Legal 500
Country Comparative Guides 2025

Mexico
Environment

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This country-specific Q&A provides an overview of environment laws and regulations applicable in Mexico.

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Mexico: Environment

1. What is the environmental framework and the key pieces of environmental legislation in your jurisdiction?

Mexico's environmental framework is a comprehensive system that integrates constitutional and internationally recognized principles with specialized laws aimed at promoting sustainable development and protecting natural resources. At its core, the Mexican Constitution establishes fundamental environmental rights and principles, guiding the creation and enforcement of environmental legislation: primarily Articles 4, 25, 27, and 73, which establish the right to a healthy environment and the basis for environmental protection and sustainable development..

The framework focuses on several key objectives: promoting sustainable resource use, preventing environmental harm, restoring ecosystems, and adhering to the "polluter pays" principle. It emphasizes the shared responsibility between the government and society for environmental protection, incorporating a decentralized approach where all levels of government play crucial roles in managing environmental issues.

The cornerstone of Mexico's environmental legislation is the General Law of Ecological Balance and Environmental Protection ("LGEEPA"), which serves as the framework law governing environmental matters across all government levels. This law embodies the principles on which Mexican environmental law is based, recognizing the polluter pays principle, prevention, remediation, sustainable development, social participation in environmental protection, and concurrent jurisdiction amongst federal, state, municipal and Mexico City authorities.

The LGEEPA operates through various policy instruments, including environmental impact assessments, land use planning, Mexican Official Standards ("NOMs"), economic instruments, and environmental audits.

Nevertheless, Mexico's environmental framework is an evolving and dynamic system designed to balance development and environmental protection; thus, since the early 90's, several sectorized federal laws on matters formerly regulated by LGEEPA have been enacted, including: 1992 National Waters Law ("LAN"), which entered into force in 1993; 2000 General Law of Wildlife; 2003 General Law for Prevention and Integral Management of Waste ("LGPGIR"), which entered into force in 2004; 2005 General Law for Biosafety and Genetically Modified Organisms; 2011 General Climate Change Law ("LGCC"); 2013 Federal Environmental Liability Law ("LFRA"); and 2018 General Law of Sustainable Forest Development.

2. Who are the primary environmental regulatory authorities in your jurisdiction? To what extent do they enforce environmental requirements?

Mexico's environmental regulatory framework operates through a concurrent jurisdiction system, with the Ministry of Environment and Natural Resources ("SEMARNAT") serving as the primary federal authority and sector head.

At the federal level, SEMARNAT leads environmental policy and management including federal permitting processes, supported by key specialised agencies under its authority. The Federal Environmental Protection Agency ("PROFEPA") serves as the primary enforcement body, verifying compliance and sanctioning federal legislation violations; the National Agency for Industrial Safety and Environmental Protection in the Hydrocarbons Sector ("ASEA") oversees environmental matters for the hydrocarbons sector. The National Water Commission ("CONAGUA") manages water-related matters. Other agencies include the Protected Natural Areas Commission, the Ecology and Climate Change National Institute, , the Water Technologies Mexican Institute and the National Forestry Commission.

The enforcement framework operates through three primary mechanisms:

a. Environmental authorisations permits and registries required on or before commencing regulated activities.
b. Ongoing monitoring, certification and reporting obligations during operations.
c. Verification and enforcement actions, including administrative sanctions and corrective measures.

Administrative sanctions can range from fines of USD 85 to USD 211,000 to facility closures, permit cancellations and administrative arrests for up to 36 hours. However,

under the LFRA, economic sanctions for environmental damage can be substantially higher for corporations going up to 3.5 million USD, and those related to hydrocarbon activities are particularly severe, and can go up to 42 million USD.

Social participation plays a vital role in environmental management, with mechanisms allowing civil society to engage in environmental decision-making through public consultations and the ability to initiate proceedings against potentially harmful activities. This open system of participation enhances enforcement effectiveness through public oversight.

The effectiveness of enforcement varies across jurisdictions, influenced by local institutional capacity and resources. Coordination agreements between federal and local authorities can transfer certain federal powers to state- or Mexico City- jurisdiction, provided specific requirements are met, including demonstrated institutional capability and adequate resources for enforcement.

3. What is the framework for the environmental permitting regime in your jurisdiction?

In Mexico, the environmental permitting regime is fundamentally rooted in Article 25 of the Constitution, which establishes that all productive activities must adhere to principles of sustainability and environmental protection. This constitutional mandate empowers the State to impose conditions and requirements on economic activities to ensure environmental protection whilst promoting sustainable development.

The LGEEPA serves as the framework legislation that establishes the permitting regime. Under this framework, any activities that may generate significant environmental impacts or emissions require various forms of authorisations, including permits, licences, concessions, registrations and certificates (collectively "Environmental Permits").

The permitting regime operates through a concurrent jurisdiction system involving all levels of government – federal, state, municipal and Mexico City. Each level possesses specific authority to evaluate, process and issue Environmental Permits within their respective jurisdictions. The distribution of these powers is based on the principle of concurrent attribution, ensuring comprehensive environmental oversight whilst avoiding jurisdictional overlap.

Key Environmental Permits are required for:

a. Environmental impact authorisations
b. Air emissions from fixed and mobile sources
c. Natural resources exploitation and management
d. Land use
e. Water extraction and usage rights
f. Wastewater discharge
g. Waste generation and management

The jurisdiction for waste-related permits illustrates this concurrent system: hazardous, mining, metallurgical and hydrocarbon's sector waste fall under federal jurisdiction through SEMARNAT and ASEA, special management waste is generally regulated at the State level, and urban solid waste is regulated by municipal authorities.

