Good Regulatory Practices in Mexico

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Evolution of Regulatory Improvement Policy in Mexico

1989

Economic Deregulation Unit (UDE)

Creation of the UDE to review and improve the regulatory framework of the national economy.

2000

Creation of COFEMER

LFPA Reform formalizes regulatory improvement policy and transforms UDE into COFEMER.

2017-2018

Constitutional Status & LGMR

Elevation to constitutional rank (2017) and enactment of the General Law of Regulatory Improvement (2018).

2018

CPTPP

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) entered into force for Mexico on 30 December 2018.

2020

Pacific Aliance

The Pacific Alliance Amending Protocol, which introduced the Regulatory Improvement Chapter, entered into force for Mexico on 1 April 2020.

USMCA

The United States–Mexico–Canada Agreement (USMCA) entered into force for Mexico on 1 July 2020.

2025

Simplification & Digitalization

New Constitutional Reform paving the way for the National Law for the Elimination of Bureaucratic Procedures (LNETB).

Origins: The Economic Deregulation Unit (1989)

First Antecedent of Regulatory Improvement

Established on **February 9, 1989**, the Economic Deregulation Unit (UDE) was created to review and improve the regulatory framework of the national economy.

It served as the foundational predecessor to the Federal Regulatory Improvement Commission (COFEMER).

Key Functions

- Homogenization and simplification of relevant economic sectors.
- Administration of the regulatory framework review process.
- Formulation of necessary laws and regulations (resulting in key legislation like the LFMN and Federal Economic Competition Law in 1992).

Objectives of Economic Deregulation

- Propel economic modernization, increasing the efficiency levels of the National Economy.
- Promote the activity of productive agents, ensuring regulations do not inhibit free competition and efficiency.
- Foster measures that encourage the development of individual and collective initiative.

Institutionalization: COFEMER (2000)

Reform to the Federal Administrative Procedure Law (LFPA)

On April 19, 2000, the reform to the LFPA formalized the application of regulatory improvement policies and introduced key institutional changes:

Creation of COFEMER

Transformed the Economic Deregulation Unit (UDE) into the **Federal Regulatory Improvement Commission (COFEMER)**, consolidating it as a decentralized body.

Policy Expansion

Extended regulatory improvement standards to new areas, including concessions, public works, social security, and the issuance of Official Mexican Norms (NOMs).

Multi-sectoral Participation

Established the **Regulatory Improvement Council** to receive opinions and review proposed regulations, involving public, private, and social sectors.

Transparency & RIA

Mandated the publication of draft regulations and their respective **Regulatory Impact Assessments (RIA)** received by COFEMER.

Constitutional Reform (2017) & LGMR (2018)

Elevation to Constitutional Rank and Legislative Institutionalization

2017: Constitutional Reform

Catalyst

Driven by a 2013 OECD study recommending normative compatibility and institutional strengthening.

Constitutional Status

Elevated Regulatory Improvement to constitutional rank (Articles 25 and 73 of the CPEUM).

Institutional Shift

Transformed COFEMER into the **National Regulatory Improvement Commission (CONAMER)**, expanding its scope to the Federation, States, and Municipalities.

2018: General Law (LGMR)

Key Components Introduced:

- **National Catalogue:** Technological tool compiling current regulations, procedures, and services.
- **National Strategy:** 20-year planning for regulatory improvement policy.
- **National Registry of Regulations:** Containing all regulations issued in the country.
- **Regulatory Impact Assessment (RIA):** To guarantee quality, transparency, and evaluate benefits.
- **Registry of Home Visits:** Official roster of authorities empowered for inspections.

Constitutional Reform (2025)

Simplification, Digitalization, and the Path to the LNETB

The 2025 Constitutional Reform shifted the national focus towards **administrative simplification and digitalization**, amending Articles 25 and 73 of the CPEUM.

Legislative Mandate (90 Days)

Congress was mandated to issue a new National Law establishing at least:

- A national model for simplification and digitalization of procedures and services.
- A national authority for simplification, digitalization, regulatory best practices, and technological capacity development.
- Specific tools for the simplification and digitalization of procedures.

This mandate resulted in the creation of the **National Law for the Elimination of Bureaucratic Procedures (LNETB)**, which serves as the primary legal instrument governing GRP in Mexico.

