

Mexico Alert: Decree Amending the General Law of Commercial Companies to Provide for the Use of Digital Technologies

October 23, 2023 Alberto de la Peña, Joel Gonzalez Lopez

PRACTICES International, Mexico

On Oct. 20, 2023, a decree titled, “Decree Amending the General Law of Commercial Companies (“LGSM”) to Provide for the Use of Digital Technologies” (the “Decree”) was published in the Mexican Official Gazette (“DOF”), expressly to allow shareholder and directors’ meetings to be held remotely and the use of electronic signatures for the minutes of those meetings.

The salient elements of the Decree are summarized below:

(i) Electronic, optical, and other technologies may be used as a means equivalent to physical presence at Shareholders’, Partners’, and other corporate meetings. (ii) Meetings of Partners, Shareholders, and administrative and supervisory bodies may be conducted wholly or partially through physical or virtual attendance.

(iii) Pursuant to the principle of functional equivalence, the terminology of the LGSM is to be made consistent with the latest amendments to the Code of Commerce regarding the use of technologies (such as the recognition of an electronic signature to have the same effect as a handwritten signature).

(iv) The use of electronic means to document minutes and other corporate documents is recognized.

(v) The requirement to hold meetings at the corporate domicile is made more flexible. Companies may now hold meetings outside the corporate domicile, safeguarding the right and possibility of shareholders or partners to attend meetings by electronic or optical means, through the use of any other technology, or in person.

(vi) The technologies used must allow access to and authentication of the identity of the attendees, must allow recording, recognizing, or registering their votes, and must be able to generate the corresponding evidence.

(vii) Minutes of Shareholders’ or Partners’ meetings may be signed with either a handwritten or electronic signature.

(viii) Companies may use technological means to call, hold and record the meetings and sessions held by their partners, shareholders, administrators, and commissioners, among others.

This Decree became effective on October 21, 2023.

To read en español, [click here](#).

For more information, please contact any of the attorneys listed below.