The system requires that all productive activities obtain appropriate environmental authorisations before or on commencing operations, thereby integrating environmental considerations into economic decision-making processes from the outset.

4. Can environmental permits be transferred between entities in your jurisdiction? If so, what is the process for transferring?

Environmental permits in Mexico have varying rules regarding transferability, which significantly impacts corporate transactions. Environmental Impact Authorisations and water extraction concession titles are generally transferable, while environmental operating licences and waste generation registrations are generally non-transferable.

The non-transferability of certain permits presents notable challenges in corporate transactions, particularly in asset deals or business transfers. Since operations cannot legally continue under permits registered to previous holders, an *ad hoc* transition procedure must be implemented. This typically involves careful planning to ensure operational continuity while new permits are secured in the purchaser's name.

For transferable permits, the process varies according to the specific permit type and governing legislation. The standard procedure involves submitting a transfer application to the competent authority, executed jointly by both assignor and assignee. This must be accompanied by a transfer agreement wherein the assignee explicitly accepts all rights and obligations associated with the Environmental Permit. The relevant agency then issues a transfer authorisation and generates a new version of the permit in the assignee's name.

5. What rights of appeal are there against regulators with regards to decisions to grant environmental permits?

Under Mexican law, challenges to regulatory decisions regarding Environmental Permits, can be pursued through various legal mechanisms. At the federal level, there are three primary means of appeal, though the process may vary significantly at the local level due to different local administrative procedures.

The basic legal remedies include the Administrative Review (*Recurso de Revisión*), adjudicated by the superior authority within the same regulatory body; the Nullity Trial (*Juicio de Nulidad*), heard before administrative courts; and the Constitutional Appeal (*Amparo*), determined by federal courts.

Importantly, the procedural requirements can vary by jurisdiction. In certain States, exhaustion of the Administrative Review is a mandatory prerequisite to filing a Nullity Trial, while in others, affected parties may choose either remedy directly. This jurisdictional variation makes it essential to carefully review local administrative procedures when challenging environmental decisions at the state level.

The Amparo, as the definitive instance, examines both the constitutionality of the denial decision and its compliance with environmental regulations and human rights obligations. This comprehensive review makes it a powerful, though complex, tool for challenging adverse environmental permit decisions. It can be pursued either after exhausting other remedies or directly in certain circumstances, particularly when fundamental rights are at stake.

These legal mechanisms can result in several possible outcomes: modification of the original decision, annulment of the denial, revocation of the administrative act, or confirmation of the original resolution. Understanding these jurisdictional variations and procedural requirements is crucial, as failing to follow the correct appeal process can result in the dismissal of the challenge, regardless of its substantive merits.

6. Are environmental impact assessments (EIAs) for certain projects required in your jurisdiction? If so, what are the main elements of EIAs (including any considerations in relation to biodiversity or GHG emissions) and to what extent can EIAs be challenged?

Mexico has established a comprehensive Environmental Impact Assessment (EIA) framework based on the prevention principle, operating at both federal and local levels. The LGEEPA establishes a three-tiered regulatory regime: general regulated works and activities, their specification and exemptions.

At the federal level, projects requiring environmental impact assessment include hydraulic works, general communications routes, oil and gas pipelines, petroleum and petrochemical industries, chemical facilities, steel mills, paper production, sugar refineries, cement plants, electricity generation, mining activities, hazardous waste facilities, forest exploitation in tropical forests, land use changes in forest areas, industrial parks with high-risk activities, real estate developments affecting coastal ecosystems, works in wetlands and protected natural areas, and certain fishing and aquaculture activities.

The assessment process requires submission of an Environmental Impact Study (*Manifestación de Impacto Ambiental* or "MIA") in either regional or particular modality. Regional MIAs address projects with potential cumulative impacts across multiple regions, while particular MIAs apply to more localised developments. The MIA must include a detailed description of potential ecosystem effects, considering all environmental elements, along with preventive and mitigation measures.

Key procedural elements include:

a. Initial filing and technical review
b. Public consultation possibility. The public consultation process, integral to the assessment procedure, allows concerned citizens to request information, propose additional mitigation measures, and participate in public meetings for projects with potentially significant impacts. For projects affecting indigenous territories, the consultation must be free, prior, and informed, conducted through culturally appropriate procedures and in relevant indigenous languages. This consultation is mandated by both international obligations (ILO Convention 169) and domestic law, requiring engagement through indigenous peoples' representative institutions before project authorisation.
c. Technical evaluation by authorities
d. Resolution within 60 working days (extensible for another 60 days)
e. Possible outcomes include authorisation, conditioned authorisation or denial

All federal entities have their own environmental impact assessment requirements for activities under their jurisdiction, often with distinct procedures and

requirements tailored to local conditions.

A notable feature of Mexico's system is its broad approach to legal standing in challenges to environmental impact authorisations (and other Environmental Permits). Third parties, including local communities and environmental organisations, may challenge these decisions by demonstrating legitimate interest *(interés legítimo*) rather than direct legal harm. This broadened access reflects the constitutional right to a healthy environment and enables greater public oversight of environmental decision-making.

The assessment resolution may be challenged through administrative review, nullity trial, or constitutional appeal (amparo), under premises mentioned in Section 2.3 above.

