

Miranda Intelligence – Public Affairs Chatter

Rules for AI, Power for Congress

Mexico's Congress is preparing to regulate artificial intelligence, and the companies that build it have a narrow window to shape the outcome.

When lawmakers return in September, AI will sit near the top of an agenda that also includes insurance, anti-corruption and Indigenous rights. Ricardo Monreal, leader of the ruling Morena party in the lower house, has said Congress must "adapt, legislate and create conditions for the responsible use of artificial intelligence", language that signals AI is no longer treated as a technology question but as a matter of public policy with social, political and economic stakes.

Material circulated by Mr Monreal's team suggests the debate will range well beyond AI itself, taking in how the technology works, who controls it, and its risks and benefits, alongside the effects of social media on mental health and digital addiction among minors. The federal government intends to launch a broader public debate on AI and digital platforms once the World Cup ends on 19 July. That leaves roughly six weeks, between the final whistle and Congress reconvening, as the practical consultation window for companies seeking to influence the framework.

President Claudia Sheinbaum has endorsed the initiative, saying her government wants a national conversation about what AI is, who controls it and what Mexico must understand before choosing a regulatory model. The framing suits her politically: the process looks cautious and consultative, even as it prepares the ground for a more interventionist regime.

Monreal has introduced a proposal to amend Article 73 of the constitution, giving Congress express power to legislate on "general means of communication, information and communication technologies, artificial intelligence, broadcasting, telecommunications, including broadband and internet, posts and mail". Mexico, he argues, needs the same constitutional footing it created in other areas demanding national harmonisation; he has drawn a comparison with the reform that allowed Congress to legislate coherently on femicide. The aim is a single national framework rather than fragmented state rules.

The template Mexico is considering looks European. Under the EU's AI Act, an approach Brazil is adapting in its own draft law, every AI use is graded by the harm it could do. A chatbot suggesting recipes faces almost no rules; a system screening job applicants or approving loans faces stricter ones: testing, documentation, human oversight. Who would enforce this in Mexico remains an open question: the leading bill proposes a new AI agency, though the role could end up with the existing Digital Transformation and

Telecommunications Agency (ATDT). Brazil, notably, chose its existing data protection authority over a new body.

Either way, the rules in Mexico could impact "general-purpose" models, the engines behind ChatGPT, Gemini, or Claude. For Google, Microsoft, OpenAI and Anthropic, the US has no federal AI law and Washington's instinct is to leave the market alone, though states such as Colorado are getting involved. In Mexico AI companies could be potentially required to register their model, explain how it was trained and manage its risks, even perhaps when the app is built by someone else on top of their technology.

In Mexico's case, there is, however, an important external constraint. The USMCA joint review opened on 1 July without agreement to renew the pact, tipping it into annual reviews, and Washington has already flagged Mexican digital measures, including real-time data-access requirements, as trade irritants. For US-based AI companies, that offers a second channel of influence: rules that discriminate against or disproportionately burden their services can be raised through the US Trade Representative, a risk of which Mexican negotiators are well aware.

Critics warn that once AI regulation is bound up with social media, intermediary liability and digital harms, the line between protecting users and extending government control over the online environment becomes politically sensitive. The risk is that content-moderation and takedown duties may be attached to an AI law, with data-governance rules to be enforced from within the executive following the dissolution of INAI, the former privacy watchdog.

So over the next couple of months AI companies need to identify which systems could fall into high-risk categories, seek clarity on extraterritorial reach and the treatment of general-purpose models. Once the constitutional question is settled, the substantive law is likely to move quickly.

Sheinbaum Defies Washington

Tim Golden of ProPublica reported this week:

"But as the Trump administration steps up its efforts to target Mexican government figures who are accused of protecting the drug trade, Sheinbaum is taking a hard-line stand against extraditing Rocha and the others charged in a New York federal court, Mexican officials said.

'She is very clear about this,' a senior Mexican official said of the US request for Rocha's extradition. 'She has decided no.'"

Golden is one of the best-sourced and most experienced foreign journalists covering US-Mexico security and organized crime issues. His account – and those of others – makes it increasingly clear that while Sheinbaum has co-operated extensively with Washington on cartel arrests, intelligence and the transfer of alleged traffickers, there is a hard line around protecting senior Morena figures in the name of sovereignty.

This comes amid a clear cooling towards the US on security issues in recent months. Most recently, the government has reopened an investigation surrounding the kidnapping of Ismael “El Mayo” Zambada and is examining whether US agencies, including the CIA, had a role that was not disclosed to Mexico. The Mayo inquiry sits alongside a separate federal investigation into a CIA-linked operation in Chihuahua. Mexican investigators have begun taking testimony from local officers involved in an operation in which CIA personnel participated. The cases are distinct, politically, however, they reinforce the same argument: US agencies have operated in Mexico with inadequate disclosure and uncertain legal authority.

Former US ambassador Ken Salazar has also addressed the Mayo episode in the promotion of his controversial book, raising questions on why AMLO was so angered (or worried?) by the kidnapping. In interviews linked to the publication of his memoir *Borderlands*, Salazar said that after Zambada’s capture on 25 July 2024, López Obrador simply stopped responding to him. Salazar says he sent personal messages to the president making clear that Washington had no prior knowledge of the operation and had not acted unilaterally on Mexican soil. His wording was categorical: “It was not our plane, not our pilot and not our operation.”

