

Amendments to the Mexican Securities Markets Regulations

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PRACTICES Capital Markets and Securities, Mexico, Corporate, Energy, Power and Natural Resources, Mexico Energy Reform, International

On August 11, 2017, the Mexican Securities and Exchange Commission (Comisión Nacional Bancaria y de Valores, the “CNBV”) published amendments to the Mexican Securities Markets Regulations. The amendments cover a number of topics, including:

1. Changes to Disclosures by Issuers. The amendments require that issuers disclose in their offering materials and annual reports the gender of their respective directors and top tier officers, and inform the public on whether they have diversity policies which provide for equal opportunity to men and women in their executive governing boards (boards of directors, committees, or similar) and general labor force.

The amendments conform with equal opportunity principles of the Organisation for Economic Co-operation and Development (OECD) and the G20, which recommend that issuers reveal information regarding their executive governing boards on the reasoning that because it is at the executive governing board level that the objectives and plans of issuers are determined, those executive governing boards should be diversified.

2. FIBRAS. Because Mexican Real Estate and Energy REITS (FIBRAs and FIBRAs-E) operations primarily consist of asset acquisitions, it was convenient to modify the percentage of those transactions that needed to be disclosed that could be considered as part of a corporate restructure; therefore, only the relevant acquisitions made by such investments vehicles will be subject to disclosure.

3. Capital Calls. The amendments reduce the timing that fund managers have to make capital calls which would result in a more expedited process to exercise capital commitments by such funds.

4. Restricted Offerings. The amendments will now allow issuers to participate in restricted offerings to institutional or qualified investors, through a notification and consent procedure with the CNBV. This consent will be granted by the CNBV as long as issuers provide evidence that institutional or qualified investors are the only securities holders of the restricted offering at the time the request is filed with the CNBV. This new provision will benefit both issuers and investors because the information and reports to be provided by issuers will be less extensive.