

## Article 28 of Mexican Constitution

Monopolies of any kind or tax exemptions are prohibited in Mexico under the terms and conditions provided by law. The same applies to prohibitions under the guise of industry protection.

The law shall punish severely, and the authorities shall effectively prosecute, every concentration or hoarding of articles of prime necessity in one or a few hands in order to promote price increases; every act or proceeding of producers, industrialists, retailers, and service entrepreneurs to prevent competition among themselves and to compel consumers to pay excessive prices; and, in general, whatever constitutes exclusive and undue advantage in favor of one or more individuals, to the detriment of the general public or any social class.

The laws shall determine the bases for setting maximum prices for articles or for consumer goods considered as essential for the economy or for popular consumption. They shall also impose means for organizing the distribution of such articles or consumer goods, in order to avoid unnecessary intermediaries that could generate supply shortages and price increases.

The law shall protect consumers and encourage their organization for the better protection of their interests. The functions exercised exclusively by the State in the strategic areas referred to herein shall not constitute monopolies: postal system; telegraph and radiotelegraphy; crude oil and hydrocarbons; basic petrochemical industry, radioactive minerals and nuclear power production; electricity, and other activities specified by the laws enacted by Congress. According to article 25 of this Constitution, satellite communications and railway transportation are priority areas for national development. In exercising its governing functions, the State shall protect the Nation's security and sovereignty. The State shall maintain and establish control over such means of communication through the granting of concessions and permits, in accordance with the corresponding laws.

The State shall have the necessary institutions and enterprises to manage the strategic areas in its charge effectively, and for priority activities where, according to the law, [it] participates by itself or with the social and private sectors.

The State shall have a central bank, which shall be autonomous in exercising its function and management. Its main goal will be to foster the stability of the national currency's purchasing power, therefore strengthening the State's role in guiding the country's development. No authority shall order the central bank to grant financing.

The functions exclusively performed by the State through the central bank in the strategic areas of minting of coins and issuing of bank notes are not to be considered as monopolies. According to law and with the intervention of the competent authorities, the central bank shall regulate the exchange rate, financial intermediation, and financial services. The central bank is entitled to carry out such regulation and to foster its enforcement. The management of the bank shall be in charge of individuals appointed by the President and confirmed by the Senate or, should it be the case, by the Permanent Commission. They shall discharge their office by periods, in line with the autonomous exercise of their functions. They shall only be removed by grave causes and they cannot hold any other position or job, except those in which they act on behalf of the bank or those honorary related with teaching, scientific, cultural, or charity associations. The people in charge of the direction of the central bank may be subject to impeachment in accordance with the provisions set forth in Article 110 of this Constitution.

Workers associations organized to protect their interests, and producers associations or cooperative societies, which organized to defend their own interests or the public interest, sell directly in foreign markets domestic or industrial products, which are the main source of wealth of the region in which they are produced, excluding articles of main consumption, in so far as said associations are under the vigilance or protection of the Federal Government or the States, and have been previously authorized by their respective local legislatures, shall not constitute monopolies. The same legislatures, on their own or suggested by the Executive, can revoke, whenever public necessity so requires, the authorizations for the establishment of the aforementioned associations.

Privileges granted to authors and artists for a fixed period for the production of their works, and those granted to inventors or any other person that performs a finishing activity for the exclusive use of their inventions, shall not

constitute monopolies either.

In cases of public interest, and abiding by the laws, the State may grant concessions for the rendering of public services or the exploitation, use or development of state-owned goods, subject to the exceptions provided by said laws. The laws will determine the methods and conditions to assure the effectiveness of the rendering of services and the social use of such goods, preventing any accumulation of goods in a few hands that could affect the public interest.

Public service systems shall abide by the Constitution and can only operate by means of law.

Subsidies may be granted to priority activities, as long as they are general, temporary, and do not affect the Country's finances significantly. The State will surveil their use and evaluate their results.