



Legal Update on the Proposed Ammendments to Mining Laws in Mexico

After last year's elections in Mexico, a new political party (MORENA) took the majority of seats in the Federal Congress; since then, eleven motions to amend laws related to mining have been filed. It is extremely important to note that all the initiatives listed below are pending and none has been discarded.

Due to their potential impact for the industry, we are following up its progress. Our aim is to keep our clients informed throughout the legislative procedure.

Initiative of senator María Guadalupe Saldaña Cisneros from the National

Action Party (PAN)

Filed on 09/13/2018 in the Senate

Objective: To prohibit mining activities in protected natural areas. The exploration, exploitation and benefit of metallic minerals in which any compound containing cyanide or mercury is used will be prohibited.

Status: Awaiting study in the designated committee, together with all the involved parties of the industry.

Initiative of senator Jesús Lucía Trasviña Waldenrath from the National

Regeneration Movement Party (Morena)

Filed on 09/20/2018 in the Senate.

Objective: To prohibit activities of the mining industry (exploration, exploitation or extraction) in protected natural areas and submarine surroundings.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of deputy Clementina Marta Dekker Gómez from the Labor Party

Legal Services

Legal Alert 05/2019 | March 19th, 2019

(PT)

Filed on 09/27/2018 in the Chamber of Deputies.

Objective: Exploration, exploitation and mineral benefits will not have a preferential treatment when dealing with ancestral property that belongs to indigenous peoples and communities.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of deputy Teófilo Manuel García Corpus from the Democratic Revolution Party (PRD)

Submitted on 09/10/2018 in the Chamber of Deputies.

Objective: To strengthen and protect the rights of indigenous peoples and communities related to mining exploitation.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of deputy Víctor Adolfo Mojica Wences from the National Regeneration Movement Party (Morena)

Submitted on 10/23/2018 in the Chamber of Deputies.

Objective: The holders of mining concessions must have insurance to cover any damages caused to neighboring communities, residents and their heritage or environment. The mining company must have an independent supplementary account from the official Fund for the Sustainable Regional Development of Mining States and Municipalities that must be endowed with at least 2% of the profit generated by the extracted minerals or materials.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of the Congress of Baja California Sur

Filed on 11/13/2018 in the Chamber of Deputies.

Objective: The local governments and congresses should be consulted before a concession is granted to explore and exploit substances or minerals. Mining activities cannot be above the interests of the States (protection of the environment, subterranean or superficial aquifers, and other natural resources).

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of deputy Martha Elisa González Estrada from the National Action Party (PAN)

Filed on 11/20/2018 in the Chamber of Deputies.

Objective: To prohibit carrying out works and activities of open-pit metallurgical mining exploitation in protected natural areas. It also prohibits the use of toxic materials that exceed the limits established in the corresponding Mexican Official Standards (NOMs).

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of senator Angélica García Arrieta of the National Regeneration Movement Party (Morena)

Filed on 11/20/2018 in the Senate.

Objective: To ask for annual studies of social impact related to local communities in a given mining area before granting a concession. Said study must be submitted before the Ministry of Economy and the Mexican Geological Service.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of the Congress of Baja California Sur

Filed on 11/27/2018 in the Senate.

Objective: To specify various provisions on the feasibility of exploration, exploitation and benefit of extracted minerals and related substances. Said activities shall not have preference over the interests of the States related to the protection of the environment, subterranean or superficial aquifers, or other natural resources.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of the Senator Geovanna Del Carmen Bañuelos De La Torre from the Labor Party (PT)

Filed on 04/12/2018 in the Chamber of Senators.

Objective: To strengthen the operation of the current Mining Fund with a social, environmental, and communities' development impact approach, and rename it to "Fund for Sustainable Regional Development of States and Municipalities".

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Initiative of senator Manuel Añorve Baños from the Institutional Revolutionary Party (PRI)

Filed on 02/19/2019 in the Chamber of Senators.

Objective: To protect communities where mining activities take place. It proposes to cancel a mining concession when there is no capacity to implement the actions determined by the authorities that aim to remediate damages to the environment, or to the economic and social activities of the communities.

Status: Awaiting study in the designated committee together with all the involved parties of the industry.

Deloitte Legal has a team of experienced professionals that can provide advice to

the members of the mining industry on legal and regulatory compliance in order to reduce the possibilities of fines, closures, or loss of concessions.

Our professionals can also provide legal counsel concerning the above initiatives and the possibility to file an extraordinary appeal based in constitutional rights.