According to Salazar, that message was later reinforced in a formal note prepared by then-US attorney-general Merrick Garland. Washington also offered Mexico access to the evidence, including the Beechcraft aircraft used in Zambada’s transfer. Attorney-general Alejandro Gertz Manero accepted the invitation, Mexican officials crossed the border to inspect the plane, and Salazar took part in follow-up meetings between prosecutorial teams in El Paso and Doña Ana. None of this, he says, reopened the line to López Obrador. By the following Monday, Salazar concluded that “something was really wrong” and that a previously open channel to the Mexican president had “closed abruptly”.

For the Sheinbaum government, the renewed investigation into the Zambada operation helps frame the Rocha case as part of a wider sovereignty dispute rather than as critics would content, simply a refusal to act on US evidence in an effort to protect Morena politicians and risk splitting the party, alienating AMLO and his supporters.

Lack of clear progress on USMCA may also have changed the political calculus. After Washington declined an immediate long-term USMCA renewal and left the pact subject to

annual reviews, Sheinbaum may see less reward in absorbing political costs merely to preserve goodwill that has not yet achieved much.

In short, Mexico is seeking progress on USMCA while continuing operational co-operation on drugs and migration, even as it resists unilateral US action against senior political figures on sovereignty grounds. The Trump administration, meanwhile, is inclined to treat security, alleged political impunity and trade as parts of the same negotiation. Yet Washington also relies on Mexican co-operation to deliver on its domestic priorities regarding immigration and drugs. Both governments therefore have much to gain, and much to lose, from managing these disputes successfully, though the underlying asymmetry of power makes the exercise considerably harder for Sheinbaum than for Trump.

False CFDIs, Real Operational Risk

The SAT has now moved from warning about questionable invoicing to operationalising a new and sharper tool: publishing the first list of taxpayers whose CFDIs have been formally declared false under the new Article 49 Bis procedure of the Federal Fiscal Code. The publication of the final notices in the Official Gazette on 10 July matters not because it surprises anyone in tax practice, but because it changes where the risk sits. Once the authority determines that an issuer failed to rebut the presumption of falsity, the consequence is no longer confined to that issuer. The invoices are treated as false with general effect, the transactions they purport to support are deemed to have produced no tax effect, and every recipient that used those CFDIs for deductions, credits, refunds, offsets or any other fiscal benefit is forced to confront the problem as well.

Third parties who received those invoices now have 30 calendar days from publication in the Official Gazette to file corrective returns and reverse the tax effects they gave to the CFDIs. If they fail to do so, the SAT may temporarily restrict their digital stamp certificate, effectively limiting their ability to issue new invoices until the matter is regularised. In practical business terms, that is a serious escalation. A supplier's tax failure can now travel quickly into a customer's fiscal, financial and operational perimeter. What used to look like a problem of documentary compliance is now much closer to a continuity risk.

That is why the publication is more significant than the list itself: it tells companies that static supplier onboarding is no longer enough. A business may look clean when the relationship starts and become a material problem later through a regulatory publication, a shift in tax status or a failed verification process. Once that happens, the exposure is not theoretical. It can affect tax positions already taken, internal controls, audit readiness, payment flows and,

in the worst case, invoicing capacity. For larger organisations, this pushes third-party risk management further into the core of tax governance.

FAN ID's Privacy Bill Arrives Late — and Expensively

The Anti-Corruption and Good Government Ministry has hit the Mexican Football Federation (FMF) with a MXN 42.8 million fine over the design and operation of FAN ID, the biometric identification system introduced to curb stadium violence. The authority's case says the FMF failed to tell fans clearly that the biometric information being collected qualified as sensitive personal data, and also failed to obtain the kind of express written consent the law requires for that category of information.

In the government's telling, ticking a box on a website was simply not enough. For a system built around facial images and identity verification, that is not a technical oversight. It goes to the heart of whether the FMF treated data protection as a legal obligation or as a compliance afterthought attached to a security project.

The sanction lands barely a week after Mexico's World Cup exit, and it revives an old argument about how football authorities in Mexico tend to discover the limits of regulation only after the reputational damage has already been done. The ministry says the FMF also breached broader principles of legality and accountability by failing to implement the safeguards necessary to ensure the processing of biometric data complied with the law. The size of the fine was calculated based on the severity, the nature of the data involved and the federation's economic capacity, using its 2024 tax return as reference.

However, the case is not free of procedural controversy. Julieta del Río, a former INAI commissioner, has argued that the original procedure was mishandled and said she voted against the resolution at the time because of the way the case was processed. She also questioned the fact that the current authority had effectively doubled the fine first imposed in 2022, while, in her view, disclosing information about a matter that had not yet been definitively resolved.

