Patricio Martínez Osorio

Mexico's Proposed National Security Screening Regime for FDI

Mexico is about to introduce a mandatory national security screening process for FDI. On August 28, 2026, President Sheinbaum submitted a bill to the Mexican Congress to reform the Foreign Investment Law (*Ley de Inversión Extranjera*, the "**LIE**"); the bill was formally received on August 30. If enacted, foreign acquisitions of shareholdings of Mexican companies in designated sectors, where such shareholdings exceed 49% of the share capital of said companies, will require prior clearance from a reconstituted National Foreign Investment Commission (*Comisión Nacional de Inversiones Extranjeras*, the "**CNIE**"). The review process can take up to six months, and administrative silence functions as a deemed refusal.

The bill must be approved by both chambers of Congress and may be amended, but it is the clearest signal to date that Mexico intends to adopt an FDI screening process that is comparable to the Committee on Foreign Investment in the United States ("**CFIUS**") and the EU FDI Screening Regulation. This Legal Briefing summarizes the proposed regime and focuses on the two most consequential issues for cross-border deal teams: transaction deadlines and the interplay with Mexican merger control.

I. Key Takeaways and Recommendations

The bill would create Mexico's first mandatory, suspensory national security screening process for foreign acquisitions of shareholdings of Mexican companies in sectors designated as relevant to national security where such shareholdings exceed 49% of the share capital of the company in question (the "**Listed Sectors**"): (a) **strategic infrastructure** (physical or virtual, including energy, transport, health, communications, mining, data processing or storage, digital systems, aerospace, defense, sensitive facilities, and land or real estate that is essential for the use of such infrastructure); (b) **critical technologies and dual-use products** (including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace and defense technologies, energy storage, quantum and nuclear technologies, and nanotechnologies and biotechnologies); (c) **critical inputs** (in particular, energy, raw materials, and food security); (d) **access to sensitive information** (particularly personal data), **or the ability to control such information**; and (e) **other analogous economic activities or sectors** as determined by the CNIE by general resolution. The screening process applies where the target's assets exceed a threshold to be set by the CNIE, and raises four issues that deal teams must address:

Review period and deemed refusal

The **review period can take approximately six months** in adverse scenarios, and **administrative silence amounts to a refusal** (reversing the current rule of deemed approval). We recommend that long-stop dates and termination mechanics be calibrated to accommodate a review that is comparable in duration and uncertainty to the CFIUS review or the EU FDI Screening Regulation. The penalty for closing a transaction despite a refusal or without clearance falls primarily on the Mexican target, with a separate penalty also imposed on the foreign investor, meaning that sell-side cooperation and the allocation of regulatory risk must be addressed from the term sheet stage. We also recommend that deal teams identify all applicable authorization requirements from the outset and structure the conditions precedent accordingly.

Multiple concurrent filings

A single transaction may require merger clearance from the National Antitrust Commission (*Comisión Nacional Antimonopolio*, the "**CNA**") under the Federal Economic Competition Law (*Ley Federal de Competencia Económica*, the "**LFCE**"), the existing CNIE economic authorization under Articles 8 and 9 of the LIE, the new national security authorization, and sector-specific approvals, each with its own timeline, fees, and conditions. We recommend including Mexico in the initial analysis of reporting requirements alongside merger control and, where possible, submitting filings in parallel.

No power to review *ex officio*, but a flexible scope

The bill does not authorize the CNIE to review or unwind transactions that fall below the filing thresholds (unlike the CFIUS or the UK National Security and Investment Act ("**NSIA**")), meaning that the voluntary filing option functions mainly as insurance in borderline valuations. The real exposure for transactions that fall below the threshold is prospective, as the CNIE can lower the asset threshold or add sectors by general resolution at any time, meaning that structures that rely on staying below the threshold should be stress-tested against future changes to the scope.

Next steps

The bill was submitted to the Mexican Congress on August 28, 2026, and was formally received on August 30; the ordinary session began on September 1, 2026. Corporate groups with Mexican holdings must identify reorganizations or increases in shareholdings that would cross the 49% threshold before the regime enters into force. Once the reform is enacted and published, the key secondary instruments to monitor will be the CNIE general resolution that establishes the asset threshold (due within 180 calendar days of publication), the new regulations to the LIE, and any sector-defining resolutions.

II. The Proposed Regime at a Glance

A **prior favorable resolution from the CNIE** (applied for jointly by the Mexican target and the foreign investor before the CNIE's Technical Secretariat) is required for the **direct or indirect** foreign acquisition of a shareholding that exceeds **49% of the share capital** (*capital social*) of a Mexican company where two cumulative conditions are met:

i) **the company's total asset value exceeds a monetary threshold** to be set by the CNIE through a general resolution (which must be issued and published within 180 calendar days of the publication of the reform in the Official Gazette of the Federation); and

ii) **the company carries out an economic activity within the Listed Sectors.**

Where the asset threshold is not met but the contemplated shareholding exceeds 49% of the share capital of a company in a Listed Sector, filing is voluntary.

