

# HIGHLIGHTS IN RECENT LEGISLATIVE ACTIVITIES\*

## JULY – AUGUST 2007

The purpose of this document is to inform our clients briefly on those projects and draft bills discussed recently within the Mexican Congress and which we consider might be of their interest. The monitoring of the Congress activities by our firm covers the ordinary and extraordinary periods of both chambers as well as the sessions of the Permanent Commission, during the recess of the others. In our reports we indicate the source, the status of the draft bill in the legislative procedure and a summary of its most important contents. The information contained in this document is obtained by monitoring online the parliamentary gazettes of the House of the Representatives and the Senate. Thus, complete and official information should be consulted directly in the following links:

<http://gaceta.diputados.gob.mx/>

<http://www.senado.gob.mx/gaceta.php?principio=inicio>

### PROPOSALS ORIGINATED WITHIN THE LOWER HOUSE

**JULY 3, 2007**

DRAFT BILL

#### **PROJECT OF DECREE THAT AMENDS, ADDS AND ABOLISHES CERTAIN TAXES PROVISIONS**

Originated by: Felipe Calderón Hinojosa, President of the United Mexican States. The project embraces three proposals:

1.- PROJECT OF DECREE THAT ABOLISHES THE TAX CONCERNING THE USE OF VEHICLES (LEY DE TENENCIA)

Synopsis: In accordance with this project the current law would be abolished, it is also foreseeing December 31, 2013 as its last operative day. Nevertheless each State would be able to establish a local tax concerning the same issues.

2.- PROJECT OF DECREE THAT AMENDS ARTICLE 27 OF THE SPECIAL TAX  
RELATED TO SERVICES AND PRODUCTION.

Synopsis: In accordance with this project all local taxes related to the sale of goods or goods for final consume would be exempted from the tax contemplated within the same law.

3.- PROJECT OF DECREE THAT ESTABLISHES THE TAX AGAINST THE INFORMALITY

Synopsis: The aim of the project is the establishment of a 2 per cent rate in respect to deposits made in Mexican pesos or foreign currency received both by individuals or corporate, if such deposits amounts to twenty thousand Mexican pesos in any of the individuals' or corporate's bank accounts, it would be excluded from the tax deposits made distinct than in cash.

**JULY 16, 2007**

DRAFT BILL

**PROJECT OF DECREE THAT AMENDS  
ARTICLE 27 (1) OF THE CONSTITUTION**

Originated by: Deputy Elías Cárdenas Márquez representative of the parliamentary group of Convergencia.

Synopsis: The aim of the project is the establishment of a restriction concerning indirect dominion over 100 kilometers within Mexican boundaries and 50 kilometers within Mexican beaches for foreigners. It is worth noting that currently the Constitution solely imposes the restriction of direct dominion.

**AUGUST 10, 2007**

**DRAFT BILL**

**PROJECT OF DECREE THAT AMENDS ARTICLES 22 AND 27 OF THE  
CONSTITUTION AND ESTABLISHES A REGLAMENTARY LAW REGARDING  
THE SAME ARTICLES**

Originated by: Deputy Andrés Lozano Lozano representative of the parliamentary group of the PRD.

Synopsis: In accordance with the project the unlawful patrimonial increase of any individual would entail the loss of its property rights. The proposal also establishes that the aforementioned lost could be only decided by judgement. Once the judgement is decided, the individual would loss its property rights without any compensation.

**DRAFT BILL**

**PROJECT THAT AMENDS CERTAIN PROVISIONS  
CONCERNING THE INCOME TAX LAW**

Originated by: Deputy Pablo Trejo Pérez representative of the parliamentary group of the PRD.

Synopsis: In accordance with the project, individual's incomes amounting 2,700,000 of investment unities (UDIS) would be exempted from the payment tax's payment.

**AUGUST 27, 2007**

DRAFT BILL

**PROJECT THAT AMENDS ARTICLES  
8, 16, 121 OF THE CONSTITUTION**

Originated by: Deputy Mario Alberto Salazar Madera representative of the parliamentary group of the PRD.

Synopsis: In accordance to the project it would be possible to exercise the right of petition (recognized as a Constitutional right) whether verbally or by electronic tools (i.e. e-mai).

**AUGUST 31, 2007**

DRAFT BILL

**PROJECT THAT AMENDS ARTICLE  
2-A (1) OF THE VALUE ADDED TAX LAW**

Originated by: Deputies Javier González Garza, Pablo Trejo Pérez, y Juan N. Guerra Ochoa representatives of the parliamentary group of the PRD.

Synopsis: The aim of the project is to apply a tax of 10 to 15 percent in respect of the sale of food even if the place in which it is elaborated does not fulfill lawful conditions or it is not consumed in the place.

## **PROPOSALS MADE WITHIN THE SENATE OF THE REPUBLIC**

**JULY 10, 2007**

**DRAFT BILL**

### **PROJECT OF DECREE THAT AMENDS ARTICLE 27 (I) OF THE CONSTITUTION**

Originated by: Senator Luis Coppola Joffroy representative of the parliamentary party of the PAN.

Synopsis: In accordance with the project, foreigners could not become owners of a part of national territory within a range of 100 kilometers from Mexican boundaries.

