

Mexico Licensing Guide 2025

A Comprehensive Guide to Non-Bank Financial Institution (NBFI) Licensing in Mexico

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I. Introduction

Mexico has rapidly become one of the most attractive destinations in Latin America for launching regulated and semi-regulated financial services businesses. The combination of regulatory modernization, a rising demand for digital financial products, and an open investment climate has created ideal conditions for foreign and local entrepreneurs alike.

Non-Bank Financial Institutions (NBFIs) play a pivotal role in the country’s financial ecosystem. These institutions—such as SOFOMs, SOFIPROs, and fintech-licensed entities—are designed to fill the credit, savings, and payment gaps left by traditional banks, especially in underserved rural or low-income markets.

Whether you are a fintech startup, a lending platform, or an international financial services group seeking expansion, this guide offers a step-by-step overview of how to set up your NBFi in Mexico.

II. Summary of NBFi Structures

The Bullet Points

Mexico offers several legal pathways for non-bank entities to deliver financial services. The most common structures are:

- **SOFOM ENR (Entidad No Regulada):** Best for startups and low-regulation lending businesses.
- **SOFOM ER (Entidad Regulada):** For scalable, CNBV-supervised institutions seeking institutional credibility.
- **SOFIPRO (Sociedad Financiera Popular):** Heavily regulated institutions focused on savings, microloans, and financial inclusion.
- **SOCAP and SOFICO:** Community-oriented or rural cooperatives for mutual lending and savings.
- **Fintech Licenses (IFPE and IFC):** For e-wallets and crowdfunding platforms under the Fintech Law.

Each structure offers distinct regulatory advantages depending on the services offered, capital requirements, and target market.

Comparison Table 1

License Type	Description	Best Use Case
SOFOM ENR	Non-regulated multiple-purpose financial company	Low-friction lending, fintech startups
SOFOM ER	Regulated financial company under CNBV	Scaling fintech, credit platforms
SOFIPRO (SOFIPO)	Deposit-taking entity focused on financial inclusion	Microfinance, savings, remittances
SOCAP	Cooperative for members only	Community-based finance
SOFICO	Rural-focused financial company	Agricultural finance
Unión de Crédito	Credit union for SME members	Business lending cooperatives
Fintech Licenses (ITF)	Crowdfunding (IFC), E-wallets (IFPE)	Tech-driven financial products

Comparison Table 2

Criteria	SOFOM ENR	SOFOM ER	SOFIPRO
Capital Requirements	MXN 2–5M (best practice)	~MXN 10M	MXN 20–30M
Regulator	CONDUSEF, SAT	CNBV	CNBV
Deposit Insurance	✗	✗	✓ Prosopipo
Can Take Deposits	✗	✗	✓
Foreign Ownership	✓	✓	✓
AML Requirements	Medium	High	High
Licensing Time	1–3 months	4–6 months	6–12 months

The Details

Mexico's financial system offers a diverse and flexible regulatory framework for non-bank financial institutions (NBFIs), enabling a wide range of service providers to operate legally, scale sustainably, and reach underserved markets. Unlike traditional banks, which require high capital thresholds and broad institutional infrastructure, NBFIs in Mexico benefit from tiered licensing structures that match different business models, service offerings, and capital capacities. Whether your goal is to launch a fintech startup, manage a digital lending platform, or establish a full-service financial cooperative, Mexico provides a legal pathway tailored to your strategy.

One of the most accessible NBFI vehicles is the **SOFOM ENR (Sociedad Financiera de Objeto Múltiple – Entidad No Regulada)**. This structure is designed for companies that provide credit, leasing, and factoring services without seeking public deposits or issuing securities. The SOFOM ENR is fast to launch and minimally regulated, making it an ideal entry point for early-stage businesses or international firms testing the Mexican market. It is not supervised by the Comisión Nacional Bancaria y de Valores (CNBV), although it must register with SAT and CONDUSEF for tax and consumer protection compliance. Common use cases include SME lending, payday advances, vehicle financing, and platform-based credit services.

For companies seeking greater institutional credibility, access to public funding markets, or partnerships with regulated banks and fintechs, the **SOFOM ER (Entidad Regulada)** provides a more robust platform. Unlike its non-regulated counterpart, the SOFOM ER is subject to full CNBV supervision and must comply with financial reporting, risk management, and AML/CFT regulations. While the licensing process is more complex and capital expectations are higher, SOFOM ERs benefit from enhanced reputational standing and eligibility to issue debt under Mexico's Simplified Issuer Regime. This structure is frequently used by high-growth fintech lenders, payroll deduction loan companies, and commercial finance firms operating at scale.

The **SOFIPRO (Sociedad Financiera Popular)** represents the most heavily regulated NBFI model and is the only non-bank entity legally authorized to take retail deposits in Mexico. SOFIPROs are designed to promote **financial inclusion**, particularly in rural areas and among low-income populations. They offer a wide range of services including savings accounts, microloans, insurance products, and domestic transfers, often supported by government programs and public trust. Because they participate in the **Prosofipo** deposit insurance scheme and manage consumer deposits, SOFIPROs are subject to strict capital, liquidity, and governance standards. They are an excellent fit for mission-driven institutions focused on financial access and long-term community impact.

