

Amendment to the Mexican General Corporations Law regarding partners and governing bodies telematic meetings

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On September 12 of this year, the Mexican Senate approved the draft decree amending various provisions of the Mexican General Corporations Law (LGSM by its acronym in Spanish), which aims to allow companies to use technological tools to carry out their activities more efficiently.

The approved amendment incorporates into the LGSM a set of rules that allow to hold partners' and other governing bodies' meetings remotely, by using digital, optical, or any other technological means. Companies holding virtual meetings must have the tools to facilitate their members' communication and simultaneous participation, guaranteeing fluid interaction in deliberations and decision-making, equivalent to an in-person meeting.

The amendment establishes the need for systems that enable access, verification of the identity of participants and their voting decisions, and recording, regardless of the meeting format. Additionally, sufficient evidence must be generated to prove the legitimacy of the meetings.

Furthermore, the amendment in question incorporates flexibility for the meetings' locations. The members of the meetings are the ones who will be able to deliberate on their format and location.

In regard to the calls for a Limited Liability Company's meeting regulated in Article 81 of the LGSM, the amendment also provides that said calls must be carried out by publishing the same, duly signed, on the Electronic System approved by the Mexican Ministry of Economy, indicating the meeting's agenda.

Once approved, the project was sent to the Executive to be immediately published in the Mexican Official Gazette. The amendment will become effective the day after its publication, except for the modifications to Article 81 of the LGSM, which will require a six-month waiting period before taking effect.

Companies incorporated before this reform may include these new provisions in their bylaws. Furthermore, these companies must adhere to these new provisions regarding the publication of calls in the Electronic System approved by the Ministry of Economy in Mexico, regardless of any alternative means stated in their bylaws.

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