

A Fintech Mexico overview (The Legal 500 2022)

Category: Fintech,Publications

written by Adrián Trejo Santiago | November 11, 2022

Written by Partners [Adrián López](#), José Humberto Rocha and associates Mauricio López and Ma. Fernanda López.

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Lexology GTDT Fintech 2023 - Mexico

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NHG contributed to the GTDT Fintech Q&A for Mexico, an overview to understand the legal regulatory landscape in which fintech entities operate, the financial technology regulations and the implications related to offering regulated financial services in Mexico.

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“Fintechs in Mexico are mainly focused on payments and remittances services, followed by consumer lending, technologies for financial institutions and enterprise financial management.”

“The Mexican fintech environment has continued to develop at a fast pace, and has been labelled as ‘unstoppable’ by experts in the fintech industry.”

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You can also read it on the Lexology GTDT Fintech Platform [here](#).

New Secondary Regulations Applicable to IFPEs

Category: Fintech, Legal Alerts

written by Adrián Trejo Santiago | November 11, 2022

On January 28, 2021 the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) ("**CNBV**") and The Mexican Central Bank (*Banco de México*) issued secondary regulations [1] (the "**Regulations**") applicable to electronic payment funds institutions ("**IFPEs**", for their acronym in Spanish). The Regulations became effective on April 28, 2021.

The purpose of the Regulations is, among others, to **(i)** provide final customers of IFPEs with certainty as to the entities they contract with when acquiring financial products and services, and **(ii)** limit the types of transactions that may be carried out by third parties **on behalf** of IFPEs.

Subject to approval from CNBV, IFPEs may enter into agency mandates (*comisiones mercantiles*) [2] ("**Agencies**") with agents ("**Agents**") who can contract on their behalf with the public, exclusively regarding the following transactions (the "**Permitted Transactions**"):

- 1.** Cash withdrawals by customers of the IFPE against their respective e-accounts; [3]
- 2.** Cash collection from customers of the IFPE to credit their respective e-accounts; [4]
- 3.** e-account balance and transactions inquiries;
- 4.** Distribution and sale of means of utilization or payment instruments (e.g. debit cards) linked to e-accounts;
- 5.** Opening of e-accounts; and
- 6.** Transfers by debiting e-accounts, including payment of utilities and services.

IFPEs must request a specific approval from CNBV if they wish to contract with Agents regarding transactions other than Permitted Transactions.

Additionally, IFPEs may engage one or more managers ("**Managers**"), who in turn may engage additional Agents on behalf of the IFPE. The Managers and the Agents engaged by the Manager must act before the public on behalf of the IFPE regarding any Permitted Transactions. Agency mandates entered into with Managers must

ensure their compliance with the Regulations.

[1] *Disposiciones aplicables a las instituciones de fondos de pago electrónico a que se refieren los artículos 48, segundo párrafo, 54, primer párrafo, y 56, primer y segundo párrafos de la Ley para Regular las Instituciones de Tecnología Financiera.*

[2] The agency mandate (*comisión mercantil*) is an agreement regulated in the Mexican Commerce Code (*Código de Comercio*), defined as an agreement pursuant to which an agent agrees to perform certain commercial actions on behalf of another party (principal), in accordance with instructions issued by the principal.

[3] Cash withdrawal transactions through Agents are subject to a daily amount of approximately MXN \$10,185 per e-account.

[4] Cash collection transactions through Agents are subject to a daily amount of approximately MXN \$27,160 per e-account.

Entities that are carrying out regulated activities under the Eighth Transitory Provision of the Fintech Law and that are in the process of obtaining authorization to act as an IFPE, have a six-month period following such authorization to comply with the provisions of the Regulations applicable to Agencies..

Nuevas Disposiciones aplicables a Instituciones de Fondos de Pago Electrónico

El 28 de enero de 2021 la Comisión Nacional Bancaria y de Valores (“CNBV”) y el Banco de México expedieron disposiciones secundarias [5] (las “Disposiciones”) aplicables a instituciones de fondos de pago electrónico (“IFPEs”). Las Disposiciones entraron en vigor el 28 de abril de 2021.

El objeto de las Disposiciones es, entre otras cosas, (i) otorgar certeza y seguridad jurídica a los clientes de las IFPEs respecto a las entidades con las que contratan para adquirir servicios y productos financieros, y (ii) describir las operaciones que terceros pueden realizar a nombre y por cuenta de IFPEs.

Sujeto a la aprobación de CNBV, las IFPEs pueden celebrar comisiones mercantiles [6] (“Comisiones”) con comisionistas (los “Comisionistas”) quienes podrán actuar frente al público a nombre y por cuenta de las IFPEs únicamente respecto de las siguientes operaciones (las “Operaciones Autorizadas”):

1. Retiros de efectivo efectuados por los clientes de las IFPEs contra las e- cuentas que mantienen con las mismas.[7]
2. Recepción de efectivo de clientes de las IFPEs para abono en sus e-cuentas o en cuentas de terceros.[8]
3. Consultas de saldos y movimientos de e-cuentas.
4. Puesta en circulación de instrumentos para la disposición de fondos de pago electrónico.
5. Apertura de e-cuentas.
6. Transferencias con cargo a e-cuentas, incluidos los pagos de servicios.

