Basel Committee
on Banking Supervision

Regulatory Consistency Assessment Programme (RCAP)

Assessment of Basel NSFR regulations – Mexico

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Glossary

ASF	Available stable funding
Banxico	Bank of Mexico (Banco de México)
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
C	Compliant (grade)
CNBV	Comisión Nacional Bancaria y de Valores
CRLB	Committee of Banking Liquidity Regulation
D-SIB	Domestic systemically important bank
G-SIB	Global systemically important bank
HQLA	High-quality liquid assets
LC	Largely compliant (grade)
LCR	Liquidity Coverage Ratio
LIC	Ley de Instituciones de Crédito (Credit Institutions Law)
MDB	Multilateral development banks
MFA	Mexican Financial Authorities (Banxico and CNBV)
MNC	Materially non-compliant (grade)
NC	Non-compliant (grade)
NDB	National development bank
NSFR	Net Stable Funding Ratio
PSE	Public sector entity
RCAP	Regulatory Consistency Assessment Programme
RSF	Required stable funding
SHCP	Secretaría de Hacienda y Crédito Público (Ministry of Finance and Public Credit)

Preface

The Basel Committee on Banking Supervision (Basel Committee) places a high priority on the implementation of regulatory standards underpinning the Basel III framework. The prudential benefits from adopting Basel standards can only fully accrue if these are implemented in a full, timely and consistent manner by all member jurisdictions. The Committee established the Regulatory Consistency Assessment Programme (RCAP) to monitor, assess and evaluate its members' implementation of the Basel III framework.[1]

This report presents the findings of an RCAP Assessment Team (Assessment Team) on the adoption of the Basel Net Stable Funding Ratio (NSFR) standard in Mexico. The assessment focused on the completeness and consistency of the Mexican regulations with the Basel NSFR standard and relied on the information provided by the Mexican Financial Authorities (MFA).

The Assessment Team was led by Mr Jonas Niemeyer, Senior Adviser at Sveriges Riksbank (Riksbank), and comprised four technical experts, from the European Banking Authority (EBA), the Indonesia Financial Services Authority (OJK), the Financial Stability Institute (FSI) and the US Office of the Comptroller of the Currency (OCC) (see Annex 1). The main counterparts for the assessment were Bank of Mexico (Banxico) and Comisión Nacional Bancaria y de Valores (CNBV), comprising the MFA. The work was coordinated by the Basel Committee Secretariat with support from staff of the Riksbank.

The assessment comprised: (i) a self-assessment by the MFA; (ii) an assessment phase; and (iii) a review phase including a technical review of the Assessment Team's findings by a separate RCAP Review Team and the Basel Committee. The assessment report ultimately reflects the view of the Basel Committee.

The Assessment Team acknowledges the cooperation received from Banxico and CNBV throughout the assessment process.

[1] See www.bis.org/bcbs/implementation.htm.

Executive summary

The Mexican framework for NSFR requirements was adopted through the General provisions on liquidity requirements for commercial banks (Liquidity Provisions), which were published on 23 August 2021 and amended by a Resolution published on 1 March 2022. The Liquidity Provisions entered into force on 1 March 2022, more than four years after the Basel Committee's agreed implementation date of 1 January 2018. The standard is applied to all commercial banking institutions in Mexico, including subsidiaries of foreign banks.

Overall, as of 30 September 2023, the NSFR regulations in Mexico are assessed as compliant with the Basel NSFR standard. This is the highest possible grade. Each of the four grading components (scope, minimum requirements and application issues; available stable funding (ASF); required stable funding (RSF); and disclosure requirements) are also assessed as compliant. There is only one finding identified and it is not material.

Response from the Mexican authorities

The National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores - CNBV) and the Bank of Mexico (Banco de México - Banxico) appreciate the opportunity to comment on the RCAP assessment of Basel III NSFR regulations for Mexico and would like to thank the Assessment Team, led by Mr Jonas Niemeyer, as well as BCBS Secretariat members and supporting staff from the Sveriges Riksbank, for their dedication and professional work throughout the assessment process.

The Mexican Financial Authorities (MFA) welcome the overall compliant assessment of the regulation that implements the Basel NSFR standard in Mexico, which was issued on 23 August 2021 and entered into force on 1 March 2022 without phase-in arrangements. Implementation came later than the Basel proposed date as adoption was postponed from 2020 to 2022 due to the Covid-19 pandemic. The Mexican regulation was prepared, taking the Basel standard as basis, which is reflected in the assessment grade. While the Assessment Team identified a few differences between the Basel standard and the Mexican standard, these differences address specific features of the Mexican financial and legal context and do not constitute deviations from the standard nor pose a risk to financial stability. These differences and the rationale behind them were discussed extensively during the meetings.

