



FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW

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CURRENT TEXT

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In the margin, a stamp with the National Coat of Arms that reads the United Mexican States; Office of the President of the Republic.

ENRIQUE PEÑA NIETO, President of the United Mexican States, to the residents thereof, greetings:

The Honorable Congress of the Union has sent me the following

EXECUTIVE ORDER

THE MEXICAN CONGRESS PROMULGATES

THE FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW (LFTR), AND THE LAW FOR THE PUBLIC BROADCASTING SYSTEM OF THE MEXICAN STATE; AND AMENDS, SUPPLEMENTS, AND REPEALS CERTAIN BROADCASTING AND TELECOMMUNICATIONS PROVISIONS.

ARTICLE ONE. Promulgation of the Federal Telecommunications and Broadcasting Law.

FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW

TITLE ONE

On the Applicability of the Law and the Authorities' Purview

Chapter I

General Provisions

Article 1. This Law is of the public order and is intended to regulate the use, development, and operation of the radio spectrum, the public telecommunications networks, access to active and passive infrastructure, satellite orbits, satellite communication, the provision of public broadcasting and telecommunications interests of a general interest, and their convergence, the rights of users and audiences, and competition processes in these sectors, to contribute to the purpose and exercise of the rights established by Articles 6, 7, 27, and 28 of the Mexican Constitution.

Article 2. Broadcasting and telecommunications serve the public interest.

Any discrimination in the provision of these services on grounds of ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual orientation, marital status or any other discrimination that violates human dignity and is intended to nullify or undermine the rights and freedoms of individuals is prohibited.

The State, exercising its stewardship on the subject matter, shall protect the nation's sovereignty and safety, and ensure the efficient delivery of general broadcasting and telecommunications services that serve the public interest, thereby establishing conditions for effective competition in the provision of such services.



The State shall always maintain the original, inalienable, and dominion not subject to a statute of limitations over the radio spectrum.

It may allow the use, development, and operation of the radio spectrum and satellite orbits, in conformity with the terms and requirements outline in this Law and other applicable provisions.

Article 3. The following definitions shall apply for the purposes of this Law:

- I. **Access for end users:** The physical circuit connecting the network's terminal connection point at the user's home to the telephone exchange or equivalent facility in the local public telecommunications network from where service is provided.
- II. **Active infrastructure:** Broadcasting or telecommunications network infrastructure that stores, emits, processes, receives or transmits writing, images, sounds, signals, signs or information of any nature.
- III. **Agent with substantial power:** The economic agent that has substantial power in a relevant broadcasting or telecommunications market, as provided in the Federal Economic Competition Law.
- IV. **Allocation of a frequency band:** Act to determine that a given frequency band shall be used by one or more radio services, according to the National Table of Frequency Allocations.
- V. **Ancillary equipment:** The infrastructure to retransmit the signal from a broadcasting station intended to ensure receipt of the signal with the quality required by the Institute or by the applicable provisions within the coverage area concessioned.
- VI. **Authority to command:** De facto ability to exercise a decisive influence on resolutions adopted at shareholder or board meetings or regarding management, leadership, and execution of business over which a person has significant control or influence.
- VII. **Broadband:** High-capacity access used to offer diverse convergent services through a reliable network infrastructure, regardless of the technologies used, which parameters shall be periodically updated by the Institute.
- VIII. **Broadcasting:** Transmission of audio or video and audio programs or signals by using, operating or exploiting radio spectrum band frequencies, including satellite orbits classified by the Institute to this end, by which people can receive direct signals free of charge from their transmitters when using the appropriate devices.
- IX. **Broadcasting transmission channel:** Indivisible bandwidth intended for broadcast programming channels in accordance with the standard applicable to radio or television transmissions, regarding the general rules issued by the Institute.
- X. **Commercial message:** Addressed to the public or a segment thereof during a programming break, to inform about the existence or characteristics of a product, service or activity to induce their marketing and sales. The message is mentioned on broadcasting stations with a commercial concession and restricted TV and audio channels. Commercial messages do not include the promotion of the station or channel's activities, or State transmission times or others available to the Federal Government, or programs offering products and services.



- XI. **Competitive neutrality:** The State's obligation to refrain from producing market distortions from its privileged position.
- XII. **Concessionaire:** The individual or business corporation that holds a concession under this Law.
- XIII. **Constitution:** The Mexican Constitution.
- XIV. **Decree:** The Executive Order amending and supplementing various provisions established by Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11 of 2013.
- XV. **Earth station:** The antenna and its ancillary equipment used to transmit or receive communication signals from a satellite.
- XVI. **End user:** Individual or business corporation using a telecommunications service as the end user.
- XVII. **Essential inputs:** Network elements or services provided by a single retailer or a small number of concessionaires, whose reproduction is not feasible from a technical, legal or economic standpoint and which inputs are essential to the provision of broadcasting and telecommunications services. In cases not covered by this Law, the Institute shall determine the existence and regulation of access to essential inputs under the Federal Economic Competition Law.
- XVIII. **Federal Government:** The Federal Government, and its departments and agencies, as appropriate.
- XIX. **Frequency:** A specified band or range within the overall spectrum of electromagnetic radio waves measured by Hertz.
- XX. **Frequency band:** A portion of the radio spectrum ranging between two given frequencies.
- XXI. **Geographic location in real time:** Approximate location obtained when processing a search for a mobile terminal associated with a specific phone line.
- XXII. **Geostationary orbit positions:** Locations in a circular orbit that are in the equatorial plane, that allow a satellite to maintain a translational period equal to the period of the Earth's rotation.
- XXIII. **Harmful interference:** Any emission, radiation, or induction interference that endangers the functioning or seriously degrades, obstructs, or repeatedly interrupts a communications system, such as a radio navigation service, telecommunications service, or radio communication services.
- XXIV. **INDAABIN:** Administration and Appraisal of National Assets Institute.
- XXV. **Independent national producer of audiovisual content:** Mexican national or business corporation producing audiovisual works at a national, regional or local level that does not have a broadcasting or telecommunications concession and is not controlled by a concessionaire by virtue of its authority to command.
- XXVI. **Independent national programmer:** Individual or business corporation person who is not controlled by a broadcasting concessionaire or affiliate, subsidiary or branch thereof, or by a



concessionaire by virtue of its authority to command, and has the ability to create a programming channel based on a program structure consisting primarily of its own production and domestic independent production with copyrights are mostly Mexican.

- XXVII. Institute:** The Federal Telecommunications Institute.
- XXVIII. Interconnection services:** Those provided between telecommunications service concessionaires for interconnection between their networks and include, among others, traffic origination and termination, transmission links, signage, access ports, collocation, sharing infrastructure for interconnection, billing, and collection, as well as other auxiliary services and access to the same services.
- XXIX. Interconnection:** Physical or virtual, logical and functional connections linking public telecommunications networks to allow traffic from the public telecommunications networks to be transferred onto another public telecommunications network segment and vice versa, or allow public telecommunications network users to use the telecommunications service provided by or through another telecommunications network.
- XXX. Internet:** A decentralized collection of telecommunications networks worldwide that are interconnected and provide different communication services and protocols using internationally coordinated addressing for routing and processing of data packets for each service. These protocols and routing guarantee that the physical networks that jointly make up the Internet function as a single logical network.
- XXXI. Interoperability:** Technical characteristics of integrated public networks, systems, and equipment that allow effective interconnection to ensure the provision of a specific telecommunications service in a consistent and predictable manner, regarding the functional delivery of telecommunications services between networks.
- XXXII. Law:** The Federal Telecommunications and Broadcasting Law (LFTR).
- XXXIII. Minimum reference value:** Amount expressed in money considered as the minimum value to be paid as consideration for the concession right.
- XXXIV. Ministry:** The Ministry of Communications and Transport.
- XXXV. Motion picture:** Audiovisual creation made up of images in movement, with or without sound, lasting 60 minutes or longer. Domestic films are those made by Mexican individuals or business corporations or produced under international or co-production agreements signed by the Mexican government, with other countries or international organizations.
- XXXVI. Multiprogramming:** Distribution of several programs transmitted on a transmission channel at the same time.
- XXXVII. National production:** Content or programming generated by individual or business corporations mostly with Mexican funding.
- XXXVIII. National Table of Frequency Allocations:** Administrative arrangement indicating the radio communication services allocated for a specific frequency band of the radio spectrum while also providing additional information on the use and planning of different frequency bands.



- XXXIX. Open architecture:** The set of technical characteristics of public telecommunications networks that allow them to interconnect with each other, at a physical or virtual, logical and functional level, to ensure interoperability between them.
- XL. Passive infrastructure:** Accessory elements that provide support for the active infrastructure, including racks, underground and overhead power lines, pipelines, buildings, ducts, works, posts, supply systems and backup power, HVAC, sites, towers and other attachments, including rights of way that are necessary to install and operate networks, and to provide broadcasting and telecommunications services.
- XLI. Point of interconnection:** Physical or virtual point linking public telecommunications networks for the exchange of interconnection traffic or wholesale traffic services.
- XLII. Portability:** Right of users to keep a telephone number when switching concessionaires or service providers.
- XLIII. Preponderance:** Classification determined by the Institute regarding an economic agent under the terms of Article 262 of this Law.
- XLIV. PROFECO:** The Federal Consumer Protection Bureau.
- XLV. Programming Channel:** Time sequential organization of audiovisual content made available to the audience, under the responsibility of the same person with its own identity and image and that can be distributed through a broadcast channel.
- XLVI. Programming of product offers:** Intended to provide or promote the sale of goods or provision of services through radio and television services, and which duration lasts longer than five minutes at a time.
- XLVII. Public broadcasting and telecommunications services:** Services of a general interest provided by concessionaires to the general public for commercial, public or social purposes in conformity with the provisions outlined in this Law and the Federal Economic Competition Law.
- XLVIII. Public site:** For the purposes of this Law and as long as it is managed by federal, state, or municipal agencies or public programs under any one of the three branches of government, the following are considered as such:
- a) Schools, universities and, buildings used for educational purposes, in general;
 - b) Clinics, hospitals, health care centers and, buildings used to provide health care services, in general;
 - c) Offices of the different branches of government;
 - d) Community centers;
 - e) Open spaces such as town squares, parks, sports centers and public areas commonly used by the general population, which construction or maintenance is managed by the federal, state, and municipal governments/authorities;
 - f) Those involved in public programs, and
 - g) Others sites considered public places in accordance with current legislation.



- XLIX. Public telecommunications network:** Telecommunications network for the commercial operation of telecommunications services. The network does not include user telecommunications terminal equipment or telecommunications networks that are beyond the terminal connection point.
- L. Quality:** All the characteristics of a broadcasting and telecommunications service that determine its ability to meet the explicit and implicit user needs, whose parameters are defined and regularly updated by the Institute.
- LI. Radio spectrum:** Space that permits the dissemination, without artificial guides, of the electromagnetic waves whose frequency bands are conventionally established below 3,000 gigahertz.
- LII. Radio spectrum or satellite orbit concessions:** Administrative act by which the Institute confers the right to use, operate or exploit radio spectrum and satellite orbit frequency bands, under the terms and conditions established by this Law.
- LIII. Radio communications:** All types of telecommunications or broadcast transmitted by radio waves.
- LIV. Restricted television and audio services:** Audio or audio and video associated telecommunications services provided to subscribers through public telecommunications networks, by contract and the periodic payment of a predetermined amount.
- LV. Satellite:** An object placed in a satellite orbit, equipped with a space station with associated frequencies that allow it to receive, transmit or retransmit radio signals to or from Earth stations or other satellites frequencies.
- LVI. Satellite communication system:** Used to send radio signals through a transmitting earth station to a satellite that receives, amplifies, processes and sends them back to Earth to be picked up by one or more receiving earth stations.
- LVII. Satellite orbit:** Path a space station follows around the Earth.
- LVIII. Satellite orbits:** Geostationary orbital slots or satellite orbits with their respective associated frequency bands that may be granted through a concession.
- LIX. Seller:** Any person who provides telecommunications services to end users by using the capacity of one or more public telecommunications networks without the status of a concessionaire under this Law.
- LX. Sole concession:** Administrative act by which the Institute confers the right to provide all manner of public broadcasting or telecommunication services convergently. If the concessionaire needs to use radio spectrum bands or satellite orbits, it must obtain them on the terms and conditions established in this Law.
- LXI. Sponsorship:** Payment in cash or in kind made by an individual or business corporation to have its company name, brand or logo mentioned or exhibited.
- LXII. Standardization:** Act by which the Institute officially acknowledges that product, equipment, device or apparatus' broadcasting or telecommunications specifications meet the applicable standards or technical provisions.



- LXIII. Telecommunications:** All emissions, transmissions or reception of signs, signals, data, writing, images, voice, sounds or information of any kind transmitted by wire, radio, optical, physical or other electromagnetic systems, not including broadcasting.
- LXIV. Telecommunications network:** Systems comprising transmission medium, such as channels or circuits using radio spectrum frequency bands, satellite links, wiring, electric transmission networks or any other means of transmission and, central offices, switching devices or the required equipment, as appropriate.
- LXV. Traffic:** Data, writing, images and sounds or intelligence of any nature sent through a telecommunications network.
- LXVI. Unbundling:** Separation of physical elements, including fiber optics, technical and logical elements, functions or services of the public local telecommunications network belonging to the preponderant economic agent in the telecommunications sector or the national agent that has substantial power in the relevant market offering end users access to the services, so other concessionaires can effectively access the public local telecommunications network.
- LXVII. Universal coverage:** General population's access to telecommunications services determined by the Ministry, under conditions of availability, affordability, and accessibility.
- LXVIII. Universal digital inclusion policy:** Set of programs and strategies issued by the Federal Government aimed at providing access to information and communications technology, including broadband internet for the entire population, with particular emphasis on its most vulnerable sectors, in order to close the digital gap between individuals, households, businesses, and geographic areas with different socioeconomic levels, to ensure their opportunities for access to the aforementioned technologies and their use thereof.
- LXIX. Visitor services:** The service through which users of a public telecommunications network providing local mobile services may originate or receive voice or data communications through another concessionaire's access infrastructure for public telecommunications network providing local mobile services, without the need for additional procedures as users of other mobile local region or being outside of your mobile service provider's coverage area.
- LXX. Wholesale shared network:** Public telecommunications network intended solely for the wholesale marketing of capacity, infrastructure and telecommunications services to other concessionaires or sellers.
- LXXI. Wholesale telecommunications services:** Telecommunications service providing access to individual elements, network capabilities or services, including interconnection, which is used by concessionaires or sellers to provide telecommunications services to end users.

The definitions established by the relevant laws shall apply to all matters related to the principles of non-discrimination, gender, and interests of children.

Article 4. For the purposes of the Law, public telecommunications networks, broadcasting stations, and ancillary equipment, as well as satellite communication systems are considered general means of communication on the radio spectrum.



Article 5. General means of communication, civil works and rights of way, use or easements associated with public telecommunications networks, broadcasting stations, ancillary equipment, and satellite communication systems under the Law and services provided through these, are under federal jurisdiction.

The installation, operation, and maintenance of infrastructure used for public telecommunications networks, broadcasting stations, and ancillary equipment, which shall be exclusively subject to the federal authorities, under their respective jurisdictions, must respect applicable state, municipal, and Mexico City provisions on urban development.

No other contribution or additional economic consideration can be imposed on the concessionaire besides those agreed with the owner of a building to install its infrastructure.

The Federal Government, States, Municipalities, and the Mexico City Government, within their jurisdictions, must cooperate and grant facilities for the installation and deployment of infrastructure and provision of general broadcasting and telecommunications services that serve the public interest. No restrictions can be applied, under any circumstances, to the installation of broadcasting and telecommunications infrastructure for provision of the public services regulated by this Law.

Disputes between concessionaires and the Federal Government, States, and Municipalities regarding the provisions outlined in this Article shall be resolved by courts specialized in economic competition, broadcasting, and telecommunications.

Article 6. The following laws shall also apply in the absence of an express provision in this Law or international treaties:

- I. The General Law on National Assets;
- II. The General Means of Communication Law;
- III. The Federal Consumer Protection Act;
- IV. The Federal Administrative Procedures Act;
- V. The Code of Commerce;
- VI. The Federal Civil Code;
- VII. The Federal Code of Civil Procedure, and
- VIII. General election laws.

Matters without a specific procedure under the Federal Economic Competition Law or this Law shall be processed according to the Federal Administrative Law.

Chapter II On Jurisdiction

Section I The Institute

Article 7. The Institute is an autonomous, independent public agency with its own decision-making power and operations, with legal personality and its own assets. It was created to regulate and promote



competition and efficient development of the broadcasting and telecommunications markets within the scope of the powers conferred upon it by the Mexican Constitution and under this Law and other applicable laws.

The Institute is responsible for the regulation, promotion and oversight of the use, development, and operation of the radio spectrum, satellite orbits, satellite services, public telecommunications networks and the provision of broadcasting and telecommunications services, as well as the access to active and passive infrastructure and other essential inputs, without prejudice to the powers that correspond to other authorities under relevant legislation.

The Institute is also the authority on economic competition in the broadcasting and telecommunications sectors, so it shall exclusively exercise the powers established by Article 28 of the Mexican Constitution, this Law, and the Federal Economic Competition Law.

The Institute is the authority on technical guidelines concerning infrastructure and equipment connected to telecommunications networks and on the standardization and conformity assessment of the infrastructure and equipment.

The Institute's officials shall follow the principles of autonomy, legality, objectivity, impartiality, accuracy, efficiency, effectiveness, transparency, and accountability. They shall perform their duties with autonomy and integrity.

The Institute may establish branches and representative offices in Mexico.

Article 8. The Institute's assets are comprised of:

- I. The items it is assigned under Federal Budget for the corresponding year;
- II. The real estate and personal property it receives to fulfill its purpose, as well as those acquired by other means and that can be used for the same purpose, and
- III. Other assets, resources, and rights acquired under any legal title.

Fees for the use, possession, operation or exploitation of the radio spectrum and the considerations established under this Law, are not part of the Institute's assets. The preceding is without prejudice to the provisions outlined in Article 253-A of the Federal Government Fees and Charges Acts.

Section II On the Ministry

Article 9. The Ministry shall

- I. Send a non-binding opinion to the Institute within 30 calendar days, on the granting, revocation and authorization of assignments or changes in the control, ownership or operation of companies holding broadcast and telecommunication concessions;
- II. Adopt, when appropriate, the actions and measures necessary to ensure continuity in the provision of broadcasting and telecommunications services when the Institute informs it of the existence of grounds for termination due to revocation or recovery of concessions, and the concessionaires' dissolution or bankruptcy;
- III. Plan, establish, implement and conduct the universal and social coverage policies and programs in conformity with the provisions outlined in this Law;



- IV. Develop the Federal Government's telecommunications and broadcasting policy;
- V. Coordinate with the Institute to promote, within its respective powers, access to Information and Communications Technology and broadcasting and telecommunications services, including broadband and the Internet, under effective competition conditions;
- VI. Implement actions to ensure access to broadband Internet in the Federal Government's buildings and facilities and cooperate with the federal, state, municipal, and Mexico City governments to fulfill this goal;
- VII. Establish broadband programs in public spaces, identifying the number of sites that must be connected each year, until universal coverage is achieved;
- VIII. Work with the Institute, on its own motion, at the request of an interested party or the Institute's request to carry out the steps required with the competent international bodies, to obtain satellite orbits on behalf of the Mexican State, for concessions to itself or others;
- IX. Coordinate the satellite orbit procedures with the competent international organizations, organizations from other countries, and national concessionaires or foreign operators;
- X. Establish policy to promote the availability of capacity and sufficient satellite network services for national security, and the Federal Government's social services, needs, objectives, and goals;
- XI. Manage and oversee the efficient use of wholly-owned or concessioned, acquired or reserved allocated State satellite capacity;
- XII. Ensure continuity of the satellite services provided by the State under long-term policies;
- XIII. Declare and execute the government seizure of the general means of communication referred to in this Law;
- XIV. Submit a proposal with the country's position to the Ministry of Foreign Affairs and participate, and have the Institute support it in negotiating international treaties and broadcasting and telecommunications agreements;
- XV. Participate on behalf of the Mexican Government, with the Institute's support, with agencies, international organizations, and forums in broadcasting and telecommunications, and establish the Mexican State's position with the same;
- XVI. Acquire, establish and operate, where appropriate, on its own or through third party participation, infrastructure, telecommunications networks and satellite systems for the provision of broadcasting and telecommunications services;
- XVII. Promote investment in the country's infrastructure, satellite, and telecommunications and broadcasting services;
- XVIII. Send its non-binding opinion to the Institute on its annual work program and the quarterly report described in Section VIII of Article 28 of the Mexican Constitution;
- XIX. Draft, integrate and execute the periodic sectoral, institutional and special programs described in the Seventeenth Transitory Article of the Executive Order;



- XX. Include the program described in Section V of the Seventeenth Transitory Article of the Executive Order, in the National Development Plan and corresponding sectoral, institutional, and special programs;
- XXI. Address all Digital Strategy matters issued by the Federal Government;
- XXII. Interpret this Law within its jurisdiction, and
- XXIII. The other duties conferred by this Law and other legal or administrative provisions.

Section III The Evaluation Committee

Article 10. The Evaluation Committee responsible for vetting the candidates for Institute Commissioners referred to in Article 28 of the Mexican Constitution, will not have its own structure or budget; therefore, it will work with staff members at the institutions led by the committee members so it can exercise its powers. It may also use the material and financial resources in these terms established by the Evaluation Committee members to this end.

Legal acts established by the Evaluation Committee shall be formalized through civil servants of the institutions the Committee members lead, as indicated by the Committee to this end.

Article 11. The Evaluation Committee shall carry out the following duties to fulfill its obligations outlined in Article 28 of the Mexican Constitution:

- I. Issue the public calls to fill the Institute's vacancies for Commissioners;
- II. Integrate and send the Federal Government the lists of candidates to fill the vacancies referred to in the preceding Section;
- III. Select at least two higher education institutions that can issue their opinions regarding formulation of the knowledge test the Evaluation Committee will apply to the candidates and refrain from publicly disclosing the names of those institutions until the lists referred to in Section II have been sent to the Federal Government;
- IV. Apply the knowledge tests to the candidates for commissioner, based on the opinions received and best practices, after verifying compliance with the requirements imposed by Article 28 of the Mexican Constitution, and develop the question bank for the exams;
- V. Establish a mechanism to enroll candidates interested in the posts of Commissioners and determine the documents and information they must submit to demonstrate compliance with the requirements referred to in the previous Section;
- VI. Issue the grounds for its implementation and establish the procedures to be followed in screening applicants, creating the lists to be sent to the Federal Government and rules of conduct that the Evaluation Committee members must observe during these proceedings;
- VII. In compliance with the constitutional principles of transparency, classify the information received and generated by reason of their duties, arrange the information to be classified as proprietary or confidential and how it must guarantee the protection of the applicants' personal information, in all cases;



- VIII. Select the candidates who obtain the highest passing grades in the exam to add their names to the lists referred to in Section II of this Article;
- IX. Appoint the secretary, the deputy secretary and two advisers of the Evaluation Committee, who shall be civil servants of the institutions represented by the Evaluation Committee members;
- X. Agree on a mechanism to cover the expenses required to fulfill the Evaluation Committee's duties and development of the evaluation procedures;
- XI. Agree to and implement other actions that may apply to carrying out the procedure to create the lists of candidates for commissioner, and
- XII. Agree and implement other acts necessary to carry out its purpose.

Any act carried out by the Evaluation Committee shall be unassailable; therefore, there are no ordinary or extraordinary means of defense, including the amparo (relief) proceeding that any authority can use to amend or revoke its decisions.

Article 12. The Evaluation Committee shall have the amplest powers to analyze and decide on the documents and information to be presented by the candidates for commissioner, and based on its own requirements.

Article 13. In fulfilling its responsibilities, the Evaluation Committee may be assisted by any federal, state and municipal authorities, as well as federal or state autonomous bodies, which shall be bound to provide the assistance required by the Evaluation Committee to exercise its powers, within their jurisdiction.

Such authorities and individuals that are asked to provide information must deliver it to the Evaluation Committee within the period stipulated in the rules referred to in Section VI of Article 11 in order to verify or fact check the information submitted by the candidates, and any other information the Committee deems necessary to perform its duties.

The referenced authorities and individuals may never invoke secrecy or confidentiality as a means to omit compliance with such requirements.

Article 14. The acts that the Evaluation Committee agrees to publicize shall be announced through the Federal Official Gazette, and in other media, it establishes to this end.

The information and documentation relating to the question banks and tests referred to in Article 11, Section IV of this Law and the rating methodology used for such tests and other information on the grade points obtained by the respective candidates for commissioner, shall be confidential. Therefore, the Evaluation Committee members, the civil servants involved in processing such information and documentation, and the individuals involved in formulating the questions banks and tests described above, if any, shall not disclose such information to any person, unless requested the competent control or investigation authorities.

With respect to each applicant, they can only be informed of the grade obtained, without prejudice to the fact that once the selection process is completed, the Evaluation Committee must publish the evaluation test grades obtained by the candidates identified only with a folio number or enrollment code.

The lists of candidates to fill the vacancies for the post of commissioner at the Institute that the Evaluation Committee drafts and sends to the Federal Government, must be accompanied by the documentation presented by the applicant to verify compliance with the requirements set forth in Article 28 of the Mexican Constitution, as well as the grade obtained in its evaluation.



TITLE TWO On the Institute's Operations

Chapter I The Institute

Section I On the Powers of the Institute and its Composition

Article 15. In exercising its powers, the Institute must:

- I. Issue general administrative provisions, fundamental technical plans, guidelines, cost models, conformity assessment and standardization and certification procedures and technical broadcasting and telecommunications systems, as well as other provisions for compliance with the provisions of this Law;
- II. Formulate and publish its work programs;
- III. Prepare, publish and update the National Table of Frequency Allocations;
- IV. Grant concessions under this Law and decide on their extension, amendments or termination due to revocation, recovery or bankruptcy and authorize transfers or changes in shareholder control, ownership or operation of companies related to concessions;
- V. Perform the actions required in coordination with the Federal Government to include the National Radio Spectrum referred to in the Seventeenth Transitory Article, Section V of the Executive Order and its updates in the National Democratic Planning System;
- VI. Publish the radio spectrum frequency band programs derived from the National Radio Spectrum Program referred to in the preceding Section, and occupy and exploit satellite orbits with their associated frequency bands, which shall be subject to a public bidding process;
- VII. Implement the bidding process and allocation of broadcasting and telecommunications radio spectrum frequency bands, and of satellite orbits with their associated frequency bands;
- VIII. Set both the amount of the consideration for granting concessions and the authorization of additional services related to them, after obtaining a non-binding opinion from the Ministry of Finance and Public Credit;
- IX. Issue regulations, guidelines or rulings on interoperability and interconnection of public telecommunications networks, to ensure a fair and open competitive market;
- X. Resolve and establish the terms and conditions for interconnection the concessionaires are not able to agree on regarding their public telecommunications networks as provided by this Law;
- XI. Issue general guidelines for access, sharing active and passive infrastructure, where appropriate, in cases established by this Law;
- XII. Resolve disagreements regarding infrastructure sharing among concessionaires, as provided in this Law;



- XIII.** Resolve disagreements that arise between public telecommunication network concessionaires, between sellers, between concessionaires and sellers or between any of them with vendors that provide services for concessionaires related to actions or mechanisms to implement or facilitate the implementation and compliance of the determinations issued by the Institute, as provided in this Law;
- XIV.** Resolve requests for partial or total interruption of the general means of communication in terms of broadcasting and telecommunications, traffic telecommunications signals between concessionaires and the provision of broadcasting and telecommunications services for end users, due to unforeseen force majeure events;
- XV.** Decide on the exchange or recovery of frequency bands;
- XVI.** Provide the Federal Government with the support required to seize the general means of communication related to the broadcasting and telecommunications markets;
- XVII.** Authorize multiprogramming access and establish the guidelines required to this end;
- XVIII.** Exercise broadcasting and telecommunications economic competition powers in terms of Article 28 of the Mexican Constitution, this Law, the Federal Economic Competition Law and other applicable provisions;
- XIX.** Impose limits to the national and regional concentration of frequencies, concessions and transversal property controlling several media, and order the divestiture of assets, rights or the parties necessary to ensure compliance with these limits, as provided in this Law;
- XX.** Determine the existence of economic agents with substantial power in the relevant markets, and the preponderant economic agent in the broadcasting and telecommunications markets, and impose the necessary measures to ensure fair and open competition in the markets subject to this Law;
- XXI.** Declare the existence or nonexistence of conditions of effective competition in the relevant sector and, where appropriate, extinction of the obligations imposed on preponderant economic agents or on economic agents with substantial power;
- XXII.** Establish measures and impose specific obligations to ensure the effective unbundling of the preponderant economic agent's local network in the telecommunications sector or the agent holding substantial power in the relevant market nationwide offering end users access to the service, so other concessionaires can access the physical, technical and logical connection media between any terminal point in the public telecommunications network and the access point to the local network belonging to such agents, among other things;
- XXIII.** Declare the simultaneous extinction of obligations to provide and freely retransmit broadcast content under competition conditions in the broadcasting and telecommunications sectors, in accordance with paragraph four of Section I of the Eighth Transitory Article of the Executive Order;
- XXIV.** Authorize, record, and publish telecommunications and broadcasting service fees in terms of this Law, and when so established by the concession titles, as well as the measures established for the preponderant economic agents or for the economic agent with substantial power;



- XX.** Determine the debts arising from the consideration and concessions rights associated with the radio spectrum and satellite orbits, in accordance with relevant tax provisions, and send them to the Tax Administration Service for collection;
- XXVI.** Authorize third parties to issue conformity assessment and certification and certify experts and verification units in broadcasting and telecommunications services;
- XXVII.** Monitor compliance with the provisions established in the broadcasting and telecommunications concession titles granted and exercise powers of oversight and verification, to make sure that the services are provided in adherence to this Law and the applicable laws, regulations and administrative provisions, the concession agreements, and the resolutions issued by the Institute;
- XXVIII.** Order that the subjects regulated by this Law and any person, to provide information and documents, including those generated by electronic, optical or any other technology necessary to exercise its powers;
- XXIX.** Coordinate with federal, state, municipal, and Mexico City authorities, as well as autonomous bodies to gather the information and documentation necessary to exercise its powers;
- XXX.** Impose penalties for violation of the laws, regulations or administrative provisions, or failure to comply with the terms set forth in the concession agreements or resolutions, measures, guidelines or regulations issued by the Institute; issue provisional remedies and declare loss of property, plant and equipment, if any, for the benefit of the nation;
- XXXI.** Carry out the actions necessary to contribute, within its jurisdiction, to achieving the objectives of the universal digital inclusion policy and universal coverage established by the Federal Government, as well as the goals and targets set in the National Development Plan and other programming instruments related to the broadcasting and telecommunications sectors;
- XXXII.** Collaborate with the Ministry in the efforts made by the competent international bodies, to obtain satellite orbits in favor of the Mexican State;
- XXXIII.** Collaborate with the Ministry in the coordination of satellite orbits through the competent international organizations, with organizations from other countries and with concessionaires or national or foreign operators;
- XXXIV.** Collaborate with the Federal Government in negotiating international treaties and broadcasting and telecommunications agreements and monitor compliance within the scope of its powers;
- XXXV.** Sign agreements and broadcasting and telecommunications coordination and collaboration rules with authorities and agencies as well as with academic institutions and cultural associations, to ensure the best performance of its duties;
- XXXVI.** Participate in international broadcasting and telecommunications events and forums, without prejudice to the terms set forth in Article 9, Sections XIV and XV of this Law;
- XXXVII.** Carry out on its own, through or in coordination with the relevant agencies and entities, as well as academic institutions and individuals, broadcasting and telecommunications technology research and development, and training human resources on the subject matter;
- XXXVIII.** Establish and operate testing laboratories or authorize others to do so, to strengthen the technical regulatory authority in terms of validation of test methods of technical standards and



regulations, implementation of guidelines for the approval of broadcasting and telecommunications products as well as support for studies and research of regulatory foresight in these matters and others determined as such, within the scope of its jurisdiction, in accordance with the approved budget availability;

- XXXIX.** Conduct broadcasting and telecommunications studies and research and develop draft updates for the relevant legal and administrative provisions;
- XL.** Formulate, if deemed necessary for the exercise of its duties, non-binding public consultations on matters within its jurisdiction;
- XLI.** Establish provisions for its regulatory improvement processes;
- XLII.** Develop and keep the Public Telecommunications Registry updated, including information regarding concessions in terms of this Law;
- XLIII.** Establish the obligations concessionaires must comply with in terms of geographic, demographic or social coverage, connectivity in public places and contribution to universal coverage, under the terms provided in this Law. The Institute will consider the proposals submitted by the Ministry in accordance with the respective plans and programs, to this end;
- XLIV.** Monitor the radio spectrum to verify its authorized use and perform detection and identification of harmful interference tasks;
- XLV.** Issue guidelines for the deployment of broadcasting and telecommunications infrastructure;
- XLVI.** Develop, issue, and maintain a national geo-referenced database on existing broadcasting and telecommunications infrastructure nationwide;
- XLVII.** Set quality indices for service providers broadcasting and telecommunications service providers, and publish quarterly results of the verification activities related to these indices;
- XLVIII.** Establish the mandatory spectral efficiency metrics and measurement methodologies to quantify them;
- XLIX.** Set the methodology and metrics to ensure conditions of coverage and capacity for the provision of broadband services;
- L.** Publish quarterly statistical information and metrics on the sector in terms of this Law;
- LI.** Establish mechanisms and criteria for public access to information held in its databases, in terms of the Federal Public Information Transparency and Access Law;
- LII.** Establish mechanisms to make sure the procedures under its jurisdiction, can be substantiated by information and communications technology;
- LIII.** Resolve in the terms established in this Law, any disagreement regarding retransmission of content, except for the elections;
- LIV.** Set, where appropriate, the amount of the consideration to be paid for multiprogramming access under the terms established under this Law;
- LV.** Establish and manage a civil service career system for the Institute's civil servants;



- LVI. Approve and issue the general administrative provisions necessary for the proper exercise of the Institute's powers and functions;
- LVII. Interpret this Law and the administrative broadcasting and telecommunications provisions, within the scope of its powers;
- LVIII. Monitor and sanction compliance with the time limits established for the transmission of commercial messages in conformity with the provisions set forth in this Law;
- LIX. Monitor and sanction obligations regarding the protection of audiences in conformity with this Law;
- LX. Monitor programming directed to children to make sure it respects the values and principles referred to in Article 3 of the Mexican Constitution, and the health standards and guidelines established by this Law on advertising scheduled in programming aimed at children, based on the regulations issued by the competent authorities;
- LXI. Order the precautionary suspension of transmissions that violate the rules laid down in this Law on matters related to Sections LIX and LX of this Article, with a warning issued in advance;
- LXII. Inform the Ministry of Health and the Ministry of the Interior, of the results of the oversight activities, carried out in terms of Section LX of this Article so that they can exercise their authority to fine, and
- LXIII. The other conferred on it by this Law and others.

