

ANNEX IV

SCHEDULE OF MEXICO

Obligations Concerned: Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations)
Article 17.6.1(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment in the territory of Mexico
Article 17.6.2(b) (Non-commercial Assistance)

Entity: Comisión Federal de Electricidad, its subsidiaries and affiliates, or any new, reorganised or successor enterprise or entity.

Scope of Non-Conforming Activities: With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), the Entity may grant preferences to goods and services of Mexican enterprises in its purchases of goods and services, when engaging in the following activities within the territory of Mexico:

- (a) transmission and distribution of electricity;
- (b) electricity generation through the use of nuclear fuels; and
- (c) conditioning, transportation, storage and confinement of radioactive waste.

The State may require the Entity in the contracts and permits awarded to or granted to the Entity, to include preferences for the purchase of goods and services of Mexican enterprises, when engaging in the transportation, storage, distribution and commercialisation of natural gas and other fuels, pursuant to the *Ley de Hidrocarburos*.

The preferences to goods and services described above are granted pursuant to the entry at Annex I – Mexico – 23 (Electricity). For greater certainty, Mexico has not scheduled against Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), for these preferences by virtue of Article 17.2.11 (Scope).

With respect to Article 17.6.1(a) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance), Mexico or its state enterprises or state-owned enterprises may provide non-commercial assistance to the Entity, including from the Universal Electric Service Fund, for the sole purpose of implementing targeted programmes which are undertaken pursuant to the *Ley de la Industria Eléctrica* and which promote the electrification of rural communities and marginalised urban areas, including the supply of power to vulnerable users at affordable prices.

Measures:

Ley de la Comisión Federal de Electricidad, Articles 5, 63, 78 paragraphs VIII and IX.

Ley de la Industria Eléctrica, Articles 30, 31, 32, 33, 91, 113, 115 and 116.

Ley Reglamentaria del artículo 27 Constitucional en Materia Nuclear, Article 15 paragraphs 1 and 2, and 49.

Implementing laws and regulations.

Obligations Concerned:	<p>Article 17.6.1(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.1(b) (Non-commercial Assistance), with respect to the supply of services into the territory of a bordering Party</p> <p>Article 17.6.2(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.2(b) (Non-commercial Assistance), with respect to the supply of services into the territory of a bordering Party</p>
Entity:	Comisión Federal de Electricidad, its subsidiaries and affiliates, or any new, reorganised or successor enterprise.
Scope of Non-Conforming Activities:	<p>Mexico or its state enterprises or state-owned enterprises may provide non-commercial assistance to the Entity for the sole purpose of carrying out government-mandated projects with social implications and economic development in the following areas:</p> <ul style="list-style-type: none"> (a) pipeline transportation and storage of gas; and (b) distribution of gas.
Measures:	<p><i>Ley de Hidrocarburos</i>, Article 122.</p> <p>Implementing laws and regulations.</p>

Obligations Concerned:	Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations)
Entity:	Petróleos Mexicanos, its subsidiaries and affiliates, or any new, reorganised or successor enterprise or entity.
Scope of Non-Conforming Activities:	<p>With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), the Entity may grant preferences for goods and services of Mexican enterprises in its purchases of goods and services, pursuant to measures listed below when engaging in exploration and production of oil and other hydrocarbons within the territory of Mexico.</p> <p>The State may require the Entity in the entitlements, exploration and production contracts, and permits awarded to or granted to the Entity, to include preferences for the purchase of national goods or contracting domestic services.</p> <p>Average national content for exploration and production activities shall be 25 per cent by 2015 and at least 35 per cent by 2025. This percentage shall not apply to deepwater and ultra-deepwater projects, which will have a different national content requirement. After 2025, Mexico will review and update the average national content for exploration and production activities every five years.</p> <p>In imposing such requirements, the Entity must employ the methodology established by the Ministry of Economy and must take into account that it does not affect the competitive position of the Entity, and other enterprises developing exploration and production of hydrocarbons.</p> <p>The preferences to goods and services described above are granted pursuant to the entry at Annex I – Mexico – 20 (Energy). For greater certainty, Mexico has not scheduled against Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations) for these preferences by virtue of Article 17.2.11 (Scope).</p>
Measures:	<i>Ley de Hidrocarburos</i> , Articles 3, 6, 8, 11, 16,17, 19, 29, 41, 46, 122, 125, 128 and Transitory Provision 8, 14, 24 and 28.

Ley de Petróleos Mexicanos, Articles 13, 63 and 76.

Reglamento de la Ley de Hidrocarburos, Articles 14 and 36.

Methodology for the Measurement of the National Content in the Entitlements and Exploration and Production Contracts of Hydrocarbons, and for the permits in the Hydrocarbons Industry, issued by the Ministry of Economy (*Metodología para la Medición del Contenido Nacional en Asignaciones y Contratos para la Exploración y Extracción de Hidrocarburos, así como para los permisos en la Industria de Hidrocarburos, emitida por la Secretaría de Economía*).

Implementing laws and regulations.

