

SMI Markets: Mexico

Date: 15 Jan 2014

CMIRR Markets: Mexico

CSDs: Indeval (Mexico)

Amendments to Securities Market Law

Amendments to the Securities Market Law as part of the Finance Reform were published in the Official Gazette (Diario Oficial de la Federación, DOF) on 10 January 2014. Subsequently, the Mexican Stock Exchange (Bolsa Mexicana de Valores, BMV) has issued a document highlighting the changes as follows:

- Shareholding limit in securities depositories has been removed. As a result, BVM will be able to complete the acquisition of 39 additional shares of Indeval, bringing its total shareholding in the depository to 40 shares. The remaining 1 share is held by the Central Bank.
- Investment funds (previously denominated as investment societies) are no longer required to list on a stock exchange, except for SIEFORES (Investment Societies Specialised in Retirement Funds), nor are they required to keep their shares in a depository.
- Stock exchanges will be able to enter into agreements with foreign stock exchanges to facilitate cross-border trading. This will allow progress towards BMV's integration with the Integrated Latin-American Market (Mercado Integrado Latinoamericano, MILA), of which the exchanges of Colombia, Peru and Chile are part. BMV expects to apply to the regulator for integration during 1H 2014, while it is working with market participants to make necessary technological adjustments.
- The period for companies to be listed as Investment Promoter Corporations (SAPIB) will be ten years (previously three years) before they are obligated to become Publicly Traded Stock Corporations (SAB).

The official announcements are available here: [BMV Release](#); [BMV Analysis](#) and [DOF Publication](#).

Market Information Impact

Mexico

This information affects the data contained in the Stock Market and Local Market Administrative Organisations sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Mexico

Market Rating: A+

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA-

Flash Impact = On Watch

After completing of the acquisition of additional shares, BVM (a public company) will take control of Indeval. This may result in a change in the depository business strategy; therefore Financial Risk is "On-Watch". Furthermore, the new shareholding structure may have an impact on Indeval's governance and management arrangements, therefore Governance and Transparency Risk is also "On-Watch".

CSD Risk Impact

Indeval (Mexico)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = On Watch

Impacted Risk Type: Governance and Transparency Risk

Current Rating = AA-

Flash Impact = On Watch

After completing of the acquisition of additional shares, BVM (a public company) will take control of Indeval. This may result in a change in the depository business strategy; therefore Financial Risk is "On-Watch". Furthermore, the new shareholding structure may have an impact on Indeval's governance and management arrangements, therefore Governance and Transparency Risk is also "On-Watch".

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