The following table compares the proposal to the current framework:

Feature	Current regime	Proposed regime
National security review	Article 30 of the LIE empowers the CNIE to block acquisitions by foreign investors on national security grounds, but provides no procedure, thresholds, sectors, or criteria. This power has remained largely dormant.	Article 30 is repealed and replaced by a dedicated regime (new Title Six bis, Articles 30 bis through 30 sexies) with defined triggers, sectors, procedure, and outcomes.

Mandatory prior clearance	There is no standalone national security filing. A CNIE economic authorization applies to acquisitions of shareholdings that exceed 49% of the share capital in companies whose assets exceed the Article 9 threshold (currently ~MXN 28.6 billion / USD 1.68 billion). Under Article 8, a separate CNIE authorization is required for certain activities (ports, shipping, aerodromes, education, legal services, railways).	A prior favorable CNIE resolution is required for a foreign investment that exceeds 49% of the share capital in a Mexican company in a Listed Sector whose assets exceed a threshold to be set by the CNIE. Deals that fall below the threshold may file voluntarily. Existing authorizations under Articles 8 and 9 are preserved as independent, parallel obligations.
Sector coverage	No sector-specific national security list. Sector-specific FDI controls exist outside the LIE (airports, broadcasting, financial sector) and apply cumulatively.	Five listed categories: (i) strategic infrastructure; (ii) critical technologies and dual-use products; (iii) critical inputs; (iv) sensitive information / personal data; (v) a catch-all for analogous activities.
Review body	The CNIE is composed of the Ministries of the Interior, Foreign Affairs, Finance and Public Credit, Welfare, the Environment and Natural Resources, Energy, the Economy, Infrastructure, Communications and Transport, Labor and Social Welfare, and Tourism, and is chaired by the Ministry of Economy.	The CNIE is expanded to include the Ministries of National Defense, the Navy, and Security and Citizen Protection as voting members; the Attorney General's Office, the National Intelligence Center, the Tax Administration Service (*Servicio de Administración Tributaria*), and the Financial Intelligence Unit join national security sessions as permanent invitees with the right to speak but no vote. Members may not abstain from voting on national security matters.
Review criteria	Article 29 requires the CNIE to weigh economic factors: employment and worker training, technological contribution, environmental compliance, and the contribution to the competitiveness of Mexico's productive base.	A fifth criterion is added: the existence of risks or threats to national security, for matters under Title Six bis. Neither the concept nor its assessment factors are defined in the bill; the explanatory statement refers only to the OECD principles of non-discrimination, transparency, predictability, proportionality, and accountability.

Statutory timeline	45 business days for CNIE resolutions.	60 business days for national security cases, which may be suspended once (information request within 20 business days; response window of 5 to 30 business days) and which may be extended once by up to 30 business days due to the complexity of the case.
Effect of silence	Deemed approval: if the CNIE does not resolve an application in time, the application is approved as filed.	Deemed refusal: expiry of the deadlines without resolution means the application is refused; the bill expressly excludes tacit approval (*afirmativa ficta*) in national security cases.
Outcomes	Approval or refusal.	(i) Clearance upon finding no national security risk; (ii) conditional clearance subject to modification or mitigation of the project; or (iii) prohibition of the acquisition. Notably, even a clearance under (i) will include case-specific terms and conditions, which may entail periodic reporting obligations and the assessment of compliance with the national legal system.
Sanctions	Fines denominated in minimum wages, unchanged since 1993.	Fines are re-denominated in UMA (*Unidad de Medida y Actualización*, Mexico's standardized reference unit). Two new offenses have been added: (i) where a Mexican company conveys, assigns, delivers, or transfers its equity interest despite a refusal or without clearance (a fine may be imposed on **the Mexican target**); (ii) breach of mitigation measures. Each carries a fine of 5,000 to 200,000 times the daily UMA (~USD 34,500 to 1.4 million). In addition, foreign investors face a separate fine of 1,000 to 5,000 times the daily UMA (~USD 6,900 to 34,500) for acting without prior clearance (the pre-existing general sanction, restated in UMA, rather than a new offense). Both sides may be sanctioned.

Note: The current value of the UMA is 117.31 MXN (~USD 6.90). USD amounts in this Legal Briefing are approximate, based on a reference exchange rate of USD 1.00 = MXN 17.00.

III. Timeframes

In an adverse scenario, the national security review alone could take approximately **120 business days** (roughly six calendar months), as described above. Critically, the bill **reverses the rule of deemed approval by default**: if the CNIE does not resolve an application in time, the application is deemed refused (*negativa ficta*), in contrast with the current rule of deemed approval that is preserved only for filings under Articles 8 and 9.

IV. Interplay with Merger Control

The bill contains no coordination mechanism with merger control under the LFCE. A single transaction may require **multiple** separate Mexican authorizations: (a) merger clearance from the CNA where LFCE thresholds are met; (b) the existing CNIE economic authorization under Articles 8 and 9; (c) the new national security authorization under Title Six bis; and (d) sector-specific approvals (e.g., an authorization from the Telecommunications Regulatory Commission (*Comisión Reguladora de Telecomunicaciones*) for assignments of concessions or changes of control of concessionaires under the 2025 Telecommunications and Broadcasting Law (*Ley de Telecomunicaciones y Radiodifusión de 2025*), or financial-sector approvals for acquiring control of regulated entities).