7. What is the framework for determining and allocating liability for contamination of soil and groundwater in your jurisdiction, and what are the applicable regulatory regimes?

The framework for determining and allocating liability for soil and groundwater contamination in Mexico has evolved through various legislative changes, creating a complex system of overlapping liability provisions.

Prior to 2003, the LGEEPA regulated contamination liability based strictly on the "polluter pays" principle. However, the 2003 enactment of the LGPGIR introduced a significant shift by establishing joint liability between the polluter and the property owner, possessor or concessionaire. Under this regime, authorities may require remediation from either party, regardless of who caused the contamination.

This framework became more complex in 2013 with the LFRA, which returned to the "polluter pays" principle. This has created a legal conflict between the special law (LGPGIR) and the subsequent law (LFRA), leading to uncertainty in enforcement approaches.

The current regulatory framework varies by environmental medium. For soil contamination, the LGPGIR establishes joint liability between polluters and property owners/possessors. In practice, authorities often require current owners or possessors to undertake remediation, regardless of whether they caused the contamination, unless the original polluter is clearly identifiable.

For groundwater contamination, the National Waters Law maintains a more straightforward liability regime based on the "polluter pays" principle, though complications arise when contamination affects both soil and groundwater.

The regulatory conflict has created practical challenges for environmental authorities in determining liability allocation, particularly in cases involving historical contamination where the original polluter cannot be identified, property transfers where contamination pre-dates current ownership, sites with multiple potential responsible parties, and cross-media contamination affecting both soil and water.

Environmental authorities have yet to establish definitive criteria for resolving these conflicts, leading to case-by-case determinations that consider factors such as the timing and source of contamination, the chain of property ownership, the applicable regulatory regime at the time of contamination and ownership, and the practical feasibility of remediation by different parties.

This complex framework underscores the importance of thorough environmental due diligence in property transactions and the need for clear contractual allocation of environmental liabilities between parties.

8. Under what circumstances is there a positive obligation to investigate land for potential soil and groundwater contamination? Is there a positive obligation to provide any investigative reports to regulatory authorities?

Strictly speaking, there is no inherent legal obligation to investigate land for potential pollution, unless there is a specific pollution incident. However, an indirect obligation exists through the legal requirement to obtain approval for a remediation programme where contamination is present, which necessarily entails notifying the authorities. This creates a practical imperative to investigate in certain circumstances.

Two key circumstances warrant careful consideration regarding investigation and reporting. First, when investigations are conducted through an accredited laboratory and contamination is confirmed, the laboratory bears a positive obligation to notify the relevant authorities. This creates an indirect pathway to mandatory reporting, though the initial decision to investigate remains discretionary.

Second, whilst there is no absolute requirement to investigate suspected contamination during property transfers, it is highly advisable to do so. This is because the law explicitly requires regulatory approval for

transferring sites with contaminated soil and any transfer of contaminated land without SEMARNAT's approval would be legally null,. Therefore, conducting thorough investigations before property transactions serves as a prudent risk mitigation measure.

For environmental emergencies involving hazardous materials spillages, there are clear positive obligations. These include implementing immediate containment measures, notifying relevant environmental agencies, conducting characterisation studies, submitting remediation programmes for approval if contamination is confirmed, and executing approved remediation measures until completion.

Regarding historic contamination (environmental passives) discovered during routine operations or audits where no legally liable party exists, there is no explicit statutory obligation to notify authorities. However, failure to report such findings and take necessary preventive measures, could potentially result in civil liability if third parties suffer harm due to the contamination.

The fundamental principle remains that once contamination is legally confirmed, the polluter, owner, or possessor of the site must inform SEMARNAT, obtain a remediation approval, undertake necessary remediation measures, and obtain specific authorisation before any property transfer.

9. If land is found to be contaminated, or pollutants are discovered to be migrating to neighbouring land, is there a duty to report this contamination to relevant authorities?

Under this premise, several reporting obligations arise. The generator of the pollution, owner, or possessor of the polluted site must remediate it, which necessarily entails informing SEMARNAT of the pollution.. This includes executing a characterisation assessment that will specify the contamination plume, which may cover neighbouring land, also subject to remediation.

10. Does the owner of land that is affected by historical contamination have a private right of action against a previous owner of the land when that previous owner caused the contamination?

Under the LGPGIR, owners or possessors obliged to remediate contaminated land, despite not having caused such contamination, have the right to recover costs from the polluter through civil means for the remediation expenses. This is particularly relevant in property transfer scenarios, where investigation of potential contamination is highly advisable, as transfers of contaminated sites without SEMARNAT's approval may be declared void.

11. What are the key laws and controls governing the regulatory regime for waste in your jurisdiction?

The primary legal framework governing waste in Mexico consists of federal, state, municipal and Mexico City regulations. At the federal level, the LGPGIR and its Regulations serve as the cornerstone of waste management regulation. This framework is complemented by NOMs that establish specific technical requirements.

The framework categorises waste into five basic types: hazardous wastes, mining wastes, metallurgical wastes, special management wastes, and solid urban wastes. This establishes hierarchical regulation based on environmental impact potential.

The federal system further classifies generators by annual volume: microgenerators (up to 400 kg), small generators (400 kg to 10 tonnes), and large generators (over 10 tonnes). Large and small hazardous waste generators face the strictest requirements, including mandatory management plan registration.

