VON WOBESER

MEXICAN LEGAL NEWS

The suspension of article 57 of the Hydrocarbons Act is published in the Federal Official Gazette

On May 26, 2021, the notice was published in the Federal Official Gazette ("**DOF**") informing the public of the suspension of all effects and consequences resulting from article 57 of the Hydrocarbons Act (the "**Act**"), as well as transitory articles four and six of the "Decree amending various provisions of the Hydrocarbons Act", published on May 4, 2021 in the DOF.

Article 57 of the Act, which was amended, establishes that the authority that has issued a permit according to the terms of that Act may suspend, temporarily occupy or intervene in the facilities of the permit holder to secure the interests of the nation, and contract only productive companies of the State for the management and control of the suspended facilities.

As the result of various amparo lawsuits filed by the private sector against that reform and specifically against article 57 of the Hydrocarbons Act, the Second District Judge in Administrative Matters Specialized in Economic Competition, Broadcasting and Telecommunications residing in Mexico City and with jurisdiction throughout the Republic, ruled to grant an interim measure to provisionally suspend the effects of article 57 of the Hydrocarbons Act. That suspension was granted by the Second District Judge with general extension, and therefore it will be effective for all permit holders of the sector.

In addition, the First District Judge in Administrative Matters Specialized in Economic Competition, Broadcasting and Telecommunications also ruled to grant an interim measure to provisionally suspend the effects of both article 57 and article 59 bis of the Hydrocarbons Act, which authorizes the authority to suspend the permits granted under the Act in case of imminent danger to national security, energy security or the national economy.

It is important to mention that although such suspensions are applicable generally, the Collegiate Circuit Courts could revoke the suspension, and therefore it is essential for the permit holders to file an amparo lawsuit against the reformed articles to protect their rights.

Furthermore, in view of the fact that the effects and consequences of article 57 of the Hydrocarbons Act are provisionally suspended, the text of article 57 of that Act that existed prior to the reform will be in force until the amparo lawsuit resulting in the suspension is resolved. It should be mentioned that the suspension of article 57 of the Hydrocarbons Act took effect from the moment the Second District Judge in Administrative Matters issued the interim measure.

Finally, we remind you that the last day to file an amparo lawsuit against the reformed articles of the Hydrocarbons Act is June 16, 2021, and in that regard our firm would be glad to analyze your current situation and prepare and file the corresponding amparo, in order to protect the rights of the permit holders.

To obtain additional information on our firm and our team, click **here**. You may also contact our experts:

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VON WOBESER Y SIERRA, S.C. Mexico City, May 27, 2021.