

Compliance of corporate legal obligations

We remind our clients and friends that Mexican corporations must comply with the following:

Obligations

- **Corporate records**

Shareholders Book. In accordance with General Corporations Law (“GCL”), *sociedades anónimas* (“SA”) and *sociedades de responsabilidad limitada* (“SRL”) must keep a shareholders/partners registry book with the following information: (a) name, nationality, address and number of shares/partnership interests of each shareholder/partner; (b) contributions paid; and (c) transfer of shares/partnership interests.

Capital Stock Book. Also, GCL requires all corporations to keep a capital stock book, in which all increases or reductions thereof are record.

Meeting Minutes Book. Commercial Code imposes the obligation for all corporations to keep a meeting minutes book. In case meeting minutes cannot be kept at the corresponding book, then they should be notarized in order to comply with the GCL.

- **Issuance of Share Certificates (only for SA)**

GCL provides that the shares representing the capital stock of all SA must be documented by means of the issuance of share certificates (Mexican law allows the issuance of “provisional” or temporary certificates. In any case they must be replaced within one year with the definitive share certificates).

- **Annual Meeting**

GCL requires companies to hold an annual partners/shareholders' meeting within the four months following the close of the company's fiscal year, in which the following must be submitted for approval: (i) the report of the administrative body (board of directors or sole director as the case may be), regarding the situation of the company, including the corresponding year-end financial statements; (ii) the report of the Examiner of the company; and, (iii) the appointment and/or reelection of the members of the board of directors or sole director, as the case may be, and remunerations if any.

Mexico City

Bosque de Guayacanes
117 Col. Bosques de las
Lomas CP 11700, México,
Distrito Federal
Tel: +52 (55) 559 66047
Tel: +52 (55) 524 51953
sacdf@portilla.com.mx

Queretaro

Sabinos 213 Col. Jurica
CP 76100 Querétaro, Qro.
Tel: +52 (442) 218 4766
Tel: +52 (442) 218 5706
sacqro@portilla.com.mx

Los Cabos

Blvd. Paseo de los Cabos
#150 Int 119. San José del
Cabo, CP 23405
Baja California Sur
Tel: +52 (624) 173 9738
Fax: +52 (624) 1739738
sacbcs@portilla.com.mx

- **Compliance with tax obligations**

As of June 2006, Income Tax Law (“LISR”) requires that companies obligated to audit their financial statements must report to the General Meeting about the compliance of their tax obligations.

- **Foreign Investment Registry Renewal**

In accordance with the Foreign Investment Law (“LIE”) and its Regulations (“RLIE”), Mexican companies with foreign capital stock must renew its registration before the Foreign Investment Registry, each year, by submitting the corresponding report.

- **Federal Tax Code.**

Notice to Tax Authority. In accordance with Federal Tax Code (“FTC”), Mexican Companies that have foreign shareholders/partners, residing abroad, must file before the tax authorities a list of those foreign shareholders/partners indicating their (i) address; (ii) tax residence; and, (iii) the tax identification number.

Tax ID. FTC provides that Tax Id of shareholders/partners must be recorded at the shareholders book and at every meeting minute.

Please note that corporate records are considered as part of accounting records for tax purposes.

Proper maintenance and/or update of your corporate obligations will help not only to maintain order but to be prepared and deal with revisions of authorities, avoiding therefore unnecessary penalties.

Members of Portilla Ruy-Diaz y Aguilar, S.C. will be pleased assisting you to comply with your corporate legal obligations.

For further information please feel free to contact Gonzalo E. Ruy-Diaz Benhumea (ruy-diaz@portilla.com.mx) and/or Iván Guerrero Sánchez (iguerrero@portilla.com.mx)

www.portilla.com.mx