Hazardous, Mining, Metallurgical and Hydrocarbon sector's waste fall under federal jurisdiction through SEMARNAT and ASEA. Key controls include mandatory registration of generators, handling through authorised service providers, tracking through manifests, and specific storage, transportation, and disposal requirements. The framework includes strict liability provisions for contamination caused by hazardous waste.

Special management waste is generally regulated at the State level and includes construction debris, technological waste, department stores and large generators' waste, and other non-hazardous industrial waste. States must implement programmes for these wastes and maintain inventories of generators and handling facilities.

Municipal solid waste falls under local jurisdiction, with municipalities responsible for collection and final disposal (Mexico City has jurisdiction over both special management and solid urban wastes). They must also develop local management programmes aligned with state and federal policies.

The regulatory regime is supported by various NOMs, particularly NOM-052-SEMARNAT, which establishes hazardous waste classification procedures, and NOM-161-SEMARNAT, which defines special management waste categories and management requirements. Additional technical standards govern specific aspects such as landfill specifications, container requirements, and treatment methods.

Waste management is further regulated through Management Plans, which aim to minimise waste generation and maximise valorisation under principles of shared responsibility. These plans, which must comply with both federal and state-specific requirements, reinforce the ongoing connection between generators and their waste, particularly for specified hazardous waste categories such as spent oils, mercury and nickel-cadmium batteries, pesticides, and PCBs.

Enforcement is carried out through PROFEPA and ASEA at the federal level, with state, Mexico City and municipal authorities handling their respective jurisdictions. The framework includes administrative, civil, and criminal penalties for non-compliance.

12. Do producers of waste retain any liabilities in respect of the waste after having transferred it to another person for treatment or disposal off-site (e.g. if the other person goes bankrupt or does not properly handle or dispose of the waste)?

Mexican provisions establish a comprehensive framework for waste liability based on the fundamental principle that waste generators maintain “cradle-to-grave” responsibility. While operational tasks may be delegated to authorised service providers, the generator retains ultimate responsibility throughout the waste lifecycle.

The regulatory framework operates at federal and local levels, reflecting Mexico's concurrent environmental jurisdiction. Each federal entity maintains its specific regulations within the general framework, though the core principle of generator responsibility remains constant throughout the country.

Generators can share liability with authorised waste handlers and may mitigate their risk exposure through insurance mechanisms. However, this does not eliminate their fundamental responsibility. When waste management tasks are handled by an authorised service provider, the provider assumes operational responsibility from the moment of waste receipt until its transfer to the next handling stage, while the generator maintains oversight responsibility.

Generators must fulfil specific obligations, including verifying that third-party providers possess proper authorisations and providing accurate information about waste characteristics, as well as maintaining appropriate documentation and records and ensuring compliance with applicable state-specific requirements.

Should a generator fail to meet these obligations, particularly regarding verification of service provider authorisations, they may face enhanced liability. Even when operational responsibility has been delegated, the generator's failure to exercise proper due diligence can result in joint and several liability for damages caused by inadequate waste handling.

13. To what extent do producers of certain products (e.g. packaging/electronic devices) have obligations regarding the take-back of waste?

Mexico's approach to end-of-life product management centres on the concept of shared responsibility rather than extended producer responsibility. This framework distributes responsibilities amongst value chain participants: producers/importers, distributors/retailers, government authorities, and end users/consumers.

The regulatory framework emphasises collaborative waste management through Management Plans rather than imposing strict take-back obligations on producers alone. These plans aim to minimise waste generation and maximise resource recovery by engaging all stakeholders in the product lifecycle, considering sanitary, environmental, technological, economic, and social factors.

Electronic waste management exemplifies this shared responsibility approach. When electronic products reach their end of life, responsibilities are distributed across the value chain, with producers and importers participating in collection schemes, distributors providing collection points, authorities providing oversight, and end users ensuring proper disposal through designated channels.

Mexico is actively expanding this shared responsibility framework. Recent legislative initiatives have sought to extend these principles to other products, such as end-of-life tyres. This represents a significant shift towards more comprehensive product stewardship, while maintaining the distinctive Mexican approach of distributed responsibility rather than placing the primary burden on producers alone.

The Management Plan framework identifies specific products and materials requiring special handling, including hazardous wastes such as spent oils, mercury and nickel-cadmium batteries, pesticides, and PCBs. NOMs outline specific management measures for these materials to ensure proper handling through coordinated stakeholder action.

This approach distinguishes Mexico's waste management framework from systems in other jurisdictions that focus primarily on producer responsibility. By distributing responsibilities across the value chain whilst maintaining regulatory oversight, the system promotes resource recovery whilst acknowledging the roles and capabilities of different stakeholders in the product lifecycle.

14. What are the duties of owners/occupiers of premises in relation to asbestos, or other deleterious materials, found on their land and in their buildings?

Mexico maintains specific regulations for asbestos management, primarily through NOM-125-SSA1-1994, which establishes health requirements for premises containing asbestos. Owners and occupiers of industrial establishments using asbestos fibres must protect both personnel exposed to these materials and the surrounding environment through environmental emission controls, medical evaluations of exposed personnel, Ministry of Health notifications regarding asbestos fibre processing operations, and specific protocols for asbestos waste management.

Asbestos production facilities are classified as fixed sources of federal jurisdiction, requiring compliance with particular provisions regarding air emissions. This regulatory framework prioritises controlling asbestos-related emissions to safeguard public health and the environment.

Notably, if asbestos or materials containing asbestos that are not fixed or immersed in an adhesive material are discarded, they are classified as hazardous waste under NOM-052-SEMARNAT-2005. Such waste requires management and disposal in accordance with hazardous waste regulations.

