

LEGISLATIVE OUTLOOK

MEXICO · SEPTEMBER–DECEMBER 2026

Mexico's Congress has opened the First Ordinary Session of the third year of the LXVI Legislature, which runs from September 1 through no later than December 15, 2026, with roughly 30 federal legislative priorities on the table.

The government's agenda spans fiscal policy, environmental regulation, foreign investment, industrial property, artificial intelligence, anticorruption, migration, social policy, and institutional reform. For U.S. manufacturers operating in Mexico, a subset of these initiatives is expected to carry significant, direct business implications.

The most relevant areas include the 2027 Economic Package, environmental regulation, foreign investment and national security, industrial property, supply-chain traceability, artificial intelligence, anticorruption, Indigenous community rights, and mobility and migration. Several of these issues also intersect with the USMCA review, including foreign investment, industrial property, environmental regulation, and supply-chain security.

~30

Legislative priorities on the federal agenda for Sept–Dec 2026

12

Priority issues identified with direct relevance for U.S. manufacturers in Mexico

SEPT 8

Date the 2027 Economic Package is expected to reach Congress

DEC 15

Constitutional deadline for the first ordinary session to conclude

NEGOTIATING LEVERAGE The governing coalition (Morena, PVEM, and PT) currently holds 87 of 128 Senate seats (68%) and 364 of 500 seats in the Chamber of Deputies (73%) — in both cases exceeding the two-thirds majorities required in Congress to approve constitutional amendments (86 and 334 votes, respectively). For U.S. companies, this means the governing coalition has sufficient votes to pass ordinary legislation and, at the federal congressional level, constitutional reforms without opposition support. This congressional strength is an important factor to consider, as priority bills on the legislative agenda could move relatively quickly once formally introduced.

KEY TAKEAWAYS

Six points that frame the September–December legislative window for U.S. manufacturers operating in Mexico.

0 1

Active session

The First Ordinary Session of the LXVI Legislature's third year runs through December 15, 2026.

0 2

Broad agenda

Roughly 30 federal priorities span fiscal policy, environment, investment, AI, anticorruption, and migration.

0 3

USMCA intersection

Foreign investment, industrial property, environmental regulation, and supply-chain security could all interact with the USMCA review.

0 4

Fiscal signal

The 2027 Economic Package, due September 8, will set the tone for taxes, spending, and investment incentives.

0 5

Investment screening

A proposed reform would add national-security review to the approval of certain foreign investments for the first time.

0 6

2027 midterm elections

Mexico will hold midterm elections in 2027, renewing the entire Chamber of Deputies. The elections will test whether Morena and its allies maintain their qualified majority, potentially shaping political and legislative priorities for the remainder of the presidential term.

PRIORITY LEGISLATIVE ISSUES

The twelve initiatives most likely to carry direct business implications for U.S. manufacturers in Mexico, drawn from the government's ~30-item legislative agenda.