Section II On the Governing Board

Article 16. The Governing Board is the Institute's highest government and decision-making authority. It is composed of seven Commissioners with full voting rights, including its president.

Article 17. The Governing Board is originally responsible for exercising the powers established by Article 15, and its exclusive and non-delegable duties include:

- I. Resolve the matters described in the following Sections: I, II, III, IV, V, VI, VIII, IX, X, XI, XII, XIII, XIV, XV, XVII, XIX, XX, XXI, XXII, XXIII, XXXI, XL, XLI, XLIII, XLV, XLVIII, XLIX, LI, LIII, LIV, LVI, and LXII of such Article.

Its non-delegable duties described in Sections LVIII and LIX are related only to the imposition of fines;
- II. Issue the Institute's Statutory Charter by a qualified majority of five votes, regulating at least, the organization and distribution of powers among its units;
- III. Appoint the head of the investigative authority and the Governing Board's Technical Secretary, according to the proposals submitted by the IFT Chairman and determine their removal;
- IV. Appoint the Institute's officials, as determined in the Statutory Charter, proposed by the IFT Chairman and determine their removal;



- V. Supervise to make sure that the Institute's officials and employees act according to this Law and the provisions set forth in the Statutory Charter and regulations it issues;
- VI. Approve the draft of the Institute's annual budget proposed to the IFT Chairman, so once approved, it can be forwarded to Secretary of Finance and Public Credit, for inclusion in the draft Federal Budget;
- VII. Approve and publish the Institute's annual work program presented to the IFT Chairman;
- VIII. Approve the Institute's quarterly reports submitted to the IFT Chairman;
- IX. Be familiar with the reports to be submitted by the Institute's Internal Comptroller;
- X. Set the Institute's general policies and programs;
- XI. Appoint the members of the Advisory Board;
- XII. File a dismissal application for probable criminal conduct against the consumption and national wealth outlined in Article 254 bis of the Federal Criminal Code;
- XIII. Approve its operating guidelines;
- XIV. Create a committee made up of three Commissioners to order the precautionary suspension referred to in LXI Section of Article 15 of this Law, and
- XV. Issue the necessary arrangements to implement the above functions and other mentioned in this Law.

The Governing Board shall determine in the Statutory Charter or by a delegation agreement published in the Federal Official Gazette, the direct exercise or delegation of the powers established by Article 15 of this Law, which is not covered by the conditions indicated in Section I of this Article.

The Institute's Statutory Charter shall establish the powers to be exercised by its different units, which shall be under the command and supervision of the Governing Board or the President, as applicable.

Article 18. The Governing Board will have a technical secretary to be appointed under the terms provided in this Law.

Section III On the IFT Chairman

Article 19. The IFT Chairman shall preside the Governing Board and Institute. In the event of absence, the IFT Chairman shall be substituted by the oldest and most senior commissioner.

Article 20. The IFT Chairman shall:

- I. Act as the Institute's legal representative with general and special powers for acts of administration and day-to-day management functions, and lawsuits and collections, including those that require a special clause under the Law;
- II. Grant powers on the Institute's behalf for acts of ownership, management, lawsuits and collections and to be represented before any administrative or judicial authority, and labor courts or individuals. The Governing Board must previously approve all acts of dominion related



- to property for the Institute or to grant powers to that end. The IFT Chairman shall be authorized to file constitutional disputes with the Governing Board's approval;
- III. Lead and manage the Institute's human, financial, and material resources and inform the Governing Board of the management progress made in the terms determined by the Statutory Charter;
 - IV. Direct, coordinate, evaluate, and monitor the Institute's different units, without prejudice to the functions of the Governing Board and the forced separation between investigation and the resolution of the proceedings to be conducted as a trial in terms of economic competition;
 - V. Participate in representing the Institute in forums, meetings, negotiations, events, and conventions and conferences held by national, international and foreign government agencies, when related to topics in the Institute's field of competence, in conformity with the provisions set forth in this Law or appoint representatives to this end, keeping the Governing Board informed of such activities;
 - VI. Convene and lead the Governing Board's meetings with the help of Governing Board's Technical Secretary and submit its operating guidelines for approval;
 - VII. Coordinate or order execution of the agreements and resolutions adopted by the Governing Board;
 - VIII. Propose to the Governing Board the appointment of the head of the investigative authority, the Governing Board's technical secretary, and other officials listed in the Statutory Charter;
 - IX. Report to the Evaluation Committee described in Article 28 of the Mexican Constitution and to the House of Representatives, of all vacancies in the Institute's Governing Board or its Internal Control Body to make such appointments, as appropriate;
 - X. Present the Institute's annual budget to the Governing Board for its approval, and once approved, send to the Ministry of Finance and Public Credit, for inclusion in the draft Executive Order for the Federal Budget;
 - XI. Submit for approval by the Governing Board, in the month of January each year, a draft of the Institute's annual work program and send quarterly progress reports on the established activities including the results, actions and criteria applied to this end; its contribution to meet the goals and targets set in the National Development Plan and other programming instruments related to the broadcasting and telecommunications market sectors and their impact on the country's development, progress and competitiveness levels to the nation's Executive and Legislative Branches;
 - XII. Receive from the head of the Institute's Internal Control Body, reports of the reviews and audits performed to verify proper and legal use of the Institute's resources and assets and inform the Governing Board of such;
 - XIII. Appoint and remove Institute staff, except in cases provided for in this Law or the Statutory Charter;
 - XIV. Submit all matters under the Institute's jurisdiction to the Governing Board for its consideration, and



- XV.** The other powers conferred by this Law, the Institute's Statutory Charter, the Governing Board and other applicable provisions.

Section IV On the Commissioners

Article 21. The Commissioners shall be appointed in accordance with the provisions established by Article 28 of the Mexican Constitution.

Article 22. During their tenure and once it is over, the Commissioners shall be subject to the provisions of the Federal Civil Servants' Obligations and Administrative Liability Act.

Article 23. The Commissioners shall:

- I.** Participate in meetings and vote on the issues presented to the Governing Board;
- II.** Participate in forums, meetings, negotiations, events, conventions and conferences conducted with national, international and foreign government agencies, related to topics under the Institute's jurisdiction and send the Governing Board a report of their participation as established by the Statutory Charter;
- III.** Freely appoint and remove the advisory and support personnel assigned to them;
- IV.** Provide the Governing Board with the information requested, within the scope of their competence;
- V.** Directly or through the Governing Board's Technical Secretary form, ask the corresponding unit for information on the status of the process pending resolution. All Commissioners shall have full access to the records held in the files;
- VI.** Submit to the IFT Chairman, a list of their budgetary needs for consideration when drafting the Institute's preliminary budget;
- VII.** Assist the IFT Chairman by integrating the Institute's annual program and quarterly reports;
- VIII.** Submit all matters under the Institute's jurisdiction to the Governing Board for its consideration, and
- IX.** All other duties conferred by this Law, the Institute's Statutory Charter, the Governing Board and other applicable provisions.

Article 24. The Commissioners shall not and must immediately excuse themselves from learning about cases that include one or more situations that would prevent them from resolving a matter within their field of competence with full independence, professionalism, and impartiality. For purposes of the foregoing, the Commissioners shall not be allowed to learn about cases in which they have direct or indirect interest.

The existence of direct or indirect interest shall be considered as such when the commissioner:

- I.** Is directly related to one of the parties or their representatives without limitation of the degree, in collateral consanguinity up to the fourth degree, and collateral affinity up to the second degree;



- II. Has a personal, family or business interest in the matter, including those that could offer a benefit to them, their spouse or relatives in the degrees mentioned in Section I of this Article;
- III. The commissioner and his or her spouse or any of his or her relatives in a straight line without limitation of degree, is an heir, legatee, donee or guarantor of any of the interested parties or their representatives if they have accepted the inheritance, bequest or donation;
- IV. Has served as an expert witness, attorney in fact, employer or counsel on the matter in question or has previously managed the matter on behalf or against any of the parties concerned, and
- V. Has publicly and unequivocally stated his or her position in the sense of their vote before the Governing Board resolves the matter.

The only grounds that can be invoked for disqualification to learn about matters processed with the Institute are those listed in this Article. Under no circumstances can a commissioner be ordered to recuse him or herself for expressing a technical opinion, or for publicly explain the rationale and motivation of a ruling issued by the Institute or for by having cast a dissenting vote.

Commissioners shall recuse themselves of knowledge of the matters including any of the impediments mentioned in this Article as soon as they become aware of the restriction, specifically stating the cause of the impediment on which it is based, in which case the Governing Board shall rate the excuse, without the need to involve the regulated agents that hold an interest in the matter.

Section V On the Technical Secretary of the Governing Board

Article 25. The Governing Board shall appoint its Technical Secretary at the IFT Chairman's proposal. The Technical Secretary shall be charged with preparing the agenda for the Governing Board's meetings, among other duties, such as sending the proposed decisions or resolutions with all related information to the Commissioners, as well as all information deemed relevant to best resolve such matters. It shall also be responsible for drafting, safeguarding and keeping the meeting minutes, verify them and issue a certification on the Governing Board's decisions.

The Governing Board's Technical Secretary will act as liaison to provide better communication and collaboration between the Institute's units, and between the Commissioners and the Governing Board's President.

The Governing Board's Technical Secretary shall attend meetings and assist the Governing Board, with voice but no vote. The other duties assigned to the Governing Board's Technical Secretary shall be established in the Institute's Statutory Charter.

Section VI On the Investigative Authority

Article 26. The investigative authorities shall learn of the investigation phase and be part of all lawsuit proceedings in accordance with the provisions set forth in the Federal Economic Competition Law. In the exercise of its powers, the unit shall be authorized to act with technical and managerial autonomy to decide on its operation and resolutions. The Institute's Statutory Charter shall determine its structure.

Article 27. The head of the investigative authority shall be appointed by the Governing Board at the IFT Chairman's proposal and may be removed by that collegial body. Both cases shall require five votes from the qualified majority.



The following requirements must be met to head the investigative authority:

Be a Mexican citizen by birth and fully enjoy their civil and political rights;

- II. Be at least 35 years-old on the designation date;
- III. Confirm at least ten years of seniority on the designation date, and present a professional certificate issued by the authority or institution legally empowered to do so;
- IV. Enjoy a good reputation and be free of criminal charges carrying a penalty of more than one year in prison;
- V. Never have served as Secretary of State, Mexican Attorney General or Justice for Mexico City, Senator, Representative, State Governor or Mexico City Mayor, leader of a political party, or run for public office in the four years before the appointment;
- VI. Have at least three years of experience in public service;
- VII. Never have held office, position or a management position or somehow represented the interests of any regulated agent during the three years prior to the appointment, and
- VIII. Prove the technical knowledge required for the office.

Article 28. The investigative authority shall be tasked with the following duties in addition to those listed in the Federal Economic Competition Law for the investigative authority:

- I. Attend Governing Board meetings, at its request, with voice but no vote;
- II. Inform the Governing Board of the matters under its jurisdiction;
- III. Provide the Governing Board and the Commissioners with the information requested and required by any administrative or judicial authority;
- IV. Inform the Governing Board of resolutions under its jurisdiction, issued by the specialized economic competition, and broadcasting and telecommunications courts, and
- V. The other duties entrusted under this Law, the Institute's Statutory Charter, the Governing Board and other applicable provisions.

Section VII

On the Commissioners and Investigative Authority's Obligations

Article 29. The Commissioners and the head of the investigative authority shall perform the following duties in the exercise of their respective functions:

- I. Reject any recommendations that tend to influence the process or resolution of matters within its jurisdiction to benefit or harm a regulated agent unduly;
- II. Report, to the head of the Institute's Internal Control Body, any act that deliberately seeks to undermine its independence and impartiality;
- III. Refrain from engaging in activities that affect their autonomy;



- IV. Refrain from using confidential or reserved information available by virtue of their office, except for the strict exercise of their duties, and
- V. Refrain from publicly expressing opinions prejudging a particular matter under its consideration.

Failure to comply with these obligations shall constitute an administrative liability, without prejudice to the liability arising from the Mexican Constitution and other laws.

The Commissioners shall be subject to the regimen of civil servants' liability established in Title IV of the Mexican Constitution. The Institute's Internal Control Body shall be authorized to hear administrative offenses and impose, where appropriate, fines applicable under the provisions of this Law and the Federal Civil Servants' Obligations and Administrative Liability Act.

Notwithstanding the foregoing, the Commissioners, in the exercise of their duties, shall enjoy the guarantees consisting in the fact that the sense of their vote or opinion shall not cause them to be questioned or called to account under legal procedures to keep from affecting their legal status and the exercise of their duties, except in the event that the Commissioners exercised their duties when they were prevented from doing so in terms of the provisions established by Article 24 of this Law.

Article 30. Aside from the hearings provided for in the procedures established in this Law, the Commissioners will discuss matters of their competence with persons representing the interests of agents regulated by the Institute, only by means of an interview.

All Commissioners must be convened to this; however, the interview can only be held with the presence of one of them.

A record must be kept on each interview, containing at least the place, date, start time and end time of the interview, the full names of all persons present, and the topics covered.

This information must be posted on the Institute's website.

The interviews shall be recorded and stored in electronic, optical or another technology, remaining as reserved, except for the other parties to the proceedings in the form of a trial, the other Commissioners, the Internal Comptroller and the Mexican Senate if it is substantiating a procedure to remove a commissioner. Each interview's recordings shall be available to the other Commissioners. The interviews must be held within the Institute's facilities.

The Commissioners may not be recused on the grounds of the statements made during the interviews unless they reveal a violation of the principle of impartiality. In this case, the recusal must be qualified by the Governing Board.

The provisions of this Article shall be without prejudice to the Commissioners' participation in forums and public events.

The Governing Board shall set out the rules to contact the investigative authority and other of the Institute's civil servants, in the Statutory Charter.

Article 31. The following are serious offenses and grounds for a Commissioner's removal:

- I. Performance in a public or private job, employment or commission, in contravention of the provisions of the Mexican Constitution and this Law;



- II. Use, for its own or a third party's benefit, confidential or proprietary information it has access to by virtue of its position, and disclose such information in terms other than those authorized by this Law;
- III. Knowingly submit false or altered information to the Institute's units;
- IV. Participate in partisan acts on the Institute's behalf;
- V. Acquire obligations on the Institute's behalf, without the authority to do so;
- VI. Contact people representing the interests of the regulated economic agents to discuss matters within its jurisdiction, in contravention of the provisions of this Law;
- VII. Failure to excuse him or herself from participating in decision-making processes where their personal interests are in conflict, under the terms established in this Law;
- VIII. Fail to cast a reasoned vote in writing in the case of absence under the terms provided in this Law;
- IX. Incur serious administrative liability in terms of the Federal Civil Servants' Obligations and Administrative Liability Act, or
- X. Be free of criminal charges carrying a penalty of more than one year in prison.

Article 32. If any of the cases mentioned in the previous Article are updated, the head of the Institute's Internal Control Body shall immediately notify Chairman of the Board of the Senate when it learns of the facts that update any of the causes applicable to a removal and believes that there is evidence of such. The report must be accompanied by the file duly grounded in law and fact so that Chamber can make the relevant decision.

In these cases, the Senate shall determine the removal according to the following procedure:

- I. The Senate will approve the creation of a Special Committee to serve as instructor in the proceeding;
- II. The Special Committee will summon the commissioner subject to the removal process to a hearing, notifying him or her that they must appear in person to give their statement regarding the charges that could be the cause for liability in terms of this Law and other applicable provisions. The notification must state the place, day and time of the hearing, the acts or omissions charged and the commissioner's right to appear assisted by counsel.

The notification referred to this Section shall be served personally;

- III. The term between the summons and the hearing must never be less than five days and no more than 15 days;
- IV. Once the hearing is over, the commissioner subject to the removal process shall be granted five days to provide the evidence deemed appropriate and relevant to the facts he or she is charge with, and
- V. Once the evidence is introduced, the Special Committee shall have 45 days to submit its opinion with a draft resolution to the full Senate.



The removal will require the vote of two thirds of the members present at the session. Once the removal is approved, it becomes final and shall be served on both the offender and the head of the Institute's Internal Control Body for immediate compliance.

Article 33. Officials in a management or equivalent position in the Institute shall be subject to the causes for removal due to serious misconduct established by Article 31, Sections I to VI, and IX, and X of this Law. The Statutory Charter shall establish the respective removal procedure.

Chapter II On the Advisory Board

Article 34. The Institute shall have an Advisory Board with 15 honorary members, including its president, responsible for serving as an advisory body regarding the principles set out in Articles 2, 6, and 7 of the Mexican Constitution.

The Advisory Board members should be renowned specialists in matters within the Institute's jurisdiction. The Board must have at least one person with experience and knowledge about concessions for social use.

The Advisory Board members shall be appointed by the Institute's Governing Board. They shall hold office for one year, which may be extended for similar periods indefinitely.

Advisory Board members shall elect their president by majority vote, who shall hold office for one year and can be re-elected.

The Statutory Charter shall establish the requirements and procedures to appoint the Institute's civil servant who shall serve as secretary of the Advisory Board.

The Advisory Board's proposals and opinions shall be conveyed to the Governing Board under the terms established by the Statutory Charter. In no case, they shall be binding.

The IFT's President shall provide the facilities and essential inputs needed to hold Advisory Board meetings.

The Advisory Board shall be very personal and cannot be substituted by representatives.

Chapter III On the Institute's Internal Control Body

Article 35. The Institute's Internal Control Body is a body with technical and managerial autonomy to decide on its operation and resolutions. It shall be responsible for control of the Institute's revenues and expenditures, substantiation of the procedures and, where appropriate, the application of fines inherent to the Institute's civil servants' administrative according to the Federal Civil Servants' Obligations and Administrative Liability Act and other applicable provisions.

The Institute's Internal Control Body, its head and staff members, regardless of their level, shall not be allowed to intervene or interfere in any way in the exercise of the powers granted by this Law and the powers other applicable provisions confer upon the Institute's civil servants.

The Institute's Internal Control Body shall be vested with the following powers:



- I. To establish mechanisms for guidance, advice, and training in matters within its jurisdiction, to contribute to making sure that the Institute's civil servants properly comply with their administrative liabilities;
- II. Advise the Institute about the processes involving the exercise of budgetary resources;
- III. Receive and provide timely answers to inquiries and requests for opinions formulated by the Institute's officers, within its jurisdiction, without this representing a guarantee, endorsement or joint liability by the Institute's Internal Control Body;
- IV. Establish criteria to conduct the audits, procedures, methods, and systems required to audit and control the resources allocated to the Institute's different Units and departments, and carry them out;
- V. Check progress reports regarding financial management of the Institute's programs and processes;
- VI. Verify compliance with the objectives and goals set out in the programs and projects included in the Institute's expenditure budget;
- VII. Check to make sure that the Institute's different units that receive, manage, administer or exercise resources to do so under applicable regulations, approved programs, and the authorized amounts classified under the corresponding items;
- VIII. Check to make sure that the Institute's budget transactions adhere to the legal and administrative provisions applicable to such;
- IX. Inspect the works and the goods purchased or leased, and contracted services to make sure that the investments and authorized expenditures have been lawfully applied to meeting the goals and objectives described in the approved programs;
- X. Order third parties that provide goods or services for the Institute to submit all related information with the respective support documentation, to carry out the corresponding comparisons;
- XI. Ask and obtain the information necessary to fulfill its duties. Regarding information related to any type of transactions provided by credit institutions, all civil servants working in the Institute's Internal Control Body, as well as professionals hired to conduct the audits, shall be bound to maintain the confidentiality referred to in the regulatory provisions on transparency and access to public information;
- XII. Issue guidelines, instruct, work with evidence, and determine the administrative procedures regarding complaints filed against the Institute's civil servants and keep records on all civil servants that are penalized;
- XIII. Investigate, on its own motion or by petition or complaint, acts or omissions involving any irregularity or unlawful conduct on the entry, exit, management, custody and use of the Institute's funds and resources by civil servants and go over the evidence provided for the relevant procedures;
- XIV. Visit the physical locations of the different departments and areas within the Institute, to ask to look at the books and documents required to carry out their investigations, subject to the requirements established by applicable laws;



- XV. Develop specifications observations in administrative matters;
- XVI. Determine damages affecting the Institute's property and directly identify those responsible, and the corresponding compensation and financial penalties;
- XVII. Hold people accountable, impose fines and draft the corresponding reports in terms of the applicable regulations;
- XVIII. Submit its annual work programs to the Institute's Governing Board;
- XIX. Submit to the Institute's Governing Board and the House of Representatives, previous and annual reports on its management results;
- XX. Receive and safeguard the asset statements the Institute's civil servants must submit, starting at the department head level or its equivalent, in accordance with the forms and procedures established by the Institute's Internal Control Body, and monitor the financial position of these civil servants. The rules established by the Law on the subject matter shall apply to this obligation, as applicable;
- XXI. Intervene in handover processes carried out to due to the beginning or end of a civil servant's tenure, as appropriate, and
- XXII. Those established by the Federal Civil Servants' Obligations and Administrative Liability Act and other laws applicable to Internal Control Bodies or their equivalent, whose exercise shall apply only to the Institute.

The procedure set forth in the Federal Civil Servants' Obligations and Administrative Liability Act and other applicable provisions shall be followed to determine the liabilities and fines referred in this Article.

The decisions made by the Institute's Internal Control Body to determine administrative liabilities and impose fines can be contested by the civil servant before the Federal Tax and Administrative Law Tribunal.

Article 36. The following requirements must be met to serve as head of the Institute's Internal Control Body:

- I. Be a Mexican citizen in full exercise of their civil and political rights;
- II. Be at least 35 years-old on the designation date;
- III. Enjoy recognized standing and be free of criminal charges carrying a penalty of more than one year in prison.
- IV. Never have served as Secretary of State, Mexican Attorney General or Justice for Mexico City, Senator, Representative, State Governor or Mexico City Mayor, leader of a political party, or run for public office in the four years before the appointment;
- V. Have at least five years of experience in the control, management or auditing of resources, at the time of the appointment;
- VI. Confirm at least five years of seniority on the designation date, and present a professional title related to auditing activities issued by the authority or institution legally empowered to do so;



- VII. Having moral standing;
- VIII. Not belong or have belonged in the four years preceding the appointment to consulting or audit firms who have served the Institute or have personally served as a consultant or external auditor for the Institute during that period or provided services related to an agent regulated by this Law;
- IX. Not be disqualified from performing a job, or holding a position or commission in the public service, and
- X. Never have held office, position or a management position or somehow represented the interests of any regulated agent during the four years prior to the appointment.

Article 37. The head of the Institute's Internal Control Body shall be appointed by the House of Representatives by a vote of two thirds of its members present, in the terms established in the rules.

The head of the Institute's Internal Control Body shall remain in office for four years. The House of Representatives may renew the appointment of the head of the Institute's Internal Control Body for the same prescribed period only once.

Article 38. The head of the Institute's Internal Control Body may be removed by the House of Representatives by the same vote required for his or her appointment, for the reasons and in accordance with the procedures provided for in Title IV of the Mexican Constitution and for the following serious offenses:

- I. Hold any other employment or office in the public or private sectors, except unpaid artistic scientific, educational, or charitable activities;
- II. Inform third parties or somehow distribute the confidential or proprietary information under its custody at the Institute's Internal Control Body to exercise its powers;
- III. Use for its own or a third party's benefit, documents and confidential or proprietary information to which it has access in terms of this Law and other applicable provisions;
- IV. Be absent for more than a week, except for holidays and scheduled leave, without authorization from the Institute's Governing Board;
- V. Refrain from submitting reports on their duties without cause, in terms of this Law;
- VI. Take, destroy, conceal or misuse, documentation and information under his or her custody by virtue of their office or that exists in the Institute's Internal Control Body to perform their duties;
- VII. Accept interference by agents regulated by the Institute in the exercise of their duties, or for any reason, and be biased in the Institute's audit process, during the enforcement procedures, and applying fines;
- VIII. Obtain an unsatisfactory performance evaluation in the opinion of the Oversight Committee of the House of Representatives, for two consecutive years, and
- IX. Knowingly provide the Senate with false or altered information in respect of a cause to remove Commissioners.

The House of Representatives shall appoint an Instruction Committee to study the facts and propose a decision duly grounded in law and fact. The House of Representatives shall establish the existence of the



reasons to remove the head of the Institute's Internal Control Body for serious administrative liability reasons, and must such party the right to a hearing. The removal shall require the vote of two thirds of the members present.

Article 39. The head of the Institute's Internal Control Body shall be substituted in his or her absence by the auditors in the order established by the Institute's Statutory Charter.

Article 40. The head of the Institute's Internal Control Body shall be assisted in his duties by the staff members appointed by the Institute's Statutory Charter, in accordance with the approved budget. The head of the Institute's Internal Control Body shall be subject to the same rules of conduct established for the Commissioners in this Law.

Chapter IV On the Institute's Labor Plan

Article 41. Employees working for the Institute shall be governed by the provisions set forth in Section B of Article 123 of the Mexican Constitution.

All civil servants belonging to the Institute's workforce shall be considered managerial employees due to the nature of the work they perform.

Article 42. The legal working relationship shall be considered as established between the Institute and the workers in its service, for all purposes.

Article 43. The Institute will and must establish a civil service career system that evaluates the civil servants, recognizes their capacity, performance, and experience and pursues gender equality. The system shall be approved by the Governing Board at the IFT Chairman's proposal.

Chapter V On the Institute's Governing Board Meetings, its Resolutions, Transparency and Confidential Voting

Article 44. As an exception and only when there is an urgent need based on social interest and public order, the Federal Government, through the Ministry, may ask the IFT Chairman to substantiate and resolve its matters of interest on a priority basis without altering the deadlines established by the Law.

Article 45. The Governing Board shall deliberate in a collegial manner and decide issues by majority vote, except those calling for a qualified majority under this Law, with the IFT Chairman or the presiding officer acting in his absence, having an obligation to exercise their casting vote in case of a tie.

Commissioners may not abstain from voting or excuse themselves from voting on matters submitted to the Governing Board for its consideration, except due to a legal impediment. The Governing Board shall assess the existence of impediments.

The Commissioners must attend Governing Board meetings, except for just cause. Commissioners with an excused absence shall issue their reasoned vote in writing, at least 24 hours in advance.

In the case of the absences mentioned in the preceding paragraph, the Commissioners may choose to attend, participate and cast their vote during the meeting using any means of distance communication. The Governing Board's Technical Secretary shall ensure that the communication is fully recorded for the record and future reference, and record such circumstances in the meeting minutes.



The Commissioners cannot be substituted under any circumstances.

Article 46. The Governing Board shall order that the agreements and resolutions of a general nature and those determined during the meeting, be published in the Federal Official Gazette.

Article 47. The agreements and resolutions adopted by the Institute's Governing Board shall be public, and only the parts that contain confidential or proprietary information shall be reserved.

The meetings shall also be public except those discussing confidential or proprietary information.

Regarding the last two paragraphs, confidential or proprietary information shall only be considered when declared as such under the circumstances set forth in the Federal Public Information Transparency and Access Law and other applicable provisions.

Article 48. The recordings of the Institute's Governing Board meetings shall be made available in public versions generated in terms of the Federal Public Information Transparency and Access Law and feature a stenographic version, which shall be available to the public through a tool that is easy to access and use on the Institute's website. The Governing Board meetings shall be filed for future reference.

Article 49. When the information about one or more issues has been declared confidential or proprietary, the Governing Board shall agree to discuss it in a private meeting, publicly justifying the reasons for this determination.

The sense of the vote of each Governing Board Commissioner shall be public, even in the case of the private meetings they hold. Voting shall be nominal or by a show of hands, as outlined in the provisions governing the meetings. The Institute's website will include a Section with the public versions of the sense of the vote of the Commissioners on each matter addressed by the Governing Board including the corresponding individual votes, when appropriate.

Article 50. The meeting minutes shall be posted on the Institute's website within ten business days after they are approved by the Governing Board, in compliance with the provisions set forth in the Federal Public Information Transparency and Access Law and other laws, regulations, and administrative provisions.

Article 51. The Institute shall conduct public consultations under the principles of transparency and citizen participation in the terms determined by the Governing Board, to issue and amend the rules, guidelines, or general administrative provisions, except when the publicity could compromise the intended resolution or prevent an emergency.

Before issuing the rules, guidelines or general administrative provisions, the Institute shall conduct and publish a regulatory impact analysis or ask the Federal Regulatory Improvement Commission for its support in this regard, as applicable.

The Institute shall have a section on its website specifically designed to publish and update the public consultation processes with a schedule of the consultations to be carried out in accordance with the general terms and characteristics determined by the guidelines approved by the Governing Board. The answers or proposals sent to the Institute shall not be binding, without prejudice to Institute weighing them in a document reflecting the results of the consultation.

Article 52. The Statutory Charter shall determine the mechanisms to be followed by the Institute's Units to preserve the principles of transparency and maximum publicity in addressing the issues and the sufficiency of the procedures followed under their purview.

Chapter VI



On Collaboration with the Institute

Article 53. In the practice of its duties, the Institute may ask other autonomous constitutional bodies and the Powers of the Union for their cooperation and support, especially Federal Government agencies, as well as the State, Municipal, and Mexico City governments. In turn, the Institute will provide the collaboration requested by them, within the scope of its power, in terms of the cooperation agreements signed to that end.

TITLE THREE On the Radio Spectrum and Satellite Orbits

Single Chapter On the Radio Spectrum

Section I General Provisions

Article 54. The radio spectrum and satellite orbits are a public property that belongs to the Nation, and which the State must hold and manage.

The Institute shall manage such in the performance of its duties as mandated by the Mexican Constitution, this Law, the international treaties, and agreements signed by Mexico and following the recommendations made by the International Telecommunication Union and other international organizations, where applicable.

The administration includes the development and adoption of plans and programs of use, setting the conditions for allocation of a frequency band, granting concessions, monitoring radio emissions, and implementing the penalties system, without prejudice to the powers corresponding to the Federal Government.

The Institute shall have the following general objectives in managing the spectrum, to benefit end users:

- I.** The safety of life;
- II.** The promotion of social, regional or territorial cohesion;
- III.** Effective competition in the converging broadcasting and telecommunications markets;
- IV.** Efficient use of the spectrum and its protection;
- V.** Guarantee the spectrum required by the Federal Government to carry out its duties and purposes;
- VI.** Efficient investment in infrastructure, innovation and industrial development of convergent products and services;
- VII.** The promotion of technological neutrality, and
- VIII.** Compliance with the provisions of Articles 2, 6, 7, and 28 of the Mexican Constitution.

The Institute shall use objective, transparent, non-discriminatory, and balanced criteria to allocate a frequency band and grant spectrum and satellite orbits.



Article 55. The radio spectrum frequency bands shall be classified as follows:

- I. **Specific spectrum:** these are frequency bands that can be used for services allocated in the National Table of Frequency Allocations through the concessions for commercial, social, private and public use, defined in Article 67;
- II. **Open spectrum:** these are open access frequency bands that can be used by the public, under the guidelines or specifications established by the Institute without the need for a concession or authorization;
- III. **Protected spectrum:** frequency bands allocated at global and regional levels to navigation services and those related to the safety of human life, as well as any other that should be protected under international treaties and agreements. The Institute will carry out the necessary actions to ensure the operation of said frequency bands in safe conditions, free from harmful interference, and
- IV. **Reserved spectrum:** this spectrum is still in the planning phase and is, therefore, unlike the determined, open or protected spectrum.

Section II On Administration of the Radio Spectrum

Article 56. The Institute shall keep the National Table of Frequency Allocations updated to ensure proper planning, management, and control of the radio spectrum for its use and efficient operation, based on general interest. The Institute shall take broadcasting and telecommunications technological developments into account, particularly radio communications and the related regulations issued by the International Telecommunication Union.

The Institute shall guarantee the availability of radio spectrum frequency bands or network capacity for the Federal Government for national security and public safety purposes, connectivity in public spaces, social coverage and other of its needs, duties, goals, and objectives. Therefore, it shall directly grant the Federal Government preferential treatment without remuneration, for all necessary public use concessions after assessing their adherence to the principles and objectives established by this Law for the management of the radio spectrum, the national program spectrum, and the radio frequency bands program.

All use or operation of frequency bands must comply with the terms outlined in the National Table of Frequency Allocations and other applicable provisions.

Article 57. The National Table of Frequency Allocations shall determine the allocation of the radio spectrum frequency bands to one or more radio communication services based on the following categories:

- I. **On a primary basis:** The use of frequency bands will be protected against harmful interference, and
- II. **On a secondary basis:** The use of frequency bands may not cause harmful interference to the services provided by frequency bands granted on a primary basis, or claim protection from harmful interference caused by such.

Article 58. The use of the frequency bands services on a secondary basis shall be protected from the harmful interference caused by the concessionaires operating other frequency bands, serving these on a secondary basis.



Article 59. By December 31 of each year, the Institute shall issue the frequency bands program with the specific frequencies or spectrum frequency bands that shall be tendered or directly allocated. The program shall contain at least the services that can be provided through these frequencies or frequency bands, as well as their category, usage patterns, and geographic coverage.

Article 60. The annual program for use and operation of frequency bands must address the following criteria:

- I. Evaluate the applications submitted by parties interested in frequency bands, category, usage patterns, and geographic coverage;
- II. Promote the efficient use of the radio spectrum, the benefits for public users, competition and diversity developments, and the introduction of new broadcasting and telecommunications services, and
- III. Promote the convergence of networks and services to achieve efficient use of infrastructure and innovation in application developments.

Article 61. All interested parties shall have 30 business days following publication of the annual program for use and operation of frequency bands, to ask for the inclusion of frequency bands and additional geographic coverage or other coverage not included in the program. In these cases, the authorities shall resolve the matter within a period not to exceed 30 business days once the previous term is over.

Article 62. The Institute shall be bound to implement, operate, and update a computerized spectrum management system and establish the mechanisms and criteria for public access to information contained in the relevant databases, regarding the General Transparency and Access to Public Information Law.

The referenced system must feature all information related to ownership of the concessions including technology, location, and emission characteristics, as well as the deployment of the infrastructure installed and used to this end.

Concessionaires shall be bound to send the Institute information concerning such use or operation of the term and according to the format, and media established to this end.

