

Mexico City, January 23, 2026

On January 19, 2026, the "[Decree issuing the General Circular Economy Law \(the "Law"\) and amending and adding various provisions of the General Law of Ecological Balance and Environmental Protection and the General Law for the Prevention and Comprehensive Management of Waste](#)" (the "Decree") was published in the Federal Official Gazette ("DOF"). The Decree became effective on January 20, 2026.

I. Objective of the Law

The purpose of the Law is to establish the framework for the implementation of Circular Economy policies and mechanisms, as well as the Extended Producer Responsibility (the "REP"), in order to extend the useful life of products; minimize, recover, reuse, and valorize waste; and define the concurrent powers of the Federation, the states, the municipalities, and the territorial divisions of Mexico City.

To this end, the Law sets forth new obligations, principles, and definitions that will require significant adjustments to the production and business processes of manufacturing and importing companies in Mexico, throughout the entire production and value chain.

For producers and importers of goods and services in Mexico, the main obligations established under the Law include conducting a Life Cycle Assessment of their products, implementing Circular Design, and developing and registering the Circular Management of such products with the Circular Economy Registry (the "Registry"). These obligations will become enforceable once the Ministry of Environment and Natural Resources (the "Ministry") issues the general implementation guidelines for the REP (as such terms are defined below).

II. Relevant Definitions

Among the most relevant definitions for purposes of the objectives and obligations set forth under the Law are the following (article 3):

- **Circular Valorization**: Actions aimed at maintaining or enhancing the economic value of materials and products, or recovering the economic value of waste, through the application of direct and indirect circularity mechanisms, in accordance with the principles of the Circular Economy.
- **Life Cycle**: Consecutive and interrelated stages involving materials, products, or waste from extraction, Production, useful life, comprehensive waste management, Circular Valorization, or as applicable, final disposal.
- **Circular Design**: Product Design that considers the Environmental Footprint under a comprehensive approach and incorporates direct and indirect circularity principles and mechanisms throughout its Life Cycle.
- **Circular Economy**: An economic model of sustainable production and consumption that incorporates systemic solutions aimed at economic development and the reduction of environmental impacts, through technical and biological cycles that enable the sustained circulation and sustainable reintegration of materials and products into the economy. This model is governed by the following guiding principles: (i) the elimination of waste and pollution; (ii) keeping products and materials in use; and (iii) the regeneration of natural systems.
- **Circular Management**: A set of strategies applied throughout the Life Cycle of materials, products, or waste, including Circular Design, aimed at achieving the lowest Environmental Footprint and the maximum Circular Valorization, through the application of direct or indirect circularity mechanisms.
- **Environmental Footprint**: A measurable environmental impact, assessed through Circular Economy indicators, resulting from: (i) the activities carried out to generate a Product; and (ii) the characteristics of the Product that enable the maximization of its useful life and its Circular Valorization as waste.
- **Secondary Raw Material**: A material, substance, or object that, after its production, use, or consumption, retains properties that allow it to be processed, regardless of whether it derives from the Circular Management of a Product or from waste.
- **Product**: A physical good that is manufactured or imported, or a service that is provided, which has economic value and is generated as a result of a process of activities that includes the transformation of materials.

- Extended Producer Responsibility or REP: A mechanism under which the producer or importer is environmentally responsible for its Product throughout its Life Cycle, in accordance with the Circular Management registered with the Ministry. The REP and the shared responsibility regime provided for LGPGIR, as well as the responsibilities applicable to consumers and the competent authority, may apply on a complementary basis and do not exclude one another.

III. Indicators Principles, Public Policies, and Circular Economy Mechanisms

The definitions outlined above are fundamental for understanding the Indicators, Principles, Public Policies, and Circular Economy Mechanisms established in the Law.

