

“Lithium for Mexico”, the new decentralized public agency

Last Tuesday, August 23, 2022, a decree (the “Decree”), issued by the Ministry of Energy (“SENER”) creating the new Decentralized Public Body called “Lithium for Mexico” (“LitioMx”) was published in the Federal Official Gazette, which will have the authority to perform activities of exploration, exploitation, profiting and utilization of lithium in our country, as well as the administration and control of the value chain of such mineral.

With the creation of LitioMx, the federal government continues its efforts to implement an energy policy to guarantee national sovereignty over lithium. According to the Decree, the new public body will have the following characteristics:

- LitioMx will be coordinated by SENER but will have its own legal personality and assets.
- LitioMx will be subject to the regulations of state-owned companies. Consequently, in budget programming, budget control and public expenditure matters, the entity will be subject to the provisions contained in the Federal Budget and Fiscal Responsibility Law and its Regulations. Thus, the resources of such governmental body must be included in the Federal Expenditure Budget of each tax year.
- The Board of Directors will be composed of five directors, who will be the chief secretaries of the SENER (who will chair the Board), the Ministry of Finance, the Ministry of Economy, the Ministry of the Environment and Natural Resources, and the Ministry of Interior. All members of the Board of Directors will have a voice and vote. The Director of the Mexican Geological Service will sit permanently on the Board and have the right to discuss issues without the power to vote. Resolutions will be taken by the majority of votes of those present; and the chief secretary of SENER, as director, will have a tie-breaking vote.

LitioMx will start operations once the Board of Directors is installed within 60 calendar days. Subsequently, there will be a period of 90 calendar days to issue the bylaws. Finally, within 180 days counted from the day after the publication of the Decree, SENER must issue directives related to the transfer of its own human, material, budgetary and financial resources deemed necessary to undertake LitioMx’s tasks.

Finally, in pursuit of effectively and efficiently undertaking the mandates trusted upon this new decentralized body, SENER will face a great administrative challenge: to transfer the necessary personnel so that LitioMx can start operations within 180 days counted from the day after the publication of the Decree. To this end, SENER will have to issue the directives necessary to transfer its own material, human, budgetary and financial resources with the purpose assigned to LitioMx.

For additional information, please contact:

Edmond Grieger, Socio:

+52 (55) 5258-1058 | egrieger@vwys.com.mx

Ariel Garfio, Socio:

+52 (55) 5258-1008 | agarfio@vwys.com.mx

Víctor Delgado, Asociado:

+52 (55) 5258-1048 | vdelgado@vwys.com.mx

S I N C E R E L Y

VON WOBESER Y SIERRA, S.C.

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VON WOBESER Y SIERRA, S.C.

Paseo de los Tamarindos 60, 05120 Mexico City

+52 (55) 5258 1000

vonwobeser.com