2002 FINANCIAL SYSTEM REFORMS

This document describes the most significant financial provisions issued in 2002. In order to facilitate their consultation, the provisions were ordered by topics beginning with standards issued by Banco de México for the regulation of monetary and foreign exchange policy followed by those issued by the Bank as financial system regulator and financial agent of the Federal Government and the Bank Savings Protection Institute (IPAB). It closes with a brief explanation of financial laws issued that year and the most significant amendments made to current laws during the period.

I.- PROVISIONS ISSUED BY BANCO DE MÉXICO

I.1 Monetary and foreign exchange policy provisions issued by Banco de México

MONETARY REGULATION DEPOSITS

With a view to controlling an expected liquidity expansion in the latter months of 2002 derived from the Bank's own transactions with the Federal Public Sector and monetary regulation bond (BREMS) maturities, Banco de México determined that banks should create between them a new mandatory monetary regulation deposit totaling 150 billion pesos. Thus on September 26th, 2002, 100 billion pesos was deposited, and a further 10 billion pesos on each of the following 5 bank working days. It should be pointed out that this new deposit replaced both mandatory and voluntary deposits which had been implemented through Circulars-Telefax 32/98, 9/99 and 22/2001 dated August 27, 1998, February 11, 1999 and June 22, 2011, respectively, and paid to depository banks in advance on September 26, 2002. Thus the required amount derived from amounts credited to banks through the payment of such deposits, was used to create the new deposit by simultaneously debiting and crediting banks' Single Account with the Central Bank.

The following are the terms of the new deposit:

a) The term is indefinite and the amount that each bank must deposit is based on their individual local currency liabilities relative to the total liabilities of all banks. The core deposit concept took National Banking and Securities Commission criteria into account, and

b) The interest rate is referenced to the bank overnight rate published daily on Banco de México's web page. Interest is capitalized on a daily basis and paid every 28 days.

Finally, and given that the aforementioned excess liquidity would take place over time, the Central Bank decided to offer the necessary liquidity through daily credit auctions in the money market.[1]

MONETARY REGULATION BONDS

In order to broaden the primary market for Monetary Regulation Bonds (BREMS) by including brokerage firms and mutual funds, as well as retirement mutual funds, and adjust BREMS' Global Notes in accordance with the 2002 fiscal reform, Banco de México modified the following aspects of the applicable regulatory framework:

a) Monetary Regulation Bond Placement Rules were issued, which basically stated that:

1.- Brokerage firms, banks, and mutual funds may be bidders, along with any other persons that have been given express authorization by Banco de México;

2.- Such persons must always submit primary auction BREM bids on their own behalf, with the exception of mutual funds regulated by the Law on Mutual Funds; furthermore, in accordance with said Law they must submit them through their asset management service company;

3.- The auctions may be traditional or interactive. Traditional auctions are ones in which the bidders submit bids without knowing anything about the other bids that have been submitted. Interactive auctions are ones in which the bidders submit their bids knowing the auction's marginal assignment price.

4.- Auction calls, the bids and results are channeled through the electronic media established by Banco de México. They cannot be submitted on paper, and

5.- The BREMS will be settled and delivered through S. D. Indeval, S.A. de C.V., Securities Depository Institution. Mutual funds must pay for the BREMS and receive them through a bank or brokerage firm.

b) The BREMS' Global Notes model was updated taking into account the tax regime for individuals in accordance with the Income Tax Law and its Transitory Provisions published in the Official Federal Gazette on July 1st, 2002.

It should be pointed out that banks may buy BREMS under the terms of the above-referred placement Rules as well as previous rules laid down in Annex 7 of Circular 2019/95. Banco de México will decide which rules that will apply to the auction in the respective call. By maintaining the possibility of placing

BREMS exclusively with banks subject to the most appropriate rules, Banco de México obtains a more flexible tool for undertaking open market transactions.[2]

I.2 Provisions issued by Banco de México as financial system regulator

SINGLE CIRCULAR FOR BROKERAGE FIRMS

In order to facilitate consultation and compliance with the regime applicable to brokerage firms, a Single Circular was issued that compiled and updated all Banco de México provisions regulating them. The regime was modified in the area of foreign exchange positions in order to subsequently adapt it to banks.

Furthermore, it should be clarified that provisions related to repurchase agreements entered into by brokerage firms and Banco de México and transactions involving coins were excluded, as no such transactions have taken place in recent years, and they do not correspond to current market conditions.[3]

This Circular was made available to all brokerage firms in writing and can be consulted on Banco de México's web page

PROVISIONS ANNOUNCED THROUGH ELECTRONIC MEDIA

Starting February 19th, and November 11th, 2002, the Circulars-Telefax and Circulars issued by the Central Bank for banks and brokerage firms, respectively, are announced through electronic media in order to make their dissemination more expedite, secure and efficient on the understanding that in the case of brokerage firms such provisions are no longer announced through the National Banking and Securities Commission, and that in the case of both intermediaries such provisions will continue to be announced by fax until further notice.

With respect to the dissemination of provisions through electronic media, these are signed by competent officers using electronic signatures generated by and based on the "Extended Security Infrastructure" managed by Banco de México.

Banks and brokerage firms were informed that in order to access such provisions and verify their authenticity they must install the "WebSec" program in their computers. This program can be found on Banco de México's web page under "Extended Security Infrastructure" in the "Other Services" section.[4]

FOREIGN EXCHANGE RISK POSITION

Banco de México decided to simplify the computation of regimes applicable to foreign currency transactions by standardizing items they include, regulations corresponding to them, and information that is required of banks. The following aspects of the provisions were modified:

a) The decision was made to take tier 1 capital into account when calculating foreign exchange risk positions, and eliminate the previous reference to net capital;

b) The assets and liabilities mentioned in the National Banking and Securities Commission's "Minimum Catalog" will be taken into account when calculating Foreign Exchange Risk Positions in addition to other rights and obligations that Banco de México so determines;

c) It was stipulated that banks may not hold a foreign exchange risk position that in total, or for any single currency, exceeds the equivalent of fifteen percent of their tier 1 capital at the end of daily transactions. The two percent limit on each currency with the exception of the US dollar provided for in the previous regime was eliminated;

d) Banco de México would be able to authorize the calculation of thresholds based on a given long position for up to the US dollar equivalent of banks' equity;

e) With respect to the calculation of their foreign exchange risk positions banks it was determined that banks would also have to include the currencies of their: i) foreign agencies and branches, and ii) foreign and local subsidiaries other than brokerage firms, money exchanges, surety companies, insurance companies, mutual fund operators, afores (pension funds) and mutual funds. However, Banco de México would be able to authorize the exclusion of the above-referred subsidiaries' foreign currency transactions from the calculation; and

f) Transactions involving precious metals were eliminated from the calculation of this position.[5]