Mexico's cooperative and rural finance traditions are reflected in structures like **SOCAPs (Sociedades Cooperativas de Ahorro y Préstamo)** and **SOFICOs (Sociedades Financieras Comunitarias)**. These entities are community-owned and operate under cooperative principles, serving only their members and reinvesting profits locally. SOCAPs are primarily used for member-based savings and credit services, while

SOFICOs focus on agricultural and rural financing. Both are regulated by CNBV but operate under specialized frameworks that emphasize social return and economic empowerment rather than profit maximization. They are particularly well suited for municipalities, development NGOs, and government-aligned community finance programs.

For digital-first financial services providers, Mexico also offers specialized **Fintech Licenses** under the 2018 **Ley para Regular las Instituciones de Tecnología Financiera**. The two primary categories are the **IFPE (Institución de Fondos de Pago Electrónico)**, which allows for the operation of electronic wallets and digital payment systems, and the **IFC (Institución de Financiamiento Colectivo)**, which regulates crowdfunding platforms. These licenses are granted by the CNBV and come with detailed operational, capital, and compliance requirements. Many fintechs choose to combine a Fintech License with a SOFOM or SOFIPRO to expand their product suite and access broader payment infrastructure.

Each of these NBFI structures offers **distinct regulatory advantages** depending on the institution's business goals, customer base, capital availability, and risk appetite. Entrepreneurs and financial groups are encouraged to assess their long-term strategy—whether focused on credit-only operations, deposit-taking, community finance, or digital transactions—and align it with the most appropriate legal vehicle. Mexico's licensing environment is dynamic, modern, and increasingly harmonized with international standards, making it an attractive jurisdiction for both local innovators and global financial players.

III. Key Regulatory Bodies

Navigating Mexico's financial services landscape requires a clear understanding of the regulatory authorities that govern licensing, compliance, taxation, and consumer protection. Whether establishing a SOFOM, SOFIPRO, or fintech-authorized entity, businesses must work closely with four core institutions: the **Comisión Nacional Bancaria y de Valores (CNBV)**, the **Secretaría de Hacienda y Crédito Público (SHCP)**, the **Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)**, and the **Servicio de Administración Tributaria (SAT)**. Each of these entities plays a unique and critical role in the approval, supervision, and daily operations of non-bank financial institutions in Mexico.

The **Comisión Nacional Bancaria y de Valores (CNBV)** is Mexico's primary financial regulatory authority. Functioning under the oversight of SHCP, the CNBV is responsible for supervising entities that operate in the financial system, including **SOFOM ERs**, **SOFIPROs**, credit unions, banks, brokerage houses, and licensed fintechs. CNBV sets prudential standards, approves license applications, monitors AML compliance programs, and enforces risk-based oversight procedures, particularly for institutions that take deposits or manage public funds. Its regulatory framework is increasingly harmonized with international norms, including Basel standards for capital adequacy and FATF

guidelines for AML/CFT compliance. Any institution seeking to operate at a regulated level—particularly those intending to issue credit at scale, take deposits, or participate in securities offerings—will need to prepare for a formal licensing process and ongoing regulatory dialogue with the CNBV.

The **Secretaría de Hacienda y Crédito Público (SHCP)**, or Ministry of Finance and Public Credit, is the government agency charged with overseeing the country's broader fiscal and financial system. While it does not license individual financial institutions directly, SHCP establishes macroeconomic and financial sector policy, proposes legislative reforms to Congress, and coordinates the work of regulators such as CNBV and SAT. For new market entrants and foreign investors, SHCP plays a strategic role in policy guidance, cross-border capital flows, and the development of financial inclusion strategies. Its involvement is particularly important in initiatives involving digital finance, international banking integration, or participation in federal programs such as development funds or fintech sandboxes.

Consumer rights and financial transparency are enforced by the **Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)**. This agency functions as Mexico's consumer financial protection authority, reviewing and approving all credit agreements, savings terms, disclosure forms, and customer-facing contracts used by licensed financial institutions. All SOFOMs and SOFIPROs must register their standard documentation with CONDUSEF and comply with its rules on fairness, clarity, and anti-abuse provisions. In addition to preventive oversight, CONDUSEF also manages Mexico's centralized complaint resolution system, giving customers a legal channel to dispute fees, service denials, or misrepresentations. Financial entities must implement internal processes for complaint handling and submit periodic reports to the agency on volumes, resolutions, and pending cases. Poor compliance with CONDUSEF standards can result in fines, reputational damage, and regulatory flags that hinder future expansion.

The **Servicio de Administración Tributaria (SAT)** is Mexico's national tax authority, responsible for enforcing the federal tax code, issuing RFC (Registro Federal de Contribuyentes) tax IDs, and managing the country's AML registry. All financial institutions, regardless of whether they are regulated by CNBV or not, must be registered with SAT for tax purposes and for the fulfillment of AML/CFT obligations. This includes submitting monthly and annual tax returns, paying applicable income, VAT, and payroll taxes, and participating in the centralized AML database used for suspicious transaction reporting. For non-bank financial institutions, SAT also serves as the gateway for enrollment in the national registry of Obligated Entities under AML law, which includes the requirement to appoint a compliance officer, maintain audit-ready policies, and adhere to thresholds for transaction monitoring. SAT has enforcement powers to audit institutions, levy penalties, and refer findings to other regulatory or criminal authorities.

Together, these four regulatory bodies form the institutional backbone of Mexico's financial system. While each has a distinct mandate, successful licensing and ongoing compliance depend on maintaining good standing with all of them. Whether submitting a

licensing application to CNBV, structuring tax-efficient shareholder distributions through SAT, drafting client contracts under CONDUSEF's rules, or responding to SHCP-driven sectoral reforms, financial institutions must adopt a coordinated and transparent approach. Regulatory alignment is not only a legal obligation—it is a competitive advantage in Mexico's increasingly sophisticated financial services market.

