign financial institutions of the same kind for the execution of transactions with securities in the name and on behalf of its clients, or be authorized to that effect in the agreements executed by the client with such intermediaries or institutions. In any case, the responsibilities that derive from their services must be stipulated.

Subsection amended FOG 01-10-2014

II. Document the transactions with securities in the name of the respective client that are ordered on behalf of the client. Likewise, keep the recommendations made and the information provided on the activities, services, and financial products that they offer. Additionally, keep an electronic or written record where the time and date in which the client requested to carry out a transaction is recorded, as well as the information necessary to identify the securities subject matter of each transaction.

Subsection amended FOG 01-10-2014

III. Report to their customers whenever they face conflicts of interest expressly stating which conflict of interest they face.

IV. Is repealed.

Subsection repealed FOG 01-10-2014

V. Comply with the self-regulatory rules issued by the self-regulatory organization where they are members, if any.

VI. Certify their technical qualifications, honorability and satisfactory credit history, before a self-regulatory organization recognized by the Commission, in connection with the services that they provide to the public, or otherwise, to engage the services of individuals who have such certification.

VII. Is repealed.

Subsection repealed FOG 01-10-2014

VIII. The propaganda or advertising directed to the public shall adhere to the provisions included in article 6 of this Law.

Subsection added FOG 01-10-2014

IX. Adhere to what is set forth by articles 188, subsection IV; 189, paragraphs third, subsections I to III, as paragraphs fourth and fifth; 190, except for what is set forth in the penultimate and last paragraphs; 191, except for the last paragraph; 200, subsection VIII, second paragraph of this Law, and the general provisions issued by the Commission in terms of such articles. In case of being investment advisors that are not independent, in addition to the foregoing, the maximum limits that article 178 mentions in respect to the recommendations that they formulate shall also be applicable, and they shall also adhere to what is set forth in article 190, penultimate and last paragraphs of this legal statute.

Subsection added FOG 01-10-2014

Stock exchange intermediaries shall be exempted from liability before their customers, when the execution of transactions is carried out in accordance with the instructions given by the investment advisors, as provided in subsection I of this article. In these events, what is set forth in article 190 of this Law shall not be applicable to stock exchange intermediaries. The foregoing, in addition to the provisions of article 189, second paragraph of this legal statute.

Paragraph amended FOG 01-10-2014

The Commission may issue general provisions relative to the financial, administrative, and operative information that the investment advisors must present to it in a periodic and continuous manner.

Paragraph added FOG 01-10-2014

Amendment FOG 01-10-2014; the then second paragraph of the article was repealed

Article 226 Bis.- In matters of prevention and detection of acts, omissions, or transactions that may favor, provide help, assistance, or cooperation of any kind for the commission of crimes set forth in articles 139 or 148 of the Federal Criminal Code or that may fall in the events of article 400 Bis of the same Code, with the ends of supporting the stock exchange intermediaries, investment advisors, in terms of the general provisions issued by the Ministry, previously hearing the opinion of the Commission, shall be obligated to:

I. Have adequate knowledge of their clients, for which they must gather information and documentation that attests to their background, specific conditions, and economic or professional activity.

II. For the opening of accounts or execution of agreements relative to the services that are provided, information and documentation that fully attests the identity of their clients must be gathered.

III. Present the Ministry, through the Commission, reports regarding:

a. The acts, transactions, and services done by their clients.

b. All act, transaction, or service that is done or in which some member of the board of directors or equivalent body, administrator, executive officer, official, employee, or attorney-in-fact of the investment advisors intervenes that, given the case, may go against or make the adequate application of the obligations indicated in the present article vulnerable.

The reports that this subsection refers to, pursuant to the general provisions set forth in this article, shall be drafted and presented taking into consideration at least; the modalities that are referred to in said provisions to this effect; the characteristics that the acts, transactions, and services that this article refers to must gather to be reported, taking into account their amounts, frequency, and nature, the monetary and financial instruments with which they are done, and the commercial and trading practices that are observed in the places where they are done; as well as the periodicity and systems through which the information is to be transferred. The reports must at least refer to the transactions that are defined as internally alarming and unusual.

IV. Appoint a representative before the Commission of the fulfillment of the obligations set forth in the present article.

V. Protect and guarantee the security of the information and documentation relative to the knowledge and identification of their clients, as well as of the reports.

VI. Have automatic systems that support the fulfillment of the measures and procedures that are established in the general provisions that this article refers to.

VII. Train its personnel regarding the matter that is the purpose of this article.

The fulfillment of the obligations that this article refers to shall be verified in terms of the general provisions issued by the Ministry.

The investment advisors must keep the information and documentation that subsection V of this article refers to for at least five years, without prejudice of what is established in this and other applicable statutes.

The Ministry shall be empowered to request and gather, through the Commission, information and documentation related to the acts, transactions, and services that subsection III of this article refers to. Likewise, the Ministry shall be empowered to obtain additional information from other persons with the same end and to provide information to the competent authorities.

The violation to the provisions that this article refers to shall be penalized by the Commission pursuant to the procedure set forth in article 391 of this Law, with a penalty equal to 10% to 100% of the amount of the unusual unreported transaction or, as the case may be, of the series of transactions related among them of the same client and user, that should have been reported as unusual transactions; in cases of internal alarming unreported transactions, as well as the defaults of any of subsections I, II, V, or VI of this article, there shall be a penalty of 30,000 to 100,000 days of wage and in the other cases of default of this precept and to the provisions that arise from it, a penalty of 5,000 to 50,000 days of wage.

The public officers of the Ministry and of the Commission, the investment advisors, their board of directors members or equivalent body, executive officers, officials, employee, and attorneys-in-fact, must abstain from giving notice of the reports and other documentation and information that this article refers to, to persons or authorities different from those expressly empowered in the relative statutes to request, receive, or keep such documentation and information. The violation of these obligations shall be penalized in the terms of the corresponding laws.

Article added FOG 01-10-2014

Article 227. - Investment advisors are prohibited from:

I. Receiving any kind of remuneration from the issuers for the promotion of the securities issued by such issuers or from persons related to such issuers.

Subsection amended FOG 01-10-2014

II. Receiving any kind of remuneration from domestic or foreign stock exchange intermediaries. The present prohibition shall not be applicable when the investment advisors provide advising services to financial intermediaries as their clients.

Subsection amended FOG 01-10-2014

III. Receiving in deposit, for management or in custody, or as collateral on account of third parties, any money or securities that belong to their customers, whether directly from them or from the accounts that they manage for them, except in the case of remunerations for the services they render.

IV. Offering guaranteed returns or acting against the interest of their clients.

Subsection amended FOG 01-10-2014

V. Act as co-holders of the securities trading agreements of their clients.

Subsection amended FOG 01-10-2014

Investment advisors shall answer to their customers for any damages and lost profits caused to them, as provided in applicable provisions, by the default to the provisions set forth in this article or of the obligations convened in the service agreements executed for such purpose.

Article 227 Bis.- The Commission, with the prior hearing of the interested investment advisor, may declare the cancellation of the registry that article 225 of this Law refer to, in the following cases:

I. If the investment advisor carries out transactions against what is set forth by this Law or the provisions that arise from it.

II. If the investment advisor does not carry out the transactions for which it was granted the registration that article 225 of this law refers to.

III. If its administrators have intervened in transactions that infringe the provisions of this Law or the norms that derive from it.

IV. If the investment advisor, through its legal representative, so requests it.

V. In cases of individuals, those that stop fulfilling the honorability and satisfactory historical credit requisites or do not have the corresponding certification.

The cancellation of the registry shall disqualify the corporation from carrying out the transactions that article 225 refers to, starting from the date on which the same is notified.

The Commission shall prompt the judicial authority to appoint the liquidator, if in the term of seventy business days from having notified the cancellation of the registry, the latter was not appointed. When the Commission itself finds that it is impossible to carry out the liquidation of the investment advisor, it shall report it to the competent judge so that he/she may order the cancellation of its registration in the Public Registry of Commerce, which shall take effect once three hundred and seventy calendar days have elapsed since the judicial mandate.

Those interested may oppose this cancellation within the cited term of seventy business days, before the judicial authority itself.

Article added FOG 01-10-2014

Title VIII

On self-regulatory organizations

Article 228. – The purpose of self-regulatory organizations is to implement behavior and operation standards among their members to contribute to the sound development of the securities market.

Stock exchanges and central counterparties of securities, by operation of law, shall have the nature of self-regulatory organizations.

Additionally, professional associations of stock exchange intermediaries or of investment advisors recognized by the Commission, upon previous approval by its Board of Governors, shall also have the aforesaid nature.

Article 229. - Self-regulatory organizations, depending on their type and of the activities of their own, may issue standards concerning:

I. The admission, exclusion and separation requirements for the members.

II. Policies and guidelines to be followed when contracting with the clientele to whom the members provide services.

III. Disclosure of information other or additional to, the one arising from this Law.

IV. Strengthening the ethical behavior of their members and other persons related to such members.

V. The policies and behavior guidelines directed to their members and other persons related to them by reason of an employment, position or commission, so that they shall know and abide by applicable statutes, as well as by sound securities market practices.

VI. The technical qualifications, honor, and satisfactory credit history requirements applicable to the personnel of their members.

VII. Attainment of efficiency and transparency in the securities market.

VIII. The process for implementation of standards and verification of their compliance.

IX. The disciplinary and corrective measures that shall be applied in case of default, as well as the procedure to enforce such measures.

Additionally, professional associations of stock exchange intermediaries or of investment advisors that obtain recognition as self-regulatory organizations by the Commission may perform certifications as set forth in articles 141, 193 or 226, subsection VI, of this Law, provided they abide by the general provisions established for such purposes by the Commission. If there are no self-regulatory organizations recognized by the Commission to carry out the aforesaid provisions, the Commission may make the appointments or grant the authorizations provided in such legal statutes, without requiring such certification.

Self-regulatory organizations shall perform periodic evaluations concerning compliance with the standards they issue. The results of such evaluations must be reported to the Commission, within the next five business days following the date when such evaluations are concluded, if they result in administrative infractions or in criminal offenses, in addition to the supervisory powers that the Commission itself may exercise. Furthermore, such organizations must carry a registry of the corrective and disciplinary measures they apply, which shall be available to the Commission.

Self-regulatory standards issued under the terms set forth in this article may not contravene the provisions of this Law.

Article 230.- The Commission may issue general provisions setting forth the requirements that self regulatory organizations must meet to obtain the recognition provided in article 228 of this Law and to regulate their performance.

Article 231. - The Commission shall be empowered to:

I. Veto the self-regulatory standards issued by self-regulatory organizations.

II. Order the removal or dismissal of the directors and executive officer of self-regulatory organizations, whenever they commit serious or repeated infractions to this Law and to any other general provisions arising therefrom, in addition to the economic penalties that may correspond to them under this or other laws.

III. Revoke the recognition of the self-regulatory organizations whenever they commit serious or repeated infractions to this Law and to the other general provisions arising therefrom.

In order to act as provided in subsections II and III of this article, the Commission must have the previous approval from its Board of Governors.

Title IX
On public and over-the-counter trading systems

Chapter I
Preliminary provisions

Article 232. - The activities which purpose is to provide access to trading systems that enable the meeting of supply and demand of securities by centralizing positions to carry out trades, may be undertaken by:

I. Stock exchanges.

II. Companies which manage systems to facilitate securities transactions.

III. Individuals or legal entities that develop over-the-counter trading systems.

Those activities indicated in this article, which are aimed at shares representing the capital stock of a company or negotiable instruments representing such shares, recorded in the Registry, and the securities listed in the international quotation system, shall be considered a public service and shall be reserved for stock exchanges.

In the case of securities recorded in the Registry, other than those set forth in the preceding paragraph, and of those shares representing the capital stock, that are not recorded in such Registry, the activities mentioned in this legal provision may be provided indistinctively by the entities indicated in subsections I and II of this article.

The persons set forth in subsection III of this article, may only perform the aforesaid activities in respect to those shares representing the capital stock which not recorded in the Registry, provided that only institutional investors and qualified investors participate in the transactions.

Article 233. - Holders of shares listed in stock exchanges may execute transactions outside said stock exchanges with such securities, provided they abide by the provisions applicable to acquisitions of securities subject to disclosure and mandatory tender offers, when appropriate.

Chapter II
On stock exchanges

Section I
On the organization

Article 234. - A concession from the Federal Government is required to be organized and to operate as a stock exchange, which concession shall be granted discretionally by the Ministry, hearing the opinion of the Commission, to the corporations organized in accordance with the special provisions contained in this legal statute and, in issues not regulated hereunder, according to the provisions of the Business Associations Law.

The granting of the concession shall be determined considering the best development and market possibilities.

The concessions granted to such end, as well as any amendments thereto, shall be published in the Federal Official Gazette at the expense of the interested party.

Article 235. - Concession applications to be organized and to operate as a stock exchange, shall have attached thereto the following documents:

I. Draft of the bylaws of a corporation providing the following:

a) The corporate name shall include the expression "stock exchange".

b) The term of the corporation shall be indefinite.

c) The domicile shall be located within Mexican territory.

d) The corporate purpose shall be to act as a stock exchange.

II. List and information of the shareholders, indicating the amount of capital stock that they shall subscribe and the origin of the funds declared by them, as well as the prospective directors, general director and main officers of the corporation.

III. General operating plan of the corporation including, at least, the following aspects:

a) The indication of the securities with respect to which it intends to provide its services.

b) The premises, facilities and trading platforms that shall be used for the execution of transactions with securities.

c) The safety measures to preserve the integrity of the information.

d) The draft of the internal regulations that must comply, at least, with the requirements set forth in this Law.

e) The policies and operating procedures manuals.

f) The description of the audit programs it shall carry out on its members and on the issuers listing their securities with them, to verify performance of the obligations to be discharged by them under the provisions of the internal regulations of the stock exchange.

g) The description of the programs it shall implement to oversee that price formation processes are carried out with transparency, accuracy and integrity.

IV. Proof of bank deposit in Mexican currency or, if any, of government securities at their market value deposited with financial entities in favor of the Federal Treasury, in an amount equal to ten percent of the minimum capital that the corporation must have.

The principal amount and, as the case may be, the additional amounts of the aforementioned deposit shall be refunded to the petitioner in case of withdrawal of the application, and in the event that the application is denied or when operations are started in terms of this Law. In the event that the concession is revoked under the provisions of article 269, subsections I to III of this Law, the amount of the deposit shall be charged.

V. The policies and guidelines that shall be applied so that the issuers listing their securities, and the stock exchange intermediaries and agents participating in them, comply with the provisions of its internal regulations.

VI. Any other documents and information that the Ministry, with respect to the preceding subsections, shall require through general provisions.

The bylaws of the stock exchanges, as well as the amendments thereof, must be approved by the Ministry. Once the approval has been obtained, the respective registration with Public Registry of Commerce may be carried out. In any case, the aforementioned institutions shall provide the Ministry, within ten business days following the corresponding shareholders' meeting, a copy authenticated by the secretary of the board of directors, of the shareholders' meeting minutes and, if applicable, of the public instrument

evidencing the formal certification of said minutes with a notary public. In regards to capital increases, the stock exchanges shall not require the aforementioned authorization, nevertheless, they must submit to the Ministry, at least fifteen business days in advance to the date the capital increase is to be made, the information of the shareholders mentioned in subsection II of this article, term in which the Ministry may object to the aforementioned capital increase in the event it considers there is an impediment for the individuals or legal entities in question, to be shareholders of the respective stock exchange.

Article 236. - Stock exchanges shall prove to the Commission, at least thirty business days in advance to the start of their activities, compliance with the following requirements:

I. That they have the minimum non-assessable stock.

II. That the directors, the general director, the executive officers immediately below the position of the latter and the examiners, meet the qualifications established in this Law and in other general provisions issued by the Commission.

III. That they have the infrastructure and internal controls required to perform their activities and to provide their services according to applicable provisions.

The Commission may withhold in whole or in part, its authorization for the start of operations when compliance with the provisions of this article has not been proven.

Article 237. - Stock exchanges must have the minimum capital established by the Ministry through general provisions.

The capital stock of stock exchanges shall be exclusively integrated by shares of common stock in which the rights and obligations of their holders are not limited or restricted in any manner whatsoever. The shares shall have the same value and they shall confer the same rights and obligations on their holders.

The mere subscription and payment of shares representing the capital stock shall not grant their holders the right to execute transactions in the stock exchanges and only the members who comply with the requirements set forth in their internal regulations may operate in such stock exchanges.

The shares representing the capital stock of the stock exchanges shall be freely subscribed.

Paragraph amended FOG 01-10-2014

Securities firms, credit institutions, insurance and bonding companies, investment companies, managing companies of investment funds and retirement fund management companies may invest, attributable to their capital, in shares representing the capital stock of stock exchanges. The persons that are owners, directly or indirectly, of ten percent or more of the capital of the entities indicated above, may in no case participate in the capital stock of the stock exchange.

Paragraph amended FOG 01-10-2014

The foreign governments may not directly or indirectly participate in the capital stock of the stock exchanges, except in the following cases:

I. When they do so, due to the prudential measures of temporary nature such as financial aids or rescues.

The securities firms that fall into what is set forth in this subsection must turn the information and documentation that attests to satisfy the foregoing to the Ministry, within the fifteen business days following when they fall in said event. The Ministry shall have a term of ninety business days, counting from when it receives the corresponding information and documentation to resolve if the participation in question is an exception per that set forth in this subsection.

II. When the corresponding participation implies that there shall be control of the securities firms, in terms on article 2, subsection III of this Law, and it is done through official legal entities, such as funds, government promotion entities, among others, with previous discretional authorization of the Ministry, provided that at its judgment, said persons attest that:

a. Do not exercise duties of authority, and

b. Their decision bodies operate independently from the foreign government in question.

III. When the corresponding participation is indirect and does not imply that there shall be control over the stock exchanges, in terms of article 2, subsection III of this Law. The foregoing, without prejudice of the requests for authorization that must be done pursuant to what is established in this Law.

Paragraph with subsection added FOG 01-10-2014

Article 237 Bis.- The stock exchanges shall abstain from carrying out the registration in the registry that articles 128 and 129 of the Business Associations Law refer to, of those transfers of shares that are done against what is set forth by the article above, having to inform such circumstance to the Ministry, within the five business days following the date when they have knowledge of this.

When the acquisitions and other legal acts through which the direct or indirect ownership of the representative shares of the capital stock of a stock exchange are obtained, are done against what is set forth in the article above, the property and corporate rights inherent to the shares corresponding to the stock exchanges shall be suspended and therefore may not be exercised, until it is attested that the authorization or resolution that corresponds has been obtained or the requisites considered by this Law have been fulfilled.

Article added FOG 01-10-2014

Article 238. - Shares representing the capital stock of the stock exchanges must be fully paid in cash upon their subscription. The aforementioned shares shall be kept in deposit in any of the securities depository institutions regulated by this Law, which in no case shall be bound to hand them to their holders, except when their registration in the Registry and, if applicable, their public offering, has been made, as provided in article 266 of this Law.

Whenever the capital stock of the stock exchanges exceeds the minimum, it shall be paid at least in fifty percent, provided that this percentage is not less than the minimum established. In the case of corporations of variable capital, the minimum capital stock shall be composed of shares without right of withdrawal. Under no circumstances may the amount of the variable capital exceed that of the minimum capital.

The stock exchanges upon disclosing their capital stock must reveal at the same time their non-assessable capital.

Article 239. - No individual or entity or group of individuals or entities may acquire directly or indirectly, through one or several transactions of any nature, simultaneous or successive, the control of shares representing the capital stock of any stock exchange in more than ten percent of the total of such shares. The Ministry may exceptionally authorize a higher percentage.

Section II
On management and surveillance

Article 240. - Stock exchanges management shall be entrusted to a board of directors and to a general director, to the extent of their corresponding duties.

Article 241. - The board of directors of stock exchanges shall be composed by a minimum of five and a maximum of fifteen directors, out of which, at least, twenty-five percent must be independent directors, according to the independence requirements set forth in this Law for public corporations. For each regular director the respective alternate director may be appointed, in the understanding that the alternate directors of the independent directors must have the same capacity as the one pertaining to their incumbents.

In no event may individuals having an interest in the capital stock of financial entities or who perform duties in such positions, employments or commission agencies, be independent directors, except in the case of independent directors of any of the aforementioned financial entities.

The shareholders who individually or in the aggregate hold ten percent of the shares representing the capital stock, may appoint a director and an examiner at a shareholders' meeting, and may revoke such appointments, without the percentages set forth in articles 144 and 171 of the Business Associations Law being applicable. Such appointments may only be revoked when the appointment of all other directors or examiners is in turn revoked, in which case they shall not be appointed in such capacity during the next twelve months immediately following such revocation.

Paragraph amended FOG 01-10-2014

Article 242. - The board of directors may establish the committees that it deems necessary for the better performance of the company's duties, but in every case, it must have committees in charge of the admission of members, on issuers' listing, on audit, on standards, on surveillance and on penalties. An independent director must head the audit committee.

Paragraph amended FOG 01-10-2014

Such committees shall be organized and shall operate under the self-regulatory standards established by the stock exchange.

Article 243.- Stock exchanges shall comply, in the relevant parts, with the provisions of articles 26, penultimate and last paragraphs, 121, 123, second paragraph, 124, first, second and penultimate paragraphs, 127 to 129, 131, second paragraph, 132 to 134, 205, 209 to 211 and 218 of this Law. The powers and authority set forth in articles 132 and 134 shall pertain to the Ministry.

The documents and the records concerning the transactions executed in the stock market, as well as the information provided to them by their members or the issuers, must be kept during a term of at least five years.

The Commission may establish through general provisions, the rules to which the stock exchanges shall adjust to in the application of their stockholders' equity.

Section III
On the activities and services

Article 244. - Stock exchanges shall perform the following activities:

I. Those activities established in articles 232 and 255 of this Law, for which they shall develop:

a) Trading operative systems.

b) Systems to disclose information to the public.

c) Follow-up and surveillance systems for the transactions entered into in their trading operative systems, as well as with respect to the compliance with the securities' listing and listing maintenance requirements.

II. Establish facilities, installations and automated mechanisms that facilitate the entering into of transactions in securities by their members, as well as to promote securities trading.

III. List securities for trading in the systems that they establish, at the issuers' request, provided that they meet the requirements set forth in their internal regulations.

IV. Establish a special securities listing named the international quotation system as provided in this Law.

V. To provide and maintain available to the public, information on the securities listed in such stock exchanges and on their issuers, including the information disclosed by them, as well as the transactions executed therein and in the international quotation system.

VI. Certify the quotation of securities, as well as the transactions entered therein.

VII. Set forth the necessary measures so that the transactions that are executed in such stock exchanges comply with applicable provisions.

VIII. Issue self-regulatory rules to regulate their activities and those of their members and supervise compliance with them, for which purpose it may impose disciplinary and corrective measures, as well as establish measures so that the transactions executed therein abide by applicable provisions.

IX. Propose to the authorities the introduction of new products and facilities for securities trading.

X. Execute agreements with other national or foreign stock exchanges which purpose is to facilitate the access to their trading systems.

Subsection added FOG 01-10-2014

XI. To perform any necessary actions for the fulfillment of their corporate purpose.

Subsection moved down FOG 01-10-2014

XII. Any other analogous, related or complementary activities to the ones hereinbefore, that are authorized by the Ministry, through general provisions.

Subsection moved down FOG 01-10-2014

Article 245. - Operative trading systems of stock exchanges must allow their members to participate under equal conditions. For such purposes, such systems must meet the following requirements:

I. To provide access to information on positions, transactions or facts carried out and of the market in general.

II. To identify the parties of the transactions, and the date and time of execution, price, volume and amount of the transactions, class and type of securities and form of settlement.

III. To detect irregularities in the procedures for the receipt of positions and execution of transactions, and avoid the alteration and falsification of the records of the transactions.

IV. To include safety measures for the access to the database they maintain.

V. To ensure continuity in securities trading.

VI. To establish contingency plans to avoid the interruption, alteration, limitation and other actions or facts that prevent securities trading.

VII. To have the necessary mechanisms to maintain the integrity of the securities market.

Additionally, stock exchanges must have automated systems allowing them to safeguard and protect access to the information that they receive concerning the issuers and the content thereof, while such information is not disclosed to the investing public through the stock exchanges.

Stock exchanges must privilege the use of electronic means for which they shall establish reciprocal identification codes replacing the autographic signature, to allow access to the automatic systems.

Article 246. - Stock exchanges may only allow securities firms to trade in such stock exchanges. In any case, such securities firms must comply with the requirements established in the internal regulations of those stock exchanges.

Article 247. - Stock exchanges must issue their internal regulations containing, at least, rules applicable to:

I. The requirements that the securities firms must comply with, to trade with the securities listed in such stock exchanges as well as the events for the suspension or exclusion of such securities firms and of the persons representing them.

II. The rights and obligations of the stock exchange, their members and the issuers listing their securities, as well as the disciplinary and corrective measures applicable in case of non-compliance and the procedure to enforce such measures.

III. The requirements that the attorneys-in-fact of the securities firms must comply with to be authorized to operate in the securities market, in addition to those established in article 193 of this Law.

IV. The listing, maintenance and cancellation requirements of the securities listed in the stock exchange and depending on the type of security in question, the requirements regarding the

financial condition of the issuer and of its shareholders, corporate governance, diversification of the shareholding and other qualifications required for the securities to have a broad circulation, must be provided.

Furthermore, the special trading modalities that, if applicable, the stock exchanges determine for those issuers that do not comply with the maintenance requirements indicated, including parameters that prevent disorderly market conditions or price manipulation.

V. The requirements that must be contained in the progressive adoption programs established in article 19, subsection I, subparagraph c) of this legal statute, as well the procedures to be followed to verify in a periodic manner, the degree of advancement and compliance with such programs, by promoting stock investment corporations.

VI. The terms in which the transactions in securities listed in the stock exchange shall be executed, the manner in which the records shall be carried and the cases in which the suspension of the listing of securities in particular or of the market in the aggregate is admissible.

VII. The operating rules to which the members opting to participate as market makers must comply with.

VIII. The requirements and procedures for the listing of securities in the international quotation system, and those concerning the suspension and cancellation of the system's listing.

IX. The terms in which the transactions in securities shall be executed in the international quotation system, as well as the obligations of those trading in such system.

X. The powers to supervise that the price formation processes are performed in an adequate manner, with transparency and integrity.

XI. The process for the adoption and supervision of self-regulatory rules.

XII. The terms and conditions to send and receive the information that the issuers and securities rating firms must provide to the public.

XIII. The basis for the practice of audits to their members or to the issuers listing their securities in such stock exchanges, with the purpose of verifying the compliance with the obligations to be discharged by them, provided in its internal regulations.

XIV. The measures to ensure the continuity in securities trading, as well as of the contingency plans to avoid the interruption, alteration, limitation and other actions or facts preventing such trading.

The regulations and any amendments thereof must be submitted for the prior authorization of the Commission, who may make observations and amendments when it considers that the regulations do not abide by the provisions of this Law or to sound market practices. The self-regulatory standards shall not require authorization; nevertheless, the Commission shall have veto powers with respect to such standards.

Article 248. - Stock exchanges may suspend the listing of securities for up to a term of twenty business days, in any of the following events:

I. Whenever issuers abstain from providing, in due time and manner, the information that according to the applicable provisions must be disclosed to the market.

II. In order to avoid that disorderly conditions occur or that transactions not in line with sound market practices are entered.

