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The International Comparative Legal Guide to: **Lending & Secured Finance 2016**

4th Edition

A practical cross-border insight into lending and secured finance

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1 Overview

1.1 What are the main trends/significant developments in the lending markets in your jurisdiction?

In the last three years Mexico was able to conclude several structural reforms considered essential for the development of the Mexican economy.

One of these reforms was the Financial Reform, which had the main purposes of (i) guaranteeing access to credit to the Mexican people, (ii) creating a reliable banking and financial system, and (iii) eliminating financial transactions with unlawful money.

Also, as a result of these reforms, Mexico has tendered an important number of infrastructure projects that have required all types of financial structures and innovation.

1.2 What are some significant lending transactions that have taken place in your jurisdiction in recent years?

The most significant project financings in Mexico in recent years are generally related to the construction, operation and maintenance of: power plants; oil and gas projects, including pipelines and storage facilities; dams; water treatment plants; and transportation infrastructure such as highways and toll roads.

2 Guarantees

2.1 Can a company guarantee borrowings of one or more other members of its corporate group (see below for questions relating to fraudulent transfer/financial assistance)?

Yes, so long as the by-laws of the Mexican guarantor permit the guarantee of obligations of third parties. These guarantees can be created either under Mexican or foreign law, provided that when created under foreign law, certain provisions are included in the foreign documents to ensure enforceability of a judgment of the foreign law guarantee in Mexico against the Mexican guarantor (e.g. limitations on guarantee language, appointment of a process agent and provisions for submission in the jurisdiction).

2.2 Are there enforceability or other concerns (such as director liability) if only a disproportionately small (or no) benefit to the guaranteeing/securing company can be shown?

No, guarantees are enforceable regardless of the benefit obtained by the Mexican guarantor.

2.3 Is lack of corporate power an issue?

Yes, for the validity of the guarantee, the Mexican guarantor (i) should be authorised under its by-laws to act as guarantor, (ii) if applicable under its by-laws, corporate approvals have to be obtained, and (iii) a duly appointed representative of the Mexican guarantor should execute the guarantee.

2.4 Are any governmental or other consents or filings, or other formalities (such as shareholder approval), required?

Subject to the by-laws of the Mexican guarantor, corporate approvals (e.g. shareholders, board of directors, etc.) may be required.

Subject to contractual provisions applicable to the Mexican guarantor, contractual consents may also be required.

Except for regulated entities, no governmental consents are required.

2.5 Are net worth, solvency or similar limitations imposed on the amount of a guarantee?

No; however, the enforceability of the guarantee may be limited or affected by statutory priorities or provisions established by: (i) laws imposing federal, state or municipal taxes, including taxes or amounts payable by Worldwide Mexico that are considered as such under Mexican law, such as social security and payments of similar import owed to, or collectible by, a governmental authority with the power to collect fiscal contributions; (ii) Mexican federal labour laws regarding compensation of any kind owed by Worldwide Mexico to persons covered by such laws; and (iii) reorganisation, insolvency, fraudulent transfer, bankruptcy, moratorium or other laws affecting creditors' rights generally.

2.6 Are there any exchange control or similar obstacles to enforcement of a guarantee?

No. On enforcement, see question 2.1 regarding the enforceability of foreign law guarantees.

3 Collateral Security

3.1 What types of collateral are available to secure lending obligations?

(i) Equity (shares, quotas, etc.), (ii) rights and/or any type of movable assets (receivables, cash deposited in bank accounts, inventory, IP, etc.), and (iii) real estate (land and buildings).

3.2 Is it possible to give asset security by means of a general security agreement or is an agreement required in relation to each type of asset? Briefly, what is the procedure?

- (i) **Collateral over Equity:** To perfect collateral in Mexico over equity issued by a Mexican company, a Mexican equity quotas pledge agreement would have to be implemented, jointly with the delivery of (a) if applicable, equity certificates duly endorsed, (b) evidence of the entry of the pledge in the partners registry book, and (c) equity quota powers to be exercised by the lender upon the occurrence of an enforcement event.
- (ii) **Collateral over Movable Assets:** To perfect collateral in Mexico over machinery, equipment, or any other type of movable assets located in Mexico, including trademarks registered in Mexico (either owned by the Mexican entity or by its affiliates), a Mexican floating lien pledge would have to be implemented. This type of security will provide for the creation of collateral without interfering with the operations of the Mexican entity as the possession of the pledged assets will remain with the pledgor.