The FMF is expected to challenge the ruling, and legal specialists note that it still has at least two obvious routes of defence: administrative review and administrative litigation. Other experts have pointed out that the case leaves three clear warnings for the market: failing to identify biometric data as sensitive can be costly; web-based consent is not a substitute for robust legal authorisation; and the regulator is willing to use financial penalties where compliance with data rules is treated too casually.

The CNDH Reopens Ayotzinapa

The National Human Rights Commission (CNDH) has reopened one of the most politically charged arguments in the Ayotzinapa case by challenging the line of investigation that placed the Army at the centre of the disappearance of the 43 students. In its new Recommendation 208VG/2026, an 867-page document, the Commission says there is not enough evidence to sustain the thesis that the case amounted to a mass forced disappearance executed by military personnel or a coordinated act of political repression against the students.

The report argues instead that this narrative, promoted at different stages of the investigation, ended up weakening other lines of inquiry involving municipal police, local authorities and the criminal group Guerreros Unidos. The institutional effect is obvious enough: after nearly twelve years, the State's own human rights body is now disputing one of the most politically consequential assumptions built into the later phases of the investigation.

The CNDH is not saying the military should be left entirely outside the file. It says investigations into possible individual complicity by military commanders with Guerreros Unidos must continue, especially given that the last information it was able to consult from the Attorney General's Office only ran to September 2025. At that point, cases against several soldiers were still at investigative or trial stage.

But the Commission says that, after reviewing the material, it could not establish direct military participation in the violence itself or in the disappearance of the 43 students. It also places weight on the quality of the evidence used against the armed forces, noting that much of it comes from protected witnesses who were themselves linked to Guerreros Unidos, as well as from phone messages later published in the first report of the Truth Commission, material whose evidentiary status has since been challenged by multiple actors. By contrast, the recommendation reinforces the role of municipal police, documents the presence of state and federal police at several points during the attacks, and again points towards collusion between local authorities and organised crime as the more substantiated operational chain.

Alejandro Encinas Rodríguez, the former deputy interior minister who presided over the Truth and Access to Justice Commission (Covaj) on Ayotzinapa and now serves as Mexico's ambassador to the OAS, moved swiftly to counter the CNDH's findings. In a post on X he

called 'an aid to memory', he shared Sedena documents identifying Julio César López Patolzin (one of the 43 disappeared students) as an infantry soldier deliberately enrolled at the Ayotzinapa normal school to report on the students' movements. Encinas's documents include a recruitment contract placing him under an infantry colonel's command, and an 'urgent' 21 October 2014 report from the 35th Military Zone's staff to Sedena's military intelligence section, describing him as an intelligence-gathering asset operating under student cover. That report details his periodic contact with his military handlers in the weeks before the disappearance, and the Army's subsequent efforts to locate him — while deliberately avoiding contact that might expose his identity — after the events of 26–27 September 2014, undercutting the notion that López Patolzin's military links were incidental to the case. Sedena has not yet issued any public response to Encinas's documents.

A group of parents of the disappeared students has described the recommendation as a 'historic betrayal', arguing that rather than bringing them closer to truth and justice, it functions as a political and legal shield for the armed forces. Centro Prodh has gone further, saying the recommendation again shows the CNDH's lack of autonomy by absolving the military institutionally, while discrediting international bodies, prior institutional efforts and civil society organisations that have worked on the case.

Chatter Box

Sweet Victory. Mexico has secured at least some access again to the US sugar market, and the government is presenting it as a concrete win for bilateral agricultural diplomacy. President Sheinbaum said the United States has begun regularising Mexican sugar imports after months of talks that, according to the official account, began in November 2025. The practical headline is the forecast from the US Department of Agriculture: imports of Mexican sugar could reach 1.152 million tonnes in the 2026–2027 cycle, a sharp increase from the previous estimate and a clear sign that Washington expects to need Mexican supply again at scale. The government says the revised export outlook could translate into as much as MXN 4.76 billion in additional income for roughly 170,000 cane producers, giving Sheinbaum a straightforward way to frame the result as both a trade success and a rural-income story.

The Court Takes on Nature, Rights and the Maya Cases. The Supreme Court has agreed to hear an unusual and potentially important case from Hopelchén, Campeche, where Maya communities are requesting that bees — specifically the endemic melipona bee, with its deep cultural and economic role in the region — be recognised as subjects of rights. If the Court were to move in that direction, it would give their human guardians a clearer legal

route to act on their behalf, challenge harmful conduct and demand protective action from the authorities. The case matters because it pushes the Court into territory that goes beyond conventional environmental litigation and into the more ambitious question of whether non-human entities can acquire their own juridical standing through the constitutional protection of Indigenous peoples and their biocultural relationship with the environment.

The Court pulled in two related cases from Homún, Yucatán, on the same day. One concerns the effort by the Guardians of the Cenotes to obtain legal personality for the Ring of Cenotes Geohydrological Reserve, together with recognition of Indigenous custodianship as a protection mechanism for the aquifer and surrounding territory. The other revisits one of the country's most emblematic environmental disputes: the litigation brought by Maya children and adolescents against the PAPO pig farm, whose operation they managed to suspend years ago. In both cases, the Court will be looking at whether the expansion of intensive pig farming in a protected area threatens water, health, the environment and cultural identity.

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