



# Cartels, Sanctions, and Terrorism Designations: A Practical Glossary

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Miller & Chevalier  
**SAINZ**

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## INTRODUCTION

On January 20, 2025, on his first day in office, President Trump issued Executive Order (E.O.) 14157, "Designating Cartels and Other Organizations as Foreign Terrorist Organizations [FTOs] and Specially Designated Global Terrorists [SDGTs]." Since then, the Trump administration's policy focus on FTOs, cartels, immigration, and drug and human trafficking in Latin America has impacted compliance risk management for companies operating in the region.

While working to adapt to these new enforcement priorities, companies have been introduced to new sets of laws, government agencies, and risks that they might not have considered before, with terminologies that were not previously commonplace in the corporate compliance lexicon. U.S.-based **Miller & Chevalier** and Mexico-based **Sainz Abogados** have published this practical glossary on cartels, sanctions, and terrorism designations to serve as a resource guide for legal and compliance teams in understanding and navigating this new regulatory landscape.

The Trump administration's enforcement efforts have overwhelmingly focused on Mexico. In 2025, the U.S. Department of Treasury added 235 Latin American individuals and entities to the Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) list, many of whom are Mexico-based. The U.S. Department of Justice (DOJ) announced dozens of indictments, charges, and convictions of individuals affiliated with FTOs, many of which involved alleged misconduct in Mexico. The DOJ brought criminal charges against alleged leaders of La Nueva Familia Michoacana, Cártel de Sinaloa, Cártel de Jalisco Nueva Generación (CJNG), and Cártel de los Unidos, and charged both U.S. and Mexican nationals with providing material support to them. Treasury's Financial Crimes Enforcement Network (FinCEN) issued orders against three prominent Mexican financial institutions for being primary money laundering concerns in connection with illicit opioid trafficking, prohibiting U.S. financial institutions from transmitting any funds to and from these entities.

In these ways, the Trump administration is invoking with great fervor certain U.S. federal civil and criminal laws and international standards that include the U.S. Antiterrorism Act (ATA), economic sanctions, the Foreign Corrupt Practices Act (FCPA), anti-money laundering (AML) laws, and business and human rights considerations. These developments also implicate Mexican laws, including the Código Penal Federal (CPF) (Federal Criminal Code), Código Fiscal de la Federación (CFF) (Federal Tax Code), and Ley Federal Contra la Delincuencia Organizada (Federal Law Against Organized Crime). The developments have also been bolstered by close interagency coordination within the U.S. government and a new level of coordination between U.S. and Mexican authorities on pursuing FTOs and SDGTs.

These developments heighten enforcement risks for those doing business in Mexico. Companies, both international and Mexican, face potential criminal and civil liability for knowingly providing "material support" to FTOs. U.S. companies and Mexican companies with certain ties to the United States are directly exposed even for unknowing dealings with FTOs or SDGTs. Financial institutions,

both U.S. and Mexican, may face enforcement actions or designation as financial institutions of "primary money laundering concerns," with significant legal, business, and reputational repercussions. U.S. authorities benefit from broad jurisdictional reach when applying these laws; Mexican companies with no nexus to the United States run the risk of designation by OFAC. In tandem, Mexican authorities are more active with their efforts, intervening and liquidating Mexican banks found to be money laundering concerns, enhancing their audits of other Mexican financial institutions, and coordinating the rollout of new cross-border enforcement actions with U.S. authorities.

As a result of these developments, C-Suites and legal and corporate compliance departments of companies from Mexico or with a presence in Mexico are quickly familiarizing themselves with new laws and terminologies related to FTOs and SDGTs. To facilitate this effort, Miller & Chevalier and Sainz Abogados have created this glossary of key terms, their meanings, and how they are relevant. The report covers legal and regulatory terms as well as colloquial terms used in Mexico to describe activity related to cartels and corruption.