In connection with the equity pledge and the floating lien pledge, please note the following:

- (a) The signatures of the parties to the equity pledge (to ensure priority over tax credits) and the floating lien pledge (to comply with perfection requirements under Mexican law) would need to be ratified before a notary public in Mexico. To accomplish this, representatives of such parties would need to be available at closing to execute these documents in front of a notary public. In case the collateral agent or the foreign grantors do not have representatives in Mexico, a PoA in terms of Mexican law would have to be granted for such purposes; if granted outside of Mexico, such PoA would need to be notarised, and, as applicable, apostilled or legalised, and sent to Mexico for further notarisation.
- (b) The equity pledge (to ensure priority over tax credits) and the floating lien pledge (to comply with perfection requirements under Mexican law and produce effects *vis-à-vis* third parties), would need to be registered in the Sole Registry of Movable Security. In addition, in case the floating lien pledge covers any trademarks registered in Mexico, such pledge would also have to be registered at the Mexican Institute of Intellectual Property (IMPI).
- (c) If granted outside of Mexico, the equity/stock powers to be delivered in terms of the equity quotas pledge would have to comply with the same formalities as a PoA described in (a) above.
- (iii) **Trust:** As an alternative to the mentioned pledges, a Mexican guarantee trust structure, whereby the collateral assets are transferred to a trustee to guarantee the secured obligations, could be implemented.

A trust is generally used when it is intended to create a general security agreement encompassing all or a substantial part of the relevant project assets. Generally speaking, under a trust, the project's companies, sponsors or security providers will transfer title of assets to a trustee, who is a Mexican

bank or financial entity authorised to act as trustee, with the purpose of securing payment and performance obligations of the project companies, sponsors and/or obligors towards the banks or entities granting the relevant financing, who will be principal beneficiaries of the trust. Depending on the type of trust and the assets involved, certain formalities for incorporating, operating and transferring assets to the trust may apply.

The primary advantage of the trust structure is that it makes all collateral remote to the bankruptcy of the grantors, as there is a "true sale" of the assets to the trustee, and it gives more control over the assets to the bank in the event of a default. The primary disadvantage of the trust structure is that it may interfere with the operations of the grantors (as the possession of the assets would need to be transferred to the trustee), and that its implementation could represent material costs (including trustee fees and costs, and tax implications).

3.3 Can collateral security be taken over real property (land), plant, machinery and equipment? Briefly, what is the procedure?

- (i) **Collateral over Real Estate Assets (land and buildings):** To perfect collateral in Mexico over Mexican land and/or buildings, a Mexican mortgage agreement would have to be implemented.

In terms of Mexican law this mortgage would need to be granted through a notarial deed and thus, as in the case of the stock pledge and the floating lien pledge, representatives of the parties thereto would need to be available at closing in Mexico to execute this document before a notary public.

In addition and in terms of Mexican law, for this mortgage to produce effects *vis-à-vis* third parties, it will need to be registered in the public registry of property of the place where the assets are located.

In connection with security over machinery and equipment, please refer to question 3.2, points (ii) and (iii).

- (ii) **Trust:** As an alternative to the mortgage, a Mexican guarantee trust structure, whereby the mortgaged assets are transferred to a trustee to guarantee the secured obligations, could be implemented. Please refer to question 3.2, point (iii).

3.4 Can collateral security be taken over receivables? Briefly, what is the procedure? Are debtors required to be notified of the security?

Yes. See question 3.2, points (ii) and (iii).

3.5 Can collateral security be taken over cash deposited in bank accounts? Briefly, what is the procedure?

Yes. See question 3.2, points (ii) and (iii).

3.6 Can collateral security be taken over shares in companies incorporated in your jurisdiction? Are the shares in certificated form? Can such security validly be granted under a New York or English law governed document? Briefly, what is the procedure?

Yes. See question 3.2, points (ii) and (iii).

3.7 Can security be taken over inventory? Briefly, what is the procedure?

Yes. See question 3.2, points (ii) and (iii).

3.8 Can a company grant a security interest in order to secure its obligations (i) as a borrower under a credit facility, and (ii) as a guarantor of the obligations of other borrowers and/or guarantors of obligations under a credit facility (see below for questions relating to the giving of guarantees and financial assistance)?

