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March 7, 2013.

Dear Sirs:

CCP Opinion in relation to Asigna, Compensación y Liquidación

You have asked us to give an opinion in respect of the laws of the United Mexican States ("Mexico" or "**this jurisdiction**") as to the effect of certain netting and set-off provisions and collateral arrangements in relation to the Mexican trust denominated Asigna, Compensación y Liquidación (the "**Clearing House**"), as between the Clearing House and its clearing members (each such clearing member (*socio liquidador*), a "**Member**").

We understand that your requirement is for the enforceability and validity of such netting and set-off provisions and collateral arrangements to be substantiated by a written and reasoned opinion letter.

References herein to "**this opinion**" are to the opinion given in Section 3.

1. **TERMS OF REFERENCE**

- 1.1 Except where otherwise defined herein, terms defined in the Internal Regulations of Asigna (*Reglamento Interior de Asigna*) have the same meaning in this opinion letter.
- 1.2 The opinions given in Section 3 are in respect of a Member's powers under the Clearing House Documentation as at the date of this opinion. We express no opinion as to any provisions of the Internal Regulations of Asigna, other than those on which we expressly opine.
- 1.3 Where Contracts are governed by laws other than the laws of this jurisdiction, the opinions contained in Section 3 are given in respect of only those Contracts which are

capable, under their governing laws, of being terminated and liquidated in accordance with the provisions of the Netting Provision.

- 1.4 The opinions given in Section 3.8 are given only in relation to Non-cash Collateral comprising permissible securities (under the Internal Regulations of Asigna) credited to an account.

1.5 **Definitions**

In this opinion, unless otherwise indicated:

- (a) **"Assessment Liability"** means a liability of a Member to pay an amount to the Clearing House (including a contribution to the assets or capital of the Clearing House, or to any default or similar fund maintained by the Clearing House), but excluding:
- (i) any obligations to provide margin or collateral to the Clearing House, where calculated at any time by reference to Contracts open at that time;
 - (ii) membership fees, fines and charges;
 - (iii) reimbursement of costs incurred directly or indirectly on behalf of or for the Member or its own clients;
 - (iv) indemnification for any taxation liabilities;
 - (v) payment or delivery obligations under Contracts; or
 - (vi) any payment of damages awarded by a court or regulator for breach of contract, in respect of any tortious liability or for breach of statutory duty.
- (b) **"Clearing House Documentation"** means the Rules to which participants in the market of derivatives contracts listed on an exchange shall be subject (*Reglas a las que habrán de sujetarse los participantes del mercado de contratos de derivados listados en bolsa*), the Provisions, of a prudential nature, to which participants in the market of derivatives contracts listed on an exchange shall be subject in respect of their transactions (*Disposiciones de carácter prudencial a las que se sujetarán en sus operaciones los participantes del mercado de contratos de derivados listados en bolsa*), the Internal Regulations

of Asigna (*Reglamento Interior de Asigna*) and the Operating Manual of Asigna (*Manual Operativo de Asigna*);

- (c) "**Client Account**" has the meaning ascribed to it in the Internal Regulations of Asigna, being a segregated account with the Clearing House opened in the name of a Member in which Contracts relating to contracts made by the Member with one or more segregated clients of such Member are registered and to which monies in respect of such Contracts are credited;
- (d) "**Contract**" means a Contract, as defined in the Internal Regulations of Asigna, which is registered at the Clearing House;
- (e) "**Omnibus Client Account**" has the meaning ascribed to the term Global Account (*Cuenta Global*) in the Internal Regulations of Asigna, being a segregated account with the Clearing House opened in the name of a Member in which Contracts relating to contracts made by the Member with more than one client of such Member are registered and to which monies in respect of such Contracts are credited;
- (f) "**Netting Provision**" means Article 309 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), Section 303.00 of the Internal Regulations of Asigna and Article 105 of the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*);
- (g) "**Party**" means the Clearing House or the relevant Member;
- (h) "**Set-off Provision**" means Article 309 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), Section 303.00 of the Internal Regulations of Asigna and Article 105 of the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*);
- (i) "**Non-cash Collateral**" means the non-cash collateral provided to the Clearing House as margin under the Clearing House Documentation;
- (j) references to the word "**enforceable**" and cognate terms are used to refer to the ability of a Party to exercise its contractual rights in accordance with their terms and without risk of successful challenge. We do not opine on the availability of any judicial remedy;
- (k) a reference to "**FSMA**" is to the UK Financial Services and Markets Act 2000;

- (l) references to a "section" or to a "paragraph" are (except where the context otherwise requires) to a section or paragraph of this opinion (as the case may be).

