

NHG appoints Jenny Ferrón as Partner

Category: Firm news, Partners

written by Adrián Trejo Santiago | May 2, 2024

Nader, Hayaux & Goebel (NHG) is delighted to welcome back Jenny Ferrón as a Partner, effective May 1, 2024.

Jenny, a former senior associate at NHG, brings a wealth of expertise in capital markets, banking & finance, private equity and cross-border transactions. Jenny's industry experience spans to real estate, fintech, public companies, banking and financial services.

During her tenure at NHG, she spearheaded multiple capital markets and financing transactions, and provided counsel to major financial institutions and corporations on debt and equity securities offerings. Jenny has a strong track record in finance matters both in Mexico and abroad.

Prior to rejoining NHG, Jenny worked three years as an associate at a premier global law firm in New York, focusing on public and capital markets transactions as well as structured finance. She holds an LLM degree from the University of Fordham and a law degree from Universidad Panamericana.

Jenny comments "Rejoining NHG as a partner is not only a great honor but also a heartfelt homecoming. Having spent several formative years as a senior associate here, returning feels like reuniting with family. I eagerly anticipate the exciting journey ahead and I'm grateful for the chance to once again be part of this exceptional team and contribute to our ongoing success."

Jenny's addition as a Partner bolsters NHG's capabilities in banking, finance, capital markets, and private equity, underscoring NHG's commitment to excellence.

Hans Goebel, Chairman of NHG, commented: "Jenny is a magnificent lawyer and a remarkable person. We are delighted to welcome her back to NHG, now as a Partner. Jenny's addition to the partnership is a reflection of our enduring culture of

organic and sustained growth. It underscores our Firm's commitment to our core values of excellence, collaboration and delivery of unparalleled service to our clients."

Mexico Fundraising Chapter in The Private Equity Review 2021

Category: Capital Markets, Energy, Partners, Project Finance, Publications, Telecoms
written by Adrián Trejo Santiago | May 2, 2024

The Law Reviews: 10th Edition - By Partners Hans P Goebel, Héctor Arangua, Adalberto Valadez and Associate Miguel A González

OUTLOOK

The private equity industry in Mexico has been re-energised in recent years by government reforms and policies, a stable macroeconomic situation, stable population growth rate, an increase in real income and an active entrepreneurial ecosystem.

Mexico has successfully completed USMCA (which superseded NAFTA) negotiations with the United States and Canada and has gone through a smooth, peaceful and democratic power transition following the presidential election that took place in July 2018, providing

certainty to investors. However, Mexico's intention of being prepared for any scenario is clear from its aim to increase trade with Argentina and the Pacific Alliance (Colombia, Peru and Chile), as well as with the European Union and Asian countries, and from the government's

continued efforts over the past few years in the infrastructure and energy sectors.

While the forecasts are moderate, we expect contract and investment opportunities

to be abundant as government policies support a shift towards a larger role for a combined private and public investment in the Mexican infrastructure industry and in the still-booming energy industries. Opportunities will also be presented by the continuing rise of the fintech industry and by the implementation of the governmental programme for the economic reactivation during 2021 and onwards. The outlook for the Mexican PE industry is, therefore, positive, with local funds becoming more global and deploying capital, and investments by foreign funds increasing throughout the energy sector.

We predict that the regime governing publicly issued PE funds will continue to be improved, and that the regulations regarding investment restrictions applicable to Mexican pension funds will necessarily evolve towards alignment with the types of regimes seen in other, more evolved countries, allowing the pension funds to conduct private transactions and investments in funds or projects directly (rather than only through publicly issued securities such as CKDs, FIBRAs, FIBRA Es and CERPIs).

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Mexico Fundraising Chapter in The Private Equity Review

Category: Capital Markets, Energy, Partners, Project Finance, Publications, Telecoms
written by Adrián Trejo Santiago | May 2, 2024

The Law Reviews: 9th Edition - By Partners Hans P Goebel, Héctor Arangua, Adalberto Valadez and Associate Miguel A González

Over the past 19 years, Mexico's private equity (PE) industry has raised over US\$58 billion in capital commitments to PE investments, according to the Mexican Private

Equity Association (AMEXCAP). Mexico's strong industrial and manufacturing sectors, along with recent reforms to policies and regulations, have had a positive impact on the PE industry, resulting in double-digit annual growth for the industry. Real estate and venture capital (VC) also had double-digit increases in the same period, of 16 per cent and 12 per cent, respectively. Currently, the number of active fund managers is over 180, with fund managers, or general partners (GPs), active across a range of sectors, and representing a sevenfold growth since the beginnings of the industry in the early 2000s.