Yes, so long as the by-laws of the Mexican guarantor permit the granting of security interests. These guarantees have to be created under Mexican law when the subject matter thereof are assets located in Mexico or governed by Mexican laws.

3.9 What are the notarisation, registration, stamp duty and other fees (whether related to property value or otherwise) in relation to security over different types of assets?

In most cases where security is granted, the participation of a notary public is required in order to perfect the security interests being created (i.e. security over real estate, guarantee trusts and floating lien pledges). In other cases, although not legally required for perfection, it may be advisable to ratify security documents with a notary public. Notarial fees are variable and will depend on the type of document or security interest being notarised; these fees are topped out in most cases but can be high (although, in large transactions or when topped fees are high, notaries can and will typically grant fee discounts).

Registration fees are associated with security registration at public registries for security over real estate assets. All security over real estate assets must be registered at the local public registry of property for the security to be perfected and opposable to third parties, and fees will also greatly vary from state to state. In most cases, registration fees are also topped out by local authorities, but in some cases special discounts may apply when the security is associated with benefits for the locality or state (i.e., infrastructure, investment, etc.).

While registration of security over assets other than real estate, such as receivables, cash deposited in bank accounts, inventory and similar assets will typically be required (depending on the type of security being created), documents evidencing security over these movable assets are, as of recently, electronically registered at the Sole Registry of Movable Security, and there is no fee payable for such registration (although associated notarial costs may apply).

Please note that, in addition to the above, in some other cases and in certain local jurisdictions, additional taxes or fees may apply on perfection and/or registration of security.

3.10 Do the filing, notification or registration requirements in relation to security over different types of assets involve a significant amount of time or expense?

The time and/or expenses associated with creating, perfecting and registering security in Mexico vary on a case-by-case basis. The number of secured assets, type and extent of security, nature of the assets in security (i.e. real estate, receivables, etc.) all play a role in determining the amount of time and expense.

Registration of real estate-backed security can take anywhere from a few days to a couple of months, depending on the locality where it needs to take place. Registration of security over movable assets was, until recently, also subject to time considerations but with the advent of electronic registration, it can now be done in a matter of

days and at marginal cost. As for costs associated with creation, notarisation and perfection, please refer to the foregoing answers.

3.11 Are any regulatory or similar consents required with respect to the creation of security?

There can be, if the project involves a regulated activity. Security over permits, concessions, procurement contracts, licences and other regulated assets (such as pipelines, water treatment plants, energy plants, mining properties), or over companies or entities that use, procure, manage and/or operate such assets, will typically require prior governmental approval to create security over them (or, at best, prior notice to the relevant authorities).

In addition, subject to the by-laws of the Mexican grantor, corporate approvals (e.g. shareholders, BOD, etc.) may be required. Also, subject to contractual provisions applicable to the Mexican grantor, contractual consents may also be required.

3.12 If the borrowings to be secured are under a revolving credit facility, are there any special priority or other concerns?

No, there are not.

3.13 Are there particular documentary or execution requirements (notarisation, execution under power of attorney, counterparts, deeds)?

See questions 3.2, 3.9 and 3.10.

4 Financial Assistance

4.1 Are there prohibitions or restrictions on the ability of a company to guarantee and/or give security to support borrowings incurred to finance or refinance the direct or indirect acquisition of: (a) shares of the company; (b) shares of any company which directly or indirectly owns shares in the company; or (c) shares in a sister subsidiary?

No, so long as the by-laws of the Mexican guarantor permit it. Note that related party transactions derived from the financing will have to be executed on an arm's length basis and may require governmental, corporate and contractual approvals.

5 Syndicated Lending/Agency/Trustee/Transfers

5.1 Will your jurisdiction recognise the role of an agent or trustee and allow the agent or trustee (rather than each lender acting separately) to enforce the loan documentation and collateral security and to apply the proceeds from the collateral to the claims of all the lenders?

Yes. Mexico would recognise the role of security agents and it is valid to appoint such agents to act on behalf of financing parties, provided such appointment is done in writing and contains the specific authorisation and role of the agent by and on behalf of the relevant financing parties.

5.2 If an agent or trustee is not recognised in your jurisdiction, is an alternative mechanism available to achieve the effect referred to above which would allow one party to enforce claims on behalf of all the lenders so that individual lenders do not need to enforce their security separately?

This is not applicable in Mexico. See question 5.1.

