



CHANGES TO THE MONEY LAUNDERING PREVENTION REGULATION WILL AFFECT CREDIT INSTITUTIONS

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The Mexican Secretaría de Hacienda y Crédito Público (SHCP), with the prior opinion of the Comisión Nacional Bancaria y de Valores (CNBV), announced [changes to the Ley de Instituciones de Crédito, which modify the regulation on money laundering prevention](#).

The resolution that amends, adds, and repeals several of the general provisions referred to in Article 115 of the Ley de Instituciones de Crédito was published in the Diario Oficial de la Federación on [August 28th, 2024](#).

Among the main changes that will affect credit institutions in Mexico are [modifications in the identification of clients and the opening of accounts](#), as well as changes in the requirements for transaction reports, and the annual submission of information from the operating questionnaire, all with a focus on improving the prevention of transactions with resources of illicit origin and the financing of terrorism.

The new provisions update the definitions of Client, Device and Risk, among others, and introduce the definition of the [Interim Compliance Officer](#).

On the other hand, more IDs have been accepted to identify clients, such as the [voting credentials issued by consular offices](#). And the identification requirements for federal, state, and municipal public agencies and en-

ties classified with a Risk Level other than low, as well as for suppliers, have been also modified.

On the other hand, the requirement to prove the legal existence of federal, state, and municipal public agencies and entities, as well as other legal entities, has been eliminated.

However, there will be [more requirements to identify public agencies and entities](#) classified with a Risk Level other than low, as well as to identify foreign nationals outside the country.

There are also increased requirements to identify [co-owners and authorized third parties](#) in accounts opened by clients, as well as [beneficiaries](#). In the case of trusts, it establishes how to identify the members of the technical committee or equivalent governing body, when the credit institutions do not act as trustees.

The requirements for [non-face-to-face identification](#) have been modified, eliminating the possibility of doing so for [foreign customers](#) and other specific groups such as authorized third-party course providers and beneficiaries.

There is also an obligation to conduct a [face-to-face interview](#) or apply any of the authorized technological identification mechanisms



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when the transactional level of low-risk accounts is exceeded, and this level must be defined at the beginning of the relationship and through the automated system.

Credit Institutions will face **increased requirements when opening accounts** or entering into agreements with Clients that, due to their characteristics, could generate a high Risk Level.

And now, **international fund transfers** must be reported to the SHCP in the event that a credit institution is the holder of a Omnibus Account opened in another credit institution or in any Obligated Entity.

The requirements for the transactions ID with Sociedades Financieras de Objeto Múltiple no reguladas (Sofomes), Exchange Centers and Money Transmitters have also been modified.

Institutions would also be required to establish a **Compliance Manual** with specific criteria, measures, and procedures against terrorist financing as a crime.

In summary, these changes will mainly affect **customer identification and verification, risk management, compliance, and transaction reporting procedures**.

The objective is to strengthen prevention and

control practices in financial institutions, ensuring a robust framework for the identification and management of risks associated with **money laundering and terrorist financing**.

These changes will require technological and operational adjustments by the institutions to comply with the new standards, as well as more sophisticated monitoring of operations, reporting and auditing requirements.

Institutions will need to adapt their policies, procedures and systems to meet the new requirements and ensure compliance with the updated regulations.

In order to comply with these requirements and to get help updating your standards and systems, it is useful to count on a consulting firm specialized in financial, regulatory and IT issues.

To obtain specialized advice for your institution on anti-money laundering matters contact Tenet Consultores at 55 2978 9198 or at tenet.com.mx.

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List of the most relevant modifications

1. The definitions of Client, Device, Geolocation, and Risk are modified. (2^a)
2. A definition of Interim Compliance Officer is included. (2^a, 47^a Bis)
3. New characteristics are added to the identifications that may be accepted by credit institutions, as well as the possibility of accepting the voting credential issued by the consular Mexican offices. (4^a, section I, subsection b)
4. The requirement to accredit the legal existence of federal, state, and municipal public agencies and entities, as well as other legal entities is eliminated. (Paragraph b, section IV, 4^a)
5. Increased identification requirements for federal, state, and municipal public agencies and entities with a Risk Level other than low. (Section IV Bis, of the 4^a)
6. Changes in the identification requirements for suppliers. (Section V, of the 4^a)
7. Modifications in the type of IDs to be presented by the actual owner of foreign nationality who resides outside Mexico. (Section VI, of the 4^a)
8. Modifications to the identification requirements for the persons who appear as co-owners or authorized third parties on the account opened by the Client or Transaction carried out by the Client. (Section VII, of the 4^a)
9. The requirements concerning the Beneficiaries are modified. (Section VIII, of the 4^a)
10. In the case of Trusts, the ways of identifying the members of the technical committee or equivalent governing body have been set, when the credit institutions do not act as trustees. (Section IX, of the 4^a)
11. The requirements for non-face-to-face identification are modified. (4^a Ter)
12. The possibility of non-face-to-face identification of foreign clients, and persons mentioned in Annex 1 of the Provisions, resource providers, persons appearing as authorized third parties and beneficiaries is eliminated. (4^a Ter)
13. The account and Clave Bancaria Estandarizada (CLABE) is eliminated as a non-face-to-face identification requirement in credit institutions, financial entitys, or Foreign Financial Entities authorized to receive deposits; Voter's code (Clave de elector), if applicable. (4^a Ter)
14. It has been established the obligation to report to the SHCP the international transfer of funds in the event that a credit institution is the holder of an Omibus Account opened in another credit institution or in any Obligated Entity. (6^a)
15. It has been established the obligation to have policies, processes and procedures detailed in a Compliance Manual related to accounts opened by credit institutions for administrative purposes or internal processes. (6^a Bis)
16. In the case of low-risk accounts, the requirements and procedure for receiving or capturing data remotely are modified. (7^a)
17. The requirements for the Beneficiaries who come forward to exercise their rights are modified. (11^a)