*The information in this glossary is not intended to provide legal advice or an opinion on specific facts to the readers and does not create an attorney-client relationship. It does not seek to describe or convey the quality of any legal services. Miller & Chevalier and Sainz Abogados encourage readers to seek qualified legal counsel regarding FTOs, SDGTs, or any other legal issue.*

# UNITED STATES CONCEPTS

CONCEPT	EXPLANATION
<i>DOJ-Relevant Concepts</i>	
<b>1 U.S. Department of Justice (DOJ)</b>	<p>The primary U.S. criminal enforcement authority. As relevant here, the DOJ has primary authority to prosecute companies and individuals for knowing material support for FTOs, willful violations of sanctions involving SDNs, SDGTs, and Specially Designated Nations and Blocked Persons pursuant to the Foreign Narcotics Kingpin Designation Act (SDNTKs), public corruption related to cartels under the FCPA, and money laundering tied to terrorist financing.</p> <p>DOJ coordinates with FinCEN, OFAC, and other U.S. agencies. It often resolves corporate cases through Deferred Prosecution Agreements (DPAs), Non-Prosecution Agreements (NPAs), and other resolutions.</p>
<b>2 DOJ National Security Division (NSD)</b>	<p>The branch of DOJ that prosecutes terrorism, sanctions, and export-control offenses. It leads criminal cases involving FTOs, willful sanctions violations, and money laundering violations, often in coordination with OFAC and FinCEN.</p>
<b>3 Foreign Terrorist Organization (FTO)</b>	<p>A designation by the U.S. Department of State under Section 219 of the Immigration and Nationality Act.</p> <p>Once an organization is designated, it becomes illegal pursuant to the Antiterrorism Act (ATA) for any person—U.S. or foreign—to knowingly provide "material support" (such as money, goods, or services) to the organization.</p> <p>Providing material support to FTOs through intermediaries or to alter egos of FTOs creates substantial risk of criminal penalties. Providing support to an FTO also creates the risk of civil liability under the ATA if the support causes injury to a U.S. national.</p> <p>All FTOs are also designated as SDGTs and subject to blocking sanctions administered and enforced by OFAC.</p>

CONCEPT	EXPLANATION
<b>4 Transnational Criminal Organization (TCO)</b>	Another category of SDNs, namely those individuals, entities, and organizations designated by OFAC pursuant to counter-TCO sanctions under Executive Order 13581, as amended by Executive Order 13863. OFAC has traditionally used the TCO designation to target organizations for criminal activities other than narcotics. TCOs are subject to blocking sanctions. Like all sanctions programs, counternarcotics authorities authorize OFAC to impose derivative sanctions.
<b>5 Antiterrorism Act (ATA)</b>	A U.S. federal statute that, among other things, criminalizes providing material support to terrorists or designated FTOs (18 U.S.C. §§ 2339A and 2339B). The ATA also allows U.S. nationals injured by acts of international terrorism to bring private civil lawsuits for damages. (18 U.S.C. § 2333). Thus, conduct giving rise to criminal liability may also create civil exposure under the ATA.
<b>6 Justice Against Sponsors of Terrorism Act (JASTA)</b>	A 2016 amendment to the ATA that, among other things, allows U.S. victims of terrorist attacks to bring civil claims against parties that knowingly provided substantial assistance to, or conspired with, designated FTOs who committed, planned, or authorized the terrorist attack.
<b>7 Material Support of Terrorism</b>	Under 18 U.S.C. §§ 2339A–2339C, providing funds, services, or assistance to FTOs constitutes a U.S. federal crime. The term "material support or resources" means any property, tangible or intangible, or service, including currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, and transportation, except medicine or religious materials.
<b>8 Material Support vs. Substantial Assistance</b>	Providing "material support" to terrorists or designated FTOs can give rise to criminal liability under ATA sections 2339A and 2339B and to civil liability under ATA section 2333(a). Civil aiding and abetting liability under ATA section 2333(d) can arise from knowingly providing "substantial assistance" to an FTO. The sort of conduct that constitutes providing material support also usually constitutes providing "assistance."