Las IFPEs deberán solicitar autorización de la CNBV en caso de querer ofrecer operaciones adicionales a las Operaciones Autorizadas a través de Comisionistas.

Adicionalmente, las IFPEs podrán contratar con uno o más administradores de Comisionistas (“Administradores”), quienes a su vez podrán celebrar Comisiones con otros Comisionistas para celebrar Operaciones Autorizadas a nombre y por cuenta de las IFPEs. Los Administradores y los Comisionistas contratados por los Administradores deberán actuar frente al público a nombre y por cuenta de las IFPEs respecto a las Operaciones Autorizadas que celebren. Las Comisiones que celebren los Administradores deberán prever que los Administradores deberán vigilar que los Comisionistas contratados por éstos, cumplan con las Disposiciones.

Las entidades que se encuentren operando al amparo del Artículo Octavo Transitorio de la Ley Fintech, tendrán un plazo de seis meses a partir de obtener la autorización para operar como una IFPE para cumplir con las disposiciones del Reglamento aplicables a las Agencias.

[5] Disposiciones aplicables a las instituciones de fondos de pago electrónico a que se refieren los artículos 48, segundo párrafo, 54, primer párrafo, y 56, primer y segundo párrafos de la Ley para Regular las Instituciones de Tecnología Financiera.

[6] La comisión mercantil es un contrato regulado por el Código de Comercio en virtud del cual un comisionista se obliga realizar ciertos actos a nombre y por cuenta de un comitente de conformidad con las instrucciones de este último.

[7] Las operaciones de retiro de efectivo a través de Comisionistas no podrán

exceder de un límite diario equivalente a 1,500 UDIs (aproximadamente MXN \$10,185) por cada e-cuenta.

[8] Las operaciones de recepción de efectivo a través de Comisionistas no podrán exceder de un límite diario equivalente a 4,000 UDIs (aproximadamente MXN \$27,160) por cada e-cuenta.

For more information please contact:

[Partner Gunter Schwandt](#)

[Associate Mario de la Portilla](#)

[Associate Jenny Ferrón](#)

Mexican start-up gets Latin America's largest-ever seed funding

Category: Banking & Finance

written by Adrián Trejo Santiago | November 11, 2022

[A Latin Lawyer's article.](#)

Three [Hogan Lovells LLP](#) offices have helped Mexican e-commerce start-up Valoreo get a US\$50 million seed investment, which is one of the largest amounts ever raised by a Latin American company in an initial funding round.

A slew of international and local start-up-focused investors, including Upper90, FJ Labs, Angel Ventures and Presight Capital, led the funding round. US fintech investor Upper90 relied on Mexico's [Nader, Hayaux & Goebel](#) for the transaction. The investors' international counsel asked to remain confidential.

The deal was announced on 16 February.

The funding marks Valoreo's first-ever investment round and is among the largest-ever seed investments by a Latin American company. Seed funding refers to the

initial investment received by a company, the funds of which a start-up tends to use to set up its business and cover initial operational costs.

Several angel investors - individuals who inject capital through investment rounds - also participated in the transaction. One of them was David Geisen, who heads the Mexican operations of Argentine e-commerce group Mercado Libre.

Valoreo was founded in 2020 with the aim of acquiring or investing in e-commerce businesses, scaling them up and divesting them. It also provides financial support, business tools and other resources to entrepreneurs looking to develop small and medium-sized businesses in Latin America. Aside from its Mexican presence, the start-up has intentions to expand to Brazil and Colombia.

Other Mexican start-ups have received landmark investments in recent months. E-retailer Jüsto [raised](#) US\$65 million in a Series A funding round last month, the largest-ever in a second series investment round for a Latin American company. Mexican real estate start-up Casai [received](#) a US\$5 million seed investment back in October, followed by a US\$48 million Series A funding round.

In the second half of 2020, a slew of companies obtained substantial capital injections that resulted in them being crowned as unicorn companies - a title given to tech start-ups that are growing at an exponential speed and valued to more than US\$1 billion. In September, Japanese investor SoftBank led a US\$255 million funding round in Brazilian e-commerce group VTEX, which [made](#) the company a unicorn, just one week after Uruguayan start-up dLocal [became](#) a unicorn following a US\$200 million investment round.

Counsel to Valoreo

[Hogan Lovells LLP](#)

Partner Nathan Cooper in Washington, DC, and associate Zachary Shub-Essig in Los Angeles

[Hogan Lovells \(Mexico\)](#)

Partners Juan Francisco Torres-Landa and Federico De Noriega Olea, counsel Maria

Aldonza Sakar Almirante, and Francisco Palmero and associate Pablo Corcuera Bain in Mexico City

Counsel to Upper90

[Nader, Hayaux & Goebel](#)

Partner Javier Arreola and associate Adrián Mendez in Mexico City

A Fintech overview about laws and regulations applicable in Mexico. (The Legal 500 2020)

Category: Fintech, Publications

written by Adrián Trejo Santiago | November 11, 2022

Written by Partners [Luciano Pérez](#), [Adrián López](#), [Gunter Schwandt](#) and Associates [Juan Pablo Sáinz](#) and [Mario de la Portilla](#).

