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Public interest comes first: The UIF's freezing power upheld

Mexico's Supreme Court has upheld the Financial Intelligence Unit's (UIF) power to block or suspend any bank account on suspicion of involvement in criminal activity, thereby limiting the effectiveness of legal recourse against such measures. The 12 August ruling follows an April decision that established the administrative and 'preventive' nature of the UIF's actions, and departs from the previous bench's rulings on a crucial distinction: the pre-eminence of public interest over private rights. By majority, the Court approved the project of Justice María Estela Ríos, who presented the draft ruling, interrupting two lines of jurisprudence from the previous Court (87/2019 and 117/2024) that had permitted such suspensions on the grounds that they did not affect the public interest or public order. According to Justice Ríos, impeding the UIF's actions 'compromises the protection of public safety' and breaches international commitments made by Mexico in the fight against money laundering.

With this ruling, the Court also builds on the controversial changes made to the Amparo Law and the Law of Credit Institutions in 2025, which placed limits on an otherwise broad and powerful instrument of protection against the State. Since last year, any delay to State action must weigh whether it would facilitate 'the completion or continuation of transactions with proceeds of illicit origin', or other behaviour that could affect the financial system.

The debate among the justices centred on the scope of this new framework. While the majority held that, following the Court's recent precedents, there is no longer an argument of unconstitutionality that would justify suspending the UIF's authority, Justice Loretta Ortiz Ahlf warned against turning this into a near-absolute rule, noting that the 2025 reform itself requires certain funds to remain liquid and available for the payment of salaries, alimony and basic subsistence. Justice Giovanni Figueroa Mejía, though voting with the majority, stressed that the UIF's power is not an unlimited authorisation: account freezes require reinforced motivation based on objective, verifiable elements, and remain subject to judicial review. The ruling passed by eight votes to one, with Justice Yasmín Esquivel dissenting both from the decision and from the abandonment of the previous precedents.

The April ruling responded to a 2022 challenge by 49 opposition senators to amendments to the Law of Credit Institutions; they argued that allowing the State to place individuals and companies on the blocked persons list without a prior hearing undermines legal certainty, weakens the presumption of innocence and inverts due process. In this case, the Court reversed a 2025 decision by a district judge in Zapopan, Jalisco, that had granted an injunction in favour of Fermín Santana Blanco, an alleged money launderer according to media reports.

In both cases, the Mexican State has reaffirmed that anti-money-laundering enforcement takes precedence over provisional judicial relief.

This also follows recent changes announced by the Ministry of Finance (SHCP) to key parts of the country's anti-money-laundering framework, due to take effect progressively from November 2026 onwards. These changes extend beyond banking institutions, affecting real estate brokers, non-bank lenders, dealers in vehicles, jewellery and art, casinos, trust service providers and, explicitly, virtual asset service providers such as crypto exchanges and custodians. There was also an agreement between the UIF and the National Banking and Securities Commission (CNBV), announced by both institutions in March, to enhance cooperation, share information and create joint working groups to advise technically on relevant cases.

With this decision, the Court has closed off challenges to the State's principal anti-money-laundering instrument from more than one angle: April's ruling validated the UIF's freezes as administrative and preventive measures, thus not prejudging an individual's guilt; last week's ruling removed provisional judicial restraint, imposing public interest over private protection and dispelling any interpretation that might deem these actions unconstitutional.

Mexico's AML provisions have hardened following the US Treasury's flagging of three financial institutions on suspicion of money laundering in 2025 (CI Banco, Vector and Intercam); security cooperation between Mexico and the United States has also intensified under pressure from the Trump administration; and, from the international standpoint, this reinforcement of the UIF aligns with the Financial Action Task Force's (FATF) standards. All of this raises the question of whether public interest, understood mainly as security enforcement, should come at the cost of protections against State action. For businesses, once on the blocked persons list, relief will come slowly, if at all, making preventive compliance the reliable protection.

Can Mexico be an entrepreneurial State?