III. Whenever issuers cease to satisfy the listing maintenance requirements or if they fail to comply with the obligations established in their internal regulations.

For such purpose, stock exchanges must notify the issuer and the Commission on the same day, the Commission may order that the suspension be lifted. Such suspension may last more than twenty business days, provided the Commission authorizes it, having previously heard the issuer of the securities in question. Notwithstanding the foregoing, the Commission itself may, having previously granted the right to be heard, order, as a precautionary measure, to uphold the suspension for a term not to exceed forty business days in addition to the twenty business days established in the first paragraph of this article, in order to avoid that disorderly market conditions occur or that transactions which deviate from with sound market practices are carried out.

Stock exchanges may also, upon prior authorization by the Commission, delist securities in the events stated in subsections I and III of this article, in case of serious or reiterated defaults by the issuers. To issue the resolution, the Commission must have previously heard the interested issuer.

Notwithstanding the foregoing, the Commission may order the stock exchanges, in writing or through any other means of communication constituting clear evidence, to suspend the listing of securities, as a precautionary measure, for a term not to exceed sixty business days, to prevent the occurrence of disorderly conditions or when such conditions already exist, or that transactions deviating from sound market practices are entered into or in those cases in which the issuers fail to comply with the obligations imposed on them by this Law, by the general provisions resulting therefrom or by the listing maintenance requirements established in the internal regulations of stock exchanges. For the aforesaid suspension to continue for a longer term, the Commission may grant the right to be heard to the issuer in question, in such event the provisions of the last paragraph of article 107 of this Law shall be applicable.

Article 249. - The fees that the stock exchanges charge for services concerning the listing and maintenance of securities and trading in the market, must be authorized by the Commission, who shall have the power to make observations and to order modifications during the authorization procedure.

Stock exchanges must make available to the public for consultation, in a free and immediate manner, the information that the issuers provide to them in compliance with the provisions set forth in this Law and other general provisions resulting therefrom.

Article 250.- Stock exchanges may invest in shares representing the capital stock of other stock exchanges and in derivatives, securities depository institutions, central counterparties of securities derivatives clearing houses, companies managing systems to facilitate securities trading, price vendors, companies providing complementary or auxiliary services in their administration or in the fulfillment of their purpose, and real estate companies who are owners or administrators of property used for their offices.

The companies indicated in the preceding paragraph shall be subject to the inspection and surveillance of the Commission, when the stock exchanges have control over such companies.

Article 251.- Stock exchanges in order to invest, directly or indirectly, in shares representing the capital stock of domestic or foreign entities of the same type or that perform duties equivalent to those of securities depository institutions or central counterparties of securities, shall require the authorization of the Commission.

Article 252.- The Commission may issue general provisions with respect to the information that the stock exchanges must periodically provide to the financial authorities, for which they may request data, reports, records, minutes books, secondary ledgers, documents, correspondence and in general, the information that it deems necessary in the manner and terms set forth in the aforementioned provisions. Additionally, the Commission may establish general provisions relative to the internal controls, risk management, prevention of conflicts of interest, corporate and auditing practices, transparency and equality in respect to the services offered by the Stock Exchange.

Article amended FOG 01-10-2014

Article 252 Bis.- The stock exchanges shall require the previous authorization of the Commission for the execution of the agreements that subsection X of article 244 of this Law refers to. To grant said authorization, the impact in the liquidity and depth of the Mexican stock exchange and the particularities of the foreign stock exchange in question must be considered, evaluating if the market adheres to the regulatory principles that this law considers for the international markets, and the existence of agreements of exchange of information or the reciprocity of the uses and practices of markets that are compatible with the national one. Additionally, the Commission may establish the requisites that the stock exchanges must comply with to obtain the referred to authorization through general provisions.

In the frame of the agreements that subsection X of article 244 of this Law refers to, the Commission, pursuant with the general provisions issued to the effect, may authorize a public offering of securities issued in markets with which the stock exchanges executed the referred to agreements, is recognized as such on national territory, and therefore registered in the National Registry of Securities.

The general provisions that the paragraph above refers to, shall have the purpose to generate a legal certainty frame in the issuance of the authorizations that the paragraph above refers to, establish the frame of rights and obligations applicable both to the issuers whose public offers are listed and the Mexican stock exchanges that request the respective authorization, and to ensure the adequate fulfillment of the governing principles of the National Registry of Securities, among others.

Article added FOG 01-10-2014

Chapter III
On over-the-counter trading systems

Section I
On companies managing systems to facilitate securities transactions

Article 253. - The authorization of the Commission upon previous approval by its Board of Governors shall be required to be organized and to operate as a systems managing company to facilitate securities transactions. Such authorization shall be granted to corporations organized in accordance with the general provisions contained in this legal statute and, in everything not established hereunder, according to the provisions of the Business Associations Law. Due to their nature, these authorizations shall be non-transferable.

Article 254. – Applications for authorization to be organized and to operate as a company managing systems to facilitate securities transactions shall include attached thereto the following documents:

I. Draft of the bylaws of a corporation.

II. List and information of the shareholders, as well as of the prospective directors, general director and main executive officers of the company.

III. General operating plan that includes the minimum elements determined by the Commission through general provisions.

Subsection amended FOG 01-10-2014

IV. The conduct manual that includes the policies for the solution of possible conflicts of interest when carrying out its activities. The cited manuals must contain the norms determined to the effect by the Commission through general provisions.

Subsection added FOG 01-10-2014

V. Means that shall be used to release quotations with the purpose of channeling petitions or orders to execute securities transactions, and the procedures for the assignment of orders and the execution of transactions.

Subsection moved down FOG 01-10-2014

VI. Any other documents and information that the Commission requires through general provisions, upon previous approval by its Board of Governors, in respect to the preceding subsections.

Subsection moved down FOG 01-10-2014

Companies managing systems to facilitate securities transactions shall notify the Commission on the amendments made to the documents indicated in this article, within ten business days following the date when they are carried out. The Commission may object the aforesaid amendments, within twenty business days following the date when such notice is received, if such amendments do not abide by or if they contravene the provisions of this legal statute and any other applicable provisions. In any case, the changes

done to the referred to documentation shall become effective until the twenty business day term indicated above has concluded.

Paragraph amended FOG 01-10-2014

Article 255. - Companies managing systems to facilitate securities transactions shall carry out the following activities:

I. To release quotations with the purpose of directing requests or orders to execute transactions with securities, derivatives and other financial assets, through the use of automated or communication equipment.

II. To provide information regarding the quotations of securities, derivatives and financial assets, with respect to which they provide their services.

III. To provide services through communication systems or equipment related to the release of quotations to execute transactions.

IV. Any other activities provided in their bylaws.

Any transactions with securities executed through the systems indicated in this article shall be deemed executed outside the stock exchange.

Article 256. - The transfer of information carried out by the companies managing systems to facilitate securities transactions to a price vendor, shall be provided in identical form and with the same timeliness, cost and delivery means, to any other price vendor requesting it.

Article 257.- The companies managing systems to facilitate securities transactions may only grant the services that subsection I and III of article 255 of this Law refer to, to credit institutions, securities firms, and other institutional investors, national or foreign. Additionally, in terms of transactions with derivative financial instruments and with currencies, services may be provided to foreign financial entities of the same kind as those indicated.

In any case, the companies managing systems to facilitate securities transactions must ensure that the transactions that the persons mentioned in the paragraph above do through their systems, always have a credit institution or securities firm as counterparty.

The financial entities indicated in the paragraph above, may exclusively operate on their own in the referred to companies managing systems to facilitate securities transactions. In cases of retirement fund management companies and managing companies of investment funds, it shall be understood that they operate on their own when they do transactions in the name of investment corporations that they manage.

The supply of information activities referred to in subsection II of article 255 of this Law may be provided to any person.

Article amended FOG 01-10-2014

Article 258. - Companies managing systems to facilitate securities transactions shall be forbidden to act as counterparties of any of their users in the transactions that they channel through their systems.

Article 259. - The Commission, upon previous approval by its Board of Governors, shall authorize the merger or the split-off of the companies administering systems to facilitate securities transactions, as provided in articles 132 to 134 of this Law.

The Commission may issue general provisions regarding the information that the companies managing systems to facilitate securities transactions must submit to it in a continuous and periodical manner.

The Commission may establish prudential norms aimed at preserving the quality of the activities and services of the companies managing systems to facilitate securities transactions in matters of internal controls, segregation of duties, prevention of conflicts of interest, corporate and auditing practices, transparency and equality in the activities and services, for the protection of the general market.

Paragraph added FOG 01-10-2014

Section II
On over-the-counter trading systems with shares not registered in the Registry

Article 260. - The private offering, promotion, marketing and trading of shares not registered in the Registry, representing the capital stock of legal entities, through centralized information systems that facilitate the execution of such activities, may be performed by any individual or legal entity without requiring authorization from financial authorities, provided that only institutional and qualified investors participate in such systems and in the trading of shares. Notwithstanding the foregoing, the individuals or legal entities making the offering must notify the Commission, for statistical purposes, the terms and conditions of the offering, within ten business days after the offering has been made, and must also provide the relevant information to those who are interested in participating.

The offering, promotion, marketing and trading of the aforementioned shares may be carried out without the intervention of stock exchange intermediaries. Securities firms and credit institutions may offer mediation, deposit and administration service on such shares, but they may never participate on account of third parties, in the execution of the transactions.

Securities firms may provide the centralized information systems for the offering and trading of shares as provided in this article.

Article 261. – Any persons who develop systems for private offering and trading of shares, according to the provisions of article 260 of this Law, shall not be subject to the supervision of the Commission, except in the case of financial entities.

Chapter IV
On international markets

Article 262. - Stock exchanges may establish a special listing of securities that shall be denominated the international quotation system. Additionally, they may establish agreements with the purpose of facilitating the access to their trading systems with other national or foreign securities firms.

Paragraph amended FOG 01-10-2014

Securities trading in the aforesaid system may only be carried out by securities firms and by credit institutions.

In cases of agreements to facilitate the access to the trading systems, the Commission, through general provisions, shall regulate the form in which the securities that are covered in said agreement are to be traded, as well as the events to suspend the access to the cited systems, or of the participants, or to revoke the respective authorization. Only the securities firms may participate in said systems; the securities may not be traded outside of such systems and the transactions shall be considered as executed in the exchange.

Paragraph added FOG 01-10-2014

Article 263. – To be listed in the international quotation system, foreign securities must meet the following requirements:

I. Those not registered in the Registry.

II. That the issuers and the source market of such instruments or the instruments receive, according to their characteristics, the acknowledgments established by the Commission through general provisions.

Subsection amended FOG 01-10-2014

III. Those satisfying the requirements established in the respective stock exchange's internal regulations.

General provisions issued by the Commission under subsection II of this article, must consider, among other aspects, the direct participation of securities firms and credit institutions in securities listing procedures and, if applicable, the ones corresponding to issuers so that their securities may be listed in the international quotation system; the obligation to disclose to the investing public, at the same time, the

same information that the issuer of instruments provides in the source markets; the entering into agreements between the stock exchanges that ensure the disclosure of the information under the aforesaid conditions; the subscription of assistance and exchange of information agreements among the regulatory authorities, and the international practices that are compatible with the legal provisions of such country.

Article 264. - The transactions on securities representing the capital stock of a legal entity, their equivalents or those referenced to such securities, listed in the international quotation system, shall be deemed to have been executed on the stock market.

Amendment FOG 01-10-2014: Second paragraph of the article is repealed

Chapter V
Common provisions

Article 265. - Stock exchanges are prohibited from acting as counterparty of their members, in the transactions that are channeled through their trading systems.

Article 266. - Stock exchanges and the companies managing systems to facilitate securities transactions may request the registration in the Registry and, if applicable, the public offering of the shares representing their capital stock, provided that they abide by the provisions for public corporations.

Article 267.- The stock exchanges and the companies managing systems to facilitate securities transactions must keep during a term of five years, the written, automated or voice records regarding the transactions that are executed through their trading systems, identifying the parties, class or series, the number, volume, price and type of transaction and, if applicable, the form of payment.

Chapter VI
On revocation and on dissolution and liquidation

Article 268.- The Ministry, at the Commission's proposal, or otherwise, having heard its opinion and having previously granted the right to be heard, may revoke the concession to operate as a stock exchange, whenever any of the events set forth in article 269 of this Law occurs.

In the case of companies managing systems to facilitate securities transactions, the revocation of the relevant authorizations shall correspond to the Commission, whenever any of the events established in aforesaid article 269 occurs.

Article 269.- The Ministry or the Commission, as the case may be, may revoke the concession or the authorization to operate as stock exchange or as a company managing systems to facilitate securities transactions, when:

I. They fail to incorporate or they fail to submit the data regarding their registration with the Public Registry of Commerce, within the term of one hundred and eighty calendar days as of the date when the notice of the concession or the authorization has been served, as the case may be.

II. They have not paid the minimum capital at the time of incorporation, in the case of stock exchanges.

III. They have not started operations within a six-month term from the date of registration in the Public Registry of Commerce.

IV. They cease to perform their corporate purpose during a term of six months.

V. They enter into a dissolution or liquidation process.

VI. They are declared in bankruptcy by judicial authorities.

VII. They commit serious or reiterated infractions to the legal or administrative provisions applicable to them.

Article 270. - Dissolution and liquidation, as well as business reorganization of stock exchanges, shall be ruled by the provisions of the Business Associations Law and by the Business Reorganization Law, except for the following:

I. The positions of liquidator, conciliator or receiver, shall correspond to the person authorized for such purpose by the Ministry.

II. The Ministry may request the declaration of business reorganization.

Title X
On the deposit, settlement and off-setting of securities

Article 271. - The centralized service of deposit, custody, management, off-setting, settlement and transfer of securities is considered a public service and may only be carried out by securities depository institutions and by the Banco de México. The off-setting service may additionally be provided by central counterparties of securities, in accordance with the provisions of Chapter II of this Title.

Chapter I
On securities depository institutions

Section I
On the organization

Article 272. - A concession of the Federal Government shall be required to be organized and to operate as a securities depository institution, which shall be discretionally granted by the Ministry, hearing the opinion of the Commission and of the Banco de México, to corporations organized in accordance with the special provisions contained in this legal statute and, in everything not established hereunder, according to the provisions of the Business Associations Law.

The concessions granted for such purpose, and any amendments thereto, shall be published in the Federal Official Gazette at the expense of the interested party.

Article 273. - The concessions applications to be organized and to operate as a securities depository institution, shall attach thereto the following documents:

I. Draft of the bylaws of a corporation providing the following:

a) The corporate name shall contain the expression in Spanish "*institución para el depósito de valores*"

b) The term of the corporation shall be indefinite.

c) The domicile shall be located within Mexican territory.

d) The corporate purpose shall be to act as a securities depository institution.

II. List and information of the shareholders, indicating the amount of capital stock that they shall subscribe and the origin of the funds stated by such shareholders, and of the potential directors, general director and main executive officers of the corporation.

III. General operation plan of the corporation that includes, at least, the following aspects:

a) Indication of the securities with respect to which it intends to provide its services.

b) Mechanisms and systems that shall be used for the deposit, custody, administration, off-setting, settlement and transfer of securities.

c) Measures that shall be adopted to allow for the exercise of the rights inherent to the securities subject to deposit.

d) Draft of internal regulations covering at least the aspects indicated in this Law, and the respective manuals.

IV. Proof of the bank deposit in Mexican currency or, as the case may be, of government securities at their market price deposited in financial entities in favor of the Federal Treasury, in an amount equal to ten percent of the minimum capital stock that the company must have.

The principal amount and, as the case may be, the additional amounts of the aforementioned deposit shall be refunded to the petitioner in the event of withdrawal of the application, and also in the event the petition is denied, or on the date when it starts operations in terms of this Law. In case such authorization is revoked according to the provisions of article 299, subsections I to III, of this Law, the amount of the deposit shall be charged.

V. The policies and guidelines that shall be applied so that the depositors comply with the provisions of its internal regulations.

VI. Any other documents and information required by the Ministry through general provisions, regarding the preceding subsections.

The bylaws of securities depository institutions, as well as the amendments thereof, shall be approved by the Ministry. Once the approval has been obtained the relevant registration with the Public Registry of Commerce may be done. In any case, the aforementioned institutions shall provide the Ministry, within ten business days following the corresponding shareholders' meeting, an authenticated copy by the secretary of the board of directors of the minutes of the shareholders' meeting and, as the case may be, of the public instrument certifying said minutes. In regards to capital increases, securities depository institutions shall not require the aforementioned authorization, nevertheless they must submit to the Ministry, at least fifteen business days in advance to the day the capital increase is intended to take place, the information of the shareholders mentioned in subsection II of this article, term in which the Ministry may object the aforementioned capital increase in the event it considers that there exists an impediment for the individuals or legal entities in question to be shareholders of the respective securities depository institutions.

Article 274. - Securities depository institutions must have the minimum capital stock established by the Ministry through general provisions.

The capital stock of the securities depository institutions shall be integrated exclusively by shares of common stock in which the rights and obligations of their holders are not limited or restricted in any manner whatsoever. The shares shall have equal value and shall confer the same rights and obligations on their holders.

Article 275.- Shares representing the capital stock of securities depository institutions may only be acquired by the Banco de México, securities firms, credit institutions, retirement fund management companies, investment companies, managing companies of investment funds, investment fund stock distribution companies and entities acting with the aforesaid capacity, insurance and bonding companies, holding companies of financial groups, stock exchanges, central counterparties of securities, and other persons authorized by the Ministry.

No individual or entity or group of individuals or entities may directly or indirectly acquire, through one or several transactions of any nature, simultaneous or successive, shares representing ten percent or more of a securities depositary institution. The Ministry may exceptionally authorize a higher percentage.

Paragraph amended FOG 01-10-2014

The shares representing the capital stock must be kept deposited in the institution.

The transfer of shares may only be made by a person meeting the requirements to be shareholder as established in this article. Whenever by reason of any circumstance a shareholder ceases to satisfy the requirements established for such purpose in this Law, said shareholder must leave the corporation in terms of applicable provisions. If such separation causes a decrease in the minimum capital, the rest of the shareholders shall contribute proportionally the amount necessary to build up again such capital.

Section II
On management

Article 276. - Management of securities depository institutions shall be entrusted to a board of directors and to a general director, within the scope of their corresponding duties.

Article 277.- The board of directors of securities depository institutions shall be composed with a minimum of five and a maximum of fifteen directors, of which, at least, twenty-five percent must be independent directors, pursuant to the independence requirements set forth for public corporations. For each incumbent director the respective alternate director may be appointed, on the understanding that the alternate directors of the independent directors must meet the same qualifications as their incumbents.

The board shall have a representative of the Banco de México, and of a person representing the development banks appointed by the Ministry, whenever the Banco de México or any of the development banks are shareholders of the securities depository institutions in question, in which case the representatives of both the Banco de México and the development bank, shall be independent.

In no event may any persons holding an interest in the capital stock of financial entities or who hold positions, employments or commission agencies in such entities be independent directors, except in the case of independent directors of any of the aforementioned financial entities.

Article 278. - The board of directors may establish the committees that it deems necessary for the better performance of the company's duties, but in any case, it must have at least a committee in charge of audit duties, that shall be presided by an independent director.

Article 279.- Securities depository institutions shall comply, in the corresponding issues, with the provisions of articles 26, penultimate and last paragraphs, 121, 123, second paragraph, 124, first, second and penultimate paragraphs, 127 to 129, 131, second paragraph, 132 to 134, 205, 206, 209 to 211 and 218, 236, 241 last paragraph and 243, second paragraph, of this Law. The powers and authority set forth in articles 132 and 134 shall pertain to the Ministry.

The Commission may establish, through general provisions, the rules to which securities depository institutions shall be subject in the application of their stockholders' equity.

The Commission may issue general provisions in respect to the information that must be periodically provided by the securities depositary institutions to the financial authorities, for which it may request data, reports, registrations, minutes books, ancillary ledgers, documents, correspondence, and in general, the information that it deems necessary in the form and terms indicated in the cited provisions. Additionally, the Commission may establish general provisions relative to the internal controls, risk management, prevention of conflicts of interest, corporate and auditing practices, transparency, and equality in respect to the services that are offered by the securities depositary institutions.

Paragraph added FOG 01-10-2014

Section III
On the activities and services

Article 280. - Securities depository institutions shall perform the following activities:

I. To provide deposit, custody, management, off-setting, settlement and transfer of securities services for securities registered in the Registry, in favor of:

a) Domestic or foreign financial entities.

b) Any other persons that meet the qualifications established by the Commission through general provisions.

II. To provide deposit, custody, management, off-setting, settlement and transfer of securities services and to render other services inherent to their own duties in favor of financial entities, domestic or foreign credit institutions or foreign security depository institutions, and to receive such services from the respective entities, abiding by the general provisions issued by the Commission.

III. To deliver the securities that they keep in deposit, through book-entries that they perform for

their depositors by virtue of the transactions executed on such securities or according to the instructions received from such depositors and to evidence through the relevant entries on the account the pecuniary rights of the depositors.

IV. To provide off-setting and settlement services on securities transactions executed by their depositors, without acting as counterparty in such transactions.

V. To operate trading systems so that their depositors enter into securities lending transactions, in which case the provisions of article 258 of this Law shall apply.

VI. To intervene in transactions whereby a securities pledge is created on the securities that are deposited with them, without any liability in the eventual seizure and sale of the pledge, unless such institutions act in a negligent manner or contravening the depositor's instructions.

VII. To keep the registry of shares representing the capital stock of corporations and make the relevant entries under the terms and for the purposes established in articles 128 and 129 of the Business Associations Law.

VIII. To issue certifications of the actions that they perform in the exercise of the duties entrusted to them.

IX. To manage the securities delivered to them in deposit, at the request of the depositor, in which case only the pecuniary rights arising therefrom may be exercised. In the case of depositors with foreign addresses, the securities depository institutions may exercise the corporate rights inherent to the securities, provided that, in each case, they receive a written instruction as to the manner in which they shall comply with such representation.

X. To carry out any necessary actions for the fulfillment of their corporate purpose.

XI. Draft and publish statistics with the information obtained by the provision of its services or activities, as well as carry out and release studies regarding such information. The foregoing, provided that the corresponding information does not contain reserved or confidential information.

Subsection added FOG 01-10-2014

XII. Any other analogous, related or complementary actions to the ones hereinbefore, which are authorized by the Ministry, through general provisions.

Subsection moved down FOG 01-10-2014

Article 281. - Securities depository institutions may invest in the capital stock of domestic or foreign companies that provide complementary or auxiliary services to the ones which constitute their corporate purposes, and in central counterparties of securities, provided that they are authorized by the Ministry, after hearing the opinion of the Commission and of the Banco de México.

The companies mentioned in the preceding paragraph shall be subject to the inspection and surveillance of the Commission, when the securities depository institutions control such companies.

Article 282.- The securities that are the object of deposit in securities depositary institutions, may be represented in multiple certificates or only in one certificate that covers part or all of the securities that are issued and deposited. Such certificates may be issued electronically in the form of data message with advanced electronic signature in accordance with what is established in the Commercial Code and pursuant to the general provisions issued by the Banco de México, that includes, among other aspects, the certificates that may be issued using electronic means, as well as the specific and safety characteristics that must be met for such effect. The certificates that are issued through printed means, may be substituted electronically in the terms of the present paragraph pursuant to the general provisions issued by the Banco de México.

Paragraph amended FOG 01-10-2014

In the case of registered securities, the certificates representing them shall be issued with the indication that they have been deposited in the securities depository institution in question, without being required to indicate in such document the name, address, or the nationality of the holders. The aforesaid indication shall produce the same effects of the endorsement for management purposes established in article 283 of this Law.

Furthermore, whenever the issuer so stipulates it, certificates may be issued with no attached coupons. In this case, the certificates issued by the aforesaid institution shall be equivalent to such coupons for all legal purposes.

The issuers shall be obliged to issue and to exchange the necessary certificates, as the case maybe, with the respective coupons, whenever it is so required by the securities depository institution, to deal with the requests for the withdrawal of securities deposited therein.

The securities depository institutions may act as attorneys-in-fact of the issuers in order to carry out the acts set forth in the preceding paragraph.

Article 283. - The depository service set forth in this Chapter shall consist in the delivery of the securities to the securities depository institution, which shall open accounts in favor of the depositors. Additionally, in terms of the service of deposit of securities that are recorded in electronic, optic, or any other technological means, the reception of the same shall be done adhering to the provisions contained in the Commercial Code.

Paragraph amended FOG 01-10-2014

Once the deposit has been completed, the transfer of the deposited securities shall be made through entries in the records of the depository institution without requiring the actual delivery of the securities or their annotation in such records or, as the case maybe, in their issuers' records.

In the case of registered securities, the certificates representing such securities must be endorsed for management purposes to the securities depository institution. The only purpose of this type of endorsement shall be to justify the holding of the securities, the exercise of the duties that this Chapter confers to the securities depository institutions and to legitimize such institutions to make the endorsement provided in the last paragraph of this article, without creating any rights in their favor, other to than those expressly provided therein.

The personal exemptions available to the obligor before the transfer against the author thereof, may not be opposed to the purchaser of registered securities through the procedure established in this article.

Whenever the registered securities cease from being deposited in the securities depository institutions, the effects of the endorsement for management purposes shall cease, and the securities depository institution is obliged to endorse them, without any liability, to the depositor requesting their return, such securities hall be subject to the general regime established in mercantile laws and other applicable laws.

Article 284. -The deposits constituted by the depositors shall always be made in their name, indicating, as the case may be, which are made on their own account and which are made on behalf of third parties.

Article 285. - The depositor shall be responsible for the existence, authenticity and integrity of the securities subject to deposit and for the validity of the transactions involving them; therefore, securities depository institutions shall not be responsible for the deficiencies, legitimacy or nullity of the securities or transactions.

Article 286. - Securities depository institutions shall be responsible for the custody and due preservation of the securities, and shall have the powers and duty to keep them in their facilities, at any credit institution, or otherwise, at the Banco de México, in addition to the provisions of article 280, subsection II, of this Law.

Article 287. - Securities depository institutions shall restitute to the depositors, certificates of the same face value, kind and class as those which are subject to the deposit.

Article 288.- Securities depository institutions shall comply with the following requirements to timely exercise the pecuniary rights arising from the securities they keep in deposit:

I. Whenever an issuer decides the payment of dividends, interests or other compensations or the redemption of the securities, it must report to the securities depository institutions in writing, on the next business day after the respective meeting has been held or the relevant resolution has been adopted, the rights that the holders of securities may exercise, indicating the certificates or coupons against which they shall exercise such rights, as well as the terms for their exercise,

which must also be reported, at least five business days before the date when said term for the exercise of the aforesaid rights begins.

The issuer must comply with its obligations arising from the exercise of the aforementioned pecuniary rights, to the securities depository institutions, on the day such obligations become due. The securities depository institutions shall recognize such rights to their depositors, on the next business day following the day of their enforcement.

In the event of failure to deliver the securities, or in the case of shares, of failure to replace the provisional certificates with the final stock certificates upon the lapsing of the legal term established for such purposes, the securities depository institutions shall report such event to the Commission.

II. Whenever, the exercise of the rights mentioned in the preceding subsection, requires holders of securities kept by the securities depository institutions, to contribute funds in cash, such funds shall be delivered at least two business days before the maturity date of the term established by the issuer to exercise said right. If the respective transfers of funds are not made within the aforementioned term, the securities depository institutions shall not be obliged to exercise the corresponding rights, and consequently shall not be liable for not executing the aforesaid management actions.

