

HIGHLIGHTS OF RECENT LEGISLATIVE ACTIVITIES*

The purpose of this document is to inform our clients briefly on those projects and draft bills discussed recently within the Mexican Congress and which we consider might be of their interest. The monitoring of the Congress activities by our firm covers the ordinary and extraordinary periods of both chambers as well as the sessions of the Permanent Commission, during the recess of the others. In our reports we indicate the source, the status of the draft bill in the legislative procedure and a summary of its most important contents. The information contained in this document is obtained by monitoring online the parliamentary gazettes of the House of the Representatives and the Senate. Thus, complete and official information should be consulted directly in the following links:

<http://gaceta.diputados.gob.mx/>

<http://www.senado.gob.mx/gaceta.php?principio=inicio>

MAY 23, 2007

SESSION

DRAFT BILL

- **Project of decree that amends and adds some provisions of the Reglamentary Law of Article 27 of the Constitution in the Branch of Petroleum, as well as of the Ecological Equilibrium and Environment Protection Law (regarding pipelining issues).**
 - Originated by Jesús Gonzalez Macías and Javier Orozco Gómez, representatives of the parliamentary group of the Mexican Green Ecological Party.
 - Submitted to the Commission of Environment and Natural Resources.
 - **Synopsis: The initiative considers diverse modifications to the laws in reference to hydrocarbon-transporting pipelines in the view of the prevention of environmental disasters and ecological unbalance. It establishes several measures to secure the operation and functioning of the pipelines, in accordance to preventive technical standards.**

JUNE 13, 2007

SESSION

DRAFT BILL

- **Project of decree that creates the Social Security and Services for the State Workers Institute Law (abolishing the current one).**
 - Originated by Alejandro Sánchez Camacho y Adrian Pedrozo Castillo, representative of the parliamentary group of the Democratic Revolution Party
 - Submitted to the united Commissions of Tax and Public Credit and Social Security.
 - **Synopsis: The intention in the creation of this Law is to optimize the human and economic resources that are used in the supplying of Social Security to the State workers through a re-distribution of the services provided and a financial reconstruction of the State workers' Retirement Fund.**

JUNE 13, 2007

SESSION

DRAFT BILL

- **Project of decree that amends the Foreign Investment Law.**

- Originated by Jose Luis Aguilera Rico, Miguel Angel Jimenez Godinez, Mauricio Ortiz Proal and Victor Manuel Palma Cesar, representatives of the parliamentary blocks of the Convergence Party, the New Alliance Party and of the Institutional Revolution Party, respectively.
- Submitted to the Finance Commission.
 - **Synopsis: The priority of this decree is to elevate the level of investment in the fixed telephone market and thus create a more competitive environment having as a result a cheaper and better service for users. Its' objective is to eradicate the barriers that obstruct the healthy competition in the fixed telephone market.**

JUNE 20, 2007

SESSION _____

DRAFT BILL

- **Project of decree that creates the Unique Rate Enterprise Contribution Tax (CETU for its initials in Spanish).**
 - Originated by Felipe Calderón Hinojosa, President of the United Mexican States.
 - Submitted to the Commission of Tax and Public Credit.
 - **Synopsis: The proposal intends to foster the tax collection system in order to accomplished a collection higher than the 10% of the GDP. Because of the complexities of the CETU, once approved by Congress, our Tax Law Department will include its analysis in the firm's Fiscal Circular.**

JUNE 20, 2007

SESSION _____

DRAFT BILL

- **Project of decree that amends, adds and abolishes diverse provisions of various tax laws, establishing a Job Subsidy.**
 - Originated by Felipe Calderón Hinojosa, President of the United Mexican States.
 - **Synopsis: The proposal intends to foster not only the tax collection system, but also the income distribution. Because of the complexities of proposed amendments, once approved by Congress, our Tax Law Department will include its analysis in the firm's Fiscal Circular.**

JUNE 20, 2007

SESSION _____

DRAFT BILL

- **Project of decree that amends various articles of the Law to Regulate Credit Bureau Societies.**
 - Originated by Alejandro Chanona Burguete, Jose Luis Varela Lagunas and Elias Cardenas Marquez, representatives of the parliamentary group of the Convergence Party.
 - Submitted to the Commission of Tax and Public Credit.
 - **Synopsis: With the enactment of the Law to Regulate Credit Bureau Societies, some individual guaranties have been broadly overlooked; among them, the breaching of financial secret obligations by certain financial entities. In this context, the objective of this decree is to provide a safer financial environment for debtors.**

- **Project of decree that amends and adds diverse provisions to the first paragraph of Numeral 1 of Article 27 of the Constitution.**
 - Originated by Elias Cardenas Marquez, representative of the parliamentary group of the Convergence Party.
 - Submitted to the Commission of Constitutional Matters.
 - **Synopsis: This decree proposes to better restrict indirect domain of coastal and border territories by foreigners; whom according to the current text of Article 27 the Constitution can only have a right of possession.**

* While care has been taken in the preparation of this document, the matters herein are subject to change. No liability or responsibility is accepted by anyone for the contents herein, which are merely descriptive and should not be used as a substitute for legal advice.