IV. Licensing Requirements by Entity Type

Mexico's non-bank financial ecosystem offers a variety of legal entities through which local and foreign entrepreneurs can operate credit, payments, and financial inclusion platforms. Each entity type—whether a SOFOM ENR, SOFOM ER, or SOFIPRO—carries a different level of regulatory burden, capital expectation, and supervisory engagement. Understanding the distinctions among these structures is essential to choosing the right vehicle for your business model and long-term operational goals.

SOFOM ENR (Entidad No Regulada)

The SOFOM ENR is the simplest and fastest route to launching a financial institution in Mexico. It is not subject to prudential regulation by the **Comisión Nacional Bancaria y de Valores (CNBV)** but must comply with anti-money laundering (AML) obligations enforced by **SAT** (Mexico's tax authority) and **CONDUSEF** (the consumer protection agency). This entity type is especially popular among micro-lenders, niche fintechs, and digital platforms seeking to test the market or operate leanly during early growth stages.

There is **no formal minimum capital requirement** for a SOFOM ENR; however, regulatory best practices suggest maintaining **MXN 2 to 5 million** in operating capital to satisfy AML compliance and ensure commercial credibility with local partners. Once the corporate entity is formed and properly registered with SAT and CONDUSEF, a SOFOM ENR can begin operations in as little as **30 to 60 days**, making it ideal for companies seeking speed to market. While it cannot take deposits or issue securities, it offers full flexibility in providing credit products, factoring, and leasing arrangements. As these institutions scale, they may later consider conversion to a regulated form such as a SOFOM ER or SOFIPRO.

SOFOM ER (Entidad Regulada)

A SOFOM ER offers greater credibility and institutional value but is subject to comprehensive regulation by the CNBV. It is best suited for companies that seek to form long-term banking relationships, issue securities, or offer services at scale. The licensing process is more involved and generally requires **capitalization of at least MXN 10 million**, although the exact figure may vary depending on the proposed service lines, geographic scope, and risk profile of the institution.

Applicants must submit a formal application to the CNBV, including a detailed **business plan**, risk policies, financial forecasts, and an **AML/CFT compliance program** that

aligns with national and international standards. The CNBV will assess the professional qualifications of the board, management team, and compliance officers, as well as the institution's ability to monitor, manage, and report financial and operational risks.

Once licensed, SOFOM ERs are required to comply with **quarterly and annual reporting obligations**, maintain audited financials, and undergo inspections or special audits at the discretion of the regulator. While more resource-intensive than an ENR, a SOFOM ER structure enhances market trust and opens access to institutional capital, public debt issuance under the Simplified Issuer Regime, and cross-border partnerships with banks or IFEs.

SOFIPRO (Sociedad Financiera Popular)

The SOFIPRO is the most heavily regulated of the three primary NBFIs and is specifically designed to support **financial inclusion**, particularly in rural areas or among underserved populations. It is the only structure of the three that is authorized to **take deposits**, subject to oversight by the CNBV and protection through the **Prosopio insurance scheme**. As such, licensing requirements are more rigorous and capital expectations are significantly higher.

A new SOFIPRO typically requires **capitalization of MXN 20 to 30 million or more**, with the exact figure depending on its geographic footprint, customer base, and financial service offering. Applicants must submit a detailed business plan, prudential financial model, bylaws, internal control policies, and AML documentation. The licensing process also includes the approval of key personnel, operational readiness verification, and a capital adequacy assessment consistent with the CNBV's alignment to Basel-based risk frameworks.

Once operational, SOFIPROs are subject to **quarterly CNBV filings, annual external audits, and ongoing AML and consumer protection supervision**. Public disclosure of financial performance and operational data is mandatory, ensuring transparency to regulators, depositors, and market observers. Furthermore, CONDUSEF plays an active role in monitoring SOFIPRO behavior in the market, particularly in relation to fairness of terms, product disclosures, and complaint resolution mechanisms.

Because of their status as deposit-taking institutions and their embedded role in Mexico's financial inclusion agenda, SOFIPROs are held to the highest regulatory standards. They are ideal for organizations with a long-term community finance mission, strong capital backing, and the internal infrastructure to support full-scope financial services delivery and regulatory engagement.

V. Licensing Process

The Bullet Points

1. Incorporation: Register your entity with the Secretaría de Economía and obtain RFC with SAT.
2. Select License Type: Determine whether a SOFOM, SOFIPRO, or Fintech license best suits your business model.
3. Draft Business Plan: Include financial projections, service offerings, operational flow, and market scope.
4. Capitalization: Fund the entity according to the selected structure's capital expectations.
5. Assemble Team: Compliance officer, director, AML analyst, and legal advisor (many must reside in Mexico).
6. Regulatory Filing: Submit required documents to CNBV or appropriate regulator. Engage legal counsel for interface.
7. Office Setup: Physical presence in Mexico is necessary. Virtual offices are not accepted.
8. AML Registration: Enroll with SAT and design a compliance framework aligned with CNBV requirements.