CONCEPT	EXPLANATION
<b>9 Treble Damages</b>	<p>The civil liability provision of the ATA requires courts to automatically triple any compensatory damages awarded to successful plaintiffs.</p> <p>This feature significantly increases financial exposure and makes ATA claims particularly high-risk for corporate defendants.</p>
<b>10 Extraterritorial and Jurisdictional Reach of the ATA</b>	<p>Civil ATA claims may be brought against foreign defendants for acts of terrorism abroad so long as the claims are brought by or on behalf of injured U.S. nationals. Jurisdiction can be exercised over foreign defendants if their conduct has some suit-related U.S. nexus and the exercise of jurisdiction is authorized by statute and consistent with due process. Criminal ATA claims do not require injury to a U.S. national and jurisdiction exists if the defendant is brought into or found in the U.S.</p>
<b>11 Parallel Proceedings and Litigation Spillover Risk</b>	<p>The risk that the same underlying conduct may give rise to multiple, concurrent actions by different authorities or parties, including criminal investigations, regulatory enforcement, and private civil litigation.</p>
	<p>In the FTO context, facts developed in regulatory or criminal matters may be reused in civil ATA claims, and civil filings may in turn prompt government investigations.</p>
<i>OFAC-Relevant Concepts</i>	
<b>12 Office of Foreign Assets Control (OFAC)</b>	<p>An office within the U.S. Department of the Treasury (Treasury) Terrorism and Financial Intelligence Office (TFI) that administers and enforces blocking sanctions and other restrictive economic measures in support of U.S. national security and foreign policy. Along with the U.S. Department of State (State), OFAC plays a leading role in designating foreign persons, resulting in the imposition of blocking sanctions and their placement on the SDN List, including under the counterterrorism (FTO/SDGT), counternarcotics (SDNTK), and transnational criminal organization (TCO) sanctions programs.</p>
	<p>OFAC also plays a leading role in enforcing primary, secondary, and derivative sanctions, and in issuing regulations and guidance on</p>

CONCEPT	EXPLANATION
	prohibited and permissible dealings with sanctioned persons or blocked property.
<b>13 Specially Designated Nationals (SDNs) and Blocked Persons</b>	Individuals and entities designated by OFAC and/or State that are subject to blocking sanctions and that are placed on the SDN List. The SDN List includes FTOs, SDGTs, and persons designated under other OFAC sanctions programs, such as counternarcotics. All SDNs are subject to blocking sanctions.
<b>14 Specially Designated Global Terrorists (SDGTs)</b>	One category of SDNs, namely those individuals, entities, and organizations designated by State and/or OFAC pursuant to counterterrorism sanctions under Executive Order 13224, as amended by Executive Order 13856. All FTOs are also designated as SDGTs and subject to blocking sanctions administered and enforced by OFAC. An individual, entity, or organization can also be designated as an SDGT (but not necessarily an FTO), which triggers blocking sanctions but not criminal liability under the Antiterrorism Act (ATA); State and OFAC may use this tactic to sanction entities and individuals—including, in some cases, entrepreneurs, businesses, or banks—determined to have provided sanctionable material support or facilitated significant transactions on behalf of FTOs or other SDGTs.
	Like all sanctions programs, counterterrorism authorities authorize OFAC to impose derivative sanctions. Counterterrorism sanctions also authorize OFAC to impose secondary sanctions on financial institutions.
<b>15 Specially Designated Narcotics Kingpins (SDNTKs)</b>	Another category of SDNs, namely those individuals, entities, and organizations designated by OFAC pursuant to counternarcotics sanctions under the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. §§ 1901-1908. SDNTKs are subject to blocking sanctions. OFAC has traditionally used the SDNTK designation to target drug trafficking organizations; State and OFAC are now sanctioning many of the same organizations again ("redesignating") under counterterrorism authorities. Like all sanctions programs, counternarcotics authorities authorize OFAC to impose derivative sanctions.
<b>16 Blocking Sanctions</b>	Restrictive measures triggered by the designation of a foreign person as an SDN, and placement of that person on the SDN List, including under counterterrorism (SDGT), counternarcotics

