ITU Publications

International Telecommunication Union
Development Sector

Collaborative regulation for digital transformation in Mexico

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- Consumer Protection Agency (*Procuraduría Federal del Consumidor* (PROFECO))
- *Telecomunicaciones de Mexico* (Telecomm)
- National Chamber of the Electronic, Telecommunications and Information Technologies Industry (*Cámara Nacional de la Industria Electrónica, de Telecomunicaciones y Tecnologías de la Información* (CANIETI))
- Asociación Nacional de Proveedores de Internet Inalámbrico, A.C. (WispMX)

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This report is part of a series of case studies and country reviews developed in the framework of the ITU work stream on collaborative digital regulation with the financial support of the Republic of Korea.

Foreword

I take great pleasure in introducing this series of Collaborative Regulation Country Case Studies. They provide a high-value, authoritative analysis of the regulatory landscape and offer a step-by-step pathway to ITU Member States as they progress towards collaborative digital regulation.

The case studies reflect the journeys undertaken by selected countries from different regions as they analyse their regulatory and institutional frameworks and advance towards more collaborative governance. Each captures a unique, diverse experience of policy that enables decision-makers to explore both the challenges and opportunities that collaborative regulation offers in our journey towards inclusive digital transformation. Each case study generates discussion – and invites a better understanding of the role and impact of collaborative governance and on new tools for regulating digital markets.

Our case study approach is highly collaborative, thorough, tightly structured and inclusive, through an extensive fact-finding questionnaire and one-on-one interviews with key national stakeholders. They elicit views on future facing G5 regulation and on drivers for regulatory evolution.

The case study lays out the country's regulatory landscape and points both to existing best practice and to areas for future progress. In addition, a high-level policy brief for ICT policymakers provides a clear view of the value and benefits of collaborative regulation together with its challenges and solutions.

The library of collaborative regulation case studies, launched at the Global Symposium for Regulators 2021 (GSR-21), will expand to include additional country experiences. We are integrating insights from this process into a global project on the transition to collaborative regulation, which will be launched at the upcoming ITU World Telecommunication Development Conference (WTDC).

These case studies sit alongside the G5 Benchmark – the gold standard tool that fast-tracks countries along the path of collaborative, cross-sectoral regulation. The 2021 updated, G5 Benchmark provides an actionable and precise country readout on progress towards G5 collaborative regulation.

The case studies are an important element in a major global effort by ITU to measure the impact and the many benefits of G5 collaborative regulation. For more than twenty years, we – ITU and our partners in the global regulatory community – have made enormous progress in analysing, mapping and understanding the changing role that regulation plays in society and in economies. This two-decade-long investment is increasingly bearing fruit and is now offering a

clear view of the path ahead for all countries, no matter where they are in their journey towards G5 regulation. These Country Case Studies are an important element in this larger, ongoing body of work and mark a step forward on our journey to achieving the Sustainable Development Goals (SDGs) and digital transformation.

I hope that the Collaborative Regulation Country Case Studies together with our regulatory metrics and tools will prove invaluable to many different types of readers, but especially to ICT regulators and policymakers in all regions.

Doreen Bogdan-Martin
Director, ITU Telecommunication Development Bureau

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1 Introduction

Bouncing back after COVID

Not all sectors have been affected in the same way by the COVID-19 pandemic, while high-contact sectors such as tourism, leisure and hospitality were negatively impacted, telecommunications and broadcasting showed a significative increase in the number of users and revenues.[1]

The Mexico economy contracted by 8.3 per cent in 2020 with a deep impact on businesses, employment, and households, and inflation increased significantly in 2021. However, the economy grew by 5.9 per cent in 2021 and is projected to expand by 3.3 per cent in 2022, and by 2.5 per cent in 2023.[2] Although important challenges remain for Mexico to grow, reduce poverty and become more inclusive, according to the World Bank.[3]

The Organisation for Economic Co-operation and Development (OECD)[4] suggests that expanding access to financial services will boost competition and enable small and medium enterprises (SMEs) to invest, grow and increase productivity. For stakeholders such as government and industry, the recovery will be faster if digital technologies are implemented. It is time for the digital economy and a collaborative digital regulation to give Mexico the boost it needs to have a faster recovery.

Transformation through collaborative digital regulation: The way forward

Digital transformation has emerged onto the policy agenda of a growing number of countries as a way to drive social development and economic prosperity.

Digitalization, as a cross-cutting phenomenon, has a broad social and economic impact. It affects all sectors of an economy – from agriculture to industry and trade, from household consumption to public services – through its impact on productivity, employment, skills, services offered, and markets reached. It is changing production, delivery, consumption and lifestyle patterns, and through new means of communication, it is changing society. Digital transformation, and the changes it continues to bring, has created the need for a different approach to regulation. As a result, a new regulatory paradigm has emerged that seeks to fast forward digital transformation for all, and that paradigm is embodied in the concept of collaborative digital regulation.

Based on a broad notion of generations of ICT regulation (see Box 2), G5 regulation marks a fundamental shift in the way regulation is executed. The G5 regulation approach brings together a wide range of stakeholders from policy-makers to single-sector and cross-sector regulators, and a wide range of market players. In addition, the focus on regulatory behaviour and its impact on markets and development brings to the fore the need to harmonize policy priorities, regulatory rules, and existing institutional frameworks and underlines the importance of the

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1 See Análisis de los Sectores de Telecomunicaciones y Radiodifusión en 2020: Valoración de los efectos de la emergencia sanitaria. http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/analisistyr2020_4.pdf

2 See Mexico | OECD Economic Outlook, Volume 2021 Issue 2 : Preliminary version | OECD iLibrary (oecd-ilibrary.org)

3 See Mexico Overview: Development news, research, data | World Bank

4 Economic Forecast Summary (December 2021) - https://www.oecd.org/economy/mexico-economic-snapshot/

interplay between digital infrastructure, services and content across industries and national borders.

This country review is part of a series of country reviews designed to analyse the current institutional and regulatory framework of countries with different policy landscapes, at various levels of digital development, and from different regions. The country reviews explore how the principles and nature of collaborative digital regulation are enshrined in national policy and regulatory frameworks and how those are being implemented.

The country review of Mexico also highlights areas of strength and possible improvements as the country journeys towards digital transformation and collaborative digital regulation, enabling it to seize opportunities and address challenges. The analysis and results are based on publicly available information (reports, legal acts, studies) and information obtained during interviews with stakeholders from Mexico's public and private sectors.

Gathering information from different perspectives spotlights strengths and opportunities in Mexico, while identifying areas for further consideration in view of accelerating digital transformation. These include a mixture of best practice collaborative digital regulation principles to enhance regulatory maturity, and collaborative digital policy and regulation tools to improve digital market outcomes. While some of these are 'quick wins' and can be achieved with relative ease, others will probably require greater reflection and more time.