5.3 Assume a loan is made to a company organised under the laws of your jurisdiction and guaranteed by a guarantor organised under the laws of your jurisdiction. If such loan is transferred by Lender A to Lender B, are there any special requirements necessary to make the loan and guarantee enforceable by Lender B?

Specific contractual requirements under the loan documents should be complied with. Also, in terms of Mexican law, unless the Mexican borrower and guarantor are notified of the assignment, they will be released of their obligations by paying to Lender A.

6 Withholding, Stamp and Other Taxes; Notarial and Other Costs

6.1 Are there any requirements to deduct or withhold tax from (a) interest payable on loans made to domestic or foreign lenders, or (b) the proceeds of a claim under a guarantee or the proceeds of enforcing security?

Yes. Withholding taxes do generally apply to interest payable to foreign lenders, as well as to the proceeds of a claim or an enforcement of security that are destined for payment of interests, commissions or fees (and not principal). The withholding rate will depend on the underlying transaction, the characteristics and nature of the relevant lender, the applicability of international taxation treaties and other related factors, and the rates can vary from 4.9% to 40%, depending on different factors.

Please note that withholding requirements do not apply to Mexican banks and financial entities, which will calculate and pay their taxes in accordance with applicable Mexican tax laws.

6.2 What tax incentives or other incentives are provided preferentially to foreign lenders? What taxes apply to foreign lenders with respect to their loans, mortgages or other security documents, either for the purposes of effectiveness or registration?

Mexico has entered into many treaties to avoid double taxation with different countries, and each treaty or agreement provides for distinct types of privileges, restrictions, fees, and, in some cases, exemptions thereof. They tend to reduce taxes of one treaty country for residents of the other treaty country in order to reduce double taxation of the same income, reducing the amount of tax withheld from interest.

6.3 Will any income of a foreign lender become taxable in your jurisdiction solely because of a loan to or guarantee and/or grant of security from a company in your jurisdiction?

Foreign lenders are required to pay income tax if they have a permanent establishment within Mexican territory, or when the

income comes from sources within the Mexican territory. A foreign lender will be considered to have a permanent establishment in Mexico if (a) any of its activities or services are performed in a place of business within the Mexican territory (e.g. branches, offices, facilities, or similar), or (b) it acts within the Mexican territory through a person or entity, other than an independent agent.

6.4 Will there be any other significant costs which would be incurred by foreign lenders in the grant of such loan/guarantee/security, such as notarial fees, etc.?

In most cases where security is granted, the participation of a notary public is required in order to perfect the security interests being created (i.e. security over real estate, guarantee trusts and floating lien pledges). In other cases, although not legally required for perfection, it may be advisable to ratify security documents with a notary public. Notarial fees are variable and will depend on the type of document or security interest being notarised; these fees are topped out in most cases but can be high (although, in large transactions or when topped fees are high, notaries can and will typically grant fee discounts).

6.5 Are there any adverse consequences to a company that is a borrower (such as under thin capitalisation principles) if some or all of the lenders are organised under the laws of a jurisdiction other than your own? Please disregard withholding tax concerns for purposes of this question.

No. There are no adverse consequences for a Mexican borrower if some or all of the lenders are foreign entities.

7 Judicial Enforcement

7.1 Will the courts in your jurisdiction recognise a governing law in a contract that is the law of another jurisdiction (a "foreign governing law")? Will courts in your jurisdiction enforce a contract that has a foreign governing law?

Yes. Mexican law generally allows the parties freedom in the choice of law applicable to agreements and contracts, and Mexican courts will recognise a contract governed by a foreign law and will construe and solve any dispute applying such foreign law within the Mexican territory, provided such laws do not contravene Mexican law principles.

That said, creation of collateral over assets located in Mexico or governed by Mexican law can only be created and enforced through Mexican law-governed documents.

7.2 Will the courts in your jurisdiction recognise and enforce a judgment given against a company in New York courts or English courts (a "foreign judgment") without re-examination of the merits of the case?

Yes. Loan documents and offshore security documents in which the lender or main group of lenders are offshore entities or are funded through foreign resources will typically be governed and construed under foreign law (such as, in many cases, New York or UK law). Mexican courts will recognise a foreign judgment and will enforce it in Mexico, provided such judgment does not contravene Mexican law principles, including if service of process is not correctly and legally completed.

