

Use of Electronic Means for the Holding of Partners and Shareholders' Meetings

In December 2021, Congresswoman Ana Lilia Herrera Anzaldo submitted the initiative with draft Decree seeking to reform and addition various provisions of the General Business Corporations Law (the "Law"), same that was already approved by the Plenary of the Senate of the Republic last September 12, 2023 (the "Initiative").

Specifically, the Initiative seeks to amend and/or add the Articles 6, 75, 80, 81, 82, 143, 178, 179, 186 and 194 in order to regulate the full validity of the use of electronic, optical or any other technology means ("Electronic Means") to enable the holding of partners or shareholders meetings ("Meetings"), meetings of collegiate administration and supervisory bodies ("Corporate Meetings") outside the corporate domicile of Mexican companies. This reform will constitute a new and important tool for commercial corporations.

The purpose of the Initiative is:

1. Enable as an alternative mean and equivalent to physical presence, the holding of Meetings and Corporate Meetings through the use of Electronic Means.
2. To allow that Meetings, as well as Corporate Meetings, may be held totally or partially by means of physical or virtual attendance through Electronic Means.
3. Preserve the principle of full equivalence between the use of traditional and electronic means, as well as the principle of technological neutrality provided for in the Commercial Code. That is to say, that any act that can be performed by physical means can be performed by telematic and/or electronic means, preserving the same legal and evidentiary value as acts performed by conventional means, as well as the supplementary applicable principles of the Federal Civil Code.
4. Regulate the use of Electronic Means for the documentation of minutes and other documents, recognizing that these are already acknowledged by the Commercial Code and the Federal Civil Code and, therefore, not obliging the parties to use one over the other, protecting the freedom of the parties to choose the form of documentation that best suits their interests.
5. To make the requirement to hold Meetings at the corporate domicile of the corporations more flexible, allowing the partners or shareholders to agree, on a case-by-case basis, on holding Meetings outside the corporate domicile. The foregoing to safeguard the right of each partner or shareholder to attend the Meetings by Electronic Means or in person.

Finally, on September 12, 2023, the Initiative was submitted to the Federal Executive, so it is expected to be published in the Official Gazette of the Federation (*Diario Oficial de la Federación*) within the next days.

For more information regarding the repercussions of the Initiative from a practical point of view, as well as the implementation of the use of Electronic Means for the holding of Meetings and Corporate Meetings, please contact:

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S I N C E R E L Y

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