

Potential telecommunications reform - digital platforms

Mexico City, April 25, 2025

On April 23, 2024, the Federal Executive submitted a bill proposing a substantive reform in the areas of telecommunications, broadcasting and digital platforms. The initiative seeks to repeal the current Federal Telecommunications and Broadcasting Law and enact a new statute, potentially resulting in a far-reaching regulatory restructuring.

Key Aspects:

- Change of regulator: Replacement of the Federal Telecommunications Institute - constitutionally autonomous agency- (IFT) with the Digital Transformation and Telecommunications Agency (the "Agency"), a body under the Executive Branch that would have Ministry level and would assume regulatory authority over telecommunications, broadcasting, and now digital platforms.
- Regulation of Digital Platforms: New regulatory framework for digital platforms, defined as digital services that allow, among other things, the offering, provision, commercialization, or intermediation of goods, services, applications, products, or content. New category of digital platform providers, applicable to any individual or legal person, national or foreign, operating such platforms directly or through third parties. The inclusion of foreign providers is interesting and should be closely monitored, particularly regarding the potential extraterritorial application.
 - These definitions are extremely broad and could encompass a wide range of services, including streaming platforms, social networks, e-commerce marketplaces, and cloud storage services, requiring a detailed analysis of their scope.
 - The bill provides that competent authorities may request the Agency's cooperation to **temporarily block access to a Digital Platform** for non-compliance with any applicable regulation. The Agency will issue guidelines to regulate the blocking procedure.

- The bill grants PROFECO¹ authority to promote and implement digital accessibility guidelines in both the public and private sectors. This could include obligations for digital platforms to ensure accessible user interfaces for persons with disabilities. The scope and effect of these obligations will depend on subsequent regulatory guidelines.
 - The bill establishes a not so clear sanctioning regime that combines traditional provisions applicable to concessionaires and authorized telecommunications entities with new obligations for digital platforms. Fines may range from 0.1% to 10% of a platform's revenue generated in Mexico, depending on the seriousness of the infringement under the law.
- Regulation of the Spectrum: The bill introduces innovative models for spectrum allocation to encourage experimentation and innovation, both for the State directly and for telecom operators. These include authorizations for satellite communication ground stations, high-altitude platforms, secondary use, controlled test environments (regulatory sandboxes), dynamic access, and shared use of the spectrum.
 - Temporary spectrum authorizations are introduced for emergencies, pilots, and experimental uses, with renewable terms if the triggering condition remains.
 - The Agency may allocate spectrum directly to the Federal Government for commercial services, without auction.
 - The bill maintains the principle of net neutrality without substantial changes, but now, it will be the Agency that defines the specific guidelines, based on international treaties and technological challenges such as AI, IoT, and 5G.
 - New sanctions: The bill increases to the maximum fines up to 6% of annual income for breaches of concession or authorization terms, extending liability to passive infrastructure providers and individuals involved in infringements. Additionally, it introduces a new ground for revocation: satellite concessionaires must notify the Agency and submit a replacement plan prior to the final quarter of the satellite's operational life or in case of total loss, or risk losing the concession.
 - New obligations: The bill introduces compliance duties tied to public policy objectives.
 - It empowers the Agency to define social coverage obligations for concessionaires and allows for fiscal incentives when operators comply. Additionally, failure to meet

¹ Federal Consumer Protection Agency (*Procuraduría Federal del Consumidor*).

these obligations —if included in a concession— may be sanctioned with fines up to 6% of annual income

- It reintroduces the mandate that all broadcasters adopt updated codes of ethics, subject to regulation and minimum standards
 - Finally, SEGOB² will be empowered to monitor advertising content transmitted via radio, television, and digital platforms. Specifically, it may order the immediate suspension of advertisements originating from foreign governments that are not for cultural or tourism-related purposes, and impose corresponding sanctions.
- Jurisdiction in antitrust matters: Competition proceedings in the telecommunications and broadcasting sectors will fall under the responsibility of the new national competition agency. Certain matters, such as the declaration of preponderance, will continue to involve both the competition and telecommunications authorities. The competition agency will be responsible for determining whether a company should no longer be considered dominant. While this change may help resolve long-standing jurisdictional disputes, it remains to be seen how the relationship between the two authorities will evolve and whether their coordination will prove effective.
 - National Users Registry: The bill revives the concept of a national registry for mobile service users, to be created under rules set by the Agency. Unlike the repealed PANAUT—which was struck down by the Supreme Court in 2022 over privacy and proportionality concerns— this version delegates full design and implementation powers to the Agency. Additionally, it grants law enforcement and public security authorities direct access to the database.

Given the potential impact of this reform, it is essential for companies in the sector to closely monitor its development and assess its implications for their compliance frameworks.

Although this is still a legislative proposal, its origin in the Federal Executive lends it considerable political weight and it is expected to be approved on April 30. The transitional provisions of the initiative establish that the decree will enter into force 30 calendar days after its publication in the Official Gazette of the Federation. Therefore, on that date, in accordance with the constitutional reforms, the IFT would be dissolved and the Agency would begin operations.

It is important to highlight that the final approved version of the new law should be analyzed in light of its compliance with the relevant provisions of the USMCA.

² The Ministry of the Interior (*Secretaría de Gobernación*).

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