CONCEPT	EXPLANATION
	<p>(SDNTKT), and transnational criminal organization (TCO) sanctions programs. Under blocking sanctions, all property and interests in property of sanctioned persons in the possession or control of U.S. persons, including U.S. financial institutions, must be blocked or "frozen" and cannot be transferred, paid, exported, withdrawn, or otherwise dealt in without authorization from OFAC. Blocking sanctions also prohibit U.S. persons from providing or receiving any goods, services, or funds to, for the benefit of, or from sanctioned persons. Blocking sanctions extend to all property and property interests of sanctioned persons including funds, financial instruments, real property, aircraft, vessels, entities owned 50% or more by sanctioned persons, and trusts for which the sanctioned person is a beneficiary.</p>
<b>17 The 50 Percent Rule</b>	<p>OFAC's interpretation of relevant statutes and regulations that treats entities owned, 50 percent or more, individually or in aggregate, by SDNs as the blocked property of such SDNs. Accordingly, blocking sanctions apply to such entities, even if they are not separately placed on the OFAC SDN List, triggering prohibitions on dealing in the property of such entities for U.S. persons and derivative sanctions risk for non-U.S. persons.</p> <p>OFAC's 50 Percent Rule does not necessarily apply when ownership by sanctioned persons, direct or indirect, individually or in aggregate, is below 50 percent. In addition, OFAC's 50 Percent Rule speaks to ownership and not control; a sanctioned CEO or senior executive does not automatically mean that the company controlled by that person is sanctioned. Nevertheless, OFAC guidance and enforcement actions make clear that entities with less than 50 percent sanctioned ownership or controlled by sanctioned persons may nevertheless present significant sanctions risk. For example, sanctions prohibitions may still apply if a less than 50% owned company is a front or a pass through for a sanctioned company, such that dealings with the front company are indirect dealing with the sanctioned company.</p>
<b>18 U.S. Nexus</b>	<p>An unofficial term used to describe circumstances in which OFAC may assert jurisdiction over non-U.S. persons (<i>i.e.</i>, "extraterritorially") and impose civil penalties for sanctions violations. For example, OFAC asserts jurisdiction over non-U.S.</p>

CONCEPT	EXPLANATION
	<p>persons that "cause" a U.S. person to violate sanctions, for example by initiating a payment through the U.S. financial system in which a sanctioned person has a property interest or by involving a parent or sister company organized under the laws of the United States or a director, officer, or employee who is a U.S. citizen or permanent resident in decision-making involving a sanctioned person. Involvement of U.S. citizens, U.S. permanent residents, U.S. entities, or the U.S. dollar are "red flags" that may indicate a U.S. nexus and sanctions liability for non-U.S. persons.</p>
<b>19 Derivative Sanctions and Secondary Sanctions</b>	<p>Unofficial terms used to describe OFAC's authority to sanction entities, individuals, and financial institutions for certain dealings with sanctioned entities, even when the conduct is entirely outside U.S. jurisdiction (<i>i.e.</i>, there is no "U.S. nexus") and the conduct may consist of normal commercial dealings, albeit with a sanctioned entity.</p> <p>Generally, OFAC is authorized to impose "derivative sanctions" on entities and individuals that "materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of" sanctioned persons or activity. In recent years, there has been greater willingness to apply these sanctions to normal arms-length commercial transactions with sanctioned persons. (The definitions of material support under derivative sanctions and the ATA overlap but differ in key ways, most notably the knowledge requirement.)</p> <p>Under certain sanctions programs, including counterterrorism, OFAC is authorized to impose "secondary sanctions" on foreign financial institutions (including banks, money service businesses, etc.) for knowingly facilitating a significant transaction for or on behalf of a sanctioned persons. Secondary sanctions are not blocking sanctions, but instead prohibit sanctioned financial institutions from receiving correspondent or payable through services from U.S. financial institutions.</p>
<b>20 Global Magnitsky Sanctions</b>	<p>A sanctions regime targeting foreign officials or entities involved in corruption or human-rights abuses that often overlap with state-sponsored terrorist or criminal networks.</p>

