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Redrawing the Rules: Mexico's 2025 Antitrust Reform and What It Means for Global Business

Mexico's Congress approved a comprehensive legislative reform to the Federal Economic Competition Law (**LFCE**) on June 30, 2025, marking a significant shift in how antitrust enforcement will be conducted nationwide.

The reform will be published in the Official Gazette of the Federation in the coming days. The reform will enter into force the day after its publication, and the new authority will replace the Federal Economic Competition Commission (**COFECE**) the day after the Mexican President appoints (and the Senate ratifies) the new Board of Commissioners and its Commissioner President. This is expected to occur during July 2025.

The reform redefines the institutional framework, expands the scope of liability, and significantly increases the severity of sanctions. It also implements the constitutional reform of December 2024, which ordered the dissolution of the independent antitrust and telecom authorities, transferring their powers to a new competition body aligned with the Executive.

For in-house counsel, foreign counsel, and international businesses active in Mexico, this note highlights the 25 key changes introduced by the reform, divided into three sections: *Institutional Structure and Governance*, *Merger Control*, and *Substantive Enforcement Rules*.

I. Institutional Structure and Governance

1. New Competition Authority (CNA):

The reform implements the dissolution of the COFECE and creates the **Comisión Nacional Antimonopolio** (National Antitrust Commission) as the sole competition regulator. The CNA is established as a decentralized agency **within** the federal government's structure (sectorized to the Ministry of Economy), in contrast to COFECE's former constitutional autonomy. The reform preserves an internal **separation between the investigative and adjudicative functions** within the CNA.

There is concern that the CNA's new status – "**sectorized**" to a Ministry – could subject it, in practice or appearance, to government influence in high-stakes cases. Lawmakers from the ruling coalition defended the change, arguing that competition policy should align with strategic state objectives and that closer ties to the Executive will enhance coordination. However, opposition voices and observers have warned that subordinating the antitrust authority to the President undermines institutional checks and balances and risks injecting political criteria into antitrust decisions.

Nonetheless, a period of **uncertainty in enforcement predictability** is anticipated. While the CNA's mandate does not explicitly mention broader economic and social welfare goals, they could still tilt enforcement priorities.

Mergers or conduct involving “strategic” industries (in the eyes of the Federal Government) might receive heightened scrutiny or face non-traditional considerations beyond pure competition analysis.

With this potential politicization, decisions may become less predictable, especially in cases where the government’s plans and pure antitrust interests intersect.

2. A Single Authority for All Sectors:

With the dissolution of the Federal Telecommunications Institute (IFT), which had competition authority for telecom and broadcasting, the reform centralizes all competition enforcement in the new CNA. By eliminating the jurisdictional contest that affected many deals, the CNA now oversees antitrust matters in every sector, including telecommunications and media, coordinating as needed with the sectoral regulator (the CRT).

3. New Telecom Regulators:

The reform indirectly introduces a **Telecommunications Regulatory Commission (CRT)** and an **Agency for Digital Transformation and Telecommunications (ATDT)**, which assume the IFT’s sector-specific functions (e.g., spectrum concessions and technical regulation) under the new Federal Telecommunications Law. The CNA will work in tandem with these bodies, for example, by imposing asymmetric regulations in telecom and broadcasting markets and determining dominant (“preponderant”) operators when required, but **enforcement of the LFCE itself is exclusive to the CNA.**

4. Exception for the Activities of State-Owned Enterprises:

While the LFCE has long provided that **State-exclusive activities are not considered monopolies**, the reform broadens this exemption to expressly include the **activities of State-Owned Enterprises (SOEs)**, as well as any other activities that Congress may designate by law.

5. National Interest Statements:

The reform introduces a new provision allowing the **Executive Branch to issue “national interest statements”** declaring certain markets, sectors, or transactions as matters of national interest on competition and free access to markets grounds. When issued, the CNA is **obliged to take a position on the matter within 10 days** and is **prohibited from extending the review periods** related to the transaction or conduct in question.

6. Smaller Board of Commissioners; No Need to Pass an Exam:

The CNA’s governing Board will consist of **five** commissioners (down from seven). These **Personas Comisionadas** are now **appointed directly by the President of Mexico with Senate ratification** (removing the former independent selection mechanism involving getting the highest marks in a law and economics exam). Commissioners serve staggered **seven-year terms** with no reappointment. The **Commission’s President** is appointed by the Mexican President from among the five commissioners for a **three-year term, renewable once.**

II. Merger Control

7. Lower Merger Notification Thresholds:

The reform **lowers the monetary** thresholds that trigger mandatory notification of concentrations. More transactions will now meet the criteria requiring CNA approval before closing, due to reduced value thresholds. Additionally, certain exemptions that previously allowed some deals to skip the notification process have been

eliminated (foreign-to-foreign transactions with no asset accumulation in Mexico and passive speculative acquisitions by investment funds).