7.3 Assuming a company is in payment default under a loan agreement or a guarantee agreement and has no legal defence to payment, approximately how long would it take for a foreign lender to (a) assuming the answer to question 7.1 is yes, file a suit against the company in a court in your jurisdiction, obtain a judgment, and enforce the judgment against the assets of the company, and (b) assuming the answer to question 7.2 is yes, enforce a foreign judgment in a court in your jurisdiction against the assets of the company?

Enforcement and foreclosure procedures will depend on the type of security interest and the collateral being enforced. In most of these procedures, there can be special and other blocking procedures that can directly impact the timing and cost of enforcement.

Note that enforcement in Mexican Courts of a foreign judgment under a foreign law finance document will be much more efficient than trying to enforce the foreign law finance document itself.

7.4 With respect to enforcing collateral security, are there any significant restrictions which may impact the timing and value of enforcement, such as (a) a requirement for a public auction or (b) regulatory consents?

Yes. Foreclosure of a mortgage or a regular pledge will typically require a summary judicial procedure that would ultimately result in public auctions to sell (or transfer) the collateral as payment to the lenders. For non-possessory pledges and guarantee trusts, it is possible to elect between a judicial or a non-judicial procedure.

As for regulatory consents, typically the same consents required, if applicable, for the creation of security will apply to its foreclosure (especially if the receiver or buyer of the assets is not the same entity as that which requested the original consent), but in many cases the original consent would cover the ability to foreclose on the assets, subject in some cases to prior notice to the relevant authorities. Also, enforcement can be significantly affected or impacted in case of reorganisations or bankruptcy under applicable law.

7.5 Do restrictions apply to foreign lenders in the event of (a) filing suit against a company in your jurisdiction or (b) foreclosure on collateral security?

Generally no; however restrictions applicable to foreign investors or creditors to own or operate certain assets (restrictions on foreign investment) will apply to foreign investors or creditors in the event of a foreclosure.

7.6 Do the bankruptcy, reorganisation or similar laws in your jurisdiction provide for any kind of moratorium on enforcement of lender claims? If so, does the moratorium apply to the enforcement of collateral security?

Yes. From the date of the bankruptcy judgment to the end of the reorganisation stage, no claim or foreclosure will be enforceable against the company pursuant to the Federal Bankruptcy Law.

7.7 Will the courts in your jurisdiction recognise and enforce an arbitral award given against the company without re-examination of the merits?

Yes. Mexican courts have the legal obligation to recognise contractual submission of disputes to international arbitration, as

well as international arbitral awards, subject to compliance with procedural and formal requirements under the Mexican Commerce Code and applicable international treaties. Please note that enforcement of an arbitral award could be denied, among other applicable matters: if one of the parties to the arbitration agreement did not have adequate or sufficient legal capacity to enter into such arrangement or such arrangement is not valid under the laws chosen by the parties; if service of process is not correctly and legally completed; if the award refers to a controversy which, under the terms of the arbitration agreement, was not subject to arbitration or contains a decision that exceeds the terms of such arbitration agreement; if the subject matter of the arbitration procedure cannot be arbitrated or the enforcement of the award is contrary to Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico; or if the award is not final in the jurisdiction where it was obtained.

8 Bankruptcy Proceedings

8.1 How does a bankruptcy proceeding in respect of a company affect the ability of a lender to enforce its rights as a secured party over the collateral security?

Mexico's Federal Bankruptcy Law is the general statute governing reorganisation and bankruptcy proceedings throughout Mexico. Reorganisation and/or bankruptcy proceedings will directly affect enforcement of a security for a lender, but the impact will greatly vary depending on the legal robustness of the security received by such lender.

In general terms, and subject to exemptions and rights, the Federal Bankruptcy Law treats a lender secured under a security structure created under a pledge or a mortgage as a secured creditor. Important benefits afforded to a secured creditor are priority ranking, continued ordinary interest accrual, loan currency protection and (subject to some exemptions) ability to participate or not in the eventual creditor agreement that concludes the reorganisation proceeding; in the event no agreement is reached and the relevant company becomes bankrupt, secured creditors have the right to foreclose on their security, and they have the same right if such an agreement is validly reached but not signed by the relevant creditor.

Because, as explained above, under a trust title to the assets that form the trust estate is transferred to the relevant trustee and therefore subtracted from the patrimony of the relevant company, lenders secured by or through a trust have, through this agreement, a bankruptcy remote vehicle under applicable law. Please note, however, that in recent cases, while this remoteness has been generally accepted by Mexican courts, precautionary measures issued by Mexican courts have temporarily frozen enforcement and foreclosure of assets under trusts on the basis, among others, of the need for the company subject to the reorganisation procedure to use such assets for its survival.

