

Law for the Promotion of Investment in Strategic Infrastructure for Development with Well-Being

Mexico City, April 14, 2026

Executive Summary

On April 9, 2026, the Law for the Promotion of Investment in Strategic Infrastructure for Development with Well-Being (*Ley para el Fomento de la Inversión en Infraestructura Estratégica para el Desarrollo con Bienestar*, the “Law”), as well as amendments to various provisions of the Federal Budget and Fiscal Responsibility Law (*Ley Federal de Presupuesto y Responsabilidad Hacendaria*) were published in the evening edition of the Federal Official Gazette (*Diario Oficial de la Federación*).

The Law establishes a legal framework governing public infrastructure projects through collaboration among the public, private, and social sectors. This new regulatory framework introduces mechanisms such as Special Purpose Vehicles (SPVs) and public-private participation schemes to finance infrastructure projects in transportation, water supply, management, and utilization, as well as social infrastructure for the provision of public services, health care, and education (energy projects remain subject to sector-specific legislation). The Law is further designed to promote equitable development and reduce socioeconomic inequality, while preserving national sovereignty and fiscal stability. Furthermore, it creates the Strategic Planning Council, chaired by the head of the Federal Executive, to evaluate the feasibility and prioritization of such investments. Finally, the Law sets out the public bidding, transparency, and budgetary control processes required to execute such strategic projects.

Key features of the Law include: (i) the creation of the Strategic Planning Council; (ii) the regulation of mixed-participation schemes; and (iii) changes in project governance. The Law further governs aspects of administrative procurement for projects, as well as the procedures for the transition of existing projects operating under different frameworks, including public-private partnerships (PPPs), to the new regime.



I. Regulation of Mixed-Participation Schemes

The Law broadly regulates “mixed-participation schemes”, which encompass long-term contracts and mixed investments.

1. Long-Term Contracts

A long-term contract is a mixed-participation scheme under which the private sector, the social sector, or both, participate in various stages of infrastructure development for Well-Being Development Projects. This modality covers activities such as financing, design, construction, equipment supply, operation, conservation, maintenance, rehabilitation, modernization, and the provision of services related to such infrastructure.

The following are relevant features of this scheme:

- a. Investment Recovery Mechanisms: the investment is recovered through periodic payments, fees, tariffs, revenues, or other mechanisms specified in the relevant legal instrument, over the term of the contract.
- b. Performance Linkage: the “Interested Party” (public sector) may condition payments on the contractor’s compliance with pre-established performance standards, service levels, availability, quality, efficiency, or outcome targets.
- c. Legal Implementation: this scheme may be implemented through contracts, concessions, assignments, permits, partnerships, trusts, SPVs, state-owned enterprises, or commercial companies.
- d. Risk Allocation: the scheme must allocate risks among the parties based on each party’s ability to manage them efficiently.
- e. Term: these contracts must have a minimum duration of four years and may not exceed forty years, including any extensions.
- f. Asset Transfer: upon expiration of the contract, the transfer of assets to the contracting authority is mandatory on the technical and financial terms agreed upon, unless otherwise provided under applicable law.



- g. *Budgetary Compliance*: implementation of this scheme is subject to compliance with applicable budgetary and financial regulations. The Law clarifies that the existence of this scheme does not constitute an independent appropriation or a source of public debt.
- h. *Contractual Penalties or Liquidated Damages*: the Law provides for contractual penalties or liquidated damages clauses applicable to both parties.
- i. *Payment Sources*: the Law recognizes various payment sources, including budgetary resources, the public entity's own revenues, project revenues, and other sources. This allows for the integration of different financing models within a single project.
- j. *Assignment of Rights*: rights under the contract may be assigned (in whole or in part) and may also be pledged as collateral.
- k. *Adjustments*: these are permitted with greater flexibility than under the Public Sector Procurement, Leasing, and Services Law (*Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público*) and the Public-Private Partnerships Law (*Ley de Asociaciones Público Privadas*). Such adjustments may be made on the grounds of unforeseen events, economic-financial rebalancing, and infrastructure improvements.
- l. *Economic-Financial Rebalancing*: the contractor may request rebalancing actions due to changes in law, government acts, or other unforeseen events.
- m. *Early Termination*: upon early termination, the contractor shall be entitled to reimbursement of documented investment costs incurred.