Article 63. The Institute shall be the authority in charge of oversight and technical control of radio emissions, and for establishing the mechanisms required to monitor radio emissions and resolve harmful interference and other irregularities and disturbances arising from the systems used to provide broadcasting and telecommunications services, for their correction. All the above shall be done to ensure compliance with the rules of the radio spectrum, its efficient use and proper operation of the services. Concessionaires shall be bound to comply with the measures issued by the Institute to this end within the established deadlines, and work with its staff to facilitate their inspection, detection, location, identification, and elimination.

Article 64. The Institute will seek to prevent harmful interference between national and international radio systems and issue the appropriate measures required to make sure that such systems operate free from harmful interference within their authorized service areas.

The Institute shall set the operating parameters for the use of the frequency bands for all types of radio services operating in border areas when such parameters are not included in the international treaties or agreements.

All scientific, medical, and industrial devices and equipment must comply with the applicable technical standards and rules to avoid causing harmful interference to authorized or protected emissions. If the



operation of such equipment causes harmful interference to authorized or protected emissions, they must eliminate such harmful interference within the deadline set by the Institute to this end.

Article 65. Deployment and operation of the wireless infrastructure shall include monitoring compliance with the limits for maximum permissible human exposure to non-ionizing radiation from radio frequency electromagnetic fields defined by the Institute in collaboration with other relevant authorities.

TITLE FOUR Concessions System

Chapter I On the Sole Concession

Article 66. A sole concession shall be required to provide all manner of public broadcasting and telecommunications services.

Article 67. According to its purposes, the sole concession shall be:

- I. **For commercial use:** it grants individuals and business corporations the right to provide public broadcasting and telecommunications services for profit through a public telecommunications network;
- II. **For public use:** they confer the right on all three branches of government, the Mexican States, the Mexico City Government agencies, municipalities, autonomous constitutional bodies and public higher education institutions to provide broadcasting and telecommunications services to fulfill its purposes, and its rights and duties.

This type of concessions includes public service concessionaires or permit holders other than broadcasting and telecommunications concessions, as required to ensure the operation and safety of the service in question.

These concessions may not exploit or provide for-profit telecommunications, broadcasting or network capacity services, and must obtain a license for commercial use to do so;

- III. **For private use:** it grants the right to provide telecommunications services for private communication and experimentation purposes and verification of technical and economic feasibility studies for developing technologies or temporary testing of equipment for non-commercial operating purposes, and
- IV. **For social use:** it grants the right to provide broadcasting and telecommunications services for nonprofit cultural, scientific, educational, and community purposes. This category includes indigenous community concessions, as well as those granted to private higher education institutions.

Concessions for community social use may be granted to not-for-profit civil society organizations incorporated under the principles of direct citizen participation, social cohesion, equity, gender equality, and plurality.

Concessions for indigenous social use purposes may be granted to indigenous peoples and communities throughout the country in accordance with the guidelines issued by the Institute and shall target the promotion, development, and preservation of their languages and culture, knowledge promoting their traditions, internal rules and principles respecting gender equality,



allowing indigenous women to participate in the objectives for which the concession was requested, and other elements constituting indigenous cultures and identities.

Article 68. When granting the sole concession referred to in this Law, the Institute shall provide a clear definition of the relevant type of concession for commercial, public, social or private use.

Article 69. A sole concession shall be required for private use only when there is a need to use or leverage satellite orbits or radio spectrum frequencies bands that are not for open use, subject to the terms outlined in Chapter III of this Title.

Article 70. A sole concession shall be required for private use only when there is a need to use or exploit satellite orbits or a radio spectrum frequency band that is not for open use, subject to the terms outlined in Chapter III of this Title.

Article 71. The sole concession this Law refers to shall be granted only to Mexican nationals and business corporations.

Foreign investment in the concessionaires shall be permitted under the terms outlined in the Mexican Constitution and the Foreign Investment Law.

Upon granting these concessions, the Institute must establish that the provision of the services prohibits the granting of privileges or distinctions that involve any discrimination, and business corporations are not allowed to provide these services on the grounds of ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual orientation, marital status or any other discrimination that violates human dignity and is intended to nullify or undermine the rights and freedoms of individuals.

Chapter II On Granting the Sole Concession

Article 72. The Institute shall award the sole concession for up to 30 years, and it may be extended for equal periods of time in conformity with Chapter VI of this Title.

Article 73. Parties interested in obtaining a sole concession, regardless of its use, must submit an application to the Institute containing no less than the following:

- I. The applicant's name and address,
- II. A description of the general features of the relevant project, and
- III. Documentation and information providing evidence of their technical, economic, legal, and administrative capacity.

The Institute will analyze and evaluate the documentation submitted with the application referred to in this Article within 60 calendar days when it can ask the interested parties to provide the additional information requested to confirm the requirements listed in this Article.

The concession shall be granted once the above term has expired and the Institute determines that the interested parties have met all the requirements. The respective title shall be recorded in the Public Telecommunications Register provided by this Law and posted on the Institute's website within 15 business days after its execution.

The above is without prejudice of the fact that the applicant may obtain the relevant concession if it intends to operate orbit resources or frequency bands under the terms of Chapter III of this Title.



Article 74. The sole concession title shall contain at least the following:

- I. The concessionaire's name and address;
- II. The concession's use authorization;
- III. The authorization to provide all technically feasible services. If the concessionaire needs to use radio spectrum bands or satellite orbits, it must obtain them in conformity with the terms and conditions established by this Law;
- IV. The validity period;
- V. A description of the general features of the relevant project;
- VI. The investment programs and commitments, quality and the geographic, demographic or social coverage, connectivity in public places and contribution to universal coverage, if any, determined by the Institute, in which case it must consider the proposals drafted by the Ministry on an annual basis according to the respective plans and programs, and
- VII. The rights and obligations of the concessionaires.

Chapter III On the Orbit Resources and Radio Spectrum Concessions

Section I General Provisions

Article 75. The Institute shall award concessions to use, operate, and exploit radio spectrum frequency bands for a specific use and for the occupation and exploitation of orbit resources for up to 20 years, which period may be extended for equal periods in conformity with the provisions outlined in Chapter VI of this Title.

When the operation of services object of the radio spectrum requires a sole concession, it shall be granted in the same administrative law action, unless the concessionaire already has a concession.

Article 76. According to their purposes, concessions described in this chapter shall be:

- I. **For commercial use:** they confer the right to operate and exploit radio spectrum frequency bands for a specific use or occupation and exploitation of satellite orbits, for profit;
- II. **For public use:** they confer the right on all three branches of government, the Mexican States, the Mexico City Government agencies, municipalities, autonomous constitutional bodies and public higher education institutions to provide broadcasting and telecommunications services to fulfill its purposes, and its rights and duties.

This type of concessions includes public service concessionaires or permit holders other than broadcasting and telecommunications concessions, as required to ensure the operation and safety of the service in question.



This type of concessions may not use, leverage or operate radio spectrum frequency bands for specific use and profit or to occupy or use orbit resources, and must obtain a concession for commercial use to this end;

III. For private use: they confer the right to operate and exploit radio spectrum frequency bands for a specific use or to occupy or operate satellite orbits for:

a) Private communications, or

b) Experimentation, confirmation of the technical and economic feasibility of developing technologies, temporary or amateur radio testing equipment, and meeting communication needs of embassies or diplomatic missions visiting the country.

This type of concessions does not confer the right to use, operate and commercially exploit radio spectrum frequency bands for specific use or occupy and use satellite orbits, and

IV. For social use: these confer the right to operate and exploit radio spectrum frequency bands for a specific use or satellite orbits to provide not-for-profit cultural, scientific, educational or community broadcasting or telecommunications services. This category includes the indigenous and community media referred to in Article 67, Section IV, as well as private higher education institutions.

Article 77. The concessions described in this chapter shall be granted only to Mexican nationals and business corporations.

Foreign investment in the concessionaires shall be permitted under the terms of the Executive Order and the Foreign Investment Law.

When the Institute receives an application for a concession to provide broadcasting services involving foreign investment, it shall ask for a favorable opinion from the National Foreign Investment Commission, which shall verify compliance with foreign investment limits established by the Decree and the Foreign Investment Law. The applicant must deliver this opinion to the Institute.

Section II

On Concessions for Commercial or Private Use of the Radio Spectrum

Article 78. Concessions for the commercial or private use or operation of the radio spectrum, private use for the purposes provided by Article 76, Section III, paragraph a), shall be granted only through a public tender procedure after receiving payment of the consideration by observing the criteria set forth in Articles 6, 7, 28, and 134 of the Mexican Constitution and the provisions of Section VII of Chapter III of this Title, as well as the following:

i. the Institute may take the following factors into account, among other things, to grant a telecommunications concession:

a) The economic proposal;

b) Coverage, quality, and innovation;

c) Lower service prices for end users;

d) Prevention of concentration phenomena that are contrary to public interest;



- e) The possible entry of new competitors into the market, and
 - f) Consistency with the concession program.
- II. The Institute shall take into account paragraphs a), b), d), e), and f) for granting broadcasting concessions. It must also consider that the programming project is consistent with the purposes described in the concession application, to promote and include dissemination of national, regional and local content and complies with the applicable provisions.

Article 79. The Institute shall publish the procedure for the respective public invitation to tender described in the preceding article, on its website, and in the Federal Official Gazette.

The Bidding Rules must include at least:

- I. The requirements the interested parties must meet to participate in the bidding process, including:
 - a) The investment programs and commitments, quality and the geographic, demographic or social coverage, connectivity in public places and contribution to universal coverage, if any, determined by the Institute, in which case it must consider the proposals drafted by the Ministry on an annual basis according to the respective plans and programs;
 - b) The projects' technical specifications, and
 - c) The programming and production project, in the case of broadcasting;
- II. The concession model;
- III. The minimum reference value and other criteria used to select the winner, and their technical capacity and weighting;
- IV. The frequency bands object of the concession; their mode of use and the geographic areas in which they can be used; and power in the case of broadcasting. Where appropriate, the possibility that the Institute may authorize secondary use of the frequency band in question in terms of this Law;
- V. Criteria to ensure effective competition and prevent concentration phenomena that are contrary to public interest;
- VI. The concessionaires' obligation to submit a bid bond;
- VII. The term of the concession, and
- VIII. The determining factor may never be purely economic, without prejudice to the provisions of this Law concerning compensation.

Article 80. The tender shall be declared void and a new call issued when the proposals presented in the public bidding process do not ensure the best conditions in the public interest, comply with the requirements established in the bidding rules or when the consideration offered for the Federal Treasury is below the minimum reference value.

Article 81. The concession title to use, operate or exploit the radio spectrum for commercial or private use must include at least the following:



- I. The concessionaire's name and address;
- II. The frequency band under concession, its mode of use and the geographic area in which it must be used;
- III. The validity period;
- IV. The projects' technical specifications;
- V. The investment programs and commitments, quality and the geographic, demographic or social coverage, connectivity in public places and contribution to universal coverage, if any, determined by the Institute, in which case it must consider the proposals drafted by the Ministry on an annual basis according to the respective plans and programs;
- VI. The considerations to be paid to the Federal Treasury for use or operation of the radio spectrum, and
- VII. The rights and obligations of the concessionaires.

Article 82. The radio spectrum for private use for the purposes referred to in Article 76, Section III, paragraph b), shall be given as a direct concession subject to availability, for up to a non-renewable term of two years, except in the case of radio amateurs, which may be granted up to five years renewable as established in Chapter VI of this Title. In any event, the concessions referred to in this Article shall be non-transferable.

The guidelines to grant the concession referred to in this Article shall be established by the Institute through the general rules based on deciding on the applications in the order in which they were submitted, which shall include payment of consideration to the Federal Government in terms of this Law.

Section III On Concessions for Public or Social Use of the Radio Spectrum

Article 83. Radio spectrum concessions for public or social use shall be granted through direct allocation for up to 15 years and may be extended for up to equal terms in conformity with the provisions outlined in Chapter VI of this Title. This form of concession shall not allow the provision of services for profit or to share the radio spectrum with third parties. The preceding is without prejudice to the multiprogramming broadcasting concessions that can be used to offer the capacity to third parties in conformity with this Law.

Federal agencies and entities may share the frequency bands granted under a concession for their intended purposes, upon obtaining the Institute's authorization to this end. Applications for assignments related to frequency bands necessary for safety purposes shall be analyzed as a priority.

Article 84. Concessionaires or permit holders other than public telecommunications and broadcasting services may obtain the direct allocation of frequency bands for safety purposes or to provide public services, upon presenting the Institute with evidence of the need for the use of such frequency bands.

The concessionaires or permit holders mentioned in the preceding paragraph must first pay the corresponding consideration according to Section VII of Chapter III of this Title, which shall be determined considering only the public services provided.

Article 85. Applications submitted to the Institute for the allocation of concessions to use, operate or exploit the radio spectrum for public or social use, must contain at least the following information:



- I. The applicant's name and address;
- II. The services it wishes to provide;
- III. Justification of the public or social use of the concession;
- IV. The projects' technical specifications;
- V. The coverage and quality programs and commitments;
- VI. The project to develop the features described for the concession requested, and
- VII. Documents are confirming its technical, economic, legal and administrative capacity based on the nature of the applicant and the source of the financial resources it will use to develop and operate the project.

Applications submitted to the Institute for the community and social use concessions must include evidence that the applicant is established as a nonprofit organization.

The Institute shall use the general guidelines to determine the terms required as evidence of the requirements listed in this Article and, in the case of community and indigenous concessions, it shall be bound to provide technical assistance to facilitate compliance with these requirements, which shall be aligned with social, organizational forms and the rights of indigenous peoples and communities.

Once the above requirements are met, the Institute will issue its decision within 120 business days after receiving the corresponding application.

The Institute shall be able to donate to social use concessionaires providing public broadcasting services, the transmitters obtained by the nation as a result of the procedures and assumptions established for loss of assets for using the radio spectrum without a concession.

Section IV

On Concessions for Public or Social Use of the Radio Spectrum to Provide Broadcasting Services

Article 86. Those interested in obtaining a concession on the radio spectrum to provide public broadcasting services must submit an application meeting the requirements set out in Article 85 of this Law, within the term specified in the annual program for use and operation of frequency bands.

The application must provide a clear description of the mechanisms used to ensure editorial independence, independent financial management, citizen participation guarantees, clear disclosure of the transparency and accountability rules, defense of its contents, financing options, full access to technologies and rules for the expression of ideological, ethnic, and cultural diversity.

The Institute will confirm that the mechanisms set out in the application are sufficient to ensure such objectives or ask the applicant to make the modifications required to this end.

Article 87. Those interested in obtaining a concession on the radio spectrum to provide social broadcasting services must present the requirements set out in Article 85 of this Law, within the term specified in the annual program for use and operation of frequency bands.



Concessions for social use include indigenous and community concessions, which purposes shall be subject to the principles outlined in Articles 2, 3, 6 and 7 of the Mexican Constitution.

The Institute will establish mechanisms for collaboration with the National Commission for the Development of Indigenous Peoples and other organizations to:

- I. Promote indigenous concession awards;
- II. Facilitate the granting of concessions to indigenous peoples where they have a presence for broadcasting in their native languages, especially in places not covered by a concession, and
- III. Promote concessions for indigenous social use, contribute to preserving and enriching their languages, knowledge and all elements related to their culture and identity.

Article 88. Public broadcasting concessions shall receive public financing to guarantee their operations.

Public use concessionaires shall have access to the following additional sources of revenue:

- I. Donations in cash or in kind made by Mexican and foreign individuals and business corporations, as long as the foreign donations are provided exclusively by multilateral and international aid agencies recognized by Mexican law, which cannot participate or influence the content of the transmissions under any circumstances.

Statutory tax-deductible receipts authorized by the Ministry of Finance and Public Credit must be issued for all cash donations received, while donations in kind shall be recorded in a contract executed under applicable law;

- II. The sale of their products and own content broadcast in accordance with their intended purpose or service and consistent with their legal and operational capacity without being part of commercial messages and advertising sales;
- III. Sponsorships;
- IV. Financing projects and joint investment agreements for the production or dissemination of contents related to the purpose of the services provided, and
- V. Joint venture agreements with other public agencies to better fulfill their public service objectives.

The absence of profit implies that these concessionaires will not seek to obtain profits for accumulation purposes, so all operating earnings can only be invested in the purpose of the concession.

Article 89. Social use concessionaires may earn income from the following sources, according to their intended purposes:

- I. Donations in cash or in kind;
- II. Cooperation contributions and fees from the communities they serve;
- III. The sale of their products and own content broadcast in accordance with their intended purpose or service and consistent with their legal and operational capacity without being part of commercial messages and advertising sales, except as provided in Section VII of this Article;



- IV. Resources from public entities to generate programming content other than marketing materials;
- V. Studio rental fees and editing and recording services;
- VI. Joint venture agreements with other public agencies to better fulfill their public service objectives, and
- VII. Advertising sales to federal public authorities, allocating 1% of the amount for the social communication and advertising services authorized for all social and indigenous community concessions in their respective budgets, for equitable distribution among the existing concessions. The states and municipalities may authorize up to 1% for this purpose in accordance with their respective budgets.

The terms outlined in this Section shall only apply to community and indigenous social use concessions.

The absence of profit implies that these concessionaires will not seek to obtain profits for accumulation purposes, so all operating earnings can only be invested in the purpose of the concession. Social use concessionaires' use must be authorized as donee to receive donations in cash or in kind, in terms of the applicable provisions.

Social use concessionaires provide broadcasting services must send the Institute an annual report with the information required to verify that their source and use of revenues adhere to the purposes used to grant the concession.

Article 90. The Institute shall take the following into account for granting public broadcasting and social use concessions:

- I. The technical project includes full use of the frequency band's capacity to provide the service;
- II. Awarding the concession will contribute to fulfilling the social role of public service broadcasting and to the exercise of human rights of freedom of expression, and open access to information and communications technologies;
- III. It is consistent with the applicant's purpose, under the terms of Articles 86 and 87 of this Law, and
- IV. The concessionaire's technical and operational capacity and sources of income.

Upon confirmation of compliance with these requirements, the Institute shall have a maximum period of 90 business days to decide to grant the concession.

In granting concessions, the Institute shall promote diversity and prevent concentration of national and regional frequencies.

Upon ensuring compliance with the legal requirements and the requirements established by the Institute, the applicant shall be awarded the concession for the social use of the radio spectrum for indigenous peoples and communities, subject to the availability of the corresponding annual program.

The Institute shall reserve 10% of the FM broadcast band for the community and indigenous radio stations, between 88 and 108 MHz. This percentage shall be concessioned in the upper portion of the band.



The Institute may grant concessions for AM community and indigenous radio stations, in the amplitude modulation segment of the radio spectrum between 1605 and 1705 KHz. The preceding is without prejudice to the Institute being able to award public, commercial or social use concessions to non-indigenous communities or in the rest of the AM band segment.

The Institute shall issue, and if necessary, update the technical operating parameters for the concessionaires referred to in this Article and implement the actions necessary to ensure compliance with such.

Article 91. Spectrum concessions to provide public broadcasting services can only be fully or partially disposed of, encumbered or assigned to public entities. In any case, the commitments and conditions outlined in the concession title shall remain in force.

Section V

On Concessions to Occupy and Use Orbit Resources

Article 92. Concessions to occupy and use orbit resources for commercial or private use, the last of these for the purposes outlined in Article 76, Section III, paragraph a), shall be granted through a public tender, upon payment of a fee, except as described in Section VI of this Title, which must comply with the criteria set out in Articles 28 and 134 of the Mexican Constitution.

Article 93. The Institute shall publish the procedure for the respective public invitation to tender described in the preceding article, on its website, and in the Federal Official Gazette.

The Bidding Rules must include at least:

- I. The requirements the interested parties must meet to participate in the bidding process, including:
 - a) Programs, coverage commitments, and quality of the services to be provided, and
 - b) The projects' technical specifications, and
- II. The orbit resources to be tendered;
- III. Criteria to ensure effective competition and prevent concentration phenomena that are contrary to public interest;
- IV. Where appropriate, concessionaires providing commercial services shall be bound to address all requests for services submitted by authorized sellers;
- V. The concession model;
- VI. The concessionaires' obligation to submit a bid bond;
- VII. The duration of the concession;
- VIII. The satellite capacity to be reserved for the State;
- IX. The minimum reference value, and



- X. The criteria to select the winner, which should include favoring the coverage and capacity offered in the national territory. The determining factor may never be purely economic, without prejudice to the provisions of this Law concerning compensation.

Article 94. The concession to occupy and use orbit resources for commercial or private use shall contain at least the following:

- I. The concessionaire's name and address;
- II. The orbit resources object of the concession;
- III. The validity period;
- IV. The services the concessionaire may provide;
- V. The projects' technical specifications;
- VI. The satellite capacity to be reserved for the State;
- VII. Where appropriate, the conditions established to address the service requests submitted by the sellers;
- VIII. The consideration to be paid to the Federal Treasury, and
- IX. The rights and obligations of the concessionaires.

Article 95. The tender shall be declared void and a new call issued when the proposals presented in the public bidding process do not ensure the best conditions in the public interest, do not comply with the requirements established in the bidding rules or when the Institute believes that are not satisfactory, or are below the minimum reference value.

Section VI

On Concessions to Occupy and Use of Orbit Resources Obtained at an Interested Party's Request

Article 96. Any person may express their interest to the Institute for the Federal Government to obtain orbit resources on behalf of the Mexican State, for which it shall:

- I. Submit a request expressing its interest, backed by an investment project;
- II. Provide the following technical information:
 - a) The band(s);
 - b) The geographic coverage;
 - c) the geostationary orbital position it intends to occupy or, where appropriate, a detailed description of the satellite orbit(s) and the corresponding satellite system;
 - d) The project's technical specifications, including a description of the satellite(s) or those intending to use the orbit resources, and



- e) All additional technical information that the applicant considers relevant;
- III. The radio communications services they intend to offer in each of the bands to be coordinated;
- IV. Documentation providing evidence of the applicant's technical, financial, legal, and administrative capacity, and
- V. An engagement letter to participate and cooperate with the Federal Government in all efforts, requirements and the coordination needed to obtain or register the orbit resources in the country's name.

Article 97. The Institute shall analyze and evaluate the documentation and accept the application to process it within 30 business days or advise the applicant in writing, one time only, when it fails to submit any of the requirements mentioned in the article above, giving the applicant an equal term to submit the documentation or evidence requested in the notice.

Once the notice has been addressed, the Institute shall accept the application for processing within the next 15 days. Applications submitted by applicants who fail to comply with the requirements requested in the one-time notice mentioned in the article above shall be deemed as not submitted.

An applicant's file shall be created once the information is submitted or after or after the delivery deadline.

Once the file is created to the Institute's satisfaction, it shall be sent to the Ministry along with the estimated costs that the Institute incurred so that the Ministry can determine the admissibility of the request.

If the application is admissible, the Ministry shall notify the Institute, setting the amount of the bid bond or letter of credit to be made out to the Federal Government and to the Institute, to guarantee the applicant's level of interest in the project and cover the expenses incurred by the Institute and the Federal government. Otherwise, the Ministry shall inform the Institute of the application's inadmissibility, which shall then inform the party concerned.

Once the bond is issued, the Ministry shall negotiate the application with the International Telecommunication Union to initiate the corresponding coordination procedure.

The Ministry will work with the Institute to coordinate the procedure with the relevant international organizations, with organizations from other countries and with concessionaires or national or foreign operators;

The interested party must provide all information and documentation required to complete the corresponding international coordination process and thus ensure the priority to occupy the orbit resources.

The applicant must cover all expenses incurred with the International Telecommunication Union. Such expenses shall not be refunded.

If the International Telecommunication Union issues a favorable resolution on behalf of the nation to occupy the orbit resources object of the application, the Institute shall grant the respective concession directly to the interested party after receiving payment of the relevant consideration in the terms outlined in Section VII of Chapter Three of this Title.

In these cases, the Institute shall deduct the expenses incurred by the private party from the respective compensation, considered from the outset to this end.



Article 98. In the case of Federal Government agencies, the Institute shall directly award the concessions for allocation of the orbit resources.

The Institute must always guarantee the availability of the orbit resources to the Federal Government for national security and public safety purposes, connectivity in public spaces, social coverage and other of its needs, duties, goals, and objectives. Therefore, it shall directly grant all necessary public use concessions with preferential treatment and without compensation for up to 20 years, after assessing their adherence to the principles and objectives established by this Law to manage the radio spectrum, the national program spectrum, and the radio frequency bands program.

Section VII On Compensations

Article 99. All considerations referred to in this Law shall require a prior non-binding opinion from the Ministry of Finance and Public Credit, which must be issued within a period not to exceed 30 calendar days. The Institute shall continue the corresponding procedures once this period expires without receiving the opinion.

Article 100. The Institute shall take the following into account to set the amount of consideration for the grant, extension of the validity or changes to concession services, and authorization of services related to concessions on the radio spectrum:

- I. The relevant radio spectrum's frequency band;
- II. The spectrum amount;
- III. Coverage of the frequency band;
- IV. Term of the concession;
- V. Domestic and international references to the frequency band's market value, and
- VI. Compliance with the objectives set out in Articles 6 and 28 of the Mexican Constitution; as well as those set out in the National Development Plan and other policy instruments.

The request for an opinion the Institute sends to the Ministry of Finance and Public Credit, shall include, where applicable, the information referred to in Sections I through VI of this Article, as well as the draft of the consideration derived from an analysis of such information.

Article 101. All considerations referred to in this Law shall be for the Federal Government and must be paid to the Federal Treasury.

This, notwithstanding the payment of contributions established by law to use or operate the nation's public property.

Article 102. The Institute shall be bound to ensure payment of the considerations set forth in this Law and contributions arising from the use, possession, operation or exploitation of the radio spectrum.

The concessions shall be awarded upon payment of the consideration established to this end.



Article 103. The provisions outlined in this Section shall apply, as appropriate, to the consideration for granting the orbit resources.

Section VIII On Lease of the Radio Spectrum

Article 104. Concessionaires may only lease frequency bands under a concession for commercial or private use, the last of these for private communication purposes, with the Institute's prior authorization. The following should be noted to this end:

- I. The lessee must hold or have applied for a sole concession for the same use with the Institute;
- II. The lessee becomes the concessionaire's joint and several obligor for the obligations arising from the concession of the frequency band leased;
- III. It must not affect service continuity, and
- IV. It must not generate concentration, cross-ownership, or hoarding.

The Institute shall have 45 business days to decide on the application for authorization to lease the concession. The requirements for authorization to lease the concession referred to in the preceding paragraph shall be subject to the provisions issued by the Institute to this end. The Institute will promote the secondary spectrum market, observing the principles of promoting competition, removing barriers to the entry of new competitors, and efficient use of the spectrum.

Lease of the frequency bands shall be automatically extinguished when the concession is terminated in any of the cases provided by this Law.

Section IX On the Change or Recovery of the Radio Spectrum or Orbit Resources

Article 105. The Institute may change or recover the frequency bands or orbit resources in any of the following cases:

- I. Where required by the public interest;
- II. For reasons of national security, at the request of the Federal Government;
- III. To introduce new technologies;
- IV. To resolve harmful interference issues;
- V. To comply with the international treaties signed by the Mexican State;
- VI. To rearrange the frequency bands, and
- VII. For continuity of a public service.

In the case of frequency change, the Institute may directly grant new frequency bands to the concessionaire so it can provide the services originally rendered.



The concessionaire must apply for any additional services it wishes to provide as a result of changing frequencies. The Institute will evaluate the application in accordance with the provisions of this Law.

Article 106. The change of frequency bands or orbit resources may be made ex officio or at the request of an interested party.

When the concessionaire requests the change referred to in this Article, the Institute shall have 90 business days from the date of filing of the application, considering the planning and efficient administration of the spectrum, orbit resources, advances technological, and public interest.

Without prejudice to its recovery powers, the Institute may propose the change on its own motion, and notify the concessionaire of its determination and the respective conditions. The concessionaire must respond to the proposal within ten business days. If the concessionaire does not respond, it shall be understood to have rejected the proposed change.

Concessionaires may exchange frequencies with each other, or a set of them, a full band or several bands of frequencies or orbit resources that they hold under concession, upon asking the Institute for its authorization. The Institute shall issue its resolution within 45 business days from the date on which the application is submitted and shall verify that the requested exchange does not cause disruption the planning, does not affect fair and open competition or third parties, does not create concentration or hoarding phenomena or any phenomenon contrary to the competition process, and ensures efficient use of spectrum and orbit resources.

Article 107. In the case of frequency changes for any of the cases provided in Article 105, the concessionaire must accept the new conditions to be established by the Institute to this end.

Once the concessionaire accepts the new conditions, the Institute will make the appropriate changes to the concession and determine what is required for its efficient operation. The concessionaire shall be subject to complying with the laws, regulations or administrative provisions.

The term of the concession shall not be amended in any case. In the event that the concessionaire does not accept the change or the conditions set by the Institute, it may proceed to recover the frequency bands.

The concessionaire shall not be indemnified for changes to the frequency band or orbit resources under any circumstances.

Article 108. In order to recover a frequency band or orbit resources under concession, the Institute shall notify the concessionaire regarding the reasons justifying its determination, and give it 35 business days from the business day following the effective date of the notification so it can present his position and provide the evidence deemed relevant to this end.

The Institute shall proceed to analyze the statements made and the evidence presented within 20 business days after the closing date referred to in the preceding paragraph. Once the evidence is presented, the concessionaire shall have five business days to present its arguments. Once this term is over, the Institute shall issue its resolution within the next 50 business days, with or without arguments. The recovery shall go into effect once the Institute makes its statement to this end.

If the Institute resolves to recover the frequency band or orbit resources, it can ask the INDAABIN for support to determine the corresponding compensation in which case the concessionaire may provide the arguments and the elements it deems relevant through the Institute within the next ten business days.

To determine the corresponding compensation, the Institute shall take into account the investment made and duly verified, as well as the goods, equipment, and network facilities intended directly for the purposes



of the concession and their depreciation. It may also consider the present value covered by acquiring the rights to use and operate the concession assets if any, minus the time elapsed since the concession was granted. In no event, shall the concessionaire be indemnified when the causes leading to the recovery breach of the obligations or conditions established in the concession or authorization, including those resulting from payments or contributions.

If the concessionaire agrees with the compensation, the amount determined for this item shall be final. If the concessionaire does not agree, the amount of compensation shall be determined by the courts specialized in economic competition, broadcasting and telecommunications, at the concessionaire's request, who shall have 15 business days to formulate the request as of the date on which it is notified of the resolution to determine the amount of compensation. If the concessionaire does not go to the courts specialized in economic competition, broadcasting, and telecommunications, the amount of compensation shall be final. All recovery issues that are not covered by this Law shall be subject to the provisions set forth in the General Law on National Assets.

Article 109. When the concessionaire is unable to continue providing the services due to the recovery, thereby terminating the concession, the Institute shall give notice to the Federal Government so it can exercise the necessary powers to ensure service continuity, as appropriate. In this case, the Federal Government may ask one or several concessionaires to operate the public telecommunications network and its associated frequency spectrum temporarily, to ensure service continuity, where appropriate. The Institute and the Federal Government shall take the steps necessary to safeguard the provision of services in this case.

Chapter IV On the Assignment of Rights

Article 110. Only concessions for commercial or private use, the last of these with private communication purposes, may be assigned and transferred, once the Institute approves the transfer in the terms of this Law.

The Institute may authorize the partial or total transfer of rights and obligations established in the concessions within 90 calendar days after receiving the application, as long as the transferee agrees to comply with its pending obligations and accept the conditions established by the Institute to this end.

Prior authorization of the assignment referred to in this Article may be sought, as long as the concession has been in effect for at least three years.

There is no need to obtain the Institute's authorization in the case of concession transfers resulting from mergers, demergers, and corporate restructures, as long as such acts are carried out within the same economic agent or control group.

The concessionaire must notify the Institute of the operation within 30 calendar days of its execution.

The Institute may authorize assignments intended to transfer rights and obligations under the concessions to another concessionaire providing similar services in the same geographic area, after completing an analysis of the effects that such action has or may have on fair and open competition in the relevant market.

If the assignment produces the obligation to report a concentration in accordance with the Federal Economic Competition Law, the Institute shall issue its resolution within the period established for that procedure, adding the considerations outlined in this chapter.



Before awarding transmission of the concession rights to any person, the judicial authorities must ask the Institute for its opinion regarding compliance with the requirements set forth by this Law.

Concessions for public or commercial use owned by the three branches of government, the States, Mexico City entities, municipalities and autonomous constitutional organs may be assigned to public entities even under public-private partnership plans, with the Institute's prior authorization.

Article 111. In no case, may all or part of concession and the rights thereunder or the facilities, ancillary services, outbuildings or accessories and the assets assigned to the concessions be transferred, encumbered, pledged given in trust, mortgaged or disposed of on behalf of any foreign government or state.

Chapter V On the Control of Stock

Article 112. Business corporations holding a concession must submit their share structure or equity interest concerned to the Institute by June 30 of each year, with the relevant share percentages and a list of shareholders holding 5% or more of the company's capital stock, with the names of the individuals who directly or indirectly hold 10% or more of the company's capital stock, as well as the names of their majority shareholders and their respective share percentages, providing such information in the format specified by the Institute to this.

The concessionaire shall be bound to comply with the following rules in the subscription or sale of shares or equity interest in an act or series of acts representing 10% or more of its capital stock, as long as it does not involve the obligation to report the transaction according to the Federal Economic Competition Law:

- I. The concessionaire shall notify the Institute of the interested parties' intention to subscribe or sell the shares or equity interest, either directly or indirectly, and provide detailed information about the parties interested in acquiring the shares or equity interest;
- II. The Institute shall have ten business days from the filing of the notice, to ask the Ministry for its opinion in this regard;
- III. The Ministry shall have 30 calendar days to issue its opinion, and
- IV. The Institute shall have 15 business days after receiving the Ministry's opinion or if the Ministry did not issue an opinion after the expiration of the term referred to in the Section above to contest the opinion about the operation concerned with justified cause. The operation shall be authorized once this period expires without the Institute contesting the transaction.

Operations that have not been contested by the Institute must be enrolled in the register of shareholders or partners of the legal entity, subject to the authorizations required from other authorities in conformity with the laws, regulations, and administrative provisions.

There will be no need to file the notice described in Section I of this Article when the subscription or sale of shares or equity interest represents a neutral investment in terms of the Foreign Investment Law or in the case of capital increases subscribed by the same shareholders, as long as each of their participation proportions in the share capital remains unchanged.

Also, there will be no need to submit the notice referred to in Section I of this Article in the case of mergers, demergers, and corporate restructures, as long as the shareholding changes are carried out within the same control or economic agent groups. The concessionaire must notify the Institute of the operation within 30 calendar days of its execution.



