

Extension for certain obligations for issuers of listed securities, in connection with the Emergency Declaration of Force Majeure made by the General Health Council of Mexico

Category: Legal Alerts, Securities and Capital Markets

written by Nader, Hayaux & Goebel | abril 13, 2020

As a result of the health contingency caused by the coronavirus SARS-CoV-2 (COVID-19), declared as a force majeure health emergency by the General Health Council (*Consejo de Salubridad General*), the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) ("**CNBV**") issued on April 9, 2020, a statement through which it grants an extension for certain periodical reporting obligations of issuers, such as quarterly reports and annual reports (the "**Statement**").

The main extensions granted are the following:

1. Deadline to file the following information is extended to July 3, 2020:

- Letter to board members and relevant directors requesting information regarding their shares;
- Letter to brokerage houses requesting the list of shareholders they represent;
- Annual report (including the external auditor's consent to include in such report the audit report); and
- Quarterly information.

2. Deadline to file the following information is extended to July 8, 2020:

- Audit and corporate practices committees reports;
- General director's report;
- Board of director's report;
- Secretary of the board of directors' report regarding the state of the corporate books;
- Audited financial statements;
- External auditor's independence letters; and
- External auditor's reports and statements.

3, Deadline to file the following information is extended to September 1, 2020:

- For funds of funds: **(a)** annual report (including the external auditor's consent to include in such report the audit report); **(b)** audited financial statements; **(c)** external auditor's independence letters; and **(d)** external auditor's reports and statements.
- Report on the following shareholders: **(a)** board members and relevant directors with at least 1% of the capital stock; **(b)** shareholders with 5% or more of the capital stock; and **(c)** 10 main shareholders.

You may find the complete Statement [here](#).

The CNBV did not grant an extension to issuers' statutory obligation of holding yearly meetings on or before April 30, and it even expressed that meetings (which under applicable regulations must be held in-person), held remotely through virtual means, "would create the risk that, eventually, such meetings' validity could be contested". Such consequence that was analyzed by us in our Newsletter dated April 8, 2020. A complete text of our previous Newsletter and the options that we explain in detail for issuers of listed securities in the case of meetings, may be viewed [here](#).

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