A. *Circular Economy Indicators*

The Decree introduces the definition of “Circular Economy Indicators” as quantitative parameters that allow measuring the degree of circularity of a product, process, or system. These indicators are:

1. Material Index: Ratio between the mass of materials obtained through circularity mechanisms and the total mass of materials used in production;
2. Carbon Footprint: Quantification, throughout a product’s life cycle, of the net value of greenhouse gas and black carbon emissions to the atmosphere, as well as the corresponding removals;
3. Water Footprint: Quantification of the efficient and sustainable use of water throughout the product’s life cycle; and
4. Energy Recovery Index: Quantification of calorific substitution from sources in accordance with the guiding principles of the Circular Economy.

B. *Principles of Circular Economy*

The Principles of the Circular Economy established in the Law shall govern the actions of authorities, public policies, and Circular Economy mechanisms, as well as the new obligations imposed on private actors. These principles are as follows: (i) Timelessness; (ii) Precaution; (iii) Circularity; (iv) Gradualism; (v) Innovation; (vi) Comprehensiveness; (vii) Hierarchy; (viii) Modularity; (ix) Progressivity; (x) Repairability; (xi) Extended Producer Responsibility; (xii) Systemicity; (xiii) Sustainability; (xiv) Transversality; and (xv) Traceability.

C. Public Policies and Circularity Mechanisms

The Law establishes the following public policies and mechanisms to achieve Circularity: the REP, Circular Management, and Public Policy Instruments.

i. Extended Producer Responsibility

The REP shall be implemented gradually through the publication of general agreements, in the drafting of which the productive sector of the relevant goods will also participate (as it is the producers and importers of products who will be required to comply with this new responsibility regime).

As part of the REP, productive sectors are obliged to generate or develop products with Circular Design, whenever this is environmentally, technically, and economically feasible. They must also organize, promote, and, where appropriate, finance the Circular Economy schemes for the products they produce or import.

Notwithstanding the above, the Law provides for the possibility that the REP obligations may be fulfilled through environmental compensation measures when, for duly justified reasons, the producer, importer, or, where applicable, the Coordinating Body¹, is unable to comply with extended responsibility obligations.

These cases shall be included in the general implementation agreements of the REP published by the Ministry. In such cases, the environmental compensation must mitigate or proportionally reduce the Environmental Footprint through:

- Ecological restoration;
- Conservation and preservation of protected natural areas;
- Repair of environmental damage, in accordance with applicable legislation;
- Reforestation;
- Reduction of pollutant emissions; or

¹ An associative entity of public, private, or mixed nature, legally constituted, whose purpose is to promote the principles and criteria of the Circular Economy established in the Law within economic activities, with the authority to advocate for and protect the activities of producers who declare their participation. Such an entity may be formed by industry, commerce, or service sectors, is jointly responsible for Circular Management in the productive sector it represents and shall be registered by the Ministry.

- Acquisition or generation of certified instruments, such as green bonds, carbon credits, or other equivalent mechanisms.

ii. Circular Management and its Registry

When the Ministry publishes a general REP implementation agreement (the “Agreement”), all producers and importers, or, where applicable, the Coordinating Body included in the Agreement, shall be obliged to prepare the Circular Management plan for their product and request its registration in the Registry through the National Platform of the National Public Circular Economy Information System² (the “System”), also established expressly by this Law.

The Agreement shall specify the activities corresponding to the sector or product category it regulates, so that each producer or importer can implement the applicable direct or indirect circularity mechanisms, when environmentally, technically, and economically feasible.

Furthermore, it shall establish the targets that each producer or importer must achieve under the terms of the authorization for registration in the Registry, as well as the indicators and methodologies for their measurement.

