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Antitrust in Mexico: Q&A on the Future of Cofece and IFT in 2025

On December 20, 2024, President Claudia Sheinbaum published in the Official Gazette of the Federation (DOF by its Spanish acronym) the Organic Simplification Decree that reformed various provisions of the Political Constitution of the United Mexican States.¹

The entry into force of this reform seeks to reorganize state structures by eliminating constitutionally autonomous agencies (OCAs by its Spanish acronym) and other regulatory agencies, among others, the Federal Economic Competition Commission (Cofece by its Spanish acronym) and the Federal Telecommunications Institute (IFT by its Spanish acronym), reassigning their functions to the sphere of influence of the Executive Branch (see our analysis of the reform [here](#)).

Although Cofece and the IFT face uncertainty due to their upcoming disappearance, as well as the concrete effects of the changes derived from the reform and a budget reduction of close to 70%², is expected that both agencies will continue working in 2025 to protect the principles of economic competition and guarantee public telecommunications and broadcasting services in the country.

In this Client Alert, we present a quick guide to answer the main concerns about the impact of the recent reform on the economic competition and regulatory regime in Mexico.

What will happen with Cofece?

It will be extinguished, and its powers will be transferred to a new authority on economic competition and concurrence that will have its own legal personality and assets, with technical and operational independence in its decisions, organization and operation, and that will guarantee the separation between the authority that investigates and the one that resolves the proceedings.

In addition, this new agency will assume the economic competition functions of the IFT, which will exclusively exercise the powers of asymmetric regulation in the telecommunications and broadcasting markets in order to eliminate barriers to competition and free competition and impose limits on national and regional concentration of frequencies, concessions and cross-ownership.

The reform does not define the legal nature of the institution that will replace Cofece. However, both President Claudia Sheinbaum and legislators from her party have publicly stated that the functions of this agency would be transferred to a decentralized agency of the federal government, probably attached to the Ministry of Economy.

¹ See: https://www.dof.gob.mx/nota_detalle.php?codigo=5745905&fecha=20/12/2024#gsc.tab=0

² See: https://www.dof.gob.mx/nota_detalle.php?codigo=5746127&fecha=24/12/2024#gsc.tab=0

What will happen with the IFT?

Like Cofece, it will be extinguished. Its powers regarding economic competition in the telecommunications and broadcasting sectors will be transferred to the agency that replaces Cofece, while the agency in charge of developing and conducting telecommunications and broadcasting policies, the newly created Digital Transformation and Telecommunications Agency (ATDT by its Spanish acronym), which has the rank of a Ministry, will assume the remaining powers of the IFT over such sectors.³

This agency will be in charge of regulating the radio electric spectrum, networks and the provision of broadcasting and telecommunications services, as well as access to active and passive infrastructure and other essential facilities. It will also oversee granting, revoking, authorizing transfers or changes of shareholding control, ownership or operation of companies related to broadcasting and telecommunications concessions.

When will Cofece and IFT disappear?

There is still no exact date for the disappearance of these OCAs. According to the transitory articles of the reform, Cofece and the IFT will be extinguished 180 days after the entry into force of the new secondary legislation on economic competition, and on telecommunications and broadcasting, issued by the Mexican Congress

However, the reform does not establish a term for the Mexican Congress to issue such legislation, which will cause both agencies to continue operating during this transition period without having a clear date for the end of their existence.

Cofece and IFT resumed their activities on January 6, 2025⁴ and continue to operate under the current Federal Antitrust Law and the Federal Telecommunications and Broadcasting Law.

What will happen to ongoing investigations and proceedings?

During the transition period, Cofece and the IFT will continue to operate normally, processing ongoing investigations and proceedings.⁵ Matters pending before Cofece and IFT will be transferred to the new regulatory agency upon their dissolution, as applicable, and all its decisions and acts issued prior to its elimination will continue to have full legal effect.

Are transactions above thresholds still reportable?

Yes, transactions that exceed the thresholds established in the current law will continue to be notifiable to Cofece and/or the IFT until their disappearance. Subsequently (and assuming that the new antitrust law does not modify the current regime), such notifications will have to be made to the new antitrust agency.

As of January 1, 2025, the amount of fees for the study of a concentration notification is \$247,820.09 M.N. (approximately \$11,920 USD), this represents an increase of 4.5% with respect to the amount in effect in 2024.

³ See Articles 26 and 42 Ter and of the Organic Law of the Federal Public Administration, published in the DOF on November 28, 2024.

⁴ See the annual work calendars of the IFT and Cofece, published in the DOF on November 25, 2024 and December 20, 2024, respectively.

⁵ According to the Positioning on the transition period from Cofece to the new competition authority, Cofece is currently processing more than 150 merger transactions and has around 25 ongoing investigations. See: <https://www.cofece.mx/posicionamiento-sobre-periodo-de-transicion-de-cofece-a-la-nueva-autoridad-de-competencia/>

Can Cofece and the IFT still investigate and sanction cartels, abuses of substantial power and unlawful concentrations?

Yes, Cofece and the IFT maintain their sanctioning capacity until the time of their disappearance. Subsequently, the sanctioning functions will be assumed by the new regulator in matters of economic competition.

Are the acts of Cofece and IFT still subject to challenge? Does the reform change anything?

The acts of the Cofece and the IFT issued prior to their disappearance and during the transition period may still be challenged by means of an indirect amparo proceeding.

The constitutional reform does not alter this situation. Consequently, the acts of the new regulator will remain subject to challenge under the same conditions. These acts will not be subject to suspension, and in specific cases, such as the imposition of fines or the divestiture of assets, their enforcement will be deferred until the corresponding amparo proceeding is resolved.

Does the disappearance of Cofece and IFT mean that Mexico will be left without an economic competition regime?

No. The reform does not eliminate the economic competition regime in Mexico. Although the Cofece and the IFT will disappear, during the transition period they will continue to have all their powers. Subsequently, their functions and pending matters will be transferred to the new competition authority, which will be obliged to guarantee due process and compliance with competition regulations.

Will the new regulatory body be a collegial entity?

During the transition period prior to their disappearance, the Cofece and the IFT will maintain their structure as collegiate bodies, with the powers and competencies granted to them by current legislation.

The criteria for the appointment of the member (or members) of the new economic competition authority have not yet been defined. These requirements should be established in the secondary legislation derived from this constitutional reform.

At **Pérez-Llorca México**, we continue to monitor and analyze in detail the evolution of the legal and institutional landscape in Mexico. We have extensive experience in antitrust, telecommunications, energy, transparency and personal data protection. Our team of experienced professionals is uniquely positioned to provide specialized and effective advice, ensuring that our clients are well prepared to address and mitigate potential legal challenges in these areas.

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