Licensing a SOFOM (ENR or ER)

To establish a SOFOM—either **Entidad No Regulada (ENR)** or **Entidad Regulada (ER)**—the process begins with securing a corporate charter from the **Secretaría de Economía**. This involves incorporating a Mexican legal entity, typically as a *Sociedad Anónima de Capital Variable (S.A. de C.V.)*, and registering the business's name, corporate purpose, capital structure, and governance framework. This charter must specifically reflect the intent to provide financial services such as lending, leasing, or factoring.

Following incorporation, the SOFOM must register with Mexico's tax authority, **Servicio de Administración Tributaria (SAT)**, to obtain an RFC (tax ID) and become enrolled in the AML/CFT registry. Simultaneously, the institution must be listed with **CONDUSEF**, Mexico's financial consumer protection agency. This registration ensures that all credit contracts, fee structures, and consumer disclosures meet transparency and fairness standards.

For those seeking **SOFOM ER** status, which confers additional institutional credibility and access to capital markets, an application must be submitted to the **Comisión Nacional Bancaria y de Valores (CNBV)**. This process is more rigorous and includes the submission of internal control policies, compliance manuals, anti-money laundering

programs, and audited financial projections. The entity must also demonstrate the professional qualifications of its directors, shareholders, and compliance officers.

A key operational requirement for both SOFOM ENR and ER is maintaining a **physical office in Mexico**. While digital platforms and outsourcing are permitted, the regulators expect a defined business address, local representation, and responsible management within the jurisdiction. This physical presence is essential for supervisory inspections, correspondence with authorities, and service to Mexican clients.

The licensing package must include a robust **business plan** that outlines the company's market focus, financial products, target clients, growth strategy, and organizational structure. In addition, applicants must prepare a **financial model** that reflects initial capitalization, projected loan portfolios, risk exposure, operational costs, and compliance reserves. The **bylaws** of the company must clearly identify shareholder rights, capital calls, board responsibilities, and procedures for AML and regulatory compliance.

Once operational, the SOFOM must adhere to an **ongoing compliance regime**. For ENRs, this includes annual reporting to SAT, periodic updates to CONDUSEF, and maintaining AML controls. ERs face quarterly reporting requirements, external audits by CNBV-approved firms, detailed recordkeeping, and internal compliance reviews. Both types must remain in good standing with tax authorities, update beneficial ownership disclosures, and keep up with evolving financial regulations. Whether unregulated or CNBV-supervised, every SOFOM is expected to operate transparently and in alignment with the broader goals of financial inclusion and consumer protection in Mexico.

Licensing a SOFIPRO (Sociedad Financiera Popular)

Establishing a **SOFIPRO** in Mexico is a structured, multi-stage process that requires close coordination with the **Comisión Nacional Bancaria y de Valores (CNBV)** and strict adherence to prudential, consumer protection, and anti-money laundering regulations. A SOFIPRO is a full-service, non-bank financial institution authorized to offer savings accounts, credit products, microinsurance, and domestic transfers—particularly to underserved populations and rural communities. Because of its ability to hold deposits and its inclusion in the government-backed **Prosofipo deposit insurance scheme**, the licensing process is more rigorous than that of a typical lending entity.

The first step is the incorporation of a legal entity through the **Secretaría de Economía**, typically as a *Sociedad Anónima de Capital Variable (S.A. de C.V.)*. The entity must be formed with a clear and exclusive corporate purpose of engaging in popular financial services. The initial capital must meet or exceed the levels expected by the CNBV—generally ranging from **MXN 20 million to MXN 30 million**, though higher amounts may be required depending on the institution's geographic scope and operational plans.

Once the legal entity is formed, the applicant must begin preparing a **comprehensive licensing application** for CNBV approval. This includes submission of detailed **bylaws**, a multi-year **business plan**, and a fully developed **financial model**. These documents

must show how the institution will operate sustainably, manage risks, and comply with capital adequacy standards. The CNBV places particular emphasis on the quality of the institution's internal control framework and its approach to risk-weighted asset management, especially under the increasingly Basel-aligned supervisory regime.

As part of the authorization process, the SOFIPRO must also register with the **Servicio de Administración Tributaria (SAT)** and obtain an RFC number for tax purposes. In parallel, it must be listed with **CONDUSEF**, which reviews consumer-facing documentation and ensures that credit, savings, and other product disclosures comply with legal transparency standards.

A **physical office presence in Mexico** is mandatory and must be sufficient to support all operational, compliance, and customer service functions. This includes employing a core team of qualified personnel in key roles such as general management, compliance, AML, finance, and customer service. These individuals must meet professional suitability standards and, in many cases, be based in Mexico for regulatory oversight purposes.

The institution is also required to establish a **robust compliance program** prior to licensing. This includes AML/CFT procedures, Know Your Customer (KYC) protocols, transaction monitoring, suspicious activity reporting mechanisms, and detailed manuals describing the institution's governance structure, board oversight, and internal audit practices.

Once licensed, the SOFIPRO must submit to a continuous cycle of **regulatory reporting and supervision**. This includes **quarterly financial statements, annual external audits, and routine AML filings** with both CNBV and SAT. The entity must participate in the **Prosofipo insurance fund**, which provides coverage of up to 25,000 UDIs (approximately MXN 211,000) per depositor. Ongoing obligations also include consumer complaint management, board-level risk reviews, and public disclosures designed to ensure transparency and build trust among the communities served.

Due to the importance of financial inclusion in Mexico's regulatory strategy, the CNBV closely monitors all SOFIPROs for solvency, liquidity, and operational soundness. Any significant changes in product offerings, geographic expansion, or shareholding must be disclosed and, in some cases, approved in advance. As such, launching a SOFIPRO is not just about meeting technical requirements—it requires building a long-term relationship with regulators, customers, and community stakeholders grounded in transparency and financial resilience.

