

# Guide to Beneficial Ownership Information: Legal Entities and Legal Arrangements

The purpose of this country-specific guide is to provide assistance to investigators on the type of information that is available on the natural persons who control legal persons and arrangements, such as companies and trusts, or otherwise play an important role in a legal person and arrangement in **Mexico**, and the conditions that need to be met to be able to access such information. For ease of reference, the Contents of the guide are listed below.

## Contents

Contents .....	1
I. Definitions and Company Formation Process .....	2
II. Types of Legal Entities .....	7
Limited Liability Company .....	7
Anonymous Entity .....	7
III. How to Access Information .....	9
Registries .....	9
Registry update.....	9
Other Channels.....	11
IV. Other Useful Sources of Information.....	13

## **I. Definitions and Company Formation Process**

### **1. What is the definition of legal ownership in Mexico?**

Unless otherwise provided in the operating agreement that creates the company, the partners of a legal entity have joint control over firm-specific capital and, by default, equal shares.

### **2. What does “beneficial ownership” mean in Mexico?**

Article 115 of the Credit Institutions Law defines beneficial ownership as follows:

“The person who, by means of other person or any act or mechanism, obtains the benefits arising out of an account, contract or transaction and who ultimately exercises the rights to use, enjoyment, benefit, or disposal of the resources as the real owner of thereof. The Beneficial Owner term also includes the person or group of persons who exercise control over a legal entity, as well as the individual, if any who may instruct or determine, for their own economic benefit, acts or transactions susceptible of being carried out through trusts, mandates or commissions.”

Since 'Control' is at the core of the definition, it must be understood as “The capacity of a person or group of persons, by holding securities, to enter into a contract or through any other legal act, to: (i) impose, directly or indirectly, decisions upon the general shareholders or partners meeting or upon the equivalent governing body of a legal entity; (ii) appoint or destitute the majority of board members, managers or their equivalent in a legal entity; (iii) maintain the ownership of rights that allow, directly or indirectly, for exercising a vote with respect to more than fifty percent of the equity of a legal entity, and (iv) direct, directly or indirectly, the administration, strategies or main policies of a legal entity.”

### **3. How are legal entities (companies, partnerships, foundations, etc.) formed in Mexico?**

According to the General Law of Mercantile Societies, legal entities must be constituted before a Notary Public.

The constitutive act must contain the following information:

- I. Name, nationality and address of the persons that constitute the entity;
- II. Purpose of the legal entity
- III. Name of the entity that is being constituted
- IV. Duration of the entity
- V. Amount of money with which the company is constituted
- VI. Appointment and capacities of the administrators
- VII. The way in which the revenues will be distributed

Such constitutive act must be registered at the Public Registry of Commerce within the next 15 days.

### **4. What is the role of Company Registries in Mexico?**

The role of the Public Registry of Commerce is to make public the existence of legal entities before any interested third party and easily identify sets of rights and responsibilities of legal entities.

### **5. How is basic information and beneficial ownership information on legal entities obtained and recorded in Mexico?**

According to the provisions of the Commercial Law, Notaries Public and Public Brokers make the registrations into the Public Registry of Commerce and Property with all legal formalities. By virtue of their AML obligations, when any legal entity is formed, Notaries Public and Public Brokers are obliged request from natural persons (*i.e.*, Mexican or foreign individuals with temporary or permanent resident status) the following data and information:

I. Data

- Complete name
- Date and place of birth
- Nationality
- Activity, occupation, profession, activity or line of business of the customer when a business relationship is established,
- Address in the residence place
- Phone number at which the person can be located, including country and area code
- E-mail, if any
- Federal Identification Number (CURP, Spanish acronym) and Federal Tax Identification Number (RFC, Spanish acronym - with the last 3 unique personal digits of the ID), if available, and
- Data of the ID document: name of the ID document, number and issuing authority

II. Documents

- ID
- Proof of the Federal Identification Number (CURP) and Federal Tax Identification Number (RFC), if available
- Proof of address. When the address stated by the client does not match the address on the ID or when the ID does not contain the address, the Notaries Public / Public Brokers collect and include a copy of a document proving the customer's address, such as a utility payment receipt or bank account statements, with an issue date not older than 3 months, or a lease contract valid on the date of its presentation and registered before the Federal Taxpayers' Registry, as well as any other document approved by the FIU
- Proof that the Notaries Public / Public Brokers requested from their client a signed statement about their knowledge of the existence of a beneficial owner. If the individual states before the Notaries Public / Public Brokers that s/he knows that a person is acting on behalf of a third party, the Notaries Public / Public Brokers collect information on the identity of that third party as provided for in fraction VII of the article 12 of the General Rules
- Certified transcript or copy of the document issued by notary public, when a natural person is acting on behalf of another, so that the powers granted to the attorney can be credited and a copy of an official ID and proof of address.