The official release of *State Transformation for Plan México: A Mission-Oriented Approach to Delivering Shared Prosperity*, a report co-authored by prominent heterodox economist Mariana Mazzucato (author of *The Entrepreneurial State: Debunking Public vs Private Sector Myths*) and Lara Merling, has sparked a public debate about Mexico’s capacity to use the state not merely to correct market failures, but to shape markets through strategic public investment, industrial policy and support for productive and innovative enterprise (and more parochially, the legitimacy of seeking advice from like-minded but foreign consultants but living far away from Mexico). The report welcomes Plan México’s emphasis on public investment and industrial policy as a means of strengthening Mexico’s productive capacity and spreading the benefits of growth more widely. But it also argues that the Mexican state lacks the financial, administrative and organisational capabilities required to deliver that transformation.

The report offers a range of policy recommendations to advance Plan México's objectives, diagnosing the current condition of the Mexican economy as one of stagnation and low public investment, despite improvements in areas such as social policy and exports. At the heart of the report lies a proposal to reorganise Plan México's scattered targets into four mission areas: water security, health for all, energy sovereignty and food sovereignty. Each area would be governed by a cross-governmental mission board endowed with decision-making powers, ensuring that action need not depend so heavily on the executive.

This would also require CFE and Pemex to align their investment decisions more closely with Plan México's industrial and development goals. Private companies receiving public support, through tax breaks, development-bank financing, government contracts or concessions, would likewise be expected to deliver something in return, whether through investment in Mexico, greater use of local suppliers, technology transfer or better wages. Where state support creates substantial private gains, the report argues that the public sector should also capture a share of the upside through mechanisms such as royalties, profit-sharing or equity stakes.

The report calls for Mexico's development banks, NAFIN, Banobras, Bancomext, FONADIN and FIRA, whose combined assets amount to about 9.3 per cent of GDP, to operate less as a collection of separate institutions and more as a coordinated financing system under the finance ministry. It argues that they should rely less on lending indirectly through commercial banks and do more to finance companies and projects themselves, with success judged by whether they enable investment that would not otherwise have taken place rather than simply by the volume of credit extended.

It also identifies public procurement as an underused tool of industrial policy. Government purchasing is equivalent to about 5.3 per cent of GDP, compared with an OECD average of 12.9 per cent. Building on the 2025 procurement law, the authors propose more centralised purchasing, clearer advance notice of government demand and stronger conditions attached to contracts, including requirements linked to domestic production and wider public value. The health sector is presented as an early test of whether this approach can work in practice.

The revenue side brings the report's most politically charged section. With Mexico's tax collection at 17.7 per cent of GDP in 2023, the lowest in the OECD, Mazzucato and Merling set out a prescription that pointedly excludes VAT or general income-tax increases. They advise a high-threshold wealth tax (which Oxfam México estimates could raise up to MXN 270 billion a year), inheritance taxation targeted at the largest estates, a higher property tax, closer alignment of capital and labour income taxation, financial-sector levies and temporary windfall-profit taxes.

The report has nevertheless drawn criticisms. There is broad agreement with its diagnosis of Mexico's underlying weaknesses: persistently low growth and investment, stark regional inequalities and an economy divided between sophisticated exporters and a much larger universe of low-productivity businesses. The key argument is whether the Mexican state Mazzucato and Merling want to empower has the capacity to carry out the recommended changes.

The track record of the Mexican state to deliver high impact investments is poor, to say the least, as demonstrated most recently by the cost and execution of flagship projects such as the Tren Maya and the Dos Bocas refinery, the persistent operating problems at Pemex, the deterioration in education standards, the lack of sufficient investment in electricity generation and transmission, to name a few of recent public-sector challenges. Critics have further challenged some of the report's positive assessments of the government's ''success' in housing and healthcare, arguing that even official data question its conclusions. The report mostly side steps the impact on the state's effectiveness of recent changes to the institutions such as the overhaul of the judiciary, reduction of public sector salaries, and the weakening or abolition of autonomous regulators.

Some question why it was even necessary to bring in a foreign economist with little expertise in Mexico per se. At the Foro para el Crecimiento Sostenible in August, leading and (to be accurate, mostly non-leading) Mexican economists and policy specialists also debated how to revive the country's weak economy. Their proposals included raising public investment, expanding finance for productive businesses and innovation, strengthening development banks and reforming fiscal rules. Much of what Mazzucato and Merling argued, and for free.

Plan México, the authors argue, requires a state capable of coordinating and optimising investment, choosing the right priorities, using procurement strategically, taxing more effectively, and spending money wisely. So far so good. Yet critics argue the state's institutional capacity to achieve this, always poor in Mexico's history, has been weakened even further in recent years.