LOCAL CURRENCY CLEARING

Given that as of 2002 Cecoban, S.A. de C.V. provides the new services, provisions applicable to local currency-denominated document clearing were modified in accordance with the following:

a) The definition of Interbank Payment and all references to said service was eliminated and replaced by the Electronic Funds Transfer Service;

b) The Direct Debit Service was added;

c) It was established that transaction settlement undertaken through the Electronic Funds Transfer Service and the Direct Debit Service would take place through the Chambers System and therefore be considered deniable, and if a given bank does not have enough funds to settle its transactions the Clearing process will be eliminated in accordance with the applicable provisions [,] and Banco de México will not provide the credit required for settlement to take place, and

d) Clearing houses set up in different areas of the country were eliminated; only one Clearing House, run by Cecoban, S.A. de C.V., is currently authorized, and will provide the service to the entire country.[6]

Furthermore, adjustments were made in order to simplify the Clearing House returned check seal and to specify and add the following reasons for return: i) when a check bears the same number as one already paid; ii) when a check has been made out to the bearer for an amount exceeding the one permitted by the General Law on Credit Instruments and Transactions, and iii) when a check is presumably counterfeit.

Likewise, it was established that the corresponding clearing house's manual should mention the investigatory procedure banks must follow when checks are returned for the reasons outlined in i) and iii) above. Finally, and given diverse interpretations by banks in practice regarding the day on which debits and credits related to clearing house checks should be made to customers' accounts, it was stipulated that this should take place on the bank working day following the one on which the check was submitted and no later than 12:00 hours.[7]

LENDING AND DEPOSIT TRANSACTION REFERENCE RATES

The applicable regulation was modified to enable banks to use the so-called "MEXIBOR" rate as the reference rate for lending transactions, and in the case of commercial banks deposit transactions also. Banks' obligation to have a substitute interest rate in case the one used ceases to be considered a reference rate in accordance with applicable provisions, was also established.

The referred interest rate is determined on a daily basis based on quotations provided by Mexican banks and is calculated and disseminated by Reuters de México, S.A. de C.V.

Prior to these changes the Mexican Bankers Association published the general characteristics of such a rate and the algorithms that will be used to calculate it

in the Official Federal Gazette, committing itself to publishing any changes to such algorithms in the same Gazette as well as to submitting them to Banco de Mexico to determine the continuation of "MEXIBOR" as a reference rate.[8]

NET SECURITIES HOLDING

In order to prevent banks and brokerage firms with positions in local currency-denominated and Investment Unit-denominated securities maturing in more than one year acquired with funds from short-term repo transactions assuming risks they are unable to assess, Banco de México decided to revoke the bank and government securities net holding regime when such securities mature in 365 days or more. Thus the regime was replaced with several provisions establishing that such financial entities may only undertake repo transactions involving repurchased bank and government securities authorized for that purpose denominated in local currency and Investment Units and: a) which pay a fixed rate of return and mature in 360 days or more; and b) have a periodic variable rate, with a maturity of 360 days or more between the dates of the review, as long as authorization has been given to enter into Future, Option or Swap Transactions on real or nominal interest rates in accordance with the applicable provisions.[9]

The coming into effect of the new regime was postponed once in order to give intermediaries more time to adapt their systems to the new regulation.[10]

AUTHORIZABLE EXCESSES FOR DIVERSE REGIMES

In order to continue to have a regime that enables banks, brokerage firms, money exchanges, financial leasing and financial factoring companies to quickly correct administrative errors, thereby fostering the development of their internal controls and Banco de México's awareness of them, the appropriateness of the Central Bank continuing to authorize the overshooting of diverse regulated thresholds was determined as follows: up to five calendar days in any twelve month period for each threshold when such excesses stem from administrative errors and conditions laid down in the corresponding provisions are complied with.[11]

SECURITIES TRANSACTIONS

Banco de México decided to authorize banks and brokerage firms to undertake transactions involving debt instruments of the United Mexican States placed in international markets that are registered in the National Securities Registry (BONOS UMS). Prior to this they were only allowed to undertake transactions involving selected issuances of such securities.

The following changes were also made:

a) Commercial banks and brokerage firms were allowed to participate in securities lending transactions with Federal Government Backed Road Indemnity Promissory Notes issued by Banco Nacional de Obras y Servicios Públicos, S.N.C., as Fiduciary of the Concessioned Highway Rescue Support Trust (PIC-FARAC);

b) The provisions were updated by substituting references to the "National Securities and Intermediaries Registry" for the "National Securities Registry" in accordance with that set forth in the Securities Market Act, and by eliminating references to UDICETES, AJUSTABONOS and TESOBONOS, given that the Federal Government has not recently issued these securities, and [13]

c) Provisions were issued in order to enable banks and brokerage firms to undertake repo and securities lending transactions with Federal Government backed Road Indemnity Stock Certificates issued by Banco Nacional de Obras y Servicios Públicos as Fiduciary of the Concessioned Highway Rescue Support Trust (CBIC-FARAC), and for banks to offer Banco de México such securities in guarantee.

The aim is for such certificates to be exchanged for some of the trust's PIC-FRAC issuances, as given their long-term nature they are viewed as attractive in providing holders with more liquidity because of the CBIC-FRAC's ability to permit the separate trading of its coupons, something that is not allowed in the case of promissory notes.[14]

Furthermore, following diverse requests from the Mexican Bankers Association concerning the interest of commercial banks in using stock certificates (Ceburs) to procure a secondary mortgage market and the availability of mortgage loans, and having analyzed the powers of such banks to issue such securities both on their own account and as trust companies in the terms set forth in articles 14 Bis 6 of the Securities Market Act and 46 sections IX and XI of the Law on Credit Institutions, Banco de México modified its provisions to establish the characteristics such securities must meet when issued by such institutions acting on their own behalf (bank stock certificates), making them similar to those applicable to bank bonds, including those that can be the object of repurchase agreements and securities lending. Likewise, trusts whose trust company issues certificates of ordinary participation or trust stock certificates set up to securitize mortgage loans were excluded from the investment regime.[15]

Finally, brokerage firms were authorized to undertake repurchase transactions on bank and fiduciary stock certificates.[16]

PAYMENT SYSTEMS TRANSACTION LIMITS

Banco de México modified diverse provisions to establish a new methodology

for determining loan amounts granted in the Banco de México Accountholders Attention System (SIAC-BANXICO), the Extended Use Electronic Payments System (SPEUA), and the Securities Deposit Interactive System (SIDV) in order to consolidate loans that commercial banks forming part of the same financial group receive in such systems and so eliminate the possibility of banks forming part of the same financial group granting each other credit lines in SPEUA, thereby lowering the credit risk the Central Bank currently assumes in relation to the possible non-compliance of banks with their obligations; as a result, such loan amounts are calculated solely on the basis of net capital, thus eliminating the previously existing possibility of them being calculated based on banks' liabilities.[17]

The aim of this was:

a) To make the loans the Central Bank grants to commercial banks in the Banco de Mexico Accountholders Attention System (SIAC-BANXICO), the Extended Use Electronic Payments System (SPEUA) and the Interactive System for Securities Deposit (SIDV) fairer, and

b) Increase the loan amount granted by Banco de México to banks with relatively higher net capital.