8.2 Are there any preference periods, clawback rights or other preferential creditors' rights (e.g., tax debts, employees' claims) with respect to the security?

Yes. The Federal Bankruptcy Law and its associated regulations establish clawback rights (general 270 clawback period for fraudulent conveyance) and also sets forth a list which, subject to exemptions and interpretation, sets forth the following ranking priorities for creditors: (i) singularly privileged creditors (i.e. burial and sickness expenses); (ii) secured creditors (those secured with an *in rem* guarantee, such as the pledges and mortgage agreements); (iii) specially privileged creditors; and (iv) common (typically

unsecured) creditors. However, please note that credits against the asset mass, such as certain tax or labour credits, debts incurred while at the reorganisation process, asset maintenance and other similar costs, may actually have higher ranking than secured credits and will typically be paid first.

8.3 Are there any entities that are excluded from bankruptcy proceedings and, if so, what is the applicable legislation?

Yes. Governmental entities (i.e., states, municipalities, and certain government entities) are not subject to the Federal Bankruptcy Law. However, they can (and have) implemented trust structures to guarantee debt instrument offerings and other forms of financing, even governmental procurement, and ascertain that assets transferred to such trust are considered to be isolated from the reach of said governmental entity and may be subject to the Federal Bankruptcy Law.

8.4 Are there any processes other than court proceedings that are available to a creditor to seize the assets of a company in an enforcement?

Yes. The trust structure offers the alternative of contractually agreeing to extrajudicial out-of-court proceedings for foreclosure of the secured assets. The floating lien pledge also offers an out-of-court procedure to the parties, subject to certain prior agreements. However, please note that Mexican law does not allow the actual seizing or taking possession of assets through out-of-court proceedings; therefore, any actual seizure or taking possession of project assets prior to the conclusion of an out-of-court proceeding of foreclosure must be undertaken and approved by the applicable courts.

9 Jurisdiction and Waiver of Immunity

9.1 Is a party's submission to a foreign jurisdiction legally binding and enforceable under the laws of your jurisdiction?

Yes. Submission to a foreign jurisdiction is legally binding and enforceable, so long as certain requirements are met when submitting to foreign jurisdiction (i.e., that the matter subject to jurisdiction is not exclusive of the Mexican courts – such as in real estate matters, that the choice of jurisdiction is solely for the benefit of one of the parties but not all of the parties, and that the parties have unequivocally waived their corresponding jurisdiction).

9.2 Is a party's waiver of sovereign immunity legally binding and enforceable under the laws of your jurisdiction?

Sovereign immunity is not recognised in Mexico and, therefore waiver of immunity is generally valid in Mexico. However, please note that even though the entities of the Mexican federal and local government are not immune to resolutions and awards against them, they can have immunity against attachments (including in aid of execution) and foreclosure of certain assets or services of governmental property.

10 Licensing

10.1 What are the licensing and other eligibility requirements in your jurisdiction for lenders to a company in your jurisdiction, if any? In connection with any such requirements, is a distinction made under the laws of your jurisdiction between a lender that is a bank versus a lender that is a non-bank? If there are such requirements in your jurisdiction, what are the consequences for a lender that has not satisfied such requirements but has nonetheless made a loan to a company in your jurisdiction? What are the licensing and other eligibility requirements in your jurisdiction for an agent under a syndicated facility for lenders to a company in your jurisdiction?

Generally speaking, no legal restrictions exist for any person within the Mexican territory to grant a loan to a company. The difference between banking institutions and unauthorised entities is that banking institutions are the only entities authorised to obtain funds from the general public.

11 Other Matters

11.1 Are there any other material considerations which should be taken into account by lenders when participating in financings in your jurisdiction?

The Federal Public Private Partnership Act intends to regulate the legal structure of public-private partnerships to enable the provision of a wide array of services, including those that require the construction and financing of infrastructure, in order for the private sector to become a supplier for the Federal Public Administration by acquiring the obligation to build the infrastructure required to provide such services and proportionally assuming the risk of developing a project. This intends for new and more attractive projects to be tendered under a more secure scheme for project developers; therefore, it is intended to substantially increase the possibility of obtaining or providing improved financing deals for such projects.



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