

MEMO# 5680

March 15, 1994

MEXICO ISSUES DRAFT REGULATIONS FOR FOREIGN FINANCIAL SERVICES FIRMS

ACTION REQUESTED March 15, 1994 TO: INTERNATIONAL COMMITTEE NO. 5-94 RE: MEXICO
ISSUES DRAFT REGULATIONS FOR FOREIGN FINANCIAL SERVICES FIRMS

Attached for your immediate review and comment are draft regulations issued by Mexico on March 10 regarding applications by foreign firms seeking to establish subsidiaries in Mexico to engage in financial services activities. As you know, the Institute worked throughout the NAFTA negotiations to ensure that U.S. investment management firms would have access to the Mexican mutual fund management market post-NAFTA. At the Institute's request, the Treasury Department obtained confirmation from the Mexican government that, following implementation of the Agreement, a U.S. firm may establish a wholly-owned mutual fund operating company in Mexico to sponsor, advise and distribute Mexican mutual funds. The attached draft regulations apparently apply to U.S. firms seeking to establish mutual funds or mutual fund operating companies in Mexico. See Annex Nine and Annex Ten. The regulations may have been finalized as early as March 14, or may be finalized at any time. Please forward any comments to the undersigned at (202) 326-5834 or by fax at (202) 326-5841 as soon as possible, preferably by C.O.B. on Thursday, March 17. Angela C. Goelzer Associate Counsel - International Attachment