2025 – 8 Strategic Administrative Litigation

New General Circular Economy Law

On December 10, 2025, the Senate of the Republic approved the bill for the General Circular Economy Law ("LGEC," for its Spanish acronym). This new legal instrument marks a milestone in Mexico's environmental policy, shifting from a linear "production-consumption-disposal" model toward a regenerative circular system.

This Flash provides an executive analysis of the five fundamental pillars of this new legislation and its direct impact on corporate governance and regulatory compliance.

New Shared Responsibility Framework and Obligated Parties

The LGEC establishes a shared responsibility regime involving the Federal Government, the states, municipalities, the private sector and citizens.

Corporate Impact: Companies will no longer be responsible solely for the internal management of their waste; they will also assume obligations regarding product design and the integration of circularity criteria throughout their entire value chain.

Context: This measure responds to the environmental urgency illustrated by the more than 12,400 metric tons of solid waste generated each day in Mexico City alone—a figure the law seeks to reduce substantially through prevention.

Extended Producer Responsibility (EPR)

The principle of Extended Producer Responsibility is formally established, transferring responsibility for a product to the producer, importer or manufacturer throughout its entire life cycle, including the post-consumer stage.

Obligation: Companies will be required to develop and implement mandatory Certified Waste Management Plans, ensuring mechanisms for the return, recovery and recycling of their products once they reach the end of their useful life.

Strategy: This will require adjustments to reverse logistics and strategic partnerships with waste management service providers to ensure compliance.

Circular Management Distinction: Competitiveness and Reputation

The law creates the **"Circular Management Distinction,"** a recognition awarded by the Ministry of Environment and Natural Resources ("SEMARNAT").

Requirements: To obtain it, organizations must undergo external audits validating their carbon footprint reduction processes, efficiency in the use of materials and effective reintegration of waste into the production chain.

Added Value: Although voluntary, this distinction is poised to become a de facto standard for eligibility in public tenders and global supply chains, as well as a key differentiator for consumers.

Regulatory Interaction: LGEC vs. LGPGIR

It is essential to distinguish the scope of the new law from that of the General Law for the Prevention and Comprehensive Management of Waste ("LGPGIR," for its Spanish acronym):

LGPGIR — Corrective/Operational Approach: Regulates the comprehensive management, collection and final disposal of waste that has already been generated.

LGEC — Preventive/Strategic Approach: Focuses on design and production. It reforms the current framework so that priority is given to preventing waste generation at its source through eco-design.

Both laws will operate in a complementary manner; compliance with the LGEC will reduce the operational burden governed by the LGPGIR.

Transparency: Combating "Greenwashing" and Promoting Education

The legislation strengthens measures against misleading environmental advertising.

Verification: The use of terms such as "biodegradable," "compostable" or "eco-friendly" is prohibited without adequate technical and scientific substantiation and accredited certifications. This aligns environmental regulations with the Federal Consumer Protection Law.

Corporate Culture: Companies must actively participate in promoting a culture of responsible consumption and environmental education, both within their organizations and among consumers.

Next Steps and Transition Provisions

SEMARNAT will have 180 calendar days to issue the corresponding implementing regulations, which will establish the applicable technical and administrative details.

A five-year transition period is established for the conversion or closure of open-air dumps, shifting toward Resource Recovery Centers.

* * * * *

Mexico City

December 2025

Support Information

Chevez Ruiz Zamarripa®