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15% or 25%? Mexico's New Beneficial Ownership Puzzle

Client Alert — August 2026

Key takeaways

- **Three analyses, converging standards.** This alert focuses on three beneficial ownership analyses now converging in Mexican corporate transactions: the tax test (control at more than 15% of votes), the corporate test under Chapter IV Bis of the LFPIORPI (more than 25%), and the KYC cascade that the new rules of August 7, 2026 impose on persons and entities conducting Article 17 vulnerable activities.
- **Neither percentage is a safe harbor.** All three can capture control exercised through certain veto rights, the power to appoint or remove a majority of the board, or other rights allowing the holder to direct strategy or principal policies, whatever the equity stake.
- **One file is not enough.** The same structure can yield different beneficial owners under each analysis; a tax UBO file does not, by itself, establish AML compliance.

One question, three tests

With the new general rules under Mexico's anti-money-laundering statute (the LFPIORPI), published in the Federal Official Gazette on August 7, 2026, Mexico's LFPIORPI beneficial ownership regime gained a new, specific KYC methodology for identifying beneficial owners. The tax regime has applied since 2022 under Articles 32-B Ter through 32-B Quinquies of the Federal Tax Code. The tempting shortcut: the Tax Code treats voting rights over more than 15% of capital as control, while the amended LFPIORPI uses 25% (two thresholds, two lists, two safe harbors).

That reading is wrong, and in a live deal it is dangerous. Under both regimes the percentage is only one of three control tests, sitting alongside qualitative ones: the power to impose decisions at shareholders' meetings, to appoint or remove a majority of the board, or to direct the company's management, strategy or principal policies (directly, indirectly or, for tax purposes, even contingently). The tax regime also asks, before counting votes, who ultimately benefits; Chapter IV Bis of the LFPIORPI, by express rule, looks to control alone. The practical consequence: the same structure can yield different UBO determinations under each regime, and a shareholder below both thresholds can be a beneficial owner under both.

Two statutes, three analyses

The tax regime requires Mexican legal entities and, in the case of trusts and other legal arrangements, the fiduciaries, settlors, beneficiaries and other parties specified by the Tax Code to identify, verify and validate their beneficial owners (2026 Miscellaneous Tax Resolution, rules 2.8.1.20–2.8.1.23). For legal entities, the RMF requires applying Article 32-B Quáter successively: ultimate benefit first; then control (through the power to impose decisions, voting rights above 15%, or effective direction of the business), documenting both the ownership chain and the control chain. If no natural person is identified, the rules default to the sole administrator or to every member of the board. Penalties run per unreported beneficial owner (up to MXN $2,249,000 each), and noncompliance may prevent the entity from entering into public contracts covered by Article 32-D.

The amended LFPIORPI (in force since July 17, 2025) defines the Beneficial Owner (expressly equated with the "final beneficiary" and "real owner") by ultimate benefit or ultimate effective control, including voting rights over more than 25% of capital. For Chapter IV Bis purposes, the statute itself is explicit: the beneficial owner is determined solely through control (the test in Article 3, Section III(b)), not through economic benefit. Critically, the regime is no longer confined to KYC by businesses performing regulated "vulnerable activities": new Chapter IV Bis requires Mexican commercial companies (*sociedades mercantiles*) to determine their beneficial owner, retain the supporting record, register the information, and file transfer notices through the Ministry of Economy's electronic system (whether or not they ever transact with a vulnerable activity), subject to fines of 2,000 to 10,000 UMA (approx. MXN $234,620 to $1,173,100 in 2026). The registration contemplated by Article 33 Ter, however, depends on guidelines not yet published in the Official Gazette: the duty exists today; the mechanics remain pending.