2. ASSUMPTIONS

We assume the following:

- 2.1 That, except with regards to the provisions discussed and opined on in this opinion letter, the Clearing House Documentation and Contracts are legally binding and enforceable against both Parties under their governing laws.
- 2.2 That each Party has the capacity, power and authority under all applicable laws and its respective constitutive documents, to enter into the Contracts, and to perform its respective obligations under the Clearing House Documentation and Contracts; and that each Party has taken all necessary steps to execute and deliver and perform Contracts.
- 2.3 That each Party has obtained, complied with the terms of and maintained all authorizations, approvals, licences and consents required to enable it lawfully to enter into and perform its obligations under the Clearing House Documentation and Contracts, and to ensure the legality, validity, enforceability or admissibility in evidence of the Clearing House Documentation and Contracts in this jurisdiction.
- 2.4 That each Member and the Clearing House have properly executed the agreement under which the Member has adhered to the trust pursuant to which the Clearing House was created.
- 2.5 That any Contract has been entered into prior to the commencement of any insolvency procedure under the laws of any jurisdiction in respect of either a Member or the Clearing House.
- 2.6 That no provisions of any Contract, or any other arrangement between the Parties, invalidates the enforceability or effectiveness of the Netting Provisions or the Set-Off Provisions.
- 2.7 That each Party acts in accordance with the powers conferred by the Clearing House Documentation and Contracts, and that (except in relation to any non-performance leading to the taking of action by the Members under the Netting Provision), each Party performs its obligations under the Clearing House Documentation and each Contract in accordance with their respective terms.

- 2.8 That, apart from any circulars, notifications, self-regulatory rules and equivalent measures published by the Clearing House in accordance with the Clearing House Documentation, there are not any other agreements, instruments or arrangements between the Parties which modify or supersede the terms of the agreement under which a Member has adhered to the trust pursuant to which the Clearing House was created.
- 2.9 That the Member is at all relevant times solvent and not subject to insolvency proceedings under the laws of any jurisdiction.
- 2.10 That, except as set forth in paragraph 3.5, the obligations assumed under the Clearing House Documentation and Contracts are mutual between the Parties, in the sense that the Parties are each personally and solely liable as regards obligations owing by it and is solely entitled to the benefit of obligations owed to it.

3. OPINION

On the basis of the foregoing terms of reference and assumptions and subject to the qualifications set out in Section 4 below, we are of the following opinions.

3.1 Insolvency Proceedings

The only bankruptcy, composition, rehabilitation or other insolvency or reorganisation procedures to which the Clearing House could be subject under the laws of this jurisdiction, and which are relevant for the purposes of this opinion, are the *concurso mercantil* and *quiebra* proceedings specified under the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*; the "**Mexican Bankruptcy Law**"). These procedures are together called "**Insolvency Proceedings**".

The legislation applicable to Insolvency Proceedings is the Mexican Bankruptcy Law, as supplemented by the Mexican Securities Market Law (*Ley del Mercado de Valores*), which gives certain authority to the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*), including in connection with the appointment of the bankruptcy trustee (*síndico*).

3.2 Special provisions of law

The following special provisions of law apply to Contracts by virtue of the fact that the Contracts are, or relate to, exchange-traded derivative products and are cleared through a central counterparty: the Rules to which participants in the market of derivatives contracts listed on an exchange shall be subject (*Reglas a las que habrán de sujetarse los participantes del mercado de contratos de derivados listados en*

bolsa), the Provisions, of a prudential nature, to which participants in the market of derivatives contracts listed on an exchange shall be subject in respect of their transactions (*Disposiciones de carácter prudencial a las que se sujetarán en sus operaciones los participantes del mercado de contratos de derivados listados en bolsa*), the Internal Regulations of Asigna (*Reglamento Interior de Asigna*) and the Operating Manual of Asigna (*Manual Operativo de Asigna*).

3.3 Recognition of choice of law

The choice of law provisions applicable to the terms of the agreement under which a Member has adhered to the trust pursuant to which the Clearing House was created and of Contracts (which is Mexican law), would be recognised under the laws of Mexico, even if the Member is not incorporated, domiciled or established in this jurisdiction.

