

Public Affairs Chatter

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Interchange Fee Cap Proposal: Transparency Reform Expands Into the Infrastructure Behind Card Payments

A seemingly modest set of consumer protection reforms—requiring, among other things, that ATM and bank platforms disclose card fees before transactions, itemize commissions on account statements, but also crucially cap interchange fees—may turn out to be the front end of a broader shift in how Mexico regulates its payment infrastructure. The proposal, currently under review by CONAMER, reflects a drive to push down card fees – but critics worry it may disincentivize investment in financial digitalization that the economy badly needs.

As part of these initiatives, Mexican financial authorities are proposing a more systemic intervention: giving the State formal authority to set operating conditions and fees for the card payment network itself, a sector that has long operated under private governance (ABM). The joint proposal from the National Banking and Securities Commission (CNBV) and the Bank of Mexico (Banxico) has now entered public consultation and is positioned as a foundational shift in how payment systems are regulated.

At issue is what antitrust regulators have in the past claimed as a vertically integrated, self-reinforcing ecosystem dominated by a handful of banks and brand owners. These actors, it has been claimed, control clearinghouses, set certification standards, and maintain cross-ownership that blurs lines between competitors and rulemakers. The former Federal Competition Commission (COFEC) argued back in 2018 that these dynamics made market entry difficult and kept costs high—particularly for non-bank acquirers and small merchants. (Ironically since then fintechs such as Nu and Plata have become leading issuers of new credit cards, somewhat undermining the COFEC's claims of huge entry barriers in what seems to be an open market. For example, Plata has gone from zero to 2 mn credit card customers in about two years.)

The specific issue that has caused consternation in the banking sector – both from incumbent banks and FinTechs – is the proposal to cap interchange fees at 0.3% for debit transactions and 0.6% for credit, down from averages of about 0.45% and 1.33%, respectively. JP Morgan estimates that card fees could go down by US\$1.6bn over a year, with no offsetting measures, especially beneficial to merchants in high-volume, low-margin sectors: seeing their net margin go up from 10% to 11% would mean a rather significant 10% increase in their profits. But the merchants' gain is the issuer banks' loss. In absolute terms the dominant card players BBVA and Banamex would be the big losers, but as a percentage of existing operating revenues, Nu and other card fintechs would feel the sharpest pain, as their business is currently built entirely around credit and debit cards.

Banks are used to navigating regulatory change, and tweaking their business model to ensure the impact of profitability is far less than these numbers suggest. They might cut loyalty rewards, cash back offers, raise interest rates, and so on. But as revenues from card usage go down, it is logical to expect them to

focus on higher usage customers going forward. After all it is expensive to give someone a credit or debit card. If so, financial inclusion may be hurt, not helped, by this measure.

Beyond fee caps, the plan would mandate interoperability between clearinghouses. Networks would be required to connect under shared standards, reducing vendor lock-in and allowing payments to route more flexibly—an important technical precondition for true competition and lower costs.

Structurally, the proposed reform repositions Banxico as the official registrar of fees and methodologies, while the CNBV would enforce compliance. Rules would follow international standards, such as those set by the International Organization for Standardization (ISO), providing regulatory predictability for incumbents and newcomers alike.

Mayors Under Fire—Again

The assassination of Mayor Carlos Alberto Manzo Rodríguez of Uruapan, Michoacán, during Day of the Dead festivities has added to a growing list of local officials targeted since President Claudia Sheinbaum took office in October 2024. Shot at close range by Osvaldo Gutiérrez Velázquez, reportedly a relative of CJNG operative Omar Farías Chávez, despite being assigned 14 National Guard officers.

He joins names like Alejandro Arcos Catalán (Guerrero), Román Ruiz Bojórquez (Oaxaca), Jesús Franco Lárraga (San Luis Potosí), Isaías Rojas Ramírez (Guerrero), and Salvador Bastida Guerrero (Michoacán)—a roster that traces the spread of lethal political violence at the local level. The public nature of these killings reinforces a perception of impunity, unsettling both communities and institutions.

Manzo had voiced concerns for his safety. Like Bernardo Bravo—the agricultural leader murdered days earlier in Michoacán—he warned of threats from criminal groups and had raised alarms about local governance. Political fragmentation in Michoacán adds complexity: Governor Alfredo Ramírez Bedolla assumed office as a replacement candidate after an internal shuffle, and divisions within Morena continue to loom over the 2027 election cycle. Manzo’s informal outreach to opposition parties had positioned him as a political outlier—and a possible threat.

The tragedy comes as U.S. President Donald Trump is once again courting controversy by pushing for the deployment of American troops to Mexico under a proposed anti-narcotics mission. According to NBC News and El País, Trump's team is actively planning the use of Title 50 intelligence authority to justify operations on Mexican soil. Former U.S. Ambassador and now deputy Secretary of State, Christopher Landau, offered condolences on social media. “The U.S. stands ready to deepen security cooperation with Mexico to wipe out organized crime on both sides of the border,” he wrote, calling the assassination a tragic reminder of the stakes involved.

While the federal government pledged “zero impunity,” COPARMEX, the national employers' confederation, condemned the assassination and flagged insecurity as a critical barrier to economic

growth. At its 2025 Security Forum, business leaders warned that persistent violence threatens not just public officials, but the broader environment for investment, productivity, and legal certainty.

