

CCN NEWSFLASH

Mexico Amends the General Law of Business Associations to Allow Remote Meetings

On October 20, 2023, a decree containing amendments to the General Law of Business Associations (“LGSM” per its acronym in Spanish) was published in the Official Journal of the Federation. Amendments to various articles of the LGSM recognize the validity of using electronic, optical and other technologies to convene meetings of partners and shareholders, and includes meetings of a company’s board of managers or directors.

One of the requirements set forth in the amendments is that the use of such media and technologies must be provided for in the company’s bylaws. Also, the amendments establish that limited liability companies (sociedades de responsabilidad limitada) are now required to publish calls for meetings in the electronic system of Mexico’s Department of the Economy, which was previously applicable only to corporations (sociedades anónimas).

The new amendments to the LGSM are consistent with the principles the Commercial Code already contemplates for the use of media and technology and does not exempt Mexican business entities from the obligation to record their resolutions in written meeting minutes and corporate books. Of course, the new alternative form of meeting will not prevent companies from holding in-person meetings or from adopting resolutions through unanimous written consents approving company resolutions.

Contact:

René Cacheaux
rcacheaux@ccn-law.com

Joseph B. Newton
jnewton@ccn-law.com

Felipe Chapula
fchapula@ccn-law.com.mx

Mario Melgar
mmelgar@ccn-law.com

Iker Dieguez
idieguez@ccn-law.com

José Soto
jsoto@ccn-law.com.mx

Julieta Guzmán
jguzman@ccn-law.com.mx