

Position on the transition period from Cofece to the new competition authority

Mexico City, January 06, 2025. On December 20 and 24, 2024, the Decree on the reform regarding organic simplification and the Federal Expenditure Budget for the Fiscal Year 2025 (PEF 2025) were published in the **Federal Official Gazette**, respectively.

The organic simplification reform establishes the creation of a **new authority with technical and operational autonomy**, which will be responsible for monitoring and sanctioning anti-competitive practices in all sectors and markets of the country. Although this implies an imminent extinction of Cofece, while secondary laws are issued and the reform comes into effect, Cofece must continue exercising its functions and processing its procedures.

Currently, Cofece is conducting several substantive procedures. Among them, the analysis of more than **150 merger operations**, which amount to nearly 10% of Mexico's GDP, to avoid risks for consumers. Additionally, it has around **25 ongoing investigations in markets of utmost importance for the welfare of Mexican families**, as well as for the development of a fair and inclusive economy.

The Budget approved by the Chamber of Deputies for Cofece through the PEF 2025 is equivalent to less than a third of the budget originally requested which is necessary for the fulfillment of Cofece's attributions.

Cofece has a firm commitment to provide certainty to investments that generate employment and growth in the country, as well as continuity to its procedures to investigate and prosecute abusive practices by companies. Therefore, given the limited transition budget approved for 2025, **Cofece is taking extraordinary measures to ensure that the allocated resources guarantee, to the extent possible, the continuity of its attributions and procedures until they are transferred to the new competition authority.**

With the objective of providing continuity to the substantive procedures currently underway, Cofece seeks an orderly and coordinated transition to the new competition authority. In this sense, Cofece will continue to proactively seek dialogue with all government entities involved, to establish an appropriate closure program, in which sufficient resources are guaranteed for the continuity of due process and investment certainty, while the Congress of the Union deliberates and approves the secondary legislation in our country and the new competition authority is established.

Cofece reaffirms its willingness to contribute so that this transition process guarantees Mexico a strong competition authority with a robust policy, which favors the welfare of Mexicans and the economic development of the country.