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Júlio César Bueno

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Chapter 14

MEXICO

Vanessa Franyutti and Alejandro Alfonso[1]

I INTRODUCTION

Mexico has an infrastructure development strategy sustained by a series of national and sectoral development plans, principally consisting of two official documents issued by the executive branch of Mexico.

The first, the National Development Plan (PND), 'gathers the strategy, national objectives and priorities for Mexico's sustainable development'.[2] Among its five national objectives for 2012–2018,[3] Prosperous Mexico establishes the strategies and lines of action to foster sustainable economic growth in a climate of stability within four infrastructure sectors: telecommunications; energy and electricity; hydrocarbon; and transport.

The second, the National Infrastructure Programme 2014–2018 (PNI), is aligned with the PND and intends to boost infrastructure development as a strategic condition to improve Mexico's competitiveness, while increasing productivity and creating more and better paid labour opportunities. To achieve its purpose, the PNI establishes three guiding principles: balanced regional development; urban development; and logistics connectivity. The objective of the PNI is to 'modernise and expand the existing infrastructure through the execution of 743 investment programs and projects, with an estimated total public and private investment of US$416.2 billion'.[4]

In accordance with the PND, the PNI aims to guide the infrastructure development of Mexico into six main sectors: communications and transport; energy; water; health; urban development; and tourism.[5] For each sector, the corresponding federal executive department has created and published individual sectoral programmes addressing its main objectives in accordance with the PND and the PNI.[6]

1 Vanessa Franyutti is a partner and Alejandro Alfonso is an associate at Nader, Hayaux & Goebel, SC.

2 http://www.proyectosmexico.gob.mx/en/how-mexican-infrastructure/national-planning (National Development Plan).

3 The remaining four are: Mexico in Peace, Inclusive Mexico, Mexico with Quality Education, Prosperous Mexico and Mexico with Global Responsibility.

4 http://www.proyectosmexico.gob.mx/en/how-mexican-infrastructure/national-planning (National Infrastructure Programme).

5 Ibid.

6 Individual sectoral programmes may be addressed in the applicable legal framework, found at http://www.proyectosmexico.gob.mx/en/legal-framework.

In Mexico, there are different legal schemes for the public and private sectors to develop infrastructure projects, which are as follows:

a Concessions: mainly used in the transport sector for roads, ports and airports. The private entity is usually selected through a bidding process and is in charge of building, maintaining and operating the facilities, obtaining all investment return through fees paid by customers.

b Financed public works: widely used across various sectors. The private entity is usually selected through a bidding process, investing and constructing a project for delivery to the public entity in exchange for a consideration equivalent to the total investment plus a margin.

c Joint ventures: used in a limited fashion, mostly in the hydrocarbon sector. A risk-sharing equity investment scheme between a private entity and a public entity.

d Public-private partnership (PPP) contracts: generally used for social infrastructure projects (such as schools, hospitals and prisons) as well as in the water and transport sectors. A PPP contract is a long-term contract through which a private entity, usually selected through a bidding process, designs, builds, finances, operates and maintains infrastructure for the provision of public services, in exchange for an economic consideration for these services, usually on a fixed basis paid by a public entity.

In recent years, there has been a notable increase in the number of project finance projects developed in Mexico, mainly as a result of the enactment of substantive energy reforms in 2013 and the approval of the Public-Private Partnerships Law (the PPP Law) in 2012. Before such reforms, Mexican authorities had to rely primarily on the Public Works and Related Services Law or, for the concessions described above, the specific applicable law to the corresponding industry.

Although tailor-made legislation and laws that can make bid processes more efficient are still needed to boost infrastructure development in Mexico, the energy and PPP law reforms along with general open market policies have helped to reduce the infrastructure gap in the country.

II THE YEAR IN REVIEW

Mexico is one of the few economies that has achieved sustained economic growth in the past eight years. According to the National Institute of Statistic and Geography, in 2017 the service sector accounted for 63 per cent of GDP and employed 62 per cent of the labour force; the industrial sector accounted for 33 per cent of GDP and employed 23.8 per cent of the labour force; and the primary sector accounted for 4 per cent of GDP and employed 13.6 per cent of the labour force.

