

DRAFT OF THE GENERAL PROVISIONS GOVERNING TRUST TRANSACTIONS

NOVEMBER 2026

Executive Summary:

On November 3rd, 2026, Banco de México (the "**Central Bank**") submitted for public consultation the Draft of the "General Provisions Governing Trust Transactions" (the "**Draft**"), which, if it enters into force, would replace Circular 1/2005 as the new regulatory framework.

I. PURPOSE

The Draft seeks to update the provisions applicable to trust transactions in order to promote the sound development of the financial system, prevent risks and protect the interests of the public. To that end, it establishes the requirements, conditions and characteristics that Trust Institutions that enter into and administer trusts must comply with.

II. DEFINITIONS AND REGULATED ENTITIES

The Draft applies to broker-dealers, credit institutions (commercial and development banks), insurance companies, surety companies, SOFOMES and investment fund management companies acting as trustees (the "**Trust Institutions**" or "**TIs**").

Relevant definitions include:

a) Significant Trust Activity: that of TIs that (a) administer trust estates whose assets exceed 26,000,000,000 (twenty-six billion) UDIs[1] (b) administer trust assets equal to or greater than 10 times their stockholders' equity; (c) administer securities-issuing trusts or trusts acting as market infrastructures (for example, clearinghouses); or (d) administer trusts established to obtain financing, grant loans or credit, or enter into derivatives, repurchase or securities lending transactions.

b) Administrator: an individual or legal entity that manages the trust estate, carries out the activities necessary to fulfill the trust's purposes and prepares the reports on such management.

c) Master Administrator: an individual or legal entity that oversees and approves the Administrator's management and reports, and that may act as its alternate or replacement.

d) Recognized Market: the Mexican derivatives exchange and the derivatives exchanges of countries of the European Union, of the Organisation for Economic Co-operation and Development ("OECD"), or whose authorities are members of the Board of the International Organization of Securities Commissions ("IOSCO").

III. GENERAL OBLIGATIONS OF TRUST INSTITUTIONS

TIs must record and keep documentary evidence of each trust under their charge and of its transactions, during its term and for at least 10 years thereafter.

This information must include the parties' details, the object and purpose contract, the composition of the technical committee and the composition and value of the trust estate.

TIs may act in contrary to the provisions only with the discretionary authorization of the Central Bank, which must be requested before executing the agreement or amendment agreement, through the Electronic Service Module ("MAE" for its acronym in Spanish) operated by the Central Bank. The request must be accompanied by the draft agreement, the articles for which the exception is sought, and the reasons for and risks of the transaction, as well as their mitigation. Once obtained, the TI may enter into new agreements on the same terms without having to request a new authorization.

With respect to the trust estate, TIs must ensure that the funds are used exclusively for the purposes of the trust, identify the persons contributing the assets, verify their registration and deliver the corresponding receipts. They must also comply with the policies approved by their governing bodies or by the technical committee, whose members must act in a strictly personal capacity and without conflicts of interest.

IV. MANDATORY DEPOSIT WITH THE CENTRAL BANK

Development banks acting as trustees in trusts, mandates or commissions for financing or securities transactions must establish with the Central Bank a non-interest-bearing cash deposit equal to 50% (fifty percent) of the trust estate, from the date they receive the funds and throughout the term of the trust.

The following are exempt from this obligation:

a) investment trusts with funds from fully identified persons and with no possibility of subsequent adherence by third parties;
b) trusts established by the Federal Government (through the Ministry of Finance and Public Credit ("**SHCP**"), the states or the municipalities;
c)tax and customs trusts (pursuant to Article 29 of the Income Tax Law ("**LISR**") and those authorized by the Federal Treasury);
d) trusts holding loan portfolios assigned without recourse, paid for with securities registered with the National Securities Registry ("**RNV**");
e) trusts that admit adherence by third parties under the rules of the derivatives market; and
f) trusts authorized in writing, as well as those subsequently entered into by the institution on the same terms.

V. SELF-DEALING TRANSACTIONS OF TIS

Where the agreement expressly permits it, it must (i) define the type and features of the transactions the TI may enter into with itself, or (ii) subject each one to express authorization. In both cases, clauses must be included to prevent the extinguishment of rights and obligations by merger.[1] In addition, trust personnel must be independent from those operating on a proprietary basis, and controls must be the same as those that would apply to transactions with third parties.

VI. MINIMUM CONTENT OF TRUST AGREEMENTS

Agreements must be in writing and provide for, at a minimum:

a) The rights, obligations and prohibitions of the parties, as well as the powers and restrictions of the TI;
b) The composition of the trust estate, the criteria for acquiring assets and assuming liabilities, and rules for their administration and delivery;
c) Where applicable, the powers, composition and functioning of the Technical Committee;
d) The procedure for entering into amendment agreements;
e) The means, form and deadlines for delivering financial information;
f) The liability of the TI for breach and the grounds for removal; and
g) The rules for transactions with the TI itself, the Administrator or the Master Administrator.