Obligations Concerned:	<p>Article 17.6.1(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.1(b) (Non-commercial Assistance)</p> <p>Article 17.6.2(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.2(b) (Non-commercial Assistance)</p>
Entity:	Petróleos Mexicanos, its subsidiaries and affiliates, or any new, reorganised or transferee enterprise or entity.
Scope of Non-Conforming Activities:	<p>With respect to Article 17.6.1(a) (Non-commercial Assistance) and Article 17.6.1(b) (Non-commercial Assistance), and Article 17.6.2(a) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance), Mexico or its state enterprises or state-owned enterprises may provide non-commercial assistance to the Entity for the sole purpose of undertaking projects mandated by the federal government:</p> <p>(a) With social implications and to promote economic development, including projects involving the supply of services into the territory of bordering Parties, in the following sectors:</p> <ul style="list-style-type: none"> (i) treatment and refining of oil and natural gas processing; (ii) transport and storage of hydrocarbons and petroleum products; (iii) pipeline transportation and storage of petrochemicals; (iv) distribution of gas and petroleum products; and (v) retail sales of gas and petroleum products. <p>(b) To ensure the adequate supply of hydrocarbons and petroleum products at affordable prices in order to meet the basic needs of the population in rural areas and marginalised urban areas within</p>

Mexico.

Measures:

Ley de Hidrocarburos, Articles 122, 123 and 124.

Implementing laws and regulations.

Obligations Concerned:	<p>Article 17.6.1(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.1(b) (Non-commercial Assistance)</p> <p>Article 17.6.2(a) (Non-commercial Assistance), with respect to the production and sale of a good in competition with a like good produced and sold by a covered investment</p> <p>Article 17.6.2(b) (Non-commercial Assistance)</p>
Entity:	<p>Centro Nacional de Control del Gas Natural, or any new, reorganised or transferee enterprise or entity.</p>
Scope of Non-Conforming Activities:	<p>With respect to Article 17.6.1 (Non-commercial Assistance) and Article 17.6.2 (Non-commercial Assistance) Mexico or its state enterprises or state-owned enterprises may provide non-commercial assistance to the Entity for the sole purpose of undertaking projects with</p>

Obligations Concerned: Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), Article 17.4.1(b) and Article 17.4.1(c)
Article 17.6.1(b) (Non-commercial Assistance)
Article 17.6.2(b) (Non-commercial Assistance)

Entity: Banco Nacional de Obras y Servicios Públicos, S.N.C., or any new, reorganised or successor enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: The purpose of the Entity, as a development bank, is to finance or refinance projects that are directly or indirectly related to public or private investment in infrastructure and public services, and supporting the institutional strengthening of the Government (Federal, State and Municipal levels).

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 17.6.1(b) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance) the Entity may receive government guarantees for banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.

Measures:

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco Nacional de Obras y Servicios Públicos, Articles 2, 3, 4, 6, 7, 8, 11, 29 and 31.

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owned enterprises from the relevant market.

Measures:

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco del Ahorro Nacional y Servicios Financieros, Articles 3, 4, 7, 8, 10, 32 and 36.

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Obligations Concerned: Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), Article 17.4.1(b) and Article 17.4.1(c)
Article 17.6.1(b) (Non-commercial Assistance)
Article 17.6.2(b) (Non-commercial Assistance)

Entity: Banco Nacional del Ejército, Fuerza Aérea y Armada, S.N.C., or any new, reorganised or successor enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: The purpose of the Entity, as a development bank, is to grant financial aid mainly to the members of the Mexican Army, Air Force, and Navy.

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 17.6.1(b) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance) the Entity may receive government guarantees on banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.

Measures: *Ley de Instituciones de Crédito*, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco Nacional del Ejército, Fuerza Aérea y Armada, Articles 2, 3, 4, 6, 7, 9 and 52.

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Obligations Concerned:	<p>Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), Article 17.4.1(b) and Article 17.4.1(c)</p> <p>Article 17.6.1(b) (Non-commercial Assistance)</p> <p>Article 17.6.2(b) (Non-commercial Assistance)</p>
Entity:	Nacional Financiera, S.N.C., or any new, reorganised or successor enterprise, with similar functions and objectives.
Scope of Non-Conforming Activities:	<p>The purpose of the Entity, as a development bank, is to promote savings and investment, and to channel financial and technical resources for the industrial development and national and regional economic development.</p> <p>With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.</p> <p>With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.</p> <p>With respect to Article 17.6.1(b) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance), the Entity may receive government guarantees on banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.</p> <p>The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.</p>
Measures:	<i>Ley de Instituciones de Crédito</i> , Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica de Nacional Financiera, Articles 2, 3, 5, 6, 10, 29, 30, 32, 33 and 36.

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Obligations Concerned: Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), Article 17.4.1(b) and Article 17.4.1(c)
Article 17.6.1(b) (Non-commercial Assistance)
Article 17.6.2(b) (Non-commercial Assistance)

Entity: Sociedad Hipotecaria Federal, S.N.C, or any new, reorganised or successor enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: The purpose of the Entity, as a development bank, is to foster the development of primary and secondary mortgage markets, by granting credit and guarantees for the construction, acquisition and improvement of housing, preferably social interest housing, as well as increase production capacity and technological development related to housing. It could also guarantee funding related to the equipment of housing complexes.

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 17.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 17.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 17.6.1(b) (Non-commercial Assistance) and Article 17.6.2(b) (Non-commercial Assistance) the Entity may receive government guarantees, in order to provide banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately

owned enterprises from the relevant market.

Measures:

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica de Sociedad Hipotecaria Federal, Articles 2, 4, 5, 8, 8 Bis, 24 Bis, 24 Ter and 28.

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