Regulatory Framwork Overview

LNETB
National Law for the Elimination of Bureaucratic Procedures

Published in the Federation's Official Gazette (FOG) on July 16, 2025

Guidelines
Implementation guidelines for the national model to eliminate bureaucratic procedures

Published in the FOG on October 22, 2025

Positive Aspects of the LNETB

1. Broader scope of simplification and digitalization obligations

Previous Framework (LGMR)

The LGMR expressly **excluded** from its scope of application:

- Tax matters (contributions)
- Public servant responsibilities
- Acts related to National Defense and the Navy

New Framework (LNETB)

While maintaining these exclusions, the LNETB specifies that the obligations related to **simplification, digitization and registration** of procedures and services in the Single Citizen Portal are **mandatory for all these matters**.

This expands the scope of digitization even in traditionally reserved or sensitive areas.

Positive Aspects of the LNETB (Cont.)

2. Unified digital tools

The LNETB incorporates a more complex and ambitious set of key digital tools compared to the LGMR:

Llave MX

A digital authentication system based on the CURP. When associated with biometric data, it will serve as an official national identification document.

National Repository of Public Technology

Designed to concentrate, organize, store and preserve the source code of government technological solutions to share with Obligated Authorities.

Single Citizen Portal

An integrating federal-state-municipal platform that concentrates all procedures available online, prohibiting requirements not registered there.

National Digital Strategy

Led by the ATDT to promote the use, development, provisioning and exploitation of ICTs, infrastructure, connectivity and cybersecurity nationwide.

Digital Citizen File

Allows interoperability of databases/systems for consultation, and secure portability of data and documents for managing procedures digitally.

Positive Aspects of the LNETB (Cont.)

3. Emphasis on Simplification and Elimination of Bureaucracy

The LNETB establishes the National Model for Eliminating Bureaucratic Procedures with specific mandatory actions:

- Not requesting documents already in possession of the authorities
- Eliminating the requirement for simple copies
- Merging related procedures
- Eliminating unnecessary requirements
- Reducing response times
- Replacing permits with notices whenever possible

It also requires that **only those procedures that have been previously simplified** be digitized.

Positive Aspects of the LNETB (Cont.)

4. Improving Citizen Service

Previous Framework (LGMR)

Established **Citizen Protest** as a mechanism for citizens to report breaches committed by public servants.

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New Framework (LNETB)

Goes further by establishing a **National Citizen Service Model** to inform and guide citizens on procedures and services.

- Based on principles of **citizen trust**, accessibility and unification of points of contact.
- Highlights the centrality of **counseling**.
- Promotes the **decentralization** of the response.
- Ensures a **free service** for all citizens.

Obligations that are carried over from the USMCA

USMCA	LNETB	Guidelines
Article 28.3: Central Regulatory Coordinating Body	Article 8	Article 8
Article 28.4: Internal Consultation, Coordination and review Subsections (a), (b), (c)	Article 6, subsections V and XV Article 9, subsection III Article 10, subsection XIII Article 24, subsection V	Article 9
Article 28.6: Early Planning	Articles 26 to 32	Articles 47 to 64
Article 28.7: Dedicated Website	Article 39	Article 79
Article 28.9: Transparent Development of Regulations Paragraphs 2, 3, 4(a), 7, 8	Articles 37, 39, 43	Articles 79, 85, 86, 90 to 95
Article 28.11: Regulatory Impact Assessment Paragraphs 1, 2 (a), (b), (c)	Articles 33, 34, 38, 49	Articles 65 to 73

Obligations that are carried over from the USMCA (cont.)

USMCA	LNETB	Guidelines
Article 28.13: Retrospective Review Paragraphs 1 and 2	Articles 45 to 48	Article 97 to 100
Article 28.15: Information About Regulatory Processes Paragraphs 2 (a), (c), (e)	Articles 54, subsections VII and XI, 111, subsection II	—
Article 28.16: Annual Report Subsection (a)	*No equivalent*	Articles 123 to 125
Article 28.17: Encouragement of Regulatory Compatibility and Cooperation Paragraph 2	Article 9, subsection XIV	*No equivalent*