DERIVATIVE TRANSACTIONS

In response to a proposal from the National Commission of the Retirement Savings System (CONSAR), and in view of the need to broaden the range of transactions retirement mutual funds (SIEFORES) may participate in, Banco de México issued "Rules to be met by retirement mutual funds regarding derivative transactions", which among other things, state that:

a) Only SIEFORES whose retirement fund manager demonstrates to CONSAR that it complies with the requirements outlined in its general rules may enter into derivative transactions. They must also adhere to CONSAR prudential regulations when entering into such transactions and modify their prospectus to accommodate them.

b) SIEFORES may undertake future, option or swap transactions referenced to foreign currencies, real and nominal interest rates, the National Consumer Price Index (NCPI) and UDIS in OTC markets; they may not undertake so-called "credit derivative transactions";

c) SIEFORES may only undertake the transactions in question with financial entities authorized by Banco de México to act as intermediaries.

d) The transactions should be documented as determined by the CONSAR through general provisions, and

e) SIEFORES should suspend derivative transactions whenever CONSAR notifies them that they or their retirement fund manager (AFORE) have ceased to comply with the established requirements.

The aforementioned rules contain provisions about how transactions can be settled as well as guarantees that SIEFORES can grant and receive if so required.[18]

The regime that brokerage firms must adhere to when undertaking derivative transactions was also modified, mainly in order to bring it into line with the one applicable to commercial banks and to update and compile it. As a result, provisions regulating the derivative transactions brokerage firms enter into on their own behalf were separated from those undertaken by third parties. With respect to the latter, it was established that brokerage firms may only undertake them when acting as Traders in Mexder, Mercado Mexicano de Derivados, S.A. de C.V., and by adhering to the provisions that regulate said market.

With respect to proprietary transactions the following changes were made:

1) The underlying assets on which such transactions can be entered into were relocated and regrouped. Two underlying assets were also added: foreign currencies and spreads;

2) The need for authorization from the National Banking and Securities Commission for brokerage firms to undertake derivative transactions was eliminated as the Commission never exercised this power. Consequently, only the Central Bank will be responsible for authorizing such transactions for brokerage firms;

3) The Central Bank was also given power to authorize derivative transactions on underlying assets similar to or linked to those expressly indicated;

4) Brokerage firms granted initial authorization were allowed to request permanent authorization directly prior to expiration. The possibility of brokerage firms with permanent authorization to participate in any financial transaction known as a derivative on an underlying asset requesting permanent authorization to enter into a similar transaction on any other underlying asset was established, and

5) Banco de México was given additional power to authorize brokerage firms to undertake derivative transactions for a set period and amount without the need to comply with risk management requirements foreseen in the applicable regime when the aim is exclusively to hedge the risks of the brokerage firm making the petition.

Finally, the Annex containing the 31 requirements that brokerage firms must

comply with to obtain and maintain Banco de México authorization to undertake derivative transactions was included in the Circular in the same terms as those applicable to commercial banks. Prior to this brokerage firms were informed of the requirements individually when authorization was granted.[19]

RULES APPLICABLE TO CREDIT INFORMATION COMPANIES

The general Rules credit information company operations and activities and their Users must adhere to based on the powers conferred by the Law for the Regulation of Credit Information Companies (Law) on Banco de México, were published in the Official Federal Gazette on March 18th, 2002. Some of the rules came into effect the day following publication while others are in force since August 14th of the same year.

The main provisions contained in such rules are:

1) They specify that special customer care units financial entities should have under the terms of the Law may be the same as the ones such entities should have under article 50 of the Law for the Protection and Defense of Financial Service Users.

2) The media credit information companies may use to receive requests for special credit reports;

3) The obligation of such companies to process special credit reports free of charge the first time they are requested and fees charged for sending addition reports after a period of twelve months has elapsed;

4) How customers must identify themselves when they request their credit report;

5) Credit information companies must process claims free of charge up to twice a calendar year per customer and the additional fees that may be charged for processing subsequent claims;

6) Among other things, credit information companies are required to establish the forms that Users must use to send them information about credit transactions, instructions about how to fill them out and a free telephone number for dealing with requests for reports and clarifying the general public's doubts;

7) Credit information companies can reach an agreement with Users to use a different signature to obtain credit reports when a loan is offered as long as a minimum amount of information about the customer is obtained in order to verify their identity;

8) Companies must keep information on individuals for at least eighty four

months as of the date on which the information is originated, and

9) Finally, all of the information entities provide to a credit company must be sent to others as well free of charge.

FUND TRANSFER RULES

On October 29, 2002 Banco de México published Rules that banks and companies that provide professional fund transfer services must adhere to in the Official Federal Gazette.

The aim of these Rules is to standardize the form and terms in which information related to the transfer of funds from abroad is submitted to Banco de México so the central bank can manage such information more efficiently for use in the preparation of statistics and fund flow analysis, as these play a key role in the preparation of local economic indicators and statistics on household remittances and fees, which are part of the Balance of Payments. The purpose of the Rules is also to create a list of institutions and companies as well as professional remittance companies.

RULES MONEY EXCHANGES MUST ADHERE TO FOR CURRENCY AND PRECIOUS METAL TRANSACTIONS

Given the need to adjust to bank uses and practices provisions applicable to foreign currency purchases and sales involving checks by money exchanges, Banco de México decided to amend the respective rules.