Article 289.- Securities depository institutions, to exercise the pecuniary rights established in article 288 of this Law, shall issue a certification of the certificates or coupons that they have in their possession, provided they deliver such certificate to the issuer within sixty calendar days after the date of performance by such issuer, except for the provisions in article 282, fourth paragraph of this Law, in which case the certificates shall include the necessary data to identify the rights that must be exercised.

Article 290. - Securities depository institutions shall issue the depositors, non-negotiable certificates of the securities deposited, which, supplemented with, as the case may be, the list of titleholders of such securities that the depositors themselves prepare to such end, shall respectively be used to:

I. Evidence the legal title on the securities and the right to attend the meetings and, in the case of shares, to require their registration in the registry mentioned in articles 128 and 129 of the Business Associations Law.

The requirements set forth in articles 128, subsection I, and 129 of the Business Associations Law shall not be enforceable with respect to companies whose shares are not deposited in a securities depository institutions. Notwithstanding the foregoing, in the case of shares granting other rights the corresponding series or class shall be written down.

During the term starting from the date when the certificates mentioned in this subsection are issued, and until the next business day after the respective meeting has been held, the depositors may not withdraw the securities covered by the aforesaid certificates.

II. To legitimize the exercise of rights granted by such securities, including those of a procedural nature in a legal proceeding, required to exhibit the aforesaid securities.

The persons intending to summon to shareholders' meeting or a securities' holders meeting in terms of this Law, of the bylaws, the prospectus or the corresponding certificate, must provide the securities depository institutions a copy of the notice of the meeting at the latest on the previous day to the date of its publication. Additionally, they shall report to the securities depository institutions of such meeting at least five business days in advance to the closing of their attendance registration. Before holding any meeting and in order to update the corresponding registrations, the depositors shall be obliged to provide to the person summoning the meeting, the list of the titleholders of the relevant securities.

The certificates must expressly state the type and amount of the securities that such certificates represent for the issuer.

Article 291.- The certifications made by the general director or the executive officers of the securities depository institutions, who are empowered for such purpose, with respect to the rights arising from records concerning the services such institutions provide to the depositors, shall be ready for execution, provided that that they are accompanied with the documents in which the origin of the acts that gave rise to them is evidenced, and are also certified by the aforementioned persons.

Article 292. - Securities depository institutions, upon a court request or upon the request of an arbitrator appointed by the parties, shall open special accounts with respect to the securities deposited which are subject to litigation and they shall freeze the relevant certificates by not recording any transaction on them until the final judgment or the arbitration award which puts an end to the dispute has been served on them. The foregoing, notwithstanding the exercise of the corporate rights that the securities depository institution may exercise, pursuant to the provisions of this Law, arising from the endorsement for management purposes made in its favor.

Article 293.- The securities depository institutions, at the request of their depositors, shall update the certificates indicated in article 290 of this Law issued prior to the holding of the relevant meeting, provided that it is so requested no later than on the previous business day before the date to hold such meeting.

The individual who chairs the meeting shall be obliged to adjust the stock ledger book and to grant the right to participate in the relevant meeting to anyone who proves to have the corresponding certificates to such end.

The securities depository institutions, upon substituting the certificates in question, shall serve notice of such act to whoever is summoning the meeting, as well as to the relevant depositors of securities, on the same day of such substitution, issuing therefore a new certificate, without any liability for such institutions.

Article 294. - The securities depository institutions shall prepare their internal regulations, providing for, at least, rules applicable to:

I. The deposit of securities or the deposit of securities for management purposes which imply the delivery, as well as the procedures for their delivery and return, or otherwise, for the preparation of deposit certificates.

II. The procedures for determining the nomenclatures of the securities on which they provide deposit and settlement services.

III. The procedures to be followed for the book-entry, off-setting and settlement of transactions performed with respect to the securities subject matter of deposit.

IV. Procedures for the exercise and, as the case may be, the payment of pecuniary rights with respect to the securities deposited.

V. The rights and obligations of the depositors, and the agreements entered into by such depositors.

VI. The modalities for the rendering of the services.

VII. The procedures applicable in the event of default of transactions with deposited securities, entered into by the depositors.

VIII. Liquidated damages in the event of default

Internal regulations and any amendments thereof must be submitted for the prior authorization of the Commission and of the Banco de México, who may make observations and amendments when they consider that the regulations do not comply with the provisions of this Law or with sound market practices.

Section IV
Other provisions

Article 295.- The securities depository institutions may not provide under any circumstances, news or information on the deposits and other transactions or services that they perform or in which they intervene, except to the depositor, its legal representatives or whoever shall have been granted powers to dispose of the account or to intervene in the operation or service thereof, except when such information is requested by the judicial authorities by means of an order issued in a court proceeding to which the holder is a party or the defendant and by the federal tax authorities, through the Commission, for tax purposes.

The employees and officers of securities depository institutions, in terms of the applicable provisions, due to the infringement of the duty of confidentiality established and the securities depository institutions shall be obliged, in the event of disclosure of confidential information, to indemnify any damages and lost profits caused.

The provisions of this article shall not affect in any manner whatsoever the obligation of the securities depository institutions to provide the Commission, with all kinds of information and documents that, in exercise of its supervisory duties, such Commission requests with respect to the transactions that they execute and the services that they provide, or otherwise, to respond to requests of foreign financial authorities, abiding by the provisions of article 358 hereunder. Additionally, what is indicated in this article does not affect the obligation of the securities depositary institutions to provide the Banco de México, the information that it requests, including that related to the holding of securities that their depositors have on their own or of third parties, pursuant to what is set forth in article 350 of this Law and the other applicable legal provisions.

Paragraph amended FOG 01-10-2014

Article 296. - Securities depository institutions shall send their depositors, within the first five business days after the monthly cutoff, a statement of account that includes in detail the movements registered during the period since the last cycle cutoff date.

The depositors may object in writing or through any other means agreed with the securities depository institution in question, the entries that appear in the statement of account, within the next sixty business days following the date of receipt. It shall be deemed, that the content of the statements of account has been accepted, when the depositors make no objections during the aforesaid established term.

Article 297. - The fees that the securities depository institutions charge for their services shall be authorized by the Commission, which shall have the power to make observations and to order modifications.

Section V
On the revocation and on the dissolution and liquidation

Article 298. - The Ministry, at the proposal of the Commission or of the Banco de México, or otherwise, having heard the opinion of such authorities and with the prior right to a hearing, may revoke the concession to operate as a securities depository institution, whenever any of the events set forth in article 299 of this Law occurs.

Article 299. - The Ministry may revoke the concession to operate as a securities depository institution when such institution:

I. Is not incorporated or fails to submit the information regarding its registration with the Public Registry of Commerce, within a term of one hundred and eighty calendar days, as of the date when the notice of the concession has been served.

II. Shall have failed to pay the minimum capital stock at the time of incorporation.

III. Fails to start operations within a term of six months as of the registration with the Public Registry of Commerce.

IV. Fails to comply with the obligations derived from the agreements entered into with the users of its services in a reiterated manner and due to causes imputable to such institution.

V. Fails to fulfill its corporate purpose during a term of six months.

VI. Enters into a dissolution or liquidation process.

VII. Is declared in bankruptcy by the judicial authorities.

VIII. Commits serious or reiterated infractions to the legal or administrative provisions applicable to such institution.

Article 300. - The dissolution and liquidation, and business reorganization of securities depository institutions, shall be governed by the provisions of the Business Associations Law and by the Business Reorganization Law, except in regards to the following:

I. The positions as liquidator, receiver or bankruptcy trustee, shall correspond to the person authorized to such effect by the Ministry.

II. The Ministry may request the declaration of business reorganization.

Chapter II
On central counterparties of securities

Section I
On the organization

Article 301.- The activities which purpose is to reduce the risks of default of the obligations to be discharged by stock exchange intermediaries, assuming the character of reciprocal creditor and debtor of the rights and obligations arising from the transactions with securities previously entered into on their own account or on behalf of third parties among such intermediaries, through novation, shall be considered a public service and may only be performed by central counterparties of securities.

A concession of the Federal Government is required in order to be organized and to operate as a central counterparty of securities, which shall be granted discretionally by the Ministry, hearing the prior opinion of the Commission and of the Banco de México, to the corporations organized in accordance with the special provisions contained in this legal statute and, in everything not established hereunder, with the provisions of the Business Associations Law.

The concessions granted for such purposes, as well as any amendments thereto, shall be published in the Federal Official Gazette at the expense of the interested party.

Article 302. - The concession applications to be organized and to operate as central counterparty of securities, shall attach thereto the following items:

I. Draft of the bylaws of a corporation in which the following shall be provided:

a) The corporate name shall include the expression "central counterparty of securities".

b) The term of the corporation shall be indefinite.

c) The domicile shall be located within Mexican territory.

d) The corporate purpose shall be to act as central counterparty of securities.

II. List and information of the shareholders, indicating the amount of capital stock that they shall subscribe and the origin of the funds declared by them, as well as the prospective directors, general director and main executive officers of the corporation and members of the collegiate bodies referred to in article 306 of this Law.

III. General operating plan of the corporation including, at least, the following issues:

a) The indication of the type of transactions with respect to which it intends to act as central counterparty of securities.

b) The system and risk management mechanisms to limit and reduce the exposure of the central counterparty of securities before the participants, manner how the aforesaid counterparty shall have access to sufficient funds to promptly comply with its obligations and the operational, prudential and self-regulatory rules that shall be implemented. Such system shall have as purpose to ensure the compliance of the obligations derived from the transactions in which the central counterparty of securities acts as reciprocal creditor and debtor.

c) The measures that it shall adopt for the operational and financial supervision of the stock exchange intermediaries who are its partners and for whom it shall act as reciprocal creditor and debtor.

d) The draft of the bylaws meeting at least the requirements set forth in this Law.

IV. Proof of the bank deposit in Mexican currency or, as the case may be, of government securities in their market value deposited with financial entities in favor of the Federal Treasury, in an amount equal to ten percent of the minimum capital stock that the corporation must have.

The principal amount and, as the case may be, the ancillaries of the aforementioned deposit shall be refunded to the petitioner in the event of abandonment of the petition, and in the event that the petition is denied or when operations have begun in terms of this Law. In the event that the concession is revoked under the provisions of article 320, subsections I to III of this Law, the amount of the deposit and of the ancillaries shall be charged.

V. The policies and guidelines with respect to the funds that it shall receive from its reciprocal creditors and debtors in order to ensure the compliance with their obligations, as well as the investment program for such funds and the procedure for its application.

VI. Any other documents and information required, through general provisions, by the Ministry, with respect to the preceding subsections.

The bylaws of the central counterparties of securities, as well as the amendments thereof, must be approved by the Ministry. Once the approval has been obtained the relevant registration with Public Registry of Commerce may be done. In any case, the aforementioned institutions shall provide the Ministry, within ten business days following the holding of the corresponding shareholders' meeting, an authenticated copy by the secretary of the board of directors of the minutes of the shareholders' meeting and, as the case may be, of the public deed containing the formalization of said minutes. In regard to capital increases, the securities market counterparties shall not require the aforementioned authorization, nevertheless they must submit to the Ministry, at least fifteen business days in advance to the day the capital increase is intended to be performed, the information of the shareholders mentioned in subsection II of this article, term in which the Ministry may object the aforementioned capital increase in the event that it considers that there exists an impediment for the individuals or legal entities in question to be shareholders of the relevant central counterparty of securities.

Article 303. - The central counterparties of securities must have the minimum capital stock established by the Ministry through general provisions.

Shares of common stock representing the capital stock of the central counterparties of securities may only be acquired by stock exchanges, securities depository institutions, securities firms, credit institutions or by the individuals or legal entities authorized by the Ministry.

The shares representing the capital stock of which the securities firms and the credit institutions are titleholders, shall be encumbered as collateral on property and preferential in order to ensure the prompt and timely payment of the obligations that such entities owe the company, to such end they shall be deposited under such character in a securities depository institution. The foregoing, being applicable without the provisions of article 139 of the Business Associations Law.

In the event of the enforcement of the collateral indicated in the preceding paragraph becomes necessary, the board of directors of the central counterparty of securities shall proceed to cancel the corresponding shares, which shall be kept in the treasury and the corresponding funds shall be used to pay the obligations that the partner has with the corporation for up to the value of the shares. The foregoing, without the provisions of article 134 of the Business Associations Law being applicable.

Whenever the share cancelled represents the minimum fixed portion of the capital stock, the board of directors cancelling such share shall summon a general extraordinary shareholders' meeting, in order that such meeting, within a term not to exceed six months as of the date of cancellation, agrees on the respective amendment to the internal regulations.

Article 304. - No individual or entity or group of individuals or entities may acquire directly or indirectly, through one or several transactions of any nature, simultaneous or successive, shares representing ten percent or more of the capital stock of any central counterparty of securities. The Ministry may exceptionally authorize a higher percentage.

Section II
On management

Article 305. - Management of the central counterparties of securities shall be entrusted to a board of directors and to a general director, to the extent of their corresponding duties.

The board of directors shall be composed by a minimum of five and a maximum of fifteen directors out of which, at least, twenty-five percent shall be independent directors, pursuant to the independence requirements set forth for public corporations. For each regular director an alternate director shall be appointed, in the understanding that the alternate directors of the independent directors shall have the same capacity.

In no event may individuals having an interest in the capital stock of financial entities or who perform duties in such positions, employments or commission agencies be independent directors, except in the case of independent directors of any of the aforementioned financial entities.

Article 306. - The board of directors of the central counterparties of securities must have at least three collegiate bodies that shall be respectively in charge of the performance of the following duties:

I. The first one shall determine and apply the risks management system and it shall issue operative, prudential and self-regulatory rules applicable to the corporation and to their reciprocal creditors and debtors.

II. The second one shall oversee the compliance with the rules mentioned in the preceding subsection.

III. The third one shall apply the disciplinary measures for the non-compliance with the rules mentioned in subsection I of this article.

Section III
On the activities and services

Article 307. - The central counterparties of securities shall carry out the following activities:

I. Constitute themselves as reciprocal creditor and debtor in transactions with securities previously entered into, in terms of the provisions of article 301 of this Law. They may only act in the aforementioned capacity in the following cases:

a) With the individuals or legal entities authorized according to this or other laws to provide trading services in the securities market, who are their partners, who may participate on their own account or on behalf of third parties.

b) In transactions other than those indicated in this subsection when so authorized by the Ministry, hearing the opinion of the Banco de México and of the Commission.

The central counterparties of securities shall assume such capacity with respect to transactions with securities that abide by the applicable legal and administrative provisions, and to the rules that govern the relationship of such counterparties with their partners.

II. Establish and apply procedures to manage risks and to face defaults.

III. Request from their liquidating partners, funds to reduce the risk on the transactions with securities in which such counterparty constitutes itself in reciprocal creditor and debtor, in the event that the partners cease to comply with their obligations before the central counterparty of securities. Such funds must be maintained in the contributions fund constituted by the company.

IV. Require from their liquidating partners, with respect to the transactions in securities in which such counterparty constitutes itself as reciprocal creditor and debtor, the necessary funds for the adequate performance of the risk management system, which funds it shall maintain in an offset fund, constituted in the company, with the purpose of mutualizing with its partners the default of obligations and, as the case maybe, the losses.

V. Receive and manage the funds stated in subsections III and IV above.

VI. Execute on its own account purchase and sale and securities lending transactions for the performance of its obligations in its capacity as central counterparty of securities, provided that it retains for such purpose the services of an individual or legal entity authorized to provide trading services in the securities market in terms of this or other laws.

VII. Contract credits and loans for the fulfillment of its corporate purpose, according to the provisions issued by the Banco de México.

VIII. Guarantee the transactions provided in subsections VI and VII of this article.

IX. Issue certifications of the actions that it performs in the exercise of their duties.

The certifications made by the general director or the executive officers of the central counterparties of securities, who are empowered to such end, in which the default of the obligations of their reciprocal creditors and debtors before the company is evidenced, shall be ready for execution, provided that that they are accompanied with the documents in which the obligations that gave rise to them are recorded, likewise certified by the aforementioned persons.

X. To hold an interest in capital stock of domestic or foreign corporations providing complementary or auxiliary services to those of its corporate purpose, with the prior authorization of the Ministry.

XI. To perform the necessary actions for the fulfillment of the corporate purpose.

XII. Any other analogous, related or complementary to the above, that are authorized by the Ministry, through general provisions.

Article 308. - The individuals or legal entities authorized according to this or other laws to provide trading services in the securities market must agree among them if they shall clear and settle the transactions that they enter into with the participation of any central counterparty of securities, in which case, they shall designate the latter.

The individuals or legal entities referred to in this article that do not off-set or settle any transaction with securities through a central counterparty of securities, shall be obliged to previously inform such circumstance to their customers.

Article 309. - The obligations that the central counterparties of securities have with their reciprocal debtors and creditors shall be terminated through off-setting for up to the relevant amount.

The settlement of balances in cash and of securities or assets resulting from the obligations that subsist subsequently to the clearing mentioned in the preceding paragraph, shall be performed through the financial entities authorized by this or other laws to make the relevant transfers.

Article 310. - The funds mentioned in article 307, subsections III and IV, of this Law, which the central counterparties of securities receive from the stock exchange intermediaries who are their partners, shall be transferred full title for the exclusive purpose set forth in each section.

Article 311.- The central counterparties of securities must inform the Commission, the Banco de México and the individuals or legal entities entering into transactions in which such counterparties constitute themselves as reciprocal debtor and creditor, when they cease to assume such capacity with respect to any of these. In this event the central counterparties of securities shall be authorized to accelerate the obligations of such individuals or legal entities and to apply without any restriction the funds received to ensure the performance of the obligations.

Article 312. - The central counterparties of securities may disclose the information of their risk management procedures, of their financial resources and of the amount of funds that they receive to guarantee the compliance with the obligations of their reciprocal debtors and creditors.

Article 313.- The central counterparties of securities must maintain their reciprocal debtors and creditors informed of the performance or default of their obligations, and of the contributions that they shall make and of the surpluses of such contributions.

Article 314. - The central counterparties of securities shall carry special accountings, in the terms determined by the Commission through general provisions, to register the funds that they receive from the individuals or legal entities authorized by this or other laws, to provide trading services in the securities market who are their partners, either on their own account, as well as on behalf of third parties.

Article 315. - The central counterparties of securities shall prepare their bylaws, which shall contain, at least, rules applicable to:

I. The requirements that the individuals or legal entities who under this or other laws are authorized to provide trading services, in order that the company constitutes itself as reciprocal debtor and creditor, as well as the events in which it would not assume or would cease to have such capacity.

II. The procedures and systems through which the transactions shall be off-set and settled.

III. The rights and obligations of the company and of the individuals or legal entities stated in subsection I of this article.

IV. The procedures for risk management; the mechanisms to obtain financial resources that allow such counterparty to comply with its obligations; the operative and prudential rules applicable to the central counterparty of securities and to the reciprocal creditors and debtors of such counterparty; the process to adopt and supervise such rules, as well as any self-regulation rules that they issue; the disciplinary and corrective measures that shall be applied in case of default, and the procedure to enforce such measures.

V. The procedure for the allocation of funds established in subsections III and IV of article 307 of this Law.

VI. The procedures to amend the internal regulations.

Internal regulations and any amendments thereof must be submitted for the prior authorization of the Commission and of the Banco de México, who may make observations and amendments when they consider that the internal regulations do not abide by the provisions of this Law or to sound market practices. The self-regulatory standards shall not require authorization; nevertheless, the Commission and the Banco de México shall have veto powers with respect to such standards.

Article 316. - The Commission, notwithstanding the provisions set forth in other articles shall have, with respect to central counterparties of securities, the following powers:

I. To supervise the performance of the risk management procedures, the sufficiency of funds to comply with their obligations, the compliance with the operative, prudential and self-regulatory rules, as well as the application of the disciplinary measures in the event of default.

II. To order modifications to the risk management procedures and to the manner in which the funds are allocated in order to comply with their obligations.

III. To issue the necessary regulation to promote the proper operation and management of central counterparties of securities, the fulfillment of the transactions in which such corporations constitute themselves as reciprocal debtor and creditor and the efficiency in the off-setting and settlement procedures and systems, as well as the adequate investment of their resources.

Subsection amended FOG 01-10-2014

The powers contained in subsections II and III of this article shall be exercised in a joint manner by the Commission and the Banco de México.

The Commission and the Banco de México, within the scope of their authority, may request all the information and documents it determines through general provisions.

Article 317. - The fees that the central counterparties of securities charge for their services shall be authorized by the Commission, which shall be empowered to make observations and order modifications during the authorization process.

Article 318. - The central counterparties of securities shall comply, in the relevant parts, with the provisions of articles 26, penultimate and last paragraphs, 121, 123, second paragraph, 124, first, second and penultimate paragraphs, 127 to 129, 131, second paragraph, 132 to 134, 205, 206, 209 to 211, 236, 237, second paragraph, 238, 241, last paragraph and 243, second paragraph, of this Law. The powers and authority set forth in articles 132 and 134 shall pertain to the Ministry.

The Commission may establish through general provisions the rules to which the central counterparties of securities shall adjust to in the application of their stockholders' equity.

Section IV
On the revocation and on the dissolution and liquidation

Article 319.- The Ministry, at the proposal of the Commission or of the Banco de México, or otherwise, having heard such opinions and honored the right to a hearing, may revoke the concession to operate as a central counterparty of securities, whenever any of the events set forth in article 320 of this Law occurs.

Article 320. - The Ministry may revoke the concession to operate as central counterparties of securities whenever such counterparty:

I. Fails to incorporate or fails to submit the data regarding its registration with the Public Registry of Commerce, within the term of one hundred and eighty calendar days as of the date when the notice of the concession or the authorization has been served.

II. Would not have paid the minimum capital stock at the time of incorporation.

III. Would not have begun operations within a six-month term calculated as of the registration with the Public Registry of Commerce.

IV. Repeatedly fails to comply, for causes imputable to such counterparty, with the obligations derived from the agreements entered into with the users of the service.

V. Ceases to perform its corporate purpose during a term of six months.

VI. Enters into a dissolution or liquidation process

VII. Is declared in bankruptcy by the judicial authorities.

VIII. Commits serious or reiterated infractions to the legal or administrative provisions applicable to it.

Article 321. - The dissolution and liquidation, as well as the business reorganization of central counterparties of securities, shall be ruled by the provisions of the Business Associations Law and by the Business Reorganization Law, except with regards to the following:

I. The positions of liquidator, receiver or bankruptcy trustee, shall correspond to the person authorized to such end by the Ministry.

II. The Ministry may request the declaration of business reorganization.

III. The funds mentioned in article 307, subsections III and IV, of this Law, shall be allocated to the purpose that may correspond as provided in such subsections.

The surplus funds indicated in the aforementioned subsection III, received from their partners through third parties whose transactions in securities have been off-set and settled in full, may be excluded or separated from the dissolution, liquidation or business reorganization process of the central counterparty of securities and refunded to the relevant partners, who shall accept them in their own name or through third parties.

The same regime shall be applicable to the surplus funds, received by the partners, on their own account, provided that there are no obligations to be discharged by them and in favor of the central counterparty of securities.

Title XI
On other entities that participate in the development of the securities market

Chapter I
On price vendors

Article 322.- The activities which purpose is the customary and professional rendering of calculation, determination and provision or supply of updated prices for the valuation of securities, derivatives in markets recognized by the financial authorities or indexes, as well as the delivery of information related to such activities, shall be reserved to price vendors.

For purposes of this Law, updated price for valuation shall be understood as the market or theoretical price obtained based on algorithms and technical and statistical criteria and in valuation models, for each of the securities, derivatives or indexes. Prices related to repurchase and securities lending transactions as well as derivatives transactions shall be included in updated prices for valuation.

The mere provision or supply of any type of prices with respect to securities, derivatives or indexes, through electronic, telecommunications or printed means shall not be considered as a provision or supply of prices.

Article 323. - To be organized and to operate as price vendor it is necessary to be authorized by the Commission, upon previous approval by its Board of Governors. Such authorization shall be granted to corporations organized in accordance with the general provisions set forth in this legal statute and, in all issues not established hereunder, according to the provisions of the Business Association Law. Due to their nature, these authorizations shall be non-transferable.

Article 324. - Authorization applications to be organized and to operate as price vendor shall attach thereto the following documents:

I. Draft of the corporation bylaws.

II. List and information of the shareholders, as well as of the prospective directors, general director and main executive officers.

III. General operating plan.

IV. Internal manuals containing at least the following issues:

a) Description of the methodology and of valuation models for securities, derivatives and indexes, as well as the algorithms and technical and statistical criteria.

b) The methodology for the determination of the interest rates, discount and other equivalent rates.

c) The sources of the information they shall use for the rendering of their services.

V. Policies and means that they shall use to provide and supply the prices.

VI. Draft of the code of conduct that shall regulate the performance of the company and of the directors and other executive officers involved in the calculation, determination and provision or supply of updated prices.

VII. Any other documents and information required by the Commission, concerning the preceding subsections, through general provisions, upon previous approval by its Board of Governors.

Price vendors shall notify the Commission on the amendments they make to the documents indicated in this article, within ten business days following the date when such amendments are made. The Commission may object the aforesaid amendments, within twenty business days following the date when it receives the relevant notice, whenever such amendments do not abide by or when they contravene the provisions of this legal statute and any other applicable provisions. In any case, the changes done on the referred to documentation shall become effective until the indicated 20-business day term has concluded.

Paragraph amended FOG 01-10-2014

Article 325. - Price vendors shall carry out the following activities:

I. To provide the calculation, determination and provision or supply of updated prices services for the valuation of securities, derivatives or indexes, as well as the transference of information related to such activities, following the methodologies and models established in article 324, subsection IV of this Law.

II. To publish and disseminate the ratings issued by securities rating agencies.

III. To measure financial risks on investments made by financial entities, and to publish and release such risks when authorized by such entities.

IV. To determine and disseminate indexes on interest rates and on debt issuers' securities.

V. Any other duties set forth in their bylaws.

Article 326. - Price vendors must have a code of conduct to regulate the performance of the company, as well as of the directors and other executive officers involved in the calculation, determination and provision or delivery of updated prices.

The Commission may establish, through general provisions, the minimum requirements that must be met by price vendors in the preparation of the code of conduct mentioned in this article.

Article 327. - Price vendors must have a valuation committee in charge of performing at the least the following duties:

I. To propose the methodologies and models for valuation of securities, derivatives and indexes, as well as to review such methodologies in order to keep them updated.

II. To decide any disputes and remarks on valuation methodologies submitted by their customers or by the authorities.

Article 328. - Price vendors must notify the Commission of the updated prices in the valuation of securities, derivatives and indexes, the same day in which they calculate them. Furthermore, price vendors must notify any modifications made on such prices the same day such modifications are agreed.

In case any events not provided in authorized methodologies should occur, price vendors must report to the Commission the alternative calculation procedure they shall apply at the time of its application, indicating the reasons that justify using of such procedure.

Article 329. - The shareholders, members of the board of directors, general director, executive officers and members of the valuation committee, of price vendors may not hold, neither directly nor indirectly, any shares representing the capital stock of those financial entities that use the services of such price vendor, nor may they act or have the capacity as, shareholders, directors, examiners or executive officers of such entities. Investments made in shares representing the capital stock of investment companies are exempted from the foregoing.