Box 1: G5 Case study methodology

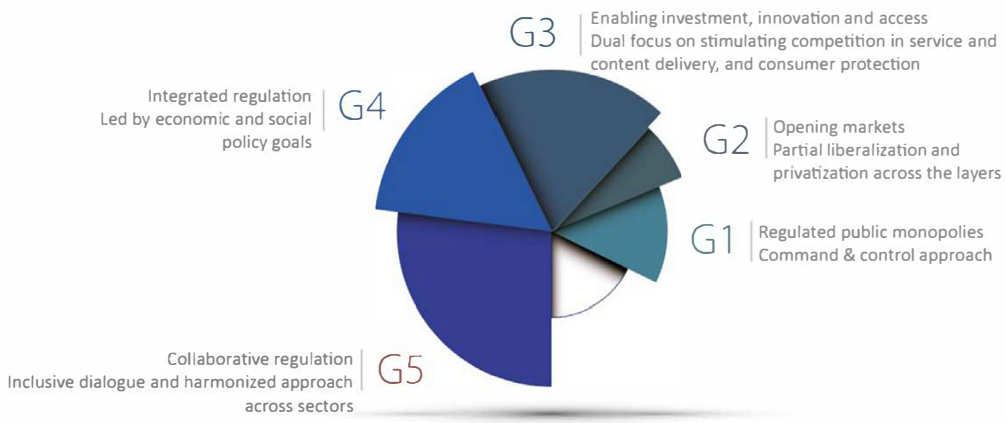
To better understand the role and impact of collaboration and collaborative governance, ITU has launched a series of collaborative digital regulation country case studies to focus on regulatory and institutional frameworks and collaborative governance across different regions. The case studies detail diverse experiences and policy and regulatory patterns, and set out challenges, new ideas and lessons learnt by regulators as they journey towards G5 regulation. Each case study follows a similar methodology, is tailored to national and regional needs, and has been achieved through stakeholder involvement and cooperation. Each case study is built on two components:

1. A 70-question survey on G5 regulation that explores collaboration across government agencies and ministries, the scope and patterns for collaboration, the involvement of other stakeholders and legal tools, policy tools and processes.
2. Multiple interviews with key national stakeholders, including representatives of the ICT national regulatory authority, a relevant ministry, and a private sector player and/or consumer association. Interviews were flexible but structured to explore practical aspects of policy implementation and regulatory reform.

The case studies set out the current policy, regulatory and governance landscape in the country, with focus on current best practice and areas for future enhancement.

Box 2: Collaborative digital regulation

The ability to successfully collaborate is one of the key building blocks of a digital economy, and a key marker of a fifth-generation regulator. Collaborative digital regulation is a key element of the ITU "generations-of-regulation" framework being used to reflect or benchmark the maturity of modern ICT regulatory regimes. The framework is based on criteria of collaboration, high-level principles, a focus on digital development, and the digital economy policy agenda.



- Collaboration is the dominant element: the benchmark for G5 collaborative governance. It measures the breadth and depth of cross-sector collaboration between the ICT regulator and stakeholders that play a role in the digital economy.
- Regulation is shifting from rules to principles: the design of regulatory frameworks and the rules and principles that keep them together have acquired special importance. While rules will and should not disappear soon, in some instances, principles are better suited for finding balanced, sound solutions to complex regulatory issues.
- New consumer needs, business models and market dynamics call for new regulatory tools and coherent, outcome-oriented policy instruments that will support digital development.
- Through disruption of markets and the rise of new technologies, building an inclusive digital economy is a priority in national policy agendas. The success of their implementation will have a multiplier effect on the digital transformation of economies and their sustainability in the future.

RATIONALE FOR GENERATIONS OF REGULATION

Source: ITU.

	1. Regulatory authority	2. Regulatory mandate	3. Regulatory regime	4. Competition framework
G1	• Consolidated with policy-maker and/or industry	• Business as usual	• Doing as we have always done	• State-owned monopoly
G2	• Separate agency	• First wave of regulatory reform	• Doing more	• Liberalization
G3	• Separate agency, autonomous in decision-making	• Advanced liberalization of ICT sector	• Doing the right things	• Partial competition
G4	• Separate agency with enforcement power	• Adjacent issues become core mandate	• Doing the things right	• Full competition
G5	• Separate agency as part of a network of partner regulators	• Separate agency as part of a network of partner regulators	• Doing things together	• Intra-modal competition

Source: ITU

1.1 From ICT to a digital economy and digital regulation

The digital economy will diversify and improve a country's general economy, making it more competitive in a global environment Technology and ICTs improve processes, efficiency, and expand markets, etc. Policy and regulation need to go beyond ICTs; authorities (ministries and agencies) from all sectors, such as agriculture, transportation, infrastructure, energy, consumer protection, competition, finance and other sectors need to collaborate.

Mexico is one of the 60 countries at the advanced level of preparedness for digital transformation according to the ITU G5 Benchmark[5]. It has achieved this level through decisive collaborative actions implemented by the ICT regulator, such as interaction with other authorities and involvement of industry in the creation of regulation through public consultation process. In addition, the digital economy has been a major focus area of ICT regulation, with medium- and long-term planning based on what is required to achieve a digital economy. The ICT regulator is not only thinking about the telecommunication/ICT sector, it has a more holistic mindset that is clearly focused on the digital economy.

This country review highlights Mexico's progress in terms of digital transformation and collaborative digital regulation based on various sources. These include Mexico's data in the G5 Benchmark (see Box 3), virtual and written interviews with various national stakeholders, regulators and industry groups, and independent research. The topics addressed in this report include:

- institutional setup in the ICT sector and across economic sectors;
- main policies for the ICT sector;
- collaborative practices across institutions;
- regulatory processes and evidence-based decision-making;
- social and economic policies for digital development;
- regulatory tools to promote the digital economy and transformation; and
- level of regulatory maturity and policy implementation.

Box 3: G5 Benchmark

Building on the collective wisdom of the ITU Global Symposium for Regulators (GSR) Best Practice Guidelines, ITU launched the Benchmark of Fifth Generation Collaborative Regulation ("G5 Benchmark") in 2020, a tool that measures the evolution of regulatory frameworks and at the same time, helps countries to establish their own roadmaps towards G5 collaborative regulation and inclusive digital transformation across all sectors of the economy.

The digital sector has a significant impact on gross domestic product (GDP) and countries should therefore collaboratively implement cross-sector regulatory and policy development frameworks. The G5 Benchmark is a comprehensive tool created to achieve this goal.

[5] See Mexico's G5 Benchmark profile

The G5 Benchmark has evolved over time and the indicators used for the measurements also evolve. The generations of regulation are identified with general thresholds and collaborative regulation is the new element that elevates countries to the G5 level. G1 to G4 levels considered both the ICT and telecommunication sectors, while G5 takes a more holistic approach, that takes into consideration other industries, sectors, regulators, authorities, and stakeholders that participate in the digital ecosystem. It is a new era that requires a harmonized approach across sectors and strong collaboration between ICT regulators and other regulatory authorities.

The 2021 edition of the ITU G5 Benchmark is grouped around four pillars:

- **Pillar I (National collaborative governance)** measures the breadth and depth of cross-sector collaboration between the ICT regulator and its peers. The pillar factors in the institutional set-up (agencies and their mandate) as well as practices around regulatory collaboration, formal and informal.
- **Pillar II (Policy design principles)** focuses on the design of frameworks and what keeps them together. Today's effective regulators aim to rely on sound policy principles, tried-and-tested institutional wisdom and a vanguard spirit – from infrastructure investment to consumer protection to data privacy.
- **Pillar III (Digital development toolbox)** focuses on the tools needed by regulators to stimulate development of a sustainable digital economy. It considers the new consumer needs, business models and market dynamics.
- **Pillar IV (Digital economic policy agenda)** concerns the policies and interventions taken by a country to promote the development of the digital economy, ranging from an innovation framework to digital transformation, sector taxation, and international linkages.