CONCEPT	EXPLANATION
	It enables the Department of Treasury to reach actors indirectly who, among other things, support FTOs and SDGTs.
<b>21 Extraterritorial Jurisdiction under IEEPA</b>	<p>The International Emergency Economic Powers Act (IEEPA) provides the statutory basis for many OFAC sanctions programs, enabling Treasury to regulate foreign conduct with a U.S. nexus, such as transactions in dollars or via U.S. servers.</p> <p>In the FTO context, IEEPA explains how OFAC sanctions and blocking measures may apply to foreign institutions and actors even when the underlying conduct occurs outside the U.S.</p>
<i>FinCEN-Relevant Concepts</i>	
<b>22 Financial Crimes Enforcement Network (FinCEN)</b>	<p>A bureau of the U.S. Department of the Treasury that enforces the Bank Secrecy Act (BSA) and collects financial intelligence to prevent money laundering and terrorist financing.</p> <p>FinCEN tracks illicit fund flows and collaborates with DOJ, OFAC, and international partners to dismantle networks financing terrorism or narcotics operations that overlap with terrorist groups. FinCEN may also bring enforcement actions or may issue orders against financial institutions, including orders to isolate high-risk banks or jurisdictions.</p>
<b>23 Covered Financial Institutions</b>	<p>Entities defined under BSA regulations—including banks, broker-dealers, money services businesses, casinos, and mutual funds—that must maintain AML programs, file Suspicious Activity Reports (SARs), and comply with FinCEN directives.</p> <p>FinCEN has authority to require special measures be taken by domestic financial institutions and domestic financial agencies, which are collectively referred to as covered financial institutions. Because FTO and SDGT-related funds often move through correspondent or dollar-clearing channels, even non-U.S. institutions, which are not "covered" <i>per se</i>, may become affected directly by U.S. AML and sanctions actions when they access the U.S. financial system (e.g., via correspondent banking or dollar-clearing). For example, in June 2025, FinCEN issued orders against three Mexican financial institutions under the FEND Off Fentanyl</p>

CONCEPT	EXPLANATION
	Act. The orders prohibited transmittal of funds involving those financial institutions by any covered financial institutions.
<b>24 Correspondent Banking Risk</b>	<p>Because nearly all U.S.-dollar transactions clear through U.S. correspondent accounts, banks worldwide are expected to monitor and report potential FTO or SDGT exposure.</p> <p>Loss of correspondent banking access with the United States is often the first tangible consequence of a FinCEN or OFAC action.</p>
<b>25 FinCEN Orders (including FEND Orders)</b>	<p>Legally binding directives that can restrict or prohibit certain financial relationships or create heightened obligations on covered financial institutions. Under the Fentanyl Eradication and Narcotics Deterrence (FEND) Off Fentanyl Act, FinCEN can designate institutions as being of "primary money laundering concern" in connection with illicit opioid trafficking.</p> <p>A FinCEN Order can effectively sever a non-U.S. bank from the U.S. financial system—one of the fastest ways to neutralize financing channels associated with FTO and SDGT activity.</p>
<b>26 Section 311 "Primary Money-Laundering Concern" Designations</b>	<p>FinCEN's authority under the 2001 USA PATRIOT Act enabling Treasury to designate a foreign financial institution, jurisdiction, or class of transactions as being of "primary money-laundering concern." Unlike FinCEN orders issued under the FEND Act, which target specific drug or terrorism-linked risks, Section 311 designations address broader systemic AML deficiencies and may impose graduated "special measures," including enhanced due-diligence or termination of correspondent accounts.</p> <p>These designations frequently precede or complement OFAC sanctions.</p>
<b>27 Fentanyl Eradication and Narcotics Deterrence (FEND) Off Fentanyl Act</b>	<p>This 2025 law expanded Treasury's authority to target foreign financial institutions handling proceeds of synthetic drugs, a key funding source for transnational criminal groups and FTO-linked networks.</p> <p>Under the act, if FinCEN finds a foreign financial institution is of primary money laundering concern in connection with illicit opioid trafficking, it can impose any of the special measures authorized by section 311 or may prohibit covered financial institutions from engaging in transactions with the foreign institutions, effectively</p>