VI. 2024–2025 Regulatory Developments

Mexico's non-bank financial sector has entered a phase of accelerated regulatory evolution, with multiple reforms introduced or finalized between late 2023 and mid-2025. These changes reflect the government's dual objectives: to promote financial inclusion and innovation while increasing systemic stability, risk transparency, and consumer

protection. Institutions such as SOFOMs and SOFIPROs, which traditionally operated with significant structural flexibility, are now subject to a more robust regulatory framework aligned with international standards.

One of the most significant developments during this period has been the strengthening of the **AML/CFT regime**, particularly in the areas of remote onboarding and customer due diligence. In response to growing fintech adoption and digital transaction volumes, the **Comisión Nacional Bancaria y de Valores (CNBV)** revised its criteria for non-face-to-face account opening, enforcing stricter identity verification protocols and record-keeping requirements. These reforms are especially impactful for SOFOMs engaging in digital lending, as well as SOFIPROs offering mobile-based savings products. The updates are part of a broader strategy to enhance financial transparency and mitigate vulnerabilities to fraud, illicit finance, and regulatory arbitrage.

Another major development is the recapitalization of the **Prosofipo deposit insurance fund**, which covers customer deposits held at SOFIPROs. Following public concern over fund adequacy and recent interventions involving distressed institutions, the fund's reserve was increased to **MXN 597 million**, providing depositor protection of up to **25,000 UDIs** (approximately **MXN 211,000**) per individual. This expansion not only bolsters public confidence in SOFIPROs but also imposes greater pressure on institutions to maintain higher standards of operational and solvency oversight. CNBV has signaled that institutions with weaker liquidity profiles or inconsistent reporting will face targeted examinations under a more data-driven supervisory approach.

Capital adequacy remains a key focus of reform, particularly for SOFOM ERs and SOFIPROs. While formal minimum capital levels have not been universally raised, regulatory discourse is increasingly guided by the **Basel framework**, encouraging entities to adopt internal risk-weighting systems and establish capital buffers proportional to their asset profiles. As a result, SOFOMs aiming to attract institutional capital or partner with regulated entities are under growing pressure to demonstrate more sophisticated capital management practices and maintain rigorous internal controls.

The regulatory landscape has also been reshaped by reforms to debt collection practices, enacted through amendments to the **Ley de Transparencia y Ordenamiento de los Servicios Financieros**. Effective January 2025, financial institutions, including SOFOMs, are now explicitly responsible for the actions of third-party debt collection agents. These entities must ensure that all collection activities comply with consumer protection standards, including prohibitions on harassment, misrepresentation, and excessive communication. Violations may result in administrative penalties, contract nullification, and reputational damage. For SOFOMs operating at scale, this reform necessitates a thorough review of outsourcing contracts, internal monitoring systems, and complaint resolution protocols.

In addition to compliance and supervision updates, the Mexican government has also made significant efforts to broaden access to capital for smaller financial institutions. A notable reform is the creation of the **Simplified Issuer Regime**, introduced under

amendments to the **Ley del Mercado de Valores** in late 2023. This regime enables qualifying SOFOMs to issue debt or equity instruments in public or private markets through a streamlined registration process, significantly reducing the time and cost associated with traditional securities offerings. Secondary rules from CNBV are expected to take full effect by the end of 2024, offering mid-tier NBFIs a viable path to institutional funding and liquidity diversification.

Together, these regulatory shifts mark a clear transition toward a more integrated, accountable, and capital-efficient non-bank financial sector in Mexico. Institutions that adapt early—by strengthening governance, adopting digital compliance tools, and aligning with risk-based standards—will be best positioned to capitalize on market growth and regulatory goodwill. Conversely, those that delay may find access to funding, partnerships, and even licensing at risk as authorities tighten enforcement and prioritize stability across the sector.

VII. Cross-Border Structuring Options

Mexico's non-bank financial institutions (NBFIs) offer a strategic gateway for international financial services firms seeking efficient access to the Latin American market. Whether through a SOFOM, SOFIPRO, or fintech-licensed entity, these vehicles can be effectively integrated into a broader cross-border financial architecture that includes U.S.-licensed Money Services Businesses (MSBs), Puerto Rico-based International Financial Entities (IFE), UK-based Electronic Money Institutions (EMIs), and other regulated international structures. The resulting synergy allows companies to seamlessly navigate regulatory barriers, optimize their service offerings across jurisdictions, and provide compliant multi-currency solutions to both Mexican and international users.

At the core of this structuring strategy is the **Mexican SOFOM**, a flexible entity that can be used to onboard local customers, originate peso-denominated loans, and process domestic transfers and collections. The SOFOM serves as the front-end platform for MXN-based services and user onboarding, offering legal presence, local client servicing, and direct access to Mexican payment systems such as SPEI. A properly licensed SOFOM ENR or ER can also serve as the intermediary between Mexican clients and offshore financial institutions, acting as a bridge for remittances, lending products, and digital wallet integrations.