According to the AML law, financial institutions are required to collect identification data and document for every client, prior to opening an account or entering into a contract for the execution of transactions of any type, and to record them.

For natural persons (*i.e.*, Mexican or foreign individuals with temporary or permanent resident status) the following data and information must be collected and recorded:

I. Data

- Complete name without abbreviations
- Gender
- Date and place of birth
- Nationality
- Occupation, profession, activity or line of business of the client
- Complete address
- Individual place of residence
- Phone numbers
- E-mail, if any
- Federal Identification Number (CURP, Spanish acronym) and Federal Tax Identification Number (RFC, Spanish acronym - with the last 3 unique personal digits of the ID), if available
- Serial number of the Advanced Electronic Signature, if available.

II. Documents

- Copy of the Personal ID (official original document issued by competent authority, valid on the date of its presentation, bearing the photograph, signature) and, if applicable address of the Client
- Proof of the Federal Identification Number, issued by the Secretariat of the Interior and/or Taxpayer Identification Card issued by the Tax Administration Service, when available, as well as the Advanced Electronic Signature number
- Proof of address. When the address stated by the client does not match the address on the ID or when the ID does not contain the address, the Notaries Public / Public Brokers collect and include a copy of a document proving the customer's address, such as a utility payment receipt or bank account statements, with an issue date not older than 3 months, or a lease contract valid on the date of its presentation and registered before the Federal Taxpayers' Registry, as well as any other document approved by the FIU.

In addition to the above, financial institutions are also required to collect a signed statement from the individual stating whether s/he is acting on his/her own behalf or on behalf of a third party.

If the individual acts as the attorney in fact of another person, the financial institution must collect a copy of the power of attorney or a certified copy of the document issued by a notary public, as the case may be, and record it in the customer identification file.

For Mexican legal persons the following data and information must be collected and recorded:

I. Data

- Company name or business name
- Line of business, activity or corporate purpose
- Nationality
- Federal Tax Identification Number
- Full address
- Phone Number(s)
- E-mail, where appropriate;
- Federal Tax Registration Number

- Name(s) and paternal and maternal surnames(s), without abbreviations, and date of birth, Federal Tax or Population Registration Number of the representatives, legal guardians or any person acting on behalf of the legal person

II. Documents.

- Certified transcription or copy of the public document that evidences its legal existence, registered in the corresponding public registry (or for companies under formation, a document signed by a legally authorized person proving his/her identity, which document shall prove the entity's legal existence)
- Tax Identification Card issued by the SAT
- Proof attesting the address
- Testimony or certified copy of the instrument containing the powers of the representative or guardian, issued by a notary public (if they are not contained in a public document attesting to the constitution of the legal person) and the identification data of each legal representative or person acting on behalf of the legal person (using an official original document issued by a competent authority in force or expiration date at the time of presentation not exceeding two years, containing the photograph, signature and, where appropriate, address of that person).

For foreign legal persons the following data and information must be collected and recorded:

I. Data

- Company name or business name
- Line of business, activity or corporate purpose
- Nationality
- Federal Tax Identification number and/or serial number of the Advanced Electronic Signature, whenever they possess said code or number
- Address
- Telephone number(s) corresponding to said address
- E-mail, if any
- Date of incorporation

II. Documents

- Document that truthfully evidences its legal existence, as well as information about its equity structure. If the legal entity is classified as a High-Risk Customer, the financial institution is also obliged to collect and include the documentation that identifies the shareholders or partners;
- Proof of address;
- Certified transcript or copy of the instrument containing the powers of the representative or guardian, issued by a notary public (if they are not contained in a public document attesting to the constitution of the legal person) and the identification data of each legal representative or person acting on behalf of the legal person (using an official original document issued by a competent authority in force or expiration date at the time of presentation not exceeding two years, containing the photograph, signature and, where appropriate, address of that person).

In addition to the identification obligations, financial institutions are also required to:

- Understand the corporate structure and the shareholders or members controlling the legal entity, when it is classified as high risk. In this case, financial institutions must obtain information on the name, nationality, address, social purpose and share capital of the entities that form the business group or consortium of the client or user
- Identify the person or persons controlling their customers or users if they are corporations or civil associations that are classified as high risk, regardless of the percentage of company shares.
- Collect the same data and documents to identify the client or user, in the case of trusts or any other similar legal arrangement, when the identity of the settlers, trustees, directors or participants is undetermined
- When there is evidence or certainty that a client is acting on behalf of a third party, financial institutions are required to identify the beneficial owner.