Finally, the result of the RCAP assessment confirms the MFA's commitment to continue advancing, within the scope of their mandate, towards the full implementation of the Basel standards. The MFA recognise the value of the RCAP to foster a full, timely and consistent implementation of the standards, and as an instrument to achieve transparency, accountability and a level playing field among jurisdictions.

1 Assessment context

1.1 Regulatory system

The regulation of the Mexican banking system is carried out by three main authorities: the CNBV, Banxico (the Mexican central bank), and the Ministry of Finance and Public Credit (SHCP) (the executive branch in charge of regulating financial institutions).[2] The main bank regulator in Mexico is the CNBV, which is an independent agency of SHCP, that regulates the organisation and operation of banking institutions. The supervision is carried out mainly by the CNBV as the primary supervisory authority over banking activity, while Banxico is directly involved in the supervision of those regulatory requirements that it issues on its own or jointly with the CNBV (such as liquidity regulations).

Regarding the liquidity regulation, the Credit Institutions Law (LIC), the main body of banking law, establishes the Committee of Banking Liquidity Regulation (CRLB) with powers to set out the general guidelines and reference structure for liquidity requirements for Mexican banks. The members of the CRLB include the SHCP, the CNBV and Banxico. Based on these general guidelines, the CNBV and Banxico jointly issue or amend the Liquidity Provisions, which implement both the Liquidity Coverage Ratio (LCR) and the NSFR. The CNBV is responsible for supervising compliance with this regulation. However, institutions report their liquidity ratios to Banxico, along with the necessary information to verify them.

The provisions containing the Basel standards are mandated by law and implemented through regulation and are binding for all commercial banks. The 2015 RCAP assessment on the binding nature of regulatory documents in Mexico remains valid (see Annex 2).

1.2 Status of NSFR implementation

In Mexico all commercial banking institutions are subject to the regulation, which implements the Basel III NSFR standard, requiring banks to have an NSFR of at least 100%. Universal banking institutions and subsidiaries of foreign financial institutions, all operate as locally incorporated banks. Thus, the NSFR standard applies both to subsidiaries of foreign banking institutions and to institutions that are predominantly domestic.

The Liquidity Provisions were published in the Official Journal of the Federation on 23 August 2021 and amended by a Resolution published in the Official Journal of the Federation on 1 March 2022. They entered into force on 1 March 2022 without any phase-in arrangements. Adoption was postponed from 2020 to 2022 due to the Covid-19 pandemic. Nevertheless, it is worth mentioning that since 2017 banks have been submitting a regulatory reporting to the MFA in order to calculate the NSFR.

1.3 Scope of the assessment

The Assessment Team considered the NSFR requirements applicable to a sample of banks in Mexico as of 30 September 2023. The assessment had two dimensions:

- a comparison of Mexican regulations with the Basel NSFR standard to ascertain that all the required provisions have been adopted (*completeness* of the regulations); and
- whether there are any differences in substance between Mexican regulations and the Basel NSFR standard and, if so, their significance (*consistency* of the regulations).

[2] Regulations pertaining to specific sectors or institutions are typically issued by the corresponding supervisory agency. For example, banking regulations are issued by the CNBV and Banxico. However, the SHCP has the power to issue regulations related to financial groups, the establishment of subsidiaries of foreign financial institutions in Mexico, development banks, among others.

In its assessment, the RCAP Assessment Team considered all binding documents that effectively implement the Basel NSFR standard in Mexico. Annex 2 lists the Basel standards used as the basis for the assessment. However, it is not within the scope of the assessment to evaluate the adequacy of liquidity or the resilience of the banking system in Mexico or the supervisory effectiveness of the MFA.

The Assessment Team evaluated the materiality and potential materiality of identified deviations between the Basel NSFR standard and Mexican regulations. The evaluation was made using the sample banks outlined in Annex 4, representing around 72% of total banking assets in Mexico. This sample consists of six domestic systemically important banks (D-SIBs). Five out of these six banks are subsidiaries of foreign banks and therefore considered by the MFA as internationally active banks. These five banks comprise about 92% of the assets of all internationally active banks operating in Mexico. In addition, the Assessment Team reviewed the non-quantifiable impact of the identified deviations and applied expert judgment as to whether the Mexican regulations meet the Basel NSFR standard in letter and in spirit. The materiality assessment is summarised in Annex 4.

