

Bill Approved – New Competition Authority and Amendments to the Law

Mexico City, July 1st, 2025

Mexico: New Competition Law and New Authority

During the first hours of July 1st, 2025, the Mexican Congress approved the new proposed bill of amendments to the Federal Competition Act ("FCA") (the "Bill"), which creates the National Antitrust Commission ("CNA"), to replace the current COFECE. The Bill will be published in the following days and will enter into force the next day after publication, triggering the designation procedure for the new CAN's Board of Commissioners –to be proposed by the Executive and confirmed by the Senate. CNA will take over the day after the new Board is installed.

I. Changes flagged in our previous Client Alert

In our previous Client Alert¹, we referred to the Bill's new legal framework which replaces Mexico's current COFECE with the creation of the National Antitrust Commission (CNA), a decentralized agency under the Ministry of Economy with operational and decision-making autonomy. Its main goals include combating monopolistic practices, reducing economic inequality, and aligning with international trade commitments –although concerns exist about the treatment of state-owned enterprises like PEMEX and CFE.

Key reforms included stricter enforcement with higher fines for antitrust violations, lower thresholds, streamlined procedures for investigations and merger reviews, and expanded review powers for previously unnoticed transactions. The CNA will absorb the roles of COFECE and IFT, and its Board will consist of five commissioners proposed by the President.

Additional provisions include the introduction of compliance programs and facilitating class actions. The Bill also gives the CNA exclusive jurisdiction over telecommunications and broadcasting antitrust matters, aiming to resolve regulatory overlaps and enforce stricter controls on dominant players. Overall, the reform seeks to centralize and strengthen competition regulation in Mexico, joining the global trend of a whole-of-government approach to antitrust and industrial policy.

¹ https://mailchi.mp/galicia.com.mx/actualizacion_legal-20677751



II. Final changes to the Bill

The approved Bill retains most of the originally proposed amendments, with the following relevant changes:

- The increase in sanctions for antitrust violations is lowered than previously proposed, going from 10% to 15% (instead of 20%) for cartel practices; 8% to 10% (instead of 15%) for abuse of dominance; 5% to 8% (instead of 10%) for gun-jumping violations.
- Reverted changes for leniency and fine reduction programs. Leniency can be applied by subsequent ticketers but only before third investigation period.
- New faculties on telecommunications and broadcasting to impose measures on dominant Economic Agents in coordination with the new Regulating Telecommunications Commission ("CRT").
- Eliminates previously proposed blanket legal exemption for PEMEX and CFE. Nonetheless, it allows them to impose maximum tariffs and prices in hydrocarbons markets without authorization of the CNA.
- Executive branch can declare a matter of "National Interest" on specific issues for the CNA to issue fast-track opinions and on certain transactions to avoid period extensions in merger analysis.

III. Bill's implementation transitory regime

The Bill itself would enter into force on the day after its publication. New provisions, such as those related to merger monetary thresholds, will take effect as soon as the Bill enters into force and all COFECE and IFT investigations will be suspended and will resume once the CNA is formed. Merger review and trial-like proceedings continue normally.

COFECE and IFT will still be competition authorities until the new Board is installed. Once its commissioners are designated by the Executive and approved by the Senate (which we expect to happen soon), the CNA will fully replace both authorities in competition matters, inheriting their powers, obligations, and staff. Ongoing proceedings will follow the rules in effect at the time of their onset and past decisions will remain valid -ensuring institutional continuity during the transition.

At Galicia, we closely monitor the development of this reform and its potential impact for global transactions and companies operating in Mexico. Our experience allows us to anticipate risks and opportunities, helping our clients stay ahead of regulatory changes.