In a complementary role, an **International Financial Entity (IFE)** licensed in Puerto Rico under Act 273 can act as the USD anchor for operations. The IFE is particularly effective for managing **U.S. dollar custody**, executing **FX conversions**, and offering **international correspondent banking services** outside the United States. Because IFEs are regulated under U.S. banking law but operate with certain international privileges, they are not restricted by U.S. domestic retail banking limitations, making them ideal for servicing **non-U.S. clients** with dollar-based accounts. This dual-system setup—where the SOFOM manages onboarding and peso operations, and the IFE handles dollar flow

and treasury—enables a powerful, compliant infrastructure for companies offering **remittances, payroll services, digital wallets, or crypto-to-fiat off-ramps**.

Beyond the Mexico–Puerto Rico corridor, other global financial structures may be integrated to scale international services. For instance, a **UK-regulated EMI (Electronic Money Institution)** can provide additional infrastructure for holding client funds, issuing IBANs, and distributing prepaid or reloadable cards. These EMIs often partner with Visa or MasterCard to issue **co-branded cards**, allowing SOFOM clients in Mexico to receive funds that can be spent globally. This model works particularly well for **payroll solutions**, where a Mexican employer or gig platform funds a card via the SOFOM infrastructure, while the EMI or IFE acts as the international program manager and settlement bank.

This multi-jurisdictional structure is also conducive to **cross-border e-commerce acquiring**. A SOFOM can serve as the merchant onboarding and customer identity layer, providing compliance with Mexican regulations. The actual payment processing and card acquiring—whether for Visa, MasterCard, or local schemes like Carnet—can be routed through a U.S. MSB, an IFE, or an EMI, depending on the transaction currency and card origin. Settlement flows can be divided between USD custody offshore and MXN disbursement locally, depending on the merchant’s preference and tax structure.

Cross-border **remittance flows between the United States and Mexico**—a corridor that represents over \$60 billion in annual volume—can also be facilitated through this structure. The SOFOM acts as the Mexican-side receiver of funds, while a U.S. MSB or IFE processes the transaction from the sending side. This setup allows for both bank-to-wallet and card-to-card transfers, depending on user behavior and product design. It also supports compliance with the Bank Secrecy Act (BSA), Mexican AML laws, and FATF recommendations on money transfer systems.

Additionally, this cross-border architecture allows for the issuance and management of **MasterCard- and Visa-branded debit or stored value cards**, including **payroll cards**, which are gaining traction among unbanked and underbanked populations. Cards can be funded from either end of the infrastructure—the SOFOM in Mexico or the IFE/EMI offshore—depending on whether the end-user is a recipient of domestic payroll, international remittances, or e-commerce payouts. These cards may be issued under white-label programs, co-branding arrangements, or through direct BIN sponsorship by international partners.

Taken together, this ecosystem of Mexican NBFIs, U.S. and Puerto Rican financial institutions, and European EMIs enables a **truly borderless financial framework**, tailored for fintech firms, remittance companies, payroll processors, e-commerce gateways, and global payment aggregators. With the right legal structuring, operational design, and regulatory alignment, companies can offer comprehensive financial products—ranging from peso loans and savings to USD custody, card issuance, and cross-border payments—without holding a traditional banking license.

VIII. Compliance & Audit Responsibilities

Operating a licensed financial entity in Mexico—whether a SOFOM, SOFIPRO, or fintech-licensed institution—requires more than regulatory approval; it demands an active and ongoing compliance program that meets both local and international standards. As Mexico continues to align with global financial norms, regulatory authorities such as the **Comisión Nacional Bancaria y de Valores (CNBV)** and **CONDUSEF** have significantly increased their oversight of non-bank financial institutions. Entities that fail to maintain proper compliance infrastructure face not only reputational risk but potential suspension of operations or revocation of their license.

One of the most critical aspects of regulatory readiness is the creation and continuous review of a **comprehensive Anti-Money Laundering (AML) policy**. All financial institutions must maintain documented AML and Counter-Financing of Terrorism (CFT) frameworks that clearly define their risk-based approach to onboarding, transaction monitoring, suspicious activity reporting, and record retention. These policies must be updated periodically to reflect changes in law and operational exposure, and must be submitted to authorities upon request or as part of routine inspection. For entities engaging in digital onboarding or crypto-related services, regulators expect a particularly robust compliance architecture with enhanced due diligence measures and detailed audit trails.

In addition to internal controls, institutions are required to undergo an **annual external audit** by a CNBV-approved independent accounting or compliance firm. These audits assess both financial solvency and regulatory adherence, including compliance with AML statutes, proper classification of assets, and adequacy of risk management systems. The findings are submitted directly to the CNBV and can influence the institution's future licensing status, public trust rating, and eligibility for government programs such as Prosofipo coverage (for SOFIPROs). Failure to produce clean audit reports may lead to corrective action plans, on-site inspections, or in serious cases, financial penalties.

Institutions operating in Mexico are also subject to **U.S.-driven information-sharing obligations**, particularly if they engage in correspondent banking, cross-border transfers, or card issuance linked to U.S. infrastructure. Compliance with **Section 314(a) and 314(b) of the USA PATRIOT Act** is often a prerequisite for establishing or maintaining banking relationships with U.S. institutions. These sections require institutions to have procedures in place for responding to law enforcement requests (314(a)) and to voluntarily share information related to potential money laundering or terrorist financing with other financial institutions (314(b)). While Mexico is not under U.S. jurisdiction, any financial entity seeking access to U.S. payment rails, MSB networks, or FedWire correspondents must demonstrate compliance in practice, which may involve maintaining communication logs, SAR-like reporting mechanisms, and designated compliance liaisons.