Article 330. - Price vendors must keep, for a term of five years, the updated prices for valuation of securities, derivatives and indexes, as well as the information regarding the variables used in their calculations and any other data and documents concerning the activities they carry out.

Article 331. - Price vendors are prohibited from providing to one or more of its users, updated prices for valuation concerning the same security, derivatives or indexes, which differ from those delivered in respect to the same date, to another or other users, including their modifications.

Furthermore, price vendors shall be prohibited from providing updated prices for valuation, when they have a conflict of interest with respect to the valuation of the securities, derivatives or indexes in question.

Article 332.- The Commission, upon previous approval by its Board of Governors and having previously heard the interested party, may order the revocation of the authorization to be organized and to operate as a data vendor, whenever such vendor:

I. Ceases to provide its services, in an unjustified manner, for a term of more than six months.

II. Incurs in serious or reiterated infractions to the provisions of this Law or to the general provisions arising therefrom.

III. Is declared in bankruptcy, or otherwise, agrees to its dissolution or liquidation.

Article 333. - The Commission, upon previous approval by its Board of Governors, shall authorize the merger or the split-off of the price vendors, under the terms provided in articles 132 a 134 of this Law.

The Commission may issue general provisions with respect to the financial, administrative and operative information that the price vendors must submit in a continuous and periodic manner.

Additionally, the Commission may establish rules relative to the internal controls, prevention of conflicts of interest, corporate and auditing practices, transparency and equality in the services of the price vendors.

Paragraph added FOG 01-10-2014

Chapter II
On securities rating agencies

Article 334.- Activities which purpose is the customary and professional rendering of services research, analysis, opinion, evaluation and issuance of a report on the credit qualifications of securities, shall be reserved to securities rating agencies.

The authorization of the Commission, upon previous approval by its Board of Governors, shall be required to be organized and to operate as a security rating agency. Such authorization shall be granted to corporations organized in accordance with the general provisions contained in this legal statute and, for any issues not established hereunder, according to the provisions of the Business Associations Law. Due to their nature, these authorizations shall be non-transferable.

Article 335. - Authorization requests to be organized and to operate as securities rating agency, shall include attached thereto, the following documents:

I. Draft of the bylaws of the corporation.

II. List and information on shareholders, as well as on the prospective directors, general director and main executive officers of the company.

III. General operating plan.

IV. Internal manuals containing at least the following issues:

a) The description of the rating process, in which the grades, the nomenclatures and the interpretation of the rating must be specified.

b) The policies and means for the disclosure to the public of the reports, ratings and analysis issued, as well as their modifications.

V. Draft of the code of behavior that shall regulate the performance of the company and the directors and other executive officers involved in the process for the issuance of the report on the credit quality of the securities on which they are providing their services that must abide by international standards.

VI. Any other documents and information that the Commission, with respect to the preceding subsections, shall require through general provisions, with the prior agreement of its Board of Governors.

Securities rating agencies shall notify the Commission on the amendments they make to the documents indicated in this article, within ten business days following the date when such amendments are made. The Commission may object such amendments, within twenty business days following the date when it receives the relevant notice, whenever such amendments do not abide by, or when they contravene, the provisions of this legal statute and any other applicable provisions. In any case, the changes done on the

aforementioned documentation shall become effective until the indicated 20- business day term has concluded.

Paragraph amended FOG 01-10-2014

Article 336. - Securities rating agencies must have a code of conduct regulating the performance of the agency, as well as of the directors and other executive officers involved in the study, analysis, opinion, evaluation and issuance of a report on the credit qualifications of the securities on which they provide their services, which shall abide by international standards required on such matter.

The Commission may establish, through general provisions, the minimum requirements that must be met by securities rating agencies in the preparation of the code of conduct mentioned in this article.

Article 337.-. The shareholders, members of the board of directors, general director, examiners and the executive officers of the securities rating agencies, may not hold, directly or indirectly, any shares representing the capital stock of financial entities to which the provide ratings according to this Law, nor may they act as or have the capacity as shareholders, directors, examiners or executive officer of such entities. Investments made in shares representing the capital stock of investment companies are exempted from the foregoing.

Article 338.- Securities rating agencies may not, under any circumstances enter into agreements with respect to securities issued by issuers with whom their shareholders, directors or executive officers involved in the issuance of the report on the credit quality of such securities, have a conflict of interest.

Article 339. - Securities rating agencies must disclose to the public the ratings they perform on securities registered in the Registry or to be registered therein, and their modifications and cancellations through the means established by the Commission in general provisions. Such ratings must be performed pursuant to the rating process established in article 335 section IV of this Law.

Furthermore, the Commission shall set forth in the aforementioned provisions, the financial, administrative and operative information that securities rating agencies shall submit to such Commission.

The Commission shall establish rules relative to the internal controls, prevention of conflicts of interest, corporate and auditing practices, transparency, and equality of the services of the securities rating agencies.

Paragraph added FOG 01-10-2014

Article 340.- The Commission, upon approval by its Board of Governors and after having heard the interested party, may decree the revocation of the authorization to be organized and to operate as a securities rating agency whenever such agency:

I. Incurs in serious or reiterated infractions to the provisions of this Law or to the general provisions arising therefrom.

II. Is declared in bankruptcy, or otherwise, when its dissolution or liquidation is agreed.

Article 341. - Securities rating agencies shall be subject to the provisions of article 330 of this Law.

The Commission shall authorize, upon previous approval by its Board of Governors, the merger or split-off of the securities rating agencies, according to the provisions of articles 132 to 134 of this Law.

Title XII
On external audits and other services

Article 342. - Legal entities that apply for registration of securities in the Registry, issuers, securities firms, stock exchanges, securities depository institutions and central counterparties of securities, must abide by the provisions of this Title with respect to the requirements that the legal entity providing audit services to them must meet, as well as the external auditor who subscribes the financial statements report.

Article 343.- External auditors who subscribe the financial statements report on behalf of the legal entities that provide external audit services, must be honorable, meet the personal and professional qualifications established by the Commission through general provisions and be partners of a legal entity that provides

financial statements auditing professional services, and that complies with the quality control requirements established for such purposes by the Commission in the aforementioned provisions.

Additionally, the aforesaid external auditors, the legal entity in which they are partners and the partners or persons who are part of the audit team, shall not fall in the premises of lack of independence set forth by the Commission, through general provisions, that consider, among other issues, financial or economic dependency relationships, rendering of services in addition to audit services and maximum terms in which the external auditors may provide such external audit services to the legal entities that request the registration of securities in the Registry, issuers, securities firms, stock exchanges, securities depository institutions and central counterparties of securities.

Article 344. - Attorneys-at-law and independent experts, who prepare the opinions as set forth hereunder, must meet the requirements established in the provisions of article 343 of this Law, except for what refers to being a partner in a legal entity where they provide professional services. Such requirements shall be equally applicable, in their relevant parts, to the legal entity that provides professional services to the issuer in question, in which, such attorneys or experts are partners or in which they work, as the case may be.

Paragraph amended FOG 01-10-2014

Additionally, the attorneys-at-law law mentioned in this article may not maintain reciprocity agreements with the external auditors hired by the issuer, when such acts imply there are business relationships for the rendering of their professional services that may result in conflicts of interest.

Article 345.- The external auditor and the external attorney-at-law, as well as the legal entities of which they are partners, shall be obliged to keep the documents, information and other elements used to prepare any certificate, report, or opinion provided to the public pursuant to the provisions of this legal statute, for a term of at least five years. They may preserve the data and the archives in question through automated or digitalized means.

Furthermore, external auditors must provide to the Commission the reports and any other data which supports their certificates and conclusions. If during the practice or as a result, of the audit, they find irregularities that affect the liquidity, stability or solvency of any of the financial entities or issuers to which they provide their audit services, they must submit to the committee performing duties in audit matters, in the case of public corporations or promoting stock investment corporations, or to the surveillance body of the financial entity or issuer in question, and in any case to the Commission, a detailed report on the situation found.

Article 346.- The external audit reports and the opinions of attorneys-at-law or independent external experts delivered to the issuers for purposes of registration of securities applications, authorization of public offering and the compliance with the obligations for the delivery and release of information imposed on such issuers by this Law, shall constitute information disclosed to the public directly by such persons, notwithstanding that the issuer itself is the one who makes the aforementioned delivery and release to the public.

The provisions of this article shall be equally applicable to the certificates, opinions, reports, studies and credit rating that the specialists, experts, rating agencies and any other persons rendering their services to the issuers, prepare.

Article 347.- Any persons who provide external audit services, as well as expert opinions, reports or opinions as set forth in this Law, shall be liable for the damages and lost profits that they cause to the issuers that retain them, whenever:

I. Due to gross negligence, the expert opinion or the opinion they provide, contains deficiencies or omissions that by reason of their profession or trade should be part of the analysis, evaluation or research that generated the report or opinion.

II. In the expert opinion or in the opinion they intentionally:

a) Omit relevant information of which they have knowledge, when such information should be included in their report or opinion.

b) Incorporate false information or information which may lead to error, or otherwise, adjust the result with the purpose of simulating a situation other that the one corresponding to reality.

c) Recommend the execution of a transaction, choosing among the alternatives, if any, the one they know will generate pecuniary effects notoriously detrimental for the company or for a specific group of partners or holders of the securities.

d) Suggest, accept, propitiate or propose that a specific transaction be registered in violation to the accounting principles issued or recognized by the Commission.

Legal actions for the illicit acts set forth in this article shall be exercised under the terms set forth in article 38 of this Law, or otherwise, in the case of debt instruments, by the common representative of the securities holders, upon previous approval by the holders' meeting.

Article 348. - The persons mentioned in article 347 of this Law, shall not incur in liability for the damages and lost profits that they cause, as a result of the services or opinions they provide, when, besides having acted in good faith and without deceit, any of the following exculpatory circumstances occur:

I. They issue their report or opinion relying on information provided by the person to whom they render their services.

II. They issue their report or opinion abiding by the procedures and, as the case may be, the methodologies available, to make such analysis, evaluation or study corresponding to their profession or trade.

Title XIII
On financial authorities

Article 349. - The Commission, the Ministry and the Banco de México, notwithstanding the duties mentioned in this and other laws shall have the powers established in this Title.

Article 350. - The Commission shall have supervision powers, according to its Law, with respect to stock exchange intermediaries, investment advisors, self-regulatory organizations, stock exchanges, companies managing systems to facilitate securities transactions, securities depository institutions, central counterparties of securities, securities rating agencies and price vendors.

Paragraph amended FOG 01-10-2014

For such purpose, the Commission may carry out inspection visits on any of the aforementioned entities or indicated persons and require from them, within the terms and in the manner established by such Commission, all the information and documents which are necessary to verify compliance with this Law and the general provisions resulting therefrom.

Paragraph amended FOG 01-10-2014

The persons indicated in this article, must submit the information and documents that, within the scope of their respective authority, the Commission, the Ministry and the Banco de México require from them, within the terms, conditions and other characteristics established by them.

The Commission shall carry out the supervision over the persons and financial entities indicated in this article, even when they are undergoing a dissolution or liquidation or when they are declared under business reorganization, as set forth in this Law.

Paragraph amended FOG 01-10-2014

The Commission, as a result of its supervising powers, may make remarks and, as the case may be, order the implementation of measures aimed at correcting irregular facts, acts or omissions that it has found by reason of such duties, as provided by this Law.

Article 351. - The Commission shall have supervising powers with respect to issuers, for such purpose and to verify compliance with this Law and the general provisions arising therefrom, the Commission shall be authorized to carry out inspection visits and to require all kinds of information and documents

concerning the activities of the issuers, within the terms and in the manner established by the Commission.

The Commission shall have powers to acknowledge the accounting rules that the aforementioned issuers shall follow in the preparation and formulation of their financial statements or equivalent statements, and it may make distinctions by type of issuer. Furthermore, the Commission may issue accounting rules in the event that the rules acknowledged under this paragraph are insufficient, there are different alternatives with respect to an accounting treatment or such rules do not reflect in a real and updated manner the financial condition of the issuers.

Additionally, the Commission may, for the protection of the interests of the investing public:

I. Order that shareholders' or securities holders' meetings be summoned in cases of notorious urgency and without a court order.

II. Attend the shareholders' or securities holders' meetings with no voting rights and without a right to be heard.

The Commission, in the case of foreign companies and international multilateral financial institutions who have securities registered in the Registry, shall exercise the supervision of such issuers based on the cooperation agreements that they subscribe with international organizations with supervising and regulatory duties similar to those of the aforesaid Commission.

Article 351 Bis.- With the purpose of preserving the financial stability, avoid interruptions or alterations in the functioning of the financial system or of the payments system, as well as to facilitate the adequate fulfillment of their duties, the Ministry, the Banco de México, and the Commission, must, at the request of the interested party and in terms of the agreements that the last paragraph of this article refers to; exchange among themselves the information they have by reason of:

I. The exercise of their powers and duties;

II. As a result of their acting in coordination with other entities, persons, or authorities, or,

III. Directly from other authorities.

To the power mentioned in the paragraph above, the restrictions relative to the reserved or confidential information in terms of the applicable legal provisions shall not oppose it. Whoever receives the information that this article refers to shall be administratively and criminally liable, in terms of the applicable legislation, for the dissemination to third parties of the confidential or reserved information.

For effects of what is set forth in the present article, the authorities indicated in the present article must execute agreements of exchange of information where the information that is to be exchanged is specified and the terms and conditions that must be adhered to shall be determined. Likewise, said agreements must define the degree of confidentiality or reserve of the information, as well as the respective control entities that shall be informed of the cases where the delivery of information is denied or its delivery is done outside of the established terms.

Article added FOG 01-10-2014

Article 352. - The Commission shall have inspection and supervising powers, with respect to the legal entities that provide external audit services pursuant to this Law, including the partners or employees of those entities that are part of the audit team, for which purpose, and to verify compliance with this Law and the observance of the general provisions arising therefrom, it may:

I. Require all kinds of information and documents.

II. Carry out inspection visits.

III. Require the appearance of partners, representatives and other employees of the legal entities providing external audit services.

IV. Acknowledge the audit rules and procedures that must be complied with by the legal entities rendering external audit services when issuing an expert opinion or an opinion concerning the

financial statements of the financial entities or the issuers, and it may make distinctions by type of entity or issuer. Furthermore, the Commission may issue audit rules and procedures in the event that with respect to certain matters there are no applicable rules or procedures, or otherwise, when in the opinion of the Commission, the rules acknowledged under this paragraph are insufficient.

The exercise of the powers established in this article shall be limited to the expert opinions, opinions and audit practices that according to this Law are practiced by legal entities providing external audit services.

Article 353. - The Commission shall have inspection and surveillance powers with respect to the attorneys-at-law who shall render the legal opinions required by this legal statute, for such purpose and to verify the compliance with this Law and the general provisions arising therefrom, it may:

I. Require all kind of information or documents.

II. Carry out inspection visits.

III. Require the appearance of the attorney at law and other employees of such attorney who participate in the preparation of the legal opinions issued in compliance with the provisions of this Law.

The exercise of the powers established in this article shall be limited to the opinions that the attorneys-at-law render pursuant to this Law.

Article 354.- The Commission, in the exercise of the inspection and surveillance powers established in articles 159, last paragraph, 214, last paragraph, 250, last paragraph and 281, last paragraph of this legal statute, and in order to verify the compliance with this Law and the general provisions arising therefrom, may:

I. Require all kind of information or documents.

II. Carry out inspection visits.

III. Require the appearance of the partners, representatives and other employees of the person or entity in question.

Article 355. - The Commission shall have powers to investigate, within the scope of its administrative jurisdiction, any acts or facts that allegedly constitute o that could constitute an infraction to the provisions of this Law or to the general provisions arising therefrom.

For such purpose, as well as to verify compliance with the provisions of this Law and other general provision arising therefrom, the aforesaid Commission shall have powers to:

I. Require all kinds of information and documents from any person or authority who may assist in the development of the corresponding investigation.

II. Carry out inspection visits on any person who may assist in the development of the investigation.

III. Require the appearance of persons who may contribute or provide investigation elements.

IV. Retain the services of auditors and other professionals to assist in such duty.

Article 356. - In the appearances established in this Law, the Commission shall make the inquiries that it deems relevant, in which case the appearing parties must answer, under oath, any questions made.

The inspection visits set forth in this Title may be regular, special or investigation visits.

Regular visits shall be the ones carried out under the annual program approved by chairperson of the Commission.

Special visits shall be those which without being included in the annual program mentioned in the preceding paragraph, are carried out in any of the following events:

I. To examine and, as the case maybe, correct special operative situations.

II. To follow up on the results obtained from an inspection visit.

III. When any changes or modifications occur in the accounting, legal, economic, financial or administrative condition of an issuer or financial entity.

IV. Whenever a financial entity starts operations after the preparation of the annual program mentioned in the third paragraph of this article.

V. Whenever any acts, facts or omissions occur in issuers or in financial entities, which were not originally provided in the annual program mentioned in the third paragraph of this article, which require carrying out a visit.

VI. Whenever they result from international cooperation.

Investigations visits shall be carried out provided the Commission has indications from which it may be inferred that certain behavior has taken place, which allegedly contravenes the provisions of this Law and other general provisions resulting therefrom.

Article 357.- The financial entities, the issuers and any other individuals or legal entities who are subject to an inspection visit under this Law and under other applicable provisions, shall be obliged to allow the personnel designated by the Commission, immediate access to the place or places subject to the visit, to their offices, premises and other facilities, including unrestricted access to the documents an other sources of information that such personnel deems necessary to comply with their duties, as well as to provide the physical space necessary to carry out the visit and to make available to them the computer, office and communication equipment that they require for such purpose.

In the documents mentioned in the previous paragraph, the general or specific information contained in the reports, records, minute books, workbooks, correspondence, automated data processing and maintenance systems shall be included without limitation, including also any other technical procedures established for that purpose, whether in magnetic archives or microfilmed, digitalized or recorded documents, and the optical procedures for their consultation or of any other nature.

Article 358.- The Ministry, the Commission, and the Banco de México, in the scope of their competence, shall be empowered to provide the foreign financial authorities all kinds of information that is deemed appropriate to deal with the requests submitted to them within the scope of their competence, such as documents, certificates, records, statements, and other evidence that such authorities have in their power for having obtained it through the exercise of their powers and duties.

For effects of what is set forth in the paragraph above, the authorities must have an exchange of information agreement subscribed with the financial authorities in question, where the principle of reciprocity is considered.

The National Banking and Securities Commission shall be empowered to deliver to the foreign financial authorities, the information protected by confidentiality provisions that it has for having obtained it in the exercise of its powers, acting in coordination with other entities, persons, or authorities, or from other authorities.

The Banco de México shall be empowered to deliver to the foreign financial authorities, the information protected by confidentiality provisions that it has for having obtained it in the exercise of its powers. Likewise, the Banco de México shall be empowered to deliver to the foreign financial authorities, information protected or not protected by confidentiality provisions that it obtained from other authorities in the country, only in the cases in which it is expressly authorized in the exchange of information agreement, by virtue of which it received said information.

In any case, the Commission and the Banco de México may abstain from providing the information that the two paragraphs above refer to, when the use that is intended to be given to the same is different from what it was requested for, when it is contrary to the public order, to the national security or to the terms agreed in the respective exchange of information agreement.

The Ministry, the Commission, and the Banco de México, must establish coordination mechanisms for effects of the delivery of information that this article refers to, to the foreign financial authorities.

The delivery of information that is done in terms of the present article shall not imply any transgression to the obligations of reserve, confidentiality, secrecy, or analogous that must be observed pursuant to the applicable legal provisions.

Article amended FOG 01-10-2014

Article 358 Bis.- The Commission, at the request of the authorities cited in article 358 above and based on the reciprocity principle, may carry out inspection visits on the issuers that have securities registered in the National Registry of Securities in what is relative to their obligations as issuers or to the subsidiaries of the entities. At the discretion of the same, the visits may be done through them or in cooperation with the foreign financial authorities in question, they may allow for the latter to carry it out.

The request that is mentioned in the paragraph above must be done in writing, at least thirty calendar days in advance and be accompanied by the following:

I. Description of the purpose of the visit.

II. Legal provisions applicable to the purpose of the request.

The Commission may request a report of the results obtained from the foreign financial authorities that carry out visits in terms of this article.

Article added FOG 01-10-2014

Article 359.- The Commission, for the knowledge of the public and for the protection of the investors interests and of the general market, may publically inform that it is carrying out investigations regarding events or acts related to events of transgression set forth in this Law or in the general provisions arising herefrom in the exercise of their powers.

The delivery of information that is done in terms of the present article shall not imply any transgression to the obligations of reserve, confidentiality, secrecy, or analogous that must be observed pursuant to the applicable legal provisions.

Article amended FOG 01-10-2014

Article 360. - The Commission, in the exercise of the powers set forth in this Law, may establish the manner and terms in which, the financial entities, issuers and other individuals or legal entities from which it requests information, shall comply with its requirements.

Furthermore, the Commission, in order to enforce its determinations, may exercise, indistinctively, the following enforcement measures:

I. Warning with prior notice.

II. A fine of 100 to 5,000 days of salary.

III. An additional fine for each day in which the infraction persists.

IV. Temporary, partial or total closing.

V. The assistance of the police.

If the enforcement measure were insufficient, the competent authority may be required to act against the opposing party for willful disobedience of an order issued by a government authority of competent jurisdiction.

Article 361.- For purposes of the provision of article 360 of this Law, federal authorities and the security or police forces, must provide in a prompt manner, the support requested by the Commission.

In the case of public security forces of the federal states or of the municipalities, the support shall be requested in terms of the regulations governing public safety or, as the case may be, pursuant to the administrative collaboration agreements that have been entered into with the Federation.

Title XIV
On market infractions and prohibitions and on criminal offenses

Chapter I
On market infractions and prohibitions

Article 362.- Any knowledge of relevant events that have not been disclosed to the public by the issuer through the stock exchange where its shares are being traded shall constitute inside information for purposes of this Law.

It shall not be necessary for the individual or legal entity to be aware of all the issues concerning a relevant event to have inside information, provided that the party having access to such inside information is able to influence the quotation or price of the securities of certain issuer.

Article 363. - For purposes of this Law, it shall be considered that the following persons have access to inside information of an issuer, unless otherwise evidenced:

I. The members and the secretary of the board of directors, the examiners, general directors and other relevant executive officers, as well as the managing directors and the external auditors of the issuer or legal entities controlled by it.

II. The individuals who, directly or indirectly, hold ten percent or more of the shares representing the capital stock of an issuer or negotiable instruments representing such shares.

III. The members and the secretary of the board of directors, examiners, general directors and other relevant executive officers, the managing directors and external auditors or any equivalent to the foregoing, of any legal entities that, directly or indirectly, hold ten percent or more of the capital stock of the issuer.

IV. The members and secretary of the board of directors, examiners, general directors and executive officers immediately below the latter, the statutory comptroller, managing director and agents, or any equivalent to the foregoing, of stock exchange intermediaries or of any individuals or legal entities providing independent or personal subordinated services to an issuer, in any relevant event constituting privileged information, as well as of the legal entity, that does or does not have the nature of issuer, that had some relation or financial, administrative, operational, economic, or legal link with the issuer to which the relevant event in question is attributed to, or to who participated with any nature in the act, event, or happening relative to said event.

Subsection amended FOG 01-10-2014

V. The shareholders who, directly or indirectly, hold five percent or more of the capital stock of financial entities, when these act as issuers.

VI. The shareholders who, directly or indirectly, hold five percent or more of the capital stock of the holding companies of financial groups, as well as those who directly or indirectly hold ten percent or more of the capital stock of other financial entities, when all of them are members of the same financial group and at least one of the members of the group is the issuer.

VII. The members and the secretary of the board of directors, the general director and the executive officers immediately below this, the statutory comptroller and the managing directors of any holding companies of financial entities mentioned in the preceding subsection.

VIII. The individual or group of individuals who have a significant influence on the issuer and, as the case may be, on the companies composing the corporate group or consortium to which the issuer belongs.

IX. The individuals that have decision-making power on the issuer.

X. The individuals or legal entities who trade securities deviating from their historical market investment patterns and who reasonably, could have had access to inside information, through the individuals mentioned in subsections I to IX above. The individuals who have reasonable access to inside information, shall be understood as:

Paragraph amended FOG 01-10-2014

a) The spouse, concubine or male concubine of the persons mentioned in subsections I to IX of this article.

b) The individuals related either by blood, marriage or civil kinship up to the fourth degree, with the individuals mentioned in subsections I to IX of this article.

c) The partners, associates and co-owners of the individuals mentioned in subsections I to IX of this article.

d) Those who had contact or communication, through any means, with the individuals that subsections I to IX of this article refer to, as well as those cited in subparagraphs a) to c) above.

Subparagraph added FOG 01-10-2014

The individuals mentioned in this article shall be obliged to keep confidential any information to which they have access; hence they shall abstain from using or transferring it to other individuals, except when those individuals to whom the information is transferred or provided, are obliged to know it by reason of their employment, position or commission.

The shares held by any individual over whom the shareholders exercise parental custody or are subject to a trust, in which such shareholders act as settlors or beneficiaries, shall be taken into account for purposes of calculating the rates established in subsections II, III, V, VI and VIII of this article.

Article 364.- Individuals who have access to inside information shall never be able to:

I. Enter into or to instruct the execution of transactions, directly or indirectly, on any kind of securities issued by an issuer or any negotiable instruments representing it, which quotation or price may be influenced by such information, as long as it is classified as inside information. Such restriction shall also be applicable to any options or derivatives, having as underlying, the aforementioned securities or instruments.

II. Provide or transfer the information to any third party or parties, except when by reason of their employment, position or commission, the individual to whom it is transferred or provided must know such information.

III. Make recommendations concerning any kind of securities issued by an issuer or any negotiable instruments representing such securities, which quotation or price may be influenced by such information as long as it is classified as inside information. Such restriction shall be equally applicable to such option titles or derivatives having as underlying, the aforementioned securities or titles.

Stock exchange intermediaries having inside information may enter into transactions in regard to the securities to which such information refers, on account of third parties who are not related to them, provided the order and specific conditions of the transactions come from the customer, without any advise or recommendation from such intermediary and regardless of any infractions to this Law in which the customer may incur, if any.

Those who entered into a transaction having as a counterparty any individuals or legal entities who may have dealt with inside information, may file before the competent courts the corresponding indemnification claim.

The legal action established in the preceding paragraph shall be subject to a five-year statute of limitations as of the execution of the transaction. To such effect, the Commission shall provide the judicial authority trying the corresponding action with all the documents that may be necessary for its prosecution.

Any transactions executed by individuals who have access to inside information against the provisions of this Law, even those agreed upon abroad but which cause effects within Mexican territory shall be subject to the penalties established by this legal statute.

Article 365.- The individuals mentioned in subsection I to IX of article 363 of this Law, shall be banned from acquiring, directly or indirectly, any securities issued by an issuer to which they are related or any negotiable instruments representing such securities, during a term of three months from the last transfer

they executed on the aforementioned securities or negotiable instruments. This prohibition shall also be applicable to transfers but in connection with the last acquisition made by them.

The term mentioned hereunder shall not be applicable to any transactions:

I. Executed by stock exchange intermediaries, investment companies and insurance and bonding companies on their own account.

II. Whose subject are credit instruments issued by credit institutions representing liabilities to be discharged by them.

III. That represent acquisitions or transfers of securities made by officers or employees of an issuer or by legal entities controlled by the latter, acquired as a result of the enforcement of options arising from benefits or plans granted to employees, previously approved by the shareholders' meeting of the corresponding issuer and that provide a general and equal treatment for executive officers or employees under similar working conditions.