CONCEPT	EXPLANATION
	<p>cutting such institutions off from U.S. dollar clearing to prevent convergence between narcotics and terrorism financing.</p>
<b>28 Geographic Targeting Orders (GTOs)</b>	<p>Temporary FinCEN directives requiring enhanced recordkeeping or reporting for certain financial institutions, based on regions, sectors, or transaction types. FinCEN uses this information to trace high-risk financial flows potentially linked to terrorism, corruption, or narcotics.</p> <p>For example, in 2025, FinCEN issued GTOs targeting certain zip codes along the U.S.-Mexico border. One GTO required money services businesses in those zip codes to file currency transaction reports with FinCEN for all cash transactions over \$200.</p>
<b>29 USA PATRIOT Act Sections 312-313 (Due Diligence on Foreign Accounts)</b>	<p>Provisions of the USA PATRIOT Act administered by FinCEN that require U.S. financial institutions to apply due diligence and enhanced scrutiny to correspondent accounts for certain foreign banks and private banking accounts for non-U.S. persons.</p> <p>Failure to detect FTO-related transactions can trigger enforcement under these provisions.</p>

# MEXICO CONCEPTS

CONCEPT	EXPLANATION
<i>Government Bodies</i>	
<b>1 Comisión Nacional Bancaria y de Valores (CNBV)</b> <i>(National Banking and Securities Commission)</i>	A decentralized agency of the Ministry of Finance responsible for the regulation, inspection, and oversight of financial institutions, securities issuers, and market participants. It issues general provisions, conducts on-site inspections, imposes administrative sanctions, and coordinates information exchanges for Preventing Money Laundering and Countering the Financing of Terrorism (PLD/CFT) purposes.
<b>2 Secretaría de Hacienda y Crédito Público (SHCP)</b> <i>(Ministry of Finance and Public Credit)</i>	The federal authority in charge of fiscal, financial, economic, and budgetary policy. Through its administrative units, it issues regulations governing the financial system, macroeconomic stability, fiscal compliance, and international tax transparency.
<b>3 Unidad de Inteligencia Financiera (UIF)</b> <i>(Financial Intelligence Unit)</i>	A specialized administrative unit responsible for analyzing, processing, and disseminating information related to transactions potentially linked to money laundering or terrorist financing. It may list individuals or entities in the Official Blocked Persons List, order immediate freezing of assets, and refer cases to the Federal Prosecutor's Office.
<b>4 Servicio de Administración Tributaria (SAT)</b> <i>(Tax Administration Service)</i>	A decentralized body of SHCP tasked with tax collection, audits, issuance of general tax rules, enforcement of tax credits, and verification of taxpayer compliance. It supervises obligations concerning beneficial ownership information, deductibility rules, and documentation standards.
<b>5 Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)</b> <i>(National Commission for the Protection of Financial Services Users)</i>	Administrative body that oversees transparency and fair practices in the offering of financial services. It reviews standardized contracts, supervises disclosure obligations, resolves disputes, and sanctions abusive practices.