If the party interested in subscribing or acquiring the shares is a business corporation, the notice referred to in Section I of this Article shall include the information required by the Institute to learn the identity of the business corporations holding more than 10% of that company's capital stock.

If the transaction updates the obligation to report a concentration in conformity with the provisions set forth in the Federal Economic Competition Law, the Institute shall process the request as provided for such proceedings by the law on the subject matter while also considering the criteria in this Law.

This Article shall be fully and expressly included in the concessionaire's Bylaws, and on the titles or certificates, it issues. For purposes of the foregoing, the concessionaire will have a period of 90 business days from the date on which the concession is granted, to present the amendments related to its bylaws to the Federal Telecommunications Institute.

Chapter VI On the Extension of Concessions

Article 113. The Institute may extend the term of the sole concession as long as the concessionaire applies for the extension within the year before the start of the last fifth of the term of the concession, it is current with its obligations under this Law and other applicable provisions, as well as in its concession title, and agrees to any new conditions established, if any. The Institute shall issue its resolution within 180 business days after receiving the corresponding application.

If the Institute does not issue a resolution within the period prescribed in the preceding paragraph, it shall mean that the sole concession has been extended.

Article 114. For the purposes of granting the extensions of orbit resources or frequency band concessions, the concessionaire must apply for the extension with the Institute within the year before the start of the last fifth of the term of the concession, be current with its obligations under this Law and other applicable provisions, and in its concession title.

The Institute shall issue its resolution within the year following submission of the application. If there is public interest in recovering the radio spectrum and orbit resources, the Institute shall notify the concessionaire of its determination and proceed to terminate the concession at the end of its term.

If the Institute determines that there is no public interest in recovering the radio spectrum and orbit resources, it shall grant the extension requested within the period prescribed in the preceding Article, as long as the concessionaire accepts the new conditions established by the Institute in advance, including payment of consideration.

In granting an extension of the concessions referred to this Law, the Institute shall notify the Ministry before its determination, who may issue a non-binding technical opinion, within no more than 30 days. The Institute shall continue the corresponding procedures once this period expires without receiving the opinion.

Chapter VII On Termination of the Concessions and the Requisition

Article 115. Concessions are terminated for the following reasons:

- I. Expiry of the concession term, except in the case of an extension;
- II. The concessionaire's resignation;



- III. Revocation;
- IV. Recovery, or
- V. Dissolution or bankruptcy of the concessionaire.

Termination of the concession does not extinguish the concessionaire's obligations during its term.

Article 116. At the end of the concession the orbit resources or frequency bands allocated to the services provided under the concession shall be returned to the nation.

The Federal Government shall have the preemptive right to acquire the facilities, equipment, and other goods used directly in the provision of the services under the concession, upon payment of the value set by the INDAABIN in accordance with the procedure provided in Article 108 of this Law.

Article 117. In the case of natural disasters, wars, serious disturbance of public order or the expectation of imminent danger to national security, peace in the country, the national economy or to ensure continuity in provision of the public services referred to in this Law, the Federal Government, through the Ministry, may seize the general means of communication, as well as the real estate and personal property and rights necessary to operate those means and dispose of all of them as deemed appropriate.

The Institute shall provide the Federal Government with the technical support required to this end.

The Federal Government may also work with the staff members working for the means of communication at the time of the requisition when deemed necessary. The requisition shall be maintained as long as the conditions that led to the situation prevail.

An administrator shall be appointed to manage the use of the means, goods, and rights subject to seizure, and shall be vested with ample powers to fulfill the purposes of the requisition.

Except in the case of war, the Federal Government shall compensate the party concerned by paying for the damages losses produced by the requisition. If the parties fail to reach an agreement on the amount of compensation, damages shall be established by experts appointed by both parties and the average net income in the year preceding the requisition shall be used to determine the damages. Each party shall cover half of the expenses incurred by the expert. The rights of workers shall be respected under the law on the subject matter.

TITLE FIVE On Networks and Telecommunication Services

Chapter I On the Installation and Operation of Public Telecommunications Networks

Article 118. Concessionaires operating public telecommunications networks must:

- I. Directly or indirectly interconnect their networks with the networks of the concessionaires requesting such interconnection, through transit services provided by a third network and refrain from engaging in acts that delay, impede, or involve an efficient connection;
- II. Refrain from interrupting traffic between concessionaires with interconnected public telecommunications networks, without the Institute's prior approval;



- III. Refrain from making changes to its network that affect the operation of the users' interconnected equipment or networks, without having notified the parties that may be affected, and without the Institute's prior approval;
- IV. Offer and permit effective number portability in the terms established by this Law and the Institute;
- V. Refrain from charging users for domestic long distance calls made to any domestic destination. They may continue providing smart network services in their methods of reverse charges and other special services;
- VI. Provide non-discriminatory services to the public, according to the terms established in the concession titles;
- VII. Provide the quality telecommunications services contracted by users with the established rates and other conditions set out in terms of this Law and the Federal Consumer Protection Law;
- VIII. In the event that a given locality does not have another concessionaire that provides similar services, the concessionaire serving that locality, in accordance with the conditions outlined in the respective concession, may not stop providing the services, except in the case of unforeseen force majeure events or with an express authorization from the Institute, and
- IX. Refrain from establishing contractual barriers or of any other nature that prevents other concessionaires from installing or accessing the telecommunications infrastructure in buildings, shopping centers, housing developments, hotels or any other shared use property.

Article 119. Concessionaires with public telecommunications networks providing mobile services shall freely sign visiting user service agreements, setting the terms and conditions to establish connections between their platforms to make or receive voice and data communications. The preponderant economic agent in the telecommunications sector or the economic agents who have substantial power shall be bound to sign the respective agreements within 60 calendar days from the date of receipt of the relevant concessionaire's request.

The preponderant economic agent or economic agent with substantial power shall be bound to provide the visiting user services temporarily and only in those areas where the concessionaire concerned does not have the infrastructure or does not provide the mobile service.

In the case of disagreement, the Institute shall decide on the terms the parties did not agree to, and that arise in connection with the visiting user services, always in pursuit of the development of efficient telecommunication services. With respect to the term, the Institute shall set the period for the obligation to provide the visiting user services, so that the concessionaire who does not provide these services, has time to deploy the corresponding infrastructure.

Article 120. The Institute shall regulate the terms, conditions, and rates of the visiting user services to be provided by the preponderant economic agent in the telecommunications market or the economic agents that have substantial power to other public telecommunications network concessionaires. Accordingly, the Institute shall determine the rates based on a cost model that fosters effective competition and international best practices and the participation of concessionaires in the market. These rates shall never be higher than the lowest rate that the agent registers, offers, or collects from any of its customers in order to promote effective competition in the telecommunications sector. The preponderant economic agent or economic agents having substantial power may not discriminate in the provision of this service, and its quality must be equal to the quality received by their own clients.



Public fixed telecommunications network concessionaires that execute marketing agreements with a mobile concessionaire other than the one described in the preceding paragraph, in terms of the provisions set forth by Article 270 of this Law, may directly request the visiting user service under the terms set forth in that paragraph, to complement the services they offer. The Institute shall establish the mechanisms to ensure the efficient operation of such services.

Article 121. The Institute shall resolve any disagreement that may arise from the provisions above within 30 business days, by using the procedure established by this Law to resolve interconnection disagreements, as applicable.

Article 122. The information transmitted through networks and telecommunications services shall be kept confidential, except for information that is public by its very nature or when responding to an order issued by a competent judicial authority.

Chapter II

On the Numbering, Addressing, and Naming of the Telecommunications Services

Article 123. The numbering, addressing, and naming rights of use shall be granted for public telecommunications services as needed to permit their effective delivery, taking this fact into consideration for the corresponding national plans.

The Institute shall define the procedures to grant these rights, which shall be open, objective, non-discriminatory, transparent, and promote effective competition.

Chapter III

On Access and Interconnection

Article 124. Concessionaires operating public telecommunications networks shall adopt open architecture network designs to guarantee their networks' interconnection and interoperability.

Accordingly, the Institute shall develop, update, and manage the basic technical numbering, switching, signaling, transmission, pricing, synchronization, and interconnection plans which the concessionaires operating public telecommunications networks must follow. These plans must consider the interests of users and concessionaires, with the first group prevailing, and may consider recommendations and international best practices, with the following objectives:

- I. Promote the comprehensive development of new concessionaires, technologies, infrastructure and telecommunications services through the deployment and investment in telecommunications networks and promoting innovation;
- II. Give non-discriminatory treatment to concessionaires except for the asymmetric or specific measures provided by this Law;
- III. Ensure effective interconnection and interoperability of public telecommunications networks;
- IV. Promote efficient use of resources;
- V. Further conditions of effective competition;
- VI. Define the minimum technical conditions for efficient interoperability and interconnection of public telecommunications, meeting the quality standards established by the Institute;



- VII. Establish flexible mechanisms that allow and encourage the use of new technologies in telecommunications networks for the benefit of users;
- VIII. Adopt measures to ensure technology neutrality;
- IX. Establish conditions to comply with the obligations under this Law, and
- X. Allow each concessionaire to identify the public telecommunications networks' interconnection and terminal points to report them to the Institute and other concessionaires.

Before adopting a technology or design change on its network, the preponderant economic agent or agents having substantial power must inform the Institute so it can authorize the technology or the proposed change, after consultation with the other concessionaires.

Article 125. Concessionaires operating public telecommunications networks are bound to interconnect their networks with those of other concessionaires in non-discriminatory and transparent conditions and objective criteria based on and in strict compliance with the plans referred to the previous Article, except as provided by this law on the subject of rates.

The interconnection of public telecommunications networks and their rates and terms and conditions are of public order and social interest.

The terms and conditions for a concessionaire to offer interconnection to another because of an agreement or a resolution issued by the Institute shall be granted to any other party requesting it, from the date of the request.

Article 126. Except for the fees referred to in Article 131 of this Law, the concessionaires of public telecommunications networks shall agree to the interconnection conditions in conformity with the laws and regulations, and the terms established in the fundamental technical plans and other applicable rules and methodologies issued by the Institute if any.

Article 127. For the purposes of this Law, the following shall be considered interconnection services, among others:

- I. Driving traffic, including its origination and termination, as well as calls and SMS or short message services;
- II. Transmission links;
- III. Access ports;
- IV. Signaling;
- V. Traffic;
- VI. Colocation;
- VII. Infrastructure sharing;
- VIII. Related auxiliaries, and
- IX. Billing and Collection.



Article 128. The interconnection agreements must be registered with the Institute in the Public Telecommunications Register within 30 business days following their execution.

Article 129. Concessionaires operating public telecommunications networks must interconnect their networks, and sign an agreement to this end within a period not to exceed 60 calendar days from the date on which a concessionaire submits its request. Consequently, the Institute shall establish an electronic system the concessionaires interested can use to interconnect their networks and process the subscription requests for the respective agreements with each other.

In the event that an agreement has not been signed after this period, the interested party must ask the Institute to rule on the terms, conditions, and rates it was unable to agree with the other party in accordance with the following procedure:

- I. Either party shall ask the Institute to issue its resolution of the interconnection disagreement within 45 business days from the business day following expiration of the period prescribed in the first paragraph of this Article;
- II. The Institute shall have five business days to rule on the validity and acceptance of the application, and call on the applicant if deemed necessary;
- III. Once the application is accepted, the Institute shall notify the other party so it can present its position and provide the evidence it deems appropriate, within five business days from the business day after it is notified of the disagreement;
- IV. After the deadline referred to in the preceding Section, the Institute shall have 15 business days to issue its resolution, with or without the referenced positions, on admission of the evidence provided and order its submission;
- V. Once the evidence is reviewed, the Institute shall give the parties two business days to submit their arguments;
- VI. Once the evidence period is over and up until the deadline to issue the resolution, the proceeding shall be considered as over if the parties present an agreement and ratify it before the Institute;
- VII. The Institute must issue its resolution within no more than 30 business days, with or without arguments;
- VIII. Once the Institute issues the resolution, it shall notify the parties of the decision within ten business days, and
- IX. The resolution issued by the Institute shall be recorded in the Public Telecommunications Register within ten business days of the notification, and effective interconnection between networks and traffic exchange must start no later than within 30 calendar days following notification of the decision or execution of the respective agreement, as appropriate.

Both parties may decide to ask the Institute for a resolution on the interconnection terms, conditions, and rates the parties were unable to agree to, before the expiration of the term referred to in the first paragraph of this Article.

In the case of concessionaires whose public telecommunications networks are interconnected and can, but are unable to agree to new interconnection conditions because of their agreement expiration date, they may file their application for resolution of the interconnection disagreement with the Institute, no later than



by July 15 of each year, so the Institute can resolve the situation according to the administrative procedure provided in this Article on the interconnection conditions not agreed between concessionaires, including fees, before December 15, so the new interconnection conditions can go into effect on January 1 the following year.

The Institute shall promote prompt and effective interconnection between public telecommunications networks; therefore, all administrative procedures must be addressed in a transparent, prompt, and expeditious manner, and avoid trial proceedings that could delay effective interconnection between public telecommunications networks or disagreements on the conditions that permit the provision of public telecommunications services.

Article 130. In the event that public telecommunications network concessionaire refuses to conduct negotiations regarding the interconnection of its network with another concessionaire, the Institute shall determine the form, terms, and conditions of such interconnection without prejudice to the penalties provided by this Law. The above shall take place when the concessionaire that received a request for interconnection, in terms of the provisions of Article 129, does not carry out any actions related to the request within 30 business days from the time it received the request, or expresses its unjustified refusal, in the Institute's opinion.

Article 131. When the Institute considers that there are conditions for effective competition in the telecommunications sector, it shall determine the criteria the concessionaires of public telecommunications and fixed, and mobile networks must use to enter mandatory reciprocal traffic compensation arrangements without termination charges, including calls and short messages.

As long as there is a preponderant economic agent in the telecommunications sector or an operator that directly or indirectly holds 50% of the domestic telecommunications market share, measured by the number of users, subscribers, and traffic on their networks or capacity utilization of the same in accordance with the data available to the Institute, the termination rates for fixed and mobile traffic, including calls and short messages, shall be asymmetric as follows:

- a) The agents referred to in the preceding paragraph, shall not charge the other concessionaires for traffic terminating in their networks, and
- b) The interconnection fee shall be freely negotiated for traffic terminating on the network of other authorized concessionaires.

The Institute shall resolve any dispute concerning the rates, terms and/or conditions of the interconnection agreements referred to in paragraph b) of this Article, based on the cost methodology determined by considering the natural asymmetry in the networks to be interconnected, market share or any other factor, setting the rates, terms and/or conditions accordingly.

Rates determined by the Institute based on this methodology must be transparent, reasonable, and asymmetric, where appropriate, considering market share, hours of network congestion, traffic volume or other factors determined by the Institute.

The rates must be sufficiently unbundled so that interconnecting the concessionaire does not need to pay for components or network resources that are not required for the service to be provided.

Before the Institute determining that a preponderant economic agent is no longer such, or no longer holds the share mentioned in paragraph two of this Article, it shall determine whether that agent has substantial power in the relevant call termination and short messages market. If the agent has substantial



power in that market, the Institute will decide if it will continue to operate under the asymmetric system established in paragraph a) of the second paragraph of this Article or if it should set an asymmetric rate in accordance with the methodology provided in the second, third and fourth paragraphs of subsection b) of this Article.

Article 132. The parties shall establish at least the following in the interconnection agreements:

- I. Their networks' interconnection points;
- II. The mechanisms that permit the separate or individual use of services, capacity, functions and infrastructure of their networks on a non-discriminatory basis under the terms established by this Law;
- III. The obligation to refrain from granting volume discounts on interconnection rates;
- IV. The obligation to reciprocity between concessionaires that provide each other with services, capabilities, and functions similar to each other, without prejudice to this Law or as determined by the Institute, and refrain from demanding conditions that are not indispensable to the interconnection;
- V. The commitment to implement the interconnection at any switching point or other technically feasible points;
- VI. That the equipment necessary for interconnection can be provided by any of the concessionaires and located or collocated on either of their premises;
- VII. Mechanisms that guarantee the existence of adequate capacity and quality to supply traffic demands between both networks, without differentiating the type of traffic or degrading the capacity or quality of services that users can access;
- VIII. The obligation to deliver traffic to the concessionaire selected by the subscriber at the nearest technically efficient point;
- IX. Establish a procedure for handling interconnection requests under first in, first out criteria;
- X. The mechanisms and conditions to perform, if requested, tasks to measure and assess the services provided to its users by other concessionaires, as well as provide the accurate information required for the respective billing and collection purposes;
- XI. The conditions used to market capacity of interconnection services;
- XII. The deadlines to deliver maximum interconnection links from each of the concessionaires;
- XIII. Interconnection failure response procedures and the respective maintenance programs;
- XIV. The interconnection services subject to agreement;
- XV. Economic considerations and the corresponding compensation mechanisms, where appropriate;
- XVI. Contractual penalties, and
- XVII. Others they are bound to establish according to the fundamental technical plans.



Article 133. The provision of all interconnection services listed in Article 127 shall be binding on the preponderant or economic agent with substantial market power, and those indicated in Sections I through IV of that Article shall be mandatory for all other concessionaires.

All interconnection agreements to be signed by the preponderant economic agents shall contain the provisions of Article 132 and other provisions and resolutions applicable to such agents.

Article 134. The Institute and the Ministry shall promote agreements with foreign authorities, to encourage reciprocal access conditions of domestic concessionaires interested in increased competition and offering services abroad.

Article 135. The only concessionaires that can install cross-border telecommunications equipment and means of transmission shall be those operating public telecommunications networks or persons expressly authorized by the Institute to this, without prejudice to the other applicable provisions.

Traffic exchange between public telecommunications networks and foreign networks shall be implemented through agreements negotiated by the parties.

Concessionaires must submit to the Institute drafts of the traffic exchange agreements they plan to sign before their execution. The Institute may establish the terms to be included in the agreements, to incorporate proportionality and reciprocity conditions for the services exchanged.

Concessionaires that must enter into agreements with foreign governments so their domestic networks can exchange traffic with foreign networks must ask the Ministry to participate by signing the respective agreements in coordination with the Institute.

Article 136. The Institute shall establish and guarantee the applicable and economically competitive measures, through the publication of standards, so all public telecommunications network users can obtain access to billing, information, directory, emergency, reverse charges, and operator services, among others.

Article 137. The Institute shall publish in the Federal Official Gazette, in the last quarter of the year, the minimum technical conditions and rates resulting from the cost methodologies issued by the Institute that shall take effect in the next calendar year.

Article 138. The preponderant economic agent or the agent with substantial power in the telecommunications sector shall be subject to the following specific obligations:

- I. Register the list of unbundled interconnection services with the Institute, upon receiving its approval, to provide the necessary information to other concessionaires on the technical and functional specifications of the interconnection points, which must be updated at least once a year;
- II. Publish annually in the Federal Official Gazette, a public interconnection offer containing at least the characteristics and conditions outlined in Article 267 of this Law, with a detailed and itemized description of its technical, economic, and legal aspects to be offered by the concessionaires to parties interested in interconnecting to their network, which must be submitted to the Institute for its approval in the first quarter of each calendar year;
- III. Present to the Institute at least once a year, separate accounting and costs for interconnection services in the form and based on the methodologies and criteria determined by the Institute to this end;



- IV. Refrain from engaging in practices that prevent or restrict the efficient use of infrastructure dedicated to interconnection;
- V. Sign agreements to share infrastructure and collocation sites;
- VI. Enable sharing of rights of way;
- VII. Respond to requests for interconnection services within the same time and manner in which it serves its own needs and those of its affiliates, subsidiaries, branches, or companies in the same economic interest group;
- VIII. Have a physical presence in the Internet traffic exchange points nationwide, and sign agreements that allow internet service providers to exchange traffic more efficiently and at a lower cost in the terms prescribed by the Institute, and
- IX. The others determined by the Institute.

Chapter IV On Infrastructure Sharing

Article 139. The Institute shall encourage the execution of collocation and infrastructure sharing agreements between concessionaires.

Collocation and sharing shall be established through agreements signed by and between the concessionaires concerned. In the absence of an agreement between the concessionaires, when there are no substitutes, and they are essential to provide the required services, the Institute may establish the conditions of use, sharing of physical space, and the appropriate fee, provided there is capacity for such sharing.

Disagreements shall be resolved by the Institute, following the procedure established by this Law to resolve interconnection disputes, except the resolution term, which shall be up to 30 business days.

The collocation and sharing agreements signed by the concessionaires shall be recorded in the Public Telecommunications Register under this Law.

When access to a public resource such as the right of way and the like is limited for reasons of public interest or by law or regulation, the Institute shall encourage the concessionaires to enter into location and infrastructure sharing agreements.

The Institute may verify the conditions of the sharing agreements at any time, to assess their impact on effective competition in the sector concerned and may establish measures to offer access to sharing to any concessionaire under non-discriminatory conditions, as well as those required to prevent or remedy adverse effects on competition.

Chapter V On Public Participation Telecommunications Networks

Article 140. When the Institute grants commercial concessions to public entities, even under a public-private partnership, they shall be deemed shared telecommunications wholesale networks in conformity with the terms provided by this Law.

In no case, may these networks offer services to end users.



When there are no concessionaires or authorized dealers providing services to end users in a particular geographic area and the wholesale networks referred to in Articles Fifteen, and Sixteen of the Executive Order do offer coverage and infrastructure in those areas, the Federal Government shall guarantee the provision of such services for the sellers or concessionaires' end users located in the respective localities, through the decentralized entity called Telecomunicaciones de México, until there is another offer available for such end users.

Article 141. Concessionaires with public participation must be subject to competitive neutrality principles when created for commercial purposes. In any case, they must keep separate accounts on their broadcasting or telecommunications service activities. Wholesale shared network concessions shall be subject to this Law and the Federal Economic Competition Law.

Article 142. The Institute shall directly assign 90 MHz of the 700 MHz band to operate a wholesale network shared by granting commercial use, under the terms established in this Law.

Article 143. The concession of a shared wholesale network, in addition to the provisions relating to commercial concessions, coverage obligations, quality and price and those determined by the Institute include chapter.

Article 144. Wholesale shared networks operate under principles of sharing their entire infrastructure and unbundled sale of all their services and capabilities. Through these networks, services shall be provided exclusively to traders and concessionaires under non-discrimination and competitive prices.

Concessionaires wishing to make capacity acquired from the shared network available to other concessionaires can only do so if they offer the same conditions under which they acquired this capacity from the shared network, without it being understood that the financial consideration is included in these conditions.

Wholesale concessionaires operating shared networks can only provide access to capacity, infrastructure or services to the preponderant economic agent in the telecommunications or that declared with substantial power prior authorization of the Institute, which shall determine the terms and conditions.

Chapter VI On Network Neutrality

Article 145. Concessionaires and authorized dealers providing Internet access service shall be subject to the following general guidelines issued by the Institute to this end:

- I. **Free choice.** Internet access service users shall have access to any content, application or service offered by the concessionaires or dealers authorized to sell, within the applicable legal framework, without limitation, degradation, restriction or differentiation.

They may not limit the right of Internet users to incorporate or use any kind of instruments, devices or equipment they connect to the network, as long as they are approved;

- II. **No Differentiation.** Concessionaires and authorized Internet service providers shall not obstruct, interfere with, inspect, filter or differentiate against content, applications or service;
- III. **Privacy.** They must preserve user privacy and network security;



- IV. **Transparency and information.** They must publish information concerning the service features on their website, including traffic and network management policies authorized by the Institute, speed, quality, nature, and service guarantee;
- V. **Traffic management.** Concessionaires and authorized dealers may take the measures or actions necessary for traffic and network management under policies approved by the Institute, to ensure the quality or speed of service contracted by the user, provided this does not constitute a practice contrary to fair and open competition;
- VI. **Quality.** They must preserve the minimum quality standards established for that purpose in the respective guidelines, and
- VII. **Sustained infrastructure development.** The Institute's respective guidelines should promote the sustained growth of the telecommunications infrastructure.

Article 146. Concessionaires and authorized dealers must provide Internet service respecting the capacity, speed, and quality contracted by the user, regardless of the content, origin, destination, terminal or application, as well as the services that are provided over the Internet in compliance with the terms outlined in the previous Article.

Chapter VII

On the Use of State Assets for Telecommunications Infrastructure Deployment

Article 147. The Federal Government, through the INDAABIN, shall establish the economic, technical, and safety conditions to guarantee that the Federal Government Public Administration's properties, the general means of communication, the infrastructure associated with broadcasting stations, electric transmission and radio communication towers, electricity power line posts, as well as poles and ducts, among others, are available for the use and benefit of all concessionaires on a non-discriminatory basis with the consideration established by the competent authorities on a case-by-case basis.

The managing agencies and entities shall strive to make sure that the goods referred to in this Article are used to promote development and competition in the broadcasting and telecommunications markets according to the objectives of this Law when so permitted by the technical, safety, and operating conditions.

The Federal Government, through the Ministry, shall offer recommendations on infrastructure, public works, and land and real estate development to state governments, the Mexico City Government, and municipal governments to promote fair and open competition and the provision of telecommunications services. The Federal Government shall actively promote, within its legal powers, the use of the goods referred to this chapter for deployment of the telecommunication networks.

For purposes of the paragraph above, the Ministry shall coordinate with the agencies or entities managing real estate, the INDAABIN, the Ministry of Finance and Public Credit, the Ministry of Energy, the Ministry of Environment and Natural Resources, and the Ministry of Agrarian, Territorial, and Urban Development to establish the rules and guidelines for implementing property policy to enable deployment of the telecommunications infrastructure.

No public telecommunications networks concessionaire may contract or use such property with exclusive rights.

Article 148. To decide on the appropriateness of granting the use or operation of the Federal Government Public Administration's property mentioned in the previous article, the agencies or entities, in addition to meeting the provisions of the General Law on National Assets and other applicable regulations,



shall verify that those interested in obtaining such use and operation, comply with the applicable technical specifications. They can also request support from the Ministry, if necessary.

Article 149. In order to promote infrastructure sharing and use of state assets, any concessionaire can install infrastructure in state assets to deploy public broadcasting and telecommunications networks.

Chapter VII On Satellite Communications

Article 150. The Ministry in coordination with the agencies and entities shall define the satellite capacity, if any, required orbit resources concessionaires and authorized dealers to exploit emission and reception rights from foreign satellite signals to provide services in the national territory, as a State reserve for national security, social services, and other government needs.

The Institute shall make sure that concessionaires and authorized dealers provide sufficient reserve and adequate satellite capacity for national security networks, social services, and the other government needs referred to in the preceding paragraph. The reserve capacity above may be met in cash or in kind at the Ministry's consideration. Economic resources obtained if the obligation is met in cash shall be transferred to the Ministry for acquisition of the corresponding satellite capacity.

Article 151. Orbital resource concessionaires must carry out preliminary acts required in a timely manner to commission the services under the terms established in the concession.

Article 152. Orbital resource concessionaires that offer coverage over the country must establish at least one central control and operation for the respective satellites in the national territory.

In unforeseen force majeure events affecting the control centers established in Mexico, the Institute may authorize the temporary use of a control and operation center located abroad, as long as the unforeseen situation prevails.

Article 153. Authorized dealers with issue and reception rights for signals from foreign satellites providing services in Mexico, shall comply with the provisions established by the Institute to this end.

Article 154. Orbital resource concessionaires operating in geostationary orbital positions, require authorization from the Institute to operate in inclined orbit or under specific conditions when, so required for service reasons.

Orbital resource concessionaires must inform the Institute of any event that affects or may affect the delivery or service continuity.

The Institute shall determine the maximum periods within which orbital resource concessionaires should occupy the orbital position and resume the provision of services. To set a time limit, the Institute shall be subject to the terms and applicable international regulations, ensuring the preservation of orbital resources on behalf of the Mexican State.

If there is a need to deorbit the satellite, this must be done by requesting the Institute's authorization in advance.

The Institute will issue its resolution within 30 business days from the filing of the application.

Chapter IX Specific provisions for Restricted Broadcasting, Television, and Audio Service



Section I On the Installation and Operation

Article 155. Broadcast stations and their ancillary equipment shall be built, installed, and operated according to the technical requirements set by the Institute in accordance with the provisions of this Law, international treaties, official Mexican standards, technical standards, generally accepted engineering standards, and other applicable provisions. Modifications to the technical features shall be subject to the Institute's approval.

For installation, increased height or change of location of towers or radiator system facilities or any change affecting the propagation conditions or interference, the concessionaire shall submit an application to the Institute accompanied by the favorable opinion issued by the competent aviation authorities.

Article 156. The Institute shall specify a period not exceeding 180 days for the start of providing a station's services, as well as changes in the transmitter's location from the same plant, taking into account the calculations presented by the concessionaire in accordance with the approved plans.

In the case of changes to other technical station operation parameters, the Institute shall establish a term not exceeding 90 calendar days, unless the concessionaire presents support documentation confirming that it needs more time to perform such work.

In any of the cases referred to in this Article, the deadlines ultimately authorized may be extended only once and for a term equal to the original deadlines.

Article 157. The concessionaire providing broadcasting services must ensure continuity of public service broadcasting, and may not suspend their transmissions, except in an unforeseen force majeure event. The concessionaires must present justification of this cause to the Institute.

In the case of suspension of service, the concessionaire shall inform the Institute of the following:

- I. The cause or origin;
- II. The use of emergency equipment, where appropriate, and
- III. When service is expected to be back to normal.

The concessionaire shall submit to the Institute the information referred to in the preceding sections, within three business days after it is updated.

In the case of maintenance or replacement of facilities and equipment that are part of the radio station, concessionaires must notify the Institute of the temporary suspension of the broadcasting service. Such notice shall be submitted at least 15 business days before the date the concessionaire intends to suspend the service, reporting the maintenance times, its specific causes, and the time of the suspension. If the Institute does not present an objection within five business days, the concessionaire may perform the corresponding maintenance or replacement services.

The persistent suspension of service beyond the authorized limits may lead to corresponding fines and to revocation of the concession, where appropriate.

Section II Multiprogramming



Article 158. The Institute shall authorize concessionaires to access multiprogramming under the principles of quality and competition guaranteeing the right to information and specifically responding to the national and regional concentration of frequencies, including where appropriate, payment of the compensation due;

- I. Concessionaires shall request the number of multiprogramming channels they wish to broadcast and the technical quality proposed for such transmission;
- II. In the case of concessionaires belonging to an operator declared as predominant or having substantial market power, the Institute will not authorize them to transmit on more than 50% of the total broadcast television channels, including multiprogramming authorized for other concessionaires in the broadcast region covered;
- III. The Institute shall issue guidelines for implementation of this Article and payment of the corresponding consideration;
- IV. When the Institute grants new concessions, it must always consider the authorization to transmit multiprogramming in the purpose of the same, in terms of this Article, and
- V. Under no circumstances will concessionaires be authorized to use the radio spectrum to provide restricted television or audio services.

Article 159. Concessionaires providing pay TV or restricted audio services must retransmit the multiprogramming broadcast signal with the widest audience, free of charge. In the case of dispute, the Institute shall determine the broadcast signal that must be retransmitted. Satellite and restricted television network concessionaires shall only be bound to retransmit multiprogramming broadcast signals to ensure coverage of 51% or more of the national territory.

This, without prejudice of the fact that the restricted television concessionaire can broadcast the other multiprogramming broadcast signals in terms of Section I of the Eighth Transitory Article of the Executive Order.

The concessionaire and domestic and foreign independent producers may freely enter into contracts for multiprogramming access channels under market conditions.

Access to multiprogramming channel capacity will be on a fair and non-discriminatory basis, in accordance with the guidelines issued by the Institute.

Article 160. Concessionaires should indicate the following information in their request for each multiprogramming channel:

- I. The transmission channel to be used;
- II. Identity of the programming channel;
- III. The number of programming hours to be broadcast with innovative technology, in accordance with the provisions issued by the Institute;
- IV. The date on which it intends to initiate transmissions;
- V. In the case of television, the video quality and video compression standard used for the transmissions, and



- VI. Whether it is a programming channel which content is the same as a broadcast channel in the same coverage area, but offered with delayed transmissions.

Article 161. Concessionaires must comply the following terms established by the Institute in the case of TV channels:

- I. Have an electronic program guide, in accordance with the applicable provisions, and
- II. Offer subtitling or dubbing services into Spanish and Mexican Sign Language fully accessible for people who are deaf or hard of hearing. These services should be available in at least one of the highest-rated news programs nationwide.

Article 162. The Institute shall issue its resolution on the request for multiprogramming access within a maximum period of 60 business days from the day following delivery of the application. If the Institute does not issue the corresponding response within the prescribed period, the application shall be denied.

Article 163. The concessionaire shall be responsible for the station's technical operation, but not for the content to be delivered by programmers or independent producers responsible for such.

Section III On Retransmission

Article 164. Concessionaires providing broadcast television services shall be bound to allow restricted television concessionaires to rebroadcast their signals, free of charge and without differentiation, within the same geographic area, fully, simultaneously and without modifications, including advertising with the same broadcast signal quality.

Concessionaires providing restricted television services are bound to allow open television networks to rebroadcast their signals, free of charge and without differentiation, within the same geographic area, in full, simultaneously and without modifications, including advertising with the same broadcast signal quality and include them in the services contracted by users and subscribers.

Article 165. Satellite and restricted television network concessionaires shall only be bound to retransmit the broadcast signals to ensure coverage of 51% or more of the national territory. All restricted television concessionaires must rebroadcast signals for federal public institutions.

Article 166. Telecommunications or broadcast television concessionaires with substantial power in the telecommunications or broadcasting markets, or preponderant economic agents in the terms of this Executive Order, shall not be entitled to the free rebroadcasting rule; however, they shall not be able to reflect this as an additional cost of service for users and subscribers, in any case.

Article 167. The concessionaires referred to in the preceding article, shall agree on the conditions and prices of the broadcast content or retransmission. In the case of a disagreement, the Federal Telecommunications Institute shall set the lowest rates under the principles of fair and open competition.

Article 168. The Institute shall punish the preponderant economic agents or those with substantial power that benefit directly or indirectly from the rule of gratuity through other concessionaires, by revoking their concessions without prejudice of their obligation to make the corresponding payments. It shall also revoke their concessions.

Article 169. The obligation to rebroadcast content free of charge shall simultaneously end when the broadcasting and telecommunications markets have fair competition conditions. This statement shall be



made by the Institute in the terms established by the Federal Economic Competition Law. In this case, the concessionaires shall be free to agree on the rebroadcasting prices and conditions. In the case of disagreement, the Institute shall determine the rate focused on costs.