Obligations that are not carried over from the USMCA

- Article 28.4: Internal Consultation, Coordination and Review Paragraphs 1 (d), (f), (e) and 2
- Article 28.5: Information Quality
- Article 28.8: Use of Plain Language
- Article 28.9: Transparent Development of Regulations
  Paragraphs 4(b), 5, 6, 9 and 10
- Article 28.10: Expert Advisory Groups
- Article 28.11: Regulatory Impact Assessment
  Paragraphs 2 (d) and 3
- Article 28.12: Final Publication

  Paragraph 2
- Article 28.13: Retrospective Review
  Paragraphs 3 and 4
- Article 28.14: Suggestions for Improvement
- Article 28.15: Information About Regulatory Processes
  Paragraphs 1 and 2 (b) and (d)
- Article 28.16: Annual Report
  Subsection (b)
- Article 28.17: Encouragement of Regulatory Compatibility and Cooperation
  Paragraphs 1 and 3
- Article 28.18: Committee on Good Regulatory Practices
- Article 28.19: Points of Contact

Overview of main incompatibilities detected with USMCA

Dissolution of CONAMER

Concerns about reduced technical autonomy and independence in regulatory oversight.

Regulatory Agenda flexibility

Possibility of amendments at any time without public consultation.

Methodological uncertainty

Unclear methodological basis for the new Regulatory Impact Analysis.

Lack of transparency

Insufficient justification for regulations and access to supporting information.

Impact on MSMEs

Lack of consideration for the impact on micro, small, and medium enterprises.

Narrow definition of "regulation"

Exclusion of instruments previously subject to the regulatory improvement process.

Excessive RIA exceptions

Broad justifications for exemptions from Regulatory Impact Analysis.

Elimination of retrospective review

Undermining the ability to ensure systematic evaluation of regulations.

Public consultation setback

Limitations in participatory processes for regulations.

Setback in Good Regulatory Practices

Weakening of international commitments on trade and investment.

Concerns regarding the public consultation process

Non-binding Comments

Although a minimum 20-day period for public consultation is maintained, the LNETB and the Guidelines establish that comments received on a draft regulation are non-binding, which could discourage their meaningful consideration by Obligated Subjects.

Reduced Timeframe

The timeframe for Obligated Authorities to address comments received during public consultation is reduced from 45 to 15 business days, which may limit their ability to adequately consider feedback and adjust regulatory proposals where appropriate.

Insufficient Review Time

By requiring the AIR to be submitted at least 20 days prior to publication in the official gazette, insufficient time is allowed to consider interested parties' comments and review the regulation effectively.

Exemption Justification

The justification for an RIA exemption is not subject to public consultation, limiting the opportunity for stakeholders to submit information demonstrating that the regulation does not qualify for an exemption.

Concerns regarding the Regulatory Agenda

Non-binding Comments

Although Regulatory Agendas are published for public consultation, the comments received are non-binding, limiting their actual impact on the final agenda.

Unpredictable Modifications

Both the LNETB and the Guidelines allow Obligated Authorities to modify their Regulatory Agendas at any time, which undermines the predictability of regulatory issuance.

No New Consultation

Moreover, such modifications to the Regulatory Agenda are not subject to a new public consultation process, further reducing transparency.

Key Concern: The possibility that Obligated Authorities may amend their Regulatory Agenda at any time, without undergoing a public consultation process, undermines transparency and predictability for stakeholders.

Concerns regarding RIA

Limited Public Information

The LNETB provides for a limited set of RIA information to be made public, omitting key elements such as the technical and scientific data supporting the proposal and the contact details of the responsible official.

Conditional Requirements

The LNETB and the Guidelines make the RIAD requirement conditional on additional criteria beyond the mere existence of compliance costs.

Broad Exceptions

They establish broad exceptions to the submission of a RIA, which could make it the rule for Obligated Subjects to issue regulations without such analysis; this omission may enable the adoption of costly and insufficiently justified regulations.

Lack of Methodological Rigor

Unlike the LGMR, neither the LNETB nor the Guidelines require RIAs to be grounded in economic, empirical, and behavioral evidence, potentially leading to AIRs based on outdated, inaccurate, or irrelevant data.

Missing Alternatives & Dates

There is no requirement to include in the RIA an explanation of why the proposed regulation was chosen over other possible alternatives, nor to specify the expected compliance date.