This regulatory approach reflects Mexico's recognition of asbestos as a significant health and environmental concern. By establishing strict protocols for handling and disposal whilst clearly assigning responsibilities to property owners and occupiers, the framework aims to ensure proper management of asbestos-containing materials and minimise exposure risks for workers and the environment.

15. To what extent are product regulations (e.g. REACH, CLP, TSCA and equivalent regimes) applicable in your jurisdiction? Provide a short, high-level summary of the relevant provisions.

Mexican product regulations largely follow international standards while maintaining distinct national frameworks. The LGEEPA and LGPGIR establish the primary framework for chemical substance and hazardous materials management, with regulatory oversight distributed across multiple authorities rather than consolidated under a single comprehensive chemical management law equivalent to REACH or TSCA.

The Federal Commission for Protection against Sanitary Risks (COFEPRIS), operating under the Ministry of Health, plays a central role in chemical substance regulation alongside SEMARNAT and the Ministry of Agriculture and Rural Development (“SADER”). COFEPRIS oversees the assessment and authorisation of chemicals that may pose health risks, as SEMARNAT focuses on environmental impacts and SADER regulates agricultural applications.

The regulatory framework encompasses mandatory registration and risk assessment for new chemical substances through the National Registry of Chemical Substances, classification and labelling requirements aligned with GHS standards (though less stringent than EU CLP), specific restrictions on persistent organic pollutants under international commitments, and import/export controls for hazardous materials under LGPGIR.

Recent regulatory developments indicate movement toward greater harmonisation with international standards, particularly regarding hazard classification and labelling. However, enforcement remains primarily focused on hazardous waste management rather than comprehensive chemical control. Companies operating in Mexico must comply with both domestic requirements and, where applicable, international standards for products intended for export markets

16. What provisions are there in your jurisdiction concerning energy efficiency (e.g. energy efficiency auditing requirements) in your jurisdiction?

Mexico's energy efficiency framework stems from

constitutional principles of sustainable development and environmental protection. The Energy Transition Law establishes the primary regulatory structure for energy efficiency and clean energy requirements.

The framework includes a Clean Energy Certificates ("CELs") system administered by the Energy Regulatory Commission ("CRE"), now under the Ministry of Energy. Each CEL represents 1 MWh of clean energy generation. Qualified users and suppliers must obtain CELs corresponding to a percentage of their total energy consumption – 5% for 2018 and 5.8% for 2019, as established by the Ministry of Energy. Non-compliance results in penalties per missing CEL, plus the obligation to acquire the missing certificates.

Clean energy sources eligible for CELs include wind, solar, geothermal, hydroelectric, nuclear, efficient cogeneration, and other technologies meeting specific efficiency and emissions criteria set by CRE and environmental authorities. For technologies using both clean and fossil fuels, CELs are awarded proportionally to the clean energy component.

The technical framework includes mandatory NOMs on energy efficiency for specific equipment and measurement procedures, including vertical turbine pumps with vertical electric external motors, water boilers, pumps for water extraction wells, and air conditioning systems. Private verification units authorised by energy and consumer protection authorities certify compliance with these standards.

The regulatory system allows for energy efficiency labels on products and procedures that meet established criteria. These labels serve as market differentiators for compliant products.

17. What are the key policies, principles, targets, and laws relating to the reduction of greenhouse gas emissions (e.g. emissions trading schemes) and the increase of the use of renewable energy (such as wind power) in your jurisdiction?

Mexico's approach to greenhouse gas emissions reduction and renewable energy reflects both international commitments and domestic mechanisms. As a signatory to the Paris Agreement, Mexico has committed to reducing its greenhouse gas emissions by 22% by 2030 compared to business-as-usual levels, with this target potentially increasing to 36% with international support and technology transfer.

The National Emissions Registry (RENE), established under the LGCC, requires mandatory reporting of direct and indirect greenhouse gas emissions from facilities exceeding 25,000 tCO2e annually. This covers the energy, industry, transport, agriculture, waste management, and commercial sectors, requiring reporting of carbon dioxide, methane, nitrous oxide, black carbon, fluorinated gases, and other designated greenhouse gases.

The Annual Operating Report (COA) serves as an integrated environmental reporting tool, collecting data on emissions to air, water discharges, waste generation and management, and greenhouse gas emissions. This mandatory report streamlines environmental compliance reporting and provides authorities with comprehensive environmental performance data.

Several States have implemented ecological taxes targeting environmental impacts through charges on carbon emissions from fixed sources, air pollutant emissions, soil and water contamination, extraction of materials, and disposal of wastes.

The regulatory framework promotes renewable energy through Clean Energy Certificates ("CELs"), with each CEL representing 1 MWh of clean energy generation. Qualified users and suppliers must obtain CELs corresponding to a percentage of their total energy consumption as established by the Ministry of Energy. Eligible sources include wind, solar, geothermal, hydroelectric, nuclear, and efficient cogeneration meeting specific criteria set by CRE and environmental authorities.

18. Does your jurisdiction have an overarching "net zero" or low-carbon target and, if so, what legal measures have been implemented in order to achieve this target.

Mexico's climate targets and legal framework for emissions reduction are primarily established through the LGCC and its Paris Agreement commitments. The country has set both unconditional and conditional targets for greenhouse gas emissions reduction.