#### **6. How are legal arrangements (express trusts and trust-like agreements) formed in Mexico?**

Only financial entities are allowed to create trusts and similar legal arrangements. In that regard, financial institutions are subject to AML/CFT obligations, which include CDD and KYC policies. Furthermore, General Provisions for financial entities were modified in 2014 with the purpose of strengthening the monitoring of transactions carried out by trusts.

Trusts created for the purpose for holding/managing movable property are required pursuant to the Code of Commerce (Art. 32 bis 1) to register with the the *Registro Único Garantías Mobiliarias* (unique registry of movable guarantees). Additionally, according to Federal Law for the Prevention and Identification of Transactions with Illegal Proceeds, Public Notaries shall file a notice when they perform the creation or modification of trusts transferring dominium or guaranties of real assets are subject to notice before the Financial Intelligence Unit, except those constituted on behalf of financial system institutions or public housing agencies. Likewise, public brokers shall file a notice in case of creation or modification of trusts.

#### **7. How is information on legal arrangements obtained and recorded in Mexico?**

The General Provisions for financial entities (AML/CFT), includes the following information to be obtained, verified and recorded by Mexican financial entities, related to trusts:

- a. Reference number, if applicable tax register;
- b. Purpose;
- c. Date and place of constitution;
- d. Financial entity which is responsible;
- e. Information on the assets;
- f. Trustee, settlor, guarantor and beneficiaries identification, among other data.

## II. Types of Legal Entities

There are many types of legal entities able to be formed in **Mexico**. This Guide will provide information on two commonly used entities:

### Limited Liability Company

Type of Legal Entity	Limited Liability Company	
What is the minimum number of natural persons required for formation?	2	
	<b>Yes</b>	<b>No</b>
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X	
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?	X <sup>1</sup>	
Is a registered agent in the jurisdiction of formation required?	X <sup>2</sup>	
Is the entity required to hold financial account(s) in jurisdiction of formation?		X
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?	X	
If so, are they required to disclose their status as nominee directors?	X	
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?	X	
Does the jurisdiction allow for nominee shareholders?	X	
If so, are they required to disclose their status as nominee shareholders?	X	
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?	X	

Notes

<sup>1</sup> - The notary public attests to the legality of the constitution of any entity.

<sup>2</sup> - Legal entities to be form have to attend before a Notary Public or Public Broker, who are subject to specific civil or commercial laws. They are also registered by public federal or local authorities and controlled.

### Anonymous Entity

Type of Legal Entity	Anonymous Entity	
What is the minimum number of natural persons required for formation?	2	
	<b>Yes</b>	<b>No</b>
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X	
Is there a residency requirement for directors?		X
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?	X <sup>1</sup>	
Is a registered agent in the jurisdiction of formation required?	X <sup>2</sup>	
Is the entity required to hold financial account(s) in jurisdiction of formation?		X
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	

Does the jurisdiction allow for nominee directors?	X	
If so, are they required to disclose their status as nominee directors?	X	
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?	X	
Does the jurisdiction allow for nominee shareholders?	X	
If so, are they required to disclose their status as nominee shareholders?	X	
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?	X	

Notes

<sup>1</sup> - The notary public attests to the legality of the constitution of any entity.

<sup>2</sup> - Legal entities to be form have to attend before a Notary Public or Public Broker, who are subject to specific civil or commercial laws. They are also registered by public federal or local authorities and controlled.



### III. How to Access Information

This guide will address the ability to access information on entities formed in **Mexico** available in **1) registries** and **2) other channels**.

#### Registries

The registry in **Mexico** is called the *Registro Público de Comercio*.

Contact information for the registry is provided here:

Name: Elsa Regina AYALA GÓMEZ  
Agency: General Director of Business Regulations  
Address: Insurgentes Sur 1940  
Colonia Florida  
Álvaro Obregón  
C.P. 01030, Mexico City  
Phone: +52 52296100 Ext. 33500  
Email: [elsa.ayala@economia.gob.mx](mailto:elsa.ayala@economia.gob.mx)  
  
Website: [www.siger.gob.mx](http://www.siger.gob.mx):

There is no online access to the information recorded in the Company Registry (free or for a nominal fee, with no log-in requirements). Most information is available to the public through other access (*i.e.*, in person only or via a pre-registration requirement) or to law enforcement, through specific procedures listed in further detail below:

1. Name of Legal Entity
2. Entity Number (if any)
3. Type of Legal Entity
4. Date of Incorporation
5. Current Status (active, etc.)
6. Principal Purpose of Business
7. Registered Capital
8. Articles of Incorporation
9. Application/Certification of Formation
10. Shareholder Register.

