

MEXICO MANDATES SUSTAINABILITY REPORTING FOR SECURITIES ISSUERS AND OTHER SECURITIES MARKET PARTICIPANTS: KEY TAKEAWAYS FOR BUSINESSES

Insights
Mar 4, 2025

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A recent reform in Mexico creates significant regulatory changes, including annual reporting requirements for securities issuers and other securities market participants – including foreign issuers. Under the resolution, covered businesses will need to submit sustainability reports for the prior year starting in 2026, with the goal of bringing the Mexican securities market in line with international sustainability standards, enhancing transparency, and strengthening risk management within the financial sector. Issuers will need to adapt their internal policies and procedures to meet the new requirements. Here are the changes you need to note, as well as a timeline for compliance.

Key Requirements

The National Banking and Securities Commission of Mexico (Comisión Nacional Bancaria y de Valores) published a resolution on January 28 modifying the general provisions applicable to securities issuers and other securities market participants. Covered businesses needed to adopt the International Sustainability Disclosure Standards set by the International Sustainability Standards Board (ISSB) starting in January 2025 – and they will need to prepare a separate annual sustainability report in accordance with IFRS S2,

Related People



Andrea Brizio Rivas

Partner

+55 4350 7262



Héctor Cuevas

Partner

+55 5207 7300

distinct from their financial statements, to be submitted in 2026.

The sustainability report must include the following key aspects:

- Information on governance, strategy, and risk and opportunity management related to sustainability.
- Metrics and targets aligned with IFRS S1 (general requirements) and IFRS S2 (climate-related disclosures).

The mandate applies to both domestic and foreign issuers, with the option for foreign issuers to comply with their home country's standards, provided they disclose equivalence with IFRS sustainability standards.

The resolution took effect on January 29 and will require covered businesses to submit information for 2025 in 2026 and each year thereafter for the prior year. The requirement to include reasonable assurances from an external auditor will be phased in as follows:

- **2026** sustainability reports do not require external assurance.
- **2027** sustainability reports must include limited assurance.
- **2028** and subsequent sustainability reports must include reasonable assurance by an external auditor.

Amendments to Additional Articles

In addition to the inclusion of Article 82 Bis, the reform modifies several provisions affecting securities issuers:

- Articles 1 and 2 define **"sustainability information"** and incorporate it as a mandatory component of the securities registration requirements.
- Article 4 establishes the obligation for issuers to **submit the sustainability report** as part of their annual disclosures.
- Article 7 grants **extended reporting deadlines** for issuers investing in unlisted collective investment mechanisms.
- Article 33 introduces specific requirements for issuers **with substantial investments in unlisted collective**



Julio Paredes

Associate

+55 5207 7300

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investment mechanisms, mandating that those investing 70% or more of proceeds in such mechanisms must submit their financial statements, sustainability reports, and annual reports by June 30.

- **Article 37 clarifies sustainability reporting obligations for foreign issuers**, ensuring alignment with international standards.
- Article 40 defines how these requirements apply to issuers registering **short-term debt instruments** with a maturity of one year or less.
- Article 50 formalizes the **mandatory nature of the sustainability report** and outlines the phased assurance process for compliance. This progressive implementation ensures that issuers transition smoothly into the new regulatory framework while maintaining transparency and accountability in their sustainability disclosures.

What Should You Do Now?

- **Understand the Scope.** The scope of environmental, social, and governance (ESG) compliance includes various factors such as labor-related issues, including fair wages and working conditions, data privacy protection, corporate governance practices, and environmental impact assessments. For example, companies will need to report on workplace safety standards, cybersecurity measures, ethical decision-making structures, and efforts to reduce carbon emissions.
- **Be Proactive.** We suggest taking a proactive approach to integrating sustainability into business strategies to ensure compliance and mitigate potential risks.
- **Assess the Impact.** Recognize that the social aspects of this regulation have a direct impact on workers, communities, and corporate diversity and inclusion. The requirement to report sustainability-related risks and opportunities extends beyond environmental aspects and includes workforce well-being, community engagement, and equitable employment practices.
- **Review and Potentially Revise Your Policies.** Companies will need to adopt policies that ensure compliance not only with disclosure obligations but also with social

responsibility commitments to improve long-term sustainability.

- **Work with Legal Counsel.** We can assist clients in assessing and implementing compliance programs, conducting ESG analyses, and addressing regulatory and labor matters related to the reform – including sustainability reporting, corporate governance adjustments, and risk management strategies to ensure full compliance with the evolving legal landscape.

Conclusion

For more information, reach out to your Fisher Phillips attorney or the author of this Insight. [Fisher Phillips Mexico](#) is at your service to assist you with any questions related to this topic, as well as with any matter in labor law. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to have the most up-to-date information sent directly to your inbox.