The LGCC mandates an unconditional 22% reduction in greenhouse gas emissions and a 51% reduction in black carbon by 2030 compared to the baseline scenario. These reductions are to be achieved through sector-specific targets: electricity generation (-31%), transport (-18%), residential and commercial (-18%), oil and gas (-14%), industry (-5%), agriculture and livestock (-8%), and waste (-28%).

Mexico aims to reach peak emissions by 2026 and decouple greenhouse gas emissions from economic

growth, with emissions intensity per GDP unit decreasing by approximately 40% between 2013 and 2030. The country's conditional target, subject to international support including carbon pricing mechanisms and technology transfer, could increase reductions to 36% for greenhouse gases and 70% for black carbon by 2030.

Earlier targets included reducing emissions by 30% by 2020 and 50% by 2050 compared to 2000 levels, contingent upon international financial and technological support. These targets are subject to review with each new National Strategy update.

The implementation of these commitments has faced various challenges, and achievement remains dependent on establishing effective regulatory frameworks and securing international support mechanisms.

19. Are companies under any obligations in your jurisdiction to have in place and/or publish a climate transition plan? If so, what are the requirements for such plans?

As previously mentioned, the LGCC requires certain sectors, including energy, industry, transport, agriculture, and waste management, that produce greenhouse gas emissions exceeding 25,000 tCO2e annually to implement emission-reduction strategies that necessitate the development of a climate change transition plan. There are no specific requirements outlined in the relevant provisions, as they are tailored on a case-by-case basis depending on the nature of the operation and the type and level of emissions and there is no legal obligation to publish such plans. Nevertheless, many companies choose to make their plans publicly available as part of their efforts to combat climate change.

20. To what extent does your jurisdiction regulate the ability for products or companies to be referred to as “green”, “sustainable” or similar terms? Who are the regulators in relation to greenwashing allegations?

Mexico regulates environmental marketing claims through a multi-regulatory framework, though there is no specific legislation addressing greenwashing. The Federal Consumer Protection Law (“LFPC”) prohibits misleading advertising, including environmental claims, while the Infrastructure Quality Law governs the use of environmental seals and certifications.

The primary regulators are the Federal Consumer Protection Agency (“PROFECO"), which enforces consumer protection against misleading environmental claims, and SEMARNAT, which oversees environmental compliance. PROFECO can impose significant fines and sanctions for deceptive environmental marketing, as demonstrated in past cases like a car manufacturer' emissions scandal.

Companies making “green” or “sustainable” claims must substantiate them with technical evidence. Mexico recognises specific environmental certifications, most notably the “Clean Industry” certification (*Industria Limpia*) under standard NMX-AA-162-SCFI-2012, which is awarded to companies demonstrating environmental excellence in their manufacturing processes.

The National Council for Advertising Self-Regulation and Ethics (“CONAR”) provides additional guidance, recommending that companies avoid generic environmental claims without specific evidence and ensure transparency in environmental communications. Companies must ensure their environmental claims are verifiable, specific, and aligned with their actual practices to avoid potential sanctions and reputational damage.

21. Are there any specific arrangements in relation to anti-trust matters and climate change issues?

While Mexico lacks specific regulations addressing the intersection of antitrust and climate change matters, several important considerations emerge from the existing regulatory framework. The Federal Economic Competition Commission (“COFECE”) oversees competition matters, whilst environmental and climate change initiatives fall under SEMARNAT's purview.

Market mechanisms like Mexico's Emissions Trading System require careful consideration of competition law implications, particularly regarding information sharing and industry collaboration for emissions reduction. Companies must ensure their environmental initiatives, especially in concentrated sectors like energy and manufacturing, do not lead to anti-competitive practices.

The evolving regulatory landscape suggests increasing attention to this intersection, particularly as Mexico strengthens its climate change commitments and market-based environmental mechanisms. Companies should maintain robust compliance programmes that address both competition law requirements and climate-related obligations whilst participating in collaborative environmental initiatives.

22. Have there been any notable court judgments in relation to climate change litigation over the past three years?

Mexico has not experienced significant climate change litigation over the past three years, despite having a comprehensive legal framework through the LGCC and related environmental regulations. This contrasts with the growing trend of climate litigation seen in other jurisdictions globally.

This absence of precedential cases in Mexico's judicial system creates uncertainty about how courts might interpret climate-related obligations in future disputes. However, organisations can stay informed about potential future developments in climate litigation through resources like the Hogan Lovells ESG Risk Reader ("HER")[1]. This tool provides regular updates on emerging climate litigation trends and case studies, helping organisations anticipate and prepare for potential legal developments in the Mexican context.

The regulatory landscape continues to evolve, particularly regarding emissions reduction commitments and environmental compliance. Although current climate litigation may be limited, organisations should remain vigilant and proactive in managing climate-related risks, as the Mexican judicial system may become more active in this area, following global trends.

Footnote(s):

[1] Avaliable at https://digital-client-solutions.hoganlovells.com/esg-risk-reader

23. In light of the commitments of your jurisdiction that have been made (whether at international treaty meetings or more generally), do you expect there to be substantial legislative change or reform in the relation to climate change in the near future?

Significant legislative changes related to climate change are anticipated in Mexico's near future, particularly focused on strengthening existing frameworks and introducing new market mechanisms.

Several Mexican states have implemented ecological taxes as part of this transition. Zacatecas pioneered environmental taxation with levies on soil and air contamination from extractive industries. Baja California has introduced taxes on carbon emissions from specific industrial activities. Tamaulipas established taxes on emissions from fixed sources, whilst Jalisco implemented environmental compensation fees for certain industrial activities.