IV. Executed by the shareholders, directors, managers, managing directors, external auditors, examiners and secretaries of any collegiate bodies, providers of independent services and advisors in general of investment companies in equity or debt instruments to which this article may apply, in regard to the shares representing the capital stock of such investment companies.

V. Expressly authorized by the Commission in regards to:

a) Any corporate restructuring such as mergers, split-offs, acquisitions or sales of assets representing at least ten percent of the assets and sales of the preceding fiscal year of the issuer.

b) Any reorganization in the shareholding of the issuer, in case of volumes over one percent of its capital stock.

c) Public offerings.

d) Preferential rights in regard to the subscription of shares.

e) Transfers of securities of one series in order to purchase, with the funds obtained, securities pertaining to a different series from the same issuer.

f) To have liquidity to face urgent cases, acts of God or force majeure events.

The provisions of the first paragraph of this article shall be applicable to transactions with options or derivatives having as underlying, securities issued by the issuer or negotiable instruments representing such securities.

Any transactions executed against the provisions of this article, even those agreed upon abroad which may have pecuniary or legal effects within the Mexican territory shall be subject to the penalties established by this legal statute.

Article 366.- The individuals or legal entities mentioned in subsection I to IV of article 363 of this Law and the trustees of trusts created with the purpose of establishing option plans for the purchase of shares for employees and of pension funds, retirement funds or seniority premiums of the personnel of an issuer or legal entities controlled by it and, any other funds with similar purposes, created directly or indirectly by said issuer, may only transfer or acquire from the issuer with whom they are related, the shares representing its capital stock, or the negotiable instruments representing such capital, through public offerings or bids authorized by the Commission.

The individuals or legal entities and the trust companies mentioned in this article shall, before undertaking any transactions, shall consult the issuer with whom they are related, pursuant to the policies, guidelines, or mechanisms that have been established to the effect, if it has transferred or intends to transfer orders to purchase or place shares representing its capital stock or negotiable instruments representing them, in which case, such individuals or legal entities and trust companies shall abstain from sending purchase or sale orders, as the case may be, except in regards to public offerings.

Paragraph amended FOG 01-10-2014

The absence of said policies, guidelines, or mechanisms shall not excuse the persons or legal entities and trust companies mentioned above, from their obligation to carry out the consultation that the paragraph immediately above refers to, in any case, through the person responsible that the issuer appointed to operate its repurchase fund, previous to undertaking transactions.

Paragraph added FOG 01-10-2014

The provisions of this article shall be applicable to transactions with options or derivatives having as underlying, shares representing the capital stock of the issuer or negotiable instruments representing them.

Article 367.- The individuals or legal entities mentioned in the first paragraph of article 366 of this Law shall be subject to the provisions of the aforementioned article, if any of the following cases:

I. Any transfers of shares made by the corresponding issuer to fiduciary institutions of irrevocable trusts, created with the only purpose of establishing option plans for the purchase of shares by employees and of pension or retirement funds or seniority premiums of the personnel of an issuer, of the legal entities controlled by it or which exercises control over such entity, and any other funds with similar purpose, provided the issuer discloses such circumstances to the public before executing the aforementioned transfers, disclosing the conditions and causes that resulted in such transfers and abiding by the general provisions issued by the Commission.

The purchase option plans for employees and the pension or retirements funds or seniority premiums for the personnel of an issuer or legal entities controlled by it and any other funds with similar purposes, shall be previously approved by the shareholders' meeting of the relevant issuer and provide a general and equal treatment for employees under similar working conditions.

II. Placement transactions carried out by the relevant issuer with the persons and trust institutions mentioned in the first paragraph of this article, when such persons or institutions enforce any rights arising from purchase options payable in kind, issued by the issuer, whose underlying corresponds to the shares of the issuers or negotiable instruments representing such shares. The foregoing provided that the options have been acquired in the secondary market by an individual or legal entity other than the issuer or in a public offering.

III. The acquisitions or underwriting of the issuer's own shares or negotiable instruments representing such shares, carried out between such issuer and the trust institutions mentioned hereunder, provided the following conditions are met:

a) That trust institutions prove to have ordered the presentation in the stock exchange of purchase or sale bids over the shares of the issuer or the negotiable instruments representing those shares, and to maintain such bids for a minimum term of one hour, during the corresponding trading session.

b) That the issuer divulges to the public, through the means determined by the stock exchange, its intent to participate in a public auction, at least ten minutes before the transfer to the stock exchange of any bids resulting from its orders.

c) That the acquisition or placement is carried out through auction transactions in the terms of the internal regulations of the corresponding stock exchange, in which case, the trust institutions mentioned hereunder must issue instructions concerning the submission of its bid at the same price at which they instructed the orders mentioned in subparagraph a) hereinbefore.

IV. The acquisitions or placements completed by the issuer with the individuals or corporate entities mentioned in article 363, subsections I and II, of this Law, in compliance with the provisions contained in agreements or contracts recognized in the internal regulations of the issuer in question, where rights are established in favor of strategic partners whose securities holding is restricted up to a certain percentage of its capital stock, provided that the issuer informs the stock exchange of such circumstance, through the means determined by the latter.

The Commission may establish through general provisions any exceptions in addition to those set forth in this article.

Article 368.- The release of false or misleading information on securities or in regards to the financial, administrative, economic, operational or legal condition of an issuer through prospectuses, supplements, brochures, reports and other informative documents and, in general, through any mass means of communication shall be prohibited.

It shall be considered that a release of misleading information exists, except evidence to the contrary, when in some prospectus, supplement, brochure, report, revelation of relevant event and other informative documents has been omitted, either partially or totally, relevant information by an issuer, stock exchange intermediary, investment advisor, external auditors, attorneys-at-law, independent experts, price vendors, and securities rating institutions, in the scope of its competence, or, erroneous information was included. The event above shall not be applicable when it is the case of information whose release is prohibited in the applicable legislation or regulation.

Article amended FOG 01-10-2014

Article 369.- The release or delivery of false or misleading information is on securities, financial products, or in respect to the financial, administrative, economic, operations, or legal condition of the issue by the stock market intermediaries, attorneys-in-fact of these or investment advisors is prohibited. The same prohibition is applicable in respect to the advised or non-advised services in terms of articles 191 and 200, subsection I, paragraphs fourth and fifth of this Law or any other service provided by the stock exchange intermediaries, attorneys-in-fact of these, or investment advisors.

The release of misleading information shall be considered to exist in the events that the second paragraph of article 368 refers to.

Article amended FOG 01-10-2014

Article 370.- Any individuals or legal entities participating or intervening, directly or indirectly, in securities market acts or transactions, shall be banned from:

I. Manipulating the market.

II. Enter into any simulated transactions in terms of the volume or price of securities.

Subparagraph amended FOG 01-10-2014

III. Distorting the proper operation of the trading system or computers equipment of the stock exchanges or companies in charge of managing systems to facilitate securities transactions.

IV. Intervening in any transactions with a conflict of interest.

V. Contravening sound market practices and usages. Any act that is against the ends of the present Law or any other act that affects any subject matter protected hereunder shall be considered contrary to sound market practices and usages.

Subparagraph amended FOG 01-10-2014.

VI. Ordering or intervening in the execution of transactions with securities, in their own benefit or in the benefit of third parties, knowing full well of the existence of one or several instructions given by other customer or customers of a securities market intermediary, over the same security, in advance to the execution thereof.

For purposes of this Law, market manipulation shall be understood as any act by one or more individuals or legal entities, through which the free interaction between supply and demand is altered or influenced, causing the artificial variation of the securities volume or price, in order to obtain a benefit in their own favor or to the benefit of third parties.
It shall not be considered as a market manipulation, the execution of stabilization transactions consisting of the purchase of shares or negotiable instruments representing said shares, completed after the auction-crossing in the stock exchange has been made by a public offering, concerning securities of the same class, series or kind and, provided no bids are made at a price higher than the placing price or at the price agreed in the last market transaction, whichever is lower.

Article 370 Bis.- The members of the board of directors, general director, or its equivalent and other executive officers of the promoting stock investment corporations or public corporations shall be prohibited from altering active or passive accounts or the conditions of agreements that form part or give base to its accounting records, or, make or order for inexistent transactions or expenses be recorded or that the real ones of the corporation be exaggerated.

The same prohibition shall be applicable to the members of the board of directors, general director, or its equivalent and other executive officers of the issuers of stock exchange certificates that article 62 of this law alludes to or, given the case, to the trustor, members of the technical committee, the administrator of the trust property of the trust stock exchange certificates that article 62 of the present Law refer to.

Article added FOG 01-10-2014

Article 371.- The entities indicated below shall be bound to establish guidelines, policies and control mechanisms, abiding by the general provisions issued to such end by the Commission, for those transactions with securities entered into by their directors, executive officers and employees who, by virtue of their employment, position or commission, have or may have access to insider or confidential information related to any processes for the registration of securities with the Registry, public offerings, acquisition or transfer of shares held by the same issuers, or on transactions ordered by the investing clientele:

Paragraph amended FOG 01-10-2014

I. The stock exchange intermediaries.

II. The stock exchanges.

III. The securities depository institutions and the central counterparties of securities.

IV. The securities rating agencies, the price vendors and the companies managing systems to facilitate securities transactions.

V. The financial entities that are members of financial groups to which any commercial Banks, securities firms, managing companies of investment companies, investment fund stock distribution companies or financial entities allocating shares of investment companies, may pertain to.

VI. The issuers.

Subsection added FOG 01-10-2014

VII. The investment advisors.

Subsection added FOG 01-10-2014

Article 372.- The members and secretary of the Board of Governors of the Commission, as well as the public officers under its jurisdiction, may not invest in shares representing the capital stock of a corporation, registered in the Registry, except through investment companies, trusts constituted for that single purpose in which they do not have any interference with investment decisions, indexed instruments or baskets of shares or in negotiable instruments representing shares of the capital stock of one or more corporations issued under any trust.

The restriction established in the preceding paragraph shall be applicable to transactions with options or derivatives, having as underlying any shares representing the capital stock of one single corporation, registered in the Registry.

Chapter II
On criminal offenses

Article 373.- Anyone who within the territory of Mexico, engages in any trading activities with securities, without the corresponding authorization of the competent authorities under this or other Laws, shall be penalized with five to fifteen years of prison.

Article 374.- Anyone who engages in any of the following conducts shall be penalized with three to fifteen years of prison:

Paragraph amended FOG 01-10-2014

I. Public offerings of securities not registered in the Registry, without the authorization of the Commission.

II. Private offerings of securities, against the provisions of article 8 of this Law.

Article 375.- The members of the board of directors and executive officers, employees or whoever exercises positions or commission agencies in a securities market intermediary, disposing for themselves or for third parties of the funds received from a customer or its securities, for purposes other than those ordered or retained by such customer, causing as a result, a pecuniary damage to the customer in their own benefit, either directly or through others, or in favor of third parties, shall be punished with a prison penalty of five to fifteen years of imprisonment.

The same penalties shall be imposed to the members of the board of directors, as well as to any individuals performing management duties, offices or commission agencies, in a securities market intermediary, when they incur in a behavior which results in illicit transactions or in transactions prohibited by the Law which result in pecuniary harm to the securities market intermediary in question, for their own benefit, directly or through others, or in favor of third parties.

Article 376.- The members of the board of directors, the executive officers, officers, employees, agents authorized to enter into transactions with the public, examiners or external auditors of an intermediary of the securities market, the stock exchange, securities depository institutions, central counterparties of securities o issuers, who incur in any of the following behaviors, shall be punished with a penalty of two to ten years of prison:

I. Fail to record in the accounting books any transactions made or alter the accounting records or artificially increase or decrease the assets, liabilities, memorandum accounts, capital accounts or the results of the aforementioned entities, to conceal the actual nature of the transactions made or their accounting records.

II. Enter or order the entry, of any false data in the accounting books or else, provide any false data in the documents, reports, certified reports, opinions, surveys or credit ratings that must be filed with the Commission in compliance of the provisions of this Law.

III. Destroy or order the destruction, in whole or in part, of the accounting systems or accounting records or the supporting document which are the source of the corresponding accounting entries, before the expiration of the legal terms established for the preservation thereof and with the purpose of concealing their records.

IV. Destroy or order the destruction, in whole or in part, of any information, documents or files, even electronic ones, with the purpose of preventing or hindering the supervision duties of the Commission.

V. Destroy or order the destruction, in whole or in part, of any information, documents or files, even the electronic ones, with the purpose of manipulating or concealing from those having a legal interest in knowing the relevant data or information of the company, which, had it been known, it would have prevented an impairment by fact or law, to such legal entity, its partners or to third parties.

VI. Submit to the Commission any false or altered information or documents in order to conceal their true content or context, or else, enter or declare before such Commission any false facts.

Article 377.- An imprisonment penalty from three to nine years of prison shall be imposed on those members of the board of directors, executive officers or employees of a securities market intermediary or securities depository institution, who release news or information on the transactions, services or deposits made or in regards to which they intervene on behalf of their customers, against the provisions of articles 192, first paragraph or 295, first paragraph of this Law, as the case may be. The same penalty shall be

applied to any individuals using, without the authorization of the holder of the agreement, the aforementioned information.

Article 378.- Any individual who has been removed, suspended or disqualified to hold their offices, by the final resolution of the Commission, in terms or the provisions of article 393 of this Law, and continues to perform the duties in respect to which he was removed or suspended, or if he holds an employment, position or commission, within the Mexican financial system, despite of having been suspended or disqualified to hold their offices, shall be penalized with two to seven years of prison.

Article 379.- Anyone who by virtue of a mandatory tender offer of shares representing the capital stock of a corporation or negotiable instruments representing such shares, registered in the Registry, as provided in article 98 of this Law, pays, delivers or provides any consideration, directly or through third parties, implying a pecuniary premium or surcharge to the amount of the offer, in favor of certain individual or legal entity or group of individuals or legal entities accepting their offer or in favor of whoever they may appoint, shall be punished with prison for a term from two to six years.

The same penalties shall be imposed to individuals who, having accepted the offering in the aforementioned terms, receive the premium or surcharge.

Article 380.- Anyone who, being under legal or contractual obligation of confidentiality, reserve or secrecy provides, by any means, or transfers, insider information to a third party or parties, shall be punished with prison for term of three to fifteen years.

Paragraph amended FOG 01-10-2014

The same penalties shall be imposed on any individuals who, being under obligation of confidentiality, reserve or secrecy, either by law or contract, issue or make recommendations based on insider information on securities or derivatives having as underlying any securities which quotation or price may be influenced by such information.

Article 381.- The individuals who, making use of inside information, enter into or instruct the execution of transactions, on their own or through any third party, on securities or derivatives having as underlying any securities which price or quotation may be influenced by such information and, as a result of such transaction, earn a benefit for themselves or for third parties, shall be punished in the following manner:

I. Two to six years of prison, when the amount of the benefit is equal to up to 100,000 days of daily minimum general wages applicable in the Federal District at the time the respective transaction is executed.

II. Four to twelve years of prison, when the amount of the benefit exceeds 100,000 days of daily minimum general wages applicable in the Federal District, at the time the respective transaction is executed.

For purposes of this article a benefit is understood as the earning of a profit or the avoidance of a loss.

The benefit and its corresponding calculation shall be determined for purposes of the criminal offense mentioned hereunder, based on the method established in article 392, subsection IV, subparagraph a) of this Law.

Article 382.- The individuals participating directly or indirectly, in any market manipulation actions in the terms established in article 370, penultimate paragraph of this Law, and who obtain a benefit for themselves or for a third party shall be penalized as follows:

I. With two to six years of prison when the amount of the benefit is equal to up to 100,000 days of daily minimum general wages applicable in the Federal District at the time the relevant transaction is executed.

II. With four to twelve years of prison when the amount of the benefit exceeds 100,000 days of daily minimum general wages applicable in the Federal District at the time the relevant transaction is executed.

For purposes of this article a benefit is understood as the earning of a profit or the avoidance of a loss.

The benefit and its corresponding calculation shall be determined for purposes of the criminal offense mentioned hereunder, based on the method established in article 392, subsection V, of this Law.

Article 383.- Anyone incurring in the following conducts shall be penalized with five to ten years of prison:

Paragraph amended FOG 01-10-2014

I. To disclose directly or through a third party, any false information on securities, or else, in regards to the financial, administrative, economic or legal condition of an issuer, through any prospectuses, supplements, brochures, reports, disclosure of relevant events and other informative documents and, in general, of any mass media.

II. To conceal or fail to disclose any relevant information or events that, in terms of this legal statute must be disclosed to the public or to other shareholders or securities holders, except when their disclosure has been deferred in terms of this Law.

Article 383 Bis.- The executive officers, officials, employees, and attorneys-in-fact to execute transactions with the public of the stock exchange intermediaries or investment advisors, that on their own or through a third party provide false information regarding the advised and non-advised services that they provide, regarding the securities or in respect to the financial, administrative, economic, operational, or legal condition of the issuer shall be penalized with prison time for five to ten years.

Article added FOG 01-10-2014

Article 384.- Anyone who, without the consent of the legal holder, takes away or uses the passwords to access the orders reception and transactions allocation system of a securities market intermediary or to the trading operational systems of any stock exchange, to introduce bids and execute transactions obtaining a benefit for themselves or for a third party, shall be penalized with six months to two years of prison. The penalty provided in this article shall be regardless of the one that is applicable for the commission of other criminal offense or offenses provided in this Chapter or in other applicable Laws.

Article 385.- Any individuals who, either on their own or through someone else or through trade names, by any advertising means represent themselves to the public as stock exchange intermediaries, without having the authorization of the competent authority in accordance with this or other Laws, shall be penalized with one to two years of prison.

Article 386.- A penalty from three to two twelve years of prison shall be imposed on the members of the board of directors, the chief executive officer and other executive officers or legal representatives of stock exchange investment promotion corporations o public corporations that, through the alteration of the active or passive accounts, or the terms and conditions of the agreements enter or order the registration of inexistent transactions or expenses or the exaggerated records of actual ones are, or who in a fraudulent manner, carry out any illegal or prohibited act or transaction generating, through any of the aforementioned cases, a breach or harm to the assets of the respective company or the legal entities controlled by it, for their own economical benefit, either by themselves of through a third party.

The same penalty shall be imposed on the members of the board of directors, general director, or its equivalent and other executive officers of the issuers of stock exchange certificates that article 62 of this Law alludes to, or in accordance with the case, of the trustor, members of the technical committee, the administrator of the trust property that, through the alteration of the active or passive accounts or of the conditions of the agreements that form part or give base to their accounting records that make or order for inexistent expenses or transactions to be recorded or for the real ones to be exaggerated, or that deceitfully do any illegal or prohibited by law act or transaction, generating a loss or damage in the equity of the corporation, of the legal entities controlled by it or of the trust in question in any of the said events, in their own benefit either directly or through a third party.

Paragraph added FOG 01-10-2014

The penalty mentioned hereunder shall be one to three years of prison when it has been proven that the harm has been cured and the lost profit caused has been indemnified.

No criminal action shall be filed against the criminal offense established in article 40 of this Law when individuals act in terms of the provisions of this Law, and comply with the provisions of the Laws regulating the acts mentioned in the first paragraph of this article.

Article 387.- The shareholders, directors and executive officers ordering or soliciting officers or employees of a securities market intermediary, the commission of any criminal offenses contained in articles 375 to 378 and 384 of this Law, shall be penalized with an increase of up to fifty percent over the penalty corresponding to the criminal offenses provided in the aforementioned legal provisions.

Article 388.- The criminal offenses provided in this Law shall only be prosecuted by motion of the Ministry, with the previous opinion of the Commission; except in the event of the criminal offenses set forth in articles 375, 377, 384 and 386 of this Law, in which case the victims, offended parties, or account holders may also file the accusation themselves.

Paragraph amended FOG 01-10-2014

In connection with the criminal offense set forth in article 386 of this legal statute, it may only be prosecuted by charges brought forth by the victims or the offended parties who hold at least thirty-three percent of the capital stock of the stock exchange investment promotion corporation, or publicly traded corporation affected, or at the request of the Ministry, with the previous opinion of the Commission, provided the victims or offended parties who hold at least ten percent of the capital stock of the corresponding company so request it.

The Commission may abstain itself from issuing the opinion mentioned in this article, in the event of criminal offenses where the damages and lost profits caused do not exceed 25,000 days of daily minimum general wages in force in the Federal District, provided the damages have been cured and the lost profits caused to the victim or offended party indemnified, without the intervention of any authority; in the event the individuals who have been involved, have not been earlier related with any illegal actions affecting the financial system; that the offense is not a serious criminal offense in terms of article 194 of the Federal Code of Criminal Procedure, and that in the opinion of the Commission, the alleged offenders may have effectively collaborated by providing truthful information for the relevant investigation.

On any matters in which the Commission shall have abstained from issuing the opinion mentioned in the first paragraph of this article, it shall inform the Ministry of its determination.

Criminal offenses contained in this Law shall only admit fraudulent commission. The criminal action in the prosecution of any criminal offenses contemplated hereunder shall be subject to a three-year statute of limitations counted as of the day the Ministry or the individual or legal entity that has a legal interest becomes aware of the criminal offense and of the alleged offender, and in the absence of such awareness, in five years which shall be computed from the date the criminal offense was committed.

The penalties set forth in this Law, except for those set forth in article 386, shall be reduced to one third, if it is proven the damage has been cured or the lost profit caused indemnified.

For anything not provided in this Law, in regards to criminal offenses, the provisions of the Federal Criminal Code and the Federal Code of Criminal Procedures shall apply.

Title XV
On administrative procedures

Chapter I
Preliminary provisions

Article 389.- Administrative procedures provided in this Law shall admit evidence in accordance with the acts subject to the procedure as long as the same are offered within the term provided therefore. In the event of depositions by the authorities, these shall be submitted in writing.

Paragraph amended FOG 01-10-2014

Once the right to a hearing established in article 391 of this Law has been honored or else, a motion for reconsideration has been filed in writing, only newly-discovered evidence shall be admitted, provided the corresponding resolution has not been pronounced.
The Commission may gather any evidence it deems necessary, for such purpose it shall decide the admissibility of the evidence produced. Evidence produced by the interested parties may only be rejected when it is not offered in accordance to the law, when it has no relation with the merits of the issue, when it

is inadmissible, unnecessary or against morality and the Law. The weighting of evidence shall be made in accordance with the provisions of the Federal Code of Civil Procedures.

Upon the conclusion of the discharge of evidence stage, the corresponding resolution shall be issued, for which issuance it shall not be required to serve previous notice thereof on the interested party.

Article 390.- The power of the Commission to impose administrative penalties shall expire in a term of five years computed from the first business day following the date when the act was carried out or omitted or when the event of default occurred.

The aforementioned term shall be interrupted by the commencement of the relevant procedures. It shall be considered that the corresponding procedure has commenced, when the Commission grants the right to be heard to the alleged transgressor, in terms of the provisions of subsection I of article 391 of this Law.

To calculate the amount of the fines as well as other premises set forth in this law according to days of wages, the basis to be considered shall be the daily minimum general wages applicable in the Federal District of the day when the acts took place or the event of default occurred.

Any fines imposed by the Commission shall be paid within fifteen business days following the date of their notice. Should the fines not be paid within the aforementioned term, the amount thereof shall be updated from the month when the payment should have been made and until it is actually made, as provided in the Federal Tax Code for this kind of events.

In the event the transgressor pays the fines imposed by the aforementioned Commission within the fifteen day term mentioned above, a reduction of twenty percent from the total amount shall be applied, provided no legal remedies are filed.

The penalties imposed by the Commission shall be made effective by the Ministry, once they have been finalized.

Paragraph added FOG 01-10-2014

Chapter II
On the imposition of administrative penalties

Article 391.- When imposing administrative penalties that this Law refers to, the Commission shall abide by the following:

Paragraph amended FOG 01-10-2014

I. The alleged transgressor shall the right to be heard, to be exercised within a term of ten business days, from the business date following the one when the relevant notice becomes effective, to answer in writing whatever he/she deems convenient, to offer evidence and file his/her allegations. The Commission, by motion from the parties may extend the term mentioned hereunder for a single time, for up to the same period, taking into consideration the special circumstances of the case. The notice shall become effective on the next business day after its service date.

II. In the event the alleged transgressor fails to exercise his/her right to be heard that the subsection above refers to within the aforementioned term, or else, having exercised said right he/she fails to have the charges filed against him/her dismissed, the infractions attributed shall be considered proven and the corresponding penalty shall be imposed.

Subsection amended FOG 01-10-2014

III. In the imposition of penalties the following, given the case shall be considered:

a) The impact on third parties or on the Mexican financial system that the transgression produced or is producing;

b) The recidivism, the causes that give rise to it and, given the case, the corrective actions applied by the alleged transgressor. Recidivist shall be considered that which incurred in a transgression

that was penalized and, in addition to that, commits the same transgression, within the two years immediately following the date on which the corresponding resolution was finalized.

The recidivism may be penalized with a penalty whose amount is equal to up double what was originally set forth;

c) The amount of the transaction in relation to which the respective transgression was committed;

d) The economic condition of the transgressor to the effect that the penalty is not excessive, and

e) The nature of the transgression committed.

Subsection amended FOG 01-10-2014

IV. In terms of behaviors qualified by this Law as serious, in addition to what is established in subsection III above, any of the following aspects may be considered:

a) The amount of the loss or monetary loss caused;

b) The profit obtained;

c) The lack of honorability by the transgressor, pursuant to what is set forth by this Law and the general provisions that arise from it;

d) The gross negligence or deceit that was acted out;

e) That the transgressing behavior that the administrative procedure refers to may constitute a crime, or

f) The other circumstances that the Commission deems applicable for such effects.

Subsection added FOG 01-10-2014

The penalties shall be imposed by the Board of Governors of the Commission, who may delegate such powers according to the nature of the infraction or the amount of the penalty, in the chairman or in any other public officers of the Commission.

Taking into account the particular circumstances of each case, the Commission may, in addition to the imposition of the corresponding penalty, reprimand the transgressor or only reprimand him/her, considering his/her personal background, the seriousness of the acts, if there was no harm caused to the interests of third parties or to the interests financial system, that having causes damage, this has been repaired, as well as the existence of any mitigating circumstances.

Paragraph amended FOG 01-10-2014

In regards to legal entities, the penalties may be imposed both on such legal entities and on its directors, chief executive officers, officers, employees or attorneys-in-fact who have directly incurred or who have ordered the acts subject of the infraction.

The Commission shall consider as a mitigating circumstance for imposing administrative penalties, when the alleged transgressor attests before the Commission to have indemnified the damage caused, as well as the fact of supplying information to support the Commission in the exercise of its duties to determine any liabilities.

Paragraph amended FOG 01-10-2014

The procedures for the imposition of penalties mentioned in this Law shall begin regardless of the opinion that the Commission may issue involving a criminal offense, if any, in terms of article 388 of this legal statute, as well as regardless of the corresponding criminal procedures. Likewise such procedures shall be independent from the indemnification for damages and lost profits that may be claimed, if any, by the individuals affected by the respective acts.