In recent years, the Mexican government has been an important participant in and supporter of the PE industry, investing in more than 72 funds⁷ through institutional investors such as NAFIN (the national development bank), the Capitalization and Investment Fund for the Rural Sector, Bancomext and Banobras, and through investment vehicle Corporación Mexicana de Inversiones de Capital, SA de CV, or Fund of Funds, which has invested more than US\$885 million in more than 84 funds and co-invested in 17 deals.⁸ In addition, the National Institute of Entrepreneurship helped the Mexican VC industry and seed capital ecosystem by investing or co-investing in 41 funds from 2013 to 2016. For 2016, the VC support grew to 100 million Mexican pesos, targeting one fund with an approach to the Asia-Pacific alliance countries, which is now finishing its fundraising period. Finally, domestic pension funds (AFOREs) have played a determinant role in the growth of the PE industry, having allocated more than US\$20.4 billion through 106 capital development certificates (CKDs) and investment project certificates (CERPIs) since 2008. This amount may increase by a further US\$5 billion, given the CKDs that are in the pipeline. Mexico is seen as one of the most favourable emerging markets to invest in, and is considered top in Latin America

according to various limited partner (LP) surveys, such as those conducted by the Association for Private Capital Investment in Latin America in 2014 and 2015, and by the Emerging Markets Private Equity Association in 2015, 2016 and 2017.⁹

Mexico returned to the World Economic Forum's (WEF) list of the top 10 countries to invest in globally, by rising four positions to number nine, sitting alongside the United States, China, Germany, India, the United Kingdom, Brazil, France, Australia and Japan. The Mexican economy is being reshaped, and in spite of an adverse economic environment, allows dynamism of its international trade, and the structure

of its debts minimises the impact of external factors making it a healthy option for investing. The WEF ranks Mexico in 46th place, out of 140 countries, in the 2018 edition of the competitiveness index, which shows that the country has microeconomic and macroeconomic institutions with strong foundations. Mexico is placed as the second-largest economy in Latin America (with an estimated GDP of US\$1.222 trillion) and it is considered to have economic stability that has allowed to remain stable despite various difficulties. The Mexican economy has grown at an average annual rate of 2.5 percent for the past 10 years, mainly because of the implementation of new regulations to improve development, sensible monetary and fiscal policies, ordered management of public finances led by the Bank of Mexico, and a gradual improvement in the country's external environment, despite a zero per cent growth being estimated for 2019. The World Bank suggests Mexico might be the world's seventh-largest economy by 2050 - a positive outlook that will only serve to attract direct foreign investment.

The PE industry and the VC sector in Mexico continue to grow and mature. The internationalisation of both funding sources and investment by domestic GPs suggests that Mexico is playing an increasingly influential role in financial and economic growth at both the regional and global levels. Within VC alone, Mexico has witnessed the number of GPs triple in the past seven years. The policies being implemented in Mexico, particularly the opening-up to competition of the energy and telecommunications sectors, and labour market reforms, have been welcome steps to attract investment and raise employment and, potentially, growth.¹³ This is evidenced by the extent to which infrastructure and energy funds have also increased significantly, reaching 30 funds in 2016 - a clear effect of the energy reform allowing private investments in the energy sector, including oil and gas, electric power generation and renewable energy. As at October 2017, an estimated US\$25 billion in cash reserves were available for investment by PE funds investing in Mexico.¹⁴

Likewise, accumulated capital commitments from 2018 to September 2019 increased by 1.7 per cent. These capital commitments were mainly concentrated on seed and early stage VC funds.¹⁵ As at September 2019, three new Mexican funds had been formed, bringing the number of funds operating in Mexico to 126, of which 60 per cent are now investing or managing their investments, while almost one-third

are still at the fundraising stage.¹⁶

In general, information about PE funds is not publicly available during the fundraising stage unless the funds are public funds raised in the securities market, such as CKDs, CERPIs or Mexican real estate trusts (FIBRAs).