During 2017, Mexico continued to implement the 'structural reforms'[7] that, according to the government, will enhance the country's modernisation effort by increasing productivity, reinforcement and expansion of citizens' rights, and by establishing a democratic regime. The structural reforms have allowed private companies to participate in markets that were traditionally reserved for the public sector, mainly in the energy sector, in particular in

7 The structural reforms consist of a series of reforms to the Mexican Constitution and secondary laws implemented between 2012 and the current year on the following sectors: energy, antitrust, telecommunications, tax, financial and labour.

electricity and hydrocarbon. Regarding the energy sector, while the state maintains control and planning of the electric system, private companies are now allowed to participate in other areas, such as generation and sale of electricity, and not solely in the financing, construction, operation and maintenance of the infrastructure.

There are currently over 400 new infrastructure projects, 200 of which are in the execution stage, mainly in the energy, hydrocarbon, social (hospitals, universities, prisons) and communications (bridges and toll roads) sectors. However, this number is expected to increase in the coming years. According to the 2018 federal budget, more than US$800 million in funds has been budgeted for the development of projects. Examples of projects that are currently under development are outlined in the table below.[8]

Project	Sector	Estimated investment	Stage
Licence agreement for hydrocarbon exploration in deep waters in the Gulf of Mexico, in a block of 1,285km^2 for light oil extraction	Hydrocarbon	US$7,424,000,000	Execution
Terminal building for the Mexico City New International Airport	Transport	US$4,610,237,897	Execution
Interconnection of Baja California Electric System and the National Interconnected System	Transport	US$1,100,000,000	Bidding
CFE interconnection SIN-BCS transmission line	Electricity	US$1,604,964,888	Pre-investment
Subway extension, Martín Carrera-Tepexpan	Transport	US$1,511,530,514	Pre-investment
Papantla prison complex	Social infrastructure	US$191,402,173	Pre-investment

III DOCUMENTS AND TRANSACTIONAL STRUCTURES

i Transactional structures

In a public or public-private infrastructure project, a contract or concession is awarded through a bidding process to an entity. Generally, these projects would be structured through the creation of a special purpose vehicle (SPV) in the form of a limited liability company in charge of the contract or concession. If the project falls within the scope of a specific area where a licence, permit or concession is needed, such ancillary rights may be granted as part of the contract.

The contract will state that the SPV will provide works or services to the public entity. Hence, the structure of the contract will be different depending on the public needs and the sector involved. For instance, water projects, prisons, hospitals and toll roads would usually involve design-build-operate-transfer structures or operation and maintenance services. Although the enactment of the energy reform was a milestone in Mexican legislation, the hydrocarbon sector still needs further regulation to ensure the bankability of the projects.[9]

8 A complete infrastructure projects list can be found at http://www.proyectosmexico.gob.mx/en/home/.

9 Nevertheless, according to Mexico Projects Hub, there are currently 167 new project involving the hydrocarbon sector (93 of them already under execution).

The funding of the project will also vary depending on the structure. For example, according to the PPP Law and the PPP Regulations, a public-private partnership project may take the following form, depending on the source of funding:

a pure PPP project: if the funds are obtained solely through budgeting in the federal budget or a public trust known as a national infrastructure fund;

b self-sustainable PPP project: if all the funding and investment are obtained through private resources or end users; and

c combined PPP project: if the above-mentioned funding schemes for pure and self-sustainable projects are combined.

In Mexico, a long-term PPP project has the following funding and financing options available:

a Federal funds through the Federal Expenditure Budget (PEF): prepared by the Ministry of Finance (executive branch) and approved by the House of Representatives (legislative branch). The PEF is one of the most important public finance documents as it defines the amount, distribution and destination of public resources.

b National Infrastructure Fund: a public entity that supports infrastructure projects by providing non-refundable economic resources, issuing subordinated debt or entering into credit agreements with private developers.[10]

c Development banks: for example, Banobras, Bancomext, Nafinsa and FOCIR, usually complement commercial banks funds with applicable financial products for each PPP project.