Know Your Customer (KYC) and **Customer Due Diligence (CDD)** procedures form the foundation of all AML programs and are strictly enforced in Mexico. Institutions

must verify client identity before account activation, assess customer risk profiles, and maintain documentation in accordance with CNBV regulations. Enhanced Due Diligence (EDD) is required for politically exposed persons (PEPs), foreign clients, or any relationship deemed high risk. Automated tools may be used, but regulators expect human oversight in final approval of flagged or high-risk accounts.

Regulatory expectations have also evolved to include **monthly board-level reporting** on compliance metrics, risk exposure, transaction volumes, and any irregular or suspicious activities. Boards of directors are now expected to play an active role in monitoring compliance, approving new customer categories, and evaluating the institution's exposure to emerging risks. Reports must be structured, data-driven, and stored for inspection during supervisory visits. Institutions that cannot demonstrate ongoing compliance engagement at the board level are increasingly viewed as deficient in governance.

Another area of growing importance is the institution's interaction with **CONDUSEF**, which is tasked with ensuring transparency and consumer protection in financial services. All client-facing disclosures—including contracts, pricing schedules, and product terms—must meet CONDUSEF's fairness standards. Institutions must implement a formal process for receiving, investigating, and resolving customer complaints, including those that arise from third-party providers or outsourcing arrangements. Summary data must be submitted periodically, and entities with poor complaint resolution records may be flagged publicly or called in for corrective dialogue.

How We Can Assist: Compliance & Advisory Services

Navigating regulatory compliance in Mexico's financial sector requires more than just legal registration—it demands ongoing vigilance, systems design, internal oversight, and deep familiarity with both local law and international best practices. Our firm specializes in helping clients establish and maintain a robust compliance framework tailored to the requirements of CNBV, SAT, and CONDUSEF, while also preparing institutions for third-party audits, internal reviews, and cross-border scrutiny. Whether you're launching a new SOFOM, SOFIPRO, or fintech entity, or operating an established NBFi looking to scale or strengthen its regulatory posture, we serve as your strategic compliance partner.

We begin by helping you **design and implement a modern AML compliance program** that includes policy drafting, risk assessments, KYC/CDD protocols, and enhanced due diligence procedures for high-risk clients or cross-border transactions. Our compliance specialists work closely with your team to ensure the program meets not only CNBV guidelines but also aligns with global standards, including FATF, 314(a)/314(b), and U.S. correspondent banking expectations. We also assist in the **creation of transaction monitoring protocols**, thresholds, and alert review workflows using either proprietary or third-party compliance software tools.

For regulated entities subject to **annual audits**, we offer pre-audit preparation and serve as liaison to **CNBV-approved external auditors**. We help you identify and resolve

compliance gaps, align internal documentation with audit standards, and prepare board-level reporting templates that demonstrate effective internal control. Our team also prepares institutions for **regulatory inspections**, including off-site documentation reviews and on-site supervisory visits, ensuring that your responses are timely, organized, and defensible.

Beyond technical compliance, our **advisory services** are focused on identifying and resolving structural or operational issues that may expose your institution to regulatory, reputational, or business model risk. We provide strategic guidance on corporate governance, compliance staffing, organizational design, and internal reporting procedures. Whether you're adapting to new AML/CFT regulations, onboarding international clients, expanding into digital channels, or undergoing a change in control, we help you develop a compliance roadmap aligned with your business objectives.

We also assist with **regulatory communications**, including the drafting of responses to CNBV inquiries, remediation plans following audit findings, and license amendments tied to new products, shareholder changes, or geographic expansion. Our experience across dozens of licensing and post-licensing engagements gives us a unique ability to anticipate and solve regulatory issues before they escalate.

In short, we don't just help you check boxes—we help you build a **compliance culture** that withstands regulatory scrutiny, inspires confidence from partners and investors, and supports sustainable growth.

IX. Tax, Legal, and Ownership Considerations

Establishing a non-bank financial institution (NBFI) in Mexico—whether in the form of a SOFOM, SOFIPRO, or fintech-authorized entity—requires thoughtful attention to tax obligations, legal structuring, and ownership disclosures. While the Mexican regulatory environment offers considerable flexibility and incentives for financial services businesses, it also imposes specific requirements related to tax registration, cross-border transactions, and corporate transparency. Understanding these considerations early in the process is essential for both regulatory compliance and long-term operational efficiency.

One of the most business-friendly features of Mexico's financial licensing regime is the **absence of restrictions on foreign ownership** across all major NBFI types. Whether you are incorporating a SOFOM ENR with 100% offshore capital or establishing a SOFIPRO with a mix of domestic and foreign shareholders, the law permits complete foreign equity participation. Foreign individuals and legal entities may serve as shareholders, directors, and beneficial owners, subject to standard corporate disclosures and KYC requirements. However, care must be taken to align ownership structures with anti-money laundering standards and avoid nominee or opaque arrangements that could trigger regulatory scrutiny during licensing or subsequent inspections.

All Mexican financial entities are required to obtain a **Registro Federal de Contribuyentes (RFC)**—a tax identification number issued by Mexico’s **Servicio de Administración Tributaria (SAT)**. The RFC is used for all tax filings, employer obligations, and financial reporting. It also serves as the basis for AML registry enrollment and for opening institutional bank accounts. If the company will be issuing invoices, paying local vendors, or employing staff, VAT and payroll tax registrations will also be necessary. Entities must file monthly and annual tax returns, and may be subject to audits by SAT in addition to CNBV oversight.

