

Title:

New LFPIORPI Rules: what is changing and when must be implemented.

1. What prompted the amendment?

On July 16, 2025, a comprehensive reform of the Federal Law for the Prevention and Identification of Transactions with Illicit Proceeds (“LFPIORPI”) was published. Subsequently, its Regulations were amended on March 27, 2026, and Agreement 115/2026 was published on August 7, 2026, updating the General Rules (“Rules”) to establish how several of the new obligations must be fulfilled.

The amendment does more than update concepts or forms. The new model requires those engaging in Vulnerable Activities to identify their risks, classify and better understand their customers, monitor customer behavior, document their controls, and demonstrate that those controls are effective. The general effective date is November 30, 2026, although specific deadlines apply during 2027 and 2028.

2. Main changes and new obligations.

The reform adds entire chapters that, for the first time under the Rules, govern the Risk-Based Approach, customer classification and due diligence, Politically Exposed Persons (“PEP”), Beneficial Owners, staff training, automated mechanisms, and audits. It also amends the framework governing Notices, Reports, and electronic notifications.

2.1 Risk-based approach and Internal Policies Manual.**What does this mean?**

For the first time, the Rules require a formal methodology to identify, analyze, understand, measure, and mitigate the risks arising from activities or transactions, customer types, the countries, or geographic areas from which customers operate, transactions, and operating channels. The methodology must weight indicators, recognize existing controls or mitigating measures, use at least twelve months of information (or projected data where no history exists), and be applied before launching new products, services, or channels or serving new types of customers.

How does this affect the Manual?

The Manual will no longer be merely a customer identification document. It must integrate the risk methodology with customer classification, due diligence, PEPs, transaction profiles, alerts, Notices and Reports, information retention, transaction aggregation, lists, training, audits, and updates to the Manual itself. If an organization decides not to engage in certain activities or transactions, the exclusion must be documented before operating under those circumstances.

When does it apply?

For parties that are already registered, the risk assessment and the Manual, including its methodology, must be available beginning March 1, 2027. New registrants must have the Manual in place within ninety calendar days after registration. The assessment must be updated when new risks arise, when a new National Risk Assessment is issued, or no later than twelve months after its results are published.

Legal basis: Chapters II Quáter and X; Articles 10 Septies through 10 Septies 6 and 37 through 37 Bis 3; Second and Third Transitory Provisions.

2.2 Customer classification, due diligence, and monitoring.**What does this mean?**

Maintaining a customer file will no longer be sufficient. Each customer must have an individual risk rating (at least low, medium, or high) and a transaction profile based on the customer's information, activities, source and destination of funds, amounts, frequency, geographic area, and other relevant characteristics. Both the risk rating and the profile must be reassessed at least every six months.

What is enhanced monitoring?

The Rules require an alert system to detect changes or deviations from expected behavior. High-risk customers will be subject to additional information requirements, questionnaires on the source and

destination of funds, closer monitoring, and enhanced measures. Where a high-risk customer is also a PEP, certain activities or transactions will require senior management approval.

When does it apply?

It applies to activities and transactions conducted on or after March 1, 2027.

Legal basis: Chapters III, III Bis, and III Ter; Articles 11 through 23 Ter 5; Fourth Transitory Provision.

2.3 PEPs and Beneficial Owners.

Who are Politically Exposed Persons?

The definition includes persons who hold or have held prominent public functions in Mexico, abroad, or in international organizations, and extends to certain family members and persons with financial ties. Domestic PEPs remain subject to this treatment for one year after leaving office.

How must the Beneficial Owner be identified?

The identification process must follow a sequence: first, identify the natural person who directly or indirectly owns 25% or more of the capital; next, identify the person who exercises control by other means; and, if neither step identifies a person, identify the individual holding the highest-ranking management position. In trusts and legal arrangements, the chain of ownership and control must be traced until the natural person who ultimately exercises effective control is identified. The procedure must be documented and kept up to date.

When does it apply?

As a general rule, the PEP provisions take effect on November 30, 2026. The new Beneficial Owner identification procedure applies to activities and transactions conducted on or after March 1, 2027.

Legal basis: Chapters III Quáter and III Quinquies; Articles 23 Quáter through 23 Quinquies 3; Fourth and Tenth Transitory Provisions.