It is the responsibility of the Ministry to analyze the registration request for the Circular Management plan. In the administrative act of registration, the Ministry must:

1. Evaluate the Circular Management plan, and in such cases, may:
 - Condition the registration
 - Subject the Circular Management plan to gradual compliance schemes and targets; and
 - Consider whether the product has a management plan in accordance with the LGPGIR
2. Authorize the registration in the Registry; or
3. Deny the registration when:
 - The provisions of the Law, its regulations, and other applicable environmental regulations are violated;

² This Platform shall serve as the basis for publicizing Circular Economy instruments and the compliance of companies subject to EPR, and shall include: (i) the National Circular Economy Program; (ii) information on service models and other representative circular business models; (iii) information that facilitates the adoption of Circular Economy practices; (iv) the directory of companies holding the National Circular Economy Distinction (or distinctions issued by the federative entities); and (v) the traceability of products established in the general REP implementation agreements.

- The Environmental Footprint included in the application increases, remains unchanged, or is not significantly reduced within the deadlines established by the Agreement or the concluded coordination agreement;
- There is falsehood in the information provided by the producer or importer, or, where applicable, by the Coordinating Body; or
- The product design lacks compensation measures and does not allow for Circularity, except in cases justified by environmental, technical, or economic infeasibility.

A Circular Management plan that is neither authorized nor denied by the Ministry within 60 business days from the date it was submitted for registration on the Platform shall be considered automatically registered; in such a case, notification by the Ministry is not required.

iii. Public Policy Instruments

The Law establishes the following as public policy instruments in the field of Circular Economy:

a. *National Circular Economy Program*

The National Circular Economy Program (the “Program”) constitutes a planning instrument that integrates, coordinates, and promotes public policies, subprograms, projects, and activities with the aim of achieving environmental protection objectives and implementing environmentally, technically, and economically viable mechanisms to promote the development of the Circular Economy. The Program must be aligned with the National Development Plan and with sectoral programs.

b. *Local and Municipal Circular Economy Programs*

The Law does not elaborate on the content that local and municipal Circular Economy programs should have, leaving their development to the discretion of local authorities within the scope of their powers.

c. *Registration of Circular Management*

Registration must be carried out in the Registry through the Platform, as previously indicated.

d. Monitoring and Inspection Programs for Regulatory Compliance

Such oversight activities will be carried out within the framework of the powers granted to the Federal Attorney for Environmental Protection ("PROFEPA") under both the General Law of Ecological Balance and Environmental Protection ("LGEPA") and the General Law for the Prevention and Comprehensive Management of Waste ("LGPGIR"), which are applied subsidiarily to the Law.

e. Voluntary Environmental Audit in Circular Economy

A voluntary environmental audit in the field of Circular Economy is understood as a systematic verification process, voluntary in nature, with a preventive and, if applicable, corrective purpose, that allows assessing the degree of compliance with the principles, provisions, criteria, and objectives of Circular Economy. The purpose of these evaluations is to identify opportunities for process improvement, optimize the use of resources, minimize environmental impacts, promote the adoption of best practices, and strengthen the competitiveness of the productive sector.

f. National Circular Economy Seal

The Law establishes a Circular Economy Seal to identify products that comply with the principles and criteria of Circular Economy. The Seal must be authorized by the Ministry and provide consumers with truthful, verifiable, and accessible information regarding compliance with the provisions of the Law.

Authorization to use the Seal will be granted based on the outcome of the Voluntary Environmental Audit process, in accordance with the general implementation agreements of the REP and the coordination agreements.

The Seal will be valid for three years, with the possibility of renewal. Products that have obtained this authorization may receive procurement preference under the terms of the applicable legal provisions in public contracting.

g. Economic Instruments

The Federal Executive may issue economic instruments to promote the Circular Economy, aligned with the National Program and the Regulations of this Law. Instruments that include fiscal incentives must comply with applicable tax provisions.

IV. Other Considerations

A. National Circular Economy System

The System is established under the responsibility of the Ministry, with the purpose of coordinating the actions of the three levels of government to achieve the objectives of the Circular Economy.

The System is composed of: (i) the Ministry of Economy; (ii) the Ministry of Finance and Public Credit; (iii) the Ministry of Energy; (iv) the Ministry of Agrarian, Territorial, and Urban Development; (v) the Ministry of Infrastructure, Communications, and Transportation; (vi) the Ministry of Public Education; (vii) the Ministry of Science, Humanities, Technology, and Innovation; and (viii) one representative from each federal entity.