d Multilateral development banks: Mexico has benefited from the participation of multilateral organisations in infrastructure projects such as the Inter-American Development Bank, the International Finance Corporation and the World Bank. These organisations have supported Mexican infrastructure especially in the water, education, health and transport sectors.

e Commercial banks: there has been active participation from commercial banks worldwide in the funding of infrastructure projects. Thanks to regulatory entities (such as the National Banking and Securities Commission or the Bank of Mexico) the banking system in Mexico can rely on a safe investment environment.

f Investment vehicles:[11] the private sector in Mexico has been increasingly relying on its mature capital market to diversify their debt options and equity portfolio. Market and financial instruments, such as stock exchange certificates, real estate trusts, equity funds and, most recently, energy and infrastructure investment vehicles, have been a viable option for private entities in need of project finance.

ii Documentation

In Mexico the documentation needed for infrastructure projects is not substantially different from the documentation used worldwide for this type of project, which generally takes the following two forms:

a Project-related documentation: the typical project-related documentation consists in a contract between the SPV and a public entity as sponsor; ancillary permits and

10 More information about the National Infrastructure Fund can be found at http://www.fonadin.gob.mx.

11 The investment vehicles specialise in brownfield or greenfield financing depending on the characteristics of each vehicle. More information on investment vehicles can be found at https://www.bmv.com.mx and https://www.gob.mx/cnbv.

authorisations; and construction, supply, operation and maintenance services or engineering, procurement and construction agreements entered into by and between the SPV and third parties. The project-related documentation is typically audited by a lender or syndicate of lenders financing the project. The SPV is usually allowed under the public contract, subject to certain restrictions, to subcontract services with third parties to fulfil its obligations.

b Financing-related documentation: These documents include all those entered into by and between the SPV and the lender, such as credit agreements, subordinated or mezzanine loans, escrow agreements, security documents (in many cases consisting of collection rights and cash flows), among others. These documents may be governed by Mexican law or foreign law, while the security package will generally be subject to Mexican law.

Regarding the content of a contract, (e.g., a PPP contract) the PPP Law establishes minimum clauses that shall be contemplated, including parties' rights and obligations, characteristics and standards that the construction or services are required to meet, terms and conditions under which the SPV shall guarantee its obligations against its creditors, risk allocation, and legal regime of the assets transferred to the SPV for the development of the project.

iii Delivery methods and standard forms

The most common delivery method for an infrastructure project is the contract itself. Although most governmental contracts are not standardised, it is common that for similar types of project, the contracts have similar terms and conditions. Although not standardised, many agencies will usually use the same form of contract for similar projects.[12]

Notwithstanding the foregoing, in many cases, the project is required to go through the following process (summary):

a Registration and prioritisation: projects using federal funds must be registered with the Investment Unit (the administrative office of the Ministry of Finance). The Investment Unit is in charge of verifying the feasibility of a PPP project considering a value-for-money determination through a public-private comparator.[13]

b Bidding process: according to the type of project, there are different types of tenders: domestic and international public tenders (national tenders and international tenders under commercial agreements and open international tenders), close tenders and negotiated tenders. The bidding process consists mainly of the following phases: tender guidelines; briefing meetings; proposal submission; opening of proposals; technical and economic assessment; and contract award.

12 Different models of PPP contracts and concessions can be found at http://www.proyectosmexico.gob.mx/en/library/contracts.

13 Projects sponsored by state-owned productive companies are not required to be registered by the Investment Unit.

IV RISK ALLOCATION AND MANAGEMENT

i Management of risks

Risk allocation in Mexican projects is generally regulated under each contract or concession. The laws will set basic standards in some instances such as *force majeure*. Owing to the complex land ownership regulation in Mexico, in the past, the government used to assume the risk regarding the acquisition of the lands or easements necessary to develop a project; however, in recent years, supported by reforms, this risk has been allocated in many instances to the SPV.