The outcome of the assessment is summarised using a four-grade scale, both for each of the four key components of the Basel NSFR framework and for overall compliance. The four grades are compliant (C), largely compliant (LC), materially non-compliant (MNC) and non-compliant (NC).

2 Assessment findings

2.1 Assessment grades and summary of findings

Overall, the Assessment Team finds the implementation of the NSFR in Mexico to be compliant with the Basel standard. This grade is based on the materiality assessment as summarised in Annex 4.

Assessment grades — Table 1

Component of the Basel NSFR framework	Grade
Overall grade	C
Scope, minimum requirement and application issues	C
Available stable funding (numerator)	C
Required stable funding (denominator)	C
NSFR disclosure requirements	C

Assessment scale: C (compliant), LC (largely compliant), MNC (materially non-compliant) and NC (non-compliant).

2.1.1 Scope, minimum requirement and application issues

This component is assessed as compliant with the Basel standard.

The Assessment Team identified one not material finding, which relates to the condition that jurisdictional NSFR regulations must require NSFR implementation to be supplemented by supervisory assessment work. More specifically, the Mexican regulations do not include the provision that supervisors may require an individual bank to adopt more stringent standards given specific concerns about a bank's funding profile.

There is one observation. The NSFR was implemented in Mexico as of 1 March 2022, more than four years after the Basel Committee's agreed implementation date of 1 January 2018.

2.1.2 Available stable funding

This component is assessed as compliant with the Basel standard. No findings were identified.

There is one observation related to the consideration of reputational factors for liability and equity with options exercisable at the bank's discretion, which is not explicitly mentioned in the Mexican regulations.

2.1.3 Required stable funding

This component is assessed as compliant with the Basel standard. No findings were identified.

There are two observations. The first relates to the consideration of reputational factors for assets with options exercisable at the bank's discretion, which is not explicitly mentioned in the Mexican regulations. The second is that the Mexican regulations allow certain transactions with funding from national development banks to be considered interdependent, while the principal amounts and maturities of the liabilities may exceed those of their corresponding assets.

2.1.4 Disclosure requirements

This component is assessed as compliant with the Basel standard. No findings were identified.

There is one observation. The NSFR disclosure requirements were implemented in Mexico on 1 March 2022, ie more than four years later than the Basel Committee's agreed implementation date of 1 January 2018.

2.2 Detailed assessment findings

2.2.1 Scope, minimum requirement and application issues

Section grade	**Compliant**
Basel paragraph number	11: Definition and Minimum Requirements
Reference in the domestic regulation	Article 5 Fraction III and IV; Articles 19 to 22.// LIC Article 96 Bis 96 Bis1, and 128
Finding	The Basel NSFR standard specifies that as a key component of the supervisory approach to funding risk, the NSFR must be supplemented by supervisory assessment work. Further, supervisors may require an individual bank to adopt more stringent standards to reflect its funding risk profile and the supervisor's assessment of its compliance with the Sound Principles. The Mexican regulations do not specifically include the provision that supervisors may require an individual bank to adopt more stringent standards given specific concerns about a bank's funding profile or concerns about compliance with the Sound Principles. The MFA note that while they have powers to impose stricter requirements on specific banks, liquidity rules are to be implemented as general provisions, applicable to all regulated entities. There is no formal Pillar 2 framework. Therefore, if the supervisors determined that an individual institution would require a more stringent approach, the general national regulations would be amended to address the supervisory concerns. Such modified regulations would be applicable to all banking institutions to prevent any other bank from taking such risks in the future. The authorities note that such amendments may be implemented swiftly as the authorities have the ability to make such amendments without going through Congress. In the view of the Assessment Team, this finding is not material based on the ability of the MFA to amend regulations swiftly (within a few weeks) and the low likelihood of impact to the NSFR. Also, the Assessment Team determined that it was more of a supervisory issue and not a deficiency in NSFR calculation requirements.
Materiality	Not material

2.2.2 Available stable funding

This component is assessed as compliant with the Basel standard. No findings were identified.

2.2.3 Required stable funding

This component is assessed as compliant with the Basel standard. No findings were identified.

2.2.4 Disclosure requirements

This component is assessed as compliant with the Basel standard. No findings were identified.

2.3 Observations

The following observations highlight certain special features of the regulatory implementation of the Basel NSFR standard in Mexico. These are presented to provide additional context and information. Observations are considered compliant with the Basel standards and do not have a bearing on the assessment outcome.