2. Mixed Investment Schemes

Mixed investment schemes are mechanisms for the design, structuring, and implementation of a project, carried out through the formation of companies, trusts, or other vehicles provided for under the Law. A mixed investment is a Mixed-Participation Scheme in which the Interested Party (public sector) and the private sector, the social sector, or both, jointly participate in various stages of "Well-Being Development Projects". Key features include:

- a. *State Structuring and Participation*: the Law provides for mixed investment schemes with direct State participation in the equity of project vehicles, without specifying minimum ownership thresholds.

- b. Legal Implementation: mixed investment schemes may be structured as a company or trust, with flexibility regarding the percentage of State participation and the form of contribution.
- c. Joint Participation: the parties participate jointly in the financing, development, construction, operation, maintenance, rehabilitation, service provision, or any combination thereof.
- d. Sharing of Key Elements: under this scheme, risks, costs, investments, and benefits are shared in accordance with the agreed participation interest.
- e. Interested Party Participation: the public sector is required to maintain an interest, whether directly (through the Interested Party itself) or indirectly (through state-owned entities, subsidiaries, trusts, or SPVs).
- f. Forms of Participation: the Law establishes various ways to participate in the vehicle that will develop the respective project:
 - i. Contribution: the Interested Party may contribute capital, use rights, assets, permits, or authorizations to a legal or financial vehicle.
 - ii. Association: the Interested Party may form a partnership with the private or social sector to determine rights and obligations within the relevant vehicle.
- g. Risk Distribution: the scheme must ensure an adequate distribution of risks associated with design, construction, operation, financing, demand, regulatory, environmental, and social factors.
- h. Governance: the mixed investment contract must clearly set out the contribution regime, the distribution of profits or losses, governance rules, and expected performance standards.

II. Changes in Project Governance

With respect to mixed investments, the Law provides for the execution of agreements governing the relationship between public and private partners. These agreements address, among other things, the following aspects of corporate governance, term, risk mitigation, and payment sources:

1. Corporate Governance and Oversight: the Law establishes a specialized administrator or collegial body for project vehicles, to be regulated by guidelines issued by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*, "SHCP").
2. Shareholders' Agreement: a "mixed investment contract" may be entered into to govern the equity relationship between the government and the private sector, including the distribution of profits, governance, and early termination. The Law also establishes a "governance committee" for such purposes.
3. External Auditor: SPVs must appoint an external auditor in accordance with rules to be published.
4. Financial Statements: SPVs must publish financial statements in accordance with rules to be issued by SHCP.

III. Establishment of the Strategic Planning Council

The Strategic Planning Council (the "Council") is established with the participation of various federal agencies and entities, including the Ministry of Energy, the Ministry of Economy, and the Ministry of Infrastructure, Communications and Transportation, as well as the National Bank for Public Works and Services (*Banco Nacional de Obras y Servicios Públicos*).

The Council has authority over, among others, the following matters:

1. Approval of Support or Benefits: this relates to the projects submitted to the Council by federal entities or agencies. The support referred to in the Law may consist of contributions of financial resources, guarantees, or tax incentives granted by the Federal Government.
2. Project Approval: this consists of granting the status of "approved project" to submitted proposals for purposes of incorporating them into SPVs.
3. Issuance of Opinions: this relates to financial, economic, and social profitability analyses of the projects.

The Council's role is limited to the initial stage of a project; it does not participate directly in the approval of contracts, modifications, or their subsequent execution. Once a project is approved, the contracting authority retains sole authority to structure, award, and execute the corresponding contracts.

The approval process incorporates elements similar to those under the existing PPP regime, including feasibility analyses and cost-benefit assessments.

IV. Other Regulated Matters

Additionally, the Law governs, among other matters, the following:

1. Procurement Process: the procurement of projects must be preceded by market studies and early interaction mechanisms, such as informational meetings. Legal grounds for direct award are similar to those under the existing legal regime.
2. Permits and Authorizations: the Law provides for expedited processing of permits and authorizations required for these projects.
3. Asset Transfer: project assets must be transferred at the end of the contract term, with certain exceptions.
4. Project Migration: existing PPP projects may be migrated to the new legal regime, subject to agreement by the parties and prior approval by the Council.
5. Retirement Fund Administrators (“Afores”): in the preamble to the bill, it is noted that only 8% to 9% of assets managed by the Afores are currently invested in infrastructure through CKDIs and CERPIs, despite a regulatory ceiling of up to 30%. This Law is designed to expand Afores’ investment in infrastructure projects.

Final Remarks

The Law represents an evolution of the public-private participation model in Mexico, preserving certain structural elements of the PPP regime while introducing significant changes to governance, capital structuring, and contractual flexibility.

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