Thus Banco de México established the possibility of such money exchanges agreeing that in relation to such transactions the currencies and their equivalent value will be subject to deferred delivery in which case settlement must take place on the second bank working day following the one on which the transaction was entered into at the latest.[20]

I.3 Provisions issued by Banco de México as Federal Government agent

PLACEMENT OF GOVERNMENT BONDS AND SAVINGS PROTECTION BONDS (BPAs)

In light of the provisions of the Mutual Funds Law, Banco de México made changes to Government Securities Placement Rules to establish that mutual funds regulated by said Law must participate in the corresponding auction through the asset management service company.[21]

As a result, it was established that in order to participate in Government

Securities auctions through Banco de México systems, mutual funds regulated by the Mutual Funds Law through their operators, and retirement mutual funds that were interested, should sign the contract or respective agreement directly with Banco de México. The reason for this was that agreements in effect at the time had been entered into with mutual funds, not their operators.[22]

Government Securities Placement Rules were also modified in accordance with a request from the Ministry of Finance and Public Credit as follows:

a) The deadline for submitting bids was 13:00 hours on the second bank working day immediately prior to the securities placement date;

b) The Federal Government's power to determine a minimum price or a maximum rate at which it is willing to place securities for auction was eliminated, and the exclusive right of the Federal Government to declare an auction void was established, and

c) It was established that the general results of the auctions would be announced to all bidders thirty minutes after the deadline for presenting the auction bids in question, and to each bidder individually one hour after the deadline.

The aim of these changes was to make capturing funds through the placement of government securities more efficient and give greater certainty to auction participants.[23]

Finally, at the IPAB's request, and based on the Ministry of Finance and Public Credit's interpretation, the participation of mutual funds, including retirement mutual funds, was permitted in BPA primary auctions. Likewise, retirement mutual funds were given permission to enter into repo transactions using such securities.[24]

MARKET MAKERS REGIME

In light of the change in the schedule for announcing the outcomes of the government securities auctions referred to in the paragraph above, and in order to continue making the participation of Market Makers more efficient, the Ministry of Finance and Public Credit reduced the period for such Market Makers to exercise their right to purchase government securities to thirty minutes following the time the results of the government securities auction in question are announced. The "Procedure for Market Makers to exercise the Government Securities purchase right and take part in loan transactions based on them with Banco de México as Federal Government financial agent" was also modified in order to reflect the tightening of the schedule for exercising the aforementioned purchase right.[25]

CREDIT SUPPORT PROGRAMS

Banco de México informed the country's banks of the document issued by the Ministry of Finance and Public Credit establishing the procedure whereby banks whose authorization to act as such has been revoked can settle loans the Federal Government granted to fiduciaries of trusts created in accordance with the Credit Support Programs indicated in it and formalize the repurchase of the Special Treasury Certificates (Special CETES) they possess.[26]

II. NEW FINANCIAL LAWS AND MODIFICATIONS TO CURRENT LEGISLATION

II.1 New financial legislation

PAYMENT SYSTEMS LAW

The Payment Systems Law is a piece of legislation which in accordance with international standards in the area is designed to protect large value payment systems from the systemic risk to which they are exposed given their importance to the country's economy and its development.

This Law, which was published in the Official Federal Gazette on December 12th, 2002, and came into effect the following day, is a regulatory law under paragraph seven of article 28 of the Mexican Constitution concerning Banco de México's powers in the area of financial intermediation and services regulation.

Under the Law all agreements or procedures involving the transfer of cash or securities whose participants either directly or indirectly comprise at least three financial institutions with average monthly payment obligations equal to or above one billion investment units accepted in a given calendar year, are considered payment systems. Institutions managed by Banco de México are also considered payment systems for the same purposes.

It should be noted that the Law currently only applies to three payment systems: the Interactive System for Securities Deposits (SIDV), managed by S.D. Indeval, S.A. de C.V, a Securities Deposit Institution; the Extended Use Electronic Payments System (SPEUA) and Banco de México's Accountholders Service System (SIAC-BANXICO), the latter two are managed by Banco de México.

This Law aims to foster the sound working of the payment systems it mentions. Regarding this it establishes that accepted transfer orders such systems process and related clearing and settlement processes as well as any act that has to be undertaken to ensure compliance will be definitive, irrevocable, enforceable and effective with respect to third parties.

Therefore, any judicial or administrative decision, including embargo and other execution acts, as well as those derived from the application of rules of

bankruptcy or procedures involving the liquidation or dissolution of a participant, which seek to prohibit, suspend or otherwise limit the payments it must make in payments systems, will only take effect and, therefore be executable, as of the bank working day following the one on which the administrator of the respective payment system is notified. The afore-going has no bearing on rights of creditors, bankruptcy or any third party bodies with a legal interest in demanding, by exercising the respective legal action, the benefits, compensations and responsibilities legally arising thereto.

The provisions included in this legal framework also apply to the guarantees and other acts that participants in the payment systems it provides for grant or undertake to comply with payment obligations generated by accepted transfer orders that pass through such systems as well as transactions that Banco de México undertakes under the terms of article 7, sections I and II of its Law.

Such guarantees, along with the funds in participants' accounts for complying with both accepted transfer orders and the resulting clearing and settlement will be non-seizable from the start of the payment system's daily operations through to the meeting of payment obligations arising from the settlement of such daily accepted transfer orders. Therefore, during the period mentioned, any execution ordered by an administrative or judicial authority in relation to them cannot be blocked.

Likewise, the accounts that banks must maintain with Banco de México in local currency or US dollars, and guarantees created in favor of Banco de México by any person that is a counterpart or guarantor for transactions referred to in sections I and II of article 7° of its Law will be non-seizable.

It should be added that as the sound working of payment systems and in particular the settlement of transactions that take place through them requires funding from Banco de México, either by acquiring securities or granting loans, it may pay for such funding by executing the guarantees. The purpose of this is to prevent the Central Bank from undertaking transactions that would require fiscal resources if defaulted on.

For its part the Law on Payment Systems grants Banco de México the following powers: calculate the monthly average amount of payment obligations accepted in one calendar year in relation to agreements or procedures in which cash or securities are transferred through applicable payment systems under the Law in order to publish the list of payment systems that will be considered as such under the Law as well as those systems that have ceased to comply with the requirements provided for under it in the Official Federal Gazette in January each year; issue general provisions that regulate the main characteristics of the internal regulations of applicable payment systems under the law; authorize the internal regulations of such payment systems and authorize or not, as the case may be, require any modification to them; veto fees or any other potential charge among participants in the corresponding payment systems or payment system administrators; interpret legal precepts

for administrative purposes; supervise and monitor the aforementioned payment systems; design and implement adjustment programs aimed at eliminating irregularities in such systems after speaking to the system administrator, and sanction non-compliance with the Law and provisions thereto.

LAW ON THE REGULATION OF CREDIT INFORMATION COMPANIES

On January 15, 2002, the Official Federal Gazette published the Law for the Regulation of Credit Information Companies, which aims to regulate the creation and operation of such companies, hereinafter the Companies. It stipulates that the objective of such Companies is to render services consisting of compiling, handling and submitting or delivering information related to the credit histories of individuals and corporations as well as credit transactions and other similar ones carried on with banks and retailers that habitually grant credit.