Divided Skies, Uneven Ground: Mexico's Airport Diplomacy Hits Turbulence

The Mexican government's decision to transfer cargo operations from Mexico City's Benito Juárez Airport (AICM) to the Felipe Ángeles International Airport (AIFA) has triggered more than logistical disruption—it has opened a diplomatic rift. In response, the U.S. Department of Transportation suspended 13 cargo routes and barred airlines from combining passenger and freight services into AIFA, citing violations of the bilateral Air Transport Agreement. More measures restricting combined cargo and passenger usage may be coming.

Mexican officials frame the move to AIFA as a necessary step to decongest the aging AICM and reinforce investment in new infrastructure. However, U.S. logistics providers such as UPS are thought to have argued the change was abrupt, politically motivated and poorly coordinated, pointing to AIFA's limited cargo infrastructure, regulatory ambiguity, and military oversight as ongoing challenges. Airlines such as American Airlines and United are said to have complained about slot assignments in AICM versus their Mexican counterparts.

For airlines such as Aeroméxico, VivaAerobús, and Volaris, the policy shift presents operational uncertainty and for now at least a reduction in routes and profitable cargo add-ons in some planes. While they comply with the mandate, they continue to request greater regulatory clarity and investment in supporting facilities. In private, some industry executives question AIFA's near-term viability as a primary cargo hub, at least for select US logistics companies.

President Claudia Sheinbaum dismissed U.S. transportation authorities' complaints over air cargo restrictions as unfounded, reiterating that U.S. airlines operating in Mexico face the same regulatory conditions as their domestic counterparts. Following a Friday meeting with executives from Mexican commercial airlines, Sheinbaum emphasized that operational standards and airport conditions are applied equitably across carriers. She also announced a scheduled meeting for Tuesday with the leadership of cargo airlines currently operating at Felipe Ángeles International Airport (AIFA), in a move aimed at reinforcing dialogue with industry stakeholders and reaffirming government support for the transition plan.

CEOs Go Diplomatic: Tariffs, Treaties and a Letter to Trump

Recent weeks have seen a wave of formal letters from major U.S. business groups, issued in the context of the upcoming USMCA review, addressing a range of trade-related concerns on both sides of the border. With USMCA review coming up, they sense an opportunity to pressure Mexico to become more business (i.e., more U.S. corporate) friendly.

The U.S. Chamber of Commerce submitted a 39-page document to the Office of the U.S. Trade Representative (USTR) outlining worries over judicial reform in Mexico, as well as what it described as “aggressive and inconsistent” enforcement by the tax agency, SAT. Separately, the Business Roundtable raised concerns about customs regulatory practices, urging the USTR to ensure Mexico complies with USMCA rules requiring advance notice and public comment on trade-related changes. It also flagged the growing use of reference prices in customs valuation, calling for a return to standard procedures and due process in antidumping cases.

The big question is what parts of this American corporate agenda Trump truly cares about, with many believing his focus is going to stay on immigration, trade deficits and drugs, and not much else. One thing is to get Mexico to remove non-tariff barriers (good for U.S. exports and thus lower deficit). Another is to complain about Mexico’s investment climate (e.g., judicial reform, tax treatment etc.) which has no real impact on U.S. trade balance (if anything, improving the Mexico investment climate may make the U.S. trade deficit with Mexico worse). Back in his first term Trump moved *against* protecting U.S. investment in Mexico in the new USMCA, saying worried U.S. companies should invest in the U.S. instead. If an American company complains about excessive Mexican tax enforcement, Trump may conclude it serves them right for not putting America First. (Unless, perhaps, if he is a friend of the CEO.)

Meanwhile, attention is also turning to the U.S. side of regulations: more than 200 U.S. chief executives signed a public letter urging President Trump to rollback Section 232 and IEEPA-based tariffs, arguing that these measures are affecting competitiveness and undermining North American supply-chain integration.

A Judicial Course Correction: Supreme Court Closes Loophole

On October 30, Mexico’s Supreme Court ordered Primero Empresa Minera—a subsidiary of Canada’s First Majestic Silver—to pay MXN 2.8 billion (US\$150 mn) in outstanding taxes, overturning an earlier procedural accommodation that had allowed the company to challenge the debt through an *amparo*. That procedural door, opened under former Chief Justice Norma Piña, was firmly closed by the current Court majority, which ruled the appeal constitutionally unfounded and reaffirmed that tax obligations must follow the regular administrative route.

The ruling is more than a fiscal win: it marks a visible shift in judicial posture. It distances the Court from its previous leadership and aligns with the executive’s stated priority to tighten compliance, especially among multinational firms in resource-heavy sectors. For the Sheinbaum administration, the decision sends a useful message: the judiciary is no longer a procedural escape hatch for aggressive tax structuring.

Mining companies in Zacatecas, Sonora, and elsewhere are watching closely, as similar negotiations with Hacienda unfold. The decision is likely to temper legal risk-taking across the industry, with ripple effects on royalty debates and environmental liabilities. Internally, it also reflects a recalibration of judicial norms.



Contact:

Laura Camacho

Executive Director Miranda Public Affairs

laura.camacho@miranda-partners.com

Gilberto García

Partner and Head of Intelligence

gilberto.garcia@miranda-partners.com