In the event of *force majeure*, the basic Mexican principle is that no party is liable; however, project requirements may force the parties into agreeing to share the risk. For instance, no payment or a decreased payment from the sponsor to the developer with a right to terminate by the developer after a certain period of time has elapsed without the *force majeure* event lifting. The events of *force majeure* shall be defined within the contract and shall refer to unforeseen events or even foreseeable events that could not have been prevented. These events will usually cover public riots, strikes, war, insurrection, acts of God, etc.

ii Limitations on liability

Limitations on liability shall be agreed upon the sponsor of the project and the SPV. The limitation on liability can vary depending on the entity that incurs liability and the nature of the liability. However, for certain projects (e.g., related to healthcare or tourism) it is customary to agree on a maximum liability amount equal to the annual price of the contract based on the financial model of the project.

iii Political risks

Unlike many decades ago when some activities were state-controlled, throughout the years Mexico has taken a lot of actions to diminish political risks. In order to be attractive to local and foreign investors, law enforcement and respect for human rights has been a priority to secure the rule of law. In this regard, many laws have been enacted and modified to protect human rights against any unlawful government intrusion, mainly property. For instance, most of the legal background for project finance is acknowledged in the Mexican Constitution, in order to provide investors and private companies with a solid institutional and legal framework to protect their investment.

V SECURITY AND COLLATERAL

The contract shall establish the terms and conditions under which the lenders of the SPV may exercise their step-in rights to temporarily take over the project in case the SPV fails to comply with its obligations, or does so in a negligent manner. In any case, the sponsor under the contract must authorise the execution of such step-in rights.

The typical security and collateral package to guarantee financing agreements under a Mexican contract consists of the following:

a pledges over the SPV's shares;

b formation of a management and payment trust agreement to which the SPV and its shareholders (as applicable) would contribute, among other things, shares of the SPV and any collection rights under the contract. Through this type of trust, agreement funds and collections would flow through a defined waterfall, and different accounts are clearly defined, segregated and identified within the trust in such a way that the lender receives their payment first from the project income generated by the project-financed asset.

It is common for the lender to enter into direct agreements with subcontractors under the infrastructure contracts in order to facilitate the execution of the agreed step-in rights of the lender.

VI BONDS AND INSURANCE

The guarantees normally required for infrastructure projects are typical in other parts of the world (e.g., Spain). Under construction services, a performance guarantee is customary (the amount ranges between 10 per cent and 25 per cent of the total construction and equipment value). Bonds and letters of credit are the most common guarantee instruments.

Before entering into the contract, the SPV usually hires a third party specialised in insurance matters to investigate and assess the risks that may be associated with the project in its development. This assessment will help to determine the insurance needed, which will at least cover the final users of the infrastructure, the infrastructure itself, the assets used to provide the service and third-party liabilities.

VII ENFORCEMENT OF SECURITY AND BANKRUPTCY PROCEEDINGS

Security interests can generally be enforced when the secured claim is due. Although there might be special procedures available for lenders to enforce security interests, they can be enforced in different ways depending on the security (contractual foreclosure of the title, execution of pledge assets, public auction, etc.).

Bankruptcy under Mexican law is divided into three stages: insolvency, reconciliation and bankruptcy. During the first step, the judge appoints a visitor who renders an expert opinion on the company's finances. The objective of the second stage is to reach an agreement and avoid declaring bankruptcy. If this is achieved, parties will sign the agreement; if not, the judge will declare bankruptcy.[14]

Commercial insolvency, bankruptcy (either voluntary or involuntary), liquidation, dissolution or similar relief under applicable law would typically be considered a breach of contract for the developer and would give the sponsor of the project or the lender under the financing documents grounds for termination of the contract without the need of a jurisdictional process.

Notwithstanding the foregoing, some security interests (such as lender's step-in rights), can be enforced outside commercial insolvency or bankruptcy procedures.

14 Rojas Vertiz, Rosa, 'El Nuevo *Concurso* Mercantil en México' (2002). *Boletín Mexicano de Derecho Comparado* (105), Instituto de Investigaciones Jurídicas. Available at https://revistas.juridicas.unam.mx/index.php/derecho-comparado/article/view/3742/4618.

VIII SOCIO-ENVIRONMENTAL ISSUES

i Licensing and permits

In Mexico, the absence of a correct permit or licence will result in early termination of the project. Depending on the contract, the SPV and the sponsor may share the burden of obtaining the necessary permits and licences.