Neglect of Small Businesses

There is no requirement to consider the potential significant adverse economic effects on a substantial number of small businesses or to adopt measures to mitigate such impacts without compromising regulatory objectives.

Concerns regarding RIA – Exemptions Comparison

LGMR (repealed)	LNETB
Article 71. • Regulatory proposals were generally required to undergo a Regulatory Impact Analysis (RIA) before issuance. • An exemption could be granted where the proposing authority determined that the regulation: **Did not impose compliance costs on individuals or regulated entities.** To obtain the exemption: • The authority was required to submit a request to the competent regulatory improvement body. • A determination had to be issued within five business days. • The assessment was conducted in accordance with the criteria established in the applicable RIA operating guidelines.	**Article 36. Regulatory Proposals that fall into any of the following situations are exempt from the Regulatory Impact Analysis:** • Measures relating to **national security, public security, or taxation**, provided they do not concern taxes, duties, or related charges. • Measures intended to: Prevent imminent harm; or mitigate or eliminate risks to public health, public safety, the environment, natural resources, the economy, or emergency situations. • Acts arising from the State's **sovereign or imperative powers**, including expropriation decrees and declarations of public utility. • Measures implementing obligations derived from: International treaties; or other international commitments. • Regulations governing public procurement; leasing arrangements; public services; and public works contracts. • Measures establishing a **specific legal status or legal situation** applicable to a particular individual or defined group. • Measures that do not amend existing obligations; do not impose new administrative burdens or compliance costs; and must be issued or updated periodically

Concerns regarding Retrospective Review

1. Planning

Identifying regulatory needs and drafting proposals.

2. Implementation

Enacting and enforcing the regulation.

3. Retrospective Review

Evaluating effectiveness and impact after implementation.

Elimination of Systematic Evaluation & Discretionary Review

The elimination of retrospective regulatory review mechanisms under the LNETB severely undermines the ability to ensure a systematic evaluation of regulations. Without this critical step, there is no formal process to assess whether regulations are achieving their intended goals or imposing unnecessary burdens.

Furthermore, the Guidelines provide that an **Ex Post RIA will be submitted only when:**

(a) Obligated Authorities deem it necessary; or

(b) it is requested by the competent Simplification and Digitalization Authority.

Therefore, the submission of the RIA is left entirely to the discretion of the authorities.

Key Findings Summary

Reduced Autonomy

The dissolution of CONAMER and transfer of functions raises concerns about reduced technical autonomy and independence in regulatory oversight.

Weakened Consultation

Ambiguous guidelines and partial publication of draft regulations severely undermine the substantive basis for public participation.

Excessive RIA Exemptions

Broad categories of regulations are exempt from Regulatory Impact Analysis, compromising the evaluation of costs and benefits.

Example: Plataforma Integral de Gobernanza Regulatoria

No Retrospective Review

The elimination of retrospective review mechanisms undermines the ability to ensure a systematic evaluation of implemented regulations.

Irregularities identified to date

Ambiguity of Guidelines

The absence of the Guidelines provided for in Article 36 of the LIC has created areas of ambiguity regarding when the RIA must be submitted and made public, and how standard-setting authorities should incorporate the results of the regulatory improvement process into decision-making.

Public Consultation Notices

This ambiguity is evident in the practice surrounding Public Consultation Notices for draft NOMs. Currently, Obligated Authorities request RIA exemptions for such notices, meaning that at this stage only the draft regulation is published, without the corresponding RIA.

Example: Plataforma Integral de Gobernanza Regulatoria

Exemptions for Draft NOMs

Obligated Authorities are also requesting exemptions from submitting a RIA for the draft NOMs themselves, relying on the justification that the draft NOM will be published for public consultation and, therefore, does not modify existing obligations or impose new bureaucratic costs.