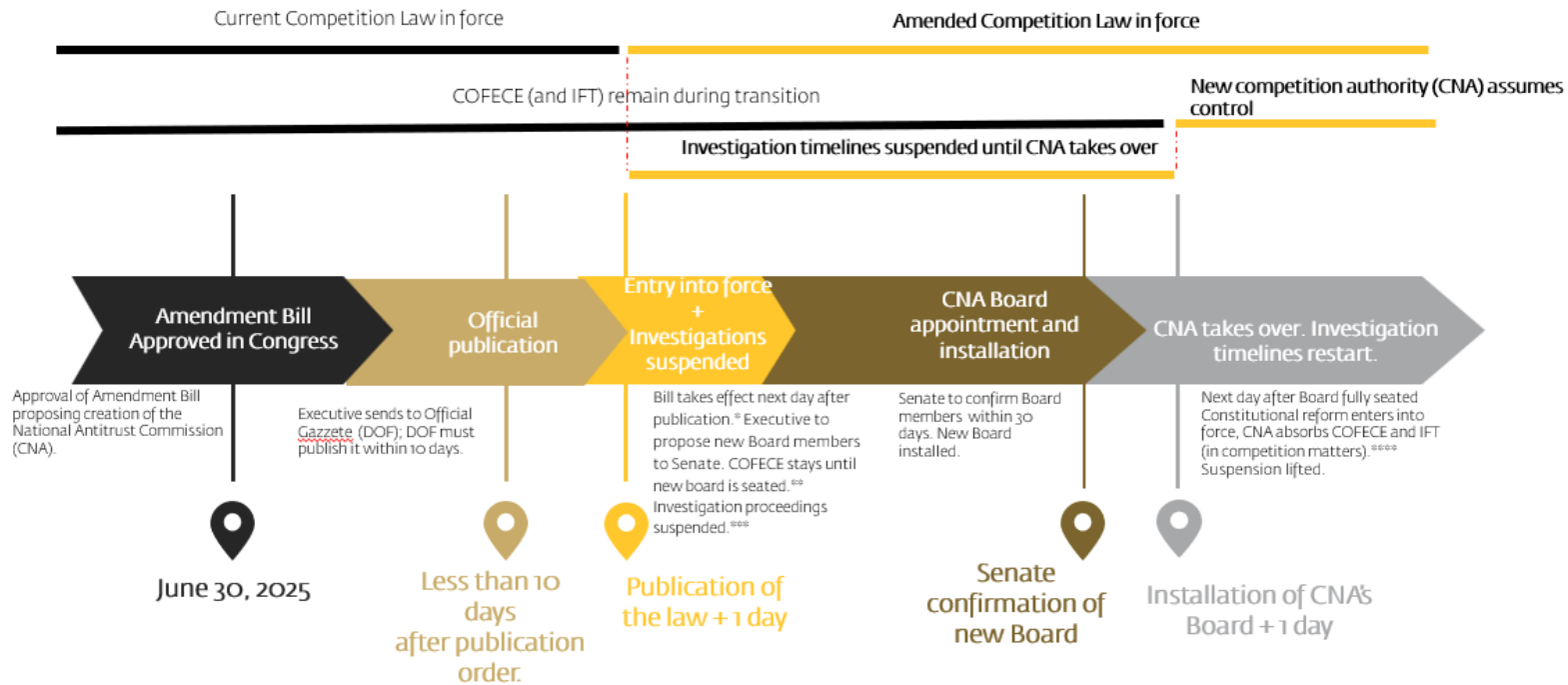
For your convenience, **please find below a timeline** for the implementation of these changes.

* * *

This document is a summary for disclosure purposes only. It does not constitute an opinion and may not be used or quoted without our prior written permission. We assume no responsibility for the content, scope or use of this document. For any comments regarding it, please contact any partner of our firm.



Timeline (estimated) - Amendments to Mexican Antitrust Law



Notes:

- * The applicable law for merger threshold analysis is determined by closing date. Recommend assessing reportability under both current and new regimes (during transition).
- ** Amendments take effect even if COFECE remains in charge. Appointment of new Board triggers COFECE's extinction.
- *** Suspension only for antitrust investigation proceedings. Merger review and trial-like proceedings continue normally.
- **** Competition powers in telecom and broadcasting shift from the former IFT to the new CNA.