Among others, the following permits are required to develop a project:

a concession title for the use and exploitation of a public domain asset;
b construction permits;
c land-use permits, which are granted by both federal and state authorities;
d environmental impact authorisation, an important document issued by the Ministry of Natural Resources. In this document certain environmental conditions are established to develop the works and activities based on the ecologic impact that the project may have on the ecosystem;
e clearance from the National Institute of Anthropology and History, which conducts studies to determine whether there are archaeological findings on the site where the project will be developed; and
f for electricity projects, an authorisation from the Energy Regulatory Commission or the National Energy Control Centre.

ii Equator Principles

In Mexico, some financial entities require, as a condition of financing documents, that the parties of a contract, as well as the project to be developed, observe and comply with the provisions of the Equator Principles. The Equator Principles are mandatory enforcement provisions for financial institutions that have voluntarily adopted them.

IX PPP AND OTHER PUBLIC PROCUREMENT METHODS

i PPP

PPP contracts have become important schemes for project finance in Mexico and will most likely continue to be important in the coming years. Most of the PPP projects thus far have been developed by the federal government under the PPP Law.

In Mexico, PPP projects can be carried out by the following: entities of the Federal Public Administration; federal public trusts not considered as state-owned entities; federal entities with constitutional autonomy; and federal entities, municipalities and other public entities with federal resources.

PPP projects are not subject to procurement laws, but have their own procurement process and laws. The observance of the PPP Law is optional. Other federal laws may apply.

The PPP Law contemplates a relatively new contractual scheme in Mexico known as 'unsolicited proposals'. Through unsolicited proposals, the private sector may reach out to the government to propose the development of a new infrastructure project through a PPP scheme.

Currently there are over 38 new PPP projects under development, involving a variety of sectors, including water and environment, transport, telecommunications and social infrastructure. Some of the most significant of these projects are presented in the table below.

Project	Sector	Estimated investment	Contract scope
Las Varas–Puerto Vallarta highway section	Transport	US$392,169,889	Design; building; operation; maintenance; conservation; exploitation
Maintenance and conservation of the Arriaga–Tapachula highway section	Transport	US$255,701,086	Maintenance; conservation
Efficiency increase of Los Berros Water Treatment Plant of the Cutzamala System	Water	US$135,869,565	Building; modernisation; operation; maintenance
General regional hospital in García municipality, Nuevo León	Healthcare	US$106,679,347	Design; building; equipment; operation; maintenance
New international airport: waste water treatment plant	Water	Pre-investment stage	Building; operation; maintenance
Trunk network	Telecommunications	Pre-investment stage	Design; extension; installation; operation; maintenance

ii Public procurement

The Public Works and Related Services Law governs the awarding of public procurement agreements. Article 134 of the Mexican Constitution states the fundamental principles for the administration of public economic resources: efficiency, effectiveness, economy, transparency and honesty. As a general rule, public entities are obliged to select the contractor through a tender procedure (with the exception of those expressly determined by law). The tender procedure for public procurement is substantially similar to that described in Section III.iii, point (b).

Although PPP projects have acquired a vital importance in the project finance sector in Mexico, public procurement continues to represent a very important tool for the achievement of infrastructure projects for the country. Currently, the most significant infrastructure project in the country is being developed under public procurement: the terminal building for the Mexico City New International Airport with an estimated investment of US$4,610,237,897.

X FOREIGN INVESTMENT AND CROSS-BORDER ISSUES

Throughout the years, with the purpose of attracting investment into the country and increasing economic competition, many restrictions regarding foreign investments have been eliminated. Currently, according to Article 6 of the Foreign Investment Law, the following activities are exclusive to Mexican entities and foreigners: national land transport of passengers, tourists and cargo, excluding courier and parcel services; retail sale of gasoline and liquefied petroleum gas distribution; broadcasting and other radio and television services that are not cable television; credit unions; development banking institutions, under the terms of the applicable law; and the rendering of professional and technical services expressly indicated by the applicable law.