Example: Plataforma Integral de Gobernanza Regulatoria

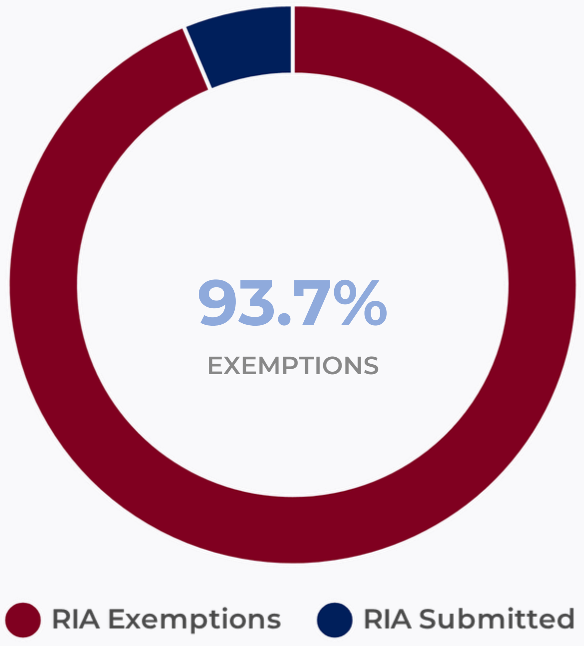
Impact on Public Consultation

The failure to disclose the RIA during the public consultation of a draft regulation severely undermines the value of that process. It prevents stakeholders from assessing key elements such as the regulation's justification, alternatives considered, and estimated costs and benefits.

Disproportionate use of RIA Exemptions (2025)

Regulatory Proposals

Oct-Dec 2025 | Total: 527



Source: Reporte sobre el Análisis de Impacto Regulatorio 2025, Agencia de Transformación Digital y Telecomunicaciones.

Exemption as the Rule

Out of 527 proposals, **494 (93.7%)** claimed an exemption, while only **33 (6.3%)** submitted a Regulatory Impact Analysis (RIA).

Disincentivized Analysis

The data clearly demonstrates that the new legal framework **disincentivizes the submission of RIAs**, undermining the goal of ensuring regulations are the best possible alternative.

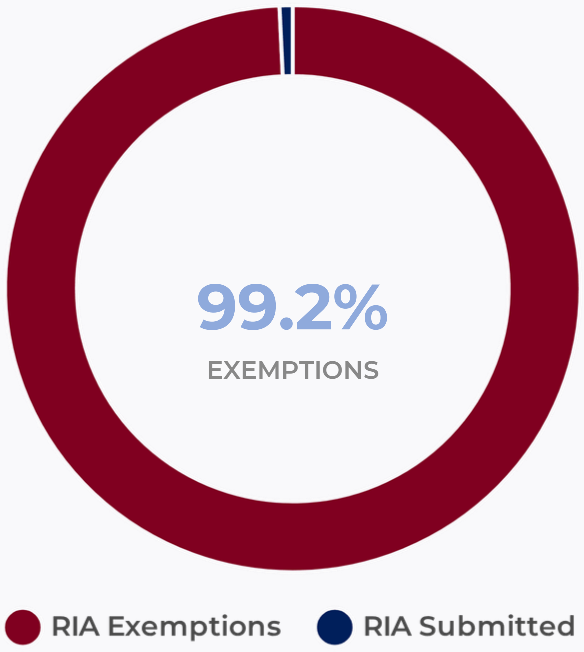
Risk to Regulatory Quality

By avoiding the RIA process, authorities bypass the requirement to prove that their regulations generate the **greatest benefit at the lowest cost** for society.

Current Platform Statistics (2026)

Regulatory Proposals

Since Feb 3, 2026 | Total: ~814



Source: Plataforma Integral de Gobernanza Regulatoria (Data since February 3, 2026).

Total RIA Submitted

Since the launch of the new platform, only **6 RIAs** have been presented by Obligated Authorities.

No Ex Post RIA

To date, **zero (0)** Ex Post Regulatory Impact Analyses have been submitted, confirming the discretionary nature of this requirement.

Overwhelming Exemptions

In stark contrast, approximately **808 exemptions** have been claimed, exacerbating the trend observed in 2025 and severely compromising regulatory quality.

Conclusions

The LNETB represents a **significant step forward** in administrative simplification, digital tools integration, and citizen service, expanding the scope of modernization across the Federal Public Administration.

However, the new framework **weakens fundamental pillars** of regulatory governance by making public consultation non-binding, reducing methodological rigor, and allowing broad discretion in the Regulatory Impact Analysis (RIA) process.

Official statistics confirm that this design severely **disincentivizes rigorous analysis**. With over 99% of proposals claiming exemptions in 2026, the lack of mandatory RIAs poses a critical risk to regulatory quality, transparency, and predictability for stakeholders.

Thank you