LEGISLATIVE ISSUE	BRIEF DESCRIPTION	POTENTIAL IMPACT FOR MANUFACTURING BUSINESSES OPERATING IN MEXICO
▪ 2027 Economic Package	The government's fiscal package will establish the principal revenue and expenditure policies for 2027. The Executive is expected to submit the package on September 8, followed by congressional consideration of the Revenue Law and Federal Expenditure Budget.	High potential relevance. Companies should monitor potential changes in taxes and other fiscal provisions, as well as spending priorities involving infrastructure, energy, security, and other areas relevant to the business environment.
▪ Environmental Reform	The legislative agenda contemplates a significant update to Mexico's environmental framework, aimed at strengthening environmental protection and environmental justice.	Potentially significant for manufacturing. Depending on the final provisions, the reform could affect environmental requirements applicable to industrial facilities and new investment projects.
▪ Foreign Investment and National Security Review	A proposed reform to the Foreign Investment Law would introduce national-security considerations into the review of certain foreign investments, including transactions involving strategic sectors and activities.	High relevance for foreign investors. The proposal could introduce additional review requirements and timelines for certain acquisitions and investments in Mexico.
▪ Foreign Intervention or Interference	Secondary legislation is contemplated regarding the nullification of acts involving foreign intervention or interference. The scope and application of the proposed legislation remain to be defined.	Impact remains uncertain. Given the limited information currently available, it is premature to identify specific implications for foreign companies.
▪ Insurance Regulation	Congress is expected to consider changes related to insurance regulation. The legislative agenda does not yet provide sufficient detail regarding the scope of the proposal.	Impact remains uncertain. It is premature to determine whether the proposal would materially affect manufacturers or their insurance arrangements.
▪ Strengthening National Sovereignty	The legislative agenda includes a reform related to strengthening national sovereignty, although its specific scope has not yet been defined.	Impact remains uncertain. There is currently insufficient information to identify specific business implications.
▪ Industrial Property Law	The agenda contemplates amendments to the Federal Law for the Protection of Industrial Property. Details regarding the specific provisions to be modified remain limited.	Potential relevance for manufacturers. Because industrial property rules can affect patents, trademarks, and other protected assets, companies should monitor the proposal.
▪ Deforestation-Free Certification	Proposed amendments to federal administrative and forestry legislation would address the issuance of deforestation-free certificates.	Potential supply-chain relevance. Companies using products or inputs that could fall within the certification regime should monitor the initiative.
▪ Artificial Intelligence Regulation	Congress is expected to consider legislation regarding the use of artificial intelligence. The scope and specific requirements of the proposed regulation remain to be defined.	Potential relevance. Companies using AI-based tools in Mexico should monitor the initiative as details emerge.
▪ Anti-Corruption Package	The government's agenda includes a broad anticorruption package intended to strengthen prevention, investigation, oversight, and sanctioning of corruption — potentially amending 19 laws and creating two new legal instruments.	Potentially significant for companies. Depending on the final provisions, the package could affect corporate compliance and interactions with public authorities.
▪ Rights of Indigenous and Afro-Mexican Peoples	The agenda includes a General Law on the Rights of Indigenous and Afro-Mexican Peoples, further developing the legal framework applicable to these communities.	Potential relevance for certain projects, particularly those developing projects in areas involving Indigenous communities.
▪ Mobility and Migration Reform	The legislative agenda includes legal reforms involving mobility and migration, although the specific scope remains to be determined.	Potential relevance for foreign companies employing or transferring foreign personnel, though there is currently insufficient information to confirm material changes.

OTHER LEGISLATIVE ISSUES

These items currently appear to have more limited direct relevance for U.S. manufacturing operations in Mexico but remain part of the broader legislative monitoring process.

▪ Copyright and internet-service provider liability	▪ Dual-nationality restrictions for certain elected offices	▪ Therapeutic drugs for psychotropic-substance overdoses
▪ Advertising and marketing communications	▪ Femicide legislation · Sexual-abuse provisions	▪ Transportation of minors and human-trafficking prevention
▪ Social-media and AI regulation	▪ Identity theft	▪ Non-discrimination
▪ Unlawful dispossession	▪ Identity protection in extortion cases	▪ IMSS-Bienestar
▪ Ticketing regulation	▪ Extended breastfeeding	▪ Animal welfare and protection
▪ Criminal procedure and organized crime	▪ Civil and family procedures	▪ Forced recruitment

While several of these initiatives remain at an early stage and their potential business implications will depend on the specific legislative language ultimately introduced, a few issues warrant closer attention given their potential relevance for foreign investors and the broader business environment in Mexico. In particular, the proposed changes to the foreign investment framework and the 2027 Economic Package stand out because of their more direct potential implications for investment decisions and business operations. The following sections provide additional context on these issues, as well as on environmental policy and their potential connection to the USMCA.

FOREIGN INVESTMENT AND NATIONAL SECURITY

Foreign investment screening deserves particular attention as a separate issue for U.S. companies. The proposed reform to Mexico's Foreign Investment Law would expand the role of the National Foreign Investment Commission (CNIE) beyond its traditional economic focus by incorporating national-security considerations into the review of certain foreign investments.

Under the proposal, certain transactions involving more than 49% foreign participation and exceeding an asset threshold to be established by the CNIE could require prior review when they involve strategic infrastructure, critical or dual-use technologies, critical inputs, sensitive information, or other designated strategic activities.