2.4 Notices, Reports, and electronic notifications. What changes apply to Notices and Reports?

Article 24 Bis specifies, for each type of Vulnerable Activity, the moment that must be treated as the date of the activity or transaction; that date starts the statutory period for filing the Notice. As a general rule, one Notice must be submitted for each activity or transaction that, individually or cumulatively, meets the applicable threshold or condition. The Rules also distinguish between Reports required where no reportable transactions occurred and those applicable to certain intragroup arrangements.

Are the 24-hour Notices changing?

The new provisions distinguish a suspicion-based Notice (arising from unusual customer conduct or behavior) from a Notice based on facts or indications learned from other sources. Both must be submitted within the following 24 hours and may be required even if the threshold is not met or the transaction was not completed, provided that sufficient information is available to identify the customer or the person who attempted it.

How will electronic notifications be made?

The Portal must be checked at least once each business day. Recipients will have three business days to open a document, and service will be deemed effective on the fourth business day even if the document is not opened. If the Portal cannot be accessed for reasons attributable to the authority, the impediment must be reported within the following three business days.

When does it apply?

As a general rule, November 30, 2026. The new 24-hour Notices may be submitted six months after the resolution amending the official forms enters into force. The Ministry will have eight months from the effective date of the Agreement to implement the electronic notification system.

Legal basis: Articles 5 Bis, 6, and 24 through 27; Fifth and Eleventh Transitory Provisions.

2.5 Training, personnel selection, automation, and audits.

What does staff training involve?

An annual program is established for governing bodies, senior management, compliance staff, and personnel involved in customer service, identification, Notices, or audits. The content must reflect each participant's duties and risks; assessments, certificates, and supporting evidence retained for ten years will be required.

In addition, personnel selection must evaluate technical competence, experience, and integrity and must be documented through personnel files and declarations.

What are automated mechanisms?

They need not be sophisticated systems, but they must be verifiable tools proportionate to the volume, nature, complexity, and risk of the operations. They must enable access to customer files, consolidate and aggregate transactions, feed the methodology, perform customer classification, retain ten years of historical information, generate alerts, and monitor cash and precious metals.

What will the audit involve?

The review will be annual and must assess the demonstrable effectiveness of each obligation. It may be conducted internally for low- or medium-risk parties if the reviewer is independent from the compliance function; it must be external where the risk is high. The audit report must document the methodology, sample, findings, conclusion for each obligation, corrective actions, responsible persons, deadlines, and follow-up.

When does it apply?

The first annual training program will run from January 1 through December 31, 2027; personnel selection requirements for new hires beginning March 1, 2027; automated mechanisms must be in place no later than June 1, 2027; and the first audit period will run from January 1 through December 31, 2028.

Legal basis: Chapters XII, XIII, and XIV; Articles 39 Bis through 39 Bis 2 and 41 through 51; Sixth through Ninth Transitory Provisions.

2.6 Specific alerts for virtual assets.

1. Registration. Providers that are already registered must update the information required under Article 10 Bis, including their ownership structure, Beneficial Owner, websites, applications, and other technological channels used.

Applicable from: within six months after the Agreement enters into force.

2. Traceability. Information on the originator, recipient and, where applicable, Beneficial Owner; jurisdiction; account, digital address, or wallet; date and time; asset, amount, and equivalent in domestic currency; transaction type; and fee must be retained for ten years.

Applicable from: November 30, 2026.

3. Operational Scope. Facilitation or intermediation may occur even if the platform does not control the assets or limits its involvement to domestic- or foreign currency flows. Where several providers are involved, each retains its obligations with respect to its own customers. In addition, fees are analyzed individually for each transaction to determine the applicable threshold.

Applicable from: November 30, 2026.

Legal basis: Chapter II Bis; Articles 10 Bis and 24 Bis 2 through 24 Bis 5; Twelfth Transitory Provision.

3. Operational priorities.

Before March 2027: Approve the Risk-Based Approach and the Manual; segment customers; and update know-your-customer, Beneficial Owner, and PEP forms.

Before June 2027: Implement and test automated mechanisms, integrations, historical records, alerts, aggregation, and reporting.

During 2027: Conduct training, retain evidence, and build the control file that will support the first audit.

The reform requires cross-functional implementation. Because its provisions do not apply in the same way to every Vulnerable Activity, each organization must determine its specific scope, document its applicability decisions, and retain sufficient evidence of the controls implemented.

If your organization needs support in assessing the impact of the reform and adapting its processes and controls, please contact our Compliance & Anti-Money Laundering team.

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