The following restrictions are applicable to foreigners wishing to participate in certain activities or companies:

a Maximum foreign investment permitted: 10 per cent. Applies to production cooperative societies.

b Maximum foreign investment permitted: 25 per cent. Applies to:
- national air transportation;
- transportation in air taxi; and
- specialised air transport.

c Maximum foreign investment permitted: 30 per cent. Applies to:

- controlling companies of financial groupings;
- multiple banking credit institutions;
- brokerage houses; and
- stock specialists.

d Maximum foreign investment permitted: 49 per cent. Applies to:
- insurance institutions;
- bonding institutions;
- exchange houses;
- general deposit warehouses;
- financial leasing;
- financial factoring companies;
- limited purpose financial corporations referred to in Article 103, Section IV of the Credit Institutions Act;
- companies referred to in Article 12 *bis* of the Securities Market Law;
- shares representing the fixed capital of investment companies and operating companies of investment companies;
- manufacture and commercialisation of explosives, firearms, cartridges, ammunition and fireworks, not including the acquisition and use of explosives for industrial and extractive activities, or the elaboration of explosive mixtures for the consumption of said activities;
- printing and publication of newspapers for exclusive circulation in national territory;
- series 't' shares of companies that own agricultural, livestock and forestry land;
- cable television;
- basic telephony services;
- fishing in freshwater, coastal waters and in exclusive economic zones, excluding aquaculture;
- integral port administration;
- port services for piloting ships to carry out inland navigation operations, in accordance with the applicable law;
- shipping companies dedicated to the commercial exploitation of vessels for inland navigation and cabotage, with the exception of tourist cruises and the exploitation of dredges and naval artefacts for the construction, conservation and port operation;
- services related to the railway sector, consisting of passenger services, maintenance and rehabilitation of roads, warrants, workshops for the repair of tractive and towing equipment, organisation and marketing of unitary trains, operation of internal cargo terminals and railway telecommunications; and
- supply of fuel and lubricants for boats, aircraft and rail equipment.

According to Article 8 of the Foreign Investment Law, special authorisation is needed for a foreigner to have a participation of more than 49 per cent in the following activities and companies:

a port services for vessels to carry out their inland navigation operations, such as towing, and rope lashing;

b shipping companies dedicated to the exploitation of vessels exclusively in high altitude traffic;

c administration of air terminals;

d private services of preschool, primary, secondary, mid-high, higher and combined education;
e legal services and credit information societies;
f rating institutions;
g insurance agents;
h mobile telephony;
i construction of pipelines for the transportation of oil and its derivatives; and
j drilling of oil and gas wells.

According to the Foreign Investment Law, foreign investment exists when a foreign investor contributes to the capital stock of a Mexican company, when the majority of the capital stock of a Mexican company is foreign, and when the Law expressly states so. All foreign investments in Mexico must be registered with the National Registry of Foreign Investment and must be updated every year.

Regarding the removal of profits and investments, the Foreign Exchange Commission, made up of officials from the Ministry of Finance and the Bank of Mexico, is responsible for foreign exchange policy in Mexico. At the end of 1994, the Commission determined that the exchange rate would be determined by market forces (floating exchange rate and free float regime).[15] Although the federal government implemented a plan for Mexican companies to repatriate foreign earnings in 2017, there is currently no programme that would facilitate this under Mexican law.

XI DISPUTE RESOLUTION

i Special jurisdiction

There are no specialised courts in Mexico to which project finance transaction disputes can be submitted. It is customary for the parties to submit any dispute arising from the contract to which Mexican law applies to the federal courts in Mexico City. However, this may vary depending on several variables, such as location of the project and parties involved. Some PPP contracts contemplate a previous court dispute resolution consisting of an expert committee to which the parties can submit the dispute and even stipulate that the committee's decision is binding on the parties. In any case, the parties may agree upon the dispute resolution process in the corresponding contract.

ii Arbitration and settlement

Under certain contracts, parties may agree to go before the Ministry of Public Function (comptroller) to file a conciliation process regarding dispute resolution under the contract. If no agreement is reached from this conciliation process, parties may agree to submit the dispute to arbitration, which must be governed by Mexican law because in project finance transactions one of the parties is a public entity.