For manufacturers, the implications extend beyond their own investments: an acquisition or ownership change involving a strategic Mexican supplier could become subject to government review, affecting transaction timing and, indirectly, supply-chain continuity. The reform would also bring Mexico's foreign-investment framework closer to the economic-security approach already used in the United States — relevant as the USMCA parties address investment and supply-chain security.

THE 2027 ECONOMIC PACKAGE

The 2027 Economic Package is likely to be one of the most consequential business issues of the legislative period. The Executive Branch is expected to submit the package to Congress by September 8, after which the Chamber of Deputies faces key statutory deadlines for approval of the Revenue Law and Federal Expenditure Budget.

Beyond the headline fiscal balance, the package will signal the government's priorities on social spending, security, healthcare, infrastructure, education, energy, and public investment. For U.S. manufacturers, the principal issues to monitor include potential changes to the tax burden, investment incentives, customs and enforcement resources, infrastructure spending, energy policy, and other measures affecting the cost and competitiveness of operating in Mexico.

Business organizations have also emphasized the importance of avoiding unnecessary increases in the regulatory and fiscal burden on companies, and of maintaining conditions that support investment, formal employment, competitiveness, and regulatory certainty — particularly for SMEs.

ENVIRONMENTAL POLICY AND USMCA

Environmental policy could also become increasingly relevant for manufacturers. The legislative agenda contemplates a significant update to Mexico's environmental framework, including a new General Environmental Law intended to strengthen environmental protection, management instruments, and environmental justice.

Depending on the final text, the reform could affect industrial permits, infrastructure development, energy projects, emissions, waste management, water use, environmental liability, and compliance costs. Because environmental commitments form part of the USMCA framework, significant changes to Mexico's environmental regulation could have implications not only domestically but also in discussions surrounding Mexico's implementation of its North American trade commitments.

POLITICAL AND USMCA CONTEXT

The legislative agenda combines social and constitutional reforms with economic, security, institutional, and regulatory initiatives, at a moment when Mexico is moving closer to the 2027 electoral cycle — increasing the political importance of the current legislative window.

While several proposals remain under development and their final scope is uncertain, priority initiatives could move relatively quickly once formally introduced. For companies, this makes early monitoring of committee discussions, draft legislation, amendments, and implementing provisions particularly important.

The timing also coincides with an important period in the Mexico-U.S. economic relationship: foreign investment, industrial property, environmental policy, and economic regulation could all interact with Mexico's negotiating position and commitments under the USMCA. For U.S. manufacturers, the legislative agenda should be viewed not only as a domestic regulatory process, but also as part of a broader evolution in Mexico's approach to economic security, supply-chain resilience, investment screening, technology, and North American integration.

IMPLICATIONS FOR U.S. MANUFACTURERS

The September–December legislative period should primarily be viewed as a monitoring and early-assessment phase. Companies should pay particular attention to six areas:

Fiscal & tax measures

Provisions contained in the 2027 Economic Package — taxes, incentives, and spending priorities.

Environmental & traceability

Environmental permitting requirements and supply-chain traceability obligations.

Investment & security screening

Foreign-investment review and the proposed national-security screening mechanism.

Industrial-property protection

Amendments affecting patents, trademarks, and other protected assets.

AI governance

Emerging requirements for companies using AI-based tools in Mexico.

Anticorruption & gov't relations

Compliance and interaction requirements with public authorities.

Companies contemplating acquisitions, expansions, major capital investments, or changes involving strategic suppliers may benefit from assessing whether pending legislation could affect the timing, regulatory requirements, or economics of those decisions.

Taken together, the initiatives suggest that Mexico's regulatory framework is increasingly incorporating considerations related to national and economic security, supply-chain integrity, technology governance, environmental compliance, and corporate accountability — alongside more traditional fiscal and business regulation.

Several issues included in the legislative agenda have not yet been formally introduced or still lack detailed legislative language. The potential business impacts described above are therefore preliminary and should be reassessed as specific bills, committee reports, amendments, and implementing provisions become available.

Monarch Global Strategies' team will continue monitoring the progress of this legislative agenda throughout the September–December session and will report to our clients on any material developments or potential business impacts as they emerge.

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