2.3.1 Scope, minimum requirement and application issues

Basel paragraph number	8: Introduction
Reference in the domestic regulation	Transitory First article
Observation	The Basel Committee agreed that the Basel NSFR standard should become a minimum requirement on 1 January 2018. The NSFR in Mexico came into effect on 1 March 2022. The MFA noted the adoption of the NSFR was initially planned for 2020; however, it was postponed due to the Covid-19 pandemic.

2.3.2 Available stable funding

Basel paragraph number	18: Definition of Available Stable Funding
Reference in the domestic regulation	Article 18 Fraction I and IV; Annex 6 Fraction I
Observation	The Basel NSFR standard states that when determining the maturity of an equity or liability instrument, investors are assumed to redeem a call option at the earliest possible date. For funding with options exercisable at the bank's discretion, supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option. In particular, where the market expects certain liabilities to be redeemed before their legal final maturity date, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these liabilities in the corresponding ASF category. The Mexican regulations specify that when determining the maturity of an equity or liability instrument, investors are assumed to redeem a call option at the earliest possible legally defined date. However, for funding with options exercisable at the bank's discretion, the Mexican regulations do not specify that supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option. As a result, for funding with such options, a bank does not have to assume a shorter maturity date than the contractual maturity date, even if the market may expect the liabilities to be redeemed before their contractual maturity date. Overall, given actual Mexican market practices, the Assessment Team considers this missing reference to reputational factors in the Mexican regulations to have low relevance in practice.

2.3.3 Required stable funding

Basel paragraph number	29: Definition of Required Stable Funding

Reference in the domestic regulation	Article 18 Fractions I, II, III
Observation	The Basel NSFR standard states that when determining the maturity of an instrument, investors should be assumed to exercise any option to extend maturity. For assets with options exercisable at the bank's discretion, supervisors should take into account reputational factors that may limit a bank's ability not to exercise the option. In particular, where the market expects certain assets to be extended in their maturity, banks and supervisors should assume such behaviour for the purpose of the NSFR and include these assets in the corresponding RSF category. The Mexican regulations specify that when determining the maturity of an instrument, investors should be assumed to use any option to extend maturity. However, for assets with options exercisable at the banks' discretion, the Mexican regulations do not specify that supervisors should take into account reputational factors that may limit the banks' ability not to exercise the option. As a result, for assets with such options, a bank does not have to assume a longer maturity date than the contractual maturity date on which the bank could request the payment, even if the market may expect the maturity of the assets to be extended. Overall, given actual Mexican market practices, the Assessment Team considers this missing reference to reputational factors in the Mexican regulations to have low relevance in practice.
Basel paragraph number	45: Interdependent assets and liabilities
Reference in the domestic regulation	Article I Fraction XXI; Annex 7 Fraction 1
Observation	The Basel NSFR standard states that national supervisors have discretion in limited circumstances to determine whether certain asset and liability items are interdependent such that the liability cannot fall due while the asset remains on the balance sheet, the principal payment flows from the asset cannot be used for something other than repaying the liability, and the liability cannot be used to fund other assets. For interdependent items, supervisors may adjust RSF and ASF factors so that they are both 0%, subject to certain criteria, including the following: • The maturity and principal amount of both the liability and its interdependent asset should be the same. The Mexican regulation allows certain transactions with funding from national development banks [3] to be considered interdependent where the maturities and principal amounts of liabilities are equal to or greater than those corresponding to assets. Therefore, the principal and maturity of the liability and its interdependent asset may not match. The MFA indicate that interdependent transactions are only considered for certain development bank contractual transactions. The mismatches occur due to operational reasons as funds transferred in may not be transferred out on the same day. The funding received from development banks is tied to the funding granted or to be granted to clients meeting specific criteria. Further, the funding from the development banks is tapped when everything is ready to grant the funding to the client. Should the funding fall through, the bank would have to return the funding to the development banks, and not be able to use it for any other purpose. For the sample of banks (D-SIBs) as of December 2022, interdependent assets and liabilities matched perfectly and represent 0.3% of total assets and 0.5% of the weighted ASF. The MFA apply a 0% ASF factor to excess liabilities, reflecting the fact that these resources cannot be used to fund other types of assets, thus providing no benefit to the institutions from excess funding. Additionally, maturity mismatches do not typically occur in practice. The Assessment Team reviewed transactions from October 2022 to March 2023 and found that all sample banks reported that interdependent assets and liabilities were matched.