TITLE SIX

Single Chapter On Authorizations

Article 170. The Institute's authorization is required to:

- I. Establish and operate or use telecommunications marketing services without the status of concessionaire;
- II. Install, operate or use satellite earth stations to transmit signals;
- III. Install telecommunications equipment and means of transmission that cross the country's borders;
- IV. Use the right to broadcast and receive signals and frequency bands associated with foreign satellite systems that cover and can provide services in the country, and
- V. Use of temporary spectrum bands for diplomatic visits.

The Institute may exempt the need for such authorization to earth stations transmitters that do not cause harmful interference to other telecommunications systems because they comply with the standards.

Authorizations granted by the Institute shall be valid for up to ten years. This period can be extended for up to the same period, as long as they are requested by the authorized dealer within the year before the beginning of the last fifth of the permit, they compliant with their obligations and accept the conditions established by the Institute.

Article 171. The Institute shall establish general rules laying down the requirements and deadlines to apply for authorizations referred to in the preceding Article.

Article 172. The Institute's authorization is not required to install and operate receiving earth stations.

Article 173. The telecommunications service sellers may:

- I. Access the wholesale services offered by concessionaires;
- II. Sell their own services or resell the services and capacity previously contracted with any concessionaire operating public telecommunications networks, and
- III. Have their own numbers or acquire them through their contracts with public telecommunications network concessionaires.

Article 174. Public telecommunication service marketers must:

- I. Allow number portability, and



- II. Be liable to the end user for the provision of services they are offering and fulfill the obligations under this Law and other applicable concerning the rights of users.

The economic operator who has been declared dominant in the telecommunications sector or concessionaires who are part of the economic group to which the economic operator declared a preponderant part, may not participate directly or indirectly in any company marketing services.

Article 175. Applications for authorization shall be resolved by the Institute within no more than 30 business days after submission, after this period without being resolved, shall be deemed granted, the Institute shall issue the authorization within 30 business days.

SEVENTH TITLE

Public Telecommunications Register

Article 176. The Institute will maintain the Public Telecommunications Registry, which will be composed of the Public Concessions Registry and the National Infrastructure Information System in accordance with the provisions of this Law and provisions issued.

Chapter I

Public Concessions Registry

Article 177. The Institute will be responsible for creating, carrying and keeping updated the Public Concessions Registry in which shall be entered:

- I. The concession titles and granted authorizations and any modifications or termination thereof;
- II. National Table of Frequency Allocations
- III. Associated services;
- IV. Tax liens concessions;
- V. Transfers of rights and obligations of concessions;
- VI. Bands granted in different parts of the country, as well as those that have been leased or change;
- VII. Interconnection agreements, infrastructure sharing and unbundling of the local network who concessionaires;
- VIII. Public offers made by the concessionaires declared as preponderant economic operators in the sectors broadcasting and telecommunications or with substantial power;
- IX. Retail tariffs of telecommunication services offered by concessionaires and authorized, including discounts and bonuses, as well as those that provision of this Law or determination of the Institute require registration;
- X. Adhesion contracts of concessionaires;
- XI. The shareholding structure of the concessionaires, as well as changes in shareholder control, ownership or operation of companies related to concessions in broadcasting and telecommunications;



- XII.** The criteria adopted by the plenary of the Institute;
- XIII.** Annual work programs, quarterly reports for the Institute, as well as studies and consultations generated;
- XIV.** Statistics and indicators generated and updated by the National Institute of Statistics and Geography, in broadcasting and telecommunications, according to the methodology recognized or recommended by the International Telecommunication Union measurement.

For this purpose, the Institute will participate in the National Advisory Council on National Statistics and Geography Information; advise and shall ask the Council to generate indicators for broadcasting and telecommunications, and provide the information held in their administrative records for creating and updating the indicators;

- XV.** Guidelines, models, and resolutions on interconnection as well as the fundamental technical plans issued by the Institute;
- XVI.** Measures and specific obligations imposed on concessionaires or to be determined as economic agents with substantial or preponderant power, and the results of the monitoring actions of the Institute, regarding compliance;
- XVII.** Results of the monitoring actions of the Institute, regarding compliance with the obligations of the concessionaires;
- XVIII.** Statistics of participation of concessionaires, authorized and economic interest groups in each market as determined by the Institute;
- XIX.** Sanctioning proceedings initiated and sanctions imposed by the Institute which would have remained in place;
- XX.** Sanctions imposed by the Ministry, the Federal Telecommunications Commission and the Federal Competition Commission, prior to the entry into force of the Executive Order, which would have remained in place;
- XXI.** Penalties imposed by the PROFECO which have remained in place, and
- XXII.** Any other document that the House determines must be registered.

Article 178. The Institute shall enter the information referred to in this Law at no cost to concessionaires or those authorized; and shall give access to the information recorded in the Public Concessions Registry, through publication on the website, without an access code or password and have a search system that facilitates navigation and information consultation.

The information contained in the Public Concessions Registry is for public consultation, except that which by its nature is considered confidential or of a proprietary nature, in terms of the Federal Law of Transparency and Access to Public Government Information and other applicable provisions.

The Registry is a tool with which the Institute will promote transparency and access to information; for this reason, the Institute will permanently promote the inclusion of new registration type acts as well as give the widest publicity and access to information recorded in it under the principles of open government and digital data.



Enrollment in the Registry shall have a declaratory effect and the acts enrolled in it shall not constitute or grant ipso facto rights for anyone.

Article 179. The Institute shall be notified of any amendments made to the information referred to in Article 177 within a period not to exceed 30 business days after the fact.

Article 180. Concessionaires and authorized dealers shall be bound to make available to the Institute in the terms it determines, in writing and electronically, all information, reports, and documents it will require within its competence, to add them to the Public Telecommunications Registry.

Chapter II On the National Infrastructure Information System

Article 181. The Institute shall create and maintain a national database containing georeferenced information on active infrastructure and means of transmission, passive infrastructure, rights of way, and public places.

The database shall be reserved in terms of the Federal Public Information Transparency and Access Law, without prejudice to the fact that the Institute may give concessionaires or those intending to become concessionaires or authorized dealers access to such, as long as:

- I. They register with the Institute and provide evidence of their concession, authorized dealership or interest in such;
- II. File documentation proving their identity information through reliable public documents, and
- III. Verify that the information is confidential for persons requesting access according to the guidelines issued by the Institute to prevent misuse of such information.

Safety and law enforcement authorities shall have access to the database in the practice of their duties.

Section I On Active Infrastructure

Article 182. Information concerning active infrastructure and means of transmission will contain all the information needed to identify and geo-locate the type, location, capacity, coverage areas and, if applicable, routes and other features of all broadcasting and telecommunications networks, and, where appropriate, using frequency bands and any other additional information determined by the Institute.

Article 183. Concessionaires and authorized dealers must submit to the Institute information on active infrastructure and transmission media for registration in the National Telecommunications Infrastructure Information System, with the frequency and according to the guidelines published by the Institute to this end.

In the event that they use active infrastructure or means of transmission belonging to other concessionaires, they must submit information on such infrastructure to the Institute in accordance with the terms and deadlines established by it.

Section II On Passive Infrastructure and Rights of Way



Article 184. Information regarding passive infrastructure and rights of way will contain all the data needed to identify and geo-locate the type, location, capacity, and, if applicable, routes and other features of the entire passive infrastructure used or that can be used, for deployment and installation of the active infrastructure and public broadcasting and telecommunications networks. It shall also contain the identity of the concessionaires using this passive infrastructure and rights of way and any other additional information on the terms and deadlines established by the Institute to this end.

Article 185. Federal Public Administration, Mexico City, State, Municipal, and autonomous concessionaires, authorized dealers, agencies, and entities must submit to the Institute information about the passive infrastructure and rights of way, for inclusion in the National Telecommunications Infrastructure Information System in the terms and deadlines established by the Institute.

When using third-party passive infrastructure or rights of way, the relevant contracts should establish mechanisms to ensure delivery to the Institute of information relative to the infrastructure, in the terms and deadlines established by the Institute.

When the Ministry provides connectivity to sites and public spaces in the Mexican states, Mexico City and its boroughs, municipalities, agencies and public institutions, it shall always provide such as long as those entities have provided the Ministry and the Institute with information about the passive infrastructure and rights of way.

Section III On Public and Private Sites

Article 186. Information on public sites shall contain all the information needed to identify and geo-locate the type and location of all buildings and public spaces under the control of public administration agencies of the different branches of government, autonomous bodies and, in general, all public organizations and institutions. Furthermore, the registration for each site shall indicate if it has Internet connectivity and, if so, whether it is accessible to the general public, as well as its connection bandwidth.

Article 187. All state and municipal Federal Public Administration agencies and entities, as well as those in Mexico City, and autonomous constitutional bodies, universities and public research centers, shall provide the Ministry and the Institute with information about their public places in terms of Section II of this Title and the passive infrastructure at their disposal, for inclusion in the National Telecommunications Infrastructure Information System in the terms and within the deadlines established by the Institute. In order to use third party sites, the corresponding contracts must establish mechanisms that ensure delivery to the Ministry and Institute of information about such sites in accordance with the provisions of this Law and the guidelines issued by the Institute to this end.

Article 188. Individuals who wish to offer real estate to concessionaires for installation of infrastructure may apply for enrollment in the National Infrastructure Information System with the Institute.

The Institute shall publish on its website the real estate registered by individuals through a list or georeferenced map for public consultation.

TITLE EIGHT On Collaboration with Justice

Single Chapter On Justice and Security Obligations



Article 189. Telecommunications concessionaires and authorized dealers, where appropriate dealers and application and content service providers shall be bound to respond to all orders in writing, duly grounded in law and fact by the competent authority under the terms established by law.

The heads of security and law enforcement agencies shall appoint civil servants in charge of managing the requirements submitted to concessionaires and receive the relevant information, through agreements published in the Federal Official Gazette.

Article 190. Telecommunications concessionaires and authorized dealers, where appropriate, shall:

- I. Collaborate with the security, enforcement, and administration of justice authorities, on geographic location in real time, of mobile communication equipment, in the terms established by law.

Any omission or disregard of these provisions shall be punished by the authority, under the terms provided in the applicable criminal law.

The Institute, in listening to the authorities referred to in Article 189 of this Law, shall lay down the guidelines telecommunications concessionaires, authorized dealers, and other parties, must follow, as appropriate, to ensure the effective and timely collaboration referred to in this Law with those authorities;

- II. Keep records and controls of any communications made from any type of line owned or leased numbering, in any form, to accurately identify the following information:
 - a) The subscriber's name, corporate name, and address;
 - b) The type of communication (voice, voice mail, conferencing, data), supplementary services (including call forwarding or transfers) or the multimedia or messaging services employed (including short message services, multimedia, and advanced services);
 - c) Information necessary to trace and identify the source and destination of mobile telephone communications including the destination number, type of line with a contract or rate plan, and prepaid lines;
 - d) Information necessary to determine the date, time and duration of communications, as well as the messaging or multimedia services;
 - e) In addition to the information listed above, it must retain the date and time of the initial activation of the service and the location label (Cell ID) where the service was activated;
 - f) Where appropriate, identification and technical features of the devices, including, international manufacturing identity codes and subscriber equipment, among others;
 - g) The location of the geographic positioning digital telephone lines, and
 - h) The obligation to retain information shall commence from the date on which the communication was made.

Accordingly, the concessionaire shall store the information referred to in the previous paragraph for the first 12 months, on systems that allow querying and delivery in real time to the competent authorities through electronic means. Once this period is over, the concessionaire shall retain such information in electronic storage systems for an additional 12 months, in which case it



shall deliver information to the competent authorities within 48 hours, from the time they receive notice of the request.

The application and real-time delivery of the information referred to in this paragraph shall be implemented using the mechanisms determined by the authorities in Article 189 of this Law, which should inform the Institute for the purposes of the terms established in paragraph three, Section I of this Article.

Telecommunications concessionaires and authorized dealers, where appropriate, shall take the necessary technical measures regarding the information object of preservation, to ensure its safekeeping, care, protection, no manipulation or unauthorized access, destruction, alteration or cancellation and the personnel authorized for its management and control.

Without prejudice to the provisions of this Law on protection, handling, and control of personal information held by concessionaires or authorized dealers, the provisions outlined in the Federal Law on the Protection of Personal Data in Possession of Private Parties shall apply;

- III.** Deliver the stored information to the authorities, at their request, according to Article 189 of this Law and within their jurisdiction, in conformity with applicable law.

The use of information retained for purposes other than those provided in this chapter is prohibited. Any other use will be penalized by the competent authorities in the corresponding administrative and criminal terms.

Telecommunications concessionaires and authorized dealers, where appropriate, shall be bound to provide the information within a maximum period of 24 hours from the time they receive the request, as long as there is no other express provision from a competent authority;

- IV.** Have a customer service area available 24 hours a day all year long, to respond to requirements referred to in this Title about the information, geographic location, and intervention of private communications.

For purposes of the above, concessionaires must notify the heads of the agencies referred to in Article 189 of this Law, of the name of the parties responsible for these areas and their location information. They must also have ample and sufficient power to address the requirements submitted to the concessionaire or authorized dealer and take necessary measures. All changes regarding the responsible party 24 hours in advance;

- V.** Establish expedited procedures to receive user reports on the theft or loss of equipment or mobile terminal devices and so users can validate ownership of the contracted services. Such report shall include the equipment's manufacturing identity code, where appropriate;
- VI.** Suspend service on the equipment or mobile terminal devices reported as stolen or lost, at the owner's request.

Concessionaires must sign collaboration agreements that allow them to exchange lists of mobile communication equipment reported as lost or stolen by their customers or users, whether the reports were made with the competent authority or with the concessionaires themselves;

- VII.** Immediately block the mobile communication lines operating under any modality when reported as stolen or lost by customers, by using any means; and immediately suspend telephone



service when instructed by the competent authority to stop the crimes in accordance with the provisions established by the applicable law;

- VIII.** Cooperate with the competent authorities so technical field operators can suspend or permanently cancel cell phone, radio or data or image signals within the perimeter of state or Federal social rehabilitation centers, prisons or juvenile detention centers, regardless of their name.

The blocking of signals referred to in the preceding paragraph shall be done in all frequency bands used for the reception terminal communication equipment and in no case, exceed 20 meters outside the premises of the centers or establishments to ensure continuity and reliability of the services to external users. The collaboration efforts made by the concessionaires should consider the technical elements of replacement, maintenance, and service.

Telecommunications concessionaires and authorized dealers, where appropriate, shall be bound to cooperate with the National Public Security System in monitoring the functionality or operation of the equipment used to permanently block cellular phone, radio, data or transmission signals;

- IX.** Implement a single number standardized nationwide and, where appropriate, a global number for emergency services, under the terms and conditions established by the Institute in coordination with the National Public Security System, under interoperable platforms, considering the inclusion of mechanisms to identify and geographically locate the call and, if necessary, emergency text messages;
- X.** Inform users of the safety and emergency services telephone numbers determined by the Institute in coordination with the National Public Security System Report in a timely manner and free of charge, and provide free communication services to these numbers;
- XI.** In the terms defined by the Institute in coordination with the competent authorities and institutions, give priority to communications concerning emergency situations, and
- XII.** Conduct studies and research aimed at developing technology solutions to inhibit and combat the use of telecommunications equipment for the commission of crimes or update risks or threats to national security in a coordinated effort with the Institute. Concessionaires operating public telecommunications networks may voluntarily establish an organization created to carry out the studies and research. The results obtained shall be recorded in an annual report to be sent to the Institute, Congress, and the Federal Government.

Private communications are inviolable. Only the federal judiciary, at the request of the federal authority enforcing the law or the head of the Office of the Prosecutor General of the corresponding state, may authorize the intervention of any private communication.

TITLE NINE On the Users

Chapter I On the Rights of Users and their Protection Mechanisms

Article 191. Users shall be entitled to the rights provided in this Law and the Federal Consumer Protection Law as well as other provisions.



Users are entitled to:

- I. Check their balances, free of charge, in the case of prepaid mobile services without being conditioned to buy an additional balance;
- II. The protection of personal information in terms of applicable law;
- III. Telephone number portability within the period determined by the Institute, which shall be free of charge;
- IV. Freely choose their service provider;
- V. Contract and know the conditions of membership in standard form contracts registered with PROFECO through electronic media, including the concessionaire or authorized dealer's website, without this precluding the possibility of receiving them by other means.

PROFECO shall verify that the standard form contracts establish reasonable penalties for early cancellation of the contract by the consumer, and temporary suspension of service for nonpayment. In these cases, it shall verify that payments of accrued overdue or equipment balances as well as reconnection charges for suspension are reasonable and proportionate to the breach of the respective obligation. In both cases, it shall pay special care to the particularities of different packages and business plans, so as not to generate additional costs to the supplier.

PROFECO shall verify that users and consumers can sign and cancel standard form contracts, through expeditious mechanisms, including electronic media. They shall be able to cancel the contracts upon termination through these electronic media;

- VI. Free choice and non-discrimination in access to Internet services;
- VII. Receive the telecommunications services under contracted service quality parameters or established by the Institute;
- VIII. Be notified by any means, including electronic media, of any changes made to the originally negotiated conditions;
- IX. Demand specific performance of the contract when the service provider amends the originally contracted conditions, and terminate the contract in case of breach;
- X. Terminate the service contract or change the package or plan in advance, paying the balance on the equipment, if necessary;
- XI. Request and obtain the unblocking of the terminal equipment at the end of the contract or upon settling the cost;
- XII. The concessionaire or authorized dealer must provide the code to unlock the mobile terminal once the user pays for it in cash, pays off the balance, or upon expiration of the initial term of contract;
- XIII. A bonus or discount for service failure or improper charges, attributable to the concessionaire or authorized dealer, as stipulated in contracts or as otherwise determined by the competent authority;



- XIV.** Any discrimination in the provision of these services on grounds of ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual orientation, marital status or any other discrimination that violates human dignity and is intended to nullify or undermine the rights and freedoms of individuals is prohibited;
- XV.** The expression of ideas access to information and the search, reception, and dissemination of information and ideas in the terms established by the Mexican Constitution and applicable law;
- XVI.** In prepaid mobile services, the unused balance at the expiration date shall be paid in the recharges purchased within the year following year, as of that date;
- XVII.** When they sign a standard form contract, they can only to switch to another service by agreement of the parties. The consent shall be granted via electronic means;
- XVIII.** Cancel the contract without seeking authorization from the concessionaire or authorized dealer, or penalties when the agreed period ends, except when the contract is renewed to continue using and paying for telecommunications services originally contracted;
- XIX.** Not receive calls from the concessionaire or authorized dealer on promoting packages or services unless expressly stated their consent through electronic means;
- XX.** When the mobile contract is renewed, and the user does not acquire new equipment, the monthly payment shall be limited exclusively to the collection of unpaid services without equipment, and
- XXI.** Transparent mobile service contracts in terms of the monthly payment, the portion corresponding to the cost of services and equipment or installation and the term of this payment.

Concessionaires and authorized dealers must give end users a letter containing the rights recognized by this Law and the Federal Consumer Protection Law, which may be sent through electronic means.

The Institute and PROFECO shall determine the minimum rights to be included in the referenced letter.

The minimum rights referred to in the preceding paragraph, shall be disseminated on an ongoing basis by the Institute, PROFECO, the concessionaires, and authorized dealers on their respective websites and delivered to users upon contracting the relevant service.

PROFECO shall be responsible for promoting, protecting, advising, defending, reconciling, and representing users and consumers against telecommunications service concessionaires or authorized dealers or standardization advisory committees, and record and publish standard form contract samples in accordance with this Law and the Federal Consumer Protection Law.

The Institute shall be responsible for regulating, monitoring, and supervising the quality of public telecommunications services with the indicators, parameters, and procedures established to this end and shall inform PROFECO of the results obtained for the practice of its duties.

The Institute and the PROFECO shall exchange information related to user complaints, the commercial behavior of concessionaires or authorized dealers, verification of compliance with their obligations and the penalties imposed to determine admissibility within their jurisdiction. The penalties imposed by PROFECO shall be recorded in the Public Concessions Registry.

The Institute and the PROFECO shall mutually inform each other when concessionaires or authorized dealers engage in systematic or recurrent violations of the rights of users or consumers under this Law and



the Federal Consumer Protection Law, so that in the field its powers take the actions necessary for their protection and restitution or, where appropriate, for the Institute to impose sanctions for breach of obligations to concessionaires.

Article 192. Contracts concessionaires or authorized dealers sign with users and subscribers for the provision of services should observe the provisions of this Law. The clauses including the following terms shall be null and void and considered as not included:

- I. Allow concessionaires or authorized dealers to unilaterally amend the content of the contract or withdraw unilaterally from their obligations.

Contract clauses may only stipulate the possibility of amending the conditions thereof when it expressly stated to the user or subscriber in advance. End users or subscribers shall be notified of any changes in the contractual conditions by any means, including electronic media;

- II. Release concessionaires or authorized dealers of civil liability, unless the user or subscriber breach the contract;
- III. Transfer the concessionaire or authorized dealer's liabilities to the user, subscriber or a third party that is not part of the contract;
- IV. Provide terms below those legally required;
- V. Establish compliance with certain formalities for the admissibility of the actions to be promoted against concessionaires or authorized dealers, and
- VI. Require the user to waive the provisions of this Law, the Federal Consumer Protection Law, or to exercise an individual or collective legal action or submit it to the jurisdiction of foreign courts.

Article 193. Concessionaires or authorized dealers must register their standard form contract models with the Federal Consumer Protection Bureau (PROFECO), which they intend to sign with users before such use, which must comply with the provisions of this Law, the Federal Consumer Protection Law, and other applicable provisions.

Article 194. The Ministry of Economy shall issue the official Mexican standards in coordination with the Institute to establish the specific obligations to be observed by concessionaires or authorized dealers in order to ensure the effective protection of the rights of users under the Federal Consumer Protection Law and in this Law.

Article 195. Concessionaires and authorized dealers are bound to report and respect the prices, rates, guarantees, penalties, compensation amounts, quality, measures, interest, fees, terms, deadlines, dates, modalities, reservations and other service conditions offered, agreed or established with the user or subscriber, which goods or services cannot be denied to any person under any circumstances.

The Institute shall issue provisions establishing the conditions for concessionaires and authorized dealers to publish transparent, comparable, adequate and updated information on prices and applicable tariffs, on any charges related to the termination of the contract as well as information on access and the use of the services provided to users or subscribers. The information shall be published in a clear, comprehensive and easily accessible form.

Article 196. Concessionaires and authorized dealers are bound to provide the user or subscriber service according to the terms and conditions offered or implied in the advertising or information displayed, unless otherwise agreed with the user's written consent.



Article 197. Concessionaires and authorized dealers shall block content, applications or services at the user's express written or recorded request, or through any other electronic means, without the blocking being arbitrarily extended to other content, applications or services other than those requested by the user or subscriber. In any case, this arbitrary blocking may affect providers of services and applications found on the Internet.

They must also be available to users who request parental controls and clearly publish the service's operational features with instructions for the user to operate the applications required to ensure proper operation of that service.

Article 198. At the end of a concession, the radio spectrum granted under a concession shall be fully reverted to the State, so the Institute may offer it through a bidding process or assign it in accordance with the provisions of this Law. Notwithstanding the foregoing, in order to protect and safeguard the rights of users or subscribers, the Institute may authorize the temporary use of the radio spectrum only in the quantity and for the time strictly necessary so that concessionaire can migrate users or subscribers to other services or concessionaires or comply with the mandatory deadline and terms.

The Institute shall establish, in accordance with the action plan proposed by the concessionaire, the amount of radio spectrum which is sufficient to satisfy the above, according to the number of users or subscribers, and the type and duration of the services contracted.

The same applies in the case of the transition, or technological improvements concessionaires can make, as long as they have been authorized by the Institute, in which case they must guarantee that users or subscribers of a service originally provided, can migrate to new services under equal circumstances.

The corresponding rights and consideration shall be paid during the time of use or operation of the radio spectrum under the authorization referred to in this Article.

Chapter II Rights of Users with Disabilities

Article 199. The Federal Government and the Institute in their respective areas of competence shall work to ensure that users with disabilities have access to telecommunications services on an equal footing with other users.

Article 200. In addition to the rights provided by this Law and to ensure real equality of opportunity, users with disabilities shall be entitled to the following rights:

- I. To request and receive help from concessionaires on the use of telecommunications services;
- II. To contract and learn about the commercial conditions listed in the standard form contracts registered with PROFECO, through electronic media, including the concessionaire or authorized dealer's website, which must include forms with accessibility features in accordance with the guidelines issued by the Institute, subject to receiving them by other means;
- III. At the user's request, have terminal telecommunications service equipment with integrated functions, programs or applications permitting accessibility for people with motor, visual, and hearing disabilities;
- IV. Access to a standardized nationwide emergency telephone number and, where appropriate, a global number for emergency services, under the terms and conditions established by the



Institute in coordination with the National Public Security System that includes mechanisms to identify and geographically locate call and text messages, if applicable;

- V. To non-discrimination in the contracting and the provision of telecommunications services;
- VI. Access to concessionaire or authorized dealer facilities or customer service centers equipped with accommodations, modifications or mechanisms so people with disabilities can receive care, provided that such adaptations do not impose a disproportionate or undue burden on the concessionaire or authorized dealer in accordance with the guidelines issued by the Institute;
- VII. Access to website or Internet portals or customer service phone numbers offered by the concessionaires or authorized dealers with accessibility features, as long as it does not involve a disproportionate burden on the authorized dealer or concessionaire, and
- VIII. To receive customer services from the concessionaire or authorized dealer's trained personnel.

Article 201. The Federal Government Public Administration agencies' websites, as well as the websites of decentralized public agencies, state-owned enterprises, Congress, the Federal Judiciary, the autonomous constitutional bodies and the Public Administration offices of legislative and judicial powers of the states and Mexico City, must provide accessibility features for people with disabilities. In the case of the Federal Government Public Administration, the portals must comply with the provisions established in the framework of the National Digital Strategy accordance with international best practices, as well as technology upgrades. The Executive Branch shall promote the implementation of these accessibility features in the private and social sectors.

Article 202. The Federal Government in accordance with the National Digital Strategy and the Institute in the scope of their respective powers shall promote access for people with disabilities to new systems and information technology and communications, including the Internet and in accordance with the guidelines issued to that effect.

Article 203. The Institute's definition of the guidelines on accessibility for people with disabilities must meet the standards and enter into agreements with public and private institutions specialized in this field.

Chapter III On User Fees

Article 204. Concessionaires providing commercial or social telecommunications services shall freely set user fees for their services.

Article 205. Concessionaires providing commercial or social telecommunications services shall submit electronic applications to register their user fees before their entry into force. The application must include a description of the service provided, rules of application and, where appropriate, penalties in accordance with the forms established by the Institute.

The Institute shall establish an electronic mechanism to register such rates, which shall come into force on the date of the application.

Article 206. The telecommunications concessionaire declared as the preponderant agent may not grant preferential treatment to the services it provides, consistent with the principles of competition, on its own or through its subsidiaries, branches, affiliates or companies belonging to the same stakeholder group.

Article 207. In the case of telecommunications services offered to consumers with charges for the duration of the communications, concessionaires and authorized dealers should include in their commercial



offer, plans and rates, and charges per second, without prejudice to other plans based on charging per minute, per event, capacity or any other form.

Article 208. The tariff freedom referred to in Article 204, as well as the provisions set forth by Articles 205 and 207 do not apply to telecommunications concessionaires declared as the preponderant economic agents in the telecommunications sector or with substantial market power, in which case, they must comply with specific regulations on fees imposed by the Institute. These fees must be approved by the Institute, which will keep track of them, in order to advertise them.

The preponderant economic agent or the agent with substantial power in the telecommunications sector in the market for call termination and short messages, shall be bound by the following obligations, among others:

- I. It shall not be able to set user charges or commercial conditions in terms of quality and price, for services that originate and terminate on its network that differ from those that apply to the services originating or terminating in another concessionaire's network;
- II. It shall not be able to apply differentiated charges to mobile users for calls they receive from its network or from other concessionaires;
- III. Refrain from charging other public telecommunications network concessionaires higher rates than those offered by the agent to any end user, extending this fee to the concessionaire requesting it;
- IV. Refrain from entering exclusivity agreements on the purchase and sale of terminal equipment, as well as any conduct intended or that results in limiting access to terminal equipment for other competitors, and
- V. Refrain from entering exclusive contracts for outlets and distribution, including airtime purchases different from those offered by the preponderant economic agent that prevent or hinder other concessionaires from accessing these outlets.

Chapter IV On the Preservation of the Subscribers Phone Numbers

Article 209. Concessionaires shall guarantee, in accordance with the guidelines approved by the Institute to this end, that subscribers with numbers from the national telephone numbering plan can retain their numbers, upon request, regardless of the concessionaire providing the service.

The cost of upgrading the network elements and systems required for preservation of numbers shall be borne by each concessionaire without being entitled to receive compensation for such. Other costs to produce preservation of the phone numbers shall be distributed through a timely agreement between the concessionaires affected by the change. The Institute shall resolve the matter failing agreement between the parties.

The costs referred to in the preceding paragraph shall be based on actual costs. Concessionaires may not charge the end user or subscriber for the number portability.

TITLE TEN

Single Chapter On Universal Coverage



Article 210. In order to achieve universal coverage, the Ministry shall prepare an annual program for social coverage and connectivity in public places.

Article 211. The purpose of the social coverage program is to increase network coverage and penetration of telecommunications services in priority areas defined by the Ministry.

The Ministry shall coordinate with the state, Mexico City, municipal governments, and the Institute to prepare the social coverage program. It shall also receive and evaluate proposals from any interested party by the means established by the Ministry to this end.

The Ministry shall define the broadcasting and telecommunications services to be included in the social coverage program, with a priority on Internet access and voice services, and design and promote incentives to encourage concessionaires to participate in the program.

Article 212. The Ministry, in coordination with the Institute and the National Institute of Statistics and Geography, shall define and publish indicators to measure the evolution of broadcasting and telecommunications services throughout the national territory, following to the extent possible and without this being understood as limiting, internationally recognized methodologies that serve to measure progress and international comparisons. These indicators shall aim to quantify the progress made by social coverage programs and connectivity in public places.

Concessionaires involved in social coverage programs, are bound to report to the Ministry data to quantify the progress of social coverage programs and, where applicable, compliance with their obligations. The Ministry shall monitor the compliance of authorized concessionaires or the commitments made in the respective programs, and the Institute shall penalize the concessionaires' or authorized dealers' breach of their obligations to provide universal social coverage or any coverage established as their obligation.

Article 213. The National Council of Science and Technology, in coordination with the Ministry, shall establish the necessary administrative and technical mechanisms and provide the financial and technical support required by public institutions of higher education and research for interconnection between their networks with sufficient capacity, forming a national education and research network, as well as interconnection between such national and international networks specialized in academia.

Article 214. The Federal Government Public Administration's agencies and entities shall support the development of social coverage programs and connectivity in public places, as well as the Federal Government's digital strategy.

Article 215. The programs for social coverage and connectivity in public places shall feature the mechanisms determined by the Ministry, with the support of the Ministry of Finance and Public Credit.

TITLE ELEVEN On Audiovisual Content

Chapter I On Jurisdiction

Article 216. The Institute shall:

- I. Monitor and sanction compliance with the time limits established for the transmission of commercial messages in conformity with the provisions set forth by this Law;



- II. Monitor and sanction obligations regarding the protection of audiences in conformity with this Law;
- III. Monitor programming directed to children to make sure it respects the values and principles referred to in Article 3 of the Mexican Constitution, and the health standards and guidelines established by this Law on advertising scheduled in programming aimed at children, based on the regulations issued by the competent authorities;
- IV. Order the precautionary suspension of transmissions that violate the rules laid down by this Law on matters related to Sections II and II, with a prior warning, and
- V. Inform the Ministry of Health and the Ministry of the Interior of the results of the oversight activities carried out in terms of Section III, so they can exercise their authority to fine.

It may enter into collaboration agreements with federal agencies or entities to fulfill the provisions set forth in Section III of this Article.

Article 217. The Ministry of the Interior shall:

- I. Order and manage State transmission times under the terms provided by this Law and, where appropriate, those established under other applicable provisions;
- II. Order and coordinate radio and television networks;
- III. Order the transmission of bulletins issued by any authority related to national security and defense, maintenance of law and order or measures to anticipate or remedy any natural disaster;
- IV. Order transmission of the National Anthem as provided by this Law;
- V. Authorize and monitor the transmission or promotion of contests offering prizes in various forms and phases, in order to protect the good faith of the contestants and the public and sanction breaches within its jurisdiction;
- VI. Supervise and monitor State transmission times and, where appropriate, those under other provisions, bulletins and national networks, under the terms provided by this Law and punish concessionaires violating such;
- VII. Order concessionaires providing restricted television and audio services to reserve free channels for the distribution of television signals in accordance with the legal provisions;
- VIII. Verify that radio and television stations meet the classification criteria issued in terms of this Law, including those relating to programming directed to children, in accordance with the guidelines issued in terms of this Law;
- IX. Based on the results of the monitoring activities carried out by the Institute, apply the penalties provided by this Law for failure to comply with the guidelines governing advertising during scheduled programming aimed at children;
- X. Establish specific guidelines governing advertising scheduled in programming aimed at children, to ensure the values and principles referred to in Article 3 of the Mexican Constitution, and



XI. The other duties conferred by this Law and other legal provisions.

In exercising these powers, the Ministry of the Interior must respect the rights to expression of ideas, freedom of information and expression without any type of prior censorship.

Article 218. The Ministry of Education shall:

- I. Under the terms established in the provisions regarding Digital Strategy issued by the Federal Government, promote in coordination with the Ministry, the use of information and communications technologies in the education sector;
- II. Develop and disseminate educational and recreational programs for children, and
- III. The other duties conferred by this Law and other legal provisions.

Article amended as published in the DOF on December 17, 2015

Duplicate Article 218. The Ministry of Culture shall:

- I. Promote the transmission of programs of cultural and civic interest;
- II. Intervene in broadcasting to protect copyrights, under the terms established by the Federal Copyright Law, and
- III. The other duties conferred by this Law and other legal provisions.

Article added as published in the DOF on December 12, 2015

Article 219. The Ministry of Health shall:

- I. Authorize the transmission of advertising relating to the practice of medicine and related activities;
- II. Under the terms established by the provisions on Digital Strategy issued by the Federal Government, promote, in coordination with the Ministry, the use of information and communications technologies in the health sector;
- III. Authorize the advertising of food supplements, biotechnology products, alcoholic beverages, medicine, herbal remedies, medical equipment, prosthetics, orthotics, functional aids, diagnostic agents, dental supplies, surgical materials, pesticides, plant nutrients and toxic or hazardous substances and others to be determined by the applicable legislation. The Ministry of Health may issue general provisions applicable to the advertising of products listed in this Article, without prejudice to the powers in terms of content corresponding to the Ministry of the Interior;
- IV. Establish health standards for programming aimed at children;
- V. Based on the results of monitoring conducted by the Institute, impose penalties for breach of health rules governing programming and advertising aimed at children, and
- VI. The other duties conferred by this Law and other legal provisions.



