

Public Affairs Chatter

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Rush Hour Reform: Fast Track to Forty

The proposal to reduce the statutory workweek from 48 to 40 hours has entered the final committee stage in the Senate, with a vote expected on Tuesday. If approved, it will move to the full Senate by Wednesday and may reach the Chamber of Deputies the following week for committee discussion and floor approval.

The proposal follows a two-track legislative design: a constitutional amendment to establish the 40-hour cap, followed by reforms to the Federal Labor Law to define implementation and compliance obligations. The current draft sets a gradual rollout: 46 hours in 2027, 44 in 2028, 42 in 2029, and 40 by 2030. Employers would be required to maintain current base salaries and benefits and will have a six-month lead time before the first reduction takes effect.

Key compliance elements are emerging. The legislation preserves a single mandatory rest day per week, despite pressure from labor groups for two, and raises the legal overtime ceiling to 12 hours per week under revised pay rates. The draft also mandates digital time-tracking systems accessible to labor authorities, introducing new compliance, data governance, and audit-readiness requirements for companies.

Analysts point to general alignment across sectors around the goal of a 40-hour week, but with notable variance in implementation proposals. Various business sector representatives have (not surprisingly) recommended a phased, industry-specific rollout supported by pilot programs, data-based evaluation, and complementary measures such as tax incentives and workforce training, especially to support micro, small and medium-sized enterprises (MiPyMEs), which account for over 90% of registered businesses in Mexico. Some consensus has also formed around creating a tripartite body to oversee implementation and scheduling flexibility frameworks.

Still, several interpretive and operational questions remain open and must be resolved in secondary legislation. The draft refers only to a "weekly workweek" without distinguishing between daytime, nighttime, and mixed shifts, raising legal uncertainty about whether existing hour differentials under the Federal Labor Law will still apply. The proposal is also silent on whether the 30-minute rest break per shift will continue to count as paid work time, a potentially significant cost variable.

As registered Mexican employees work more hours per year than in any other OECD country, the logic behind the reform is hard to refute. But the likelihood is that such a reform may push more employment to the unregulated informal sector, where pay is usually in cash per hour or per day or per week worked. And unless productivity improvements offset this, labor costs for retailers and other labor intensive industries will go up.

Mexico's Infrastructure to Get a Strategic Makeover

Mexico's Infrastructure Investment Plan in theory at least is moving from announcement to (it is hoped) implementation design. With over MXN 5.6 trillion in planned spending over the next few years across eight sectors (including MXN 722 billion in 2026 alone), the focus is turning toward governance, permitting frameworks, and project bankability, rather than headline numbers.

More than half the investment is allocated to energy. PEMEX will drive oil and gas production (Trión, Zama, Maloob; Ixachi, Bakté, Burgos), with additional focus on refining, petrochemicals, and new energy pilot programs: green hydrogen, offshore wind, carbon capture. Transport and connectivity infrastructure projects (rail, roads, ports, airports) aim to strengthen regional logistics, while water, health and education projects fall under the social infrastructure umbrella.

The plan is structured around state-led governance with mixed-capital investment models. The government will retain control over strategic assets while allowing public-private and public-social vehicles to participate. Legislative proposals are expected to establish the regulatory frameworks required for investment vehicles, sector permitting, and oversight mechanisms. A National Project Database and a Presidential Strategic Planning Council will monitor implementation and transparency.

Until enabling legislation and implementing rules are in place, the plan should be treated as a strategic policy orientation, not a binding commitment. Companies active in energy, logistics, and public works should monitor secondary regulation closely to assess when and how participation becomes viable. Signs of progress are encouraging, but as always, the devil is in the yet-to-be-disclosed details.

Competition Enforcement Tightens Focus

On February 3, Mexico's National Antitrust Commission (CNA) submitted its 2026 Work Program to the Senate, where it was referred to the Economy Committee. The document outlines the enforcement priorities that will guide investigations, compliance actions, and monitoring activity across the coming year.

The program calls for intensified scrutiny in strategic sectors including energy, telecom, transport, financial services, healthcare, agribusiness, and public procurement. Enforcement will focus on abuse of dominance, exclusionary conduct, and vertical restraints, alongside ongoing monitoring of pricing and market concentration. This approach will in all likelihood translate into increased exposure to investigations, information requests, and behavioral conditions affecting commercial strategies and supplier relationships.

Merger control remains central. While statutory timelines are preserved, the CNA has signaled stricter enforcement of gun-jumping rules and notification compliance, with post-transaction monitoring of prior merger commitments also expected to rise. This elevates antitrust risk for transaction planning, particularly in deals involving high market shares or vertical integration.

The Commission's 2026 agenda also places greater emphasis on proactive market monitoring and thematic investigations, particularly in areas where regulatory asymmetries or vertical integration may reduce competitive neutrality. For companies in high-impact sectors, this means competition compliance will shift from being reactive to being more embedded in routine business conduct, procurement strategy, and pricing governance. Legal, regulatory, and commercial teams should coordinate early to mitigate exposure and strengthen internal monitoring mechanisms.