Each pillar is composed of sub-components grouping a total of 70 indicators, all of which are focused on policy and regulatory frameworks for the digital economy.[1] According to their score, countries are associated with a level of national policy and regulatory framework maturity, namely: Leading, Advanced, Transitioning and Limited.

Source: ITU, gen5.digital

[1] See The benchmark of fifth generation collaborative regulation (2021) - https://digitalregulation.org/wp-content/uploads/G5Benchmark_ReviewBoardReport_21062021.pdf

1.2 Mexico's regulatory evolution

Mexico started privatization of telecommunication services in 1990, and in 1995 the Federal Telecommunications Law liberalized the sector, introduced competition, and created the Federal Telecommunications Commission (*Comisión Federal de Telecomunicaciones* (COFETEL)), a regulator under the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes* (SCT)).

The law marked a major step towards competition, such as public bids for spectrum, and a modern licensing regime. However, with time and the rapid evolution of technology, this law and COFETEL were no longer adequate, broadcasting was still regulated by a law from the 1960s, and the whole ICT ecosystem was not responding well to the increasing data demand and the need to connect all.

With an enabling political environment, in 2013, Mexico modified its Constitution and introduced major reforms in several sectors, including telecommunications. The creation of the Federal Telecommunications and Broadcasting Law (*Ley Federal de Telecomunicaciones y Radiodifusión* (LFTR)) followed in 2014, and the principal concepts of this major makeover included:

- telecommunications, broadcasting and access to information and communication technologies (ICT), including broadband and Internet access, became a human right that was recognized in the Mexico Constitution;
- broadcasting and telecommunications were from then on regulated under the same law;
- an independent regulator, the Federal Telecommunications Institute *(Instituto Federal de Telecomunicaciones* (IFT)) was created to oversee the telecommunication and broadcasting sectors and in particular the level of competition;
- specialized courts were established for telecommunication, broadcasting and competition matters;
- competition regulation was included in the LFTR, with strong focus on asymmetric regulation and higher sanctions;
- strong focus on user-oriented sections of the law were included, recognizing consumer rights and providing them with the tools to exercise and enforce such rights;
- the possibility was introduced to procure broadcasting spectrum;
- a new licensing regime was put in place, with the introduction of a licence that allows the provision of any telecommunication service, on the one hand, and the introduction of simpler licensing for the resale of services on the other.

Box 4: Regulator leadership, tangible results

The LFTR and IFT were the drivers behind Mexico's move towards an inclusive and human-centred digital economy. Evidence shows that since 2014, the ICT sector entered a positive upward spiral that still continues eight years later despite the pandemic and the economic downturn. These numbers show the tangible results of enabling regulation and the leadership of an independent regulator, which have enabled more of the population to become part of the digital economy.

The contribution of the telecommunication and broadcasting sectors to GDP (year-on-year) went from 1.6 per cent in 2010 to 2.8 per cent in December 2020.[1] The cumulative change since the 2013 reform is 64.9 per cent. Direct foreign investment in telecommunications increased twelve-fold in only eight years, going from USD 138 million in 2011 to USD 1 666 million in 2019.[2]

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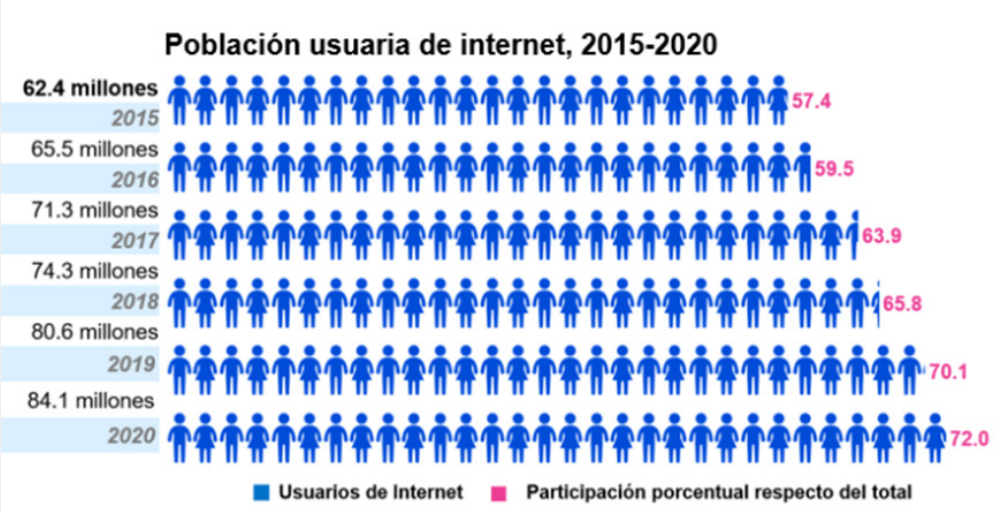
1 See "Quick Data in a click" (Datos Rápidos en un click) section - https://bit.ift.org.mx/BitWebApp/

2 http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/anuarioestadistico2020_0.pdf

According to the IFT, there were 84.1 million Internet users in 2020, which is close to three quarters of the population over six-years old. This is an increase in the number of Internet users of almost 35 per cent since 2015. In addition, since 2000, the number of mobile users has been multiplied by six, reaching over 88 million or the equivalent to 75 per cent of the population six years old or older. The number of homes with Internet has increased almost five-fold to reach over 60 million homes in 2020.[1]



Source: IFT (original in Spanish: Title: Internet user population, 2015-2020 (*Poblacion usuaria de internet*, 2015-2020). Blue: Internet users in millions (*Usuarios de Internet*). Pink: Percentage calculated with respect to the total population (*Participation porcentual respecto del total*)).

[1] http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/en-mexico-hay-841-millones-de-usuarios-de-internet-y-882-millones-de-usuarios-de-telefonos-celulares

1.3 Mexico's transition from G4 to G5 regulation

The Mexico telecommunication sector regulatory reforms in 2013 and 2014 started the digital transformation in Mexico. Adopting a modern telecommunication law, creating an independent and robust regulator and engaging in extensive collaboration with national and private sector stakeholders, paved the way for Mexico to reach G4 and G5 regulation benchmarks. The most advanced generations of regulation reflect the international best practices widely recognized by the global community of ICT regulators and have been building on diverse country experiences and national approaches to traditional and emerging issues.

The ITU ICT Regulatory Tracker, a fact-based framework to pinpoint the evolution of ICT legal and regulatory environment and facilitate benchmarking since 2007 at which point Mexico had a 12-year-old G2 level regulator. G3 was achieved in 2014, a year after the constitutional reform, and G4 status became a reality in 2015, only a couple of years after IFT was created and started to carry out its mandate. This demonstrates how Mexico quickly and significantly improved its regulatory environment once an independent regulator and a new regulatory framework had been put in place.

The move to G5 regulation is more complex because it not only depends on good regulation or an independent regulator nor is it limited to the ICT sector. It requires concerted, consistent policy implementation and real impact in terms of inclusive, holistic development. It has taken Mexico several years to see IFT become a mature regulator and a key player in ICT development; the journey to thriving digital markets and G5 regulation requires further efforts.