Article 220. The Federal Government, through the authorized agency, shall inform the Institute of those issues, events, and circumstances warranting its intervention for legal purposes in terms of the Decree.

Article 221. The National Electoral Institute shall have the powers set out in the General Institutions and Electoral Procedures Law and other applicable provisions on the subject matter.

Chapter II On Content

Section I Common Provisions

Article 222. The right to information, expression, and content received through public broadcasting, and restricted television and audio services is free and, therefore, shall not be subject to any prosecution or judicial or administrative investigation or any restriction or prior censorship and it shall be exercised under the terms of the Mexican Constitution, international treaties, and applicable law.

The authorities, within their respective fields of competence, shall promote respect for human rights and the principle of the best interests of children, to fully guarantee their rights as well as gender.

Article 223. Programming is disseminated through broadcast or restricted television and audio services within the framework of freedom of expression and reception of ideas and information, shall foster:

- I. Family integration;
- II. The harmonious development of children;
- III. Improving education systems;
- IV. The diffusion of artistic, historical, and cultural values;
- V. Sustainable development;
- VI. The spread of ideas that affirm our national unity;
- VII. Equality between women and men;
- VIII. The dissemination of scientific and technical knowledge, and
- IX. The correct use of language.

Independent national programmers and those programmers who add content may market these through one or more channels for one or more platforms that distribute such content. The rates of these commercial offers shall be freely agreed between these programmers and networks or platforms on which will be transmitted, in accordance with international practices.

Article 224. Each channel multiprogramming concessionaires are authorized to use for commercial, public, and social purposes to provide broadcasting services shall comply with the same rules and regulations applicable in terms of content, advertising, independent domestic production, audience protection, State time, bulletins, chains, and sanctions.



Article 225. Concessionaires providing restricted television and audio services shall establish the necessary technical measures that enable users to block channels and programs they do not want to receive.

Article 226. In order to promote the free and harmonious development of children and adolescents, and contribute to meeting the educational goals outlined in Article 3 of the Mexican Constitution and other legal provisions, broadcast programming aimed at this sector of the population should:

- I. Disseminate information and programs that strengthen cultural, ethical, and social values;
- II. Avoid transmissions contrary to the principles of peace, non-discrimination, and respect for the dignity of all people;
- III. Avoid content that stimulates or justifies violence;
- IV. Information and guidance on the rights of children;
- V. Promote interest in the understanding of national values and knowledge of the international community;
- VI. Stimulate their creativity and their interest in physical culture, family integration, and human solidarity;
- VII. Foster their interest in learning, particularly as related to scientific, artistic, and social aspects;
- VIII. Promote respect for the rights of persons with disabilities;
- IX. Promote an environmental culture that raises awareness about conservation, respect, and preservation of the environment;
- X. Stimulate a culture of prevention and health care;
- XI. Provide information on protection against all forms of child exploitation and trafficking;
- XII. Promote tolerance and respect for diversity of opinions;
- XIII. Promote the right of women to a life free of violence;
- XIV. Protect the identity of victims of sexual offenses, and
- XV. Comply with the ratings and schedules for use and dissemination of pornographic content.

Children's programs to be transmitted live, recorded in any format in the country or abroad, State times and, where appropriate, those under other provisions, shall be subject to the provisions of the preceding Sections.

Concessionaires providing broadcasting or restricted television and audio services and programmers, in relation to their respective content, shall take appropriate measures to warn the audience of content which could harm the free development of the personality of children and adolescents.

Article 227. Concessionaires providing broadcast or restricted television services shall display the titles of the programs with their ratings on the screen at the beginning and in the middle of the programs, according to the content rating system to be established by the applicable provisions.



It shall be the duty of programmers, in relation to their content, to comply with the rating characteristics in terms of this Law and other applicable provisions.

Broadcast or restricted television cinematographic films must use the same rating criteria as other programming, notwithstanding the fact that such rating may change in modified versions for transmission.

Pay television concessionaires must report ratings and schedules in their electronic program guide, in accordance with the guidelines established by the Institute, provided the programmer sends them the corresponding rating.

It shall be the duty of programmers, in relation to their content, to comply with the rating characteristics in terms of this Law and other applicable provisions.

Article 228. Concessionaires providing broadcast or restricted television and audio services and programmers, in relation to their content, should inform the public of the rating with warnings about certain content that may be unsuitable or inappropriate for minors, in accordance with the program and movie content rating system to be established by the regulations.

This shall apply to materials recorded in any format in Mexico or abroad, in which case they may recognize the rating of the country of origin, as long as it is equal to the rating applicable to national content, in accordance with the guidelines issued by the Institute to this end.

Article 229. All phases of the transmission or promotion of contests in which prizes are offered in various forms shall be authorized and supervised by the Ministry of the Interior, in order to protect the good faith and integrity of the participants and public.

In the case of contests transmitted through signals from abroad, concessionaires shall sign agreements with the programmers and operators of foreign signals, to ensure the seriousness of the contests and delivery of the awards when the winner is in Mexico.

Religious transmissions shall be subjected to the provisions of the Religious Associations and Public Worship Law and other provisions on the subject matter.

Article 230. Radio station concessionaires may use any of the national languages in their broadcasts, in conformity with applicable law. Indigenous social use concessions may use the language of the indigenous people concerned.

*Paragraph amended as published in the DOF on June 1, 2016.
Errata published in the DOF on June 9, 2016.*

If transmissions are in foreign language, the program must include subtitling or translation into the Spanish languages, except the cases authorized by the Ministry of the Interior for the use of foreign languages without subtitles or translation in accordance with the regulations.

Article 231. Concessionaires providing broadcast and restricted television and audio services in their daily schedules shall include information on national or international political, social, cultural, and sporting events as well as other matters of general interest.

Article 232. Concessionaires restricted television and audio services shall retransmit broadcast signals of federal public institutions free of charge. When a concessionaire does not have the capacity required to retransmit all signals, including multiprogramming, the Ministry of the Interior, in the case of signals from the Federal Government or public institutions, shall indicate which programming channels the concessionaire should broadcast. The Institute shall resolve all disagreements if any.



Article 233. Concessionaires providing restricted television or audio services must reserve free channels for the distribution of television signals from the federal public institutions indicated by the Federal Government, through the Ministry of the Interior, as follows:

- I. One channel when the service consists of 31 to 37 channels;
- II. Two channels when the service consists of 38 to 45 channels;
- III. Three channels when the service consists of 38 to 45 channels- Anything above the last number shall include one additional channel every 32 transmission channels.

Article 234. When the service consists of up to 30 channels, the Ministry may require that a specific channel block six hours per day to transmit the programming indicated by the Ministry of the Interior.

Article 235. The Ministry of the Interior shall directly ask the concessionaires for the channels referred to the two previous Articles and may indicate channel number to be assigned by the concessionaire.

Article 236. The concessionaire may use the channels referred to in the previous Article, as long as they are not required by the Ministry of the Interior.

The concessionaire shall bear the cost of the equipment and facilities required for the reception and distribution of the signals indicated. The quality of transmission of these signals shall be at least equal to the rest of the service provided.

Section II Advertising

Article 237. Concessionaires providing broadcast and restricted television and audio services, as well as programmers and signal operators, must maintain a balance between the advertising and programming transmitted per day, in conformity with the following rules:

- I. For commercial broadcasting concessionaires:
 - a) In television stations, the time spent on commercial advertising shall not exceed 18% of the total transmission time per programming channel, and
 - b) In radio stations, the time spent on commercial advertising shall not exceed 40% of the total transmission time per programming channel.

Duration of the commercial messages does not include promotion of the station or channel's activities, or State transmission times or others available to the Federal Government, or programs offering products and services.

- II. Concessionaires offering restricted television and audio services:
 - a) May transmit up to six minutes of advertising in every hour of transmission, daily and per channel.

For purposes of the relevant calculation, this shall not consider advertising contained in broadcast signals that are retransmitted or the stations' own programming channels, and



- b) Programming channels dedicated exclusively to product offers shall be exempted from the limit specified in the preceding paragraph, and

III. For concessionaires offering indigenous social use and community broadcasting services:

- a) In television stations, the time used for advertising for federal public authorities and for state and municipality authorities, where appropriate, shall not exceed 6% of the total transmission time per programming channel, and
- b) Radio stations, aimed at selling advertising for federal public authorities and states and municipalities, where appropriate, shall not exceed 14% of the total transmission time per programming channel.

Duration of the commercial messages does not include promotion of the station or channel's activities, or State transmission times, bulletins or chain broadcasting and others available to the Federal Government.

Article 238. In order to avoid transmission of misleading advertising without affecting freedom of expression and dissemination, transmission of publicity or propaganda presented as journalistic news or information is prohibited.

Article 239. On restricted television, advertising of products or services not available in the domestic market shall include visual or sound resources indicating that situation. The concessionaire must include this provision in the respective agreements with programmers.

Article 240. Concessionaires providing broadcast and restricted television and audio services are entitled to marketing ad spaces in their programming in accordance with the provisions of this Law and other applicable regulations.

Article 241. Concessionaires providing the broadcasting service should offer services and ad space in market terms and in a non-discriminatory manner, to any individual or business corporation requesting them. As such, they must observe the terms, packages, conditions and rates in effect at the time of contract. They shall not restrict, deny or discriminate access or the contracting of ad spaces to advertisers, even if the advertiser chose another means or ad space at some point in time.

Article 242. Broadcasting concessionaires shall freely set service and ad space fees. Greater obligations cannot be imposed in this regard other than submitting respective minimum rates to the Institute for registration in the Public Telecommunications Registry, and not restrict access to the advertising when it involves the displacement of competitors or the effect on free competition or competition in terms of applicable regulations.

Article 243. Lotteries, raffles, and drawings can only be announced and advertised when authorized by the Ministry of the Interior.

Article 244. Advertising content shall abide by the rating system referred to in Article 227 of this Law and shall be transmitted in accordance with the slots set for that purpose.

Article 245. Advertising shall not include behavior or situations promoting discrimination on the basis of the lack of a product or service.

Article 246. The following is not allowed in advertising aimed at children:



- I. Promoting or showing illegal or violent behavior that puts their life or physical safety at risk, either by real or animated characters;
- II. Show or promote behavior or products that violate their physical or emotional health;
- III. Present boys, girls or adolescents as sexual objects;
- IV. Use their inexperience or immaturity to persuade them of the benefits of a product or service. Exaggeration of the properties or qualities of a product or service or raising false expectations of the benefits thereof is not allowed;
- V. Directly encouraging them to buy or solicit the purchase or rental of a product or service;
- VI. Show behavior that promotes inequality between men and women or any other form of discrimination;
- VII. Present, promote or incite harassment and bullying that can generate sexual or any type of abuse, injury, and theft, among others, and
- VIII. Contain subliminal or surreptitious messages.

Section III On National Production and Independent National Production

Article 247. Concessionaires providing broadcast services for commercial use with domestic productions in at least 20% of their programming, can increase the percentage of advertising time referred to in this Law, up to two percentage points.

This incentive shall apply in direct proportion to the percentage of domestic production that complies with the provisions established by the preceding paragraph.

Article 248. Concessionaires providing broadcast services for commercial use covering with independent domestic productions in at least 20% of their programming, can increase the percentage of advertising time referred to in this Law, up five percentage points.

This incentive shall apply in direct proportion to the percentage of independent domestic production that complies with the provisions established by the preceding paragraph.

Article 249. Broadcasting concessionaires should leverage and stimulate local and national artistic values and expressions of Mexican culture, according to their programming's characteristics. Daily programs with personal performances, should include more time covered by Mexicans.

Article 250. The Federal Government shall promote funding measures for the domestic and independent domestic production sectors.

Chapter III On Free Time for the State

Section I State Time



Article 251. Commercial, public and social concessionaires providing broadcasting service must offer 30 minutes of continuous or discontinuous transmissions every day per station and programming channel, dedicated to spreading educational, cultural, and social interest topics free of charge. Transmission times shall be managed by the Ministry of the Interior, which shall listen to the concessionaire in advance and schedule the transmissions accordingly throughout their broadcasting schedule.

The Federal Government shall indicate which agencies must provide the material for the use of that time and all broadcasts shall be coordinated by the Ministry of the Interior.

Social use concessionaires shall be exempt from the service tax levied on public interest services expressly defined as such by law, involving concessionaires of assets owned by the nation.

Article 252. The 30 minutes above can be divided as follows:

- I. Fifteen minute formats or segments of no less than 20 seconds each, and
- II. Fifteen minutes in formats or segments of no less than five minutes each.

Article 253. All commercial, public and social use concessionaires providing broadcast services shall be bound to transmit the National Anthem at 6 a.m. and midnight every day and display an image of the national flag at the same time when broadcast on TV.

Section II Bulletins and National Networks

Article 254. In addition to the time set for the State, concessionaires holding the commercial, public, and social radio and television concessions are bound to broadcast the following free of charge and with preferential consideration:

- I. Bulletins or messages by any authority related to homeland security and defense, protection of public order, or measures centered on preventing and responding to public emergencies;
- II. Information of general interest or related to national security, general health, and civil protection, and
- III. Messages or any notices related to ships or aircraft in danger, requesting assistance.

Article 255. All commercial, public and social concessionaires providing broadcast services shall be bound to chain radio stations and television channels throughout the country when transmitting information that the Ministry of the Interior believes is of national interest.

Chapter IV On Audience Rights

Section I On Rights

Article 256. Public broadcasting services of general interest shall be provided based on quality competition, to satisfy audience rights. Therefore, their transmissions shall provide cultural benefits, preserving the information's accuracy and plurality while also promoting national identity values to help meet the objectives set forth by Article 3 of the Mexican Constitution. Audiences are entitled to:



- I. Receive content reflecting the nation's ideological, political, social, cultural, and linguistic pluralism;
- II. Receive programming featuring different genres that strengthen democratic systems based on the expression of diversity and plurality of ideas and opinions;
- III. Receive information clearly distinguishing news from the opinion of the person presenting the news;
- IV. Receive elements to help tell the difference between advertising and program content;
- V. Respect for program schedules with timely notices of changes, including parental notices;
- VI. Exercise the right of reply, in terms of regulatory law;
- VII. Have access to the same quality and video and audio levels during the programming, including advertising spaces;
- VIII. Any discrimination in the provision of these services on grounds of ethnic or national origin, gender, age, disability, social status, health conditions, religion, opinions, sexual orientation, marital status or any other discrimination that violates human dignity and is intended to nullify or undermine the rights and freedoms of individuals is prohibited;
- IX. Respect for human rights, the best interests of children, gender equality and non-discrimination, and
- X. Others rights established in this and other laws.

Broadcasting or restricted audio and television concessionaires shall issue codes of ethics to protect audience rights. Codes of Ethics should comply with the guidelines issued by the Institute that shall ensure compliance with the rights of information, expression and reception of content in conformity with Articles 6 and 7 of the Mexican Constitution. The guidelines issued by the Institute shall guarantee that commercial, public, and social concessionaires have full freedom of expression, programming, and editorial freedoms, and avoid any manner of prior censorship on their content.

Section II On the Rights of Audiences with Disabilities

Article 257. The Federal Government and the Institute, within their respective fields, shall work to ensure that audiences with disabilities have access to telecommunications services on an equal footing with other users.

Article 258. In addition to the rights provided by this Law and to ensure true equal opportunities, audiences with disabilities shall be entitled to the following rights:

- I. Subtitling or dubbing into Spanish and Mexican Sign Language fully accessible for people who are deaf or hard of hearing. Services shall be available in at least one of the most watched news programs nationwide;
- II. Promoting the recognition of their abilities, merits, and skills, and their need for care and respect;



- III. Mechanisms that allow them to express their complaints, suggestions, claims to audience defenders, as long as this does not represent a disproportionate or undue burden on the concessionaires, and
- IV. Access to the program guide through a telephone number or the concessionaire's websites in accessible formats for people with disabilities.

Section III On the Protection of Audiences

Article 259. Broadcasting service concessionaires must have audience defenders, which could be the concessionaire itself or jointly provided by several concessionaires or through representative bodies. Audience defenders shall be responsible for receiving, documenting, processing, and following up on observations, complaints, suggestions, requests or claims submitted by people making up the audience.

According to the guidelines mentioned in the last paragraph of Article 256, the Institute shall issue general guidelines to set the minimum obligations for audience defenders to ensure the adequate protection of their rights.

Each broadcasting service concessionaire shall set the audience defender's term limit, which may be extended twice.

Audience defenders shall be impartial and independent, focused on enforcing audience rights, according to the terms outlined in each concessionaire's code of ethics.

The names of the audience defenders and the codes of ethics shall be recorded with the Public Concessions Registry and shall be made available to the general public.

Audience defenders shall determine the mechanisms that shall be used to disseminate information about their performance, including an email address, website or telephone numbers with accessibility features for audiences with disabilities, as long as these do not represent a disproportionate burden.

Article 260. Audience defenders shall meet the following requirements:

- I. Be at least 30 years-old on the designation date;
- II. Enjoy recognized standing in the communications, broadcasting, and telecommunications sectors;
- III. Be free of criminal charges carrying a penalty of more than one year in prison;
- IV. Not have worked with the respective concessionaires, as applicable, during the last two years.

Article 261. The audience defender shall respond to the claims, suggestions, and complaints submitted by audiences on content and programming, by implementing accessibility mechanisms for audiences with disabilities.

Listeners or viewers should formulate their claims in writing and provide their name, address, telephone number, and email address to ensure reception of an individual response. They must also submit their claims or suggestions within a maximum period of seven business days after the program object of the claim is broadcast.



The defender shall forward all claims, complaints or suggestions received to the corresponding areas or departments, asking them to provide the relevant explanations responding to such.

The defender shall answer the listener or viewer within a maximum period of 20 business days with the answers received and his or her relevant opinion, as deemed appropriate.

The rectification, recommendation or proposal of corrective actions, as appropriate, must be clear and precise. The answer shall be disseminated within 24 hours on the website the broadcasting concessionaire uses for this type of publications.

TITLE TWELVE On Asymmetric Regulation

Chapter I On Preponderance

Article 262. The Institute shall determine the existence of preponderant economic agents in the broadcasting and telecommunications markets, and impose the measures necessary to ensure fair and open competition and thus keep from affecting end users, and include as applicable, measures related to information, supply and quality of services, exclusive agreements, limitations on the use of terminal equipment between networks, asymmetric regulations on tariffs and network infrastructure, including the unbundling of its essential elements and separation of the agents' functional or structural account, as appropriate,

For the purposes of the provisions established in this Executive Order, preponderant economic agents shall be deemed as such by virtue of their national participation in the provision of broadcasting and telecommunications services, when they directly or indirectly hold more than 50% of the domestic share. This percentage shall be measured either by the number of users, subscribers, audience, traffic on their networks or the capacity used by the same, according to the information held by the Federal Telecommunications Institute.

The effects of the obligations imposed on the preponderant economic agent shall cease when declared as such by the Federal Telecommunications Institute once the law on effective competition determines the existence of fair market conditions.

The Institute is authorized to declare the status of the preponderant economic agents in the broadcasting and telecommunications markets, at any time.

Article 263. The Institute shall establish the criteria for measuring the traffic and capacity of the concessionaires' public telecommunications networks. In no event, shall traffic corresponding to another concessionaire that does not belong to the preponderant economic agent's group be considered as the preponderant economic agent's traffic by virtue of unbundling of the preponderant economic agent's local public telecommunications network.

Article 264. The Institute is authorized to declare economic agents with substantial power in any of the relevant markets in these sectors, in conformity with this Law and the Federal Economic Competition Law (LFCE).

When the Institute, in the exercise of its powers in terms of economic competition, notes the existence of elements indicating the nonexistence of effective competition conditions in a market or the existence of conditions that affect free competition and that behavior is attributed or involves economic agents not subject



to the Institute's broadcasting and telecommunications jurisdiction, it shall notify the Federal Economic Competition Commission so it can proceed according to the law on the subject matter.

Article 265. The Institute shall apply the following procedure when declaring a preponderant economic agent and imposing the measures required to keep from affecting fair and open competition and end users, both in the broadcasting and telecommunications sectors:

- I. The Institute shall notify the relevant agent of the draft declaration about its alleged position as the preponderant economic agent. The corresponding notice shall include a copy of the draft declaration and indicate the location of the file containing the support documentation, as well as the address of the authority the agent must go to;
- II. The alleged preponderant economic agent shall have a period of 15 business days from the day after the effective date of the notification referred to in the preceding Section, to present its position and provide the evidence deemed necessary, which must be related to the draft declaration of preponderance.

If the alleged economic agent fails to appear within the aforementioned term, it shall be presumed to agree with the draft declaration without any type of opposition, and the case shall immediately be turned over for the final resolution;

- III. Once the alleged preponderant economic agent makes its appearance, the Institute, by the authority set forth in its charter, shall decide on the admission of the evidence presented and, if necessary, order the opening of a period of up to 15 business days to prepare and present further evidence.

All types of evidence shall be received, except confessional and testimonial evidence provided by the authorities, or inappropriate evidence or evidence that is unnecessary or contrary to morality and law.

The alleged economic agent shall be responsible for carrying out all steps and taking the actions necessary to make sure its evidence is properly discussed within the period above; otherwise, they shall be deemed as deserted.

If necessary, a hearing shall be held within the 15 business-day day period indicated above to present the evidence warranted because of its nature.

Opposition to the procedural measures during the procedure shall be invoked by the alleged economic agent within three days following the date on which the relevant hearing was held, so it can be taken into consideration in the final decision.

Once the proceedings are over, the alleged economic agent may present its arguments within a maximum period of five business days. After this deadline, the case shall be turned over for a resolution, with or without arguments;

- IV. In the event that the Institute believes, during the investigation, that it is necessary to establish specific or asymmetric measures to be imposed on the alleged economic agent, it shall order the processing of such at an ancillary proceeding and issue the final resolution.

During the incident, the alleged preponderant economic agent shall present its position with respect to the measures determined, if any, within a maximum period of five business days from the day following the effective date of the notification sent to open the incident, and shall only be able to offer evidence directly related to the measures the Institute proposes.



Failure to make statements within the period mentioned above, shall be presumed to be without disagreement or opposition to the measures propounded, and the incidental file shall be considered as integrated for the purpose of issuing the final decision, and

- V. The Institute shall have a 40-day period to issue the corresponding final decision, which must be notified within a period not exceeding 20 business days from the day following the date on which it was issued by the corresponding authority and shall subsequently be published in the Federal Official Gazette and on the Institute's website.

The Federal Administrative Law shall serve as a supplement for this procedure, in matters that are not contrary to the provisions laid down in this Law.

Article 266. The Institute may impose the following measures on the preponderant economic agent in the broadcasting sector:

- I. It must allow the restricted television concessionaires to retransmit their signals:
- a) In a free and non-discriminatory manner;
 - b) Within the same geographic coverage area, and
 - c) In full, simultaneously, and without changes, including advertising;
- II. For the purposes of the preceding Section, it must permit restricted television concessionaires to retransmit their signals with the same quality with which their own signals are broadcast.

They may not participate on their own or through related groups with which they have a business, organizational, economic or legal ties, in the tenders referred to in Section II of the Eighth Transitory Article of the Executive Order.

The Institute shall issue the rules for cases in which it believes it has the authority to command or control resulting from the business above, organizational, economic or legal ties.

In cases other than those mentioned in the preceding paragraph, the preponderant economic agent must apply for the Institute's authorization to participate in the bidding process for the frequency bands of the radio spectrum to provide broadcasting services;

- III. Deliver separate accounting documents for each broadcasting concessionaire;
- IV. Give the Institute information regarding its transmission sites with their location and technical characteristics;
- V. Report its transmission site modernization plans to the Institute once a year;
- VI. The information referred to in Sections IV and V above shall be delivered in the terms determined by the Institute, to make sure it has full knowledge of the preponderant economic agent's broadcasting service operation and usage plans;
- VII. Permit broadcasting concessionaires to access and use its passive infrastructure under any legal title on a nondiscriminatory basis and without conditioning such use to the purchase of other goods and services. Concessionaires holding 12 MHz or more of spectrum in the locality in question, shall not be able to access the infrastructure sharing referred to in this Section;



- VIII.** Make a reference public offer to the concessionaires referred to in the previous Section, containing the terms, conditions, and rates applicable to sharing the passive infrastructure necessary to provide the concessioned television broadcast;
- IX.** Inform the Institute of the excess capacity of passive infrastructure for purposes of the provisions of the preceding Section;
- X.** Allow users to utilize any receiver equipment that meets Official Mexican Standards;
- XI.** Refrain from restricting access to advertising when it involves the displacement of competitors or its effect on free competition;
- XII.** All contracts documenting the provisions outlined in the preceding Section should include the envisaged market terms;
- XIII.** Publish on its website and deliver to the Institute information regarding the different advertising services it offers in the television broadcast services provided under the concession title;
- XIV.** Refrain from discriminatory treatment with respect to advertising space offered in the television broadcast services provided under the concession title;
- XV.** It must obtain the Institute's authorization if it intends to acquire control, manage, establish business alliances or hold a direct or indirect stake in other broadcasting concessionaires;
- XVI.** Refrain from participating directly or indirectly in the capital stock, management or control of the preponderant economic agent in the telecommunications market;
- XVII.** Refrain from participating directly or indirectly in local, regional or national companies engaged in the production, printing, marketing or distribution of daily circulation print media, as determined by the Institute;
- XVIII.** Provide services observing the minimum quality standards established by the Institute. These levels shall be reviewed every two years;
- XIX.** Refrain from setting technical, contractual or any other type of barriers that prevent or make it difficult for other concessionaires to compete in the market;
- XX.** Refrain from contracting exclusive rights to broadcast sporting events with high national audience forecasts, in which case, the Institute shall issue a bi-annual list stating the reasons why it considers that such restraint generates effective competition in the broadcasting sector;
- XXI.** Refrain from participating in agreements with other economic agents to acquire rights to broadcast audiovisual content to be broadcast in order to improve the terms of the acquisition, without the Institute's authorization;
- XXII.** Restricted television concessionaires may ask the preponderant economic agent in the broadcasting sector to use other means to deliver the signals referred to in Section I of this Article, as long as they intended to optimize the transmission and pay that agent the corresponding consideration at market prices;



- XXIII.** Preponderant economic agents shall only be able to enter or remain in shopping clubs promoting broadcast audiovisual content or any similar figure with the Institute's permission, as long as the purchase does not produce anti-competitive effects, and
- XXIV.** Those additional specific measures that the Institute considers necessary to prevent adverse potential competition effects.

The Institute's Governing Board shall issue an opinion establishing the following minimum terms:

- a) The possible effect on the economic competition it intends to correct, and
- b) The rationale of the measures in relation to that end.

Article 267. Regarding the telecommunications sector, the Institute may impose the following measures on the preponderant economic agent:

- I. Submit its offers for reference public services to the Institute for its approval once a year regarding a) interconnection, including the draft framework interconnection agreement and the provisions set forth by Article 132, b) visiting user, c) passive infrastructure sharing, d) effective unbundling of the local public telecommunications network, e) access, including links, and f) wholesale resale services on any service provided as a retailer;
- II. Submit the following rates to Institute for its approval: i) retail rates for the services it provides for the general public, ii) the intermediate services it sells to other concessionaires, and iii) its operation with unbundled and individually itemized figures to prevent cross-subsidies between services or plans that could displace competition. Accordingly:
 - a) It must submit with the application for authorization of its retail rates, commercial packages, promotions, and discounts, and unbundle the price of each service. You may not market or advertise the services in the media without the Institute's prior approval.

The Institute shall ensure that retail rates can be replicated by other concessionaires. To this end, the Institute shall prepare and inform the public of its rate authorization opinion.

This opinion should analyze the costs the preponderant economic agent charges other concessionaires and those applied to itself to make sure that the commercial proposal's purpose is not intended to displace the competition or produces this effect;

- b) The intermediate service rates it provides for other concessionaires should be equal to or less than those it applies or charges for its own operation, except when otherwise provided by this Law. You may not charge rates other than those authorized by the Institute. The Institute shall issue an opinion to avoid cross-subsidies, predatory pricing or anti-competitive practices;
- III. Annually submit information about its i) wired and wireless network topology and broadband, including its modernization or growth plans, ii) plants and other infrastructure elements determined by the Institute, for which it must provide a detailed description of the physical and logical elements, among others, with their location using georeferenced coordinates, technical and hierarchy specifications, and features and capabilities;
- IV. Allow interconnection and interoperability between public telecommunications network concessionaires at any feasible point, regardless of where they are located, and provide interconnection capacities in the terms requested.



Interconnections for call termination and short messages on their networks will be granted in the terms established by this Law;

- V. Regarding telecommunications services originating or ending in its network, it shall not be able to offer its users commercial, quality or price terms other than those originating in a third party's network and ending in its network, or originating on its network and ending on another concessionaire's network;
- VI. It shall not be able to discriminate between traffic on its own network and traffic from other public telecommunications network concessionaires;
- VII. Provide services observing the minimum quality standards established by the Institute. These levels shall be reviewed every two years;
- VIII. It shall not be able to establish any manner of obligations, contractual penalties or restrictions in the agreements it signs, intended to inhibit consumers from selecting another service provider;
- IX. Send the Institute separate and itemized accounting information on the services provided, including a breakdown of the service catalog provided by all the agent's companies, reflecting the implicit cross-subsidies and discounts, where appropriate.

The separate accounts reporting must comply with the rules and methodologies established by the Institute to this end, and must be based on international standards;

- X. Offer and provide services to public telecommunications network concessionaires in the same terms, conditions, and quality with which it provides its own services.

Accordingly, it shall respond to requests and provide telecommunications services to competitors at the same time and in the same manner applied to its own operation on a first-come, first-served basis. The Institute shall be authorized to determine the mechanisms to be applied to ensure compliance with this obligation, including delivery and installation times;

- XI. Allow users to use any terminal equipment that meets the standards established by the Institute, which shall issue rules to guarantee their non-exclusivity, portability, and interoperability; and refrain from blocking terminal equipment so they can be used on other networks;
- XII. All packaged services or goods may be purchased by users or competitors individually and unbundled;
- XIII. It may not impose conditions that inhibit phone number portability; therefore, any time it receives a request from the user if other goods and services are sold, they must be individually itemized and billed separately;
- XIV. Billing and collection services provided by third parties should be granted in a non-discriminatory manner, with respect to third parties and those provided for their operation;
- XV. Provide an itemized and sufficient description of each service provided on the invoices issued, to provide clear information about the rates or prices applicable to each;



- XVI.** Refrain from creating technical or other barriers that prevent other public telecommunications network concessionaires from establishing telecommunications infrastructure or providing telecommunications services;
- XVII.** Provide measurement, pricing, billing, and collection services for the services other concessionaires provide for its users in non-discriminatory conditions, and with the accurate information required for the respective billing and collection purposes;
- XVIII.** Act on a nondiscriminatory basis when providing commercial information about its subscribers to affiliates, subsidiaries or third parties, subject to the provisions established by the Federal Law on the Protection of Personal Data in Possession of Private Parties;
- XIX.** The preponderant economic agent shall abide by the following terms for all matters related to government purchases by federal, state or municipal agencies, or purchases from the other government branches and autonomous agencies:
- a) Provide the corresponding fees for all unbundled services individually itemized as authorized by the Institute, where appropriate, and
 - b) In cases where other concessionaires do not have infrastructure in certain locations and need to contract the provision of certain intermediate services, including links from the economic agent, it must establish a monitoring system for the provision of such services between the respective government body, the concessionaire that must provide the service, the preponderant economic agent, and the Institute. In this case, the bidding rules must contain the minimum obligations to be met by the preponderant economic agent in following the Institute's specific instructions, and
- XX.** The additional measures the Institute believes are necessary to prevent monopolistic practices or promote competition.

All interconnection services shall be mandatory for the preponderant economic agent in the telecommunications market.

For the purposes of this Article, all references to the services provided by the preponderant economic agent for itself or its operation shall be understood as including the services provided to affiliates, subsidiaries, branches or any other person under the economic agent's control.

The measures referred to in this Article, including amendments thereto, where appropriate, plus the information presented and the methodologies utilized must be recorded with the Public Telecommunications Registry and published on the Institute's website on the date of issue.

Article 268. For the purposes of Section I of Article 267, public tenders should be submitted to the Institute in July of each year, which shall submit them to public consultation for a period of 30 calendar days. Once the public consultation has ended, the Institute shall have 30 calendar days to approve or modify the offer, using this same period to notify the preponderant economic agent so it can present its position.

The offer shall be published on the Institute's website within the first 15 days of December each year and shall enter into force to make sure its validity starts in January of the following year.

Article 269. The Institute shall be able to impose the following specific obligations regarding unbundling of the local public telecommunications network on the preponderant economic agent in the telecommunications sector:



- I. Allow other public telecommunications network concessionaires to have unbundled access to the elements, active and passive infrastructure assets, services, capacities, and the functions of their individual networks on individual non-discriminatory rates not exceeding those set by the Institute.

Access should be provided in no less than the terms and conditions it offers itself, its affiliates or subsidiaries or other companies in the same economic interest group.

For the purposes of the above, local public telecommunication network elements shall be considered those that are central to any type and hierarchy, radio bases, equipment, master systems, test systems, access to network features and other network elements necessary to provide the services, in at least the same manner and terms offered by the preponderant economic agent;

- II. Offer any type of service to access local public telecommunication networks with the physical circuit connecting the network's terminal connection point in the user's home to the telephone exchange or local public telecommunications network's equivalent facility providing the user service; and to the physical circuit connecting the network's termination point in the user's home to a technically feasible point between the end user's address and the telephone exchange or equivalent facility in the local public telecommunications network that provides the service for the user, whether fully unbundled, shared, shared without basic telephone service or data transfer services, or by any means permitted by the technology and agreed with the concessionaire concerned or determined by the Institute;
- III. Submit the reference public offers for sharing passive infrastructure and unbundling of the local public telecommunications network to the Institute for its approval, by June 30 each year.

The Institute shall submit the offer or the respective bids to a public consultation for 30 calendar days. Once the public consultation is over, the Institute will have 45 days to approve, and if necessary, modify the respective offer, and will use this same period to notify the agent so it can present its position.

The offer concerned should enter into force and be published on the Institute's website within the first 15 days of December each year.