The August 2026 rules add a third analysis, applicable to persons and entities conducting Article 17 vulnerable activities subject to the General Rules (financial institutions keep their own sectoral AML regimes): where the client is a legal entity, a cascade (Article 23 Quinquies) looks first to natural persons holding, under any legal title, 25% or more of the equity; then to control by other means tied to strategy, decision-making and principal policies; and, failing both, to the most senior administrative officer or senior management. Trusts are subject to a specific rule. The criteria, measures and procedures for that identification must be set out in the internal policies manual of the person conducting the vulnerable activity, and the rules themselves waive the duty to collect the beneficial owner's identification data where, among other cases, the client is an issuer listed on a Mexican stock exchange or on recognized foreign markets (Article 23 Quinquies 2). Two nuances matter. The statute measures voting rights ("more than 25%"); the rule's first tier measures equity ownership ("25% or more") — and votes and equity can diverge through share series, limited-voting shares or shareholder arrangements. In addition, a holder at exactly 25% is captured by the rule ("25% or more") but falls outside the statute's threshold ("more than 25%"). The rules take effect on November 30, 2026, and the beneficial owner chapter applies to acts and transactions from March 1, 2027; those dates govern that KYC analysis; the corporate obligations under Chapter IV Bis have been in force since July 17, 2025.

The three analyses reflect converging international standards on transparency and beneficial ownership, though they do not derive from a single methodology: the tax regime expressly refers to the FATF and OECD Global Forum standards (Article 32-B Quáter of the Tax Code), while the new KYC cascade largely reproduces the customer due diligence methodology developed by the FATF (Recommendation 10). They share the concern of identifying the natural persons behind a legal structure, but the starting point, the thresholds, who must apply them, and which authority can sanction the result all differ. That is why they look similar enough to be confused and differ enough to create exposure.

The contrast, at a glance

	Tax (Tax Code & 2026 RMF)	**Corporate (LFPIORPI, Chapter IV Bis)**	**Vulnerable-Activities KYC (Art. 18-III & 2026 Rules)**
Who applies it	Mexican legal entities and, for trusts and other arrangements, the parties specified by the Tax Code.	Mexican companies, whether or not they deal with a vulnerable activity.	Persons and entities conducting Article 17 vulnerable activities, as to their clients.
Starting point	Legal entities: ultimate benefit, then control (applied successively).	Effective control only (Art. 3, Section III(b)).	Cascade: ownership; control by other means; senior management.
Quantitative threshold	Voting rights over more than 15% of capital.	Voting rights over more than 25% of capital.	25% or more of the equity (first tier).
Fallback	Sole administrator or every board member.	No express statutory fallback.	Most senior administrative officer or senior management.
Sanctions	Up to MXN $2,249,000 per unreported beneficial owner;	2,000 to 10,000 UMA (Arts. 53-V, 54-II).	200 to 2,000 UMA (Arts. 53-II, 54-I).

	Tax (Tax Code & 2026 RMF)	Corporate (LFPIORPI, Chapter IV Bis)	Vulnerable-Activities KYC (Art. 18-III & 2026 Rules)
	may bar public contracts covered by Art. 32-D.		
Timing	In force since 2022.	In force since July 17, 2025; registration awaits pending guidelines.	Rules: Nov. 30, 2026; cascade applies to acts from March 1, 2027.

Why dealmakers and lenders should care

First, a tax UBO file does not, by itself, establish AML compliance. The tests apply in different orders, the required documentation differs, and even the fallback answer differs: for tax purposes, the entire board; under the new KYC cascade, senior management, while Chapter IV Bis provides no express fallback. In due diligence, the right question is no longer whether the target "has a file," but what methodology it followed under each analysis (and whether it can defend it).

Second, shareholders' agreements can cause minority holders to qualify as beneficial owners. Veto rights over budget or business plan, reserved matters and board appointment rights can place a minority holder (a sponsor at 20%, for instance) within "directing the management, strategy or principal policies" under both regimes, regardless of its stake. Not every minority protection has that effect: the legal question is whether the holder can actually impose decisions, control the composition of management or direct the business, not merely block certain extraordinary actions. The analysis must be refreshed when the SHA is signed or amended, not only at closing.

Third, closing mechanics have changed. Recording in the corporate ledger a transfer of shares or equity interests (or the creation of rights over them) now triggers the Article 33 Bis notice to the Ministry of Economy; and if the transaction changes the identity or participation of a tax beneficial owner, a 15-calendar-day update of the tax file. As good practice, UBO certificates delivered to lenders, agents and trustees should be reconcilable with what the company reports to the tax authority (SAT) and registers with Economy. Reconcilable does not mean identical: the tests differ and the names may legitimately differ; what the company should be able to explain (across regulators, registries and counterparties) is why.

