

Mexico City, January 6, 2021.

The Ministry of Economy publishes the Agreement establishing the products whose import and export are subject to regulation by the Ministry of Energy.

Dear clients and friends,

On December 26, 2020, the Ministry of Economy published the "Agreement establishing the products whose import and export are subject to regulation by the Ministry of Energy" (the "Agreement") in the Federal Official Gazette.

The Agreement refers to the requirement for a prior authorization issued by the National Commission of Nuclear Safety and Safeguards for the import and export of nuclear, radioactive and ionizing radiation materials. It also applies to the import and export of petroleum and hydrocarbons, including the requirement to obtain a prior authorization by the Ministry of Energy.

With respect to import and export activities of Petroleum Products and Hydrocarbons, the Agreement addresses the following items:

- (a)** The need to obtain a permit from the Ministry of Energy prior to import or export any product.
- (b)** The procedure for application, analysis and granting of import and export permits.
- (c)** Possible scenarios in order to obtain an extension of the permits.
- (d)** The causes for termination and revocation of the permits (such as expiration of the term, resignation of the permit holder or failure to comply with any condition to which the permit has been subject), including a more detailed and expedited revocation procedure which allows the authority to suspend the permit during the investigation.
- (e)** The 20-years permits are eliminated, only 1-year and 5-years permit will be granted, subject to demonstrating that the existing contractual obligations are in full force and effect during the same period and, that the company has or is developing storage or transportation infrastructure for the corresponding merchandise.

The Agreement entered into force on December 28, 2020, and it will not affect permits granted prior to this date. Permits granted before December 28, 2020 will continue to be governed in accordance with the rules applicable at the time they were granted, as long as the description of the products matches the description filed before customs authorities.

Furthermore, renewal of prior permits must be submitted in accordance with the rules established in the Agreement, unless the application for renewal happened before the entry into force of said Agreement.

The attorneys of Mañón Quintana will be glad to discuss or address any questions related to the scope of this Agreement.

Sincerely,

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