The Mexican fundraising market has been in an upward trend since 2014. In the past, the most attractive sector has been real estate, but recently the VC sector has clearly been rising. Mexican PE funds are active, growing and covering a large spectrum of industries (business and financial services, consumer goods, healthcare, technology, oil and gas, etc.). VC funds mainly invest in consumer services, fintech and technology; real estate funds mainly target

the industrial (mostly automotive, aerospace and pharmaceutical), commercial, tourism and housing sectors; and the infrastructure and energy funds are currently concentrated in the oil and gas sector. In March 2018, the Law Regulating Financial Technology Institutions (the Fintech Law) was enacted, providing for regulation of, among other things, electronic payments, cryptocurrency transactions and crowdfunding mechanisms. According to Fintech Radar Mexico, conducted by Finnovista in May 2019, Mexico is very close to reaching the 400 fintech start-up mark, and, in 2019, it regained leadership as the largest fintech ecosystem in Latin America, in part because of a strong presence of entrepreneurship and e-commerce.¹⁷ The Mexican fintech industry has shown an annual growth rate of 29 per cent, with the creation of 98 new start-ups, with the dominating sectors being loans, payments and remittances.¹⁸ Reports from recent years have highlighted the high growth rates of fintech in Latin America, such as LAVCA's 2017 Trend Watch: Latin American Venture Capital, which concluded that the fintech sector represents 25 per cent of the venture investments in information technology in the region. According to a survey conducted by Finnovista in collaboration with Endeavor, Mexican fintech companies have a monthly gross transaction value of 39 billion Mexican pesos, with an average of 8.7 million Mexican pesos being billed per fintech start-up per year. These results emphasise the importance and the possibilities of fundraising and VC investment in the development of the fintech ecosystem in Mexico. As the fintech industry represents a massive potential growth area in Mexico, the government has passed legislation that seeks to ensure financial stability and provide a defence against money laundering and corruption.

OUTLOOK

The private equity industry in Mexico has been re-energised in recent years by government reforms and policies, a stable macroeconomic situation, stable population growth rate, an increase in real income and an active entrepreneurial ecosystem. Mexico has successfully completed USMCA (which is expected to supersede NAFTA) negotiations with the United States and Canada and has gone through a smooth, peaceful and democratic power transition following the presidential election that took place in July 2018, providing certainty to investors. However, Mexico's intention of being prepared for any scenario is clear from its aim to increase trade with Argentina and the Pacific Alliance (Colombia, Peru and Chile), as well as with the European Union and Asian countries, and from the government's continued efforts over the past few years in the infrastructure and energy sectors.

While the forecasts are moderately strong, we expect contract and investment opportunities to be abundant as government policies support a shift towards a larger role for private investment in the Mexican infrastructure industry and in the still-booming energy industries. Opportunities will also be presented by the continuing rise of the fintech industry. The outlook for the Mexican PE industry is, therefore, positive, with local funds becoming more global and deploying capital, and investments by foreign funds increasing throughout the energy sector. If conditions remain the same and the growth rate remains at the levels we have been seeing, the PE industry should, according to AMEXCAP, reach US\$80 billion by the end of 2020. We predict that the regime governing publicly issued PE funds will continue to be improved, and that the regulations regarding investment restrictions applicable to Mexican pension funds will necessarily evolve towards alignment with the types of regimes seen in other, more evolved countries, allowing the pension funds to conduct private transactions and investments in funds or projects directly (rather than only through publicly issued securities such as CKDs, FIBRAs, FIBRA Es and CERPIs).

[To read the full article, click here](#)

An overview to insurance & reinsurance laws and regulations that may occur in Mexico

Category: Insurance and Reinsurance, Partners, Publications

written by Adrián Trejo Santiago | May 2, 2024

The Legal 500, Mexico: Insurance & Reinsurance - by Partners Yves Hayaux du Tilly and Luciano Pérez

Mexican insurance contracts are governed by the Insurance Contract Law (“LCS”) published in the Official Gazette of the Federation (Diario Oficial de la Federación (“DOF”) on 31 August 1935. The LCS applies to all insurance contracts, except for maritime insurance governed by the Navigation and Maritime Commerce Law published in the DOF on 1 June 2006.