[3] National development banks are Public sector entities (PSEs) and are part of the Federal Public Administration. By law, Mexican national development banks have a sovereign backstop for capitalisation and an explicit sovereign guarantee for liabilities.

2.3.4 Disclosure requirements

Basel paragraph number	LIQ2 date
Reference in the domestic regulation	Transitory First; Article 8; Annex 10
Observation	The Basel Committee agreed that the Basel NSFR standard should become a minimum requirement on 1 January 2018 with disclosure requirements effective from the date of first reporting following 1 January 2018. The NSFR disclosure requirements in Mexico came into effect on 1 March 2022. The MFA noted the adoption of the NSFR was initially planned for 2020; however, it was postponed due to the Covid-19 pandemic.

Annexes

Annex 1: RCAP Assessment Team and Review Team

Assessment Team Leader

Mr Jonas Niemeyer	Sveriges Riksbank

Assessment Team members

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Mr Adityo Pamudji	Indonesia Financial Services Authority
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Review Team members

Mr Jes Klausby	National Bank of Denmark
Ms Joanne Marsden	Basel Committee Secretariat
Ms Olaotse Matshane	South African Reserve Bank
Mr Qi Xiang	National Financial Regulatory Administration

Annex 2: List of Basel standards and implementing regulations issued by the Mexican authorities

The following Basel standards were used as the basis of this RCAP assessment:

- *Basel III: the Net Stable Funding Ratio*, October 2014
- *Basel III – The Net Stable Funding Ratio: frequently asked questions, February 2017*
- *Pillar 3 disclosure requirements – consolidated and enhanced framework*, March 2017
- *Implementation of net stable funding ratio and treatment of derivative liabilities*, October 2017
- *Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio, June 2018*

Table A.1 lists the regulations issued by the MFA to implement the NSFR in Mexico. Previous RCAP assessments of the Mexican implementation of the Basel standards considered the binding nature of regulatory documents in Mexico.[4] This RCAP Assessment Team did not repeat that assessment, but instead relied on the previous assessments' findings. Those assessments concluded that the types of instruments described in Table A.1 could be considered as binding on banks and supervisors for the purposes of an RCAP assessment.

Overview of relevant liquidity regulations in Mexico — Table A.1

Domestic regulations	Type, version and date
General provisions on the liquidity requirements for commercial banks	Regulation issued in August 2021, revised in March 2022.

Source: Banxico and CNBV.

[4] See *RCAP Assessment of Basel III LCR in Mexico*, Section 1.2 and Annex 6, March 2015, www.bis.org/bcbs/publ/d316.pdf.

Annex 3: Key liquidity indicators of the Mexican banking system

Overview of Mexican banking sector liquidity as of end 2022 — Table A.2

Size of banking sector (MXN, millions)		
Total exposures of all banks operating in Mexico (including off-balance sheet exposures)	12,391,059	
Total assets of all locally incorporated internationally active banks	8,093,816	
Total assets of locally incorporated banks to which liquidity standards under the Basel framework are applied	12,391,059	
Number of banks		
Number of banks operating in Mexico (excluding local representative offices)	50	
Number of global systemically important banks (G-SIBs)	0	
Number of D-SIBs	6	
Number of banks which are internationally active	22	
Number of banks required to implement Basel III liquidity standards	50	
Number of banks required to implement domestic liquidity standards	N/A*	
Breakdown of NSFR for 6 RCAP sample banks (MXN, millions)	**Unweighted**	**Weighted**
Capital	1,044,949	1,044,949
Stable deposits from retail and small business customers	2,084,496	1,980,292
Less stable deposits from retail and small business customers	883,075	794,789
Unsecured funding from non-financial corporates	1,559,742	779,871
Unsecured funding from central banks, sovereigns, PSEs, MDBs and NDBs	534,857	286,632
Unsecured funding from financials (other legal entities)	247,993	72,779
Secured funding (all counterparties)	1,056,662	309,259
Other liabilities	835,361	347,224
Total available stable funding	8,247,135	5,615,796
Cash and central bank reserves	673,128	0
Loans to financial institutions	388,933	73,311
Securities eligible as Level 1 HQLA	2,033,138	143,802
Securities eligible as Level 2A HQLA	28,982	6,702
Securities eligible as Level 2B HQLA	11,520	5,760
All residential mortgages	1,121,825	873,688
Loans, <1 year	266,962	133,432
Other loans, >1 year, risk weight<=35%	350,597	227,888
Loans, risk weight>35%	2,654,011	1,883,144
Derivatives	39,072	35,643
All other assets	1,499,054	853,728
Off-balance sheet	2,806,517	107,234
Total required stable funding	11,873,739	4,344,333
NSFR		129.27%

* Note that in Mexico all commercial banking institutions are subject to the same liquidity regulation, which implements the Basel III NSFR standard.

