
Amendments to the mexican general law of commercial companies

Mexico - Legal Flash

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On October 20, 2023, a decree amending several provisions of the Mexican General Law of Commercial Companies (*Ley General de Sociedades Mercantiles*) (“LGSM”) was published in the Official Gazette of the Federation. The amendments allow commercial companies convene corporate meetings using electronic and/or optical means or any other technology.



Relevant points of the amendments

- > The amended LGSM allows shareholders', partners' and board of directors' meetings to be convened through electronic, optical or other means of technology, and to use electronic signatures in the minutes. The electronic signatures must meet the Code of Commerce (Código de Comercio) and its regulations to be effective.
- > The amendments also set out some rules for non-face-to-face meetings, such as actions to ensure access, identity verification, voting and evidence generation to prove the lawfulness of the meetings.
- > The new LGSM text clarifies that using electronic, optical or other means of technology does not mean that a shareholders' meeting is held outside the corporate domicile. However, it allows meetings to be held elsewhere if all partners or shareholders agree.
- > Commercial companies (including stock corporations) that were incorporated before the amendments came into force and that want to hold virtual meetings **must include these provisions in their bylaws** and have the tools to enable communication and simultaneous participation of the attendees, ensuring a similar interaction to a face-to-face meeting.
- > Lastly, the amendments require that the notices for partners' meetings of limited liability companies be published in the electronic system of the Ministry of Economy, as is the case for corporations.



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