On January 15, 2002, the Law on the Regulation of Credit Information Companies was published in the Official Federal Gazette. It aims to regulate the formation and operation of companies of the same name, hereinafter Companies. It states that Companies will provide services related to the compilation, handling and delivery or submission of information about the credit history of individuals and corporations, as well as lending and other operations of a similar nature carried on with financial institutions and retailers that routinely grant credit.

To avoid entering into conflicts with the various rules that require financial institutions to keep operations and services confidential, the new legislation provides that Financial Secrecy is not deemed to have taken place when Company Users provide them with information about lending or other such transactions, and when these Companies share information contained in their databases with each other or provide such information to the National Banking and Securities Commission. Neither is violation of Financial Secrecy deemed to have taken place when Companies provide such information to their Users; in other words to retailers and financial entities that provide information or consult the Companies.

Incorporating and operating as a Credit Information Company requires Federal Government authorization which is granted by the Ministry of Finance and Public Credit after hearing the opinion of Banco de México and the National Banking and Securities Commission. Companies must also have a minimum capital determined by the Commission based on general rules.

The new legislation gives Banco de México powers to issue general provisions that Companies must adhere to during their operations and activities and so financial entities provide information related to their loan transactions to the Companies. Furthermore, Companies will be subject to inspection and oversight

by the National Banking and Securities Commission.

Company databases will include information about credit transactions and other similar ones provided by Users. Should the information provided refer to a corporation, the User can include members of senior management and financial management officers as well as the main shareholders.

As a public protection measure Companies must keep information about individuals that Users provide them with for a period of eighty-four months as of the date on which:

a) the User draws down the loan;

b) the sentence ordering the customer to pay obligations derived from the corresponding loans is executed;

c) the actor's right to ask for the sentence to be executed is eliminated, or

d) the User's collection of the customer's loan is ordered.

In the case of individuals, Companies must remove information relating to transactions for which the aforementioned period has elapsed from their databases once the user has been notified of this circumstance as well as in cases in which Bank of Mexico makes decisions through general provisions on the elimination of loans below one thousand UDIS. This shall not apply:

a) in the case of one or more loans whose unpaid principal balance at the time of default on a payment owed to a lender is equal to or higher than the equivalent of three hundred thousand UDIS in accordance with the value of said applicable unit on the date or dates when the respective payment defaults occur, independently of the currency they are denominated in, or

b) cases in which a final judgment exists condemning the customer for the commission of a loan-related crime made known to the Company by one of its Users.

Companies may not eliminate information on Corporations that Users have provided them with from their databases.

Continuing with the trend in the law regarding oversight of the protection of the public's interests, Companies may only provide information to a User when the latter has the customer's express authorization in the form of their signature stating they have full knowledge of the nature and scope of the information the Company will provide the User requesting it with, the use that will be made of the information and that periodical consultations of their credit history can be made for the duration of the legal relationship with the customer.

In addition to the above, individuals and corporations are guaranteed free access under the Law to their Special Credit Report, which is defined as the documentary or electronic information complied by a company containing the credit history of a customer who requests it. If customers believe that the information contained in their credit report or Special Credit Report is incorrect, they may submit a claim. The legislation in question clearly regulates the steps of the grievance procedure, and the terms and obligations that corporate and financial institutions and retailers are subject to, particularly in the event of corrections to Companies' databases.

Companies will be responsible for any damage caused to clients as a result of providing information in the event of gross negligence, willful misconduct or bad faith in the handling of the database. Users that provide information to Companies will also be responsible for any damage caused by providing such information in the event of gross negligence, willful misconduct or bad faith.

LAW ON GUARANTEED LOAN TRANSPARENCY AND COMPETITION

The Law was published in the Official Federal Gazette on December 30th, 2002, and covers two main subjects: the first related to transparency in the granting of Guaranteed Loans and the second the concept of guaranteed loan subrogation.

The aim of the Law is to ensure the transparency of financial service activities and their provision with respect to guaranteed loans, and to foster competition by lowering implementation costs.

The Law regulates Entities, understood as corporations, that directly or indirectly through a legal person, are routinely engaged in granting guaranteed credit.

Guaranteed credit is credit granted by Entities with a real guarantee, either in the form of a mortgage pledge, securities, trust guarantee or any other, destined for the acquisition, construction, remodeling or refinancing of real estate. These loans also include self-financing systems, leases with a buy option, and installment purchases and sales with reservation of ownership to which the law also applies. The concept of Guaranteed Mortgage is also created and defined as a Guaranteed Loan granted in relation to housing.

With respect to transparency in the granting of Guaranteed Loans, the Law states that in the case of Guaranteed Mortgage Loans, bank branches that are open to the public should display the following information on a board or disseminate it through electronic media: a) the interest rates offered; b) applicable fees; and c) the Total Annual Cost, which is the amount that for informative purposes annualizes total costs inherent in Guaranteed Loans excluding contributions and costs corresponding to paperwork and third party services.

Likewise Banks should give anyone who requests it, a brochure or enable it to be printed through electronic media on the terms and conditions that apply to Guaranteed Mortgage Loans offered by the Bank, the minimum content of which is established by the Law.

Banks are also obliged to offer at no cost and to whoever requests it, a binding offer that aims to establish the precise terms and conditions under which the bank must grant the Guaranteed Mortgage Loan to the applicant.

The Bank must also provide a loan application containing the requirements for obtaining a Binding Offer and those required to secure the loan. The Binding Offer is provided based on information that the applicant provides in good faith without the need for any documentation, and is valid for 20 days during which the applicant must notify his/her acceptance in writing and submit evidence of information included in the application on the understanding that the Bank cannot require any additional information to that which is included in the loan application itself. Following issuance the Binding Offer forces the Bank to grant the loan as established following proof of: a) the applicant's ID; b) the reliability of the information; c) the applicant's credit capacity; and d) the authorized appraisal.

In order to standardize Guaranteed Loan agreements they must be recorded in the public deed and contain a minimum number of financial clauses as well as the basic terms and conditions of the loan, namely: a) the loan amount and form of delivery; b) conditions the borrower must fulfill before being able to draw on the capital and the period of time within which he or she must do so; c) ordinary and past due interest rates; d) the obligation to provide the borrower with the Total Annual Cost of the loan in income statements; d) form of amortization; and e) the Bank's willingness to receive early payments on the loan from the borrower or from another Bank and to transfer to it all of the rights derived from the agreement as well as to replace the debtor.

Notaries public must prove that the financial clauses coincide with the Binding Offer and that they include the expenses or fees to be met by the borrower.

With respect to the transfer of Guaranteed Loans, the Law establishes that when real estate on which a Guaranteed Loan that has not been fully paid off has been taken out is bought or sold, the buyer may transfer his or her rights and obligations without the need for a new guarantee in order to avoid doubling expenses inherent to the loan which can adversely impact the buyer. This provision also applies to real estate developers.