In the end the report probably does not matter too much. It will go the way most reports go, generating a lot of news stories, but changing very little. And perhaps by focusing attention on the genuine (in)capacity of the Mexican state to execute policy effectively, it will be of some small service, even if that was not quite the intention of the authors.

Deadline: Mexico starts cutting off unregistered mobile numbers

Mexico's mandatory mobile-line registration has entered its enforcement phase. The first deadline under the government's staggered suspension calendar fell on 15 August, covering numbers ending in 0; any line still unlinked to an identified user will now begin losing normal service over up to 72 hours. Numbers ending in 1 follow on 31 August, with the process continuing through to the end of the year.

The measure is the first practical test of one of the most consequential rules introduced under Mexico's new telecoms architecture: the Telecommunications and Broadcasting Law (LMTR), adopted in July 2025, and the CRT's *Lineamientos para la Identificación de Líneas Telefónicas Móviles*, published in December. Since 9 January, users have been required to link their number to an official identity document and CURP or, where applicable, RFC, while operators including Telcel, AT&T and Movistar have had to provide both online and in-person channels for registration.

The original rules envisaged a single cut-off after a 120-working-day implementation period, concentrating disconnections at the end of June. Faced with the operational challenge of processing millions of lines at once, the CRT amended the rules on 30 June, replacing that single deadline with a staggered calendar keyed to the final digit of each number. The regulator has been emphatic that no further extension will follow.

'Suspension' is less final than it sounds. Operators have up to 72 hours after each deadline to disable affected lines gradually, after which users lose ordinary voice, SMS and data services, though emergency numbers and registration channels remain accessible. The number itself is not lost: a suspended user can still link the line and recover service at no extra charge. The staggered timetable also gives operators an operational advantage, bringing roughly one-tenth of the remaining universe into focus at each deadline rather than all at once.

The CRT reports that more than 70 million lines have already been linked, and has framed the measure as a tool against extortion and fraud, citing unidentified lines as the source of as much as 80 per cent of extortion calls. President Sheinbaum has echoed this, describing the system as a preventive security measure and predicting it will meaningfully reduce phone-enabled crime. She has also pushed back against comparisons with earlier registry attempts, arguing that subscriber data remains with operators rather than a central state database, with authorities only able to access sensitive information in connection with an investigation and subject to judicial authorisation. And to be fair, most other countries around the world require one's ID to be linked to a phone line, so Mexico is not asking for anything especially unusual.

Still, digital-rights organisation R3D has questioned whether linking nearly every mobile line in the country to verified identity will achieve the stated security aim, as critics point to criminals' ability to migrate to VoIP, foreign numbers or stolen identities. In the end, the data will show whether there is an impact on extorsion from the monumental and expensive work involving in creating a fully traceable mobile phone line registry. (So far there is no evidence extorsion has declined even as 70mn phone lines have been registered). Will this turn out to be a massive waste of time and resources?

Chatter box

Congress returns to a full agenda. Congress reconvenes on 1 September with a particularly crowded legislative agenda and a public roadmap set out by Morena's leader in the Chamber of Deputies, Ricardo Monreal, who has circulated a list of thirteen priority items for the first ordinary period of the LXVI Legislature's third year, describing it as 'strong, heavy and productive'.

The 2027 economic package looms large among the priorities, as it does every year, but the core of the coming period will rest particularly on digital regulation. Monreal's agenda contemplates rules for social media and artificial intelligence, with the federal government having signalled it would open a public consultation on both once the World Cup concluded, and with Monreal himself holding a proposal on AI.

The second priority is intellectual property: a copyright reform on secondary liability for internet service providers, presented by President Sheinbaum on 1 June and now before the Chamber's economy committee, alongside amendments to the industrial property law sitting in Senate committees. The third is a proposed statute on advertising and marketing communications, built on three principles: express prior consent for any commercial message, accessible revocation mechanisms, and separation of advertising consent from the underlying contractual relationship.

Also on the list: an anti-corruption package being prepared by the Anti-Corruption Ministry; secondary legislation on foreign interference; insurance regulation developed with Hacienda to curb abuses against policyholders; extended breastfeeding leave being worked out with the labour ministry, IMSS and business groups; and reforms on forced recruitment, animal welfare and the therapeutic use of drugs in overdose cases.

