

ANNEX III
Schedule of Mexico

I. The Mexican State reserves the right to perform exclusively,
and to refuse to permit the establishment of investments in, the following activities:

1. Petroleum, other Hydrocarbons and Basic Petrochemicals

(a) Description of activities

(i) exploration and exploitation of crude oil and natural gas; refining or processing of crude oil and natural gas; and production of artificial gas, basic petrochemicals and their feedstocks and pipelines; and,

(ii) foreign trade; transportation, storage and distribution up to and including first hand sales of the following goods: crude oil; natural and artificial gas; goods obtained from the refining or processing of crude oil and natural gas; and basic petrochemicals.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos, Articles 25, 27 and 28 (United Mexican States Political Constitution, Articles 25, 27 and 28).

Ley Reglamentaria del Artículo 27 Constitucional en el Ramo del Petróleo y sus reglamentos (Regulatory Law of Article 27 of the United Mexican States Constitution related to Oil, and its regulations).

Ley Orgánica de Petróleos Mexicanos y Organismos Subsidiarios (Statutory Law of Petróleos Mexicanos and its Subsidiaries).

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2. Electricity

(a) Description of activities: the supply of electricity as

a public service in Mexico, including, except as provided in Annex 602.3 of the Energy Chapter, the generation, transmission, transformation, distribution and sale of electricity.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos, Articles 25 and 28 (United Mexican States Political Constitution, Articles 25 and 28).

Ley del Servicio Público de Energía Eléctrica y su reglamento (Public Service of Electric Energy Law, and its Regulations)

3. Nuclear Power and Treatment of Radioactive Minerals

(a) Description of activities: the generation of nuclear energy; the exploration, exploitation and processing of radioactive minerals; the nuclear fuel cycle; the use and reprocessing of nuclear fuels and the regulation of their applications for other purposes; the transportation and storage of nuclear wastes; and the production of heavy water.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos, Articles 25, 27 and 28 (United Mexican Constitution, Article 25, 27 and 28).

Ley Reglamentaria del Artículo 27 Constitucional en Materia de Energía Nuclear (Regulatory Law of the Article 27 of the United Mexican Constitution related to Atomic Energy).

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4. Satellite Communications

(a) Description of activities: the establishment, operation and ownership of satellite systems and earth stations with international links.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos,

Articles 25 and 28 (United Mexican States, Articles 25 and 26).

Ley de Vías Generales de Comunicación y sus reglamentos
(General Means of Communication Law)

5. Telegraph Services

Legal citation:

Constitución Política de los Estados Unidos Mexicanos,
Articles 25 and 28 (United Mexican States, Articles 25 and 28)

Ley de Vías Generales de Comunicación y sus reglamentos
(General Means Communication Law)

6. Radiotelegraph Services

Legal citation:

Constitución Política de los Estados Unidos Mexicanos,
Articles 25 and 28 (United Mexican States Political
Constitution, Article 25 and 28)

Ley de Vías Generales de Comunicación y sus reglamentos
(Genral Means of Communication Law).

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7. Postal Services

(a) Description of activities: operation, administration
and organization of first class mail.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos,
Articles 25 and 28 (United Mexican States Political
Constitution, Articles 25 and 28).

Ley del Servicio Postal Mexicano (Mexican Postal
Service Law)

8. Railroads

(a) Description of activities: the operation,
administration and control of traffic within the
Mexican railway system; supervision and management of

railway right-of-way; operation, construction and maintenance of basic railway infrastructure.

(b) Legal citation:

Constitución Política de los Estados Unidos Mexicanos, Articles 25 and 28 (United Mexican States Political Constitution, Articles 25 y 28).

Ley Orgánica de Ferrocarriles Nacionales de México (Statutory Law of Mexican Railroads).

9. Issuance of Bills (currency) and Minting of Coinage

Legal citation:

Constitución Política de los Estados Unidos Mexicanos, Articles 25 and 28 (United Mexican States Political Constitution, Articles 25 and 28).

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Ley Orgánica del Banco de México (Statutory Law of Banco de México).

Ley Orgánica de la Casa de Moneda de México (Statutory Law of the Mexican Coining Agency).

10. Control, Inspection and Surveillance of Maritime and Inland (Lake and River) Ports

Legal citation:

Ley de Navegación y Comercio Marítimo (Commercial and Navigation Law), Articles 43 and 47.

Ley de Vías Generales de Comunicación (General Means of Communication Law) Article 272.

11. Control, Inspection and Surveillance of Airports and Heliports

Legal citation:

Ley de Vías Generales de Comunicación (General Means of Communication) Article 327.

The legal citations are provided only for transparency purposes.

II. Deregulation of Activities Reserved to the State

1. The activities set out in Section I are reserved to the Mexican State, and private equity investment is prohibited under Mexican Law. Where Mexico allows private investment to participate in such activities through service contracts, concessions, lending arrangements or any other type of contractual arrangement, such participation shall not be construed to affect the State's reservation of those activities.

2. If Mexican laws or regulations are amended to allow private equity investment in an activity set out in Section I, Mexico may impose restrictions on foreign investment

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participation notwithstanding Article 1102 and describe them in Annex I. Mexico may also impose derogations from 1102 on foreign equity investment participation when selling an asset or ownership interest in an enterprise in activities set out in Section I and describe them in Annex I.

III. Activities Formerly Reserved to the Mexican State

Where an activity was reserved to the Mexican State on January 1, 1992 and is not reserved to the Mexican State upon entry into force of this Agreement, Mexico may restrict the initial sale of a state-owned asset or an ownership interest in a state enterprise that performs that activity to enterprises with majority ownership by Mexican nationals, as defined by the Mexican Constitution. For a period not to exceed three years from the initial sale, Mexico may restrict the transfer of such asset or ownership interest to other enterprises with majority ownership by Mexican nationals, as defined by the Mexican Constitution. Upon expiration of the three year period, the obligations of national treatment set out in Article 1102 (National Treatment) shall apply. This provision is subject to Article 1108 (Reservations and exceptions).