The carbon market, while operational, has faced challenges. In 2023, the voluntary carbon market experienced stagnant demand and a 20% decline in spot prices. Critics have questioned its effectiveness in reducing greenhouse gas emissions and its impact on communities and territorial rights. Concerns include potential overestimation of emission reductions and the use of carbon offsets as a cheaper alternative to actual emissions reduction.

Future reforms are expected to focus on enhancing market transparency, improving standards, and strengthening verification mechanisms. The regulatory framework is likely to evolve to address these challenges whilst meeting international standards and Environmental, Social and Governance ("ESG") considerations. This may include implementing blockchain technology for better carbon credit tracking and fostering collaboration between countries, businesses, and communities to ensure effective emissions reduction.

These developments signal Mexico's ongoing commitment to transitioning toward a low-carbon economy, though implementation timelines and specific measures may vary based on economic and political factors. Businesses should prepare for increasingly stringent environmental regulations and improved carbon pricing mechanisms.

24. To what extent can the following persons be held liable for breaches of environmental law and/or pollution caused by a company: (a) the company itself; (b) the shareholders of the company; (c) the directors of the company; (d) a parent company; (e) entities (e.g. banks) that have lent money to the company; and (f) any other entities? Transactions

Environmental liability in Mexico is governed by a comprehensive legal framework encompassing several key statutes. The LGEEPA and LGPGIR establish the foundational environmental protection principles, whilst the LFRA provides specific mechanisms for addressing environmental damage. Additional provisions exist in both Civil and Criminal Codes. All the above, regulating different types of liability:

Administrative liability encompasses violations of environmental regulations and Environmental Permits, enforced through fines, temporary or permanent closures, and administrative sanctions. Companies bear primary responsibility.

Civil liability in environmental matters can arise through two distinct channels: (i) specialised environmental claims under the LFRA, which focuses on environmental damage restoration and compensation, or traditional civil claims under the Civil Code when environmental incidents cause personal or property damage. This liability extends beyond corporate structures, particularly in cases of significant environmental damage; and (ii) under traditional civil liability, affected parties can seek compensation through tort law, requiring proof of damage, causation, and fault. The Civil Code allows claims for both direct damages and consequential losses. Shareholders typically enjoy limited liability protection, except in specific jurisdictions like Mexico City, where subsidiary liability applies.

Although both types of claims can be pursued simultaneously, their objectives and remedies remain distinct—civil claims seek monetary compensation for private damages, whilst LFRA actions aim to restore environmental conditions to their original state.

Criminal liability can be imposed on both companies and individuals for environmental crimes under the Federal Criminal Code. Companies may face fines and operational restrictions, whilst individuals risk fines and imprisonment. Directors and officers may face personal criminal liability for authorising or failing to prevent environmental crimes.

Parent companies generally do not bear liability for overseas subsidiaries' environmental violations. For lenders, while generally exempt from liability unless they had prior knowledge of environmental violations, there is a notable exception under the LGPGIR: if a bank takes possession of a property through foreclosure and soil contamination is discovered, PROFEPA and SEMARNAT may require the bank to undertake remediation. This represents an unresolved regulatory conflict that authorities have yet to address.

25. To what extent can: (a) a buyer assume any pre-acquisition environmental liabilities in an asset sale/share sale; and (b) a seller retain any environmental liabilities after an asset sale/share sale in your jurisdiction?

In Mexico, the allocation of environmental liabilities in corporate transactions varies significantly between share and asset sales, particularly regarding contaminated sites. This framework is governed by multiple laws, creating a complex system of overlapping responsibilities.

In share sales, the buyer inherits all environmental liabilities of the acquired company, including historical contamination and ongoing compliance obligations. This comprehensive transfer of liability makes thorough environmental due diligence crucial before acquisition.

In asset sales, although buyers traditionally assumed only post-acquisition liabilities, the current regulatory framework creates additional considerations. Under the LGPGIR, property owners or possessors share responsibility with polluters for soil contamination remediation. Therefore, even in asset-only transactions, buyers may inherit remediation obligations for pre-existing contamination; but, as mentioned before, the 2013 LFRA introduced further complexity by reverting to the 'polluter pays' principle, creating potential conflicts with the LGPGIR's shared responsibility approach.

Given these overlapping frameworks, parties should clearly address environmental liability allocation in transaction documents, particularly regarding historical contamination and ongoing remediation obligations. Environmental authorities typically determine liability allocation case-by-case, considering factors such as contamination timing, ownership history, and practical remediation feasibility.

26. What duties to disclose environmental information does a seller have in a transaction? Is environmental due diligence commonplace in your jurisdiction?

Environmental disclosure obligations in Mexican transactions operate at both contractual and regulatory levels. Whilst specific disclosure requirements may vary between transactions based on materiality thresholds, certain statutory obligations exist under environmental law.

The LGPGIR mandates that owners or possessors of contaminated sites must disclose both the contamination status and any remediation efforts to potential purchasers. Additionally, transferring contaminated properties requires prior authorisation from SEMARNAT.

Failure to disclose material environmental information could result in both civil and criminal liability, potentially constituting fraud or hidden defects under Mexican law.

This extends beyond contamination to include significant environmental permits, ongoing compliance issues, and pending administrative procedures.

Environmental due diligence is standard practice in Mexican transactions, particularly for industrial properties. This typically includes permit reviews, compliance assessments, and site inspections, with emphasis on soil and groundwater contamination given Mexico's shared liability regime.