CONCEPT	EXPLANATION
<b>6 Secretaría Anticorrupción y Buen Gobierno (SABG)</b> <i>(Anti-Corruption and Good Governance Ministry)</i>	Ministry responsible for ensuring that public administration is conducted with efficiency, integrity, transparency, accountability, and a focus on results, through the implementation of a corruption prevention model that allows for the effective handling of public issues and generates greater levels of citizen trust and satisfaction, while maintaining the monitoring and oversight of the Federal Public Administration.
<b>7 Órganos Internos de Control (OIC)</b> <i>(Internal Control Bodies)</i>	Units responsible for overseeing compliance within government entities, evaluating corruption risks, supervising processes, conducting audits, and managing administrative liability proceedings.
<i>Laws and Regulations</i>	
<b>8 Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita (LFPIORPI)</b> <i>(Federal Law for the Prevention and Identification of Transactions with Illicit Proceeds)</i>	Known as the "Anti-Money Laundering Law," it regulates, among other things, "Vulnerable Activities," imposing obligations on identification of clients, transaction reporting, risk evaluation, record-keeping, and monitoring of unusual or high-risk transactions.
<b>9 LFPIORPI Regulations and General Rules</b>	Complementary rules detailing thresholds, reporting procedures, identity verification requirements, documentation retention, and inspection powers of the competent authority.
<b>10 Ley del Mercado de Valores (LMV)</b> <i>(Securities Market Law)</i>	Regulates, among other things, corporate governance, disclosure obligations, and market conduct for public companies, securities issuers, and market intermediaries. Includes liability standards for officers and directors, administrative sanctions, and authorization processes for public offerings.

CONCEPT	EXPLANATION
<b>11 Ley de Instituciones de Crédito (LIC)</b> <i>(Credit Institutions Law)</i>	It governs, among other things, the formation, operation, standards, capitalization requirements, banking secrecy, and responsibilities of banks and their officers. It also establishes obligatory PLD/CFT controls applicable to financial institutions.
<b>12 Código Fiscal de la Federación (CFF)</b> <i>(Federal Tax Code)</i>	It governs tax obligations, audit powers of the SAT, administrative procedures, tax credits, presumptions, and liability rules for individuals and legal entities.
<b>13 Ley General de Responsabilidades Administrativas (LGRA)</b> <i>(General Law of Administrative Responsibilities)</i>	Essential to the National Anti-Corruption System. Regulates, among other things, non-serious and serious administrative offenses such as bribery, diversion of public resources, improper participation in government procedures, influence peddling, and concealment. Sanctions include disqualification, fines, and suspension of activities.
<b>14 Sistema Nacional Anticorrupción (SNA)</b> <i>(National Anti-Corruption System)</i>	Institutional framework coordinating federal and state authorities responsible for prevention, investigation, and sanctioning of administrative offenses and corruption. Establishes cooperation mechanisms among prosecutors, administrative tribunals, audit bodies, and public-sector internal control units.
<b>15 Código Penal Federal (CPF)</b> <i>(Federal Criminal Code)</i>	Regulates, among other things, criminal offenses including money laundering, bribery, embezzlement, illicit enrichment, fraud, misuse of public authority, falsification of documents, and related conducts. Applies to individuals and, under certain circumstances, to legal entities.
<b>16 Empresas que Facturan Operaciones Simuladas (EFOS) (a.k.a. Factureros)</b> <i>(Entities Issuing Simulated or Non-existent Transactions)</i>	<i>Entities and Lists</i> A shell or fictitious company that issues tax invoices (CFDIs) without having real assets, personnel, infrastructure, or economic capacity to provide the goods or services they claim to sell, so that other companies can simulate expenses and evade taxes.