An example: an investment vehicle holds voting rights representing 20% of the capital of a Mexican company, through two offshore holdings, with vetoes over budget, indebtedness and CEO removal. For tax purposes, that 20% block requires tracing the ownership and control chains to determine which natural person or group of natural persons, if any, indirectly exercises those voting rights and meets the more-than-15% threshold. Under Chapter IV Bis, if the relevant natural person or group indirectly exercises voting rights equivalent to 20%, that alone does not meet the more-than-25% test; the vetoes, however, could give rise to control by other means. And when a counterparty performing vulnerable activities applies the new KYC cascade, if no one satisfies ownership or control, the test lands on senior management: three analyses, potentially different answers, each legally correct.

Four questions for your next board meeting

1. Who appears in our tax beneficial owner file, and why: percentage, contract, or the fallback rule?
2. Does that determination reconcile with the Chapter IV Bis control analysis (in force since July 2025) and with the KYC cascade that counterparties performing Article 17 vulnerable activities will apply, where applicable, from March 2027?
3. What vetoes, appointment rights or reserved matters exist in by-laws or shareholders' agreements that could amount to control without ownership?
4. If the SAT, the FIU or a buyer asked tomorrow, could we produce the full methodology (not just the answer)?

What companies should do now

An existing beneficial ownership file, however carefully assembled, should not be presumed sufficient (or correct) merely because it exists. The three analyses apply different methodologies, thresholds and documentation requirements and may legitimately produce different determinations for the same structure. Companies, investment vehicles, trusts and other arrangements subject to these rules should therefore review and validate whether their existing determinations, supporting documentation, filings, corporate records and internal procedures are properly designed, internally consistent and defensible under each applicable framework (not merely the one for which they were originally prepared).

Timing favors the diligent. Deficiencies in this area rarely surface on a company's own schedule. They emerge when the SAT questions a filing, when the Ministry of Economy's registration framework becomes operational, when a buyer's diligence team asks for the methodology behind a determination, or when a lender, agent or trustee requests a certification that must be reconciled with information provided elsewhere.

A focused legal review can identify those issues before they become transactional or regulatory problems. That review should trace ownership and control chains, test by-laws and shareholders' agreements against the applicable control standards, and consolidate structure charts, powers of attorney, trust documentation and other relevant records into a reliable information base capable of supporting separate, reasoned and reconcilable determinations under each applicable framework. Gaps can then be addressed deliberately—before they crystallize into fines, regulatory inquiries, purchase-price adjustments, indemnity issues or conditions to closing.

Chapter IV Bis already applies. The March 1, 2027 date relates only to the new KYC component. It should be viewed as a timetable for getting the analysis right (not as a grace period).

Closing takeaway

Having a “beneficial owner file” no longer means that the beneficial ownership question has been answered. In Mexico, that question must now be tested through multiple legal frameworks, and the number of settings in which the answer may be scrutinized (by authorities, registries, counterparties and transaction diligence teams) has increased accordingly.

The challenge is therefore not simply to reach a conclusion, but to ensure that each determination is legally supportable, properly documented and reconcilable with the others. That exercise sits at the intersection of tax, corporate and anti-money-laundering law and benefits from an integrated review across all three disciplines: testing existing determinations, identifying documentation and compliance gaps, assessing their implications for current structures and pending transactions, and implementing any corrective measures the review reveals.

Companies that use the months ahead to test and strengthen their own analysis will be better positioned to address the beneficial ownership question on their own terms, before it arises as a regulatory finding or a transaction issue.

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The analysis reflects the provisions in force and the public information available as of August 19, 2026. The beneficial ownership regime remains in flux: as of this date, the guidelines for the register contemplated by Article 33 Ter of the LFPIORPI have not been published in the Federal Official Gazette, and the beneficial owner chapter of the General Rules will not apply to acts and transactions until March 1, 2027. The competent authorities may adopt positions different from those described here, and we assume no obligation to update this document for subsequent legislative, administrative or judicial developments.

Any beneficial ownership determination depends on the specific facts, capital structure and contractual arrangements involved, and different conclusions may each be legally correct under the three analyses described above. Before making any decision or committing to a transaction, we recommend obtaining advice tailored to the particular structure. No liability is accepted for any use of this document without such advice.