IFT has recognised that collaboration focuses on the digital economy as a whole and has taken actions to enable more effective digital market regulation. IFT first focused on the telecommunication and broadcasting sectors and has carried out significant transformation of both sectors. IFT has also demonstrated that it is able to work as an independent regulator and has taken a leadership role towards collaborative regulation.

Adapting and implementing best practice regulation is a task that requires full participation of the regulator. IFT has been able to engage in different regulatory issues and apply international best practice mindfully and consistently in the local context and policy agenda, which is a complex task, requiring collaboration and deep understanding of fast-evolving technologies, business models and development goals. IFT has led a wide array of reforms and regulatory activities aligned with higher level policy goals while listening to markets and consumers, and this has been key for Mexico to move from G4 to G5.

With time, IFT has become a more experienced regulator. Over the eight years since it was transformed by LFTR, it has demonstrated maturity and made a conscious effort to become a more fit-for-purpose, modern and forward-looking regulator. It has built a team of experienced professionals with backgrounds in different fields and institutions. Having such a multi-disciplinary team working together under one entity, operating under a holistic regulatory environment that recognizes the importance of ICTs and of having an independent regulator, has paved the way for IFT to becoming a G5 regulator.

2 National collaborative governance

When dealing with digital economy matters, it is imperative to involve multiple national stakeholders. Government is one of those stakeholders and in order to achieve a robust balance between people's rights and technology, collaborative regulation between several government agencies is required.

Collaboration is the very watermark of digital regulation – or the fifth generation collaborative digital regulation, as enshrined in the G5 Benchmark. The first pillar of the Benchmark, National Collaborative Governance Pillar I of the G5 Benchmark, national collaborative governance, measures the breadth and depth of cross-sector collaboration between the ICT regulator and other government agencies. It also measures how the institutions are set up, that is, the agencies and their mandates and the practices around the regulatory collaboration. An ideal scenario would combine the greatest number of agencies collaborating with the highest official status of collaboration. The analysis below explores the current state of collaborative governance in Mexico.

2.1 Collaborative regulation

The 2014 telecommunication framework reflected the need for collaboration with other authorities. Article 53 of the LFTR establishes that IFT may request collaboration and support from other autonomous constitutional entities and from the Powers of the Union (executive, legislative and judicial) as well as from state and municipal governments. It also states that IFT will collaborate on request, and pursuant to collaboration agreements.

Throughout the LFTR, there are several references to collaboration with other government agencies, in some cases mentioning specifically which one and for which purpose (see Box 5). The provisions empower IFT to directly collaborate with other authorities that deal with several issues, including consumer and content matters.

Box 5: Collaboration in the LFTR

Collaboration is referred to 26 times in the LFTR to mandate authorities to work with each other.

Some examples are:

- Federal government, states, and municipalities will collaborate on matters related to the installation and deployment of infrastructure (Article 5);
- SCT to collaborate with IFT on ITU orbital resource filings (Articles 9 and 15);
- IFT to execute collaboration agreements with other sector authorities, academy, associations (Article 15);
- IFT may request collaboration of other autonomous constitutional entities, executive, legislative and judicial branches, state and municipal governments (Article 53);
- IFT may collaborate with other authorities for issues related to limits on exposure to radioelectric radiation (Article 65);
- IFT should collaborate with the National Institute of Indigenous People (*Instituto Nacional de Pueblos Indígenas (INPI*)) to promote and facilitate the granting of concessions for indigenous people (Article 87);
- Licence holders shall collaborate with security instance authorities (Article 190);
- IFT to collaborate with federal entities to supervise programming aimed to children (Article 216).

Collaboration is an important part of LFTR and IFT and has been proactively reaching out to government, academy, and industry. From 2013 to December 2021, IFT implemented more than 34 collaboration agreements with universities, civil associations, other government entities, and other sector regulators. A full list of such agreements can be found in IFT website[6] and in Annex 1 of this report. In addition to these agreements, IFT organizes conferences, webinars, and events, is a member and active participant of international organizations, and carries out activities that require interaction and collaboration with other sectors.[7]

[6] http://www.ift.org.mx/coordinacion-de-archivos-de-transparencia/convenios-2016 and http://www.ift.org.mx/transparencia/informe-de-actividades

[7] See full lists of IFT activities with other entities since 2013: www.ift.org.mx/transparencia/informe-de-actividades

Box 6: Collaboration for transparency and consumers

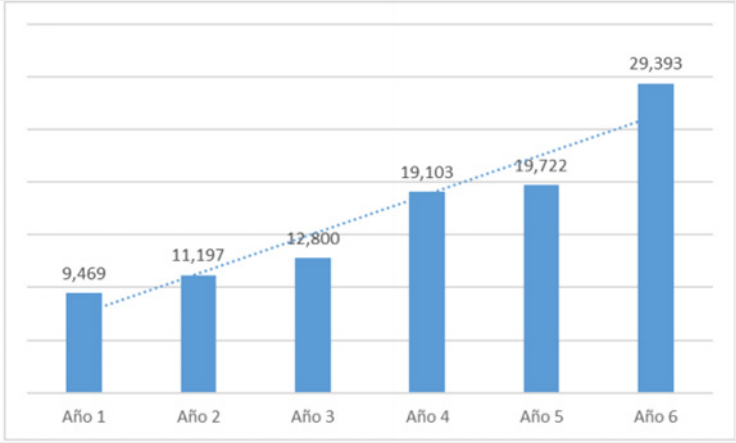
The most visible collaborations and those that have produced the most positive results are between IFT and the Consumer Protection Agency (*Procuraduría Federal del Consumidor* (PROFECO)), the National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía* (INEGI)), *Secretaría de Comunicaciones y Transportes* (SCT), and the National Commission for the Protection and Defense of Financial Services Users (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros* (CONDUSEF)).

PROFECO (Consumer Protection Agency)

The collaboration with PROFECO has greatly benefited consumers, creating the *Soy Usuario*[1] platform, which enables a digital dispute resolution service through the exchange of information, planning and coordination of actions in the defence of user rights. *Soy Usuario* has been in operation for six years and has received international recognition for its work.[2]

The platform enables consumers to file complaints against telecommunication-service providers and to receive a quick response to their problems.

Soy Usuario has become widely-known to consumers and it has so far received well-over 100 000 complaints, of which over 86 per cent have been resolved, with less than 1 per cent still in progress. Seven per cent were cancelled because they were repeats or following user-requests, and about 6 per cent were dismissed due to lack of follow-up from users.



Source: PROFECO (original in Spanish: number of complaints received over six years (*Año*)).

If no solution is found using the *Soy Usuario* platform, the consumer still has the right and the possibility to report the claim to PROFECO.

1 https://www.soyusuario.ift.org.mx/
2 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/mas-de-100-mil-usuarios-de-servicios-de-telecomunicaciones-han-usado-la-plataforma-soy-usuario-en-6

Another important joint achievement is the *Carta de derechos mínimos de los usuarios de los servicios públicos de telecomunicaciones* (Minimum rights of telecommunication service user charter), which was prepared by PROFECO and IFT so that end-users know and understand their rights as a telecommunication-service user.[1]

INEGI and SCT

In collaboration with INEGI and SCT, IFT publishes an annual National Survey on the Availability and Use of Information Technology in Households (*Encuesta Nacional sobre Disponibilidad y Uso de Tecnologías de la Información en los Hogares* (ENDUTIH))[2] that provides data at a national level (urban and rural) by state and by socioeconomic group and can be compared with the information surveyed from 2015 onwards.