**AUGUST 18, 2007**

**DRAFT BILL**

### **PROJECT OF DECREE THAT AMENDS CERTAIN PROVISIONS CONCERNING THE LAW FOR DEFENSE AND PROTECTION OF USERS OF FINANCIAL SERVICES.**

Originated by: Deputy Mario López Valdés representative of the parliamentary party of the PRI.

Synopsis: The aim of the project is to impose a fine amounting to 200 or 300 of the minimum salarium in force to anyone who while exercising its capacity to recover a debt use unlawful or intimidating practices.

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# HIGHLIGHTS IN RECENT LEGISLATIVE ACTIVITIES\*

## SEPTEMBER – OCTOBER 2007

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### PROPOSALS ORIGINATED WITHIN THE LOWER HOUSE

SEPTEMBER 20, 2007

DRAFT BILL

#### PROJECT OF DECREE THAT ADDS ARTICLE 920 OF THE FEDERAL LABOR LAW

Originated by: Deputies from the Congress of the State of Jalisco.

Synopsis: In accordance with the proposal, in order to invoke a labor strike it would be necessary to demonstrate both the workers affiliation into the labor union and the existence of a labor relationship between the employer and the workers.

**SEPTEMBER 30, 2007**

**DRAFT BILL**

**PROJECT OF DECREE THAT AMENDS ARTICLE 1049  
OF THE COMMERCE CODE**

Originated by: Deputy Yadhira Yvette Tamayo Herrera representative of the parliamentary group of the PAN.

Synopsis: The aim of this proposal is the establishment of an 'Electronic Trade Tribunal'. The ETT would be able to resolve any controversy related to articles 4, 76 and 76 of the Commerce Code. The same proposal establishes that as ETT has to be understood any kind of electronic or virtual system useful while processing information and which contributes to a complete integration of merchandise disputes considered by the Federal Judicial System.

**DRAFT BILL**

**PROJECT OF DECREE THAT AMENDS ARTICLE 101  
OF THE FEDERAL LABOR LAW**

Originated by: Deputy Juan Carlos Velasco Pérez representative of the parliamentary group of the PRI

Synopsis: In accordance with this proposal the legal currency is considered as the only way by which salary could be paid, payments made by merchandise, goods, or any other substitute for the legal currency are forbidden. In the case of payments made by electronic deposits it would be necessary the worker's consent.

**PROPOSALS ORIGINATED WITHIN THE SENATE OF THE REPUBLIC**

**SEPTEMBER 11, 2007**

DRAFT BILL

**PROJECT OF DECREE THAT AMENDS ARTICLE 29-A OF THE FEDERAL  
TAX CODE (CÓDIGO FISCAL DE LA FEDERACIÓN)**

Originated by: E. Ortega Barnés representative of the parliamentary group of the PRD.

Synopsis: In accordance with this proposal the validity of documentation related to taxes or deductions, as referred in article 29 of the same law, would be of 2 years. The aforementioned period begins at the moment in which such documentation is printed.

**SEPTEMBER 20, 2007**

DRAFT BILL

**PROJECT OF DECREE THAT AMENDS CERTAIN CIVIL LAW PROVISIONS  
AND CREATES THE ALTERNATIVE FEDERAL JUSTICE LAW**

Originated by: Senator Renán Cleominio Zoreda Novelo representative of the parliamentary group of the PRI.

Synopsis: The proposal creates a complete framework for the implementation of alternative methods for settlement of disputes such as mediation, conciliation and arbitration.

DRAFT BILL

**PROJECT OF DECREE THAT AMENDS ARTICLE 42  
OF THE FEDERAL INCOME TAX**

Originated by: Senator Carlos Lozano Torres representative of the parliamentary group of the PRI.

Synopsis: The aim of this proposal is to restrict the amount of deductions related to vehicles. Deductions concerning vehicles would be only permitted on the amount of \$250,000 Mexican pesos.

**OCTOBER 4, 2007**

DRAFT BILL

**PROJECT OF DECREE THAT AMENDS  
THE EXPROPIATION LAW**

Originated by: Javier Orozco Gómez representative of the parliamentary group of the PVEM.

Synopsis: The proposed amendments are the following: (1) once the expropriation's affected has bring an administrative complaint, the expropriation must be suspended, (2) an administrative complaint has to be filed within the following 60 days in which the expropriation is notified, (3) the compensation arising out of the expropriation could be done either by cash, goods, tax deductions or concessions.

**HIGHLIGHTS IN DECREES PUBLISHED WITHIN THE  
OFFICIAL FEDERAL JOURNAL\*  
SEPTEMBER – OCTOBER 2007**

All decrees are enacted by Felipe Calderón Hinojosa, President of the United Mexican States.

**OCTOBER 1, 2007**

**DRAFT DECREE**

**PROJECT OF DECREE THAT AMENDS, ADDS AND ABOLISHES  
CERTAIN TAXES PROVISIONS**

The project's aim is the amendment of the Federal Income Tax, the Federal Tax Code, the Special Tax concerning Production and Services, the Value Added Tax Law and the establishment of the Employment's Subsidy. The decree would be broadly explain within the Firm's annual tax journal.

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