Dispute resolution with lenders may be submitted to arbitration, governed by arbitration rules (International Chamber of Commerce rules are customary).

15 More information on currency controls can be found at http://www.banxico.org.mx/portal-mercado-cambiario/foreign-exchange-markets--exc.html.

XII OUTLOOK AND CONCLUSIONS

As a result of legal, political and economic factors outlined in this chapter, the number of project finance transactions is expected to increase in Mexico for at least the remainder of 2018. Although there is still a lot to be done to modernise Mexico's legislation, there is little doubt that progress has been made during the past 18 years in attracting national and foreign investment in major infrastructure projects. The enactment of the PPP Law in 2012 and the energy reform in 2013 has been a milestone for project finance transactions in Mexico. More decision power has been given to private entities, while the public sector has been able to receive better and more economical design, construction, operation and maintenance proposals. In addition, PPP projects are a more flexible scheme for the government as they do not necessarily involve public resources.

The challenge for Mexico in the coming years will be to continue to make its legislation on infrastructure more flexible and to implement better practices in transparency and access to information while upholding the rule of law.

ABOUT THE AUTHORS

VANESSA FRANYUTTI

Nader, Hayaux & Goebel, SC

Vanessa specialises in real estate finance and investment, projects and project finance, energy, structured finance, financing of public entities, and M&A. She has particularly strong experience in financing and investments in the hospitality sector as part of a wide real estate practice that also covers the retail, residential and industrial markets. Her hospitality work includes advising on investments in hotels, mega-developments, fractional and timeshare regimes, as well as their related financing.

Vanessa is also an expert in project finance and public-private partnerships, including energy and infrastructure projects. She was instrumental in implementing the PPP schemes in Mexico, advising both local governments and the federal government on the structuring, bidding and implementation of the first PPS projects, and has since been involved in major hospital, road, water and prison PPP projects. She has also advised clients on the preparation of unsolicited proposals and bids under the Mexican PPP law.

Vanessa's international experience is substantial. She regularly advises multinational and national clients, particularly major hotel, tourism and leisure groups, on real estate investments and development in Mexico, as well as in forming bidding consortiums and other aspects of infrastructure and energy projects in Mexico. She also advises financial institutions participating in tourism, energy, and infrastructure.

Vanessa has advised LCA Capital in many real estate transactions. She provides ongoing advice to Marriott and FibraHotel, a Mexican real estate investment trust, in its multiple business class hotel acquisitions. She also advised the Ministry of Transport and Communications on various road concessions and project restructurings.

Vanessa is ranked in band one in projects and in band two in real estate by *Chambers Latin America* where she has been described as a key partner who is 'highly praised by clients', and impresses clients with her 'friendly and helpful' manner. She is recognised as 'a hugely capable lawyer who always thinks of a solution rather than a problem'. Vanessa obtained her LLM from the University of Chicago Law School, having graduated as an attorney from the Autonomous Technological Institute of Mexico with honours. She is fluent in English.

ALEJANDRO ALFONSO

Nader, Hayaux & Goebel, SC

Alejandro's practice focuses on the structuring and financing of infrastructure and energy projects, government procurement, public-private partnerships, real estate finance and investment and related corporate matters, including joint ventures, mergers and acquisitions.

He has represented clients from Mexico and Latin America in a wide range of sectors including water projects, toll roads, oil and gas, renewable energy, social and cultural infrastructure, where he has advised financial institutions, governmental entities, state governments, national and multinational companies and private equity funds.

Alejandro graduated as attorney at law from the Ibero-American University (2012) and received a master's degree in government and public policies from the Panamerican University (2015) and a master's degree in constitutional law from the Centre for Political and Constitutional Studies in Madrid, Spain (2017).

NADER, HAYAUX & GOEBEL, SC

Paseo de los Tamarindos
No. 400-B, 7th floor
Bosques de las Lomas
05120 Mexico City
Mexico
Tel: +52 55 4170 3000
Fax: +52 55 2167 3099
vfranyutti@nhg.com.mx
aalfonso@nhg.com.mx
www.nhg.mx

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