The survey is addressed to individuals (from six years of age and older) who reside in private homes in Mexico. It covers the following themes:

- home ICT equipment;
- means of Internet connection;
- household limitations in accessing ICTs;
- computer, Internet and cell phone usage capacity;
- e-commerce and e-banking experience;
- forms of Internet use;
- mobile Internet access;
- use of broadcasting services (radio and TV).

The information ENDUTIH provides, published yearly, can be useful for decisions related to public policies, where social programmes should focus, and what is needed in households. It also offers an overview of the socio-economic effects of the pandemic on the use of ICT services, among other topics. The map shows the percentage of Internet users by state for 2020.[3]

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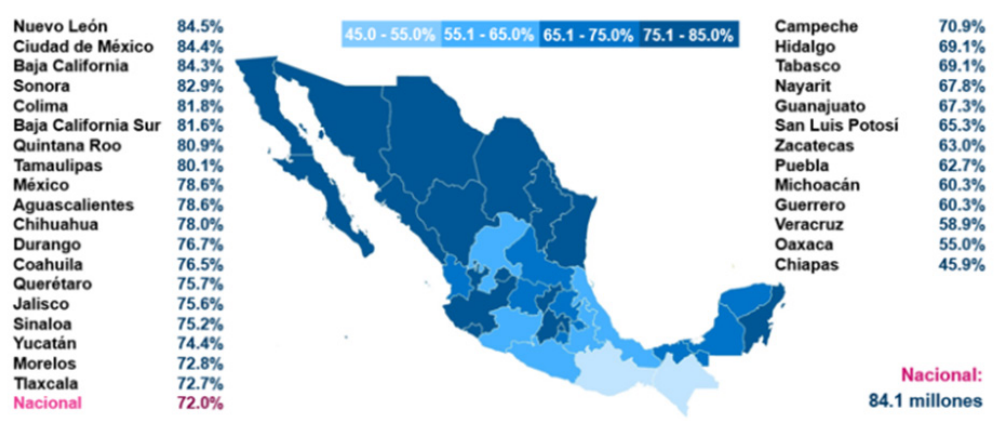
1 See *Carta de Derechos Mínimos de los Usuarios de los Servicios Públicos de Telecomunicaciones* - http://www.ift.org.mx/usuarios-y-audiencias/carta-de-derechos

2 https://www.inegi.org.mx/programas/dutih/2020/ and http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/en-mexico-hay-841-millones-de-usuarios-de-internet-y-882-millones-de-usuarios-de-telefonos-celulares

3 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/en-mexico-hay-841-millones-de-usuarios-de-internet-y-882-millones-de-usuarios-de-telefonos-celulares



Source: INEGI in collaboration with IFT, SCT and PROFECO; press release number 252/21.

CONDUSEF

IFT and CONDUSEF executed a collaboration agreement to promote cybersecurity, the responsible and safe use of ICTs, and financial services.[1] As part of the IFT Roadmap 2021-2025[2] (see Box 7), this collaboration agreement seeks to promote a safe cybersecurity environment for the whole digital ecosystem, through conferences, courses, workshops, and the sharing of information, research and experience.

1 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-y-la-condusef-firman-convenio-de-colaboracion-para-la-promocion-de-la-ciberseguridad-el-uso
2 http://www.ift.org.mx/conocenos/hoja-de-ruta-2021-2025

Conscious of the importance of exchanging experiences and best practices at the international level, IFT has extended collaboration to peer regulators and international and intergovernmental organizations. IFT holds bilateral, regional, and multilateral meetings with the Federal Communications Commission (FCC) of the United States of America to discuss ICT issues.[8] IFT actively participates in Regulatel, a forum for Latin America regulators and will hold the presidency in 2022.[9] IFT also collaborates continuously with COMTELCA (*Comisión Técnica Regional de las Telecomunicaciones*)[10], a governmental and ICT regulatory association in Central America that deals with telecommunication/ICT issues[11]. In addition, IFT has shown active participation and leadership in the work of the Inter-American Telecommunications Commission (CITEL).[12] On a bilateral level, IFT has executed six cooperation agreements with

8 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-y-la-fcc-reafirman-su-compromiso-de-colaborar-en-asuntos-transfronterizos-regionales-y
9 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-asumio-la-presidencia-del-foro-latinoamericano-de-entes-reguladores-de-telecomunicaciones
10 http://comtelca.org/
11 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-en-colaboracion-con-la-amexcid-y-comtelca-realizo-el-segundo-taller-sobre-normalizacion-y, http://www.ift.org.mx/sites/default/files/agenda_taller-_ecosistema_digital_15_16_julio.pdf, http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/funcionarios-del-ift-participaron-en-la-cxl-reunion-ordinaria-de-la-junta-directiva-de-la-comision
12 http://www.ift.org.mx/sites/default/files/contenidogeneral/transparencia/ita22021.pdf

ICT regulatory bodies in the Americas region and is on the way to signing new agreements with other regulators to strengthen cooperation and exchange of experiences and knowledge.[13]

2.2 IFT defining the path for more collaboration

In December 2020, IFT published its 2021-2025 Roadmap.[14] It is a strategic framework focused on the development of a digital ecosystem, with integral and collaborative vision. It has a strong focus on collaboration: each of the 54 regulatory action lines specifies the entities with which IFT has to collaborate. IFT recognizes that involving all stakeholders will enable an inclusive digital economy, and that is why over 30 per cent of these regulatory action lines have specific implications on the issue of collaborative regulation.

Box 7: IFT Roadmap 2021-2025 [1]

Issued for public consultation[2] in August 2020, the five-year IFT roadmap was published in December 2020[3]. The publication of the roadmap was preceded by two IFT workshops with industry stakeholders (regulated companies, technology providers, federal government agencies, academia, etc.) to gather information and first-hand insights to the main challenges and opportunities of the telecommunication and broadcasting sectors in Mexico.

The IFT Roadmap 2021-2025 is a sound example of a short- to medium-term strategy focused on the digital ecosystem as a whole and it outlines regulatory collaboration mechanisms with other government entities. The roadmap is aligned with the 2019-2024 National Development Plan (Plan *Nacional de Desarrollo* (PND)). Annex E of the roadmap specifies the objectives and strategies that are aligned with the specific PND axes, objectives and strategies:

1 General axis 1: Justice and rule of law

The IFT Roadmap aims to strengthen institutions, mechanisms and instruments for dispute resolution, guarantee human rights related to freedom of expression, transparency, information and it also calls to foster ethics and integrity of government workers.

1 http://www.ift.org.mx/sites/default/files/contenidogeneral/transparencia/estrategia20202025.pdf
2 http://www.ift.org.mx/industria/consultas-publicas/consulta-publica-sobre-el-proyecto-de-hoja-de-ruta-del-instituto-federal-de-telecomunicaciones-2020
3 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-pleno-del-ift-aprueba-su-hoja-de-ruta-para-el-periodo-2021-2025-comunicado-1052020-21-de

13 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-y-la-cnmc-fortalecen-lazos-de-cooperacion-en-torno-la-transformacion-digital-comunicado

2 General axis 2: Welfare

The IFT Roadmap seeks to prioritise vulnerable groups and reduce social and territorial inequality gaps.