#### Registry update

The registry does not have any sanction or enforcement power to ensure that the data provided to the register is correct. Companies are required to keep the information reported to the registry up-to-date.

	Online Access (free or for nominal fee, no log-in requirements)	Other Public Access (available in person only or via pre-registration requirement)	Law Enforcement Access only	For Information/ documents accessible only by Law Enforcement, please describe how an investigator may access information
Name of Legal Entity		X		
Entity Number (if any)		X		
Type of Legal Entity		X		
Date of Incorporation		X		
Current Status (active, etc.)		X		
Principal Address of Business			X	
Principal Purpose of Business		X		
Registered Capital		X		
Registered Agent Information			X	
Officer/ Director Information (incl. power of representation)			X	
Shareholder/ Member Information			X	
Memorandum			X	
Articles of Incorporation		X		
Application/ Certificate of Formation		X		
Annual/ Biennial Reports			X	
Shareholder Register		X		
Register of Charges			X	
Bank Account Information			X	
Payment Records			X	
Historical Documents (example: past annual filings)			X	

## Other Channels

The explanation below outlines the channels by which foreign authorities may obtain information on legal entities, legal arrangements, or relevant persons from different sources in **Mexico**.

### Channels through which foreign authorities may obtain information

#### Legal entities/ Relevant Individuals (directors, shareholders, managers, associates, family members, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals	X		The FIU has access to the Company Register and manages database <sup>1</sup> . Information can be shared using the Egmont Group Secure Web System.	X		Assistance can be granted on the basis of a Memorandum of Understanding, if is necessary, or calling to the reciprocity principles. The information requested must be part of an ongoing investigation.
Records/ documents	X			X		

#### Legal arrangements/ relevant individuals (trustees [nonprofessional], settlers, beneficiaries, protectors, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals	X		Trusts and similar arrangements can only be created by financial entities. The FIU can access the information and documents held and recorded by financial institutions. Information can be shared using the Egmont Group Secure Web System.	X		Assistance can be granted on the basis of a Memorandum of Understanding, if is necessary, or calling to the reciprocity principles. The information requested must be part of an ongoing investigation.
Records/ documents	X			X		

#### Financial Institutions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	

<sup>1</sup> In particular with regard to the formation of legal persons, the modifications, increase or decrease, of capital, merger or split, the sale of shares and partnership interests.

Interviews with personnel	X		The FIU has access to the Company Register and manages database with the Notaries Public and Public Brokers <sup>2</sup> . Information can be shared using the Egmont Group Secure Web System.	X		Assistance can be granted on the basis of a Memorandum of Understanding, if is necessary, or calling to the reciprocity principles. The information requested must be part of an ongoing investigation.
Accounts records/ documents	X			X		

### Trust and Company Service Providers

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel	X		Information can be shared using the Egmont Group Secure Web System.	X		Assistance can be granted on the basis of a Memorandum of Understanding, if is necessary, or calling to the reciprocity principles. The information requested must be part of an ongoing investigation.
Accounts records/ documents	X			X		

### Other Designated Non-Financial Businesses and Professions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel	X		Information can be shared using the Egmont Group Secure Web System.	X		Assistance can be granted on the basis of a Memorandum of Understanding, if is necessary, or calling to the reciprocity principles. The information requested must be part of an ongoing investigation.
Accounts records/ documents	X			X		

<sup>2</sup> In particular with regard to the formation of legal persons, the modifications, increase or decrease, of capital, merger or split, the sale of shares and partnership interests.

#### IV. Other Useful Sources of Information

Resource Name	Web Link
Step by Step Guide for Asset Recovery from G-20 Countries Mexico	<a href="http://www.g20australia.org/official_resources/step_by_step_guide_asset_recovery_mexico">http://www.g20australia.org/official_resources/step_by_step_guide_asset_recovery_mexico</a>
This guide describes the different steps foreign jurisdictions will follow to can obtain assistance from Mexico to recover assets that are the proceeds of crime.	
Requesting Mutual Legal Assistance in Criminal Matters from G-20 Countries. A Step by Step Guide.	<a href="https://star.worldbank.org/star/sites/star/files/los_cabos_2012_mla_guide.pdf">https://star.worldbank.org/star/sites/star/files/los_cabos_2012_mla_guide.pdf</a>
This guide presents the mutual legal assistance regime in force in each of the G20 countries and describes the specific procedure to be followed while requesting mutual legal assistance to G20 countries.	