

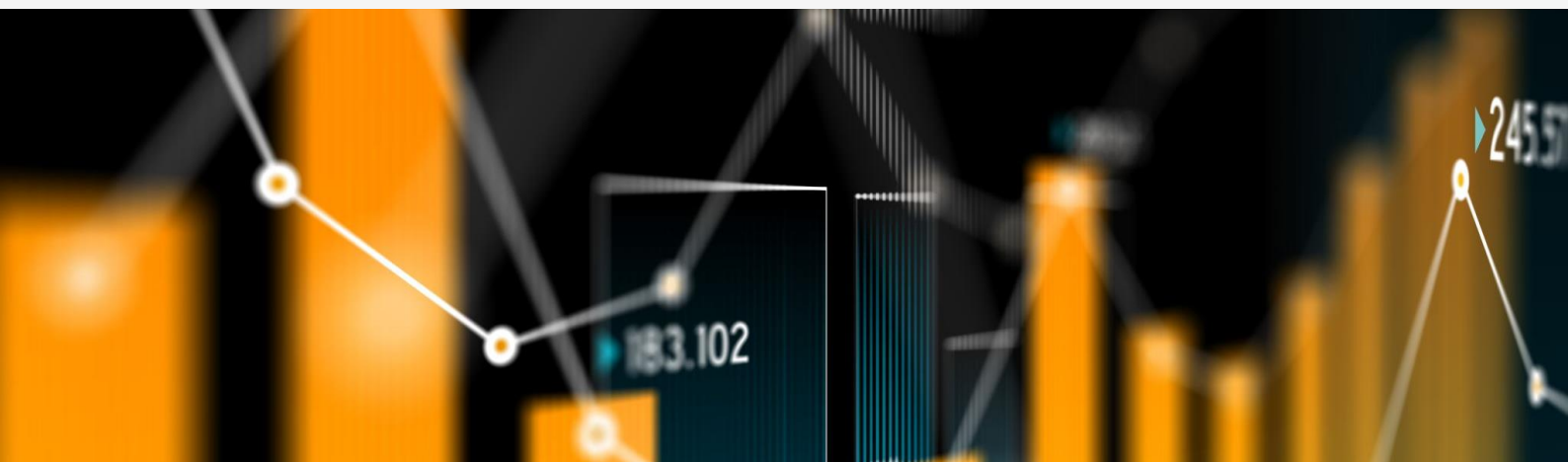
Publication of Reforms to the Federal Economic Competition Law

Effective today, July 17, 2025, the most substantial reform to the Federal Economic Competition Law (“FECL”) since its inception in 2014 comes into force. Certain amendments take effect immediately.

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KEY ASPECTS

- **New authority.** The National Antitrust Commission (“NAC”) will replace the Federal Economic Competition Commission (“COFECE”) as the country’s competition authority. The NAC will assume its functions immediately after its commissioners and chair are appointed and ratified.
- **Accelerated procedures.** Timelines for investigations, trial-like proceedings, and approvals for concentrations are streamlined to expedite processes.
- **Strengthening of the sanctions framework.** Maximum fines are significantly increased, including those applicable to unlawful concentrations. New enforcement measures are introduced to address instances of dawn-raid obstruction, among other procedural violations.
- **Changes to the concentrations regime.** Reporting thresholds for transactions are lowered, the investigation period for non-reported concentrations is extended, and new grounds for objecting to concentrations are established.
- **Limitation on access to fine reductions under leniency and immunity programs.** Economic Agents that cooperate with the antitrust authority during investigations of anticompetitive practices will be subject to stricter limits in connection with the timing of their fine reduction request.
- **Exemption for State-owned companies.** Activities performed by State-owned companies, such as PEMEX and CFE, will not be deemed monopolistic.
- **Class actions, damage claims and repeat offenses.** For class actions and damage claims to proceed, NAC resolutions must be final at the administrative level — not the judicial one. Repeat competition offenses will be considered as such after a final administrative resolution.





On April 24, 2024, the Federal Executive submitted a bill to amend, supplement and repeal various articles of the FECL. The Senate introduced certain amendments, which were subsequently approved by both Chambers of Congress. The final decree was published on July 16, 2025. Key aspects of the approved amendments to the FECL (the “Reform”) are described below.

Relevant aspects

The Reform entails significant changes in competition policy, the functioning of the competition authority, and related procedures, including:

- **New authority created.** The National Antitrust Commission (“NAC”), a decentralized entity under the Ministry of Economy within the Federal Government, replaces the Federal Economic Competition Commission (“COFECE”). Unlike COFECE, the NAC holds antitrust enforcement powers across all sectors, including telecommunications and broadcasting.
 - **Structure of the NAC.** Comprised of five commissioners selected by the head of the Federal Executive and ratified by a simple majority in the Senate.
 - **Start of the NAC and dissolution of COFECE.** The NAC will begin operations the day after its Plenary is formed, which will happen simultaneously with the dissolution of COFECE. The Plenary will be formally established once the Senate ratifies the commissioners and the head of the Federal Executive appoints, from among the ratified commissioners, the person who will lead the NAC for the next three years.
- **Accelerated procedures.** Timelines are reduced for most procedures. For the notification of concentrations, the resolution period decreases from 60 to 30 days, while the extension period for highly complex cases is reduced from 40 to 20 days (a total of 50 days versus 100).
- **Increased sanctions.** Maximum fines for certain infringements are increased as follows, and a new sanction for rigging public procurement processes is created:

Infringement	Previous sanction(s)	New sanction(s)
Absolute monopolistic practices (cartel activities)	Fine of up to 10% of the Economic Agent's income	Fine of up to 15% of the Economic Agent's income
Relative monopolistic practices (abuse of dominance)	Fine of up to 8% of the Economic Agent's income	Fine of up to 10% of the Economic Agent's income
Unlawful concentration	Fine of up to 8% of the Economic Agent's income	Fine of up to 10% of the Economic Agent's income
Failure to obtain prior authorization for a reportable concentration	Fine of up to 5,000 Units of Measure and Update (“UMAs”) and up to 5% of the Economic Agent's income	Fine of up to 50,000 UMAs (MXN 5,657,000) and up to 8% of the Economic Agent's income
Executing a concentration opposed by the authority	Not expressly provided in the FECL	Fine of up to 200,000 UMAs (MXN 22,628,000) and up to 15% of the Economic Agent's income; possible order to undo the concentration
Assisting, promoting, or inducing monopolistic practices or unlawful concentrations	Fine of up to 180,000 UMAs	Fine of up to 300,000 UMAs (MXN 33,942,000)
Failure to comply with regulations on essential inputs,	Fine of up to 10% of the Economic Agent's income	Fine of up to 12% of the Economic Agent's income



Infringement	Previous sanction(s)	New sanction(s)
not removing a barrier to competition, or not divesting assets as mandated		
Bid-rigging in tenders, contests, auctions or sales	Not previously provided in the FECL	Temporary disqualification from participating in public procurements (6 months to 5 years)
Failure to comply with specific obligations as a preponderant Economic Agent's in telecommunications and broadcasting	Not previously provided in the FECL	Fine of up to 10% of the Economic Agent's income

- **New enforcement measures.** The Reform introduces new sanctions for impeding or obstructing a dawn raid, failing to appear at hearings or refusing to respond queries from the authority.
- **Changes to the concentrations regime.** The Reform lowers the thresholds established by the FECL for determining whether a transaction requires authorization from the antitrust authority, effective July 17, 2025. The investigation period for nonreportable concentrations is extended from one to three years. Additionally, concentrations may now be opposed if they have, or may have, the purpose or effect of affecting or harming competition in the relevant market or related markets, broadening its scope (previously, they could only be challenged if they affected the relevant market).
- **National interest and deadline restrictions.** If the Federal Government informs the NAC that a matter is of national interest, the NAC cannot extend the deadline to decide on a concentration case, limiting the maximum resolution period to 30 days.
- **Limitation on access to fine reduction benefits based on cooperation timing.**
 - **Fine reduction procedure for investigations of abuse of dominant power:** Full immunity (case closed without liability) is only available if the corresponding request is submitted prior to the Investigating Authority's ("IA") third extension of the investigation period.
 - **Leniency program for cartel investigations:** If an investigation is initiated by a leniency request, the first Economic Agent to file the complaint and join the program may receive full immunity and face only a minimum fine. Once the investigation has started, the fine reduction for the first Economic Agent drops to 50%. This benefit must be requested before the third extension of the investigation period. Beneficiaries of the program are shielded from NAC disqualification or class actions.
- **Exemption for State-owned enterprises.** Activities carried out by State-owned enterprises will not be considered monopolies.
- **Clarification regarding the imposition of maximum prices in the hydrocarbons sector.** The Reform states that the imposition of maximum prices for goods and services in the Mexican economy by the Executive, as before, will follow the terms established in the FECL. However, goods and services in the hydrocarbons industry are explicitly excluded, as they will be governed by the regulations established in the Hydrocarbons Sector Law.
- **Limitation on the NAC's power to issue opinions.** The Reform limits NAC's ability to issue opinions to proposed laws, regulations or general administrative acts that may potentially restrict competition, except upon request of the Executive, through the Ministry of Economy, when deemed "relevant to the national interest."



- **Compliance programs.** Companies may request certification of their compliance programs from the NAC, subject to fee payment. Certification may serve as a fine mitigating factor.
- **Transitional regime and suspension of investigations.**
 - Ongoing proceedings before COFECE will continue their course under the NAC, under the provisions in effect at the time they were initiated.
 - The head of the IA of COFECE will remain in its position as head of the IA in the NAC until the end of his tenure.
 - All investigation proceedings conducted by the IA are suspended as of July 17, 2025, until the Plenary of the NAC is constituted.
 - Other procedures, including those related to concentrations and trial-like proceedings, continue to be overseen by COFECE until its dissolution, after which they will be processed by the NAC.
 - Acts issued by COFECE will retain their validity and binding effects.
 - A new secondary regulation detailing the application of the FECL will be issued within the 180 days after the NAC is integrated.



For additional information, please contact our **Knowledge and Innovation Group Lawyers** or your regular contact person at Cuatrecasas.

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