The respective offer shall remain in effect for the following year and shall be updated if the preponderant economic agent offers or applies new conditions, coverage or technologies to the public telecommunications network concessionaires and bills them for such;

- IV. Create, develop, and implement processes, systems, facilities and installations, as well as other measures necessary to ensure the efficient delivery of the unbundled elements and services to the other public telecommunications network concessionaires determined by the Institute, in competitive conditions. Other elements and services shall include those related to reporting faults and collocation inside and outside of the preponderant economic agent's central network, among others, establishing the quality of service levels, billing processes, equipment testing and standardization, operating standards, and maintenance processes.

The Institute shall set up working groups to be joined by the preponderant economic agent and other public telecommunications network concessionaires indicated by the Institute to define the measures referenced in the preceding paragraph and ensure their proper execution. The working groups shall also address tasks related to establishing processes to monitor the measures imposed by the Institute, the technology to be used, the topology and quality of



service levels as well as the creation of associated operational, economic, administrative, commercial, and technical reports.

The Institute shall issue the working groups' installation and operation rules and expeditiously resolve differences between its members. The Institute may hire a third party with proven expertise to address and manage the matters referred to in the referenced rules;

- V. Permit other public telecommunications network concessionaires to access the physical media including, among others, optical fiber, technical and logical means from the local public telecommunication network belonging to the preponderant economic agent, in conformity with the measures imposed on it by the Institute to ensure the effectiveness of such access.

The measures referenced in the preceding paragraph must consider all the elements needed to effectively unbundle the local network as an essential input. In particular, the concessionaires may choose the local network elements required from the preponderant economic agent and the access point to the same. Such measures could include regulation of the rates and prices, quality, and technical conditions, and the implementation schedule to ensure universal coverage and increased penetration of telecommunication services;

- VI. Allow access to other public telecommunications network concessionaires to the essential network resources, based on the cost model determined by the Institute, which must promote effective competition and consider international best practices, natural network asymmetries, and participation in each concessionaire's sector. The preponderant economic agent may not impose on other concessionaires of such public networks terms and conditions less favorable than those it offers to itself, its affiliates and subsidiaries, and companies that are part of its stakeholder group;
- VII. The Institute may intervene, on its own motion, to guarantee that the unbundled access referred to in this Article is offered on non-discriminatory terms and conditions that promote effective competition and financial effectiveness in the telecommunications sector, so end users can gain the maximum benefit, and
- VIII. The additional measures that the Institute believes are necessary to ensure effective unbundling.

Article 270. The preponderant economic agent in the telecommunications sector shall permit concessionaires and authorized dealers to sell telecommunications services within the concession's geographic area with the possibility of offering its users the mobile services available under the same competitive conditions and payment methods that the preponderant economic agent in the telecommunications sector offers its own users, including but not limited to the following:

- I. Air time;
- II. Short messages;
- III. Data;
- IV. Value-added services, and
- V. Visiting user services.

Article 271. The preponderant economic agent in the telecommunications sector shall allow concessionaires and authorized dealers to market telecommunications services, select the infrastructure



and platform to support their business models, and facilitate the integration of their platforms with the preponderant economic agent's platform systems.

Article 272. Concessionaires and dealers authorized to market telecommunications services shall be entitled to purchase the wholesale services mentioned in the foregoing Articles from the preponderant economic agent in the telecommunications sector and from the economic agent holding substantial market power, if applicable. The wholesale prices for the services sold by the preponderant economic agent in the telecommunications sector or by the economic agent holding substantial market power to the concessionaire, whichever the case may be, must be based on a methodology that allows the concessionaire or authorized dealer to sell the same services offered by the preponderant economic agent or economic agent holding substantial market power, as applicable, in competitive conditions and obtain a reasonable and equitable profit margin, that is at least similar to the preponderant economic agent's gains, to avoid being displaced by such. In determining such wholesale price, the Institute should consider the lowest price the preponderant economic agent in the telecommunications sector and the economic agent holding substantial market power, whichever the case may be, offers or charges any of its customers or registers for each service. The preponderant economic agent in the telecommunications sector and, where appropriate, the economic agent holding substantial market power may not discriminate wholesale traffic, and the quality of service shall be identical to those received by their own clients.

Article 273. The Institute shall authorize the rates, conditions, and terms of the services the preponderant economic agent in the telecommunications sector applies to the concessionaire or authorized dealer for the sale of telecommunications services, including the changes made to such, as well as their packages and promotions.

Article 274. The agreement the concessionaires or authorized dealers sign with the preponderant economic agent in the telecommunications sector to sell telecommunications services shall not be held subject to minimum or maximum consumption levels. The agreement shall allow the concessionaire and authorized dealers, where appropriate:

- I. To have and manage their own numbers or acquire them through contracts with public telecommunications network concessionaires;
- II. Move their users to another concessionaire, and
- III. Other measures that favor their business model; the integration of fixed and mobile services and effective competition in the telecommunications sector.

Article 275. The Institute will perform quarterly reviews and punish the breach of the measures and asymmetric regulations imposed on the preponderant economic agent and determine the cancellation of all or some of the obligations imposed, if applicable.

For the purposes of the preceding paragraph, the Institute may be assisted by an external, independent expert auditor to carry out the verification process this Article refers to.

If the Institute decides to hire an external auditor, it shall ask the interested concessionaires that are not preponderant economic agents in the corresponding sector for their opinion about the external auditor before completing the contract process. Such feedback shall be provided within the period established to this end.

The Institute or the external auditor, where applicable, shall develop a quarterly report on compliance with the asymmetric obligations as well and with the obligations established for unbundling of the local public telecommunications network's elements, as well as compliance with the terms of the preponderant economic agent's concession titles. In the case of telecommunication services, the quarterly report shall



include an opinion on the integration of the service rates and prices the preponderant economic agent provides itself, third parties, and end users.

The fees and expenses related to the duties performed by the external auditor shall be covered by the Institute with the resources provided in its annual budget to this end.

Article 276. The Institute may impose additional measures if the preponderant economic agents further affect fair and open competition even after the Institute imposes the measures outlined in Sections III and IV of the Eighth Transitory Article of the Executive Order, as well as those provided by this Title and others related to broadcasting and telecommunications sectors, respectively, which should be directly related to the matter concerned.

The preponderant economic agent shall cease to be such, when the Institute determines that its domestic market share falls below 50%, considering the variables used to declare its status as a preponderant economic agent.

The Institute may declare that economic agent as preponderant with the same variables used if its domestic share were to exceed the 50% share referenced above. The foregoing is without prejudice to the Institute's powers to declare the same agent as preponderant with any of the variables established in the Mexican Constitution.

Preponderant economic agents may submit a structural separation plan to the Institute at any time, including the divestiture of assets, rights, social parts or shares or any combination of the above, as applicable, to reduce its domestic share to below 50% in the sector where it was declared preponderant, as long as the execution of such plan generates effective competition conditions in the broadcasting and telecommunications markets, in conformity with the Federal Economic Competition Law. In this case, it shall proceed as follows:

- I. The Institute shall analyze, evaluate and, if appropriate, approve the proposed plan within 120 calendar days following its presentation. If deemed necessary, it may extend this period once for up to 90 days;
- II. In order to approve the plan, the Institute shall determine that the proposed plan effectively reduces the preponderant economic agent's share below 50% in the corresponding sector; that the participation dropped by the preponderant agent is transferred to one or more other economic agents that are separate and independent from the preponderant economic agent, and that it is not intended to affect or reduce the existing social coverage;
- III. When approving the plan, the Institute shall set the deadlines for its implementation, ensure the effective separation and independence of these agents and establish the terms and conditions to make sure that this situation is duly safeguarded;
- IV. Once the approved plan is executed and that the Institute has determined the existence of effective competition conditions in the markets comprising the relevant sector in conformity with the Federal Economic Competition Law, and none of its resulting agents or participants updates the criteria to be considered as preponderant economic agent in terms of this Law, the Institute shall terminate the obligations imposed on the economic agent in the resolutions used to declare its preponderant position, unless one of these agents holds substantial power in any of the relevant markets in which it does business, in which case the obligations imposed on it as the preponderant economic agent or with substantial market power shall be maintained until the Institute imposes the appropriate measures in terms of the Federal Economic Competition Law;



- V. The above shall not prevent the Institute from conducting a new procedure to determine if one of the economic agents holds substantial power in a market in terms of the Federal Economic Competition Law, and
- VI. The Institute shall authorize the referred to in this Article, to provide additional services or transition to the sole concession model, as long as that authorization does not produce any adverse effects on competition. In order for the Institute to verify the absence of adverse effects on competition, a period of 18 months must have elapsed after the approved plan is implemented when the agents must also prove that they are in compliance with the applicable laws and the terms of their concession titles.

Article 277. The preponderant economic agents in the broadcasting and telecommunications markets may participate in radio spectrum auctions for frequency bands, as long as they are authorized by the Institute and abide by the radio spectrum accumulation limits established to this end.

Chapter II On Measures to Promote Competition

Article 278. The measures to encourage competition in the television, radio, telephone, and data service market must be applied in all segments in order to guarantee effective competition in the broadcasting and telecommunications sectors.

Chapter III On Substantial Market Power

Article 279. The Institute is authorized to determine the existence of agents with substantial power in any relevant broadcasting and telecommunications market, in terms of this Law and the Federal Economic Competition Law.

Article 280. The Institute shall declare if an economic agent holds substantial power in a relevant market in the broadcasting and telecommunications sectors, in conformity with the procedure established by the Federal Economic Competition Law, as well as the provisions of substantive law established in both the Federal Economic Competition Law and in this Law.

Article 281. The Institute shall establish the specific obligations to be imposed on the economic agent holding substantial market power referred to in the previous Article, in conformity with the following procedure:

- I. The Institute shall notify the agent of the draft regulation establishing the specific obligations it shall be subject to, where appropriate. The corresponding notice shall include a copy of the draft regulation and indicate the location of the file containing the support documentation, as well as the address of the authority the agent must go to;
- II. The economic agent with substantial power shall have 30 business days from the day following the effective date of the notification referred to in the preceding Section, to present its position and provide the evidence it deems necessary, which shall only be related to the draft regulation.

If the economic agent fails to appear within the aforementioned term, it shall be understood to agree with the draft regulation without any type of opposition, and the case shall immediately be turned over to the corresponding unit for the final resolution;



- III. Once the economic agent appears, the Institute shall use the authority established in its statutory charter to decide on the admission of the evidence presented and, if necessary, order a period lasting ten business days to prepare and review the evidence presented.

All types of evidence shall be received, except confessional and testimonial evidence provided by the authorities, or inappropriate evidence or evidence that is unnecessary or contrary to morality and law.

The economic agent shall be responsible for implementing all the steps required and taking the actions necessary to make sure its evidence is properly discussed within the aforementioned period; otherwise, it shall be deemed as deserted.

If necessary, a hearing shall be held within the 15 business days to review the evidence warranted by virtue of its nature.

The economic agent may invoke opposition to the procedural measures within three days following the date on which the relevant hearing was held so that such allegations can be taken into account in the final decision.

Once the proceedings are over, the economic agent may present its arguments within a maximum period of five business days. After this deadline, with or without arguments, the record shall be turned over for a resolution, and

- IV. The Institute's final resolution shall determine the specific obligations to be fulfilled by the economic agent in question.

The Institute shall have a period of 15 business days to issue the corresponding final resolution, which it must report to the economic agent within a period not to exceed five business days from the day following the date on which the notice was issued by the corresponding authority and subsequently published in the Federal Official Gazette.

The Federal Administrative Law shall serve as a supplement for this procedure, in matters that are not contrary to the provisions of this Law.

Article 282. The Institute may impose obligations and constraints on economic agent with substantial power, according to the market or service in question, including the following areas, among others:

- I. Information;
- II. Quality;
- III. Rates;
- IV. Commercial offers, and
- V. Billing.

Article 283. The obligations and specific constraints shall be intended to keep from affecting fair and open competition, and the Institute shall not be limited to the matters referred to in the previous Article. The penalties provided in the Federal Economic Competition Law shall apply in the case of agents with substantial power. The Institute may also impose the measures provided in Articles 266 through 277 of this Law on the agent holding substantial power.



Article 284. Preponderant economic agents in the broadcasting or telecommunications sectors could be declared to hold substantial power, and the Institute may impose specific obligations determined in conformity with the provisions of this Law.

Chapter IV On Crossed Property

Article 285. Broadcasting and telecommunications concessionaires that serve the same market or geographic coverage area that prevent or restrict access to plural information in such markets and areas, shall be subject to the following:

- I. The Institute shall instruct restricted television concessionaires to provide news or public interest service channels they must integrate into their services, as required to ensure access to plural and timely information, and
- II. The concessionaire must include at least three channels whose contents are predominantly self-produced by independent national programmers whose funding is provided primarily by Mexican funds, in conformity with the rules issued by the Institute to this end.

Article 286. The Institute shall impose the following restrictions when the concessionaire fails to comply with the provisions outlined in the preceding Article:

- I. The national or regional concentration of the radio spectrum frequency bands allocated to broadcasting services;
- II. Granting new concessions for radio spectrum frequency bands allocated to broadcasting services; or
- III. Cross ownership of companies that control different media and are broadcasting and telecommunications concessionaires that serve the same market or geographic coverage zone.

The above is without prejudice to the corresponding penalties established under the terms of this Law.

Article 287. The Institute shall consider the following when imposing the restrictions described in the previous Article:

- I. Restrictions or limitations on access to plural information, the existence of entry barriers for new agents and the elements that could affect those barriers and the offers provided by other competitors in that market or coverage area;
- II. The existence of other means of information and their relevance;
- III. The possibilities the economic agent or agents and their competitors having to access essential inputs that allow them to offer similar or equivalent services;
- IV. The behavior of the economic agent or agents participating in that market during the last two years, and
- V. The efficiency in terms of earnings that could result from the economic agent's activity that favorably affect the fair and open competition process in that market and coverage area.

Article 288. In the event that the measures imposed by the Institute in terms of the two preceding Articles are not effective, the Institute may order the economic agent to divest the assets, rights or equity interest it



owns, to the extent required to ensure compliance with these measures, in order to guarantee compliance with the provisions set forth in Articles 6 and 7 of the Mexican Constitution.

The economic agents shall be entitled to file a divestiture program with the Institute, which shall approve or modify the reasons presented with the corresponding justification.

The Institute shall grant a reasonable deadline for the resolution to divest the assets.

TITLE THIRTEEN

Sole Chapter On Standardization

Article 289. The products, equipment, devices or apparatus used for telecommunications and broadcasting purposes that can be connected to a telecommunications network or to use the radio spectrum must be approved in conformity with the standards or technical provisions established in the provisions set forth by the Federal Metrology and Standardization Law.

The Institute may apply the mutual recognition of the assessment of conformity of telecommunications and broadcasting products, equipment, devices or apparatus by evaluating their compliance in another country with which the Mexican government has signed an international agreement or treaty to this end.

The applicant asking for standardization of the products listed in the previous paragraph must have an address in the United Mexican States.

Article 290. The Institute shall develop, publish, and update the procedures and guidelines applicable to the standardization of telecommunications products that should serve as a guide for those interested in obtaining the corresponding certificate for a given product.

The Institute shall address any nonconformity related to the standardization procedure submitted by the applicants, to ensure the application of the appropriate measures.

The aforementioned guidelines shall include a generic classification of the products subject to standardization and indicate all or part of the applicable rules or technical provisions, consistent with this classification.

The guidelines should include the following hierarchy for application of the technical standards or provisions:

- I. Official Mexican Standards;
- II. Technical provisions issued by the Institute;
- III. Mexican Standards;
- IV. The technical standards and regulations referenced in international treaties signed and ratified by our country;
- V. Standards and technical regulations issued by international standardization bodies, and
- VI. Technical standards and regulations issued by regulatory or standardization entities in other countries.



The Institute shall be authorized to certify broadcasting and telecommunications experts to support the standardization procedures.

TITLE FOURTEEN Verification System

Single Chapter On Verification and Monitoring

Article 291. The Institute shall verify and monitor, within its field of competition, compliance with this Law, the provisions derived from it and the conditions and obligations established in the concessions, authorizations, and other applicable provisions.

Therefore, concessionaires, authorized dealers and any related person shall be bound to permit the Institute's verifiers to access the company's address and facilities, and to give them access to the related information and documentation to verify them according to this Law, including agreements and contracts with third parties that are linked to the object of such concessions or authorizations.

Article 292. Concessionaires and individuals with the applicable permits, shall provide, assist and provide accounting information by their network's service, region, function, and components for each of the concessions or authorizations granted, without prejudice to the information they may be asked to provide at any time to carry out the Institute's duties and functions.

Concessionaires with public telecommunications networks are bound to provide the Institute with all information concerning the topology of their networks, including capabilities, characteristics, and location of the elements that make up such networks and that allow the Institute to understand the operation and exploitation of the broadcasting and telecommunications services. They shall also be required to provide the Institute with any information that can be used to integrate the sector's statistical acquis, without prejudice to the powers held by the Mexican Institute of Statistics and Geography (INEGI).

The information referred to in this Article, shall be submitted in conformity with the methodology, format, and periodicity established by the Institute to this end.

Article 293. The Institute shall check to confirm that the concessionaires authorized to operate public telecommunications networks provide the public with complete and accurate information on their telecommunications services. The Institute shall verify compliance with this obligation and shall be able to define and modify its contents and, if necessary, order the suspension of advertising the information if it does not comply with the terms established to this end. This is without prejudice to the powers conferred on the Federal Consumer Protection Bureau (PROFECO).

Article 294. When the Institute initiates its verification visit and finds the concessionaire is incurring in monopolistic practices in the object of the verification process, it shall notify the investigating authority, without prejudice to its duty to continue with the verification in question.

Article 295. The Institute shall establish the mechanisms necessary to monitor radio emissions, identify harmful interference and other disturbances to the broadcasting and telecommunications systems and services in order to guarantee the best services and efficient use of the spectrum.

Article 296. The Institute may use the following coercive measures to enforce its decisions, with a prior warning:



- I. A fine ranging between 100 and 20,000 days of minimum wages;
- II. An additional fine for each day that the Institute verifiers are not allowed access to its facilities and are not given the facilities needed to verify the process and/or do not provide the required information or documentation, up to a maximum period of ten calendar days, and
- III. The help of public authorities.

The total amount of the fine shall not exceed the amount of the surety bond the concessionaire had given the Institute or the competent authority before this Law was enacted.

If the pressure is insufficient, the competent authority may be asked to proceed against the rebellious party for disobeying a lawful command issued by the corresponding authority regardless of the sanctions imposed by the Institute in terms of this Law.

For the purposes of Section III of this Article, the federal authorities and the security forces or police should expeditiously provide the support requested by the Institute. In the case of state or municipal public security law enforcement, the support shall be requested in the terms of the orders regulating public safety or, where appropriate, in conformity with agreements on administrative cooperation signed with the Federation.

The general daily minimum wage prevailing in Mexico City on the day the behavior is carried out, or the assumption is restated, shall be used to calculate the amount of the referenced fines.

TITLE FIFTEEN Sanctions System

Chapter I General Provisions

Article 297. Violations of this Law, administrative provisions and concession titles or authorizations shall be prosecuted by the Institute according to Chapter II of this Title and processed in terms of the Federal Administrative Law.

Violations of the Federal Economic Competition Law, by the subjects regulated in the broadcasting and telecommunications sectors, shall be punished by the Institute in terms of the provisions and according to the procedures established in that law.

Violations of the rights of users established by this Law, committed by concessionaires or authorized dealers, shall be punished by the PROFECO in terms of the provisions set forth in Articles 128 and, where appropriate, Article 128 Bis of the Federal Consumer Protection Law.

The Ministry of the Interior shall punish the breach of the provisions of this Law in terms of content, State times and those established in other applicable provisions, where appropriate; domestic networks, newsletters, the National Anthem, contests and the booking of restricted television and audio channels in conformity with provisions outlined in Chapter III of this Title.

The Institute shall punish the breach of the time limits set to transmit commercial messages and obligations regarding the protection of audiences as outlined in Chapter IV of this Title.

Chapter II Broadcasting and Telecommunications Penalties



Article 298. Violations of the provisions of this Law and provisions arising from it in terms of audiovisual content, shall be penalized by the Ministry of the Interior, in conformity with the following:

A) With a fine ranging between 0.01% and up to .075% of the concessionaire or authorized dealer's revenues, for:

- I. Late submission of notices, reports, documents or information;
- II. Contravening the provisions on the approval of equipment and wiring, or
- III. Failing to comply with the registration obligations established by this Law.

The sanction referred to in this paragraph shall not apply if the concessionaire voluntarily complies with the requirement and the Institute does not have to pay an inspection visit or issue a requirement to this end.

In the case of a first offense, the Institute shall warn the offender one time.

B) With a fine ranging between 1% and up to 3% of the concessionaire or authorized dealer's revenues, for:

- I. Blocking, interfering with, discriminating, hindering or arbitrarily restricting a service user's right to access the Internet;
- II. Exclusively contracting the use of properties to install telecommunications or broadcast infrastructure in contravention of the provisions or orders issued by the authority;
- III. Failing to comply with the obligations or conditions established in the concession or authorization which breach is not punished by revocation, or
- IV. Other violations of this Law, the regulations, administrative provisions, fundamental technical plans and other provisions issued by the Institute, as well as concessions or authorizations that are not expressly covered by this chapter.

C) With a fine ranging between 1.1% and up to 4% of the concessionaire or authorized dealer's revenues, for:

- I. Signing agreements that prevent providing services and advertising space to third parties;
- II. Discrimination in the offer of services and advertising spaces;
- III. Failure to observe the maximum permissible human exposure to electromagnetic radiation, in conformity with applicable regulations;
- IV. Establish barriers of any kind to prevent connecting the user's terminal equipment with other concessionaires operating telecommunications networks;
- V. Failure to comply with the obligations established by this Law related to cooperation with justice, or
- VI. Intentionally providing wrong information about users, directories, infrastructure or service charges.



D) With a fine ranging between 2.01% and up to 6% of the concessionaire or authorized dealer's revenues, for:

- I. Failing to comply with their telecommunications network operations and interconnection obligations;
- II. Executing acts that impede the performance of other concessionaires or authorized dealers entitled to such;
- III. Intercepting information transmitted by the public telecommunications networks, unless such interception is based on a resolution issued by a competent authority;
- IV. Make changes to the network without the Institute's authorization, affect the equipment's functionality and interoperability;
- V. Failure to establish the necessary measures to ensure the confidentiality and privacy of user communications;
- VI. Contravening the Institute's provisions or decisions regarding rates, or
- VII. Breaching efficiency levels on the use of the radio spectrum established by the Institute.

E) A fine ranging between 6.01% and up to 10% of the offending party's revenues, for:

- I. Providing broadcasting or telecommunications services without a permit or concession, or
- II. Interrupting, without justified cause or the Institute's authorization, the total provision of services in populations where the concessionaire is the sole provider of such.

Article 299. The revenues referred to in the previous Article, shall be accruable for the concessionaire, authorized dealer or the offending party directly involved, excluding those obtained from a source of wealth located abroad, as well as taxable revenues if they were subject to a preferential income tax system during the last fiscal year in which the respective tax offense was incurred. If not available, the basis of calculation for the previous fiscal year shall be used.

The Institute may ask concessionaires, authorized dealers or the offending party for the necessary tax information referred to in this Article to determine the amount of the fines mentioned in the previous Article, using the urgency measures established by this Law.

The following penalties shall apply to the offenders that fail to file or determine their taxable Income Taxes for any reason, or fail to provide the tax information mentioned in the Article above:

- I. In the cases described in Article 298, subsection A), a fine equal to up to eight million daily minimum wages;
- II. In the cases described in Article 298, subsection B), a fine equal to up to 41 million daily minimum wages;
- III. In the cases described in Article 298, subsection C), a fine equal to up to 66 million daily minimum wages;
- IV. In the cases described in Article 298, subsections D) and E), a fine equal to up to 82 million daily minimum wages;



The general daily minimum wage prevailing in Mexico City on the day the behavior is carried out, or the assumption is restated, shall be used to calculate the amount of the referenced fines.

Article 300. In the case of recidivism, the Institute may impose a fine equal to twice the amounts indicated.

Repeat offenders are those who having committed an offense that has been punished and become final and conclusive, carry out another conduct prohibited by this Law, regardless of its type or nature.

The imposition of fines shall not consider recidivism in the offenses described in Sections I and II of paragraph A), and II, V, and VI of paragraph C) of Article 298. The last two Sections are only mentioned with regard to the delivery of information.

Article 301. The Institute shall consider the following when determining the amount of the fines set out in this Chapter:

- I. The severity of the offense;
- II. The offender's economic capacity;
- III. Recidivism, and
- IV. Where appropriate, the spontaneous fulfillment of the obligations that gave rise to the punitive procedure, which may be considered mitigating the punishment to be imposed.

Article 302. The penalties imposed by the Institute shall be executed by the Tax Administration Service, through that agency's applicable procedures and provisions.

Article 303. Concessions and authorizations may be revoked in the following causes:

- I. Failure in starting to provide the services within the prescribed time limits, unless otherwise authorized by the Institute;
- II. Perform acts contrary to the Law, that keep other authorized concessionaires from performing their activities;
- III. Failure to fulfill the obligations or conditions established in the concession or authorization expressly establishing that breach of such shall be cause for in revocation;
- IV. Refusing to interconnect to other concessionaires; totally or partially disrupt interconnection traffic, or hinder it without cause;
- V. Failure to comply with the provisions outlined in paragraph one of Article 164 of this Law;
- VI. Refusal to retransmit broadcast content in violation of the Law;
- VII. Change of nationality or seeking protection from a foreign government;
- VIII. Assign, lease, encumber or transfer concessions or authorizations, the rights conferred on them or the property allocated to them in contravention of the provisions of this Law;



- IX. Fail to pay the Federal Treasury the consideration or rights established on the Federal Government's behalf;
- X. Failure to comply with the obligations offered that were used as the grounds to grant the concession;
- XI. Failure to provide the guarantees established by the Institute;
- XII. Change the location of the broadcasting station without the Institute's prior approval;
- XIII. Change the allocated frequency bands, without the Institute's authorization;
- XIV. Suspend all or part of the telecommunications services for more than 24 hours or up to three calendar days in the case of broadcasting, in more than 50% of the coverage area, without justification and without the Institute's authorization;
- XV. Breach the Institute's resolutions determined as final in case of behavior related to monopolistic practices;
- XVI. In the case of preponderant economic agents that benefit directly or indirectly from the rule of gratuity on the retransmission of television signals through other concessionaires, rescinding their concession as well;
- XVII. Breach the Institute's resolutions or determinations on functional or structural separate accounting procedures;
- XVIII. Breach the Institute's resolutions or determinations on unbundling the local network, divestiture of assets, necessary rights or parts or asymmetric regulations;
- XIX. Use for purposes other than those requested, the concessions granted by the Institute in the terms provided by this Law or obtain profit from the specific type of concession when prohibited by this Law, or
- XX. The other provisions outlined in the Mexican Constitution, this Law and other applicable provisions.

The Institute shall immediately revoke the licenses and authorizations granted in the cases described in Sections I, III, IV, VII, VIII, X, XII, XIII, XVI, and XX above. In the other cases, the Institute may revoke the license or authorization if it has punished the respective concessionaire at least twice in the past for any of the grounds provided in these Sections and such penalties have become final and conclusive except for the case described in Section IX, where the revocation shall proceed when repeating the same conduct under that Section. In these cases, the amount of the respective fine shall be determined according to paragraph E) of Article 298 of this Law.

Article 304. The holder of a concession or authorization that has been revoked, shall be disqualified from obtaining, on its own or through another person, new concessions or authorizations under this Law for a period of five years after the respective final resolution has been issued.

Article 305. Persons who provide telecommunications or broadcast services without a concession or authorization, or use any other means to invade or obstruct the general means of communication, shall lose their property, plant, and equipment used in the commission of such offenses, for the benefit of the nation.



Article 306. Whoever damages, harms or destroys any of the general means of communication in the broadcasting and telecommunications sectors, or any real or personal property used to operate or install a concession, interrupting all or part of their services, shall be punished with one to eight years in prison, and a with fine ranging between 7,000 and 36,000 daily minimum wages in force in Mexico City. If the damage is caused by explosives or incendiary material, the prison term shall be set between 12 and 15 years.

Article 307. The fines outlined in this chapter shall apply without prejudice to any civil or criminal liability resulting from the revocation of the respective concession, as appropriate.

Chapter III Penalties Related to Audiovisual Content

Article 308. Violations of the provisions of this Law and provisions arising from it in terms of audiovisual content, shall be punished by the Ministry of the Interior, in conformity with the following:

A) With a one-time warning or fine ranging between 0.01% and 0.75% of the concessionaire, authorized dealer or programmer's revenues, for filing late notices, reports, documents or information.

The fine referred to in this paragraph shall not apply in the event of voluntary compliance by the authorized concessionaire or programmer and if the Ministry of the Interior did not pay an inspection visit or send out any requirements to this end.

In the case of a first offense, the Ministry of the Interior shall warn the offender once;

B) With a one-time warning or a fine ranging between 0.76% and up to 2.5% of the concessionaire, authorized dealer or programmer's revenues, for:

- I.** Breaching the provisions of this Law concerning State broadcasting times, domestic networks, bulletins, and contests, as well as restricted television and audio reservations;
- II.** Exceeding the duration of the transmission time limits established in the case of public concessionaire sponsorships, or
- III.** Failing to comply with the classification and descriptive categories in conformity with the provisions established by this Law and its regulations.

C) With a fine ranging between 2.51% and up to 5% of the concessionaire, authorized dealer or programmer's revenues, for:

- I.** Including the marketing or sale of product or service sponsorships, in the case of public use concessionaires, or
- II.** Receiving sponsorships in contravention of the provisions established by this Law.

Sections I and III of paragraph B) of this Article shall not include consideration of the provisions outlined in Section III of Article 301 of the Law.

Article 309. In the case of the breaches referred to in the preceding article, the offender's intent shall be taken into account to determine imposition of the fine.

Article 310. The provisions of this Title shall be used to identify and quantify the fines referred to in this chapter.



Chapter IV

Penalties for the Transmission of Commercial Messages and Defense of Audiences

Article 311. The Institute shall issue these penalties, as follows:

- a) With a fine equal to twice the revenue earned by the concessionaire for exceeding the maximum advertising transmission limits established by this Law;
- b) With a fine ranging between 0.51% and up to 1% of the concessionaire, authorized dealer or programmer's revenues, for:
 - I. Failing to provide audiences with defense mechanisms;
 - II. Failure to appoint counsel for the audiences or for failing to issue a code of ethics, or
- c) With a fine imposed on the defender of audiences ranging between 100 and 500 daily minimum wages in force in Mexico City for:
 - I. Failing to comply with the obligations set forth in Articles 259 and 261 of this Law, or
 - II. Failure to comply with the general guidelines issued by the Institute on the minimum obligations for audience defenders.

The sanction referred to in this paragraph shall not apply if the concessionaire or the audience defender voluntarily complies with the requirement and the Institute does not have to pay an inspection visit or issue a requirement to this end.

In the case of a first offense, the Institute shall warn the offender one time.

TITLE SIXTEEN

Single Chapter Legal Remedies

Article 312. The Institute's general rules, acts or omissions may be contested only through an indirect amparo or relief proceeding and shall not be subject to suspension.

Article 313. The only resolution issued by the Institute that can be contested as the result of a lawsuit is the one that puts an end to the judgment for violations committed in the decision or during the proceeding. The general rules applied during the proceeding may only be claimed in the amparo or relief injunction filed against the referenced resolution.

No regular or constitutional recourses shall be accepted against intra-procedural actions in any case.

Article 314. Indirect amparo proceedings shall be substantiated by judges and courts established by the Federal Judiciary Council for matters competition, broadcasting, and telecommunications.

Article 315. It will be up to the Federal Judiciary courts specialized in competition, broadcasting, and telecommunications, to hear disputes arising in connection with the application of this Law.

TRANSITORY ARTICLES SECOND THROUGH THE THIRTEENTH. -



TRANSITORY ARTICLES

FIRST. This Executive Order shall enter into force following its publication in the Federal Official Gazette, without prejudice to the provisions outlined in the following transitory articles.

SECOND. The Federal Telecommunications Act and the Federal Radio and Television Act are repealed. Those provisions outlined in the General Means of Communication Law that are contrary to the provisions outlined in the Federal Telecommunications and Broadcasting Law issued by virtue of this Executive Order are left without effect.

THIRD. The regulatory and administrative provisions and the official Mexican regulations in force shall continue to apply until new systems are issued to replace them, except those that are contrary to the Federal Telecommunications and Broadcasting Law issued by virtue of this Executive Order.

FOURTH. The Federal Telecommunications Institute must adapt its Statutory Charter to the Federal Telecommunications and Broadcasting Law within 60 calendar days after this Executive Order goes into effect.

FIFTH. The Federal Executive Branch shall issue the regulations and guidelines on the content established in the Federal Telecommunications and Broadcasting Law issued by virtue of this Executive Order, within 180 calendar days after it is issued.

Broadcast and restricted audio or television concessionaires may not promote video games that have not been classified in conformity with applicable regulations, which must be issued by the Federal Government within the time line referred to in the preceding paragraph.

SIXTH. The response, processing, and resolution of the issues and procedures initiated before this Executive Order goes into effect, shall be carried out in the terms set forth in the Seventh Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11, 2013. The foregoing is without prejudice to the provisions outlined in the Twentieth Transitory Article of this Executive Order.

SEVENTH. Without prejudice to the provisions established in the Federal Telecommunications and Broadcasting Law issued by this Executive Order, and in the law and regulations issued by the Federal Telecommunications Institute to this effect, the concessions and permits granted before this Executive Order goes into effect, shall be maintained through their completion under the terms and conditions set forth in the respective titles or permits, unless authorization is obtained to provide additional services that are the object of the concession or they have transitioned to the sole concession provided in the Federal Telecommunications and Broadcasting Law, in which case it will be on terms and conditions established by the Federal Telecommunications Institute.

The concession period for radio spectrum concessions may not be modified, or the authorized coverage and the number of Megahertz concessioned, nor can the conditions to do or not do under the concession of origin that were decisive for granting the concession, be amended.

EIGHTH. Except as provided in the Tenth and Eleventh Transitory Articles of this Executive Order, current concessionaires may obtain authorization from the Federal Telecommunications Institute to provide services in addition to those that are the object of the concession or migrate to the sole concession, as long as they are in compliance with the obligations under the Laws and established in their concession titles. Concessionaires with radio spectrum concessions must pay the corresponding consideration in terms of the Federal Telecommunications and Broadcasting Law.



Concessionaires who have several concession titles and can migrate to the sole concession may consolidate their titles under a sole concession.