The insurance contract is formed by the consent of the parties. Pursuant to Article 21.1 of the LCS the insurance contract comes into effect when the insured receives a confirmation that the insurance company accepted his request for insurance coverage, regardless of whether any written evidence, such as an insurance policy or certificate, is issued. The effectiveness of an insurance contract cannot be subject to the condition that the respective insurance policy or any other document evidencing its acceptance is issued nor to the condition that the respective premium is paid.

Other topics of analysis that we break down in the article are

- Insurance and co-insurance regulations depending on the jurisdiction
- License approval times
- Owner controls (including foreign ownership)
- Insurance or reinsurance risks in your jurisdiction without a license or authorization
- Sanctions depending on the jurisdiction
- Supervision of the solvency of insurers and reinsurers

- Minimum capital requirements
- Policyholder protection plans in your jurisdiction
- Compliance with suitability requirements and/or approvals
- Restrictions on outsourcing business-related services
- Restrictions on the types of assets insurers or reinsurers can invest in
- Supervision and control of insurance sales
- Distance or online selling regulations
- Rules pertaining to distance selling or online sales
- Consumer policy restrictions
- Responsible for handling complex commercial claims
- Legal transfer mechanism available for sales or transfers of books
- Main challenges for new market entrants and what role does the digital innovation plays
- Existing regulations for insurers when using customer data

The companies that will take the market leadership in the coming years.

There is tremendous gap and hence, potential as well as an urgency to develop an efficient health insurance market and we are seeing important developments from key players towards developing such health insurance market. Despite the challenges posed by a complex and burdensome regulatory landscape and lack of a level playing field due to a lack of proper supervision from the regulator of certain players offering insurance products without an insurance license, based on the new projects being developed in Mexico, we expect that health insurance will be a key driver of growth in the Mexican insurance industry in the years to come. Provided that the financial stability is maintained, we also expect life-saving products continue growing among the middle class population. We are seeing growth in cyber insurance related products, including insurance to protect new risks such as privacy and data protection.

We will continue seeing growth in financial lines, D&O insurance, professional liability, reps, warranties and tax insurance products, as well as products oriented in preventing fraud as well as surety products. Insurance for natural catastrophes will keep developing with a major trend for a healthy development of parametric products using new technologies to measure risks coupled with the development of

parametric indexes.

Automobile insurance will also continue growing fueled by a mandatory automobile liability insurance schemes that is still not fully nor duly enforced with a potential of growing at least threefold if it were to be implemented. Despite the numerous reforms to the financial laws, the opening of the market to foreign investment and the easiness of doing business in Mexico, the large gap in insurance coverage has not receded and Mexico continues to be an underinsured market continuing to make it as attractive as ever. There is expectation that new technologies and insurtech will help reduce the gaps in underinsurance and contribute to improve financial inclusion among the Mexican population. The current administration is looking to maintain the regulatory and financial strength of the Mexican insurance industry, while also improving the penetration with a particular aim in building resilience and improving financial inclusion.

[To read the complete article, please click here](#)

NHG adds New Partner

Category: Firm news, Partners

written by Adrián Trejo Santiago | May 2, 2024

Nader, Hayaux & Goebel is pleased to announce that [Ángel Escalante Carpio](#) has joined the Firm as Partner effective July 15, 2019.

Ángel will be part of the [Tax Practice](#) of the Firm, which has been involved in very large and complex transactions across a variety of industries. Ángel specializes in tax, in addition to international trade and anti-money laundering (AML). He advises leading multinational companies investing in Mexico as well as throughout Latin America. Ángel is joined by three associates.

Ángel has advised clients for more than 15 years in a number of industries including real estate, pharma, logistics, transportation, consumer goods and retail. Ángel obtained his law degree from Escuela Libre de Derecho. He is a certified professional in AML/CFT (Anti-Money Laundering / Counter-Terrorist Financing) by the Mexican Banking and Securities Commission.

[Adalberto Valadez](#), head of the Tax Practice of the Firm, indicated that *“the arrival of Ángel is an embraced addition to the tax practice that will allow our Firm to provide broader services for our clients’ benefit.”*

NHG contributes to The Latin Lawyer Reference, Banking & Finance Chapter

Category: Banking & Finance, Partners, Publications

written by Adrián Trejo Santiago | May 2, 2024

Partners [Michell Nader](#) and [Julián Garza](#) participated in the Latin Lawyer Reference chapter on Banking and Finance. Latin Lawyer Reference provides answers to key legal and regulatory questions in Latin America on major practice areas. It provides insight in over twenty practice areas, across the region. The interactive format allows for quick-and-easy comparisons across jurisdictions.