Provision is also made for the subrogation of the lender which comes into effect when a Guaranteed Loan is paid off early by taking out a new one or using money granted by a third party. In this case, the Bank that grants the new loan or the third party, whichever is the case, will have subrogated lender rights and the original guarantee and its precedence will remain unchanged in order to avoid creating a new guarantee and incurring the associated expenses.

The Law is not applicable to Guaranteed Loans granted in compliance with collective bargaining agreements, and subrogation provisions are not applicable to Guaranteed Loans granted by INFONAVIT, FOVISSTE, the Popular Housing Fund or any other public entity that performs such activities.

It is stipulated that in order to lower subrogation costs, the Ministry of the Economy may sign coordination agreements with states and municipalities to reduce or eliminate registration and notary fees.

Regarding authorities' regulatory powers, the Laws stipulates that:

As a technical body and solely for informative purposes, Banco de México will publish the components, calculation method and frequency of the Total Annual Cost in the Official Federal Gazette (OFG). Banks collaborated by providing the information the Bank requested.

Likewise, and in conjunction with the Ministry of the Economy, as part of its respective competences, Banco de México, using general provisions published in the OFG, may regulate the conditions and fees related to the early payment of fixed-rate Guaranteed Mortgage Loans.

Regarding this a maximum fee of 1% on early Guaranteed Loan payments with a variable rate is established.

The Ministry of Finance and Public Credit will be responsible for issuing Rules related to the format the previous information should take; the binding offer and loan application format; the content and characteristics of financial clauses included in Guarantee Loan agreements, and other obligations notaries should comply with when granting deeds related to Guaranteed Loans.

The Law also stipulates that appraisals of real estate on which Guaranteed Loans will be taken out must be done by experts authorized by the Federal Mortgage Company. Regarding this the FMC will issue Rules containing the terms and conditions for obtaining said authorization as well as the valuation methodology. The borrower may choose from the FMC's list of authorized appraisers.

To enable interested parties to evaluate the binding offers they receive, the FMC will publish information related to Guaranteed Mortgage Loans each month in the OFG as well as on its web site.

Finally, the National Securities and Banking Commission, in the case of banks, and the Federal Consumer Protection Office in the case of other Entities, will oversee and monitor compliance with the Law and related provisions.

ORGANIC LAW OF FINANCIERA RURAL

This law was published in the Official Federal Gazette on December 26th, 2002.

This piece of legislation creates the decentralized body of the Federal Public Administration called Financiera Rural, sectorized in the Ministry of Finance and Public Credit (SHCP), with a legal personality and its own assets.

The aim of this entity is to foster the development of agriculture and cattle breeding, forestry, fishing and other economic activities linked to the rural environment as well as to improve the standard of living of their population by granting loans and providing other financial services to Producers and Rural Financial Intermediaries.

Among others, Financiera Rural is authorized to undertake the following transactions:

I. Grant loans or credit to producers (people engaged in the above-mentioned activities);

II. Grant loans or credit to Rural Financial Intermediaries so they in turn can provide funding for agriculture and cattle breeding, forestry, fishing and other economic activities linked to the rural environment;

III. Undertake leasing and financial factoring transactions related to its objective;

IV. Issue credit cards based on new loan agreements;

V. Undertake financial transactions known as derivatives;

VI. Practice trust transactions as well as undertake mandates and commissions as long as they are related to its objective;

VII. Undertake foreign currency transactions;

VIII. Support Producer training and consulting activities to optimize use of funding as well as improve their organization, and

IX. Other related activities authorized by the SHCP.

At no time may it undertake transactions involving the direct or indirect capture of public funds or funds from any financial intermediary.

La Financiera's assets will be comprised of:

I. Funds allocated under the Federal Expenditure Budget;

II. The interest, rents, surplus values, returns and other monies obtained

from the investments it undertakes and transactions it carries on;

III. The real estate and property transferred to it in order to adequately comply with its objective as well as those acquired by other means that can be used for the same purposes, and

IV. Other assets, rights and obligations acquired through any other security.

La Financiera will be managed by a Board and a Managing Director who will receive assistance from the committees provided for in said Law as well as others constituting the Board itself and the civil servants mentioned in the Charter.

The Board of Directors will consist of 15 members including:

I. The Minister of Finance and Public Credit;

II. The Minister of Agriculture, Cattle Breeding, Rural Development, Fishing and Food;

III. The Minister of Agrarian Reform;

IV. The Governor of Banco de México;

V. The Deputy Minister of Finance and Public Credit;

VI. The Managing Director of trusts set up within Banco de México related to agriculture;

VII. Two representatives of the National Farmers' Confederation.

There will be an alternate member for each full member. In the case of civil servants, their alternate members must occupy at least the level of managing director of the Centralized Public Administration or the equivalent. The Minister of Finance and Public Credit will be the Chairman of the Board.

La Financiera will have Operating, Credit, Integral Risk Administration and Human Resources and Institutional Development Committees as well as all others the Board is comprised of.

The Managing Director of la Financiera will be appointed by the Federal Executive through the Ministry of Finance and Public Credit.

La Financiera will have a full and alternate statutory examiner appointed by the Ministry of Comptrollership and Administrative Development to oversee and evaluate its operation as well as an internal control body. The National Banking and Securities Commission will issue prudential rules concerning the

registration of transactions, financial information and asset projections as well as the responsibilities of its civil servants.

It will also oversee and ensure that la Financiera's transactions adhere to the law.

Banco de México may regulate the characteristics of the trusts, mandates, fees and transactions involving securities and foreign currencies as well as financial transactions called derivatives entered into by Financiera; regulate transactions la Financiera carries out related to payment systems and fund transfers under the terms of its law, and request information about transactions, either with respect to one or several, so as to estimate its financial situation, and in general whatever information helps the Bank to adequately comply with its functions.

In accordance with transitory articles of the Law in question, as of July 1st, 2003, the Banrural System Organic Law is repealed. Likewise its dissolution is decreed and the liquidation of the thirteen national loan companies forming the Banrural System is ordered as of that date.

II.2 Amendments to current legislation

AMENDMENTS TO LEGISLATION APPLICABLE TO DEVELOPMENT BANKS

On June 24th, 2002 the following amendments to the Law on Banks, the Organic Law of Nacional Financiera, the Organic Law of the National Bank of Foreign Trade (Banco Nacional de Comercio Exterior), the Organic Law of the National Bank of Public Works and Services (Banco Nacional de Obras y Servicios Públicos), the Organic Law of the National Bank of the Army, Air Force and Navy (Banco Nacional del Ejército, Fuerza Aérea y Armada), the Organic Law of the National Savings and Financial Services Bank (Banco del Ahorro Nacional y Servicios Financieros) and the Organic Law of the Federal Mortgage Company (Sociedad Hipotecaria Federal) were published in the Official Federal Gazette:

The Law on Banks expressly stipulated that the main objective of development banks is to facilitate the access of both individuals and corporations to funding as well as to provide them with technical assistance and training.