18. The requirements for products and services other than deposit accounts and credits, and that are considered by the Entities as Low Risk, are modified. It sets the obligation to conduct a face-to-face interview or apply any of the ID mechanisms when the transaction level established by the credit institution is exceeded. (14^a)
19. It sets the requirements to integrate the identification files remotely for level 1 and 3 accounts, as well as for accounts whose operation is limited to payments equal to the equivalent in local currency of thirty thousand Investment Units per Client, in the course of a calendar month, by clients who are legal entities or individuals with business activity. The possibility of integrating identification files remotely in the case of level 2 accounts opened to foreign individuals is set. (14^a Bis and 14^a Ter)
20. The requirements for the identification of individuals from 15 to 18 years of age are modified. (14^a Bis 2)
21. The identification requirements for clients of Mexican nationality residing outside Mexico have been established. (14^a Bis 3)
22. The criterion regarding the execution of transactions through electronic, optical, or any other technology is modified. (15^a)
23. The criterion for the identification of accounts opened or contracts entered into by individuals acting (i) on their own account, (ii) in their capacity as co-owners, or (iii) in the name and on behalf of third parties is amended. (15^a Bis)
24. The possibility of identifying users in a non-face-to-face manner is eliminated. (16^a Bis repealed)
25. The requirements for establishing mechanisms for monitoring and grouping transactions are modified. (18^a)
26. The obligation to establish a review process with respect to the periodic updating of Client files is set. (Last paragraph of the 21^a)
27. It sets an obligation to include, in the risk-based approach methodology, specific indicators for the crimes of operations with resources of illicit origin and financing of terrorism. (21^a-2)
28. The requirements to determine the transactional profile of the Client are modified and incorporated for when non-face-to-face operations and/or contracting are carried out. (24^a and 25^a Bis)
29. It adds the obligation to include, in the Compliance Manual, the procedure or mechanism to obtain additional information to be gathered from the Clients that represent a higher Risk Level, as well as how a strictest supervision will be carried out. (25^a)
30. The obligation to have differentiated transactional monitoring criteria is established. (25^a Quater)
31. The requirements for opening accounts or entering into contracts with Clients who, due to their characteristics, may generate a high Risk Level are modified. (27^a)
32. It is established that the classification by Risk Level of the customers must be made at the beginning of the commercial relationship and through the automated system. (28^a)
33. It sets the obligation to apply enhanced due diligence measures while providing correspondent services to Foreign Financial Institutions domiciled and incorporated in countries or jurisdictions with deficient or null prevention regimes in terms of money laundering or financing of terrorism. (30^a)

34. It amends the obligation requirements for the identification of operations with Sociedades Financieras de Objeto Múltiple no reguladas (Sofomes), Exchange Centers, and Money Transmitters. (33^a)

35. Requirements for the submission of reports on international funds transfers are amended. (35^a)

36. The requirements for unusual transaction reports are amended. (37^a)

37. The requirements regarding the circumstances to determine unusual operations are modified. (38^a)

38. The requirements for 24-hour unusual transaction reports are amended. (41^a)

39. The requirements for reporting internal operations of concern are modified. (42^a)

40. The requirements for conducting annual training and including the risks to which the Entity is exposed are amended. (49^a)

41. It sets an obligation for the Compliance Officer and the auditor who prepares the audit report on the prevention of operations with resources of illicit origin and financing of terrorism to have the current certification issued by this Commission. (47^a and 60^a)

42. It includes the obligation to submit annually the information of the operative questionnaire. (60^a Bis)

43. It includes the obligation to develop, in the Compliance Manual, criteria, measures, and specific procedures for the crime of financing terrorism. (64^a)

44. ANNEX 1 is modified on numeral 22. Foreign Financial Entities, with the exception of those to which the Entities provide correspondent services; the Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero is eliminated from the list.

45. ANNEX 3 is modified on the preparation of the model for classifying clients; nationality is added to the inherent characteristics, and the date of birth or date of incorporation, in the case of transactional characteristics, is modified.

- The following is added: Countries of origin and destination of the resources.
- In the case of sending or receiving international transfers of funds and the cases in which the Entity so determines, the input obtained through the information exchange processes referred to in Chapter XIII of the Provisions is modified.
- The number of counterparties is eliminated.

46. The deadlines for the appointment and revocation of the Compliance Officer and Interim Compliance Officer are modified. (48^a)

- Appointment: 10 working days
- Revocation: 10 working days after it has occurred.
- Appointment of the Internal Compliance Officer: 10 working days from the date of appointment.