This reform will sweep a larger number of deals, including smaller and medium-sized acquisitions that previously flew under COFECE's radar, into the **mandatory filing** net, increasing the number of transactions that will require Mexican antitrust clearance. It is now crucial to assess Mexican thresholds early in the due diligence stage of any cross-border deal involving a nexus to Mexico (even if it is only sales-based). It is also important to re-evaluate whether transactions already signed that were not notifiable under the previous law are now notifiable.

8. Shorter Merger Review Timelines:

The statutory timeframes for the Commission's **merger review process are halved**. The CNA is now required to assess notified transactions in significantly shorter periods once a file is deemed complete.

The **practical effect** of this reduction will depend on the CNA's capacity and approach. If the agency is inundated with a higher volume of filings due to lower thresholds, there is a risk that complex cases might be pushed into an extended review or face more complex information requests to meet the tighter deadlines, since the clock only starts running once they are duly answered.

9. Longer Look-Back for Under-the-Radar Mergers:

The window during which the Commission can investigate and **challenge consummated mergers that were not subject to notification** is expanded. The period for ex post review of non-reportable transactions is extended from **one year to three years** after the transaction is closed. This means the CNA can unwind or sanction an unnotified merger up to three years post-consummation if it finds that the deal had anticompetitive effects.

10. New Illegality Criterion for Mergers:

The reform adds an explicit evaluative criterion in determining an **illegal concentration**: a merger may be deemed anticompetitive if it **"could significantly affect competition in the relevant market or related markets"**. This essentially codifies a *substantial lessening of competition* test in the law.

III. Substantive Enforcement Rules

11. Attorney–Client Privilege Rules are now Included in the LFCE:

The reform codifies the scope of legal professional privilege in antitrust investigations by incorporating the procedure, previously part of regulations issued by COFECE, into the law itself. It explicitly **protects communications between external lawyers and their clients** in the context of competition proceedings, but **excludes communications between in-house counsel and their internal clients** from privileged status. In practice, only correspondence with independent outside counsel will be shielded from seizure or use as evidence by the CNA.

12. Investigation Periods are Shortened from Four to Three Phases:

The CNA's maximum timeline for conducting investigations into potential violations of the LFCE is reduced **from four stages of 120 business days each to three stages of 120 business days each**, thereby **shortening the overall investigation period by 25%**.

13. Cartels Expanded to “Potential” Competitors:

The definition of absolute monopolistic practices (cartels) is broadened to include agreements between **potential competitors**, not just current competitors. Any contract, arrangement, or information exchange between agents that are actual or potential rivals, aimed at price-fixing, output restriction, market allocation, or bid-rigging, is now per se illegal.

14. Information Exchange as Collusive Conduct:

The reform clarifies that **illicit information exchanges between competitors are treated as forms of collusive behavior inherent to cartel conduct**, rather than as separate or ancillary acts resulting from an illegal agreement, now allowing the CNA to prosecute the exchange itself as the unlawful agreement, without the need to prove additional implementation or effects.

15. Stronger Cartel Sanctions (15% Fines):

To enhance deterrence, the maximum administrative **fine for hard-core cartel conduct** (absolute monopolistic practices) is doubled from 10% to **15% of the economic agent’s annual Mexican revenue**.

16. Higher Fines for Abuse of Dominance (10% Fines):

The reform likewise raises the sanctions for relative monopolistic practices (abuse of dominance). The maximum fine for abusing a dominant position is increased from 8% to **10% of the offender’s annual revenue in Mexico**.

17. Broadened Abuse of Dominance Standard:

The LFCE now explicitly prohibits not only practices with an exclusionary effect but also those **that unduly limit the ability of other players to compete**.

18. Disqualification from Public Procurement for Cartel Conduct:

Companies found to have engaged in **bid rigging** now face a new sanction: the CNA can now impose a **temporary disqualification from participating in public procurement procedures**, either directly or through intermediaries. The disqualification period ranges from **six months to five years**, and applies independently of any administrative, civil, or criminal liability under other laws.

19. Revisited Leniency Program:

The reform narrows the availability of full immunity in cartel cases to the **first applicant** that submits their leniency request **before the authority initiates the investigation**. Subsequent applicants may qualify for fine reductions of **50%, 30%, or 20%**, depending on the value of the information provided. In cases involving **abuse of dominance or unlawful concentrations**, full immunity is available **only if the application is filed before the start of the third investigative period**. After that point, applicants may be eligible for a 50% reduction in the fine; however, the authority may still establish liability.