Amendment FOG 01-10-2014: The then sixth and eighth paragraphs are repealed from the article

Article 391 Bis.- To ensure the exercise of the right to access to the government public information, the Commission, adhering to the guidelines approved by its Board or Governors, must report to the general public, through its Internet portal, the penalties that it imposes for transgressions to this Law or to the provisions that arise from it, for which it must indicate:

I. The name, denomination, or corporate name of the transgressor;

II. The legal precept infringed, the kind of penalty imposed, amount, or term, as the case may be, the transgressing behavior, and

III. The condition of the resolution, indicating if it is finalized or if it is vulnerable to being challenged and in this last case, if some means of defense has been lodged against it and its kind, when there is knowledge of such for having been duly notified by the competent authority.

In any case, if the penalty imposed is left without effects by some competent authority, such circumstance must also be published.

The information indicated above shall not be considered reserved or confidential.

Article added FOG 01-10-2014

Article 392.- The infractions to this Law or to any general provisions arising thereof, shall be penalized with an administrative penalty to be imposed by the Commission, at a daily wages ratio, as follows:

I. Penalty from 10,000 to 100,000 days of salary, to:

Paragraph amended FOG 01-10-2014

a) Financial entities, as well as individuals and legal entities regulated by this Law, who fail to comply with the requests of information and documents that, within the scope of their respective competent jurisdiction, are required by the Ministry, the Bank of Mexico and the Commission, within the terms, conditions and other characteristics determined by said entities.

Same penalty shall be applicable to the financial entities, as well as the individuals or legal entities regulated by this Law that do not comply with the delivery of information that, pursuant to the applicable provisions, shall be presented periodically to the Ministry, the Banco de México, or to the Commission.

Paragraph added FOG 01-10-2014

b) Mexican legal entities that directly or indirectly or through trusts or similar or equivalent legal concepts, make public offerings of securities abroad, contravening the provisions of article 7, second paragraph, of this Law.

Subparagraph amended FOG 01-10-2014

c) The members of the committees exercising audit or corporate practices duties, who fail to submit their opinion to the board of directors of public corporations, on the matters listed in subsections I, subparagraph a) and II, subparagraph a) of article 42 of this Law, as well as the chief executive officers of this type of companies, who fail to comply with the obligations set forth in article 44, subsections IV and V, of this legal statute. Likewise, to the heads of finance and legal areas or their equivalent, that fail to comply with their obligation to revise, in the scope of their respective powers and duties, as well as subscribe the reports that article 104 of this Law refers to.

Subparagraph amended FOG 01-10-2014

d) The directors and the chief executive officer of public corporations, who fail to disclose their opinion to the investing public concerning the offering price and any conflicts of interest, as well as the decisions they shall take in respect to their own securities, in accordance with the provisions of article 101, second and third paragraphs, of this Law.

e) Is repealed.

Subparagraph repealed FOG 01-10-2014

f) Is repealed

Subparagraph repealed FOG 01-10-2014

g) The persons related to a corporation whose shares representing the capital stock is registered in the Registry, who fail to provide the reports mentioned in article 110 of this Law.

h) The individuals or legal entities or group of individuals or legal entities who, directly or indirectly, hold ten percent or more of the shares representing the capital stock of the public corporations, as well as the members of the board of directors and the relevant executive officers of such companies, who fail to report to the Commission and, in the cases established by it through general provisions, to the public, through the means determined by the stock exchange where the shares or negotiable instruments representing said shares, are traded, in regards to the acquisition or the transfer of such securities made in violation of the provisions of article 111 of this Law.

i) The securities firms who fail to report to the Commission, the acquisition of shares as provided in article 119 of this Law, in violation of the provisions of article 120 of this legal statute.

j) Is repealed

Subparagraph repealed FOG 01-10-2014

k) Is repealed

Subparagraph repealed FOG 01-10-2014

l) Financial entities who engage the services of individuals who are not authorized by the Commission, contravening the provisions of article 193 of this Law.

m) Financial entities who fail to register on the same day, any acts or contracts resulting in any variation or modification to the assets, liabilities, capital, or implying a direct or contingent obligation, even in their memorandum accounts, in violation of the provisions of article 205 of this Law.

n) The individuals who fail to preserve within the legal term established, any documents and information established in articles 243, second paragraph, 267, 330 or 345 of this Law.

Subparagraph amended FOG 01-10-2014

o) The financial entities that in the presentation of financial statements fail to abide by the general provisions issued by the Commission, in violation of the provisions of article 210, paragraph first of this Law.

p) The external auditors, independent from the issuers of financial entities, who fail to provide to the Commission any reports, opinions and other elements of judgment on which they support their opinions and conclusions in violation of the provisions of article 345, second paragraph of this Law.

q) Financial entities who fail to notify, within the legal term established, the opening, change of location and close down of their offices, as well as to close for business and suspend operations on the days determined by the Commission, in violation of the provisions of articles 217 or 218 of this Law.

r) The stock exchanges who suspend the trade of securities for more than twenty days, without the authorization of the Commission, in violation of the provisions of article 248 of this Law.

s) The stock exchanges and the companies that manage systems to facilitate securities transactions who fail to provide the information established by the Commission through general provisions, in violation of the provisions of articles 252 or 259, second paragraph of this Law.

t) The stock exchanges and the financial entities who participate in the international quotation system, who fail to take the necessary measures so that securities that are traded through

such system, are acquired exclusively by institutional or qualified investors, in violation of the provisions of article 264, second paragraph of this Law.

u) The persons authorized to provide trading services in the securities market who fail to follow the provisions of article 308 of this Law.

v) The central counterparties of securities who fail to report to their reciprocal debtors and creditors on compliance of their obligations, as well as on the contributions they must make and any exceeding amounts there if, in violation of the provisions of article 313 of this Law.

w) The central counterparties of securities who fail to serve the corresponding notice to the Commission, the Bank of Mexico and the individuals executing transactions where they act as reciprocal debtor or creditor, when they cease to have such capacity in regards to any of these, contravening the provisions of article 311 of this Law.

x) The companies managing systems to facilitate securities transactions, the price vendors and the securities rating agencies who fail to notify the Commission, within ten business days following the date on which they make any modifications to the documents that are necessary to be organized and operate as such, in violation of the provisions of articles 254, last paragraph, 324, last paragraph, or 335, last paragraph, of this Law, as the case may be.

y) The price vendors who fail to report to the Commission on the same day of their decision, of any changes made to the updated prices for the valuation of securities, derivatives and indexes, in violation of the provisions of article 328 of this Law.

z) The securities rating agencies who fail to disclose to the public, through the media determined by the Commission by general provisions, the ratings they assign to securities registered in the Registry or to be registered with it, as well as their modifications and cancellations, in violation of the provisions of article 339, first paragraph of this Law.

aa) The issuers or entities that fail to establish the guidelines, policies, and control mechanisms that articles 366, third paragraph, or 371 of this Law refer to.

Subparagraph added FOG 01-10-2014

II. Fine from 20,000 to 100,000 days of salary to:

Paragraph amended FOG 01-10-2014

a) The individuals releasing to the general public any information with promotion, marketing or advertising purposes on securities, without the corresponding authorization, in violation of the provisions of article 6 of this Law.

b) The members of the board of directors of the public corporations, who:

1. Fail to submit to the general shareholders' meeting held for the closing of the fiscal year, any of the reports mentioned in subparagraphs a) and e) of subsection IV of article 28, of this Law.

2. Abstain to determine applicable actions to cure any irregularities they are aware of and to implement the corresponding corrective measures, as well as to order the chief executive officer the disclosure to the public, in the case of relevant events, in violation of subsections VII or IX of article 28 of this Law.

3. Act without diligence by failing to inform the board of directors or, as the case may be, the committees in which they are members, any information they know and that is necessary for the appropriate decision-making process, in violation of subsection II of article 32 of this Law.

c) The chairpersons of the committees performing duties in regard to corporate practices or audit of public corporations, who fail to prepare the annual report on their activities and to submit it to the board of directors of the company, in violation of the provisions of article 43, subsections I y II, of this Law.

d) The members of the committee in charge of audit duties, as well as the chief executive officers of the public corporations, who fail to comply with any of the obligations set forth in articles 42, subsection II, subparagraphs b), j), m) and o), and 44, subsections II, VI y XI, of this Law, as the case may be.

e) The public corporations acquiring shares representing their capital stock or negotiable instruments representing the same, in violation of the provisions of article 56 of this Law. In connection with serious or reiterated infractions, the Commission may additionally order the suspension of the acquisition of the company's own shares.

f) The individuals entering into transactions in violation of the provisions of articles 57 or 370, subsections II, III, and V of this Law.

Subparagraph amended FOG 01-10-2014

g) The issuers or the underwriters publicly offering, promoting, disseminating or in any manner disclosing the intention to subscribe or transfer any securities in violation of the provisions of article 85, third paragraph, of this Law.

h) The individual authorized to make voluntary acquisition public offerings failing to follow the provisions of article 97 of this Law.

i) The individuals or group of individuals who, in violation of the provisions of article 109 of this Law, fail to inform, for public disclosure, through the corresponding stock exchange, on the direct or indirect acquisition, in any stock exchange or out of the counter, of the common shares of a corporation resulting in a shareholding equal to or higher than ten and below thirty percent of such shares.

The same penalty shall be imposed on those who, in violation of the provisions hereunder, fail to inform the corresponding stock exchange, for the corresponding public disclosure, of their intent to acquire or not to acquire a significant influence in the corporation of which they have acquired common shares.

j) The securities firms, the stock exchanges, securities depository institutions and central counterparties of securities, failing to submit to the approval and, as the case may be, the authorization of the Ministry or Commission, their corporate bylaws, as well as any amendment thereof, in violation of the provisions of article 115, last paragraph, 235, last paragraph, 273, last paragraph, or 302, last paragraph, of this Law.

k) The financial entities starting operations without proving the Commission the compliance with the requirements mentioned in articles 116 or 236 of this Law.

l) The individuals acquiring shares of a financial entity, in violation of the provisions of any of articles 119, 167, 239 and 304 of this Law.

m) Financial entities failing to have the corporate bodies, committees, or persons established in articles 126, 242, 278, 306 and 327 of this Law, as the case may be.

Subparagraph amended FOG 01-10-2014

n) The securities firms failing to have or to adopt the mechanisms and procedures that are necessary for the protection and control of confidentiality and safety of information as provided in articles 177 and 220, subsection II, subparagraph c) of this Law, or else, failing to keep records as established in article 178 of this legal statute.

o) Financial entities not having an automated financial system for the reception, registration, channeling of orders and allocation of transactions, in accordance with the general provisions issued by the Commission, in violation of the provisions of article 180 of this Law.

p) The securities firms or securities depository institutions, failing to comply with any of the obligations set forth in articles 203, 284, 287, 290, 292 and 296 of this Law, as the case may be.

q) The securities firms investing, directly or indirectly in negotiable instruments representing the capital stock of foreign financial entities, without obtaining the prior authorization of the

Commission, in violation of the provisions of article 215 of this Law, or else, that fail to obtain the prior authorization of the Commission to retain from third parties the provision of the necessary services for their operation, in violation of the provisions of article 219 of this legal statute.

r) The stock exchanges, securities depository institutions and central counterparties of securities, failing to draft their internal bylaws in accordance with articles 247, 294 and 315 of this Law, or else, modifying the same without obtaining the authorization mentioned in articles 247, last paragraph, 294, and, 315, last paragraph, of this legal statute, as the case may be.

s) The stock exchanges, securities depository institutions and central counterparties of securities charging fees or tariffs for their services without the authorization of the Commission, in violation of the provisions of articles 249, 297 or 317 of this Law, as the case may be.

t) The stock exchanges investing directly or indirectly in negotiable instruments representing the capital stocks of domestic or foreign entities of the same kind or performing duties equivalent to those of the securities depository institutions or central counterparties of securities, without the authorization of the Commission, in violation of the provisions of article 251 of this legal statute.

u) The issuers that fail to issue or exchange the necessary negotiable instruments and, as the case may be, their corresponding coupons, in violation of the fourth paragraph of article 282 of this legal statute.

v) The issuers that fail to comply before the securities depository institutions, with their obligations as a result of the enforcement of any pecuniary rights mentioned in the last paragraph of subsection I, of article 288, of this Law.

w) The securities firms and credit institutions who fail to deposit with a securities depository institution, the shares they hold representing the capital stock of a clearing agency, in order to guarantee the timely and due payment of the obligations such entities may have before the company, in violation of the provisions of article 303, third paragraph of this Law.

III. Fine from 30,000 to 100,000 days of salary, to:

Paragraph amended FOG 01-10-2014

a) The individuals or legal entities who making a public offering of securities in the Mexican territory without having registered such securities in the Registry, in violation of the provisions of article 7 of this Law.

b) The individuals who perform any of the activities set forth in articles 9, 114, 159, 160, 234, 253, 272, 301, 322 or 334 of this Law, without the corresponding authorization.

c) The members of the board of directors of the public corporations that approve, without the prior opinion of the respective committee, any of the issues set forth in subsection III, subparagraphs a), b) and c) of article 28 of this Law.

d) The members and secretary of the board of directors, as well as the corresponding executive officers of the public corporations who act disloyally or who act illegally against the company or the legal entities controlled by it or on which it has a significant influence, in violation of the provisions of articles 34, first paragraph, 35, 36 or 46, subsections II or III, of this Law.

e) The members of the committee who carry out audit duties of public corporations, who fail to comply with the obligations set forth in article 42, subsection II, subparagraphs e) and g), of this Law.

f) The public corporations providing in their bylaws any clauses that establish measures tending to prevent the acquisition of shares granting control of the company, in violation of the provisions of article 48 of this Law.

g) The shareholders present or discussing any transactions in which they have an interest contrary to the company, in violation of the provisions of article 52 of this Law.

h) The public corporations issuing shares other than common shares, without the authorization of the Commission as provided in article 54, second paragraph, of this Law.

i) Individuals or legal entities who in violation of the provisions of article 55 of this Law:

1. Instrument mechanisms to trade or offer in a jointly manner common shares with limited or restricted voting rights or without voting right.

2. Transfer in trust any common shares bound to issue participation certificates representing them, in order to prevent all their holders to freely enforce any voting rights they are entitled to.

j) Is repealed

Subparagraph repealed FOG 01-10-2014

k) The corporations and legal entities controlled by them, as well as the members of the board of directors and the relevant officers of such companies who, in violation of the provisions of article 101 of this Law, engage in any acts or transactions aimed to hinder the development of a mandatory tender offer.

l) The issuers that, against what is set forth by article 104 of this law, do not provide to the Commission or to the stock exchange where their securities are listed, the information or reports that said article refers to, or, when they are presented in an incomplete manner or without fulfilling the requisites, terms, or conditions demanded for it. Likewise, to the issuers that do not draft their financial statements pursuant to the accounting principles issued or recognized by the Commission.

Subparagraph amended FOG 01-10-2014

m) The issuers that do not comply with the obligation of keeping the control that article 105, last paragraph of this Law alludes to, or when the registration is not done or kept in the terms that such article disposes.

Subparagraph amended FOG 01-10-2014

n) The issuers with securities registered in the Registry that do not comply with the obligations to inform the investing public, in the terms set forth by article 106 of this Law, the causes that at its judgment gave rise to the events indicated in the article itself. Also, when they do not report information to the investing public that, at the request of the Commission or of the stock exchange where they securities are listed, they are obligated to report pursuant to what is set forth by article 106 of this Law.

Subparagraph amended FOG 01-10-2014

o) The securities firms that fall in any of the events of suspension that article 138, subsections I to VIII and X of this Law refer to.

Subparagraph amended FOG 01-10-2014

p) The securities firms that fall in any of the revocation events that article 153, subsections IV and VI to XII of this Law refer to.

Subparagraph amended FOG 01-10-2014

q) The offices of representation of the foreign securities firms that carry out activities on national territory different from those set forth in the general provisions issued by the Ministry, against what is established in article 159, second paragraph of this Law.

Subparagraph amended FOG 01-10-2014

r) The subsidiaries that sell series “F” shares without having the authorization of the Ministry, against what is established in article 166 of this Law.

Subparagraph amended FOG 01-10-2014

s) The securities firms, price vendors, and investment advisors that go against articles 186, 188, subsections I and II, 196, 197, 227, subsection IV or 331 of this Law, as the case may be.

Subparagraph amended FOG 01-10-2014

t) The financial entities that do not excuse themselves in terms of the second paragraph of article 189 of this Law.

Subparagraph amended FOG 01-10-2014

u) The members of the committee responsible for the analysis of the financial products or the person responsible for supervising the compliance with the provisions in matter of advisory or non-advisory services, that act against what is set forth in articles 190 Bis or 190 Bis 1 of this Law, and the general provisions that derive from such provisions, provided that there was no damage caused with this.

Subparagraph amended FOG 01-10-2014

v) The securities firms that do not keep a global capital in relation to the risks which they incur in their operation, against what is established in article 173 of this Law.

Subparagraph amended FOG 01-10-2014

w) The securities firms that operate outside of stock exchanges listed in it, without having the previous authorization of the Commission, against what is established in article 179 of this Law.

Subparagraph amended FOG 01-10-2014

x) The securities firms that do not keep the securities that they acquire on their own of through third parties deposited in a securities depositary institution or institutions indicated by the Commission itself, against what is established in article 182 of this Law.

Subparagraph amended FOG 01-10-2014

y) The securities firms and securities depositary institutions that give news or information of the transactions or services that the provide, against what is set forth by articles 192 or 295 of this Law, as the case may be.

Subparagraph amended FOG 01-10-2014

z) The individuals authorized by the Commission that offer their services to more than one financial entity simultaneously, against what is set forth in the last paragraph of article 193 of this Law.

Subparagraph added FOG 01-10-2014

aa) The securities firms that do not deposit the resources of a client in a credit institution no later than on the following business day or acquire representative shares or the capital stock of a fixed income investment fund, in the account of the respective client, or invest them in repurchase agreements on government securities, against what is established in article 194 of this Law.

Subparagraph added FOG 01-10-2014

ab) The securities firms that do not register the funds or securities of clients in an account different from the ones that form part of its asset, against what is established in article 206 of this Law.

Subparagraph added FOG 01-10-2014

ac) The securities firms and central counterparties of securities that do not open or do not keep special accounting, against what is established in articles 207 or 314 of this Law, as the case may be.

Subparagraph added FOG 01-10-2014

IV. Penalty to any individuals infringing articles 364 or 365 of this Law, according to the following:

a) In connection with infractions to the provisions of subsection I of article 364 of this legal statute, penalty in the amount of one to twice the benefit obtained in the relevant transaction, plus the amount resulting from applying to such benefit a rate equal to the arithmetical average of the yields produced by the ten most profitable debt instruments investment companies, during a term of six months prior to the date of the transaction. If there is no benefit, the applicable penalty shall be between ten and fifty percent of the amount of the transaction.

For the calculation of the benefit, any of the methods described below shall be applied, as the case may be:

1. If the transgressor executes the transaction opposite to the one that gave rise to the infraction, within the next ten business days following the date the information classified as insider information shall have been disclosed, it shall result from the difference existing between the prices of one and the other transaction, taking into account the corresponding volume.

2. If the relevant event referred to the tender of a public offering, it shall result from the difference existing between the price of such offer or the one at which the transgressor shall have made the transaction contrary to the one that gave rise to the infraction, before the offering, weighted by the corresponding volume.

3. In any other events the difference existing between the arithmetical average of the prices of the corresponding securities disclosed by the price vendors, during five business days following the date in which the information shall have been disclosed to the public and the price of the transaction made taking into consideration the corresponding volume.

b) In connection with the transgressions to the provisions of subsections II and III of article 364 of this legal statute, penalty of 30,000 to 100,000 days of salary.

Subparagraph amended FOG 01-10-2014

c) In connection with any infringement to the provisions of article 365, first paragraph of this Law, penalty in the amount of one to twice the benefit obtained in the corresponding transaction. The benefit shall be the one resulting from the difference between the prices of one and the other transactions, taking into account the volume of the same. If there is no benefit, the penalty shall be in the amount of 10.000 to 100,000 days of salary.

Subparagraph amended FOG 01-10-2014

V. Penalty of 10,00 to 100,000 days of salary to anyone who participates directly or indirectly in any actions implying market manipulation, when the benefit obtained cannot be quantifiable, in violation of the provisions of article 370, subsection I, of this Law.

Paragraph amended FOG 01-10-2014

If the benefit obtained is quantifiable, the penalty to be imposed may be of one to twice such benefit, plus the amount resulting from applying the same a rate equal to the arithmetical average of the yields produced by the ten most profitable debt instruments investment companies during a term of six months prior to the date of the transaction, provided in accordance with the information provided by said companies to the Commission and that for the effects of the present article, may be consulted in the internet page or electronic portal of the Commission itself.

Paragraph amended FOG 01-10-2014

The calculation of the benefit shall be obtained from the difference between the price of the last event registered in the market, previous to the manipulation action, and the one at which any transactions are entered into by taking advantage of the movement generated, multiplying the difference obtained by the volume of these last transactions. In the event that the benefit from actions that are connected or related involving the same securities and is quantifiable, the calculation shall be made on the basis of the profit obtained by them.

It shall be understood as non-quantifiable benefit every privilege, advantage, benefit, prerogative or exemption, now or in the future existing, obtained as a result of the market manipulation, in any connected or related actions involving the same securities and which cannot be determined in money.

VI. A penalty in an amount of up to twice the premium or surcharge of the relevant transaction, if it is quantifiable, paid or provided, to the individuals incurring in conducts infringing the provisions of article 100 of this Law.

If such benefit is not quantifiable, a penalty of 10,000 to 100,000 days of salary shall be imposed.

VII. Penalty for 30,000 to 150,000 days of wage to:

a. The stock exchange intermediaries that carry out trading in respect to securities that do not comply with what is set forth in article 9 of this Law.

b. The persons that carry out any of the activities set forth in articles 9, 114, 159, 160, 225, 234, 253, 272, 301, 322, or 334 of this Law, without having the corresponding concession, authorization, or registration.

c. The issuers that do not reveal relevant events in terms of what is established in article 105 of the present legal ordinance.

d. The securities firms that do not have a remuneration system in the terms set forth by article 130 of this Law and the general provisions that arise from it.

e. The financial entities or investment advisors that place, distribute, or carry out recommendations regarding securities that are the object of a public offer without adhering to the maximum limits established by the Commission, in terms of article 178 of this law.

f. The financial entities that incur in any of the prohibitions set forth in subsections III and IV of article 188 of this law.

g. The financial entities or investment advisors that issue unreasonable recommendations or carry out transactions in advised services against what is established in article 189, third paragraph, and subsections I to III of this Law.

h. The financial entities or investment advisors that execute transactions against what is set forth by article 189, fourth paragraph.

i. The financial entities or investment advisors that provide advisory services without having the policies, guidelines, or internal control mechanisms that articles 189, subsection III, 190, 190 Bis, and 190 Bis 1, first paragraph of this law refers to, of that such policies, guidelines, or internal control mechanisms do not have the minimum elements established by the Commission through general provisions.

j. The financial entities that do not have the committees or persons that articles 190 Bis and 190 Bis 1 of this Law refer to, as the case may be.

k. The members of the committee responsible for the analysis of the financial products or the person responsible for supervising the fulfillment of the provisions in matters of advised or non-advised services, that act against what is set forth in article 190 Bis or 190 Bis 1 of this Law and the general provisions that derive from such provisions, provided that they cause damage or loss.

l. The securities firms or investment advisors that do not provide their clients with the information relative to the total costs charged for the activities and services that are provided to them or financial products that are offered, or yields of the investment portfolios, against what is established in article 191 of this Law and general provisions that arise from it, as the case may be.

m. The financial entities that promote or commercialize securities in a generalized manner, different from those indicated by the Commission through general provisions that article 200, subsection I, last paragraph alludes to.

n. The financial entities that do not have the electronic or written records that are indicated in article 200, subsections I, paragraph four and II, first paragraph of this Law, in the terms indicated therein.

o. The financial entities that do not include the information determined by the Commission through general provisions that article 203, first paragraph refer to in the account statements to their clients.

p. The financial entities or investment advisors that do not record or document, or keep the documentation and information that article 208 or 226, subsection II, of this Law refers to within the established legal term.

q. The financial entities that do not have business areas separate and independent for the provision of investment services, against what is set forth by article 224 of this Law.

r. The investment advisors that incur in any of the prohibitions set forth in article 227, subsections I to III of this Law.

s. To whoever releases false or misleading information against what is established by articles 368 or 369 of this Law.

t. The persons that execute transactions against what is set forth by article 370, subsections IV and V of this Law.

u. The persons that incur in the prohibition indicated in article 370 Bis of this Law.

Subsection amended FOG 01-10-2014

VIII. Fine from 10 percent to 100 percent of the transaction to the persons that are obligated to carry out a mandatory tender offer in terms of what is set forth by article 98 of this Law, and do not do so, or carry it out without complying with the requisites set forth in said legal precept.

Subsection added FOG 01-10-2014

IX. Fine from 10,000 to 100,000 days of wage to the transgressors of any other provision if this Law or of the general provisions that derive from them, different from the foregoing and that do not have a special penalty indicated in this Law.

Subsection added FOG 01-10-2014

For purposes of the provisions of this law in subsections IV and V of this article, it shall be understood as benefit both obtaining a benefit and avoiding a loss.

The penalties provided by this article for public corporations, shareholders, members and secretary of the board of directors and the relevant executive officers, shall also be applicable to the stock exchange investment promotion corporations, shareholders and other individuals performing any of the aforementioned positions, when the legal provisions regarding the infraction may be applicable to them.

The Commission may abstain from penalizing the persons or financial entities that the present Law refers to, provided the cause of such abstention is justified in accordance with the guidelines issued for such effect by the Board of Governors of the Commission itself, and that refer to events, acts, or omissions that are not deemed serious, there is no recidivism, there are no elements that show that the interest of third parties or of the financial system itself is affected and no crime is constituted thereby.

Paragraph added FOG 01-10-2014

The violation of what is set forth in the following articles are considered serious transgressions; 6; 8; 9; 44, subsection V; 98; 104; 105; 106; 107; 114; 159; 160; 178; 188, subsection III and IV; 189, third paragraph, subsections I to III and fourth paragraph; 190; 190 Bis and 190 Bis 1, when damage is caused with it; 191; 192; 196; 200, subsection I, fourth paragraph, and II, first paragraph; 203; 205, when it is the case of omissions or alterations of accounting records; 208; 212, subsections I in what refers to the lack of presentation to the National Banking and Securities Commission of the document of policies of identification and knowledge of the client and of the user, and II, subparagraph a) for unreported transactions, as well as subsection III, subparagraphs e) and f); 224, last paragraph; 225; 234; 253; 272; 295; 301; 322; 334; 350, third paragraph; 351, first paragraph; 357; 364; 368, 369 and 370 of this Law.

Paragraph added FOG 01-10-2014

The penalties established in this Law shall be regardless of any suspension, formal ban, cancelation, intervention, and revocation that are applicable, as the case may be.

As per the request of the chairperson of the Commission, the administrative penalties may be pardoned in whole or in part by the Board of Governors of said Commission.

In case any of the transgressions included in this article generates a monetary damage or benefit, the sanction that corresponds may be imposed, up to one and a half times the equivalent of said damage or benefit obtained by the transgressor may be added, whichever is greater. The earning obtained shall be understood as benefit and a loss shall be understood as that avoided for itself or for third parties.