CONCEPT	EXPLANATION
<b>17 Empresas que Deducen Operaciones Simuladas (EDOS)</b> <i>(Entities Deducting Simulated or Non-existent Transactions)</i>	Taxpayers (companies or individuals) that claim tax deductions or credits based on invoices issued by an EFOS.
<b>18 Article 69-B of the CFF (commonly known as "List of the 69-B")</b>	A procedure used by the SAT to presume no actual transactions connected to invoices issued by EFOS. Entities that deduct such invoices (EDOS) must rebut the presumption or face serious tax, administrative, and possibly criminal consequences.  A list of taxpayers that are unable to refute the allegations made by the authority —related invoices will not have any tax implications.
<b>19 Beneficiarios Controladores (Beneficial Owners)</b>	A mandatory legal concept requiring identification of natural persons who ultimately exercise effective control, significant influence, command, or economic benefit over legal entities, trusts, or other legal vehicles. It is a core element of due diligence and tax compliance.
<b>20 UIF Blocked Persons List</b>	Mechanism that obligates financial institutions and regulated entities to immediately freeze funds or assets linked to individuals or entities included on the list. It results in suspension of operations and exclusion from the financial system.
<b>21 PLD/CFT Transaction Reports</b>	Issued by the CNBV and include relevant transactions, unusual transactions, internal concerning transactions, and international transfers. These reports are governed by the General PLD/CFT provisions issued by the CNBV and must follow strict monitoring and documentation requirements.
Colloquial Terms	
<b>22 Derecho de piso/Cobro de Piso</b> <i>(Protection money)</i>	Payment demanded as extortion by criminal groups or corrupt officials to allow a business to operate.

CONCEPT	EXPLANATION
<b>23 Derecho de paso</b> <i>(Right of way)</i>	Payment demanded as extortion to allow the transit of people, vehicles, or goods through territory controlled by criminal groups.
<b>24 Líder comunitario/Líder social</b> <i>(Community leader/social leader)</i>	A person who, without necessarily holding an official position, organizes, and mobilizes neighbors to achieve common goals, solve local problems, and improve collective well-being, acting as a bridge between people and institutions, and in some contexts exercising information authority that could be exploited or co-opted by criminal groups.
<b>25 Empresa Fantasma</b> <i>(Shell company or ghost company)</i>	Company created to simulate transactions or conceal beneficial ownership, frequently used in money laundering schemes.
<b>26 Prestanombres</b> <i>(Straw man)</i>	Persons acting on behalf of another party without revealing the that party's involvement to mask the true beneficial owners' identities.
<b>27 Cobro de protección</b> <i>(Safety fee)</i>	Extortion disguised as a safety payment.
<b>28 Puerta Giratoria</b> <i>(Revolving door)</i>	A phenomenon whereby there is unhindered movement of senior officials between the public and private sectors, creating conflicts of interest as former officials use their knowledge and contacts to benefit companies (or vice versa), compromising impartiality and favoring private interests over the public interest.
<b>29 Compadrazgo</b> <i>(Cronyism)</i>	Favored networks based on personal relationships.
<b>30 Palanca</b> <i>(Lever/Having leverage)</i>	Using personal contacts, normally to obtain undue advantages
<b>31 Mordida/Moche/Aceitar</b> <i>(To bite, to chop, or to oil/bribe)</i>	Informal or slang terms for bribes commonly given to a public official.

CONCEPT	EXPLANATION
<b>32 Cohecho</b> <i>(Bribery)</i>	Any person who offers, promises, or delivers any benefit to a public officer to cause them to perform or omit an act related to their functions, position, or commission or any public officer who demands, accepts, obtains, or attempts to obtain, directly or through third parties, in connection with their functions, any undue benefit not included in their official remuneration.
<b>33 Delincuencia Organizada</b> <i>(Organized crime)</i>	When three or more individuals organize themselves to carry out, on a permanent or repeated basis, conduct which, by itself or in conjunction with other conduct, has the purpose or result of committing one or more crimes.

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