20. Tougher Stance on Recidivism:

The reform makes it easier for the Commission to treat an offender as a repeat infringer and to impose enhanced sanctions (including orders to divest assets). Previously, a prior sanction had to be **firm and uncontestable** before being considered for recidivism; now the law provides that once the Commission has issued an earlier infringement decision, a firm will be deemed a recidivist upon a new violation, **even if the first decision is still under judicial review**. Consequently, a second offense can trigger up to **double the fine** or structural remedies without waiting for lengthy appeals, markedly increasing the stakes for companies with prior offenses.

21. Class Actions and Private Damages Claim Period Reset:

For private parties seeking damages (civil claims and class actions) arising from competition violations, the reform resets the **statute of limitations** for private parties. The clock for filing damages now runs from the date the CNA issues its infringement **resolution**, rather than from the date the decision becomes final after court appeals. This change (aimed at facilitating faster redress for victims and addressing a loophole under the prior regime) means claimants need not await the exhaustion of all *amparo* constitutional protection proceedings against the Commission's decision.

22. Fines Must be “Dissuasive”:

The amended law explicitly mandates that fines should be set at levels sufficient to **deter anti-competitive conduct**. In other words, the CNA can impose penalties without strictly anchoring them to the economic damage caused.

23. Heightened Daily Fines and New Offenses:

The reform increases the maximum **daily monetary penalties** for failing to comply with authorities' orders. Non-compliance fines are raised to a maximum of **8,000 UMA** per day (*Unidad de Medida y Actualización*, approximately equivalent to USD 48,000), to encourage prompt compliance with investigative demands or remedial orders. Additionally, the law now creates new punishable offenses for specific procedural violations – for instance, **failing to attend a summons, refusing to answer questions during a deposition, obstructing a dawn raid (verification visit), violating an individual's disqualification, or unjustifiably delaying proceedings**. These additions fill gaps by penalizing tactics that hinder investigations and enforcement.

24. No Bond to Lift Interim Measures:

The reform removes the option for investigated parties to **suspend a preliminary injunction by posting a guaranty (bond)**. Under the prior regime, companies could avert the immediate effect of provisional measures (e.g., orders to cease certain conduct pending investigation) by offering a bond. This possibility has been **eliminated**, meaning that **injunctive relief ordered by the Commission remains in force until the Commission or a court lifts it**. While COFECE seldom used interim measures, this change fortifies the CNA's ability to impose them in this new era.

25. Certified Compliance Programs:

The reform incentivizes antitrust compliance by introducing the **certification of compliance programs**. Having a certified program can serve as a **mitigating factor in sanctions**: the law authorizes the Commission to treat the existence of a certified compliance program as an attenuating circumstance when determining fines.

In summary, several practical steps emerge from these changes:

- **Reevaluate Notification Strategies:** Given the **lowered merger filing thresholds**, teams should ensure that an analysis of **Mexican antitrust clearance is considered for smaller deals**. Failing to file a concentration notice can now result in hefty fines (up to 8% of revenue for failing to file a notification) and the risk of post-closing unwinding for up to three years.
- **Anticipate a Stricter Timeline:** With **accelerated review periods**, parties should be prepared to provide complete information from the outset. Informal pre-filing consultations with the CNA could be helpful to clarify any novel information requirements under the new law and the new authority's criteria. In global transactions, coordinating Mexican filing as a lead-time item will remain important.
- **Bolster Compliance Programs:** The stark increase in fines (20% of revenue for cartels, 15% for abuses of dominance, and the daily penalties for non-compliance) underscores the importance of robust antitrust

compliance. Companies should strengthen their training and monitoring efforts to prevent violations, while also taking advantage of the benefits of directly mitigating fines brought on by this new certification.

- **Be Mindful of Government Policy Dynamics:** With the CNA now closely linked to the Executive, monitoring Mexican economic policy initiatives (e.g., in energy, infrastructure, telecommunications) that might influence antitrust enforcement will become the norm. For instance, a merger that leads to job losses or affects small suppliers could draw higher scrutiny if it conflicts with current administration goals.

Mexico's 2025 antitrust reform is both a legal and institutional turning point. While some of its changes align with international enforcement trends, such as increased fines, broader abuse standards, and adjustments to leniency, others depart from global trends.

The centralization of competition authority under the Executive and the exemption of SOEs raises material questions about the rule of law, due process, and regulatory stability.

For international counsel and global companies, success under the new regime will depend not only on legal strategy but also on anticipating how economic policy and political priorities may impact their deals.

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