3 General axis 3: Economic development

The IFT Roadmap seeks to improve labour conditions and create jobs by regulatory improvement, foster the development of new technologies, promote public and private investment, empower consumers by protecting their rights, promote infrastructure development, promote Internet access, and promote a digital economy accessible to all.

In total, it has 5 strategic objectives, 14 institutional strategies, 54 regulatory action lines, and 5 strategic agendas for economic recovery during the pandemic.

The IFT Roadmap describes in detail the objectives, strategies and lines of regulatory action defined to achieve the optimal development of the telecommunication and broadcasting sectors, as well as to favour the socio-economic development of Mexico and its population. It is important to highlight that, derived from the need for an inclusive and objective regulatory vision, the roadmap recognizes that some of the current regulatory issues fall directly within the IFT sphere of competence. However, other issues will require a coordinated strategy with different regulatory bodies, including federal, state, and municipal authorities, legislators, and members of the judiciary.

IFT is setting the example for planning and collaboration. This is an exceptional document and the challenge for IFT will be the implementation and continuity of the roadmap over time.

It would be in the best interests of Mexico for the authorities to collaborate with the IFT and to come up with similar actions.

By considering the digital economy as a whole and with its medium- and long-term planning and focus on collaboration, IFT is setting the standard for others to follow.

Through reform and with its planned actions, IFT is on track for future impactful policy implementation. IFT is also well positioned as a convener of other national authorities and stakeholders to join these efforts. Despite the global uncertainty and the challenging economic context, the timing may be right for Mexico to exploit its full digital potential and transition to a digital economy.

3 Policy design principles

Policy and regulatory framework design (and what keeps them together) is of primary importance because together they can trigger a digital multiplier effect by providing predictability and direction. This is reflected in Pillar II (Policy design principles) of the G5 Benchmark, which considers two main components:

1 Regulatory design procedures: for this component, the evaluation is oriented towards how regulation is prepared and adopted, if there is any public consultation, if there is any assessment on regulatory impact, if the regulatory decisions are reviewable, if regulatory frameworks are technology and service-neutral, if there is innovation and regulatory experimentation, such as sandboxes, and if regulation and policy are subject to revision and updates.

2 Transparency: benchmarking seeks to set a standard of transparency, by which the public has access to information and regulation, and a focus on ethical standards for national regulatory agencies.

In Mexico, civil society and industry are able to participate in the creation of regulation since 2000 and this participation has evolved with the recent introduction of the General Law for Regulatory Improvement[15] (*Ley General de Mejora Regulatoria* (LGMR)). The LGMR created the National Commission for Regulatory Improvement (*Comisión Nacional de Mejora Regulatoria* (CONAMER)), which replaced COFEMER, a similar entity created in 2000. CONAMER is the federal government agency in charge of fostering regulatory improvement and simplification of government paperwork and services. CONAMER also ensures regulatory transparency and its own overall financial health.

All government agencies are obliged to prepare a regulatory impact analysis for any law, decree, regulation and any general act that generates costs to the private sector. Depending on the content, the regulation is subject to a public consultation. There is also a national registry of all regulations, procedures and services provided by government[16] and a permanent programme for the revision of all regulation.

A 360° engagement of national stakeholders

IFT has a transparent and inclusive regulation process. LFTR obliges the IFT to hold a public consultation for any general decision on regulation, guidelines, rule, administrative instrument or any other case that the IFT considers necessary. The regulatory impact analysis is also mandatory for IFT regulatory decisions and it may request the assistance of CONAMER for this.[17] IFT makes information related to all public consultations available online, thus enhancing transparency and enabling a higher degree of engagement of national stakeholders in the policy design process[18]. IFT is also has a role in the regulatory improvement and impact processes.

15 http://www.diputados.gob.mx/LeyesBiblio/pdf/LGMR_200521.pdf
16 https://catalogonacional.gob.mx/
17 https://www.dof.gob.mx/nota_detalle.php?codigo=5503960&fecha=08/11/2017
18 http://www.ift.org.mx/industria/consultas-publicas

Box 8: IFT and CONAMER join forces

On February 2020, IFT and CONAMER joined forces through a collaboration agreement[1] that will strengthen regulatory improvement of public policy for the telecommunication, broadcasting and economic competition sectors, as well as promoting transparency and citizen participation in the simplification of procedures and services.

Prior to this collaboration, from September 2013 to February 2020, IFT carried out 154 public consultations and received more than 3 200 comments from industry, academy, international organizations, and civil society.

The results of this collaboration speak for themselves, as can be seen in the Net Neutrality Guidelines, published by the IFT in July 2021,[2] which were much appreciated, receiving positive reviews and constructive comments by industry.[3]

In addition, in 2018 IFT implemented the Administrative Improvement Program, reviewing 237 processes, which led to the elimination of several processes, and allowed some formalities to be carried out on-line with the creation of the *Ventanilla electronica* (the electronic window).

Today, a detailed description of all IFT formalities and processes can be found in one place: http://inventariotramites.ift.org.mx/mitweb/#!/.

1 http://www.ift.org.mx/comunicacion-y-medios/comunicados-ift/es/el-ift-y-la-conamer-firman-acuerdo-de-colaboracion-en-favor-de-la-mejora-regulatoria-13-de-febrero
2 https://www.dof.gob.mx/nota_detalle.php?codigo=5622965&fecha=05/07/2021
3 https://esemanal.mx/2021/07/lineamientos-para-la-neutralidad-de-la-red/

IFT also collaborated with industry at the start of the COVID-19 pandemic. IFT coordinated actions with the private sector[19] and telecommunication service providers that benefitted consumers. Instead of imposing specific measures, IFT worked with industry for example to promote special plans and rates, in addition to enabling free access to emergency services. [20] Such initiatives may have contributed to the growth of fixed services in Mexico in 2020, an increase not seen in countries that imposed measures on their industry.

Opening space for innovation and regulatory experimentation

Opening the implementation of regulation to the private sector has allowed the possibility of innovative and experimental regulation. In the telecommunication and broadcasting sectors, LFTR has introduced experimental licences that enable new technologies to be tested. IFT has also decided, in its 2021-2025 Roadmap, to use regulatory sandboxes. In addition, the IFT Study Centre carries out studies and research on issues that are relevant to the regulator.

Other sectors are also doing their part. For example, the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* (CNVB)) has implemented regulatory

19 Caneiti confirmed this during its interview in July 2021.
20 http://www.ift.org.mx/comunicacion-y-medios/frente-al-coronavirus-las-telecom-estan-de-tu-lado/la-industria-te-apoya

sandboxes with temporary authorizations for innovative models for financial services under a controlled and less costly environment[21]. The experimentation space was created under the Fintech Law published in 2018[22].

One final element of policy design in Mexico allows for any government decision to be challenged. In general terms, all regulations, laws or administrative instruments may be challenged before a court of law when they contravene human rights established under the Mexico Constitution.