The TI must deliver a counterpart of the agreement to the settlor and, if applicable, to the beneficiary, together with an inventory of the assets and rights, as well as a copy to the Administrator, Master Administrator, common representative and members of the Technical Committee. Limits on the TI's liability may be agreed with the settlor's written consent, but not with respect to its own breach.

VII. INVESTMENT AND MANAGEMENT OF FUNDS

The agreement must set forth the criteria for investing the trust's liquid funds, including permitted assets and transactions, maximum terms, counterparties, securities ratings, credit and market risk limits, and the deadlines by which the TI must submit its reports. Liquid funds must be invested on the same business day they are received.

Transactions in securities, foreign currency and derivatives must be entered into with credit institutions, broker-dealers or foreign financial entities (except derivatives on recognized markets), and the TI must identify itself as trustee to its counterparties. Except in the specific case of investment fund management companies, TIs may only enter into derivatives transactions on the markets and over the underlyings authorized by the Central Bank.

VIII. SIGNIFICANT TRUST ACTIVITY

TIs that fall under this category upon accepting an appointment must notify the Central Bank's Directorate of Regulation and Supervision (the "**DRS**") at least 10 (ten) business days before entering into the agreement, indicating the applicable criterion and their reasons for doing so. Within 90 business days following the notice, they must submit their trust operations manuals and the resolution and opinion of the audit committee (or equivalent body) evidencing compliance with the provisions.

If the TI falls under this category at a later time, it must give notice within the following 15 business days and indicate whether (i) it intends to continue with the Significant Trust Activity, in which case it must submit the documentation within 90 business days, or (ii) it does not wish to fall under this category, in which case it must submit a work plan within a maximum of 45 (forty-five) business days and report on its results.

TIs with Significant Trust Activity must include additional requirements in their manuals and submit to the DRS every 2 (two) years, in August, the resolution and opinion of the audit committee on their compliance.

IX. TRUST OPERATIONS MANUALS

TIs must have trust operations manuals governing, among other matters:

a) The structure of the trust division, the code of conduct, training, internal control and annual audit;
b) Information security, systems, backups and business continuity plan;
c) Risk tolerances;
d) The requirements to be met by settlors;
e) Personnel duties, accountability and the prevention of conflicts of interest;
f) The incident log; and
g) Early termination procedures.

X. ADMINISTRATORS AND MASTER ADMINISTRATORS

TIs may engage Administrators or Master Administrators, as provided in their manuals. The respective agreements must provide for, among other things: auditors' access to books, systems and records; audits by the TI; 30 (thirty) days' prior notice of changes that may affect the service; confidentiality; periodic delivery of information; a prohibition on subcontracting; and grounds for removal and liability for breach.

Such documentation must be available to the Central Bank at the TI's domicile at all times. In addition, the TI must inform the DRS of any early termination and submit an annual report, within 90 (ninety) days following the end of the fiscal year, on the performance of the Administrator or Master Administrator.

XI. PROHIBITIONS

TIs shall be prohibited from, without limitation, the following:

a) charging expenses not agreed upon to the trust estate;
b) guaranteeing returns; acting in breach of the agreement or applicable regulations;
c) executing unauthorized trusts;
d) paying sanctions imposed on the TI itself with the trust estate;
e) receiving, in guarantee trusts, assets other than those securing the obligation; or
f) acting as trustees of issuing trusts in which they also act as placement agents.

These prohibitions must be expressly agreed upon in the agreements.

XII. TRANSPARENCY AND REPORTING TO THE CENTRAL BANK

If the TI offers other financial services together with the trust, it must inform the client in writing, before executing the agreement, that it may contract them separately with another entity. The cost of the package may not exceed that of contracting the services separately with the same TI. In addition, TIs must deliver to the Central Bank information on the trusts they enter into or administer, in the form and within the deadlines it determines, and reconcile it with their risk reports and with their accounting records, or those of the Administrator or the Master Administrator.

XIII. TRANSITORY PROVISIONS

The circular enters into force 90 (ninety) business days after its publication and repeals Circular 1/2005. A period of 90 (ninety) business days is established to have the manuals in place, and 180 (one hundred eighty) business days to adjust trust agreements, agreements with administrators and Technical Committees. Notwithstanding the foregoing, prior authorizations remain in force.

[1] Equivalent to MXN $231,942,334,000.00 as of November 20th, 2026.
[2] Article 2206 of the Civil Code for Mexico City: “An obligation is extinguished by merger when the capacities of creditor and debtor are combined in the same person. The obligation revives if the merger ceases.”

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