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Synopsis of Proposed Amendments to NGO Law in Mexico

I. General Principles of Proposed Amendments to the Legal Framework of NGOs

- 1- Freedom of associations to define their own social objectives: these institutions should have the necessary freedom to develop its own strategies concerning its contributions to society. They should not simply be an extension of governmental policies.
- 2- The consideration of these institutions as public interest entities: this involves establishing ways to channel public resources and to confer various tax incentives to promote funding of the organization and further its objectives.
- 3- Emphasizing principles of collaboration and mutual responsibility between government and society: this involves ways to establish a connection between government and society to achieve a maximum benefit of talent, and experience from its citizenry and institutions in the design, execution, operation, administration, and evaluation of public policies.
- 4- Laws and regulation of the sector should be directed towards facilitating the stimulation of interest among those who wish to contribute their time, talent, and money to benefit others

II. Stated Purposes of the Proposed Legislation:

- 1- Encouragement in society of behavior founded on social responsibility, solidarity, philanthropy, charity, and assistance that contributes to social well being and development.
- 2- Stimulate the creation of social organizations that will aid in social well being and development.
- 3- Promote citizen participation in the exercise of social well being and developmental policies carried out by the Federation, States, and Municipalities.
- 4- Establish prerogatives that correspond to these civil organizations.
- 5- Specify the responsibilities and duties of these organizations and branches of the Federal Public Administration to fulfill the goals of the current proposed legislation.

III. Outline of Proposed Legislation:

- I. General Provisions
- II. Rights and Obligations of Civil Organizations
- III. Government Responsibilities Pertaining to Civil Organizations
- IV. Offenses and Sanctions
- V. Administrative Appeal
- VI. Dissolution of Civil Organizations

Synopsis of Mexican Law Regarding NGOs

I. Tax Law Regarding Not-For-Profit:

- Civil associations, societies, and institutions are generally not deemed taxpayers
- Foundations and associations may receive deductible donations provided that:
 - they apply the total amount of revenues to the stated purposes of the entity (this is set forth in the articles of incorporation)
- The primary objective of the institution's activities must be the fulfillment of its corporate purpose, and they must not participate in political campaigns, or engage in advertising, or activities intended to influence legislation.
- Assets must be used exclusively for the corporate purpose, and any surplus may not be used to benefit any person, or any other legal entity UNLESS it falls under specific categories set forth under Art. 70, or the remuneration is in payment for actual services (this must be set forth in the articles of incorporation.)
- At the time of liquidation, assets must be allocated in their entirety to legal entities authorized to receive donations (this must be set forth in the articles of incorporation.)
- The institution must make publicly available information regarding its authorization to receive donations, as well fulfillment of its tax obligations according to the terms established by the Secretariat of the Treasury and Public Credit.

***Note:**

According to Art. 70, entities not deemed as taxpayers may include, in particular:

- Institutions for public assistance or welfare, civil societies or associations (duly authorized to receive donations) which engage in the following activities:
 - a) "Attention to persons whose invalidity or lack of socioeconomic means precludes satisfaction of their basic necessities for subsistence and development";
 - b) "Attention, in specialized establishments, to minors and to elderly persons who have been abandoned or are unprotected, and to invalid persons lacking resources";
 - c) "The rendering of assistance of a medical or legal nature or of social orientation, or of funeral services, to persons lacking resources, and especially to minors, the elderly and invalids";
 - d) Social re-adaptation to those who have committed crimes; or
 - e) Rehabilitation of drug addicts who lack resources.
- Civil associations or societies organized for cultural purposes or engaged in scientific or technological research (this must be recorded in the National Registry of Scientific and Technological Institutions)
- Civil associations or societies engaged in teaching (must possess authorization or acknowledgment of official validity of studies pursuant to the General Education Act.)