Paragraph added FOG 01-10-2014

Article 393.- The Commission, regardless of the economic penalties that may apply under this or other Laws and by resolution of its Board of Governors, may decree the removal or suspension from three months to five years of the performance of an employment, position or commission in the financial entities, investment advisor, or issuers, in the cases of:

Paragraph amended FOG 01-10-2014

I. The members of the board of directors, examiners, executive officers of any level, attorneys-in-fact authorized to trade with the public or stock brokers, trust delegates and external auditors of the stock exchange intermediaries, investment advisors, stock exchanges, securities depository institutions, central counterparties of securities, price vendors, companies managing systems to facilitate securities transactions and securities rating agencies; when they incur in any of the following events:

Paragraph amended FOG 01-10-2014

a) They fail to have the necessary technical qualities, honorability or satisfactory credit history for the performance of their duties, when such requirements result applicable, as provided by this Law.

b) Incur in serious or reiterated infractions to this Law.

II. The individuals or legal entities infringing the guidelines, policies and systems mentioned in article 371 of this Law.

III. The members and secretary of the board of directors and the relevant executive officers of the issuers, as well as the members of the technical committee of the issuers of development or real estate trust stock exchange certificates registered in the Registry, when they incur in any serious or reiterated infractions to this Law.

Subsection amended FOG 01-10-2014

IV. The individuals providing reports, opinions or surveys to any issuers containing false information disclosed to the investing public.

In any of the events mentioned in subsections I, subparagraph b), II and III of this article, the Commission may also formally ban the aforementioned individuals or legal entities to perform an employment, position or commission within the Mexican financial system, for the same period of three months to five years, regardless of the penalties that according to this or other legal statutes shall be applicable.

Additionally, in regards to individuals who obtain the authorization in terms of article 193 of this Law, the Commission may determine the revocation when they incur in any of the events set forth in subsection I, subparagraphs a) and b) of this article.

Article 393 Bis.- Without prejudice of the economic penalties that pursuant to this Law are imposed by the Commission on the issuers for transgressing what is set forth in the second paragraph of article 104 of this Law for not drafting their financial statements in accordance with the accounting principles issued or acknowledged by it, the Commission shall be empowered to request from the issuers, the amendment of their financial statements so that they may adhere to the referred to principles, as well as the corresponding delivery to the Commission itself and to the stock exchange where their securities are listed for its immediate release to the general public through the latter.

Article added FOG 01-10-2014

Article 394.- For purposes of article 393 of this Law, it shall be understood as:

I. Removal, the suspension of the transgressor from the employment, position or commission he might have with the financial entity or issuer upon the commission of the infraction.

II. Suspension, the temporary interruption in the performance of the duties entrusted to the transgressor upon the commission of the infraction; provided he may perform duties different to those that gave right to the penalty.

III. Formal ban, the temporary impediment in the exercise of an employment, charge or commission, within the Mexican financial system.

Article 395.- The members and secretary of the Board of Governors of the Commission shall be sanctioned with the removal from their position in terms of the Federal Law of Administrative Liability of Public Officers, as well as the public officers of the same who willfully violate the provisions of article 372 of this Law.

CHAPTER II Bis
Of the auto-correction programs

Chapter added FOG 01-10-2014

Article 395 Bis.- The financial entities, through their general director or equivalent and with the opinion of the auditing committee or whoever exercises the duties of surveillance of the entity itself, may submit an auto-correction program for the authorization of the Commission when the financial entity in question, when carrying out its activities, or the auditing committee or equivalent body as a result of the duties that are entrusted to it, detect irregularities or defaults to what is set forth in this Law and other applicable provisions.

The following may not be matter for an auto-correction program in terms of this article:

I. The irregularities or defaults that are detected by the Commission, in the exercise of its powers of inspection and surveillance, before the presentation by the financial entity of the respective auto-correction program.

It shall be understood that the irregularity was previously detected by the Commission, in the case of the powers of surveillance, when the company was notified of the irregularity; in the case of the powers of inspection, when it was detected in the course of the inspection visit or corrected after there was a request in the course of the visit; or

II. When the violation of the rule in question corresponds to any of the crimes established in this Law, or

III. When it is the case of any of the transgression considered serious in terms of this Law.

Article added FOG 01-10-2014

Article 395 Bis 1.- The auto-correction programs that article 395 Bis of this Law refers to shall adhere to the provisions of general nature issued by the Commission. Additionally, these must be signed by the person or area that exercises the duties of surveillance of the financial entity and be presented to the board of directors or equivalent body in the session immediately following when the authorization request is presented before the Commission. Likewise, these must include the irregularities or defaults committed, indicating the provisions that were considered violated; the circumstances that originate the irregularity or default committed, as well as indicate the actions adopted or that are intended to be adopted by the corporation to correct the irregularity or default that motivated the program.

In case that financial entity requests a term to correct the irregularity or default committed, the auto-correction program must include a detailed calendar of activities to be done for this effect.

If the Commission does not order of the financial entity in question to modify or correct the auto-correction program within the twenty business days following its presentation, the program shall be held as authorized in all its terms.

When the Commission orders the financial entity to make modifications or corrections with the purpose that the program adheres to what is established in the present article and other applicable provisions, the financial entity shall have a term of five business days counting from when the respective notice to correct such deficiencies. Said term may be extended on one occasion for up to five additional business days, with previous authorization Commission.

If the deficiencies that the paragraph above refers to were not corrected, the auto-correction program shall be held as not presented and, consequently, the irregularities and defaults committed may not be the object of another auto-correction program.

Article added FOG 01-10-2014

Article 395 Bis 2.- During the validity of the auto-correction programs authorized by the Commission in terms of articles 395 Bis and 395 Bis 1 above, it shall abstain from imposing the sanctions set forth in this law on the financial entities, for irregularities or defaults whose correction is considered in said programs. Likewise, during such period, the expiration term to impose sanctions shall be interrupted, being renewed until it is determined that the irregularities or defaults that are object of the auto-correction program were not corrected.

The auditing committee or whoever exercises the duties of surveillance in the financial entities shall be obligated to follow-up on the instrumentation of the authorized auto-correction program and inform on its advancement both to the board of directors and general director or to the equivalent bodies or persons of the financial entity and to the Commission in the form and terms that it establishes in the provisions of general nature that article 395 Bis 1 of this Law refers to. The foregoing, independent of the powers of the Commission to supervise, at any time, the degree of advancement and compliance with the auto-correction program.

If as a result of the reports of the auditing committee or whoever exercises the duties of surveillance in the financial companies or of the labors of inspection and surveillance of the Commission, it shall determine that the irregularities or defaults that are object of the auto-correction program were not corrected in the provided term, impose the corresponding sanction, increasing the amount of this up to forty percent; said amount being updatable in terms of the applicable fiscal provisions.

Article added FOG 01-10-2014

Article 395 Bis 3.- The individuals or other legal entities subject to the supervision of the Commission, may submit an auto-correction program for the authorization of the same Commission, when irregularities or defaults to what is set forth in this Law and in other applicable provisions are detected when carrying out their activities, adhering to what is set forth in article 395 Bis to 395 Bis 2 of this law, in accordance with what is applicable.

Article added FOG 01-10-2014

Chapter III
Motion for review

Article 396.- The parties affected by reason of the acts issued by the Commission putting and end to the authorization, registration, suspension, cancellation and imposition of administrative penalties procedures shall be entitled to defend their interest by filing a motion for review to the Board of Governors of the Commission, when the act has been issued by this or by the Chairman of the same, or before the latter in the case of actions by other public servants, in terms of the provisions of the Federal Administrative Procedure Law.

The filing of a motion for review mentioned in this article shall be optional for the private party affected.

The resolution of the motions for review shall be issued within a term not to exceed ninety business days following the date in which the motion was filed, when it is to be resolved by the chairperson of the Commission nor to one hundred and twenty business days in case of any motions within the competence of the Board of Governors.

Chapter IV
On the opposition procedure

Article 397.- The opposition procedure shall be followed before the chairperson of the Commission who shall finally resolve and proceed in the following cases:

I. When a securities market intermediary is denied without cause access to the location, facilities and the use of systems that facilitate the performance of transactions putting in contact the demand and supply of securities, provided to such end by the stock exchanges.

II. When a stock exchange suspends or excludes the transaction of a securities market intermediary within the location, premises and the use of systems that facilitate the performance of transactions putting in contact the supply and demand of securities, instrumented by the corresponding stock exchange.

III. When issuers that intend to list their securities in a stock exchange or, as the case may be, shall have obtained such listing, it is denied, suspended or cancelled without cause.

IV. When a securities market intermediary considers to have been affected by a resolution or measure adopted by any self-regulatory organization recognized in terms of this Law.

The Commission, in order to issue the corresponding resolution, shall serve notice of the complaint to the stock exchange or self-regulatory organization in question, in order for them to express whatever may be in their benefit and, as the case may be, provide the proving elements they deem convenient.

Article 398.- The Commission, when resolving the opposition procedure may:

I. In connection with subsection I of article 397 of this Law, confirm the denial or order the stock exchange to enable the securities market intermediary the access to its location, premises and the use of systems facilitating the execution of transactions putting in contact the securities supply and demand.

II. In connection with subsections II to IV of article 397 of this Law, confirm the decision of the stock exchange or self-regulatory organization, or else, to order the cancellation of the determination or measure adopted.

Chapter V
On notices

Article 399.- Notifications of requirements, ordinary and special inspection visits, precautionary measures, information and documents requests, citations, services of process, resolutions on the imposition of administrative penalties or of any act putting an end to the suspension, revocation of authorizations or concessions and cancellation of authorizations or registrations procedures contemplated in this Law, as well as any acts resulting in the denial of authorizations, concessions or registrations and the administrative resolutions regarding any motion for revocation and the acquittance requests filed under this Law, shall be given in any of the following manners:

Paragraph amended FOG 01-10-2014

I. Personally, according to the following:

a) In the financial authorities' offices, in terms of the provisions of article 402 of this Law.

b) In the interested party's address, in terms of the provisions of articles 403 and 406 of this Law.

c) In any place where the interested party is found, in the events set forth in article 404 of this Law.

II. By means of an official communication delivered by messenger or certified mail, both with return receipt requested.

III. Through notice by publication, in the events listed in article 407 of this Law.

IV. Through electronic means, in the event set forth in article 408 of this Law.

In respect to the information and documentation that must be presented by the inspectors of the Commission regarding an inspection visit, what is set forth in article 5, first paragraph of the National Banking and Securities Commission Law and other applicable provisions must be observed.

Paragraph added FOG 01-10-2014

For effects of this Chapter, financial authorities shall be understood as the Ministry, Commission, and the Banco de México.

Paragraph added FOG 01-10-2014

Article 400.- The authorizations and concessions issued according to this Law, the revocations or cancellations of any authorizations or registrations requested by the interested party, any acts derived from procedures filed as per the request of the interested party and any other acts different to those established in article 399 of this Law, may be notified as provided by said article or through the delivery of the official communication in which the corresponding act is contained, at the offices of the financial authority serving the notification, obtaining in a copy of such official communication the signature and name of the person receiving the same, or else, through ordinary mail, telegram, fax, e-mail or courier.

The financial authorities may serve notifications by e-mail, whenever the interested party so requests in writing providing the e-mail address to which the resolution to be notified must be sent, leaving proof in the corresponding file, of the date and time in which such notification was given.

The notification of the acts mentioned in this article shall become effective on the next business day following the day in which it is practiced, in case it is delivered at the aforementioned offices or following the day it is received in any other cases.

Article 401.- Notifications of investigation visits and those of declaration of an intervention established in this Law shall be made in one single act, without the need of any citation.

These notices shall be processed with the chief executive officer of the company and, in absence of the latter, with the officer or employee of the highest level present. In connection with investigation visits notifications to be given to individuals, they shall be processed with the interested party and, in their absence with any family member or individual who may be at the corresponding address.

Any notifications mentioned in this article shall be effective upon being served.

Article 402.- Personal notifications shall be made at the offices of the financial authorities, when the interested party attends to the same; to such end, whoever is in charge of the notification delivery shall prepare minutes by duplicate stating that the interested party was informed of the content of the official communication which certifies the administrative act that is to be notified; further it shall be stated, as appropriate, any other circumstances as provided in the antepenultimate paragraph of article 403 of this Law. The duplicate of the minutes shall be delivered to the interested party.

If the interested party refuses to sign or to receive the aforementioned official communication or the duplicate of the notification minutes, such circumstance shall be stated in the minutes, without affecting the validity of the notification.

Any personal notification set forth in this article shall be effective on the next business day following the one in which it would have been practiced.

Article 403.- Personal notifications shall also be practiced with the interested party, in the last address provided to the corresponding financial authority or in the last address it reported to the same authority during the relevant administrative procedure; minutes shall be prepared to such end in terms of the antepenultimate paragraph of this article.

In the event that the interested party is not present in the aforementioned address, the public officer in charge of serving the notification shall deliver a citation to the individual taking care of the notification procedure, so that the interested party awaits on a fixed time of the next business day and, in said citation the interested party being cited shall be warned that failure to attend on the day and time indicated, shall cause that the notification be practiced with anyone in attendance or if the address is closed or the individuals therein refuse to receive the relevant notification, the officer shall serve the notification as provided in article 406. The public officer shall make the corresponding minute as provided in the antepenultimate paragraph of article 406, certifying that he delivered the aforementioned notification.

The aforementioned citation shall be prepared by duplicate and addressed to the interested party, indicating date and time of issuance, date and time to await the public server in charge of the notification, who shall write down his name, position and signature in such citation, the purpose of his appearance and the relevant warning, as well as the name and signature of the individual receiving the same. In the event that the latter refused to sign, such circumstance shall be stated in the corresponding citation, without such circumstance affecting its validity.

On the day and time set to carry out the procedure that resulted in the citation, the server shall appear to the corresponding address and if the individual being cited is found, he shall proceed to prepare the minutes in the terms specified in the antepenultimate paragraph of this article.

In the event the individual summoned is not found, the notice shall be served on any individual found at the address where the notification process is taking place; for such purposes, minutes shall be prepared as provided in the following paragraph.

In any case, whoever takes care of serving the notification shall prepare minutes by duplicate stating, in addition to the aforementioned circumstances, his name, position and signature; that he appeared to the address and verified that it was the address he was looking for; that he served the notification to the interested party or to the person that took care of the procedure, with the previous identification of said individuals, the official communication containing the administrative act that is to be notified, stating the identification data of the same; the appointment of two witnesses; the place, time and date in which the minutes are written down; the identification means exhibited and the name of the interested party or the person taking care of the procedures and of the witnesses appointed. If the individuals involved refuse to sign or to receive the notification minutes, such circumstance shall be mentioned in the minutes without affecting the validity of the same.

For the appointment of the witnesses, the server of the notification shall request the interested party or the individual taking care of the procedure for their appointment; should they refuse or should the witnesses appointed would not accept their appointment, the same server in charge of the notification shall do so.

The personal notices set forth in this article shall become effective on the next business day following the date in which they have been practiced.

Article 404.- In the event that the individual in charge of serving the notice shall have made the search in the address mentioned in the first paragraph of article 403 of this Law, and the individual with whom the procedure is carried out denies that such address belongs to the interested party, the server shall prepare minutes to state such circumstance. Such minutes shall meet, as appropriate, the requirements set forth in the antepenultimate paragraph of article 403 of this legal statute.
In the event set forth in this legal provision, the server may serve personal notifications anywhere the interested party is found. For purposes of this notification, the individual serving the same shall prepare minutes stating that the individual being served is known to him personally or to have been identified to him by two witnesses, in addition to state, as appropriate, the provisions of the antepenultimate paragraph of the aforementioned article 403, or else to have the notification procedure certified before a notary public or commercial notary public.

Personal notifications set forth in this article shall become effective on the next business day following the one they have been served.

Article 405.- The notifications carried out by means of an official communication delivered by messenger or certified mail, return receipt requested, shall be effective on the next business day following the day written down in the receipt acknowledgement as reception date.

Article 406.- In the event that on the day and time indicated in the citation that might have been left in terms of article 403 of this Law, the individual in charge of the notification procedure finds the corresponding address closed or else the interested party or whoever takes care of the notification refuses to receive the official communication subject matter of the notification, the warning mentioned in the aforementioned citation shall be made effective. To such effect the notification shall be made before two witnesses appointed to such end, by a citation service to be fixed in a visible place of the premises, attaching the official communication containing the act to be notified.

The aforementioned citation service shall be made by duplicate and it shall be addressed to the interested party. Such citation service shall contain the circumstances due to which it became necessary to practice the notification through such means, the place and time of the issuance and the signature of the witnesses; the name, position and signature of whoever prepares the citation process; the name, identification data and signature of the witnesses; the statement that the individual in charge of the notification service appeared at the address and verified that it was the address registered for the notification service and the identification data of the official communication containing the administrative act being notified.

The citation service shall constitute prima facie evidence of the existence of the acts, actions or inactions contained therein. The notifications by citation service shall become effective on the next business day following the day on which they have been practiced.

Article 407.- Notifications by publication shall be made in the event that the interested party has disappeared, died, the address is unknown or it is impossible to have access to said address, the interested party would not have a known representative or address in the Mexican territory or is abroad and failed to leave a representative in the Mexican territory.

For such purposes, an extract of the corresponding official communication shall be published for three consecutive times, in a newspaper of national circulation, regardless of the fact that the financial authority in charge of the notification discloses the notification by publication in its website of the worldwide net named Internet, indicating that the original official communication is available to the interested party at the address that shall also be indicated in said notification by publication.

Notifications by publication shall become effective on the next business day following the day of the last publication.

Article 408.- The notifications by electronic means shall be made provided the interested party has so agreed or expressly requested in writing to the financial authorities, through the automated systems and with the safety mechanisms that such authorities may establish.

The notifications by electronic means shall become effective on the next business day following the one entered in the corresponding reception registration.

Article 409.- Notwithstanding the provisions of this Chapter, notifications not made according to the same, shall be understood as legally made and shall become effective on the next business day following the one on which the interested party expresses to be aware of its content.

Article 410.- For purposes of this Law, the members of the board of directors, chief executive officers, examiners, managing directors, managers, officers, trust delegates, statutory comptroller, executive officers with a level immediately below the chief executive officer, attorneys-in-fact to enter into transactions with the public or to trade in the stock exchange and other individuals who may bind with their signature the companies regulated by this Law, may indicate the Commission in writing, their address to hear and receive notifications related to the acts pertaining to the performance of their position, which shall be located within the national territory.

Should individuals mentioned in the preceding paragraph fail to indicate the address in terms of such paragraph, it shall be understood that they accept as their address the one of the company where they perform their position, employment or commission.

For everything set forth hereunder, it shall be considered as the company's address the last one provided to the Commission or indicated in the corresponding administrative procedure.

Article 411.- The notifications received by the public corporations or stock exchange investment promotion corporations of any acts that must be informed to their shareholders' meeting or board of directors' meeting, shall be informed to the chairperson of the board of directors, who shall summon the shareholders' meeting or the corporate body that is competent to such effect in order to adopt the appropriate measures.

Except as otherwise established in other applicable legal provisions, the terms shall be counted as of the business day following the one on which the notification shall have become effective.

The provisions of this Chapter shall not apply to the information and documents requests made by the public servants of the Commission under an inspection visit made in terms of this Law.

Title XVI
Final provisions

Article 412.- Should there be a notice of strike and in order not to affect the interests of the public, in connection with the availability of cash and securities in regard to stock exchange intermediaries, stock exchanges, securities depository institutions and central counterparties of securities, before the suspension of labors in terms of the Federal Labor Law, the Federal Conciliation and Arbitration Bureau shall provide whatever is necessary to keep the indispensable number of offices open and to have the workers, who are strictly necessary as to number and duties, continue working during the strike. The Federal Conciliation and Arbitration Bureau shall previously hear the Commission.

Article 413.- Credit institutions entering into transactions with securities on their own account with the public at large or on account of third parties under articles 53 and 81 of the Credit Institutions Law, or , in

compliance with trusts, agency or commission agency agreements, shall be subject, as appropriate, to the provisions of articles 177, in regard to any common representation activities they perform,178; 180 to 182, 184, 188 to 191, 193 to 198; 200, 204; 208; and 224 of this Law.

Article amended FOG 01-10-2014

Article 414.- Any individuals or legal entities who address to the general public through any means investment analysis or recommendations, whether or not they provide their services to stock exchange intermediaries, when making their recommendations shall abide by the general provisions issued by the Commission.

Article 415.- The following expressions are reserved; “promoting investment corporation”, “promoting stock investment corporation”, “public corporation”, “securities firm”, “investment advisor”, “stock exchange”, “ securities depositary institution”, and “central counterparty of securities”, or other equivalents to the foregoing in any language, to be used by persons that in accordance with the present Law may use them, or, that enjoy of the corresponding authorization, concession, or registration. The Commission may order the transgressor to stop using the expression inappropriately employed immediately, as well as decree the necessary measures for it.

Paragraph amended FOG 01-10-2014

The application of the preceding paragraph shall exclude self-regulatory organizations or professional associations of the entities mentioned in the preceding paragraph, that are authorized by the Commission for these purposes, provided the activities that are inherent to the aforementioned entities are not performed.

Article 416.- The use of electronic means or automated systems for data processing or telecommunication networks, either private or public, for the release of information and documents to the Commission, stock exchange and investing public, shall be subject to the provisions contained in the Second Title of the Commerce Code.

Article 417.- The information that in terms of this Law and of the general provisions derived thereof, must be provided to the Commission by the issuers and financial entities mentioned in this Law, derived from automated systems shall be made available to such authority, through any of the following forms:

I. Telematic means, being understood as such those originated in computers and telecommunication equipment.

II. Material support of information being technically compatible with equipment and programs of the Commission.

The information, once received by the Commission through any of these forms, may no longer be modified or replaced by the issuer, financial entity or receiving authority, except for the express determination of the Commission or, as the case may be, other competent authorities, by virtue of the corrections that are strictly necessary, or else, the clarification of the facts and the eventual determination of responsibilities.

The issuers, for the remittance or delivery to the Commission, the corresponding stock exchange and the investing public, of the information established in this Law and the general provisions derived thereof, shall use any means established by this article in accordance with the general provisions issued by the Commission to such effect.

The foregoing, regardless of the Commission requiring at any time the corresponding information which shall be provided in writing and with the autographic signature of those who are to subscribe the same.

Article 418.- The information contained in any material supports, or else, derived from telematic processes, provided it is validated by the receiving authority and the financial entity or issuer, as well as the information being included in the Commission’s data bases shall render the same effects as the ones the Laws grant to original documents and, as a result they shall have equal proving value.

Article 419.- Except that any particular provisions provide a different term, this shall not exceed of three months for the administrative authorities to resolve whatever may be applicable. After the relevant term has

elapsed, resolutions shall be understood as contrary to the petitioner, unless the applicable provisions provide otherwise. As per the request of the interested party, a certificate of such circumstance shall be issued, within two business days following the filing of the corresponding request before the competent authority bound to resolve, in accordance with its internal regulations or the corresponding delegation agreement; the same certificate shall be issued when any particular provisions establish that after the applicable term has elapsed the resolution must be understood in the positive sense. Failure to issue the aforementioned certificate within the aforementioned term, the resulting liability shall be determined, as the case may be.

The requirement for the filing and the terms, as well as any other material information applicable to the filings made by the securities firms and other financial entities duly authorized to acts as such according to the applicable legal statutes, must be determined in the general provisions.

Should the initial writing fail to have all the data or to meet the requirements set forth in the applicable provisions, the authority must warn the interested party, in writing and only once, so that within a term that may not be less than ten business days, remedies such omission. Except that another term is specified in any particular provisions, such specification shall be made no later than within half the term of response by the authority and when this is not express, within twenty business days following the filing of the initial writing.

After the warning has been notified, the term for the administrative authorities to resolve shall be suspended and it shall be resumed as of the next business day following the day the interested party answers. In the event that the warning is not processed in the terms set forth, the authorities shall discard the initial writing.

If the authorities fail to make the request of information within the corresponding term, they may not reject the initial writing based on its incompleteness.

Unless otherwise provided, the terms for the authorities to give response shall begin on the next business day following the one of the filing of the corresponding writing.

Article 420.- The term established in the preceding paragraph shall not be applicable to any filings where by express provision of this Law, the administrative authorities must listen to the opinion of other authorities, in addition to those related to the incorporation, merger, spin-off and liquidation of the securities firms and other financial entities duly authorized under this Law. In these cases the term for the administrative authorities to resolve whatever may be applicable shall not exceed of six months, being applicable any other rules mentioned in article 402 of this Law.

Article 421.- The competent administrative authorities as per the request of the interested parties, may extend the terms established in this Law, without such extension exceeding in any case half the term originally set forth in the applicable provisions, whenever the issue so demands and they do not know whether any third parties are being harmed in their rights.

Article 422.- The provisions of articles 402 to 404 of this Law, shall not be applicable to any administrative authorities in the exercise of their supervision duties.

Article 423.- The obtaining of the authorizations set forth in this Law by the financial authorities may not exempt the beneficiaries of the same from the compliance of the provisions of other legal statutes.

TRANSITORY ARTICLES

First.- This Law shall become effective one hundred and eighty calendar days from the date of its publication in the Federal official gazette, except for the provisions of transitory articles Tenth and Seventeenth.

Furthermore, on the effective date, the Securities Market Law published on January 2, 1975 in the aforementioned Gazette shall be repealed, except for what is established in the following transitory articles.

Second.- The transgressions and crimes committed before this Law becomes effective shall be penalized pursuant to the law in effect at the time that the cited transgressions or crimes are committed.

Third.- The Ministry of Finance, the National Banking and Securities Commission, and the Banco de México, may issue the general provisions to which this Law refers, prior to its effectiveness, but in any case

the aforesaid provisions must establish that their compliance and application shall be subsequent to the date this law becomes effective.

Fourth.- While the Ministry, the National Banking and Securities Commission and the Banco de México issue the general provisions to which this law refers, the provisions issued previous to this Law becoming effective shall continue to be applied in that which does not contravene the provisions of such Law, except for the provisions established in transitory articles Ninth and Twelfth.

Fifth.- The promoting investment corporations that request, and as the case may be, obtain the registration of the shares representing their capital stock or negotiable instruments representing such shares, in the National Registry of Securities, shall be subject to the registration and maintenance requirements applicable to public corporations, until the National Banking and Securities Commission issues the general provisions referred to in article 21 of this Law.

Sixth.-The corporations that have shares representing their capital stock or negotiable instruments that represent them registered in the National Registry of Securities when this Law becomes effective, shall, by law, acquire the nature of public corporations and, consequently, shall adhere to what is set forth in this Law.

The corporations that the paragraph above refers to shall have a term of one hundred and eighty calendar days, counting from when this Law becomes effective, to adjust their corporate denomination to what is indicated in article 22 of the same, as well as to comply with the articles relative to the integration, organization, and functioning of their corporate bodies in terms of what is set forth in Chapter II of Title II of the cited legal ordinance. The foregoing shall not affect the rights that correspond to shareholders of the mentioned corporations to exercise in any way, in terms of what is established in articles 47 to 52 of this Law, nor shall it exempt them from complying with what is set forth in articles 53 to 57 and other obligations that this legal ordinance imposes in its nature of issuer.

Seventh.- The shareholders of the public corporations whose ownership participation is encumbered when this Law becomes effective, in trusts through which the voting right of various shareholders is exercised in the same sense, or, the groups of shareholders that granted agency or commission for such effect, must notify this to the corporation, within the one hundred and eighty calendar days following when this Law becomes effective, for effects of its relevance to the investing public.

Eighth.- The public corporations that have issued shares or implemented the mechanisms referred to in such provisions shall not be subject to the restrictions established in articles 54 and 55 of this Law, prior to its becoming effective, provided that they had abided by, for such purpose, the legal provisions in force at the time of issuing the shares or of implementing the aforesaid mechanisms.

