



CACHEAUX CAVAZOS & NEWTON
ATTORNEYS / ABOGADOS

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Notices to the National Registry of Foreign Investments

Department of Economy

This past January 28, 2015, the reforms to the Decree amending and repealing various provisions of the Regulations to the Foreign Investment Law (“RLIE” for its acronym in Spanish) and the National Foreign Investment Registry (“RNIE” for its acronym in Spanish) came into effect as published in the Official Journal of the Federation on October 31, 2014.

On February 23, 2015, the following were published in the Official Journal of the Federation: (I) the new forms for applications and notices before the RNIE; (II) the Rules for carrying out proceedings electronically before the RNIE; and (III) the General Resolution issued by the National Commission on Foreign Investments (“CNIE” for its acronym in Spanish) establishing the amount of MX\$20,000,000.00 (Twenty million and 00/100 pesos) as the threshold for filing notices before the RNIE as to changes in the increase or decrease of capital of a company or association in which there is foreign investment; in the sale or transfer of shares or equity interests; and in the income or expenses for quarterly reports for transactions with foreign legal entities. Similarly, the resolution by the CNIE established the amount of MX\$110,000,000.00 (One hundred ten million and 00/100 pesos) as the threshold for filing the annual economic financial report.

Given the previous, entities that are registered before the RNIE and that are not current with the notices referenced in the previous paragraph and with their notices as to (v) change of name or business name of the Mexican entity; (vi) change of tax domicile; and (vii) change of economic activity, have an opportunity to get up to date by April 28, 2015. A fine

in the amount of MX\$2,103.00 will apply for every report not filed in a timely manner. Late notices filed after the due date indicated above will be subject to cumulative fines ranging from MX\$2,103.00 to MX\$7,010.00 for each notice not filed.

It should be noted that it is now necessary to provide detailed information of the members or shareholders such as the name, nationality, country of origin and activity as well as information as to the creditors and debtors participating in the reported transaction. As a matter of fact, the authority may request supporting information.

The changes are also significant with respect to the filing dates for annual economic reports given that such must now be filed during the months of April and May, depending on the first letter of the name of the entity. Similarly, as a result of the reform, quarterly report filing must be made within 10 business days following the close of the corresponding quarter.

It is important to ensure that companies are in compliance with the applicable notices that must be filed before the RNIE, and to update such in the event applicable in order to avoid excessive fines.

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