Contacts:

Legal Services

Oliver Galindo

Tel. +52 55 5080 6000
ogalindo@deloittemx.com

Francisco Garza

Tel. +52 55 5080 6000
frgarza@deloittemx.com

www.deloitte.com/mx
www.deloitte.com/mx/legales



tax@hand App

Download our tax@hand app.
Available on: www.taxathand.com

For: IOS, Android and Blackberry



Aguascalientes

Universidad 1001, piso 12-1
Bosques del Prado
20127, Aguascalientes, Ags.
Tel: +52 (449) 910 8600
Fax: +52 (449) 910 8601

Cancún

Avenida Bonampak SM 6, M 1, lote 1,
piso 10, 77500 Cancún, Q. Roo
Tel: +52 (998) 872 9230
Fax: +52 (998) 892 3677

Chihuahua

Av. Valle Escondido 5500
Fracc. Des. El Saucito E-2, piso 1,
31125, Chihuahua, Chih.
Tel: +52 (614) 180 1100
Fax: +52 (614) 180 1110

Ciudad Juárez

Baudelio Pelayo No. 8450
Parque Industrial Antonio J. Bermúdez
32400, Ciudad Juárez, Chih.
Tel: +52 (656) 688 6500
Fax: +52 (656) 688 6536

Culiacán

Insurgentes 847 Sur, Local 103
Colonia Centro Sinaloa
80128, Culiacán, Sin.
Tel: +52 (33) 1454 2000

Guadalajara

Avenida López Mateos Norte 2405
piso 29
Colonia Italia Providencia
44648, Guadalajara, Jalisco.
Tel: +52 (33) 3669 0404
Fax: +52 (33) 3669 0469

Hermosillo

Blvd. Eusebio Francisco Kino No. 315
Piso 8, Suite 804, Colonia Lomas del Pitic
83010, Hermosillo, Son.
Tel: +52 (662) 109 1400
Fax: +52 (662) 109 1414

León

Paseo de los Insurgentes 303, piso 1
Colonia Los Paraísos
37320, León, Gto.
Tel: +52 (477) 214 1400
Fax: +52 (477) 214 1405 y 1407

Mazatlán

Avenida Camarón Sábalo 133
Fracc. Lomas de Mazatlán
82110, Mazatlán, Sin.
Tel: +52 (669) 989 2100
Fax: +52 (669) 989 2120

Mérida

Calle 56 B 485 Prol. Montejo Piso 2
Colonia Itzimna
97100, Mérida, Yuc.
Tel: +52 (999) 913 4032
Fax: +52 (999) 913 4052

Mexicali

Calzada Francisco López Montejano 1342
Piso 7 Torre Sur
Fracc. Esteban Cantú
21320, Mexicali, B.C.
Tel: +52 (686) 905 5200
Fax: +52 (686) 905 5231 y 5232

Ciudad de México

Paseo de la Reforma 505, piso 28
Colonia Cuauhtémoc
06500, México, D.F.
Tel: +52 (55) 5080 6000

Monclova

Blvd. Ejército Nacional 505
Colonia Los Pinos
25720, Monclova, Coah.
Tel: +52 (866) 190 9550
Fax: +52 (866) 190 9553

Monterrey

Av. Juárez 1102, piso 40
Centro
64000, Monterrey, N.L.
Tel: +52 (81) 8133 7300

Monterrey - La Rioja

Carr. Nacional 85, 5000, local S-6
Colonia La Rioja
64988, Monterrey, N.L.
Tel: +52 (81) 8155 5757
Fax: +52 (81) 8155 5758

Puebla

Edificio Deloitte, Vía Atlixcayotl 5506, piso 5
Zona Angelópolis
72190, Puebla, Pue.
Tel: +52 (222) 303 1000
Fax: +52 (222) 303 1001

Querétaro

Avenida Tecnológico 100-901
Colonia San Ángel
76030, Querétaro, Qro.
Tel: +52 (442) 238 2900
Fax: +52 (442) 238 2975 y 2968

Reynosa

Carr. Monterrey-Reynosa 210-B, PA
Fracc. Portal San Miguel
88730, Reynosa, Tamps.
Tel: + 52 (899) 921 2460
Fax: +52 (899) 921 2462

San Luis Potosí

Av. Salvador Nava Martínez 3125, 3-A
Fracc. Colinas del Parque
78294, San Luis Potosí, S.L.P.
Tel: +52 (444) 102 5300
Fax: +52 (444) 102 5301

Tijuana

Misión de San Javier 10643, Piso 8
Zona Urbana Río Tijuana.
22010, Tijuana B.C.
Tel: +52 (664) 622 7878
Fax: +52 (664) 681 7813

Torreón

Independencia 1819-B Oriente
Colonia San Isidro
27100, Torreón, Coah.
Tel: +52 (871) 747 4400
Fax: +52 (871) 747 4409

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its network of member firms, each of which is a unique and independent legal entity. Please consult our website at www.deloitte.com/mx/conozcanos for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte renders professional services in the areas of audit, taxes and legal services, consulting and advisory, to public and private clients from different industries. With a global network of member firms in over 150 countries, Deloitte offers world-class capacities and high quality service to its clients, providing the experience necessary to deal with the most complex business challenges. The more than 264,000 employees of Deloitte are committed to achieving significant impacts in their communities.

As utilized in this document, "Deloitte" means Galaz, Yamazaki, Ruiz Urquiza, S.C., which has the exclusive legal right to become involved in, and limits its business to, the provision of services of audit, tax consulting, advisory and other professional services in Mexico, under the name "Deloitte".

This publication contains only general information and neither Deloitte Touche Tohmatsu Limited, its member firms, nor any of their respective affiliates (collectively the "Deloitte Network"), render advice or services through this publication. Before taking any decision or measure which may affect your finances or business, you should consult a qualified professional adviser. No entity of the Deloitte Network will assume responsibility for losses suffered by any person or entity that consults this publication.