The restrictions indicated in the preceding paragraph shall not be applicable to the public corporations mentioned in such paragraph that subsequently to the entering into effect of this Law:

I. Make modifications on their capital stock, provided that the original proportion of shares of common stock is increased or at least such proportion is maintained, provided that the condition of the issuer justifies it and that such circumstance is disclosed to the public. In both cases, the prior authorization of the National Banking and Securities Commission shall be required, such Commission shall proceed whenever in its opinion it is proven that the interests of the investing public are not affected.

II. Merge or split-off, provided that the surviving or emerging corporation maintains at least the original proportion of shares of common stock of the merged or disappearing corporation. In the event that the merged or disappearing corporation has any other clause in addition to those referred to in article 48 of this Law, the surviving or emerging corporation may incorporate such clause in its bylaws in the act of incorporation, without such legal provision being applicable to it.

Ninth.- As of the entering into effect of this Law, the “Rules for the Organization of the National Registry of Securities and Intermediaries” published on April 13, 1993 in the Federal Official Gazette shall be repealed.

The registration entries of any type that are recorded in the National Registry of Securities referred to in article 10 of the Securities Market Law being repealed by this Law, shall be understood as made in the Registry referred to in article 70 of this Law. Furthermore, the registration entries made prior to January 1,

1996, shall be kept in the files referred to in the Rules mentioned in the preceding paragraph, while those subsequent to such date shall be recorded in the electronic folios provided for in this Law.

The references that other laws, regulations or administrative provisions make to the securities sections of the National Registry of Securities, shall be understood as made to the Registry established in article 70 of this Law.

Securities exclusively registered in the special section of the National Registry of Securities may be subject to trading on national territory, on the condition that the provisions of article 9 of this Law are complied with.

Tenth.- Articles 7, second paragraph, 71, second paragraph, and 80 of the present Law, shall become effective one hundred and eighty calendar days following when this Law becomes effective. Until the cited articles become effective, the subscription or sale offer abroad of securities issued in the United Mexican States or by Mexican legal entities, shall be subject to the registration of the securities in the National Registry of Securities, in the same terms and with the exceptions set forth for the special section in the Securities Market Law that is repealed by virtue of this Law.

Eleventh.- Until the Commission recognizes the auditing norms and procedures that articles 87, subsection I and 352, subsection IV of this Law refers to, the legal entities that provide external auditing services to issuers or financial entities, in terms of the present legal ordinance, must provide their services based on the norms and procedures issued on the matter by the *Instituto Mexicano de Contadores Publicos, A.C.*

Twelfth.- As of the effective date of this Law the “Conditions for the admissibility of the registration and authorization of the public offering of debt instruments issued by financial multilateral institutions of which Mexico is a member” and the “Conditions for the admissibility of the registration and authorization of the public offering of shares from foreign issuers in Mexico”, published in the Federal official gazette on September 14, 2000 and March 20, 2002, respectively, shall be repealed.

Thirteenth.- The securities firms that on the date in which this Law becomes effective operate under the registration that they maintain in the Intermediaries Section of the former National Registry of Securities and Intermediaries in effect until June 2, 2001 or by virtue of being authorized to be organized and to operate as such pursuant to the Securities Market Law being repealed, shall be considered authorized in terms of article 114 of this Law.

The securities firms indicated in the preceding paragraph shall be subject to the provisions of this Law and the general provisions arising therefrom.

Fourteenth.- The securities firms must provide the restrictions indicated in subsection III of article 136 of this Law that, given the case, are applicable, in the agreements as well as in the other related documentation that they execute, starting from when this Law becomes effective.

Fifteenth.- For purposes of the provisions of subsection IV of article 136 of this Law, the subordinated debentures that the securities firms had issued prior to the entering into effect of this Law, shall be governed by the provisions in effect at the time of their issuance.

Sixteenth.- Until the Ministry of Finance or the National Banking and Securities Commission, as applicable, publish the amount of the minimum capital stock that the securities firms, stock exchanges, securities depository institutions and central counterparties of securities must have, such financial entities must comply with the minimum capital stock that, as the case may be, is required according to the provisions established previously to the entering into effect of this Law.

Seventeenth.- The requisite that article 184, last paragraph of the present Law refers to shall be demanded one hundred and eighty calendar days following when the same becomes effective.

Eighteenth.- The securities firms must comply with what is set forth in articles 190 and 191 of this Law, within the one hundred and eighty calendar days following when it becomes effective.

The individuals who are authorized to operate in the stock exchange or to execute transactions with the public as to advising, promotion, purchase, and sale of securities when this law becomes effective, shall be understood as authorized to act in terms of article 193 of the same, as the case may be, being subject to what is set forth in the present legal ordinance and other provisions that arise from it.

Nineteenth.- The stock exchange collateral agreements entered into pursuant to the provisions of article 99 of the Securities Market Law being repealed by virtue of this Law, shall continue to be ruled for their compliance and enforcement by the provisions in effect at the time of their execution.

Twentieth- The professional organizations that would have been recognized as self-regulatory organizations under the Securities Market Law being repealed, may continue operating under such capacity without the need of a new recognition by the Commission, being subject in the future to the provisions of this Law and other general provisions arising therefrom.

Twenty-first.- The stock exchanges, the securities depository institutions and the central counterparties of securities that as of the entering into effect of this Law have a concession to act in such capacity, may continue operating without the need to obtain a new concession, being subject in the future to the provisions of this Law and other general provisions arising therefrom, regardless of the terms, conditions and obligations contained in the corresponding concession certificates that do not contravene the provisions of this Law and that continue to be applicable.

Twenty-second.- The stock exchanges, the securities depository institutions and the central counterparties of securities may continue applying the fees authorized by the Commission prior to this Law becoming effective until they try to modify them, in which case they must abide by the provisions of this Law.

Twenty-third.- The persons who are authorized to operate mechanisms to facilitate transactions with securities in terms of the provisions of article 41, subsection IX, of the Securities Market Law being repealed by this Law, shall be considered authorized to continue operating in the terms established in article 253 of this Law, being subject in the future to the provisions of this statute.

Twenty-fourth.- The price vendors and the securities rating agencies that as of the entering into effect of this Law are authorized to act as such, shall be considered authorized to continue operating in the terms established in articles 323 and 334 of this Law, being subject in the future to the provisions of this statute.

Twenty-fifth.- The price vendors and the securities rating agencies that as of the entering into effect of this Law are authorized to act as such, shall have a term of one hundred and eighty calendar days, counting from when this Law becomes effective, to have the code of conduct that articles 326 and 336 of this Law refer to, as it may correspond.

Mexico, Federal District on December 8, 2005.- Rep. **Heliodoro Diaz Escarraga**, Chairman.- Sen**. Enrique Jackson Ramirez**, Chairman.- Rep. **Ma. Sara Rocha Medina**. Secretary.- Sen. **Yolanda E. Gonzalez Hernandez**, Secretary.- Signatures."

In compliance with the provisions in section 1 of article 89 of the Political Constitution of the United Mexican States, and for its due publication and abidance, I issue the present Executive Order in the residence of the Federal Executive Power in Mexico City, Federal District, on December twenty-eighth of the year two thousand five.-**Vicente Fox Quesada**- Signature.- The Internal Affairs Secretary, **Carlos Maria Abascal Carranza**- Signature.

TRANSITORY ARTICLES OF AMENDMENT EXECUTIVE ORDERS

EXECUTIVE ORDER through which diverse provisions of the Federal Criminal Code; the Federal Code of Criminal Procedures; the Federal Law against Organized Crime; the Credit Institutions Law; the Popular Savings and Credit Law; the Pensions System Law, the Investment Companies Law; the Securities Market Law; the Federal Bonding Companies Law; of the Insurance and Mutual Insurance Companies Law; and the Credit Organizations and Auxiliary Activities Law are amended.

Published in the Federal Official Gazette on June 28, 2007

ARTICLE EIGHTH.- Article 212, subsection I of the Securities Market Law is amended, to be as follows:

……..

TRANSITORY

FIRST.- The present Executive Order shall become effective the day following its publication in the Federal Official Gazette.

SECOND.- The persons that committed a crime from those considered in the present Executive Order before it becomes effective, the Federal Criminal Code in force at the time of the commission of the crime shall be applicable to them.

Mexico, Federal District on April 26, 2007.- Rep. **Jorge Zermeño Infante**, Chairman.- Sen**. Manlio Fabio Beltrones Rivera**, Chairman.- Rep. **Antonio Xavier Lopez Adame**. Secretary.- Sen. **Renan Cleominio Zoreda Novelo**, Secretary.- Signatures."

In compliance with the provisions in section 1 of article 89 of the Political Constitution of the United Mexican States, and for its due publication and abidance, I issue the present Executive Order in the residence of the Federal Executive Power in Mexico City, Federal District, on June twenty-sixth of the year two thousand seven.-**Felipe de Jesus Calderon Hinojosa**- Signature.- The Internal Affairs Secretary, **Francisco Javier Ramirez Acuña**- Signature.

EXECUTIVE ORDER through which subsection VI BIs is added to article 104 of the Securities Market Law.

Published in the Federal Official Gazette on May 6, 2009

ONLY ARTICLE.- Subsection VI Bis is added to Article 104 of the Securities Market Law, to be as follows:

……

TRANSITORY

ONLY. The present Executive Order shall become effective the day following its publication in the Federal Official Gazette.

Mexico, Federal District on March 31, 2009.- Rep. **Gustavo E. Madero Muñoz**, Chairman.- Sen**. Cesar Horacio Duarte Jaquez**, Chairman.- Rep. **Gabino Cue Monteagudo**. Secretary.- Sen. **Manuel Portilla Dieguez**, Secretary.- Signatures."

In compliance with the provisions in section 1 of article 89 of the Political Constitution of the United Mexican States, and for its due publication and abidance, I issue the present Executive Order in the residence of the Federal Executive Power in Mexico City, Federal District, on April twenty-seventh of the year two thousand nine.- **Felipe de Jesus Calderon Hinojosa**- Signature.- The Internal Affairs Secretary, **Fernando Francisco Gomez Mont Urueta**- Signature.

EXECUTIVE ORDER through which various provisions on financial matters are amended, added, and repealed, and the Financial Groups Law is issued.

Published in the Federal Official Gazette on January 10, 2014

THIRTY-FOURTH ARTICLE.- A last paragraph is **ADDED** to article 156 and a last paragraph to article 158 of the **Securities Market Law** is also added, to be as follows:

…….

TRANSITORY PROVISIONS

ARTICLE THIRTY-FOURTH.- In relation to the amendments that articles thirty-first to **thirty-fourth** of this Executive Order refer to, the following shall be followed:

I. The transgressions and crimes committed before the present Executive Order becomes effective shall be penalized pursuant to the law in effect as the time of the commission of the cited transgressions or crimes.

In the administrative procedures that are in process, the interested party may opt to their continuation pursuant to the procedure in force during its initiation or to the application of the provisions applicable to the administrative procedures that are stipulated through the present Executive Order.

II. As long as the Ministry of Finance, the National Banking and Securities Commission, the Banco de México and the Institute for the Protection of Bank Savings issue the general provisions that the articles that are amended or added to the present Executive Order refer to, those issued before it becomes effective shall continue to be applied in what does not contravene what is set forth in the same.

III. The special procedures of business reorganization of commercial banks that began before this Executive Order became effective shall continue to be governed by the Business Reorganization Law, published in the Federal Official Gazette on May 12, 2000.

IV. The commercial banks shall have a terms of one hundred and twenty days counting from when the present Executive Order becomes effective to amend their corporate bylaws and the certificates that represent their capital stock, pursuant to what is set forth in the same. In terms of the amendments of the corporate bylaws, these must be submitted for the approval of the National Banking and Securities Commission.

V. The commercial banks that on the date that the present Executive Order takes effect are in a process of liquidation or business reorganization, may agree with the Management and Transfer or Properties Agency on the substitution of the duties derived from trusts in terms of article 185 of the Credit Institutions Law that by virtue of the present Executive Order is amended.

VI. The commercial banks may carry out the corporate acts necessary to expressly provide what is set forth in articles 29 BIs 13 to 29 Bis 15 of the Credit Institutions Law in their corporate bylaws and in the shares representing their capital stock, within a maximum term of sixty calendar days, counting from when this Executive Order becomes effective.

VII. The commercial banks must provide the restriction indicated in subsections IV and V of article 29 BIs 14 of the Credit Institutions Law in the agreements that they execute and in the other relative documentation starting from when this Executive Order becomes effective.

VIII. When the laws, regulations, executive orders, agreements, and other legal instruments mention the business reorganization or bankruptcy of credit institutions, this reference shall be understood as done to the procedures set forth in Title Seventh, Chapter II, Section Second of the Credit Institutions Law.

IX. The amendments included in the present Executive Order to the seventh paragraph of article 73 Bis of the Credit Institutions Law shall not be applicable to the amount of the transactions

or credits disposed under the charge of related parties, executed before this Executive Order becomes effective, until they are restructured or renewed.

Based of the foregoing, the commercial banks may only execute transaction attributable to related parties for an amount that does not excess the percentage set forth by the seventh paragraph of article 73 Bis of the Credit Institutions Law after the present Executive Order becomes effective, once the transactions referred to in the paragraph above have been considered.

What is set forth by the first paragraph of the present article shall only apply in respect to the amount that before the present Executive Order becomes effective, was already disposed of by the creditor, in cases of loans or revocable credits, or executed before it becomes effective.

X. The Board of Governors for the Institute for the Protection of Bank Savings shall issue the general provisions that article 22 of the Bank Savings Protection Law refers to, within a term may not exceed twelve months counting from when the present Executive Order becomes effective. As long as said provisions are issued, the Institutions must follow the procedure established in the provisions published in the Federal Official Gazette on May 31, 1999.

…….

THIRTY-SEVENTH ARTICLE.- Articles 70; 93, subsection VI and fourth paragraph are **AMENDED**, and articles 71, with a subsection III; 82 Bis to 82 Bis 2, are **ADDED** to the **Securities Market Law**, to be as follows:

TRANSITORY PROVISIONS

THIRTY- EIGHTH ARTICLE.- In relation with the amendments that Articles Thirty-Sixth and **Thirty-Seventh** of this Executive Order refer to, the following shall be followed:

I. The investment companies authorized in terms of the legal provisions in force before the present Executive Order become effective, shall have a term of eighteen months starting from when the Executive Order itself becomes effective to request of the National Banking and Securities Commission, the authorization of the amendment of their corporate bylaws that includes the clauses set forth in this Executive Order applicable to the investment funds, in terms of the duties of administration, conducting of the businesses and surveillance of the investment funds, as well as shareholders' rights. In the request, said investment companies must attach the information of its founding partner, indicating the information relative to its authorization to incorporate as a managing company of investment funds.

Until the investment companies obtain the authorization for their transformation into investment funds, the provisions in force before this Executive Order becomes effective shall be applicable to them. The National Banking and Securities Commission shall have a term of eighteen months to resolve regarding the transformation of the investment companies into investment funds pursuant to this Executive Order; said term shall be calculated starting from when the respective corporation present the corresponding request.

The authorization granted by the National Banking and Securities Commission shall be understood as done for the transformation of the investment companies into investment funds, and in the corresponding official letter, the Commission itself must notify the Public Registry of Commerce of the information of those that were transformed into investment funds, indicated that the latter shall not require the registration before said Registry, by virtue of what is set forth in the first and second paragraph of article 8 Bis that is added through this Executive Order. Likewise, it must notify the securities depositary institutions authorized pursuant to the applicable provisions, that the shares of the authorized investment funds shall not require to be deposited in a securities depositary institution, in dealing with the amendments included in the present Executive Order.

When the National Banking and Securities Commission grants its authorization for the transformation into investment funds, in terms of the present transitory article to those investment companies that are authorized to operate as such, this last authorization shall be

left without effects by Law, without the issuance of an express declaration in this respect by the Commission itself being necessary.

The corporations must deliver the books of the company mentioned first to the managing company of investment funds that provides them the services of asset administration, no later than the day following the day when they obtain the authorization to transform into an investment fund.

II. The investment funds that obtained the authorization for their transformation in terms of subsection I above, shall have a term of six months counting from the notice of such authorization, for give notice to the National Banking and Securities Commission of the amendments done to their informative prospectus to the investing public and documents with key information for the investment, that contains the adjustments that must be done to said documents in terms of article 9, subsection I and X to XIV that is amended through this Executive Order. Any other amendment to its informative prospectus to the investing public shall require the previous authorization of the Commission.

The National Banking and Securities Commission may make comments or remarks of the referred to documentation to the ends of it adhering to what is set forth by the present Executive Order.

III. The authorizations that were granted to organize and operate as investment companies pursuant to the legal provisions in force before this Executive Order becomes effective, shall be left without effects by Law, once the terms that subsection I above have elapsed, in the event that the investment companies do not obtain the authorization for their transformation into investment funds or, they did not request it.

The companies that do not obtain the authorization for their transformation into investment funds or that did not present the corresponding request in the indicated term shall enter into a condition of dissolution of liquidation by law, without the need of the agreement of the general shareholders' meeting.

IV. The shareholders of the investment companies that, by virtue of the transformation of the companies, do not wish to remain in the same, shall have the right for the company itself to acquire the totality of their shares at the market price and without the application of any differential, for which they shall have a maximum term of thirty business days counting from the date on which the transformation was notified. What is set forth in this article shall be applicable even in cases of closed investment companies.

V. To the investment funds that transformed, the concept of recidivism that article 84, subsection II, subparagraph b) of this Executive Order shall be applicable to them when they commit violations of the Investment Companies Law during the period that includes the concept of recidivism.

VI. The managing companies of investment funds, investment fund stock distribution companies, and stock valuating companies of investment funds shall have one year, counting from when the present Executive Order becomes effective to fulfill what is set forth in the same.

VII. The individuals, that when this Executive Order takes effect have authorization to operate in stock exchanges, to execute transaction with the public in regards to advising, promotion, purchase, or sale of securities or of investment companies shares, shall be understood as accredited, as the case may be, to act in terms of articles 35 of the Investment Companies Law that is amended though the present Executive Order, as long as said authorization is valid.

VIII. As long as the Ministry of Finance, the National Banking and Securities Commission, and the Banco de México issue the general provisions that the present Executive Order refer to, those issued before this executive order becomes effective shall continue to be applied in what does not oppose what is set forth in the same.

IX. The transgressions or crimes committed before the present Executive Order becomes effective shall be penalized pursuant to the law in effect at the time that the cited transgressions or crimes were committed.

In the administrative procedures that are in process, the interested party may opt for its continuation pursuant to the procedure in force during its initiation or for the application of the provisions applicable to the administrative procedures that are stipulated through the present Executive Order.

X. The references that in other Laws, regulations, or provisions are done in respect to the Investment Companies Law; the investment companies; the managing companies of investment companies; the investment fund stock distribution companies and the share valuating companies of investment companies, shall be understood as done to the Investment Fund Law, the investment funds, the managing companies of investment funds; the investment fund stock distribution companies, and the share valuating companies of investment funds, respectively.

SECURITIES MARKET

ARTICLE THIRTY-NINTH.- Articles 2, subsection XVI; 7, second and last paragraphs; 8, first paragraph; 16, subsections I and II; 19, subsection I, subparagraph b); 44, third paragraph, subsection V; 45, last paragraph; 50, the heading of the first paragraph; 62; 63, first paragraph, subsection IV and last paragraph; 64; 66, second paragraph; 69, first paragraph; 71, last paragraph; 75, last paragraph; 80, first paragraph; 85, first paragraph, subsection V; 87, first paragraph, subsection II in its heading and subparagraph f); 92, first paragraph; 105, last paragraph; 106, first in its heading, penultimate and last paragraphs; 108, first paragraph, subsection III; 117, fourth paragraph; 120; 130; 135; 136; 153; subsection VII; 165, third paragraph; 173; 178; 183; 185, second paragraph; 186, subsection V; 189, third paragraph; 190; 191; 200, subsections II, first paragraph, VIII, second paragraph; 201; 203, first paragraph; 208; 212, first paragraph, subsection II, second paragraph; 225; 226, first paragraph, subsections I, II and penultimate paragraph; 227, first paragraph, subsections I, II and IV; 237, fourth and fifth paragraphs; 241, last paragraph; 242, first paragraph; 252; 254, subsections III and IV and last paragraph; 257; 262, first paragraph; 263, first paragraph, subsection II; 275, second paragraph; 282, first paragraph; 283, first paragraph; 295, last paragraph; 316, subsection III; 324, last paragraph; 335, last paragraph; 344, first paragraph; 350, paragraphs first, second, and fourth; 358; 359; 363, first paragraph, subsections IV, X, in its heading; 366, second paragraph; 368; 369; 370, first paragraph, subsections II and V; 371, first paragraph in its heading; 374, first paragraph in its heading; 380, first paragraph; 383, first paragraph in its heading; 388, first paragraph; 392, first paragraph, subsection I, in its heading and subsections b), c), and n), II, in its heading and subsections f) and m), III, in its heading and subparagraphs l) to y), IV, subparagraphs b) and c), V, first and second paragraphs and VII; 393, first paragraph in its heading; 413; 415, first paragraph are **AMENDED**, articles 2, subsection XVIII with a second paragraph; 63 Bis; 63 Bis 1; 64 Bis to 64 Bis 3; 85, subsection II with a second paragraph; 87, subsection II with subparagraph i) and with a last paragraph; 88 with a subsection VI; 115, with a subsection IV, the current subsection IV and V moving in their order; 129, with a last paragraph; 130 Bis; 132, with a last paragraph; 165, with a last paragraph; 167, with a last paragraph; 173 Bis; 177 Bis; 188 with subsections III and IV; 189 with the fourth and fifth paragraphs, moving the current fourth paragraph to be the last one; 190 Bis; 190 Bis 1; 200, subsection I, with paragraphs third, fourth, and fifth, and with a subsection XII; 204, with the paragraphs fifth, sixth, and seventh, the other paragraphs moving in their order and as it may correspond; 212, subsection III, first paragraph with subparagraphs e) and f) and paragraphs fourth, fifth, and sixth, antepenultimate, penultimate, and last; 224, with a second paragraph; 226, first paragraph with subsections VIII and IX and a last paragraph; an article 226 Bis; 227, first paragraph with a subsection V; 227 Bis; 237, with a last paragraph; 237 Bis; 244, with a subsection X, the other subsections moving in their order and as it may correspond; 252 Bis; 259, with a last paragraph; 262, with a last paragraph; 279, with a third paragraph; 280 with a subsection XI and the current subsection XI moving in its order' 333, with a last paragraph; 339, with a last paragraph; 351 Bis; 358 Bis; 363, subsection X, with a subparagraph d); 366, with a third paragraph, the current third moving to become the last; 370 Bis; 371, first paragraph with subsections VI and VII; 383 Bis; 386, with a second paragraph, the second and third paragraph moving in their order and as it may correspond; 390, with a last paragraph; 391, subsection IV; 391 Bis; 392, first paragraph, subsections I, subparagraph a) with a second paragraph and subparagraph aa), III, subparagraphs z) to ac), VIII and IX and paragraphs fourth and fifth, the fourth and fifth paragraphs moving in their order and as it may correspond, as well as a last paragraph; 393 Bis; a Chapter II Bis "Of the auto-correction programs" to Title XV that includes articles 395 Bis to 395 Bis 3; 399, with paragraphs penultimate and last are **ADDED**; and articles 20, subparagraph c) and last paragraph, 226, subsections IV and VII and second paragraph; 264, last paragraph; 391, sixth and last paragraphs; 392, first paragraph, subsections I, subparagraphs e), f), j), and k), III, subparagraph j) of the Securities Market Law being **REPEALED**, to be as follows:

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TRANSITORY PROVISIONS

FORTIETH ARTICLE.- In relation with the amendments that article **Thirty-Ninth** of this Executive Order refers to, the following shall be followed:

I. The investment advisors shall have a term of one year counting from the publication in the Federal Official Gazette of this Executive Order, to adhere to what is set forth in articles 225 to 227 BIs and 371 of the Securities Market Law that is amended through this Executive Order.

Starting from the date on which the investment advisors register before the Commission that the second paragraph of article 225 of this Law refers to, said Commission shall exclusively exercise the powers of supervision of the investment advisors in matters of prevention and detention of acts, omissions, or transactions that may favor, provide help, assistance, or cooperation of any kind for the commission of the crimes set forth in articles 139 or 148 Bis of the Federal Criminal Code or that may fall in the events of article 400 BIs of the same Code.

Consequently, starting from the when the mentioned registration is carried out, the investment advisors shall only have the obligations considered in the present ordinance, related to the behaviors described in the paragraph above, for which they have not have other obligations set forth before this Executive Order becomes effective in any Law, regulation, or other ordinance.

II. The amendments established in articles 366, paragraphs second and third, and 371, first paragraph and subsection VI of the Securities Market Law included in this Executive Order, shall be in force six months from their publication in the Federal Official Gazette.

III. The general provisions issued based on the Securities Market Law that were issued before this Executive Order becomes effective shall continue to be valid, in what they do not oppose this instrument, until those set forth in this Executive Order are issued.

IV. The transgression and crimes committed before this Executive Order becomes effective shall be penalized pursuant to the provisions in force at the time when the cited transgressions and crimes were committed.

In the administrative procedures that are in process, the interested party may opt to continue with them pursuant to the procedure valid during its initiation or pursuant to what is set forth in the present Executive Order.

V. National Financial Institution Development Bank, National Banking Corporation, Development Banks, must design and implement an aiding scheme to incentivize the list of promoting investment corporation in the Registry, pursuant to article 19 and others pertaining to the Law.

VI. The securities firms, and the Companies Managing Systems To Facilitate Securities Transactions have a term of one year counting from when this Executive Order becomes effective to present the National Banking and Securities Commission with the conduct manual that subsections IV of article 115 and IV of article 254 refer to respectively, that are added through the present Executive Order.

VII. The securities firms shall have a term of nine months counting from when this Executive Order become effective to amend their corporate bylaws pursuant to what is set forth in article 135 that is amended through this Executive Order and submit them to the approval of the National Banking and Securities Commission.

VIII. The National Banking and Securities Commission, in a term no greater than 180 days, shall publish regulations through general provisions, relative to conflicts of interest or commercial relations, real or potential, that imply on the same rating institutions, to its administrators, employees, or any person that has direct or indirect control links with it, specifically with those related with debts of federal or municipal entities.

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TRANSITORY

ONLY. The present Executive Order shall become effective the day following its publication in the Federal Official Gazette, except for what is set forth in ARTICLES TWENTY-FIFTH, subsection I; THIRTIETH, subsections IV and VI; FORTIETH, subsections I and II; FIFTIETH, subsections I and II, which shall become effective on the dates on which said provisions are established.

Mexico, Federal District on November 26, 2013.- Rep. **Ricardo Anaya Cortes**, Chairman.- Sen**. Raul Cervantes Andrade**, Chairman.- Rep. **Javier Orozco Gomez**. Secretary.- Sen. **Maria Elena Barrera Tapia**, Secretary.- Signatures."

In compliance with the provisions in section 1 of article 89 of the Political Constitution of the United Mexican States, and for its due publication and abidance, I issue the present Executive Order in the residence of the Federal Executive Power in Mexico City, Federal District, on January ninth of the year two thousand fourteen.- **Enrique Peña Nieto**- Signature.- The Internal Affairs Secretary, **Miguel Angel Osorio Chong**- Signature.