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TECH TALKS - Challenges for financial regulation and Fintech

Category: Banking & Finance, Events, Firm news

written by Adrián Trejo Santiago | November 11, 2022

On 10 March 2020, partner [Luciano Pérez](#) participated in C3NTRO Telecom's "TECHTALK" on the developments, challenges and solutions facing the Fintech industry in Mexico.

The entire recording of the event can be viewed here: [c3ntro zoom recording](#)

Nader, Hayaux & Goebel has a strong reputation as one of the leading firms in Mexico that attracts a consistent stream of major, complex, multi-jurisdictional and sophisticated Fintech mandates.

The firm stands out in the market for the diversity of its client roster and for the pioneering and innovative quality of its Fintech matters, which represent the evolution of banking and finance.

This is due to its market-leading ability to advise upon regulatory implications, cross-border transactions, payments systems and cryptocurrency issues, all of which require a high level of lawyering and a pioneering attitude in often uncertain and developing regulatory terrain.

"[...]a first-rate Fintech practice with a diverse client base, encompassing international heavyweights and pioneering startups such as neo-banks, payment platforms and crypto-trading solutions".

Chambers & Partners | FinTech 2020 (Band 1)

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AML Reporting Forms

Category: Banking & Finance, Legal Alerts

written by Adrián Trejo Santiago | November 11, 2022

The Ministry of Finance published a resolution issued pursuant to the Law of Financial Technology Institutions providing the forms to be used for reporting to the Finance Ministry the appointment of the Compliance Officer, the composition of the Communication and Control Committee, and to report relevant, unusual and internal transactions for Mexican e-wallet and crowdfund institutions.

Fintech institutions must deliver the reports through the electronic system operated by the National Banking and Securities Commission (STIV); the reports related to the first two quarters of 2020 are to be filed within the first ten business days of July.

Thereafter, reports must be delivered within three business days of a transaction being characterized as reportable. For additional information regarding the foregoing, please feel free to get in touch with your usual contacts at Nader, Hayaux & Goebel.

Banxico Issues Regulations on API's

Category: Banking & Finance, Legal Alerts

written by Adrián Trejo Santiago | November 11, 2022

Mexico's Central Bank published today Regulation 2/2020 under the Law of Financial Technology Institutions with respect to the development of API's by credit bureaus and clearing houses. Such entities should obtain prior authorization of the Central Bank to set up an API by May, 2021.

Application for authorization must include, among others, evidence that the relevant API meets the interoperability standards (set forth in the Regulation), a draft interconnection agreement, and a work plan encompassing technical, legal, corporate governance and operative measures that should be implemented with respect to the API.

Similarly, financial entities and specialized third parties should obtain prior authorization of the Central Bank to access information through the APIs. Sharing of transactional information of users will be subject to an additional authorization by the Central Bank. Rules to obtain such authorization will be forth coming.

For further information with respect to this regulation, please reach out to your regular contacts at Nader, Hayaux & Goebel or contact [Adrián López G.](#), [Luciano Pérez G.](#), or [Gunter Schwandt G.](#)

NHG's Fintech practice ranked top ranked by Chambers

Category: Awards, Banking & Finance, Firm news, Rankings

written by Adrián Trejo Santiago | November 11, 2022

The Firm is proud to share that its Fintech practice was included in Band 1 in the

recently released [Chambers Guide](#). The emerging Fintech landscape in Mexico has been a focal point for the Firm for some time, and we are thrilled to see our efforts and work recognized.

Chambers describes our practice as follows: *“For many years, Nader, Hayaux y Goebel has operated at the highest level in handling banking and finance and capital markets matters in Mexico via its team’s strong regulatory expertise. In FinTech matters, the firm reinforces its regulatory prowess with an impressive TMT offering. The result is a first-rate FinTech practice with a diverse client base, encompassing international heavyweights and pioneering startups such as neo-banks, payment platforms and crypto-trading solutions.”*

“They’ve been really helpful in assisting us to strategically navigate the market and they’ve clarified tons of questions – even those we didn’t ask.”

Chambers - Fintech 2020

Client feedback includes: *“They are very strong in their expertise. An experienced team and the right connections in the industry. They’ve been really helpful in assisting us to strategically navigate the market and they’ve clarified tons of questions – even those we didn’t ask.”*

We are particularly proud with [Adrián López](#)’ inclusion as Notable Practitioner, individually ranked in Band 2.

He receives effusive praise:

“Adrián López has considerable experience advising leading foreign and domestic financial institutions in connection with M&A transactions, regulatory compliance and business structuring in relation to digital services and products. Clients appreciate his diligent and pragmatic approach in regulatory analysis and his solid advice in groundbreaking new areas of the financial sector such as cryptocurrencies, where the legal framework can be hazardous to navigate”.

The Mexico Chapter of this Chambers Guide can be downloaded [here](#).