The same applies to any authority decision, which can be challenged by the affected individual or entity before a higher level authority or before a court of law.[23] With respect to courts of law, due to the importance of technology and the need for expertise, there are special courts for telecommunication, broadcasting and economic competition that have produced interesting results as highly recognized telecommunications expert Clara Luz Alvarez notes on her work "Specialized Courts in Telecommunications; Experiences and Statistics"[24]. From August 2013 until the end of 2019, there has been a total of 5 172 cases of which 2 966 are related to telecommunications and broadcasting, with the rest relating to claims against the Federal Economic Competition Commission (*Comisión Federal de Competencia Económica* (COFECE)), the Energy Regulatory Commission (*Comisión Reguladora de Energía* (CRE)) or Congress.

21 https://www.gob.mx/cnbv/acciones-y-programas/registro-modelos-novedosos
22 http://www.diputados.gob.mx/LeyesBiblio/pdf/LRITF_200521.pdf
23 Please see Federal La won Administrative Procedure (Ley Federal de Procedimiento Administrativo) - http://www.diputados.gob.mx/LeyesBiblio/pdf/112_180518.pdf
24 http://claraluzalvarez.org/wp-content/uploads/2020/09/Clara-Luz-Alvarez-Trib-Esp-en-Telecom-2020.pdf

4 Digital development toolbox

Pillar III of the G5 Benchmark (Digital development toolbox*)* focuses on digital strategy, regulation for data privacy, e-waste management, cybersecurity, infrastructure sharing, emergency situations, public services, for persons with disabilities, along with the link and references to the Sustainable Development Goals[25] (SDG).

Digital transformation needs to focus on digital regulation across all sectors. Digital transformation is not exclusively under the purview of the ICT/telecommunications regulator, it requires joint action . Thus, it is important that collaborative regulation addresses the short-to-medium term outlook for national and global markets and includes long-term strategies that involve government agencies along with all stakeholders. Such strategies should be developed with the largest possible participation of government entities. A national plan or strategy for digital transformation should include common goals, how to reach them and serve as a guide for the activities of government entities. Such national plans also need to consider sustainability and be linked to SDGs.

Authorities think digital

Government entities in Mexico have a proven digital mindset and this can be seen through the different mechanisms created and actions taken, such as:

- National Digital Strategy Coordination (*Coordinación de Estrategia Digital Nacional* (CEDN)):[26] this body is part of the Presidential Office and it is in charge of preparing and coordinating the National Digital Strategy for the Federal Public Administration. It also defines federal government policies on information technologies, communication, and digital government.
- INEGI: The National Institute of Statistics and Geography, along with the CEDN, developed an information system for the Sustainable Development Goals (SDG),[27] which provides information on the progress of the United Nations 2030 Agenda for Sustainable Development.
- CIDGE: The Inter-secretarial Commission for the Development of e-Government (*Comisión Intersecretarial para el Desarrollo del Gobierno Electrónico* (CIDGE))[28] promotes the use of ICT in the Federal Public Administration.
- The National Cybersecurity Strategy (*Estrategia Nacional de Ciberseguridad*)[29] involves several stakeholders and focuses on five strategic objectives: society and rights; economy and innovation; public institutions; public safety; and national security.
- The National Institute for Transparency, Access to Information and Personal Data Protection (*Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales* (INAI))[30] is the autonomous entity responsible for guaranteeing the rights to access public information held by any authority, and for the protection of personal data.

25 https://sdgs.un.org/es/goals
26 https://www.gob.mx/cedn
27 http://agenda2030.mx/index.html?lang=es#/home
28 https://www.gob.mx/cidge
29 https://www.gob.mx/gobmx/documentos/estrategia-nacional-de-ciberseguridad
30 https://home.inai.org.mx/

- IFT has contributed to this pillar with the introduction of several regulations on infrastructure sharing[31], infrastructure information[32], persons with disabilities,[33] and focuses on the digital economy in the IFT roadmap 2021-2025 (see Box 9).

Box 9: Digital economy in the IFT Roadmap 2021-2025

The IFT Roadmap 2021-2025 shows how authorities collaborate to move towards a digital economy. All five strategic objectives are focused on the digital ecosystem:

Objective 1: To promote the deployment, development and efficient use of networks and infrastructure to facilitate development of the digital ecosystem and promote digital inclusion.

Objective 2: To promote economic competition and free market access in the telecommunication and broadcasting sectors in the context of a digital ecosystem.

Objective 3: To promote the development of the digital ecosystem and the adoption of new technologies and cases of digital use.

Objective 4: To ensure the quality, diversity and plurality of telecommunication and broadcasting services and to strengthen user and audience rights in the digital ecosystem.

Objective 5: To strengthen institutional innovation for the favourable development of telecommunication and broadcasting sectors and the digital ecosystem.

It is more than clear that IFT is in a complete digital mindset. This will have an impact on the other authorities that IFT will collaborate with and will result in amplifying digital ecosystem awareness across other sectors.

An overarching national digital strategy is key to enabling the multiplier effect of digital technologies for social and economic development

A key recommendation in the ITU GSR-22 Best Practice Guidelines is for governments to "consider adopting an overarching digital transformation strategy and augment it with new generation policies for the digital economy with a focus on stimulating financing mechanisms for innovation, skills development, job creation and the development of the startup and SME ecosystem with concrete implementation mechanisms and targets."[34] Important, impactful efforts are being carried out by several government entities in Mexico, one of these being the 2021-2024 National Digital Strategy[35] published by the CEDN in September 2021. This document deals with several key issues such as e-government, cybersecurity, data. The 2021-2024 National Digital Strategy contributes to the path towards a digital economy and is complemented by other actions and strategies, such as the IFT Roadmap 2021-2025.

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31 http://www.ift.org.mx/sites/default/files/industria/temasrelevantes/13147/documentos/20200115matift.pdf
32 https://dof.gob.mx/nota_detalle.php?codigo=5576710&fecha=28/10/2019
33 http://www.ift.org.mx/usuarios-y-audiencias/lineamientos-de-accesibilidad
34 https://www.itu.int/en/ITU-D/Conferences/GSR/2021/Documents/GSR-21_Best-Practice-Guidelines_FINAL_E_V2.pdf
35 https://dof.gob.mx/nota_detalle.php?codigo=5628886&fecha=06/09/2021

Despite having a national digital policy, its scope could be further extended and the involvement of all stakeholders could contribute to a more complete and powerful digital strategy. This is arguably, the biggest challenge to an inclusive digital economy in Mexico. All government entities, from the Executive Branch to the constitutional autonomous entities, as well as other stakeholders (academy, civil society, private sector, etc.), should participate in the planning of a national digital strategy. Coordination through IFT or CEDN will ensure the necessary short, medium and long-term planning to transcend political cycles and administrative mandates and, in the long term, will address the fundamental social and economic development issues through digital transformation.

5 Digital economy policy agenda

Future-ready digital regulation, according to Pillar IV (Digital economy policy agenda) of the G5 Benchmark, requires the active promotion of the development of digital economy, which in turn enables the development of business opportunities for all kinds and sizes of market players, including SMEs. A wide range of policies and interventions such as innovation frameworks, digital transformation, sector taxation, and adherence to international compacts are essential to achieving a vibrant, sustainable digital economy.

Inclusive policies help the digital economy to grow, and the Secretary of Economy, through its Productive Development Unit (*Unidad de Desarrollo Productivo* (UDP))[36], is creating public policy to reduce inequality between people and regions, working with indigenous communities and vulnerable stakeholders, including support for micro, small and medium enterprises, non-profit organizations and start-ups.

