

# Bill to amend the Federal Economic Competition Law is introduced

Mexico's President has submitted to Congress a bill proposing amendments to the Federal Economic Competition Law (FECL). This initiative, expected to be analyzed in the coming days, introduces modifications to the institutional framework and administrative procedures.

It is important to note that this initiative is separate from the proposal introduced in February of this year by Congressman Alfonso Ramírez Cuéllar, which seeks to establish a new legal framework for competition law.

From an institutional standpoint, this new initiative provides that the Federal Economic Competition Commission (COFECE) will cease to function as a constitutionally autonomous body and will be integrated into the Executive Branch under the new designation of the National Antitrust Commission (NAC). In addition, the number of commissioners comprising the new Board will be reduced from seven to five, and the body must be constituted no later than June 30, 2025.

Although this loss of constitutional autonomy is not expected to impair the effective enforcement of competition policy—given that the Mexican competition authority has previously operated under the Executive Branch—there remains a concern that political considerations could increasingly influence decision-making at the expense of technical rigor.

It shall be noted that the NAC will assume all competition-related powers currently exercised by the Federal Telecommunications Institute (IFT), establishing the NAC as Mexico's sole economic competition authority.

Regarding merger filings, the proposal calls for a reduction in the thresholds that trigger the obligation to request authorization, with the objective of subjecting a greater number of transactions to NAC review.

Concerning sanctions, the initiative substantially stiffens the penalty regime through a considerable increase in the quantum of applicable fines and introduces new grounds upon which sanctions may be imposed. These penalties may be imposed as coercive measures (fines for non-compliance with the authority's orders) or as definitive sanctions. In parallel, the initiative aims to promote the commencement of criminal proceedings and class actions.

On the procedural front, the bill introduces several noteworthy changes, including temporary restrictions on submitting applications under the leniency program for cartel cases and on the proffering of undertakings intended to secure the prompt conclusion of investigations concerning abuse of dominance. A particularly notable innovation is the establishment of a certification system for compliance programs, which may be considered as mitigating factors in the imposition of sanctions. Furthermore, procedural timeframes will be shortened, most notably in merger review proceedings, where the resolution period will be reduced from 100 to 50 days, including any applicable extensions.

The reform will enter into force on the day following its publication in the Official Gazette of the Federation. During the transitional period—specifically, while the new NAC Board is constituted—COFECE and IFT will continue to exercise their functions in accordance with the prior legal framework.

Proceedings already in progress will continue to be governed by the legal provisions that were in force at the time they began. However, investigations related to cartels, abuse of dominance, unlawful mergers, barriers to competition and essential facilities will be suspended until the new NAC Board is constituted. In contrast, merger review procedures will not be suspended.

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S I N C E R E L Y

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