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Mexico's Anti-Money Laundering Reform: What Companies Must Know

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In light of the new provisions under Mexico's Federal Law for the Prevention and Identification of Transactions with Illicit Proceeds, anti-money laundering regulations are becoming stricter. Businesses will now be required to apply greater scrutiny when verifying the source of funds, as authorities are expected to impose administrative and, where applicable, criminal sanctions. These changes are driven by two main factors: the current administration's domestic reform agenda and the broader geopolitical pressure, particularly from the United States.

Data from Mexico's National Banking and Securities Commission (**CNBV**) for 2025 underscore the growing importance of these measures, with one in three sanctions imposed, linked to deficiencies in anti-money laundering controls or failures to detect illicit activity. This trend reflects Mexico's alignment with international standards promoted by the Financial Action Task Force (**FATF**) to enhance financial oversight.

More than a purely business-driven reform, this shift is also shaped by international dynamics. The reform extends regulatory requirements to additional sectors that handle significant volumes of funds, which means organizations with weak anti-money laundering controls will face greater exposure and more serious consequences.

The cryptocurrency sector and real estate developers are now also subject to these compliance obligations, requiring stronger internal controls and more robust governance frameworks.

Ultimate Beneficial Owner

Companies must avoid gaps in their corporate structures, trust arrangements, or the use of nominees when conducting financial transactions. The reform strengthens the ultimate beneficial owner (**UBO**) framework by lowering the ownership thresholds required for its identification.

Failure to properly identify the ultimate beneficial owner can result in significant financial penalties, amounting to several million pesos, depending on the severity of the non-compliance. This requires close coordination across compliance, human resources, accounting, and administration departments, all responsible for managing relevant information.

Risk-Based Approach Over Formal Compliance

The reform reinforces due diligence obligations, requiring companies to implement robust mechanisms for customer identification, transaction monitoring, and the reporting of unusual activities. Organizations are expected to take a more proactive role in identifying and managing risk, rather than simply meeting formal compliance requirements.

This shift carries significant operational and reputational implications. A study by LexisNexis Risk Solutions estimates that financial crime compliance costs for financial institutions in Mexico reach approximately USD 900 million annually, underscoring the scale of resources required to manage these risks.

Compliance Teams

The increasing complexity of regulatory requirements means companies can no longer rely on basic controls. Instead, they must adopt risk-based, cross-functional, and well-documented compliance strategies, while strengthening their internal teams and decision-making processes.

Companies need greater discipline and sound judgment. They must be prepared to reject transactions when they cannot verify the source of funds or fully identify the ultimate beneficial owner, even if doing so means losing business, in order to avoid serious legal consequences.

The strengthening of Mexico's anti-money laundering framework points to a more demanding relationship between companies and regulators, based on transparency, traceability, and accountability. All companies must maintain an adequate level of compliance and due diligence to conduct business effectively in Mexico's renewed agenda against money laundering. As regulatory scrutiny continues to intensify, organizations must view compliance not as a burden but as a strategic investment essential to their long-term survival and growth in Mexico's financial ecosystem.

PRACTICE AREA NEWS

Immediate Approval of Investments under *Plan México*. The decree of **May 4, 2026**, on **Immediate Authorization of Investments**, part of ***Plan México***, creates a fast track for projects in development poles, above MXN 2 billion, or priority sectors. It allows work to start while permits are processed. It establishes a Digital Investment Window and a specialized committee, sets a 90-day limit for others, and aims to attract investment, provide certainty, boost growth, and support national development.

Amendments to AML Law Regulations. The decree of **March 27, 2026**, amending **Mexico's AML regulations** strengthens compliance under the **LFPIORPI**. Effective March 28, it introduces risk-based due diligence, annual audits, staff training, and faster reporting, including 24-hour notices. It clarifies PEP identification and beneficial ownership rules, expands SAT and UIF oversight powers, and requires updated compliance programs. The reform aligns with FATF standards, enhances transparency, and promotes stronger controls against illicit financial activities.

Major Reform to Industrial Property Law. The decree of **April 3, 2026**, amending Mexico's **Industrial Property Law** modernizes the IP system ahead of the **T-MEC review**. Effective April 4, it sets maximum deadlines for IMPI procedures, introduces new trademark types, and addresses AI-related issues. It also adds provisional patents, restores rights mechanisms, and strengthens technology transfer. The reform reduces bureaucracy, improves legal certainty, and helps companies protect innovations, brands, and designs more efficiently.

Significant AML Reform of the LFPIORPI and Federal Criminal Code. The decree of **July 16, 2025**, amending Mexico's AML law and **Federal Criminal Code** expands vulnerable activities and strengthens compliance requirements. It tightens rules on beneficial ownership, PEPs, and due diligence, while increasing UIF and SHCP enforcement powers. The reform raises sanctions, updates thresholds to UMAs, and introduces risk-based controls and audits. It aims to meet FATF standards, improve transparency, and enhance efforts against illicit financial flows.

IN THE FIRM

• Zulima Gonzáles Wins The Legal 500 Award in Bankruptcy and Restructuring Next Generation Partner

Zulima Gonzáles has been recognized by The Legal 500 with the *"Bankruptcy and Restructuring Next Generation Partner of the Year"* award, highlighting her outstanding expertise, leadership, and contributions in the field of insolvency and restructuring. This distinction underscores her strong professional track record and her growing prominence as a leading practitioner within the legal market.

• 25 Years of Academic Leadership and Legal Education

Fernando Pérez Correa celebrates 25 years of uninterrupted teaching excellence, recognized for his dedication to academic development and mentoring new generations of professionals. This milestone reflects his strong commitment to education and his valuable contribution to the legal and academic community.