3.4 Netting and Set-off: General

3.4.1 The Netting Provision will be immediately (and without fulfilment of any further conditions) enforceable in accordance with its terms so that, (i) if the Clearing House fails to comply with its payment or delivery obligations under the Clearing House Documentation, or (ii) upon the declaration of bankruptcy of the Clearing House under the Mexican Bankruptcy Law:

- (a) the Member would be entitled immediately to exercise its rights under the Netting Provision; and
- (b) the Member would be entitled to receive or be obligated to pay only the net sum of the positive and negative mark-to-market values of the included individual Contracts, together with other losses or gains referable to the Contracts.

We are of this opinion because Article 309 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and Section 303.00 of the Internal Regulations of Asigna provide that Contracts are required to be netted, and Article 105 of the Mexican Bankruptcy Law recognizes that upon the declaration of *concurso mercantil* (insolvency) of a Mexican Party (including the Clearing House), open Contracts shall be deemed terminated and all outstanding obligations thereunder shall be deemed due and payable (i.e. terminated early automatically) and netted.

Further, there is no rule of the laws of this jurisdiction which would impose a moratorium or stay which would prevent, delay or otherwise affect the exercise of such rights by the Member.

3.4.2 The Set-off Provision will be immediately (and without fulfilment of any further conditions) enforceable in accordance with its terms so that, if the Clearing House fails to comply with its payment or delivery obligations under the Clearing House Documentation:

- (a) the Member would be immediately entitled to exercise its rights under the Set-Off Provision; and
- (b) any and all amounts owed by the Member to the Clearing House would be set off against any such amounts owed by the Clearing House to the Member.

We are of this opinion because Article 309 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and Section 303.00 of the Internal Regulations of Asigna provide that Contracts are required to be netted and set-off, and Article 105 of the Mexican Bankruptcy Law recognizes that upon the declaration of *concurso mercantil* (insolvency) of a Mexican Party (including the Clearing House), open Contracts shall be deemed terminated and all outstanding obligations thereunder shall be deemed due and payable (i.e. terminated early automatically), netted and set-off.

Further, there is no rule of the laws of this jurisdiction which would impose a moratorium or stay which would prevent, delay or otherwise affect the exercise of such rights by the Member.

3.5 Netting and Set-Off: House Accounts and Client Accounts

Where a Member has exercised its rights under the Netting Provision, a termination amount (calculated as set forth in the Internal Regulations of Asigna) payable on any of the types of accounts listed below would be aggregated with or netted against a termination amount payable on any of the other types of accounts listed below:

- (a) Omnibus Client Account of the Member; and
- (b) Client Account of the Member.

This is because, under the Clearing House Documentation, Members are the exclusive Parties obligated vis-à-vis the Clearing House and because Article 309 of the Mexican

Securities Market Law (*Ley del Mercado de Valores*) and Section 303.00 of the Internal Regulations of Asigna provide that Contracts are required to be netted and set-off, and Article 105 of the Mexican Bankruptcy Law recognizes that upon the declaration of *concurso mercantil* (insolvency) of a Mexican Party (including the Clearing House), open Contracts shall be deemed terminated and all outstanding obligations thereunder shall be deemed due and payable (i.e. terminated early automatically), netted and set-off.

3.6 Netting and Set-Off: Cross-Product Netting

The effect of the Netting Provision is to apply close-out netting to all Contracts cleared by the Member with the Clearing House.

This is because Article 309 of the Mexican Securities Market Law (*Ley del Mercado de Valores*) and Section 303.00 of the Internal Regulations of Asigna provide that Contracts are required to be netted and set-off, and Article 105 of the Mexican Bankruptcy Law recognizes that upon the declaration of *concurso mercantil* (insolvency) of a Mexican Party (including the Clearing House), open Contracts shall be deemed terminated and all outstanding obligations thereunder shall be deemed due and payable (i.e. terminated early automatically), netted and set-off.

3.7 Cash Collateral

Payments made by a Member to the Clearing House as cash margin constitute an absolute transfer of cash, so that, in the event of Insolvency Proceedings relating to the Clearing House, such cash would be treated as the property of the Clearing House available to net and set-off positions of its Members. Amounts of cash available and due by the Clearing House after netting and set-off, would constitute debt owed by the Clearing House to its Members.

