

## **Mexico's implementation of the G20 High Level Principles on Beneficial Ownership Transparency**

Since 2012 when Mexico hosted the G20, our government has assumed the commitment to put into practice effective policies to reestablish the economic growth through the endorsement and implementation of a set of core principles. Among those principles, tackling corruption has been identified as a key element.

In regard to beneficial ownership, Mexico has intended to lead by example through the following actions:

1. On February 3<sup>rd</sup>, 2015, the President of Mexico instructed 8 points to fight corruption and strengthen transparency within a framework that regulates and makes publicly available the deals between the Government and the private sector which intends to tackle, among other topics, beneficial ownership.
2. The Mexican Government has signed commitments with civil society organizations, such as the Business Council (CCE) and the International Chamber of Commerce (ICC), to tackle corruption and foster transparency from a multisectoral approach.
3. On May 4<sup>th</sup>, 2015 the Mexican Congress passed the General Law of Transparency and Access to Public Information which considers the access to information as a human right.
4. On May 27<sup>th</sup>, 2015, the Mexican Government published a constitutional reform that created the National Anti-Corruption System which coordinates the actions and policies in the areas of prevention, detection and punishment of corruption, including beneficial ownership.
5. Mexico has legally defined beneficial ownership in Article 115 of the Credit Institutions Law as follows:

*"The person who, by means of other person or any act or mechanism, obtains the benefits arising out of an account, contract or transaction and who ultimately exercises the rights to use, enjoyment, benefit, or disposal of the resources as the real owner of thereof. The Beneficial Owner term also includes the person or group of persons who exercise control over a legal entity, as well as the individual, if any who may instruct or determine, for their own economic benefit, acts or transactions susceptible of being carried out through trusts, mandates or commissions."*

6. While complying with the 40 recommendations of the Financial Action Task Force (FATF), Mexico has modified its legal framework with the purpose of strengthening prevention against operations with illicit proceeds (money laundering) and finance of terrorism, in order to achieve the best standards of transparency regarding beneficial ownership and legal entities.
7. Mexico, specifically works taking into consideration recommendations 24 and 25 of FATF (transparency of legal entities and legal structures, respectively), as well as the Guide on Transparency and Beneficial Owner of FATF. In such regard, our country is not permitting the issuance of bearer shares by legal entities and the information held by the company registry are made publicly available.
8. Likewise, in the answers to the questionnaire of the G20 Anti-Corruption Working Group (G20 ACWG) "Guide to Beneficial Ownership Information: Legal Entities and Legal Arrangements", Mexico explained the different measures that the country carries out in regard to transparency of beneficial ownership.
9. The Mexican Government currently works to implement the Santiago Commitment, approved within the Anti-Corruption and Transparency Experts' Task Force (ACT) of the Asia-Pacific Economic Cooperation (APEC) in order to promote good governance, economic development and prosperity among nations by working together to fight corruption and ensure transparency.
10. Mexico also participates in the Financial Action Task Force of Latin America (GAFILAT) where similar projects are being carried out, reason for which the member countries have been requested to provide details about the applicable regulation of beneficial ownership.
11. Finally, the Mexican Government has been cooperating with Transparency International who is developing a project which consists of a questionnaire that has the purpose of evaluating the level of compliance and implementation of the High Level Principles for Transparency of Beneficial Ownership of the G20. Such information will prove the strengths of the applicable systems in each country and will allow to identify examples of better practices. For such project, some national agencies have been requested with information and validation.