27. What environmental risks can be covered by insurance in your jurisdiction, and what types of environmental insurance policy are commonly available? Is environmental insurance regularly obtained in practice?

Environmental insurance in our jurisdiction encompasses various risk categories, though the regulatory framework remains somewhat underdeveloped. Whilst environmental insurance is mandatory for certain high-risk activities—particularly those involving hazardous waste generation, waste management services and other environmentally sensitive operations—the current legislation lacks specific parameters regarding the scope and extent of required coverage.

In practice, businesses engaged in activities requiring environmental insurance typically secure policies from leading insurers to fulfil their statutory obligations. These policies are largely bespoke, with coverage terms tailored to the specific circumstances and risk profile of each operation. Standard policies generally provide cover for both civil liability and environmental damage, including third-party claims, clean-up costs, legal defence and emergency response, though the precise scope varies considerably depending on the nature of the insured activities. The market continues to evolve, with insurers developing more sophisticated products to address emerging environmental risks, though standardisation remains limited due to the regulatory vacuum.

28. To what extent are there public registers of environmental information kept by public authorities in your jurisdiction? If so, what is the process by which parties can access this information?

In Mexico, public authorities maintain several environmental information registers, underpinned by constitutional requirements and strengthened by the country's ratification of the Escazú Agreement in 2021. This landmark regional treaty reinforces Mexico's commitment to environmental democracy and transparency in Latin America and the Caribbean.

The LGEEPA, in force since 1988, established the foundational framework for public access to environmental information. Key registers include the Basic Generation Data Diagnostic and the Registry of Emissions and Transfers of Pollutants, which are accessible to any individual or organisation. Access is granted regardless of demonstrated interest, though certain restrictions apply to confidential information and ongoing administrative proceedings where the requester is not a party.

The government has modernised its information-sharing mechanisms over the past decade, creating digital platforms that align with both domestic transparency obligations and international commitments under the Escazú Agreement. These systems aim to ensure prompt and effective access to environmental information, though specific access procedures vary by registry and authority.

29. To what extent is there a requirement on public bodies in your jurisdiction to disclose environmental information to parties that request it?

In Mexico, public authorities have legal obligations to disclose environmental information, stemming from both constitutional mandates and specific environmental legislation. The National Transparency Law establishes the primary framework for these disclosure obligations, requiring authorities to respond to information requests within 20 working days, with a possible extension of 10 additional days for complex cases.

Public bodies must not only respond to direct requests but also justify any refusal to disclose information. Valid grounds for refusal are limited to legally protected confidential information, national security concerns, and information related to ongoing administrative proceedings where the requester is not an interested party. The burden of proving that an exception applies rests with the authority.

If a public body fails to meet these obligations, requesters can challenge the decision. Additionally, under the Escazú Agreement, authorities must provide assistance to requesters facing special circumstances or barriers to access, ensuring effective implementation of environmental information rights.

30. Are entities in your jurisdictions subject to mandatory greenhouse gas public reporting requirements?

Yes. As previously mentioned, the LGCC mandates the reporting of direct and indirect greenhouse gas emissions from facilities emitting over 25,000 tCO2e annually along with an official validation from an accredited Verification Unit endorsing the Report's content. This requirement applies to sectors such as energy, industry, transport, agriculture, waste management, and commerce, and includes emissions of carbon dioxide, methane, nitrous oxide, black carbon, fluorinated gases, and other specified greenhouse gases

The data is submitted through the COA and compiled into the RENE, providing the Mexican government with up-to-date greenhouse gas-related information, which is made publicly available. Specifically, greenhouse gas emissions data is published in aggregate form by the Mexican government through public reports. While these reports do not identify specific emissions sources by name, they do provide information on emissions levels, classifications, and other details, alongside data from similar sources.

Additionally, the LGCC allows reporting entities to include information in the RENE regarding projects and activities aimed at mitigating or reducing emissions.

It is also worth noting that other Mexican states have developed their own emissions registries for activities within their jurisdictions with a public consultation purpose.

31. Have there been any significant updates in environmental law in your jurisdiction in the past three years? Are there any material proposals for significant updates or reforms in the near future?

Mexico has implemented several significant environmental reforms in recent years. The Mining Reform of 2023 strengthened environmental protection in mining operations, whilst the publication of Mexico's Sustainable Taxonomy established clear criteria for environmentally sustainable economic activities. The updated wastewater discharge standard (NOM-001-SEMARNAT-2021) introduced more stringent requirements for water quality protection. The Environmental Liability Law marked a crucial development by allowing corporate veil piercing in environmental damage cases, whilst Mexico City led regional innovation with its Circular Economy Law, establishing a comprehensive framework for sustainable resource management.

Several states, including Zacatecas, State of Mexico, Oaxaca, and Jalisco, have implemented environmental taxes focusing on atmospheric emissions, soil contamination, and waste disposal, creating a new framework for environmental fiscal policy at the local level.

Looking ahead, several significant initiatives are under development. A new General Water Law is proposed to replace the 1992 legislation, aiming to modernise water management and strengthen conservation measures. A national General Circular Economy Law is being drafted to establish a comprehensive framework for transitioning from linear to circular production models. Additionally, amendments to waste management regulations are under consideration, particularly focusing on end-of-life tyre management and recycling requirements.

These developments reflect Mexico's commitment to aligning with international environmental standards whilst addressing specific national challenges in resource management and environmental protection.

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