The Ministry of Finance and Public Credit (SHCP) was given the power to authorize, in accordance with guidelines, measures and mechanisms established by the Ministry itself, the net external and internal indebtedness ceilings of development banks, net funding and financial intermediation ceilings as well as to announce the concepts such financial intermediation is comprised of in the corresponding report on the economic situation, public finances, and public debt.

Besides reports on the economic situation, public finances and public debt, development banks must send to the Federal Executive through the SHCP, and the latter in turn to Congress and when it is in recess to the Standing Committee, other reports related to different programs and expenses as well as compliance.

It was decided that development bank programs must contain a section on how they will coordinate with the others. Likewise banks must announce information that is relevant to their operations using electronic, optical or any other technological media in accordance with general rules issued by SHCP for that purpose.

Diverse references to Federal Government Departments were updated as well as legislation and specific articles.

It was established that in accordance with its organic law, Banco de México must, through general provisions, regulate the characteristics of debt transactions that imply taking deposits from the public, trusts, mandates and fees, money market operations as well as derivative transactions that development banks enter into.

Greater transparency is sort in handling the funds of the institutions in question and each development bank board is granted powers to issue the rules and criteria to be followed when preparing and exercising the institution's current budget and physical investment as well as approving that budget and changes to be made when exercising it after the SHCP has approved the overall amounts of these concepts, in addition to determining the wage policy, promotion and retirement policy, selection, recruitment and training guidelines; termination criteria, performance assessment indicators for determining wages and other benefits as well as social security for the benefit institution officers proposed by the Managing Director after hearing the opinion and recommendation of the human resources and institutional development committee created as a result of such changes.

The Organic Law of Nacional Financiera, the Organic Law of Banco Nacional de Comercio Exterior, the Organic Law of Banco Nacional del Ejército, Fuerza Aérea y Armada and the Organic Law of Banco del Ahorro Nacional y Servicios Financieros determined that two members of the board will be independent memebers. Furthermore, the Organic Law of Banco Nacional de Obras y Servicios Públicos and the Organic Law of Sociedad Hipotecaria Federal stipulated that their respective board must be comprised, among others, by an independent member. These positions must be occupied by Mexicans who stand out for their knowledge, repute, professional prestige and experience.

Each development bank's obligation to create a trust within the bank itself using contributions calculated on the basis of outstanding amounts of funds captured through actions giving rise to direct liabilities, either through public investors, OTC or any other type of deposit that targets the general public and is aimed at

providing banks with support to strengthen their capital was established.

It is established that Nacional Financiera, Banco Nacional de Comercio Exterior and Banco Nacional de Obras y Servicios Públicos are allowed to grant third party notes either through private transactions or massive guarantee programs within the limits stated in article 46 section VIII of the Law on Credit Institutions, which establishes that banks may only assume third party obligations, based on loans, through acceptances, endorsements or credit guarantees as well as the letters of credit.

Nacional Financiera and Banco Nacional de Comercio Exterior are authorized to participate in the capital stock of mutual funds and their operators. Likewise Banco Nacional de Obras y Servicios Públicos can temporarily participate in the capital stock of companies that finance or refinance public or private investment in infrastructure and public services and contribute to the strengthening of federal, state and local governments in order to foster the sustainable development of the country based on parameters established in the company's organic rules.

Nacional Financiera's exclusive power to be a depositor of securities or sums of cash for or with administrative or federal authorities and for or with Federal District administrative authorities as well as sums of cash or securities seized by federal judicial or administrative authorities and those seized by federal district administrative authorities and deposits for suspending injunction lawsuit claims and general deposit guarantees that must be created in accordance with the provisions of federal laws and, in the event, the Federal District or through orders or contracts from federal authorities and, in the event, the Federal District is eliminated. Banco del Ahorro Nacional y Servicios Financieros is authorized to undertake these functions.

Finally, the second transitory article of the Organic Law of Sociedad Hipotecaria Federal was amended to establish that new obligations subscribed to or contracted by SHF as of January 1st, 2014 will not have a Federal Government guarantee.

RETIREMENT SAVINGS SYSTEM LAW

On December 10th, 2002 diverse amendments to the above-mentioned law were published in the Official Federal Gazette, mainly in relation to the following:

1. Fund management fees.

    a) It is provided that in the event of a merger between two or more retirement fund managers (AFORES), the AFORE that survives or supersedes the merger must have the lowest fee structure of the AFORES involved in the merger, based on criteria issued by CONSAR's

Board of Governors;

b) From time to time CONSAR and the AFORES must provide information about fees in clear and acceptable language, or through broad-circulation methods;

c) Among other things, CONSAR must submit to Congress and within a set period of time, a diagnosis about the fees that AFORES currently charge registered workers, indicating the advantages and disadvantages of each type of extant fee and the impact that fees have on workers' savings;

d) CONSAR's Governing Board is granted power to approve AFORE fee structures and to demand clarification and adaptations to submitted requests as well as to decline authorizations when fees submitted for approval are found to be excessive based on criteria determined by the Board of Governors or outside market parameters, and

e) The funds of affiliated workers that do not choose an AFORE must be channeled to AFORES that charge the lowest fees based on CONSAR Board of Governors criteria.

2. Fund returns.

With respect to investment diversification and security, the amendments to the Law adopt the following measures:

a) Debt instruments issued by persons other than the Federal Government must be rated by internationally recognized rating agencies and stocks must meet CONSAR liquidity requirements so that retirement mutual funds (SIEFORES) only invest in securities of the highest quality;

b) SIEFORES may invest in securities issued by decentralized public entities and states other than those referenced to the National Consumer Price Index, and

c) Subject to certain restrictions, SIEFORES are allowed to acquire foreign securities authorized by CONSAR in their investment regime corresponding to 20% of their total assets. For one year as of the date on which the changes in question come into force, the percentage will be 10%. In April 2003, CONSAR must submit to Congress a report on the return of such investments compared to local investments as well as the anticipated level of security for foreign investments. As a result, Congress will decide whether to increase or decrease the percentage investment of SIEFORES in foreign securities within the legal limit.

3. Work information.

The retirement funds administration agreement must contain at least the following.

