Galicia

Customs and International Trade Update

Modification of the suspension of the Administrative Agreement that establishes the goods whose import and export are regulated by the Ministry of Energy

Mexico City, February 25, 2022

In February 17, 2022, it was published in the Official Gazette of the Federation ("DOF") the "Administrative Agreement abrogating the one suspending all the consequences derived from the Agreement that establishes the goods whose importation and exportation is subject to regulation by the Ministry of Energy, published in the Official Gazette of the Federation on December 26, 2020, in terms of the Suspending Resolution derived from the *amparo* claim number 16/2021, in charge of the Second District Court in Administrative Matters Specialized in Economic Competition, Broadcasting, and Telecommunications, with residence in Mexico City and jurisdiction throughout the Republic, published in the Official Gazette of the Federation on March 3, 2021".

Through the abovementioned Administrative Agreement, the validity of the "Administrative Agreement that establishes the goods whose import and export are regulated by the Ministry of Energy" published on December 26, 2020, in the DOF, is reestablished and shall be effective as of February 18, 2022.

As we informed in previous communications, by means of the "Administrative Agreement that establishes the goods whose importation and exportation is subject to regulation by the Ministry of Energy", the conditions and requirements to obtain import and export permits applicable to petroleum products and hydrocarbons, among others, were modified. Mainly, through the aforementioned agreement, the possibility of requesting permits for a 20-year term was eliminated, being reduced to 1 and 5 years, subject to compliance with certain requirements, such as evidencing the existence of contractual commitments and the necessary infrastructure for the requested term. Likewise, the figure of the affirmative action applicable to the previous permits obtaining procedure with a one-year term was eliminated.



In this sense, as of February 18, 2022, those interested in obtaining permits for the import and export of hydrocarbons and petroleum products will only be able to have such permits for 1 or 5 years, in the understanding that, from now on, if the authority does not resolve the permit application within the term provided in the legislation, it will be understood that the permit has been denied.

It is important to point out that the suspension originally decreed was due to the filing of several means of defense, forcing both the Ministry of Economy and the Ministry of Energy, to publish an Administrative Agreement on March 3, 2021, suspending the Administrative Agreement published on December 26, 2020, and granting a cautionary measure **with general effects** that would avoid giving a competitive advantage to the plaintiffs of the *amparo* trial against third parties.

For such reason, the effects of the Administrative Agreement that modified the mechanism and validity of the permits to import and export petroleum products and hydrocarbons, could not be applied in a generalized manner.

It should be noted that, according to the terms of the Administrative Agreement published on February 17, 2022, it is recognized that the definitive suspensions granted so that the Agreement of December 26, 2020, is not applicable, will continue to be in force and valid, but only for those who have filed *amparo* claims and have been granted the precautionary measure on an individual basis.

In other words, what has become invalid are the general effects originally decreed, since it was considered that those subjects whose precautionary measure was not granted with particular effects were given constitutive rights effects.

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