

Amendment to the Protocol of conduct in public procurement, licenses, permits, authorizations and concessions

On February 19th, 2016, the Ministry of Public Administration (“MPA”) modified the rules governing the interaction between individuals and public officials that it issued on August 2015, regarding public procurement.

Hereafter, we will explain the key points of such amendment:

1. Protocol of Action

Before the amendment to the Protocol, the public officials had the obligation to record all telephone communications and videotape all meetings, visits and public events.

With the amendment of the Protocol, the obligation of public servants to record or videotape such activities is limited to the following cases:

- i. Public procurement;
- ii. Issuance and extension of concessions; and,
- iii. Issuance and extension of licenses, permits and authorizations as provided by the Specialized Unit on Ethics and Prevention of Conflicts of Interest, at www.gob.mx/sfp

The amendment, in general, will enter into effect on March 22nd, 2016.

2. Manifest

Before the amendment to the Protocol, individuals had the obligation to file an affidavit in each public procurement proceeding, regarding their commercial, personal or family ties or relationships, such as potential conflicts of interest with public officials.

With the amendments to the Protocol, the filing of the affidavit is optional, in addition it will be sufficient to submit such affidavit only once, which can be updated.

However, filing the corresponding affidavit might help avoid complaints or investigations regarding conflicts of interest.

Another relevant amendment is that the Protocol now specifies that legal entities may submit their affidavit, regarding the relationships which may exist between public officials and the following people:

- i. Members of the Board of directors or administrators;
- ii. General manager or equivalent;
- iii. Legal representatives; and,
- iv. Natural persons who have directly or indirectly at least ten percent of securities representing the legal entity’s capital stock.



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Individuals may submit their affidavit via the following web page: www.gob.mx/sfp, as well as obtain the corresponding acknowledgement of the receipt, update such affidavit, and report suspected conflicts of interest.

The individuals who have submitted their affidavit, may request the publication of their name or company name on such website.

The new system will start its operation in March 2017 at the latest.

To obtain additional information contact our experts:

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Sincerely,

Von Wobeser & Sierra, S.C.

Mexico City, February 26th, 2016.