NINTH. As long as there is a preponderant economic agent in the broadcasting and telecommunications markets to promote competition and develop viable competition, in the long run, concentrations between economic agents holding the concession titles, or concession assignments and control changes arising thereof that meet the following requirements will not require approval from the Federal Telecommunications Institute:

- a. Generate a sectoral reduction of the Dominance Index (DI), as long as the HHI (Herfindahl-Hirschman Index) is not increased by more than 200 points;
- b. Result in the economic agent holding less than 20% of the sectoral share;
- c. The concentration does not include participation by the preponderant economic agent in the sector in which the concentration takes place, and
- d. It does not produce a reduction or damaging effect or hinders fair and open competition in the corresponding sector.

The Hirschman-Herfindahl Index (HHI) is understood as the sum of the squares of the shares held by each economic agent ($HHI = \sum_i q_i^2$) in the relevant sector, which in the case of the telecommunications market sector, is calculated according to the number of telecommunications service subscribers and users, and audience numbers in the case of the broadcasting market sector. This index can take values ranging between zero and 10,000.

Calculation of the Dominance Index (DI) shall first determine the HI percentage contribution of each economic agent to the HHI defined in the preceding paragraph ($hi = 100 \times q_i^2 / IHH$). After that, the DI value shall be calculated according to the Herfindahl-Hirschman formula, but now using the hi contributions instead of the q_i shares (that is, $DI = \sum_i hi^2$). This index also varies between zero and 10,000.

The economic agents must submit to the Federal Telecommunications Institute, within ten days after the concentration, a written notice containing the information mentioned in Article 89 of the Federal Economic Competition Law referring to the corresponding sector and to provide evidence that proves that the concentration complies with the terms set forth in the paragraphs above.

The Institute shall investigate these concentrations in a period not to exceed 90 calendar days and if it finds that there is substantial power in the telecommunications networks market providing voice, data or video services or in the radio and television sectors, it may impose the measures necessary to protect and promote fair and open competition in that market, in conformity with the provisions set forth in the Federal Telecommunications and Broadcasting Law and in the Federal Economic Competition Law without prejudice to the concentrations referred to in this Article.

The measures imposed by the Institute shall be extinguished once it authorizes the preponderant economic agents to provide the additional services.

TENTH. The preponderant economic agents and the concessionaires whose concession titles contain an express prohibition or restriction to provide certain services, must provide evidence to the Federal Telecommunications Institute before starting the process to obtain authorization to provide additional services, and the IFT shall monitor the effective implementation of the obligations implemented under the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications published in the Federal Official Gazette on June



11, 2013, and in the Federal Telecommunications and Broadcasting Law, the Federal Economic Competition Law, and their concession titles and administrative provisions, as follows:

- I. The preponderant economic agents must prove to the Federal Telecommunications Institute that they complied with the foregoing and with the measures issued by the Federal Telecommunications Institute referred to in Sections III and IV of the Eighth Transitory Article of the Executive Order referred to above. The Federal Telecommunications Institute shall establish the form and terms that must be used to present the information and relevant documentation to this end;
- II. The preponderant economic agent must have complied with the measures mentioned in Section I above for at least 18 consecutive months;
- III. After the period mentioned in the preceding Section and as long as it continues to comply with the provisions outlined in Section I above, the Federal Telecommunications Institute shall determine and issue an opinion certifying compliance with these obligations, and
- IV. Once the concessionaire has obtained the compliance certification, it may ask the Federal Telecommunications Institute to authorize the additional service.

The provisions of this Article shall also apply if the respective agents and concessionaires choose to transition to the sole concession.

The terms outlined in this Article shall not apply five years after the Federal Telecommunications and Broadcasting Law enters into force, as long as the preponderant economic agent in the telecommunications sector is in compliance with Eighth Transitory Article of this Executive Order, the measures imposed according to Sections III and IV of the Eighth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications published in the Federal Official Gazette on June 11, 2013, and those imposed by the Federal Telecommunications Institute in terms of the Federal Telecommunications and Broadcasting Law.

ELEVENTH. The application process referred to in the previous article shall be subject to the following:

- I. The preponderant economic agents and concessionaires whose concession titles contain any prohibition or restriction to provide certain services, must comply with the Federal Telecommunications Institute's guidelines in terms of the Fourth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11, 2013;
- II. When submitting the application, such agents and concessionaires must attach the compliance opinion mentioned in Section III of the previous article, and present the information determined by the Federal Telecommunications Institute regarding the services it intends to provide;
- III. The Federal Telecommunications Institute shall decide on the merits of the application within 60 calendar days after its presentation, based on the general guidelines issued to that end and determine the consideration as appropriate.

Once the period prescribed in the paragraph above has passed without the Institute issuing its resolution, the answer shall be deemed as negative, and



- IV.** When processing the application, the Federal Telecommunications Institute must guarantee that granting the authorization will not produce an adverse effect on fair and open competition.

The generation of adverse effects to fair and open competition shall be understood as follows, among other factors considered by the Federal Telecommunications Institute to this end:

a. Such authorization may produce increasing participation in the sector corresponding to the preponderant economic agent or in the economic interest group the concessionaires belong to and whose concession titles contain a prohibition or restriction to provide certain services, regarding the participation determined by the Federal Telecommunications Institute in the resolution declaring the preponderant economic agent in the corresponding sector.

b. The authorization to provide additional services confers substantial power in the relevant market to one of the concessionaires or members of the preponderant economic agent or to the concessionaire whose concession titles contain a prohibition or restriction to provide certain services in the corresponding sector.

The provisions of this Article shall apply in case the respective agents and concessionaires choose to transition to the sole concession and shall be independent of the economic fines applicable according to the Federal Telecommunications and Broadcasting Law.

TWELFTH. The preponderant economic agent in the telecommunications sector may choose the plan provided by Article 276 of the Federal Telecommunications and Broadcasting Law at any time, or exercise the right established by this Article.

The preponderant economic agent in the telecommunications sector may submit a plan to the Federal Telecommunications Institute based on a real and concrete situation and regarding certain people, including as applicable, structural separation, the total or partial disposal of assets, rights, equity interest or shares or any combination of the above options in order to reduce its domestic share in the telecommunications sector below the 50% referred to in Section III of the Eighth Transitory Article of the Executive Order that amends and adds various provisions to Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications published in the Federal Official Gazette on June 11, 2013, in conformity with the variables and measurement parameters used by the Federal Telecommunications Institute in the preponderance statement, and as long as the execution of this plan generates effective competition conditions in the markets comprising the sector in conformity with the Federal Economic Competition Law. Should the preponderant economic agent exercise this option, it must:

I. Present the plan referred to in the preceding paragraph by stating in writing that it adheres to the provisions of this Article and agrees to its terms and conditions. It must also attach the required information and documentation that allows the Federal Telecommunications Institute to study and analyze the proposed plan;

II. If the Federal Telecommunications Institute considers that the information submitted is insufficient, it shall have 20 business days following submission of the plan, to advise the preponderant economic agent of this situation so it can submit the missing information within 20 business days. If the preponderant economic agent does not respond to the warning within the established deadline or if the Institute believes that the documentation or information submitted is not sufficient or suitable to analyze the plan proposed, it may issue a second warning in the indicated terms. If the preponderant economic agent does not comply with this warning, it shall be deemed as not having presented the plan, without prejudice to the fact that the economic agent may submit a new draft of the plan in terms of this Article;

III. After addressing the warning under the terms established, the Federal Telecommunications Institute shall have 120 calendar days to analyze, evaluate and approve the proposed plan, if appropriate. If the Institute believes that it is necessary, it may extend the deadline twice for up to 90 calendar days each time.



In order to approve this plan, the Federal Telecommunications Institute shall determine that it effectively reduces the preponderant economic agent's domestic share in the telecommunications sector below the 50% referred to in Section III of the Eighth Transitory Article of the Executive Order referenced above, generating conditions of effective competition in the markets comprising this sector in terms of the Federal Economic Competition Law and does not intend to affect or reduce the existing social coverage.

The plan should result in having the decreased share held by the preponderant agent in the sector transferred to one or other economic agents that are independent and separate from the preponderant economic agent. In approving the plan, the Federal Telecommunications Institute must ensure the effective separation and independence of these agents and shall establish the terms and conditions to make sure this situation is duly safeguarded;

IV. In the event that the Federal Telecommunications Institute approves the plan, the preponderant economic agent in the telecommunications sector shall have up to ten business days to state that it accepts the plan and expressly agrees to the rates resulting from the application of subparagraphs a) and b) of the second paragraph of Article 131 of the Federal Telecommunications and Broadcasting Law, and Sections VI to VIII of this Article.

Once the preponderant economic agent accepts the plan, it cannot be modified and must be executed under its established terms without the agent going back to exercise the benefit granted by this Article and without prejudice of the fact that it can opt for the provisions established by Article 276 of the Federal Telecommunications and Broadcasting Law;

V. The plan shall be implemented during the 365 calendar days after it has been accepted in terms of Section IV. Economic agents involved in the plan must submit the periodic reports established by the Federal Telecommunications Institute on the plan's implementation process. Should the preponderant economic agent provide evidence that its lack of compliance with the plan within the referenced period is due to causes not attributable to it, it may ask the Federal Telecommunications Institute for an extension, which may be granted once for up to 120 calendar days, as long as these causes are duly justified;

VI. From the date on which the preponderant economic agent in the telecommunications sector accepts the plan and during the period referred to in the preceding Section, the reciprocal compensation for traffic arrangements referred to in the first paragraph of Article 131 of the Federal Telecommunications and Broadcasting Law shall apply temporarily between the preponderant economic agent in the telecommunications sector and other concessionaires, suspending the fees resulting from the application of paragraphs a) and b) of the second paragraph of that Article;

VII. The Federal Telecommunications Institute shall certify that the plan has been effectively implemented within the period established in Section V of this Article. Accordingly, within five business days following the execution term or at the end of the corresponding extension, if appropriate, the Federal Telecommunications Institute shall start to work on the studies that prove that its implementation generated conditions of effective competition in the telecommunications market, in conformity with the Federal Telecommunications and Broadcasting Law.

Once the certification referred to in the preceding paragraph has been granted, the traffic arrangements established by the first paragraph of Article 131 of the referenced Law shall generally be applied to all concessionaires;

VIII. If the plan is not implemented within the term referred to in Section V or at the end of the corresponding extension, if appropriate, or the Federal Telecommunications Institute denies the certification referred to in the previous Section or determines that the plan was not fully implemented in the approved terms, the reciprocal traffic compensation arrangements and suspension of rates referred to in



subparagraphs a) and b) of Article 131 of the Federal Telecommunications and Broadcasting Law between the preponderant economic agent in the telecommunications sector and other concessionaires shall be left without effect, and their application will be rolled back to the suspension's start date, and said agent should reimburse the amounts corresponding to the application of those rates to the other concessionaires. In this case, said concessionaires might offset the amounts to be repaid against other amounts owed to the preponderant economic agent;

IX. The Federal Telecommunications Institute shall authorize the economic agent who proposed the plan and the resulting economic agents or that form part of the plan, to provide services in addition to those included in their concession or transit model to the sole concession, upon certifying that the plan was effectively implemented and as long as the execution of this plan generates effective competition conditions in the telecommunications markets in conformity with the Federal Economic competition Law;

X. Once the Federal Telecommunications Institute certifies that the approved plan has been effectively implemented, it shall proceed to extinguish:

a. The resolutions determining the status of the preponderant economic agent in the telecommunications sector and the asymmetric measures imposed on it under the provisions of Section III and IV of Article Eight of the Executive Order referred to above, and

b. The resolutions by which it determined the status of the economic agent holding substantial market power, as well as the specific measures imposed.

THIRTEENTH. The Federal Government through the Ministry of Communications and Transport, shall perform the actions required to install the shared public telecommunications network referred to in the Sixteenth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11, 2013.

Should the Federal Government require frequency bands of the spectrum released by the transition to Digital Terrestrial Television (700 MHz band) to grow and strengthen the network share indicated in the preceding paragraph, the Federal Telecommunications Institute shall award them directly as long as the network remains under the control of a public agency or entity or under a public-private partnership.

FOURTEENTH. The Federal Telecommunications Institute shall implement a civil service career system within 180 calendar days following the entry into force of this Executive Order, which shall contain, among other things, recognition of the rights of Federal Telecommunications Commission's workers certified as professional service workers.

FIFTEENTH. The Federal Telecommunications Institute must install its Advisory Board within 180 calendar days after this Executive Order goes into force.

SIXTEENTH. The Ministry of Communications and Transport shall establish mechanisms to implement the coordination activities referred to in Article 9, Section V of the Federal Telecommunications and Broadcasting Law within 180 calendar days after this Executive Order enters into force.

SEVENTEENTH. The broadcasting permits that are in force or involved in a renewal process when this Executive Order enters into force must transit to the corresponding concession system within one year after the Federal Telecommunications and Broadcasting Law enters into force in the terms established by the Institute. The permits granted to the three branches of government, the states, the Mexico City entities, municipalities, autonomous constitutional bodies and public higher education institutions must transit to the public use concession system, while the rest of the permits granted shall transit to the social use system.



In order to transit to the corresponding concession system, permit holders must submit an application to the Federal Telecommunications Institute, who shall issue its decision regarding such application within 90 business days.

While the transition is being made, the permits shall be governed by the provisions of the Federal Telecommunications and Broadcasting Law for public or social use concessions, as applicable.

Failure to comply with the terms established by this Article shall produce the termination of the permits.

EIGHTEENTH. The Federal Telecommunications Institute shall have 180 days after the Federal Telecommunications, and Broadcasting Law enters into force, to issue the work program to reorganize the radio spectrum to the television and radio stations referred to in paragraph b) of Section V of the Seventeenth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications published in the Federal Official Gazette on June 11, 2013. In determining the work program, the Institute shall pursue development of the relevant radio market, migration of the largest number possible of station concessionaires from the AM band to the FM band, and strengthening the conditions of competition and service continuity.

NINETEENTH. The terrestrial digital transition shall end on December 31, 2015.

The Federal Government, through the Ministry of Communications and Transport, shall implement the programs and actions related to the digital terrestrial television transition policy for delivery or distribution of the receiving equipment or decoders referred to in paragraph three of the Fifth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11, 2013.

The Federal Telecommunications Institute shall conclude the transmission of analog signals of broadcast television across the country by December 31, 2015, upon reaching a penetration level of 90% of low-income households defined by the Ministry of Social Development, with receivers or decoders that can receive digital television broadcast signals.

Accordingly, the Federal Telecommunications Institute shall conclude the analog signals of broadcast television before December 31, 2015, by area of coverage of such signals, upon reaching the penetration level referred in the paragraph above, within the corresponding area.

The Ministry of Communications and Transport and the Federal Telecommunications Institute shall implement campaigns for the delivery or distribution of equipment and completion of the transmission of analog television signals, respectively.

Broadcast television concessionaires and permit holders shall be bound to invest the amounts necessary and build the installations required to transition to digital terrestrial television by December 31, 2015. The Federal Telecommunications Institute shall monitor due performance of that obligation.

Public or social use concessionaires or permit holders, including community and indigenous concessionaires providing broadcast service that are not able to start digital transmissions by December 31, 2015, shall notify the Federal Telecommunications Institute, in advance, under the terms provided by Article 157 of the Federal Telecommunications and Broadcasting Law, so they can be authorized to temporarily suspend their transmissions or, if necessary, reduce their effective radiated power to apply the continuity program referred to in the next paragraph of this Article. The time limits authorized by the Institute shall not extend beyond December 31, 2016, in any case.



Paragraph added as published in the DOF on December 18, 2015

If the broadcast television stations currently operating with a radiated power less than or equal to 1 kW for VHF channels and 10 kW for UHF channels do not transmit terrestrial digital television signals by the deadline set for the early blackout of analog television broadcast signals by coverage area or by December 31, 2015, without reaching the penetration level indicated in paragraphs three and four of this Article, either in a region, town or across the country, the Federal Telecommunications Institute shall establish a program for people to continue to receive this public service of general interest in the respective areas, until the digital transmissions are initiated and/or the penetration levels indicated in this Article are met. Station owners shall install the required facilities and make the necessary investments in conformity with the deadlines established by the program. In no case, shall the actions under this program extend beyond the December 31, 2016, deadline.

Paragraph amended as published in the DOF on December 18, 2015

The legal, administrative or regulatory provisions that contradict this Transitory Article are repealed.

TWENTIETH. The Federal Telecommunications Institute shall apply Article 131 of the Federal Telecommunications and Broadcasting Law and other applicable interconnection provisions in the same terms, and ensure due compliance with its obligations under those provisions, which shall be enforceable without prejudice and regardless of this Law's enactment, if it had already determined the existence of a preponderant economic agent and imposed the measures necessary to prevent fair and open competition in conformity with Section III of the Eighth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications, published in the Federal Official Gazette on June 11, 2013.

For the purposes of the provisions outlined in paragraph b) of Article 131 of the Federal Telecommunications and Broadcasting Law, and until the concessionaires referred to in that paragraph agree to the corresponding interconnection fees or the Institute does not resolve any disputes regarding these fees, as appropriate, the current fees shall remain in force except in the case of the economic agent referred to in paragraph two of Article 131 of the referenced Law, which shall be subject to the provisions set forth in subsection a) of the same Article.

TWENTY-FIRST. The Federal Consumer Protection Bureau (PROFECO) shall create a specialized area at least at the Deputy Attorney General level with the necessary structure based on the budget approved by the House of Representatives to this end, to ensure the response, promotion, and oversight of user rights under the Federal Telecommunications and Broadcasting Law, and the Federal Consumer Protection Law.

TWENTY-SECOND. The Federal Telecommunications Institute shall issue the general administrative provisions referred in Title Eight of the Federal Telecommunications and Broadcasting Law within 90 calendar days after this Executive Order enters into force.

TWENTY-THIRD. The budgetary impact generated on the occasion of the entry into force of this Executive Order on personnel services, and the establishment of new tasks and activities by the Federal Telecommunications Institute, shall be covered by the annual budget the House of Representatives approves for this agency.

TWENTY-FOURTH. In conformity with the Fifteenth, Sixteenth, and Seventeenth Transitory Articles of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the of the Mexican Constitution on telecommunications published in the Federal Official Gazette on June 11, 2013, the last paragraph of Article 14 of the 2014 Fiscal Year Federal Revenue Law, is repealed.

TWENTY-FIFTH. The provisions of paragraph V of Article 118 of the Federal Telecommunications and Broadcasting Law shall enter into force on January 1, 2015; therefore, public telecommunications network



concessionaires providing fixed, mobile or both services may not charge users for domestic long distance calls made to any domestic destination after that date.

Notwithstanding the above, concessionaires must consolidate all local service areas existing in the country in conformity with the guidelines issued by the Federal Telecommunications Institute to that end. Each concessionaire must bear the costs of such consolidation.

Furthermore, the Federal Telecommunications Institute shall have 180 days following the enforcement of this Executive Order to determine the points of interconnection to the public telecommunications network of the preponderant economic agent or the economic agent holding substantial market power.

Administrative decisions that may have been issued shall remain without effect in matters that are contrary to the provisions set forth by this Transitory Article.

Concessionaires shall maintain the numbering assigned for use on smart network services under their reverse charge collection methods and other special services such as 900 numbers.

TWENTY-SIXTH. The Federal Government shall submit to the Senate or to the Standing Committee, where appropriate, the proposal to appoint the Chairman of the Mexican State's Public Broadcasting System, within 30 calendar days after this Executive Order comes into force.

The Senate or the Standing Committee, where appropriate, shall appoint the System Chairman within 30 calendar days after receipt of the Federal Government's proposal.

TWENTY-SEVENTH. The representatives of the Ministries that shall sit on the Governing Board of the Mexican State's Public System shall be appointed within 60 calendar days after this Executive Order comes into force.

TWENTY-EIGHTH. The members of the Citizen Council of the Mexican State's Public Broadcasting System shall be appointed within 60 calendar days following the entry into force of this Executive Order.

TWENTY-NINTH. The Chairman of the Mexican State's Public Broadcasting System shall submit the draft Statutory Charter to the Governing Board for its approval within 90 calendar days following his appointment.

THIRTIETH. Following the entry into force of this Law, the decentralized Audiovisual Media Promotions Entity shall become the Mexican State's Public Broadcasting System, taking on that entity's human, budgetary, financial and material resources.

The Statutory Charter of the Audiovisual Media Promotions Entity shall continue to apply until the Mexican State's Public Broadcasting System issues its own Statutory Charter, as long as it is not contrary to the Mexican State's Public Broadcasting System Law.

The labor rights of the Audiovisual Media Promotions Entity shall be respected according to the Law.

THIRTY-FIRST. The Audiovisual Media Promotions Entity's human, financial, and material budgetary resources, shall become part of the Mexican State's Public Broadcasting System once its Chair has been appointed, without prejudice to its workers' labor rights.

THIRTY-SECOND. The Ministry of the Interior shall coordinate its monitoring powers established according to the Federal Telecommunications and Broadcasting Law with the corresponding authorities.



The House of Representatives shall allocate the necessary resources to ensure the proper exercise of the powers referred to in this Transitory Article.

THIRTY-THIRD. The Federal Telecommunications Institute shall issue the guidelines referred to in Section III of Article 158 of the Federal Telecommunications and Broadcasting Law within 180 calendar days after this Executive Order comes into force.

THIRTY-FOURTH. The House of Representatives shall allocate to the Mexican State's Public Broadcasting System resources commensurate with its economic objectives and functions, for which should consider:

- I. Its growth plans;
- II. Operating expenses, and
- III. Its financial balance.

THIRTY-FIFTH. With the exception of the provisions set forth in the Twentieth Transitory Article that orders the Federal Telecommunications Institute to implement Article 131 of the Federal Telecommunications and Broadcasting Law issued by virtue of this Executive Order and other applicable interconnection rules, the administrative resolutions the Federal Telecommunications Institute might have issued prior to the entry into force of this Executive Order concerning preponderance resolutions, shall continue to have full effect.

THIRTY-SIXTH. The Federal Telecommunications Institute shall have 180 days after this Executive Order comes into force, to conduct the necessary studies to analyze whether there is a need to establish mechanisms to promote and encourage concessionaires to include a programmatic bar aimed at children promoting culture, sports, environmental conservation, respect for human rights, the best interests of children, gender equality, and non-discrimination.

THIRTY-SEVENTH. For the purposes of the justice enforcement authorities referred to in Section I of Article 190 of the Federal Telecommunications and Broadcasting Law, the provisions of the Federal Telecommunications Act shall continue in force in terms of geographic location in real time until the National Code of Criminal Procedure comes into force.

THIRTY-EIGHTH. The Federal Telecommunications Institute shall have 60 business days after the Federal Telecommunications and Broadcasting Law comes into force, to issue the administrative rules necessary to eliminate requirements that may delay or prevent number portability and, where appropriate, promote its completion through electronic media.

The rules referred to in the preceding paragraph, should ensure effective portability completed within a period not to exceed 24 hours from the time the holder of the respective number submits the request.

The only requirement established to make such change is the provision of the holder's government-issued identity document and the expression of the user's will. In the case of business corporations, the process must be carried out by the representative or attorney in fact providing evidence of their personality in terms of the applicable regulations.

THIRTY-NINTH. For the purposes of Article 264 of the Federal Telecommunications and Broadcasting Law, the Federal Telecommunications Institute shall start the investigation procedures applicable in terms of the Federal Economic Competition Law, without prejudice to the provisions set forth by the Ninth Transitory Article of this Executive Order within 30 calendar days after its entry into force, to determine the existence of economic agents with substantial power in the relevant telecommunications and broadcasting



markets, which must include the associated audio and video domestic market through public telecommunications networks and impose the relevant measures, where appropriate.

FORTIETH. The preponderant economic agent in the telecommunications sector or the agent with substantial power in the relevant market shall be bound to comply with the provisions laid down in Article 138, Section VIII, Article 208 and Sections V and VI of Article 267 of the Federal Telecommunications and Broadcasting Law, once it comes into force.

FORTY-FIRST. Public higher education institutions, which, at the date of entry into force of this Executive Order have the broadcasting means referred to in Articles 67 Section II and 76 Section II of the Federal Telecommunications and Broadcasting Law, shall receive additional budgetary funds to this end.

FORTY-SECOND. The concession to install, operate, and use a public telecommunications network under the terms of Fifteenth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications that must be transferred by the Federal Electricity Commission to Federal Agency Telecomunicaciones de México, shall not be subject to the provisions set forth in Articles 140 and 144 of the Federal Telecommunications and Broadcasting Law, solely with respect to contracts in force on the date this Executive Order is published, that were signed by and between the Federal Electricity Commission and those individuals or entities that must be considered end users under that law.

These contracts shall be transferred by the Federal Electricity Commission to Federal Agency Telecomunicaciones de México, together with the corresponding concession. Federal Agency Telecomunicaciones de México shall assign those contracts to other concessionaires authorized to provide services to end users, within six months from the date on which they are assigned.

In the event of a technical, legal, or economic impediment that could preclude Federal Agency Telecomunicaciones de México from assigning the referenced contracts, these shall remain in effect at most until their termination dates, but may not be renewed or extended for additional periods.

FORTY-THIRD. Within a period not exceeding 36 months after this Executive Order enters into force, commercial use concessionaire signals used to transmit broadcast television and covering more than 50% of the national territory must offer Mexican sign language or hidden captioning in a national language for programming broadcast from 6 a.m. to midnight, excluding advertising and other cases established by the Federal Telecommunications Institute, based on international best practices. Federal authorities that hold public broadcast television concessions shall be subject to the same obligation.

FORTY-FOURTH. In relation to obligations regarding accessibility for people with disabilities referred to in the Federal Telecommunications and Broadcasting Law for the protection of audiences, concessionaires shall have up to 90 calendar days after this Executive Order enters into force to start making the applicable adjustments and mechanisms.

FORTY-FIFTH. The restriction on access to sharing the preponderant economic agent's broadcasting infrastructure provided in Section VII of Article 266 of the Federal Telecommunications and Broadcasting Law shall not apply to concessionaire(s) resulting from the bidding process for the new digital broadcast channels referred to in Section II of the Eighth Transitory Article of the Executive Order amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94, and 105 of the Mexican Constitution on telecommunications.

Mexico City, Federal District on July 9, 2014. - Sen. **Raúl Cervantes Andrade**, President. - Rep. **José González Morfín**, President. - Sen. **Rep. María Elena Barrera Tapia**, Secretary. - Rep. **Angelina Carreño Mijares**, Secretary. - Initials.”



THE MEXICAN CONGRESS
General Secretariat
Parliamentary Services

FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW

*Last amendment published in the Federal Official Gazette
(DOF) on June 1, 2016*

In compliance with the provisions set forth in Section I of Article 89 of the Mexican Constitution, and to ensure its due publication and observance, I hereby issue this Executive Order in the Official Residence of the Federal Executive Branch in Mexico City, Federal District on December 16, 2015. - **Enrique Peña Nieto** - Initials. - The Secretary of the Interior, **Miguel Ángel Osorio Chong**. - Initials.



TRANSITORY ARTICLES OF REFORM DECREES

EXECUTIVE ORDER amending, supplementing or repealing certain provisions of the Federal Public Administration Act, and other laws to create the Ministry of Culture.

Published in the Federal Official Gazette on December 17, 2015.

EIGHTEENTH ARTICLE. REFORMS Article 218 and ADDS Article 218 Bis of the Federal Telecommunications and Broadcasting Law, to read as follows:

.....

TRANSITORY ARTICLES

FIRST. This Executive Order shall enter into force on the day following its publication in the Federal Official Gazette.

SECOND. The National Council for Culture and Arts is transformed into the Ministry of Culture, so all its assets and material, financial, and human resources shall be transferred to the referenced Ministry, along with the files, archives, collections, and other documentation safeguarded under any format.

After this Executive Order enters into force, the information mentioned in the laws, regulations, and provisions of any nature regarding the National Council for Culture and Arts, shall be understood to refer to the Ministry of Culture.

THIRD. The labor rights of the employees working for the National Council for Culture and Arts, the Ministry of Education, the decentralized and state-controlled enterprises, which on the occasion of the entry into force of this Executive Order shall now report to the Ministry of Culture, shall be respected at all times in conformity with the provisions of the laws and other applicable provisions.

FOURTH. The National Institute of Anthropology and History and the National Institute of Fine Arts and Literature shall continue to be governed by their respective laws and other applicable provisions and shall be part of the Ministry of Culture, which shall exercise the powers granted to the Ministry of Public Education under those laws.

Decentralized agencies Education Radio and the National Institute of Historical Studies of the Revolutions of Mexico, shall be assigned to the Ministry of Culture and maintain their legal nature.

FIFTH. The Ministry of Culture shall create the different councils, inter-ministerial committees, and collegiate organs under the applicable legal provisions, within the scope of its powers.

SIXTH. Matters pending resolution at the entry into force of this Executive Order that falls under the Ministry of Culture's jurisdiction according to that Executive Order shall continue to be addressed by this agency in conformity with the applicable legal provisions.

SEVENTH. All provisions, standards, guidelines, criteria and other regulations issued by the National Council for Culture and Arts SHALL continue in effect until the competent administrative units of the Ministry of Culture amend or repeal them.

Furthermore, all provisions, guidelines, criteria, and other regulations issued by the Ministry of Public Education that contain provisions concerning the National Council for Culture and Arts or the administrative



bodies it coordinates, shall continue in force as long they do not contradict this Executive Order, until the competent administrative units of the Ministry of Culture decide to amend or repeal them.

EIGHTH. The powers and references made to the Ministry of Public Education or the Secretary of Public Education under this Executive Order that were not amended, and whose provisions provide powers and competences in the fields of culture and art regulated by this Executive Order shall be understood to refer to the Ministry of Culture or the Secretary of Culture.

NINTH. The expenses incurred in connection with the entry into force of this Executive Order, shall be covered under the budget approved for the National Council for Culture and Arts, as well as the state-controlled enterprises and decentralized administrative bodies that are grouped in the sector coordinated by the Ministry of Culture, so no additional resources for this purpose shall be authorized during the relevant fiscal year, without prejudice of the fact that those economic resources, if any, may be used for programs or projects that agency of the Executive Branch considers a priority, charged to the budget authorized for such purposes and in terms of the applicable provisions.

TENTH. All legal provisions contrary to the contents of this Executive Order are hereby repealed.

Mexico City, Federal District, December 15, 2015. - Rep. **José de Jesús Zambrano Grijalva**, President. - Sen. **Roberto Gil Zuarth**, President. - Rep. **Verónica Delgadillo García**, Secretary. - Sen. **María Elena Barrera Tapia**, Secretary. - Initials.

In compliance with the provisions outlined in Section I of Article 89 of the Mexican Constitution, and to ensure its due publication and observance, I hereby issue this Executive Order in the Official Residence of the Federal Executive Branch in Mexico City on December 16, 2015. - **Enrique Peña Nieto**. - Initials. - The Secretary of the Interior, **Miguel Ángel Osorio Chong**. - Initials.



Executive Order amending the Ninth Transitory Article of the Executive Order issuing the Federal Telecommunications and Broadcasting Law (LFTR), and the Mexican State's Public Broadcasting System Law; and amending, supplementing, and repealing certain broadcasting and telecommunications provisions published on July 14, 2014.

Published in the Federal Official Gazette on December 18, 2015.

SOLE ARTICLE. A paragraph seven is added, moving the subsequent paragraphs and amending current paragraph seven of the Ninth Transitory Article of the EXECUTIVE ORDER ISSUING THE FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW (LFTR), AND THE MEXICAN STATE'S PUBLIC BROADCASTING System Law; AND AMENDS, SUPPLEMENTS, AND REPEALS CERTAIN BROADCASTING AND TELECOMMUNICATIONS PROVISIONS PUBLISHED IN THE FEDERAL OFFICIAL GAZETTE ON JULY 14, 2014 to read as follows:

.....

Transitory Articles

First. This Executive Order shall enter into force on the day following its publication in the Federal Official Gazette.

Second. With the entry into force of this Law, all laws, regulations and administrative provisions contrary to it are repealed.

Third. From the beginning of the pre-campaigns and until election day, the Federal Government and the state and municipal governments shall suspend distribution or replacement of receiving equipment or decoders, as well as programs delivering digital televisions perform by states holding elections in 2016. The National Electoral Institute shall verify compliance with this provision and apply the corresponding penalties, where appropriate. The delivery, distribution or replacement of receiving equipment, decoders, or digital television sets in contravention of the provisions of this article shall be punished in terms of the General Institutions and Electoral Procedures Law.

Mexico City, Federal District, December 9, 2015. - Sen. **Roberto Gil Zuarth**, President. - Rep. **José de Jesús Zambrano Grijalva**, President. - Sen. **Rosa Adriana Díaz Lizama**, Secretary. - Rep. **Alejandra Noemí Reynoso Sánchez**, Secretary. - Initials.”

In compliance with the provisions set forth in Section I of Article 89 of the Mexican Constitution, and to ensure its due publication and observance, I hereby issue this Executive Order in the Official Residence of the Federal Executive Branch in Mexico City on December 16, 2015. - **Enrique Peña Nieto**. - Initials. - The Secretary of the Interior, **Miguel Ángel Osorio Chong**. - Initials.



EXECUTIVE ORDER reforming Article 230 of the Federal Telecommunications and Broadcasting Law (LFTR).

Published in the Federal Official Gazette on June 1, 2016.

Sole Article. Paragraph one of Article 230 of the Federal Telecommunications and Broadcasting Law is amended to read as follows:

.....

TRANSITORY ARTICLE

Sole Article. This Executive Order shall enter into force on the day following its publication in the Federal Official Gazette.

Mexico City, April 26, 2006. - Rep. **José de Jesús Zambrano Grijalva**, President. - Sen. **Roberto Gil Zuarth**, President. - Rep. **Ramón Bañales Arambula**, Secretary. - Sen. **César Octavio Pedroza Gaitán**, Secretary. - Initials.”

In compliance with the provisions set forth in Section I of Article 89 of the Mexican Constitution, and to ensure its due publication and observance, I hereby issue this Executive Order in the Official Residence of the Federal Executive Branch in Mexico City on December 16, 2015. - **Enrique Peña Nieto** - Initials. - The Secretary of the Interior, **Miguel Ángel Osorio Chong**. - Initials.



ERRATA to the Executive Order amending Article 230 of the Federal Telecommunications and Broadcasting Law (LFTR) published on June 1, 2016.

Published in the Federal Official Gazette on June 9, 2016

Page 50 of Section One reads:

Article 230. In their transmissions, the concessionaires' radio stations may use any of the national **languages** under ...

It should read:

Article 230. In their transmissions, the concessionaires' radio stations may use any of the national **languages** under ...