

## Mexico Energy Alert: Initiative to Amend the Mining Law

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April 22, 2022 Eduardo Corzo

**PRACTICES** International, Energy, Power and Natural Resources, Mexico, Mexico Energy Reform

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After discussion and approval by the Congress of the Union, on April 20, 2022, the Order to amend the Mining Law (“Order”), as proposed by the President of Mexico, Andrés Manuel López Obrador on April 17, 2020, was published in the Federal Gazette. Below is a summary of some of the salient features of the Order:

- Exploration, exploitation, and use of lithium will be considered as activities of public utility, reserved to the Mexican State.
- No concessions, licenses, contracts, permits, or authorizations may be granted to private parties.
- The State will create a decentralized public entity, which will be responsible for the exploration, exploitation, and use of lithium in favor of the Mexican State.

The Order will become effective the day following its publication in the Federal Gazette. Once in force, the President will have a period of 90 days to create the decentralized public entity responsible for all lithium-related activities.

The initiative to amend the Constitution regarding the Energy Sector, presented by the President on October 1, 2021, also included several provisions related to lithium and other strategic minerals that would have reserved them as exclusive State resources. That initiative was defeated.

For more detail on the content of that initiative, see our *Client Alert* dated October 12, 2021, available [here](#).

Although this initiative would have grandfathered existing concessions under exploration approved by the Ministry of Economy,<sup>1</sup> the recently approved and published Order does not contain provisions addressing concessions already granted. Thus, at its entry into force, the status of existing and approved concessions will be subject to interpretation.

For more information, please contact any of the attorneys listed below.

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<sup>1</sup> To date, there are 36 lithium exploration and exploitation projects in Mexico, all financed by foreign capital. Currently, the most relevant project is one in the northeastern part of Sonora.

To read en español, click [here](#).