Institutions that rely on foreign affiliates for core services—such as software development, compliance outsourcing, or capital financing—must comply with Mexico’s **transfer pricing regulations**. These rules require intercompany transactions to be priced at arm’s length and fully documented to prevent base erosion and profit shifting. Financial entities must maintain transfer pricing documentation that includes functional and risk analyses, comparable company benchmarking, and local file disclosures. If not properly managed, these relationships can trigger audit flags, unexpected tax liabilities, and compliance penalties. As a result, companies are advised to engage tax counsel or advisors familiar with both local and international standards, particularly if their structure involves shared resources or intra-group revenue flows.

In addition to corporate income tax, institutions distributing profits to offshore shareholders may be subject to **withholding tax on dividends or interest payments**. The standard withholding rate on dividends is currently 10%, but reduced rates or exemptions may apply under Mexico’s extensive network of **double taxation treaties**. For example, distributions to U.S., UK, Canadian, or European Union-based shareholders may benefit from preferential treaty rates, provided proper certification (e.g., tax residency certificates and form filings) is submitted in advance. It is essential to review applicable treaty terms and ensure that tax planning is integrated into the overall legal and corporate strategy to avoid double taxation and maximize return on investment.

Lastly, Mexican law imposes stringent **beneficial ownership disclosure requirements**, which apply to all financial institutions as part of the country’s anti-corruption and anti-money laundering framework. All shareholders—regardless of nationality—must disclose the identity of individuals who directly or indirectly control 25% or more of the entity’s equity or voting rights. This information must be kept current and submitted to regulators during licensing, and may also be requested by SAT, CNBV, or other agencies during audits, AML reviews, or investigations. Entities that fail to disclose true beneficial ownership or that attempt to conceal ownership through layered holding structures may face serious administrative or criminal penalties.

In practice, these legal and tax considerations require institutions to adopt a proactive governance model that includes transparent ownership records, accurate tax reporting, and well-structured contracts with both domestic and foreign service providers. With the right planning, however, Mexico offers one of the most accessible and strategically advantageous jurisdictions in Latin America for launching financial services

businesses—particularly for firms seeking to connect domestic operations with global capital, technology, or payments infrastructure.

X. Our Services

Building and maintaining a compliant financial institution in Mexico involves navigating a complex regulatory environment, balancing strategic business decisions with evolving legal frameworks, and aligning with best practices in governance, risk management, and cross-border operations. Whether you are launching a lending platform, a deposit-taking institution, or a fintech company, our firm offers a full-service solution tailored to your licensing, operational, and strategic goals.

We begin with **entity formation and capital structuring**, guiding you through the incorporation of your Mexican financial entity—typically as a Sociedad Anónima de Capital Variable (S.A. de C.V.)—and ensuring that your corporate purpose aligns with the legal requirements of the license you are pursuing, whether SOFOM ENR, SOFOM ER, or SOFIPRO. We assist in drafting and submitting the foundational documents, establishing shareholder and board agreements, and defining capital contributions in accordance with CNBV expectations and operational needs. Our capital planning expertise ensures you are properly funded not only for approval but for sustainable operation and regulatory credibility.

As stated above, our compliance team prepares and manages all **CNBV registration filings and AML documentation**, including regulatory applications, internal control manuals, anti-money laundering programs, and organizational charts. For regulated entities like SOFOM ERs and SOFIPROs, we guide you through the CNBV approval process step by step, liaising with regulators, responding to document requests, and ensuring your submission meets both legal and technical standards. For SOFOM ENRs and fintechs, we manage the required filings with SAT, CONDUSEF, and local authorities, including AML/CFT registry enrollment.

We also specialize in the development of **business plans, financial models, and regulatory documentation** that not only satisfy licensing requirements but serve as operational blueprints. Our team collaborates with you to define your market scope, service offerings, projected loan book or deposit base, and customer acquisition strategy. We prepare pro forma financials, capital adequacy calculations, and risk management forecasts that align with the expectations of regulators, investors, and institutional partners.

Beyond licensing, we provide **human capital support and infrastructure development** by helping you identify and recruit qualified local staff. Whether you need a compliance officer, finance director, AML analyst, or operations manager, we ensure that your team meets the legal and professional standards required under Mexican law. We also assist with **office setup**, including location scouting, lease negotiation, and physical

establishment of your Mexican presence—a mandatory requirement for all licensed institutions.

To ensure that your institution operates efficiently and meets regulatory standards from day one, we offer **technology integration services** that align your onboarding and compliance systems with best practices. We work with software providers for core banking, KYC/AML screening, transaction monitoring, and digital customer onboarding. Whether you're building a proprietary platform or integrating with third-party providers, we help define your system architecture and ensure proper controls are in place.

Finally, our strength lies in helping clients **connect their Mexican financial entity with international financial institutions**, including U.S.-based MSBs, offshore correspondent banks, and Puerto Rico's International Financial Entities (IFEs). This cross-border strategy is ideal for clients looking to onboard Mexican users into a broader global product offering, manage USD custody offshore, or offer payment services and card issuance backed by U.S. infrastructure. We design and implement this integration across legal, operational, and technological dimensions—creating compliant, scalable systems that bridge domestic licensing with international reach.

From strategic planning to regulatory execution, our comprehensive service suite allows you to focus on growing your financial institution while we handle the complex architecture beneath it. Whether you are launching your first financial venture or expanding an existing operation into Mexico, we are your trusted partner in building compliant, scalable, and resilient institutions.