Source: Banxico and CNBV.

Annex 4: Materiality assessment

The outcome of the RCAP assessment is based on the materiality of the findings described in Section 2.2 and summarised in Table A.3. Assessment Teams evaluate the materiality of findings quantitatively where possible, or using expert judgment when the impact cannot be quantified.

The materiality assessment for quantifiable gaps is based on the cumulative impact of the identified deviations on the reported NSFRs of banks in the RCAP sample. These banks are listed in Table A.4.

Number of deviations by component — Table A.3

Component	Not material	Potentially material	Material
Scope, minimum requirement and application issues	1	0	0
Available stable funding (numerator)	0	0	0
Required stable funding (denominator)	0	0	0
NSFR disclosure requirements	0	0	0

RCAP sample banks — Table A.4

Banking group	Share of banks' assets in the total assets of the Mexican banking system (in per cent) end 2022
BBVA México S.A.	22.00
Banco Santander (México) S.A.	13.24
Banco Nacional de México S.A. (Citibanamex)	11.68
Banco Mercantil del Norte S.A.	12.16
HSBC México S.A.	6.91
Scotiabank S.A.	6.52
Total	72.52

For this purpose, banking assets are based on the measure of total exposures used in the leverage ratio, which includes both on- and off-balance sheet exposures.

Source: Banxico and CNBV.

Annex 5: Elements of the NSFR subject to national discretion

Implementation of national discretions by the Mexican authorities — Table A.5

Basel paragraph	Description	National implementation
25(a)	Treatment of deposits between banks within the same cooperative network	It is not applicable since there are no banking cooperative networks in Mexico.
31	Treatment of excess collateral in a covered bond collateral pool allowing for multiple issuance	It is not applicable since there are no covered bonds in Mexico. Moreover, all encumbered collateral has an ASF factor determined by the remaining encumbrance period.
31, 36	Treatment of central bank operations	• Required stable funding (RSF) factor for required reserves: 0%. • RSF for assets encumbered for exceptional liquidity operations: All encumbered assets receive an RSF factor according to the remaining encumbrance period. Only in exceptional cases, not used since the regulation came into force, Banxico, with the opinion of the CNBV, could lower the RSF factor for assets encumbered in exceptional operations with the central bank, and only up to the RSF factor for the same unencumbered asset type. In such cases, Banxico will communicate it to banks through the proper guidance. • Treatment of derivative transactions with central banks arising from short-term monetary policy and liquidity operations: this is not applicable since Banxico does not conduct derivative transactions with banks for monetary or liquidity operations.
43	RSF factor for derivative liabilities	5% RSF factor
45	Treatment of interdependent assets and liabilities	0% RSF/ASF is allowed for certain operations with funding from national development banks. The regulation requires that the maturity and principal amount of the liability should be at least equal to or greater than the maturity and principal amount of the assets. This is considered to be more conservative than the standard. This treatment reflects operational mismatches in which for a subset of operations (eg microloans), some maturity and size mismatches could occur for operational reasons. Following the standard purpose, the regulation assures that the maturity and principal amount of the liability have to be equal to or greater than the asset to be classified as an interdependent operation.
47	RSF factors for other contingent funding obligations	5% RSF for all contingent funding obligations, including unconditionally revocable credit lines, trade finance obligations and other non-contractual obligations. 100% RSF for the contingent financial support that the bank's board decides is appropriate to reflect liquidity risk from entities within the same group that are not required to consolidate (either legally or in accordance with accounting rules). The contingent financial support is determined by the board of each bank and seeks to reflect the liquidity risks arising from entities in the same group in addition to those that are required to consolidate legally or in accordance with the accounting rules.

50	Scope of application of NSFR and scope of consolidation of entities within a banking group	All commercial banks incorporated in Mexico (including subsidiaries of foreign banks) are subject to this regulation. Banking institutions are required to consolidate all entities subject to consolidation in accordance with legal or accounting rules. Additionally, commercial banks could decide to consolidate or consider contingent financial support for other financial entities within the same group (aside from the ones required to consolidate in accordance with legal or accounting rules) that could pose a liquidity risk due to their operations.

Source: Banxico and CNBV.