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México Projects Part VI: Package of Laws and Regulations in Respect of the Mexican Energy Reform Secondary Laws Published

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This client alert is a follow-on to our client alerts on the Mexican Energy Reform relating to the publication of the laws relating to the Mexican Energy Reform, and the rules and regulations under the secondary legislation enacted in respect of the Mexican Energy Reform.

On Friday, October 31, 2014, the regulations and rules under the secondary legislation enacted in respect of the Mexican Energy Reform were published in the *Diario Oficial de la Federación* (the Official Gazette). Stay tuned for our next client alert which will identify and analyze the substance of the new laws and regulations, and the reforms and their effects on the oil and gas and electricity sectors in Mexico.

The regulations and rules were published by the Secretaría de Hacienda y Crédito Público (Ministry of Finance and Public Credit), the Secretaría de Medio Ambiente y Recursos Naturales (Ministry of the Environment and Natural Resources), the *Secretaría de Energía* (Ministry of Energy), the *Secretaría de Economía* (Ministry of Economy), the *Secretaría de Desarrollo Agrario, Territorial y Urbano* (Ministry of Agricultural, Land and Urban Development), *Petróleos Mexicanos* (Pemex) and the *Comisión Federal de Electricidad* (Federal Electricity Commission), as follows:

A. Secretaría de Hacienda y Crédito Público (Ministry of Finance and Public Credit)

- Regulations on the Law of Hydrocarbon Revenues (*Reglamento de la Ley de Ingresos sobre Hidrocarburos*)
- Decree reforming, supplementing and derogating various provisions of the Regulation on Public Private Associations (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley de Asociaciones Público Privadas*)
- Decree reforming, supplementing and derogating various provisions of the Regulation on the Federal Fiscal Budget and Responsibility Law (*Reglamento de la Ley Federal de Presupuesto y Responsabilidad Hacendaria*)

- Decree reforming, supplementing and derogating various provisions of the Internal Regulations of the Ministry of Finance and Public Credit (*Reglamento Interior de la Secretaría de Hacienda y Crédito Público*)

B. Secretaría de Medio Ambiente y Recursos Naturales (Ministry of the Environment and Natural Resources)

- Internal Regulations of the National Industrial Safety and Environmental Protection Agency for the Hydrocarbons Sector (*Reglamento Interior de la Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos*)
- Decree reforming and supplementing various provisions of the Regulations of the General Sustainable Forest Development Law (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley General de Desarrollo Forestal Sustentable*)
- Decree reforming and supplementing various provisions of the Regulation of the General Law of Environmental Equilibrium and Environmental Protection in respect of Environmental Impact Evaluation (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de Evaluación del Impacto Ambiental*)
- Decree reforming, supplementing and derogating various provisions of the Regulation on the General Law of Environmental Equilibrium and Environmental Protection in respect of Prevention and Control of Atmospheric Pollution (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de Prevención y Control de la Contaminación de la Atmósfera*)
- Decree reforming, supplementing and derogating various provisions of the Regulations of the General Law for the Prevention and Integral Management of Residues (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley General para la Prevención y Gestión Integral de los Residuos*)
- Decree reforming, supplementing and derogating various provisions of the Regulation of the General Law of Environmental Equilibrium and Environmental Protection in respect of Environmental Order (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de Ordenamiento Ecológico*)
- Decree reforming, supplementing and derogating various provisions of the Regulation of the General Law of Environmental Equilibrium and Environmental Protection in respect of Registration of Emissions and Transfer of Pollutants (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de Registro de Emisiones y Transferencia de Contaminantes*)
- Decree reforming, supplementing and derogating various provisions of the Internal Regulations of the Ministry of the Environment and Natural Resources (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaría de Medio Ambiente y Recursos Naturales*)
- Decree reforming, supplementing and derogating various provisions of the Regulation of the General Law of Environmental Equilibrium and Environmental Protection with respect to Self-Regulation and Environmental Audits

(Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley General del Equilibrio Ecológico y la Protección al Ambiente en Materia de Autorregulación y Auditorías Ambientales)

C. Secretaría de Energía (Ministry of Energy)

- Regulation of the Electricity Industry Law (*Reglamento de la Ley de la Industria Eléctrica*)
- Internal Regulations of the Ministry of Energy (*Reglamento Interior de la Secretaría de Energía*)
- Regulation of the Geothermal Energy Law (*Reglamento de la Ley de Energía Geotérmica*)
- Regulation of the Hydrocarbons Law (*Reglamento de la Ley de Hidrocarburos*)
- Regulation of the activities referred to in Title Three of the Hydrocarbons Law (*Reglamento de las actividades a que se refiere el Título Tercero de la Ley de Hidrocarburos*)
- Decree reforming the proviso creating the *Instituto Mexicano del Petróleo como Organismo Descentralizado* (the Mexican Petroleum Institute as a Decentralized Entity), published August 26, 1965 (*Decreto por el que se reforma el diverso por el que se crea el Instituto Mexicano del Petróleo como Organismo Descentralizado, publicado el 26 de agosto de 1965*)
- Guidelines establishing the criteria for the granting of Clean Energy Certificates and the requirements for the acquisition (*Lineamientos que establecen los criterios para el otorgamiento de Certificados de Energías Limpias y los requisitos para su adquisición*)

