



## Bill Containing Several Amendments to the Federal Public Administration Organic Law

On October 18, 2018 (Parliamentary Gazette, year XXI, number 5138-II), the Parliamentary Group of Morena political party, "per the express request of the President-elect", submitted for discussion by the Chamber of Deputies of the Mexican Congress, a bill containing several amendments to the Federal Public Administration Organic Law (Ley Orgánica de la Administración Pública Federal), hereinafter the "Bill".

The Bill aims to modify the structure of the Federal Public Administration. Below please

find the most relevant aspects thereof:

- **Public Safety.** The authority initially granted to the Ministry of the Interior in matters of public safety in 2012, will be granted to a new Ministry to be named "Ministry of Security and Citizen Protection", in charge of the protection of the Mexican society against any threat, with the support of the armed forces.
- **Energy.** The Bill establishes that the regulatory agencies in charge of energy matters referred to in the

eighth paragraph of Article 28 of the Mexican Federal Constitution (i.e., the Hydrocarbons National Commission and the Energy Regulatory Commission), will be incorporated into the Ministry of Energy, thereby questioning the continuation of their technical, operational and managerial autonomy and their legal capacity and disposition of the income derived from the tax rights and services according to their current powers and faculties, would be in charge of the Ministry of Energy.

- **Social Welfare.** In terms of the Bill, the new government proposes to change the name of the Ministry of Social Development for Welfare Ministry, and grant it new faculties in relation with social programs in the areas of health, education and culture, currently held by other secretariats and dependencies of the federal government.

- **Public Programming.** “With the objective of improving and streamlining the various processes and filings, the Bill proposes the creation of a new group of administrative units called “Public Agencies for Programs Development” to coordinate functions between the State and Municipal authorities, as well as to supervise the compliance of programs by the local governments.

The Bill also establishes that the Ministry of the Treasury will be responsible of the Public Program Information System (SIIPP-G by its acronym in Spanish), instead of the Ministry of Government Affairs. The SIIPP-G is a software tool that allows the integration of the beneficiary registers of the subsidies programs of the Federal Public Administration.

As a consequence of the referred change, the new government plans to transfer all material and financial resources for the operation of such software to the Ministry of the Treasury. This change will allow the Ministry of the Treasury to carry out, among other things, the following:

- a. The census of the beneficiaries of any government program;
- b. To collect information allowing the federal government to project and calculate the expenditures of the federal government for the upcoming years; and
- c. To improve the current distribution policy of the federal subsidies.

- **Mining.** The Bill also establishes that effective as of January 1, 2019, the fees

received in terms of Article 275 of the Federal Law of Rights (i.e., fees derived from mining concessions) shall be allocated to the Ministry of Economy for the development of social infrastructure and not to the Ministry of Agrarian, Territorial and Urban Development, which would also result in an adjustment to Article 2 of the Tax Coordination Law, specifically in the participation of the States and Mexico City of the income derived from the payments of such mining rights

- **Government Affairs.** Finally, the Bill also sets that the monitoring and control entities of each public agency (this is, the Internal Control Bodies) may not only depend hierarchically to the Ministry of Government Affairs, but also, the resources of such entities are to be granted directly by such Ministry and not by the public agency which they supervise, to guarantee independence and impartiality.

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