This is of course so far in theory. In practice the CNA will face its stiffest test of credibility when it rules on the proposed merger between Volaris and Viva Aerobus, which would give the combined entity over 70% market share in domestic aviation. Should the CNA rule in favor, notwithstanding conditions attached, many analysts, such as the writer of this Bloomberg column, will assume political interests are governing government-dependent CNA in reality. <https://www.bloomberg.com/opinion/articles/2026-02-10/mexico-s-cheeky-airline-merger-is-an-anti-trust-nightmare>

Chatter box

- ***Ni venganza ni perdón (Neither revenge nor forgiveness)***. Julio Scherer Ibarra's forthcoming book offers a rare insider's view into the personal and institutional dynamics at the heart of Mexico's 4T. Co-authored with journalist Jorge Fernández Menéndez and set for release on 11 February, the book revisits the political alliance between Scherer and President Andrés Manuel López Obrador—from its foundation in shared opposition years to the rupture that followed Scherer's departure as chief counsel to the presidency. While framed as a political memoir rather than a personal vendetta, chapters previewed in [Reforma](#) and [Proceso](#) make rather explicit accusations against former Attorney General Alejandro Gertz Manero and AMLO's former spokesman, Jesús Ramírez, exploring how proximity to power can turn into liability, and exposing deep fractures within the party leadership. The book will be published on February 11.
- **Tax Litigation Heats Up: Billions at Stake, Precedents in the Making**. The recent high-profile defeat of Ricardo Salinas Pliego before Mexico's Supreme Court, resulting in a MXN 32 billion payment to tax authorities, was just the tip of the iceberg. Behind it lies a much larger fiscal battle: nearly MXN 2 trillion in disputed tax credits remain tied up in court. In February alone, the Court is set to resolve almost 50 tax cases, many involving major corporations such as ArcelorMittal, General Motors, Dish, and Pegaso. One of the most consequential disputes centers on alleged double VAT taxation of maquiladoras between 2019 and 2023, a legal bottleneck that has frozen nearly 30 related lawsuits pending a definitive ruling on contradictory interpretations. The outcome could unlock cascading decisions across the sector.

At the heart of the dispute is the IMMEX program, which allows for tax-exempt temporary imports of components for later export. A 2019 change in SAT's criteria reclassified "virtual exports" between domestic maquiladoras, claiming misuse of the scheme and demanding retroactive VAT payments. The legal and financial implications are vast: the SAT estimates foregone revenue of MXN 44 billion, with potential exposure reaching MXN 250 billion if rulings go against the state. The federal

government, meanwhile, is doubling down on enforcement. Over the last decade, the value of tax credits under dispute has surged 507%, and in 2025 alone, the SAT recovered nearly MXN 500 billion in anti-evasion efforts. For now, the Supreme Court must decide whether maquiladoras owe back taxes, or whether the state is overreaching in its push to boost revenue.

- **Water Rights, On the Clock: Temporary Window for Concession Regularization.** Mexico's new General Water Law and amendments to the National Waters Law entered into force on December 12, 2025, establishing an updated legal framework with a strong focus on water as a human right. The reform prioritizes access for personal and domestic use and prohibits full service suspension for non-payment, guaranteeing a minimum life-supporting supply. It also centralizes water governance under the National Water Commission (Conagua), which now holds expanded authority to manage, reassign and revoke water volumes. Unused water volumes must be returned to the state for redistribution. A new National Public Water Registry will increase transparency in concessions and assignments, while enforcement powers were also broadened: illegal use, extraction, or diversion may now lead to fines of up to MXN 3.39 million or prison terms of up to 10 years.

In light of these changes, companies are advised to review their water concessions for compliance, as Conagua has identified a high number of expired or unrenewed titles. Through a transitional Administrative Facilitation Decree, users of domestic, agricultural, livestock, and aquaculture water sources can regularize concessions that expired between October 1, 2017, and March 1, 2025, provided they did not request renewal in time. The window to benefit from this simplified process closes on April 28, 2026. Titles have durations of 5 to 30 years and are renewable if requested within five years before expiry. Failure to renew may result in reduction or cancellation of granted volumes. For the private sector, the reform raises compliance and operational stakes, especially for water-intensive industries navigating a tightening regulatory landscape.

- **New law for film industry:** Mexico's federal Ministry of Culture is preparing to introduce a package of legislative proposals aimed at updating key areas of cultural regulation, with a particular focus on the film industry, digital music consumption, and the use of artificial intelligence in dubbing. According to the Secretary's remarks during President Sheinbaum's morning press conference, the forthcoming reforms have been developed in coordination with stakeholders from relevant sectors and are close to formal presentation. The long-anticipated Film Law, originally drafted during the previous administration, will be reintroduced with a renewed emphasis on exhibition standards, particularly the long-debated quota for domestic productions on commercial screens. The ministry also confirmed increased funding for national film production, framing the reform as part of a broader effort to strengthen a sector that employs thousands across the country. Additional initiatives include a proposal on compensatory rights for music played on mobile phones, mirroring policies already in effect in over 60 countries, intended to ensure fair remuneration for composers and musicians. The ministry indicated that major platforms are aligned with the proposed changes. Finally, a legislative response to the use of AI in voice reproduction is also in the pipeline.



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