A million teachers first, legislators later: President Sheinbaum announced on 17 August that more than a million basic-education teachers, drawn from over 200,000 schools across all 32 states, will be consulted on regulating mobile-phone use in classrooms during the intensive session of the Consejos Técnicos Escolares on 24 and 25 August. Sixteen states already regulate mobile-phone use in schools, she noted, and the aim is to extend this nationwide, though teachers will be asked their opinion first. The exercise forms part of a wider series of regional forums, the first of which takes place on 19 August at the Universidad Autónoma de Nuevo León.

Classroom phones are the entry point, not the destination. Sheinbaum described the national debate's objective as reaching an agreement to regulate content and the way algorithms are built, curbing excessive use, addressing infinite scrolling and preventing minors from encountering unsolicited content. She was explicit that the intention goes beyond a government decree: the aim is for parents to become informed about what is happening on social media, aware of measures taken in other countries, and part of building a scheme that makes platform access safe for children.

For companies operating digital platforms in Mexico, the sequence is worth tracking. Social-media and artificial-intelligence regulation sits high on the legislative agenda for the ordinary period beginning on 1 September. What is under way now is the political groundwork: a consultation of teachers, a circuit of regional forums, and a body of scholarly exposition delivered through the president's own press conference. By the time a bill reaches Congress, its design requirements are unlikely to come as a surprise.

Tourism's last snapshot before the World Cup: Mexico's tourism indicators for January to June 2026, presented by the tourism ministry on 13 August with INEGI data, capture the sector before the full impact of the World Cup, which ended in July. There were 51.1 million international visitors, a 7.7 per cent annual increase and the highest half-year figure on record, with 24.5 million staying at least one night. Cruise tourism also hit historic highs, reaching 6.6 million visitors, a 15.2 per cent annual increase. Foreign-visitor spending, however, rose just 0.5 per cent to US$18.781 billion: more visitors, but spending less per head.

June breaks that pattern, and the timing invites attention. International traveller growth slowed to 2.1 per cent that month, with tourist numbers flat at 4.1 million, yet spending rose 5.9 per cent to US$2.91 billion. Arrivals from Japan more than doubled, Australia rose 89.1 per cent and Colombia 74.4 per cent — long-haul markets that do not travel to Mexico casually. Whether this marks a shift towards higher-value visitors or simply reflects the tournament's opening weeks will not be clear until the third-quarter figures land.

What the presentation underplays is how domestic tourism carried the half-year without fanfare. Local visitors accounted for 53.6 million hotel rooms sold between January and June, with 733,000 more Mexican tourists than in the same period of 2025. That base sustains occupancy in destinations that never appear in international arrival statistics, and does so without exposure to exchange rates, visa policy or the diplomatic disputes between Mexico City and Washington.

Visas, letters, and political drama. In the latest episode of US authorities revoking the visas of prominent political figures, Andrés Manuel López Beltrán (better known as 'Andy'), son of former president Andrés Manuel López Obrador, revealed that he too had been subject to this administrative decision by the US government. He did so dramatically, through a threepage public letter addressed to President Trump himself, in which he denounced the measure as 'Hitlerian'.

As expected, the announcement shook the Mexican political class and further entrenched these actions as a central tool of US foreign policy. Following the announcement, deputy secretary of state and former ambassador to Mexico, Christopher Landau, posted on his X account both a mocking commentary on López Beltrán's letter and a more conciliatory message tagging both President Trump and President Sheinbaum: 'We mustn't allow the occasional flare-up of political drama to distract us from this fundamental point.'

On a less conciliatory note, the official US Embassy account reposted a message from Secretary of State Marco Rubio dating from February, stating that the United States will revoke any visa where there are grounds to do so, regardless of the holder's residence, identity or political views, and that a visa is a privilege rather than a right.

Pressed to weigh in, President Sheinbaum described the strategy as interventionist on the part of the US government, and further stated that holding a US visa 'does not define' a person. While not constituting evidence of criminal conduct, the continued revelation of Mexican politicians losing their visa status has become a go-to source of leverage for the US administration, and a tool for putting the Mexican government on the defensive.

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