4. Encouragement of retirement savings.

   a) The creation of so-called "complementary retirement contributions" is provided for which aim to permit workers to freely allocate funds to their pension and deposit them in a sub-account created for that purpose. Complementary retirement contributions can only be withdrawn when the worker reaches retirement age and workers can either use them to boost their pension or request a lump sum;

   b) With respect to voluntary contributions, the period for their withdrawal, which was previously six months, is reduced in the case of all SIEFORES with an information prospectus as long as it is not below two months, except in the case of the basic fund, which continues to be six months;

   c) Likewise, at the worker's request, the funds from the voluntary contributions sub-account can be transferred to the housing sub-account at any time;

   d) Likewise, immunity from seizure of voluntary and complementary contributions for an amount of up to 20 times the minimum daily wage in force in Mexico City, and raised each year for each sub-account is established, and

   e) Furthermore, the AFORES are empowered to handle social security funds that complement legal pensions.

5. Transparent actions on the part of Retirement Saving Systems regulatory and supervisory authorities and their participants.

   a) The content of the bi-yearly information that CONSAR must submit to Congress is defined clearly and accurately; among other things, it must include information about the SIEFORES' investment portfolio; and

   b) Within a period of eight months as of when these changes come into force, CONSAR must provide Congress with a diagnosis and comprehensive assessment of how the Retirement Savings System works, including the mobility of workers affiliated to the AFORES who save and the impact fees have on the fiscal cost of retirement, old age and invalidity.

6. Aspects related to the Organization and Functions of the CONSAR, AFORES

and SIEFORES.

a) The President of the CONSAR may not delegate the power to order administrative or managerial intervention with respect to Retirement Savings Systems participants to any other civil servant;

b) A Pensions Board that will comprise 6 workers representatives, 6 employers, 6 AFORES and the President of the National Commission for the Protection and Defense of Financial Service Users (CONDUSEF) is envisaged. The participation of AFORES representatives will be limited to a voice in the sessions but no vote. This Pensions Board will have the power to issue recommendations to AFORE boards of directors about the management of individual accounts, the investment of workers' funds and the fees they charge;

c) The SIEFORES' Investment Committee regime was modified to include at least one independent board member, the managing director of the AFORE that operates the SIEFORE in question and other members appointed by the SIEFORE board; persons who sit on their Risks Committee may not be members of this Committee with the exception of the Managing Director of the AFORE that sits on both Committees;

d) Likewise a Risks Committee is formed within the SIEFORES to manage the risks to which such companies are exposed as well as to ensure that their operations adhere to risk management limits, policies and procedures approved by their board, and

e) The composition of the SIEFORES' Risks Committee will be determined by CONSAR through general provisions, but in any case the following will be members of this committee: an independent member and a non-independent member of the SIEFORE in question, who may not be members of the Investment Committee of the same SIEFORE as well as the Managing Director of the AFORE that operates the corresponding Investment Fund.

Finally, the law establishing principles of self-regulation between entities that participate in retirement savings systems was amended.

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[1] Circulars-Telefax 29/2002 and 30/2002 directed at the country's banks.

[2] Circulars-Telefax 3/2002 and 4/2002 directed at commercial and development banks, respectively, Circular 110/2002 directed at brokerage firms and Circular 1/2002 direct at mutual funds.

[3] Circular 115/2002 directed at brokerage firms.

[4] Circular-Telefax 1/2002 directed at the country's banks and Circular 114/2002 directed at brokerage firms.

[5] Circulars-Telefax 7/2002 and 8/2002 directed at commercial banks and 16/2002 directed at development banks.

[6] Circulars-Telefax 9/2002 and 10/2002 directed at commercial banks and development banks,

respectively.

[7] Circulars-Telefax 31/2002 and 32/2002 directed at commercial banks and development banks, respectively.

[8] Circulars-Telefax 23/2002 and 24/2002 directed at commercial banks and development banks, respectively.

[9] Circulars-Telefax 12/2002 and 20/2002 directed at commercial banks and development banks, respectively, and Circulars 69/94 Bis 7 and 97/99 Bis 2 directed at brokerage firms.

[10] Circular-Telefax 15/2002 directed at commercial banks and Circular 69/94 Bis 8 directed at brokerage firms.

[11] Circulars-Telefax 14/2002 and 17/2002, directed at commercial banks and development banks, respectively; Circulars 83/95 Bis 4 and 90/97 Bis 3 directed at brokerage firms; Resolution extending the duration of Rule Nineteen of the Rules that brokerage firms shall adhere to when undertaking foreign currency and precious metal transactions besides the resolution published on March 28th, 2011 and the Resolution that extends the duration of Rule eight of the Rules that the foreign currency risk positions of financial leasing companies and financial factoring companies that form part of financial groups that include insurance companies and in which commercial banks and brokerage firms do not participate shall adhere to besides the resolution published on March 28th, 2001; both resolutions were published in the Official Federal Gazette on April 1st, 2002.

[12] Circulars-Telefax 21/2002 and 22/2002 directed at commercial banks and development banks, respectively, and Circulars 69/94 Bis 9 and 10-195 Bis 6 directed at brokerage firms issued jointly with the National Bank and Securities Commission.

[13] Circulars-Telefax 21/2002 and 22/2002 directed at commercial banks and development banks, respectively, and Circulars 10-245 Bis and 10-195 Bis 6 directed at brokerage firms issued jointly with the National Banking and Securities Commission.

[14] Circular-Telefax 36/2002 directed at commercial banks, Circular 1/2002 directed at brokerage firms, Circular-Telefax 37/2002 directed at development banks and Circular 10/195 Bis 7 directed at brokerage firms, issued jointly by Banco de Mexico and the National Banking and Securities Commission.

[15] Circular-Telefax 38/2002 directed at commercial banks.

[16] Circular 2/2002, directed at brokerage firms.

[17] Circular-Telefax 28/2002 directed at commercial banks.

[18] Circular 1/2002 directed at retirement mutual funds.

[19] Circular 10-266 directed at brokerage firms issued jointly by Banco de México and the National Banking and Securities Commission.

[20] Resolution that modifies the Rules that brokerage firms will adhere to for foreign currency and precious metal transactions published in the Official Federal Gazette on March 6th, 2002.

[21] Circulars-Telefax 5/2002 and 6/2002 directed at commercial and development banks as well as Circular 111/2002 directed at brokerage firms.

[22] Circular 1/2002 directed at mutual funds, including siefores.

[23] Circulars-Telefax 25/2002 and 26/2002 directed at commercial banks and development banks, respectively, Circular 112/2002 directed at brokerage firms and Circular 3/2002 directed at mutual funds.

[24] Circular 2/2002 directed at mutual funds and Circular 1/97 Bis 3 directed at retirement mutual funds.

[25] Circular-Telefax 27/2002 directed at banks and Circular 113/2002 directed at brokerage firms.

[26] Circular-Telefax 33/2002 directed at banks.