You can download the [PDF](#) of the article here or read the full article on [Latin Lawyer’s website](#).



Antitrust team contributes to The Legal 500 Mexico Chapter: Merger Control

Category: Antitrust, Partners, Publications

written by Adrián Trejo Santiago | May 2, 2024

Partner [Alejandro Mendiola](#) contributed to The Legal 500 Mexico Chapter: Merger Control. The aim of this guide is to provide its readers with a pragmatic overview of merger control laws and regulations across a variety of jurisdictions.

This country-specific Q&A provides an overview to merger control laws and regulations that may occur in Mexico. It will cover jurisdictional thresholds, the substantive test, process, remedies, penalties, appeals as well as the author's view on planned future reforms of the merger control regime.

You can [download the PDF here](#) or [read the article on The Legal 500 website](#).



Capital Markets team contributes to Latin Lawyer Reference chapter

Category: Capital Markets, Partners, Publications, Securities and Capital Markets
written by Adrián Trejo Santiago | May 2, 2024

Partners [Hans Goebel](#) and [Diego Sanchez](#) participated in the Latin Lawyer Reference chapter on Capital Markets. Latin Lawyer Reference provides answers to key legal and regulatory questions in Latin America on major practice areas. It provides insight in over twenty practice areas, across the region. The interactive format allows for quick-and-easy comparisons across jurisdictions.

You can download the PDF of the article [here](#) or read the full article on Latin Lawyer's [website](#).



NHG recognized as Capital Markets Law Firm of the Year 2018 by Best

Lawyers

Category: Awards, Capital Markets, Firm news, Infrastructure, PPPs and Government Procurement, Insurance and Reinsurance, Partners

written by Adrián Trejo Santiago | May 2, 2024

Nader, Hayaux & Goebel is pleased to inform that Best Lawyers, a publication that gathers information from other firms and lawyers, has recognized NHG as **Law Firm of the Year 2018** in the practice of [Capital Markets](#). This recognition is determined based on certain factors including comments from other attorneys, coverage and scope of the firm in this area of practice, historical analysis of the winners in **Lawyer of the Year** and the reputation of the firm as an expert in this area.

Likewise, we are pleased to inform you that [Michell Nader](#), [Yves Hayaux](#) and [Hans Goebel](#) have been recognized as **Lawyer of the Year**, in the practices of *Project Finance & Development*, *Insurance Law* and *Structured Finance Law*, respectively.

For the full rankings of Nader, Hayaux & Goebel, visit [Best Laywers](#).

Incorporation of Alejandro Mendiola as new Antitrust Partner and Jorge Siegrist as Of Counsel

Category: Antitrust, Banking & Finance, Capital Markets, Firm news, Mergers and Acquisitions, Of Counsel, Partners

written by Adrián Trejo Santiago | May 2, 2024

Nader, Hayaux & Goebel is pleased to announce the incorporation of [Alejandro Mendiola](#) as Partner and [Jorge Siegrist](#) as Of Counsel.

Alejandro will lead the [Antitrust Practice](#) of the Firm, which has been involved in very large M&A transactions and investigations in sensitive industries. The expertise of Alejandro will raise this practice to a new level. Alejandro has more than 20 years of experience with merger control proceedings, investigations and complex antitrust matters. He was formerly a partner of an independent law firm in Mexico City and before then, he was an official of the Mexican Antitrust Commission.

Alejandro has worked for national and international clients in high profile cases and has developed antitrust compliance programs for multiple companies.

Jorge has more than thirty years of experience. He is a consummate M&A, securities and banking lawyer. He was previously the General Counsel of Grupo Modelo and Grupo BAL. Jorge will strengthen the offering of the Firm in corporate finance matters and he will have the responsibility of expanding the compliance and corporate governance practice of the Firm.

Michell Nader, Chairman of the Firm, indicated that the arrival of Alejandro and Jorge is part of the long-term strategy of the Firm with internal and external growth. The arrival of Alejandro and Jorge responds to our clients' needs for a broader scope of services.