These authorizations run in parallel and on different timelines. The national security review will become the authorization that determines the time of the closing of the transaction: following the 2025 amendments to the LFCE, the CNA must resolve a notified concentration within 30 business days (counted from admission or from the response to an information request), which is half the time the CNIE will have for a national security review.

Two sticking points stand out. First, **remedies may come into conflict with each other**: conditions imposed by the CNA and conditions attached to a national security clearance under the proposed bill could clash in the same transaction. Second, **costs accumulate**: the new procedure places a second hurdle on top of the progressive CNA filing fees (up to ~USD 410,500, including 16% VAT, for the largest transactions). While the existing CNIE authorization fee is MXN 10,448 (~USD 615), given the expanded scope and complexity of the proposed national security review, it is reasonable to expect that fee to increase considerably.

V. Open-Ended Provisions and Regulatory Risk

The proposed regime is formally **country-agnostic**, but key concepts ("strategic infrastructure", "critical technologies", "sensitive facilities") are undefined, and a catch-all allows the CNIE to expand the sector list by general resolution. Much of the regime's actual scope will be determined by secondary legislation. In our view, investors from jurisdictions under heightened geopolitical scrutiny should assess outcome risk based on how these instruments are drafted and applied, not solely on the statutory text.

Three practical points **for investors under heightened scrutiny**: First, the regime covers **indirect acquisitions**, meaning that transactions between foreign entities with Mexican subsidiaries in Listed Sectors fall within its scope. Second, existing shareholdings are not affected retroactively, but reorganizations or increases in shareholdings that exceed 49% of the share capital of the company in question will be subject to the regime. Third, minority positions at or below 49% fall outside the mandatory regime as drafted, though a future regulation could narrow this gap. We recommend that such investors: (i) engage Mexican counsel early to assess outcome risk; (ii) consider structuring options at or below 49%; (iii) monitor how the secondary instruments define the undefined statutory concepts; and (iv) extend regulatory due diligence beyond ownership percentages to the Listed Sectors, since the interagency review will focus on what the target does, not only on who acquires it.

The voluntary filing mechanism raises a design question that the bill leaves unanswered. The bill creates a voluntary filing option for transactions that fall below the threshold in Listed Sectors but provides neither a safe harbor rewarding those who file nor an express *ex officio* power of review over those who do not. In our view, the CNIE could not lawfully review or unwind a non-notifiable transaction under the bill as drafted, as its powers are structured entirely around applications, and the repeal of the current Article 30 removes the open-ended blocking authority; in contrast with the CFIUS (a call-in power with no time limit) or the UK NSIA (a five-year call-in). Therefore, the residual risk for transactions that fall below the threshold is prospective rather than retroactive, as the CNIE may lower the asset threshold or add sectors by general resolution, capturing future increases in shareholdings or restructurings, and the implementing regulation could attempt to introduce review mechanisms over non-notified transactions (which would be open to a constitutional challenge).

Consequently, voluntary filing operates as insurance against the risk of notification in borderline valuations and as comfort for lenders and insurers. The trade-off is that even an unconditional clearance will carry case-specific terms and may involve periodic reporting, meaning that voluntary filers obtain certainty at the price of coming under the CNIE's ongoing supervision, with the clearance covering the transaction as filed, not future acquisitions or restructurings.

Finally, deal teams should note that there may be a **transitional gap for pending transactions**: the transitional provisions are silent on transactions signed but not yet closed as of the effective date of the reform and the start of operations under the new regime, when the asset threshold is published (up to 180 calendar days thereafter).

VI. What to Watch

Key milestones: (i) the enactment and publication of the reform (in force the day after its publication); (ii) the CNIE general resolution that establishes the asset threshold (due within 180 calendar days of publication); (iii) the new LIE regulations implementing the reform; and (iv) the CNIE's operational build-out. Our next update will be issued once the Congress approves the bill or introduces material amendments.

At **Pérez-Llorca Mexico**, we closely monitor developments in Mexico's legal and institutional landscape. We have extensive experience in antitrust, telecommunications, energy, banking and finance, and personal data protection. Our team of experienced professionals is uniquely positioned to provide specialized and practical advice, ensuring that our clients are well-prepared to address and mitigate potential legal challenges in these areas.

For deal-specific guidance, please contact Pérez-Llorca Mexico's FDI and antitrust/competition team.

Contacts

Patricio Martínez Osorio
Partner, Antitrust
patricio.martinez@perezllorca.com
T. +52 55 5202 7622

Offices

Europe

Barcelona
Lisbon
Madrid
Brussels
London

Americas

Bogotá
Lima
Mexico City
New York
Medellín
Monterrey

Asia

Abu Dhabi
Singapore

perezllorca.com

Pérez-Llorca