D. Secretaría de Economía (Ministry of Economy)

- Decree reforming and supplementing various provisions of the Regulation of the Mining Law (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento de la Ley Minera*)
- Decree reforming, supplementing and derogating various provisions of the Regulation of the Foreign Investment Law and the National Registry of Foreign Investment (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras*)
- Decree reforming, supplementing and derogating various provisions of the Internal Regulation of the Ministry of Economy (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones del Reglamento Interior de la Secretaría de Economía*)

E. Secretaría de Desarrollo Agrario, Territorial y Urbano (Ministry of Agricultural, Land and Urban Development)

- Decree reforming and supplementing various provisions of the Internal Regulations of the Ministry of Agricultural, Land and Urban Development (*Decreto por el que se reforman y adicionan diversas disposiciones del Reglamento Interior de la Secretaría de Desarrollo Agrario, Territorial y Urbano*)

F. Petróleos Mexicanos (Pemex)

- Regulation of the Law of Petróleos Mexicanos (*Reglamento de la Ley de Petróleos Mexicanos*)

G. Comisión Federal de Electricidad (Federal Electricity Commission)

- Regulation of the Law of the Federal Electricity Commission (*Reglamento de la Ley de la Comisión Federal de Electricidad*)

On August 11, the Mexican government had published through the Ministry of Finance and Public Credit and the Ministry of Energy, the secondary legislation on the Mexican Energy Reform, as follows:

A. Secretaría de Hacienda y Crédito Público (Ministry of Finance and Public Credit)

- Decree issuing the Law on Hydrocarbon Revenues, reforming, supplementing and derogating various provisions of the Federal Law on Fees and Assessments and the Fiscal Coordination Law, and issuing the Law on the Mexican Petroleum Fund for Stabilization and Development (*Decreto por el que se expide la Ley de Ingresos sobre Hidrocarburos, se reforman, adicionan y derogan diversas disposiciones de la Ley Federal de Derechos y de la Ley de Coordinación Fiscal y se expide la Ley del Fondo Mexicano del Petróleo para la Estabilización y el Desarrollo*)
- Decree reforming, supplementing and derogating various provisions of the Federal Fiscal Budget and Responsibility Law and the General Law on Public Debt (*Decreto por el que se reforman, adicionan y derogan diversas disposiciones de la Ley Federal de Presupuesto y Responsabilidad Hacendaria y de la Ley General de Deuda Pública*)

B. Secretaría de Energía (Ministry of Energy)

- Decree issuing the Electricity Industry Law, the Law on Geothermal Power, and supplementing and reforming various provisions of the National Water Law (*Decreto por el que se expiden la Ley de la Industria Eléctrica, la Ley de Energía Geotérmica y se adicionan y reforman diversas disposiciones de la Ley de Aguas Nacionales*)
- Decree issuing the Law on the Law on the Coordinated Regulatory Agencies in Energy Matters (*Ley de los Órganos Reguladores Coordinados en Materia Energética*), reforming, supplementing and derogating various provisions of the Federal Public Administration Organic Law, and issuing the Law on the National Industrial Safety and Environmental Protection Agency for the Hydrocarbons Sector (*Decreto por el que se expide la Ley de los Órganos Reguladores Coordinados en Materia Energética; se reforman, adicionan y derogan diversas disposiciones de la Ley Orgánica de la Administración Pública Federal y, se expide la Ley de la Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos*)
- Decree issuing the Hydrocarbons Law, and reforming various provisions of the Foreign Investment Law, the Mining Law and the Law on Public Private Partnerships (*Decreto por el que se expide la Ley de Hidrocarburos y se reforman diversas disposiciones de la Ley de Inversión Extranjera; Ley Minera, y Ley de Asociaciones Público Privadas*)
- Decree issuing the Law of Petróleos Mexicanos and the Federal Electricity Commission, and reforming and derogating various provisions of the Law on Parastate Entities, the Law on Acquisitions, Leases and Services for the Public Sector and Related Services and the Law on Public Works and Related Services (*Decreto por el que se expiden la Ley de Petróleos Mexicanos y la Ley de la Comisión Federal de Electricidad, y se reforman y derogan diversas disposiciones de la Ley Federal de las Entidades Paraestatales; la Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público y la Ley de Obras Públicas y Servicios Relacionados con las Mismas*)

For ease of reference, Shearman & Sterling has set up a Mexican Energy Reform microsite at <http://www.shearman.com/en/services/practices/mexico-energy-reforms> to provide a repository of the relevant reforms and related information we have compiled for interested and affected parties, including copies in Spanish of the above proposed new laws and reforms.

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This memorandum is intended only as a general discussion of these issues. It should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired.

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