B. Prohibitions for Individuals or Legal Entities

Individuals or legal entities are prohibited from:

1. Generating or using false information regarding the environmental characteristics of one or more of their products (i.e., prohibition against *greenwashing* their products);
2. Generating or using information about the development of their processes in accordance with Circular Economy principles or criteria when such information is false;
3. Performing or omitting actions that prevent maximizing the product's useful life and its circular utilization;
4. Using the Circular Economy Seal on products without the corresponding authorization; and
5. Using the Seal without authorization from the Ministry or using a label or mark that may mislead consumers.

C. Responsibilities and Sanctions

The producer or importer, or the Coordinating Body responsible for the sources of generation or handling of the product or materials regulated by this Law or its regulations, must provide the Ministry with the reports or documents required under the obligations established in the Circular Management registered in the Registry, within the deadlines established by the applicable legal provisions. Failure to comply with this obligation will result in the administrative sanctions provided for in the LGEEPA.

Additionally, violations of the obligations established in this Law will be sanctioned by the Ministry in accordance with articles 171 and 173 of the LGEEPA.

D. Gradual Implementation

The Ministry, through the implementation of the general agreements for the REP, may establish differentiated gradual timelines for compliance with circularity provisions.

Such gradual implementation may be set through specific targets, considering the economic, financial, and technological capacities of each producer, manufacturer, or importer, especially micro, small, and medium-sized enterprises. The Ministry may also regulate the application of direct and indirect circularity mechanisms, the signing of agreements, and the execution of other measures established by this Law.

The Ministry may also determine schemes and phased targets for compliance with the obligations provided in the Law. For this purpose, it may enter into coordination agreements with the producer, importer, or Coordinating Body.

E. Additions and Amendments to the LGEEPA and LGPGIR

The LGEEPA amends the definition of waste to replicate the definition established in the LGPGIR.

Additionally, the LGEEPA adds Chapter II BIS, entitled "Sustainable Utilization in Economic Activities", establishing that the use of virgin materials extracted from natural sources for use in economic activities, production processes, or product generation must comply with the principles, criteria, strategies, mechanisms, and obligations provided for Circular Economy, in accordance with applicable legislation.

Meanwhile, the LGPGIR adds that the National Program for the Prevention and Integral Management of Waste must be based on the principles of circularity, prioritization, and traceability, in accordance with the provisions of this Law.

Furthermore, non-compliance with the provisions of the Law, the general implementation agreements of the REP, the applicable regulations, and the authorizations issued for such purposes are established as a sanction.

F. Transitory Provisions

First. The Decree entered into force on January 20, 2026.

Second. Within 180 calendar days following the entry into force of the Decree, the Federal Executive must issue the regulation(s) of the Law.

The competent authorities of the Federal Public Administration shall initiate the administrative procedure to modify and adapt the existing Official Mexican Standards ("NOMs"), as well as the administrative procedure for the creation and issuance of the NOMs required under the applicable legal provisions.

Third. The Program shall be published in the DOF within no more than 180 calendar days from the publication of the Law's regulation. In identifying productive sectors and product categories for the 2026–2030 Program, those corresponding to plastics, as determined by the Ministry under the procedures of the Planning Law, must be included.

Fourth. Within 180 calendar days from the entry into force of the Law, the legislatures of the federal entities shall adapt and harmonize their legislation with the provisions of the Law.

Fifth. Legislatures that do not carry out the harmonization indicated in the previous transitory provisions must apply the provisions of the Law at the local level.

Sixth. From the entry into force of the Law and within a period of 5 years, extendable by a case-by-case agreement, authorized sanitary landfills shall begin a progressive reconversion process to meet the targets for reducing final disposal to promote their integration into the National Circular Economy model.

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