MIRANDA INTELLIGENCE

Public Affairs Chatter

January 20, 2026

Party of One? Electoral Reform Tests Mexico's New Power Equation

President Sheinbaum's first major legislative proposal this year is shaping up to be a paradox: a constitutional reform with a clear adversary in her own coalition. While the opposition and civil society have voiced extreme concern about the anti-democratic implications, the immediate legislative hurdle lies within Morena's alliance. The Partido Verde (PV) and the Partido del Trabajo (PT), far from being reliable votes, are signaling only conditional support. In the PV's case, that may mean political concessions; in the PT's, the calculus appears more defensive, amid rumors of political pressure.

This matters beyond legislative math. Opposition analysts have warned that depending on its scope the reform could still further consolidate political control under Morena, raising still more questions about Mexico's institutional checks and democratic longevity. The private sector and investors may not be too focused for now on such long-term institutional questions, but a reform that alters electoral rules ahead of the 2027 election cycle, covers 17 states and the Chamber of Deputies, and yet fails to achieve cross-party consensus, at a minimum introduces noise and uncertainty that can slow down capital decisions when investment is already declining.

As of now, no official draft has been presented. The reform is being shaped by a presidential commission led by Pablo Gómez, with input expected from various sectors. In broad terms, Sheinbaum has stated that the proposal will aim to reduce spending by political parties, the INE, and local electoral bodies (OPLEs); improve oversight of campaign finance; and expand voting rights for Mexicans abroad by enabling them to elect their own representatives. On the sensitive issue of proportional representation, she has clarified that plurinominal seats would remain, but the method of allocation would be reformed to reduce party control, and how many *pluris* would be elected remains unclear.

On Monday, party leaders (including Andrés Manuel López Obrador's son), legislative coordinators and other key Morena figures met at the National Palace to discuss the proposal's path forward. The choreography suggests that internal consensus-building is now the real battlefield.

External dynamics may add to the pressure, even if it remains unclear whether Washington cares too much about Mexico's democratic institutions. (It does not appear to care much about Venezuela's.) Trump has made headlines suggesting that cartels, not elected officials, run the country. Whatever their intent and the official narrative, some worry (and other hope) that proposals that reduce the autonomy or capacity of electoral institutions risk feeding that narrative, just as Mexico enters the early phases of USMCA review. So far Washington has kept mum, and with Trump's focus at least for now on Europe, Morena will hope it is to be given a free Trump pass on the electoral reform proposals as long as it delivers on immigration, security, drugs and trade.

Identity in the Crosshairs: Cellphone Registry Gets a Rough Start

It only took a few hours for months-long concerns to materialize. Despite warnings from civil society, digital rights groups, and some in the industry, the rollout of Mexico's mandatory cellphone registration program immediately triggered its first data security incident, involving Telcel, the country's largest mobile operator with over 84 million clients.

According to reports, entering any Telcel number into the registry portal revealed sensitive customer data (full name, birthdate, CURP) without verification. Telcel denied any systemic data breach, calling it a "technical vulnerability" due to high traffic. But the damage was done: the Ministry of Anti-Corruption and Good Governance announced 20 formal investigations into possible violations. The alarm bells weren't coming from activists this time: they were coming from inside the house.

Ironically, a system pitched as a tool to combat extortion is now fueling identity theft risks. Civil society groups, like R3D, are urging the federal government to suspend the program, citing fragile platforms and rushed implementation timelines—30 days, to be exact.

From the government's perspective, the message is clear: the responsibility lies with telecom operators, not the state. President Sheinbaum doubled down this week, emphasizing that the registry is "not about surveillance", and that only providers hold the data unless requested by authorities in the context of a crime.

Still, the private sector faces a rather challenging terrain: tight timelines, high costs, and public scrutiny, all while the state opens a major investment window via discounted 5G spectrum auctions. Whether that auction translates into infrastructure deployment will depend on more than pricing. In an environment where compliance risk meets regulatory distrust, the real question isn't just who wins spectrum: it's who dares to build on it.

Reinventing the Watchdog

Morena has introduced a legislative proposal to reform Mexico's National Anti-Corruption System (SNA), seeking to modernize its framework and align it with recently created entities such as the Ministry for Anti-Corruption and Good Governance and the Digital Transformation Agency. According to congressman Alfonso Ramírez Cuéllar, the goal is to build a system with defined metrics, coordinated mandates across government levels, and greater public visibility.

For the private sector, the proposal would entail yet another shift in regulatory expectations and oversight, particularly around procurement, auditing, and compliance. Business groups have long pointed to fragmented enforcement and weak follow-through as systemic barriers to legal certainty. A streamlined and better-coordinated architecture could, in principle, reduce exposure to discretionary enforcement and lower reputational risk.

Still, the reform enters a saturated institutional landscape where the handling of corruption has been both a political banner and a persistent vulnerability. Ramírez Cuéllar's plan includes constitutional changes to prevent re-appointment at the federal audit agency (ASF), citing the need to dismantle what

he described as networks of complicity and inefficiency. The timing coincides with the March replacement of the ASF's current head, raising questions about whether operational improvement or political control is the driving force.

The Sheinbaum administration has so far expressed support for strengthening anti-corruption tools, and Ramírez Cuéllar emphasized that the reform process will include public, private, and civil society participation. Whether this engagement translates into checks, or simply consent, will shape market reactions.

Chatterbox:

- **Supreme Court Operations.** The Supreme Court ruled that its previous rulings in directly attracted amparo cases, are final and immune to review. The decision formalizes a long-held but not quite explicitly written premise: once the Court speaks on a case it chooses to hear, that's the end of the line. The Court reasoned that allowing itself to review its own decisions would effectively create a non-existent second chamber, violating both the constitutional structure and the logic of legal finality. In short, there's no higher court to appeal to when the highest court acts.

- **Circular Logic: New Law Promises Sustainability by Committee.** The federal government enacted the Circular Economy Law this week, positioning it as a cornerstone of national environmental policy. The measure creates a full institutional ecosystem, led by the Ministry of the Environment (Semarnat) and supported by seven other federal agencies, to extend product life cycles, minimize waste, and promote reuse through producer accountability and voluntary audits. The law also introduces a new national registry and a sustainability label, tools designed to encourage companies to align production with circularity goals while complying with environmental norms.

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