3.8 Non-cash Collateral

Any securities provided to the Clearing House as cover for margin and constituting Non-cash Collateral would be treated as the property of the Clearing House, and would not be returnable to the Member, in the event of Insolvency Proceedings relating to the Clearing House, but upon the Member satisfying its obligations to the Clearing House and after netting and set-off (including netting and set-off of securities' positions), amounts of cash available and due by the Clearing House after netting and set-off, would constitute debt owed by the Clearing House to its Members.

This is because under the Internal Regulations of Asigna, property of securities is deemed transferred to the Clearing House, but under Article 105 of the Mexican

Bankruptcy Law, upon the declaration of *concurso mercantil* (insolvency) of a Mexican Party (including the Clearing House), open Contracts shall be deemed terminated, all outstanding obligations shall be deemed due and payable (i.e. terminated early automatically), securities transferred disposed of, and open position netted and subject to set-off.

3.9 Members' Assessment Liabilities

A Member's Assessment Liability is as follows:

- (i) each Member is required to make (a) Initial Minimum Contributions (*Aportaciones Iniciales Mínimas*), which may be increased or decreased, are designed to cover open positions in respect of Contracts, and together constitute the Contributions' Fund (*Fondo de Aportaciones*), (b) contributions to the Netting Fund (*Fondo de Compensación*), which may be increased or decreased, and are designed to cover open positions in respect of Contracts, (c) Daily Settlements (*Liquidaciones Diarias*), payable in respect of open Contracts, and (d) Extraordinary Settlements (*Liquidaciones Extraordinarias*), designed to cover, primarily, deficiencies in respect of Initial Minimum Contributions and price variations; failure by a Member to comply with any such obligations, may result in fines, or in all open Contracts being netted and closed out and the Member being excluded as such by the Clearing House;
- (ii) pursuant to the terms of the Internal Regulations of Asigna, the Initial Minimum Contributions and the Netting Fund contributed by a Member, are used to satisfy the obligations of such defaulting Member, and if any such amounts were insufficient, Initial Minimum Contributions and the Netting Fund contributed by other Members are used, on a mutualized basis, to satisfy the obligations of the defaulting Member, it being understood that the obligations of each Member are limited to the assets of the relevant Member;
- (iii) under the terms of the Internal Regulations of Asigna, the Clearing House's has the absolute and unconditional right to assess Extraordinary Settlements on, and require additional contributions to the Netting Fund by, Member, upon the occurrence of extraordinary circumstances and subject to maximums disclosed from time to time.

4. **QUALIFICATIONS**

The opinions in this opinion letter are subject to the following qualifications:

(a) enforcement of amounts due after the exercise of rights under the Netting Provisions or the Set-Off Provisions against a Party declared bankrupt incorporated under the laws of Mexico or a resident of Mexico, may be affected and limited by bankruptcy, *concurso mercantil*, *quiebra*, suspension of payments, insolvency, liquidation, reorganization, moratorium and other similar laws of general application relating to or affecting the rights of creditors generally;

(b) in any bankruptcy proceeding initiated in Mexico pursuant to the laws of Mexico, against a Party incorporated under the laws of Mexico, labor claims, claims of tax authorities for unpaid taxes, Social Security quotas, Workers' Housing Fund quotas and Retirement Fund quotas may have priority over claims of the other Party;

(c) in the event that proceedings are brought to Mexico, seeking performance of the obligations of a Mexican Party, pursuant to the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), such Mexican Party may discharge its obligations by paying any sums due in a currency other than Mexican currency, in Mexican currency at the rate of exchange prevailing in Mexico on the date when payment is made;

(d) in the event that any legal proceedings are brought to the courts of Mexico, a Spanish translation of any English-language documents required in such proceedings prepared by a court-approved translator would have to be approved by the court, after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents;

(e) there is no precedent, in this jurisdiction, in respect of a court interpreting the Clearing House Documentation and provisions of the Clearing House Documentation are ambiguous in many respects.

There are no other material issues, other than the issues set forth in this opinion, relevant to the issues addressed in this opinion which we wish to draw to your attention.


We are qualified to practice law in Mexico. We express no opinion as to any laws other than the laws of Mexico in effect on the date hereof or as to any matters not expressly covered herein. We express no opinion as to rights, obligations or other matters (including change of law or other circumstances) arising subsequent to the date hereof. We assume no responsibility to advise you of any change to our opinion subsequent to the date hereof.

RITCH MUELLER

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Very truly yours,

Ritch Mueller, S.C.

By  _____
Luis A. Nicolas, a partner