UDP actions are in line with the reference outcomes identified in the G5 Benchmark to develop a more inclusive, diverse and innovative economy, through incentives in strategic economic sectors for internal and external markets. One of the UDP programmes, MyPymesMX[37], provides access to resources and tools to strengthen entrepreneurship capabilities. The programme is a good example of collaboration between government and the private sector, offering many tools to assist vulnerable stakeholders, especially small and medium enterprises (SMEs).

The 2013 constitutional reform in Mexico and the LFTR have introduced the concept of concessions for social use, such as non-profit concessions to provide telecommunication services, which seek to promote, develop and preserve indigenous languages, culture, knowledge, and traditions and no least the integration of indigenous women in society.

There are several positive aspects of social concessions, for example:

- IFT assistance to those seeking a social use concession and for which there is a dedicated website[38];
- waiver of government fees for indigenous and community filings and reduced for other social concessions;
- spectrum concessions for social use are not subject to public auction;
- spectrum for indigenous or community use is not subject to spectrum fees.

Support for less favoured groups in Mexico is a focus of several government entities. Going forward, it is important for all government entities to work together through a broad national digital strategy that would define sectors needing additional support and would guide government actions to develop a digital economy. Such a move will be consistent with the recommendations of the global regulatory community reflected in the GSR-21 Best Practice Guidelines, which call for long-term plans for digital development and economic recovery, as well as for an overarching digital transformation strategy that focuses on financing mechanisms for innovation, skills development, job creation and an SME ecosystem.

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36 https://www.gob.mx/se/acciones-y-programas/unidad-de-desarrollo-productivo
37 https://mipymes.economia.gob.mx/
38 http://concesionesradio.ift.org.mx/index.php

A large number of telecommunication service providers in Mexico are SMEs and it is key for the economy to create regulation and policies that facilitate their growth. Mexico has taken steps in telecommunication regulation that have opened the door for SMEs to become service providers, for example as mobile virtual network operators (MVNO)[39]. Nevertheless, SMEs face the same regulatory burden as a multi-national operator, but with far less resources to deal with it. As recommended in the ITU GSR-20 Best Practice Guidelines[40], digital regulation should be used as a lever for the development of business opportunities geared toward the digital economy for all kinds and sizes of market player, including SMEs. There is an opportunity for IFT to develop tools or a regulatory sandbox for small telecommunication or digital operators that will enable them to focus their energy on providing innovative services, increasing the number of customers and fostering connectivity and digitalization of SMEs rather than focusing on regulatory compliance from the early days of their business journey.

There is also a need to have all government entities follow the same goals and apply similar criteria. The GSR-21 Best Practice Guidelines suggests that a tax policy strategy that fosters a digital economy, with incentives for infrastructure investments and removing sector specific taxes on digital services, devices and equipment (i.e., *Impuesto Especial sobre Productos y Servicios* (IEPS)) is an impactful regulatory tool that will help bridge the funding and financing gap in digital markets. With respect to taxation, there are two examples that may require a different tax policy: (i) the 3 per cent tax on telecommunication services provided over a public telecommunications network (except Internet access and rural telephony)[41] and (ii) the government fees levied on satellite services, for which satellite providers have to pay per Megahertz used.[42] As satellite is the only means to reach some remote areas and imposing any government fees on the use of satellite spectrum will only make access for remote communities more expensive, the Mexico Congress has the power to eliminate these barriers to promote an inclusive digital economy, which in the medium-term will bring more economic benefits and opportunities than through tax collection.

A more inclusive national digital strategy can serve as the path for all government entities to have similar goals and to unify the criteria used to develop policy and regulation. The authorities have the mandate, competencies and initiative to organize themselves, prepare a strategy g that favours specific sectors to close the digital gap and provide equal opportunities for all.

39 http://www.ift.org.mx/sites/default/files/contenidogeneral/estadisticas/omvs2020.pdf

40 https://www.itu.int/en/ITU-D/Conferences/GSR/2020/Documents/GSR-20_Best-Practice-Guidelines_Final_E.pdf

41 Article 2.II.C) of the Special Tax Law on Production and Services - http://www.diputados.gob.mx/LeyesBiblio/pdf/78_241220.pdf

42 Articles 241 and 242 of the Federal Government Fees Law - http://www.diputados.gob.mx/LeyesBiblio/pdf/107_200521.pdf

6 Conclusion

The government focus on the digital economy is reflected in the diversity of present and future programmes, initiatives and regulations. The regulatory and policy framework in Mexico has evolved rapidly in recent years to reach the ITU G5 Benchmark level. A mature and experienced regulator, IFT has achieved the highest standards of professionalism, forward planning, inclusiveness and strong international commitment.

The positive actions taken by digital economy stakeholders have enabled Mexico to reach the advanced level of preparedness for digital transformation, according to the ITU G5 Benchmark. Nonetheless, maintaining such high standards is a challenge and further efforts are needed, such as a broader and more inclusive national digital strategy, policies and regulation supporting less favoured groups (i.e., SMEs), having more governmental authorities in a digital mindset, among others.

Mexico has benefited from having a strong, independent regulator, that has adopted international best practice and has enabled sound regulatory expertise with the support of ITU and other international organizations.

IFT has been involved in knowledge sharing with the global and regional community of regulators and with international organizations such as ITU and has applied the lessons learnt in many areas of its work. IFT Commissioners have been instrumental in this process of constant improvement, by identifying, adapting and implementing international best practices for the benefit of Mexico and its people.

The road to a digital economy requires all stakeholders to have similar and consistent goals which must be reflected in a national digital economy policy that covers all sectors. The individual efforts of several public and private stakeholders are commendable; however, Mexico can benefit from adopting a holistic, modern national digital transformation strategy and roadmap. The role of coordination will be key to unleashing the potential of stakeholder collaboration, digital development partnerships, and the implementation of a national digital economy policy.

Annex 1: IFT collaboration agreements

Date	Entity
October 23, 2013	Comisión Federal de Competencia Económica
November 14, 2013	Instituto Federal Electoral
June 27, 2014	Procuraduría Federal de Protección al Consumidor
July 1, 2014	Instituto Politécnico Nacional.
August 4, 2014	Administración de Recaudación del Servicio de Administración Tributaria
September 8, 2014	Universidad Autónoma Metropolitana
September 26, 2014	Asociación Nacional de Tiendas de Autoservicio y Departamentales, A.C. (ANTAD) y la Procuraduría Federal del Consumidor (Profeco)
October 14, 2014	Secretaria de Comunicaciones y Transportes
October 29, 2014	The Television Association of Programmers
June 8, 2015	Comisión Nacional de Libros y Textos Gratuitos
June 30, 2015	Consejo Nacional para Prevenir la Discriminación
August 14, 2015	Universidad Nacional Autónoma de México
September 24, 2015	Consejo Nacional para el Desarrollo y la Inclusión de las Personas con Discapacidad
October 6, 2015	Entidad Mexicana de Acreditación, A.C.
October 23, 2015	Universidad Nacional Autónoma de México
February 19, 2016	Centro de Investigación Científica y de Educación Superior de Ensenada, Baja California
June 2, 2016	Servicio de Administración Tributaria
August 10, 2016	Instituto Nacional de Estadística y Geografía
September 20, 2016	Procuraduría Federal del Consumidor
August 1, 2017	Secretaría de Educación Pública (SEP)
August 30, 2017	Consejo de Investigación de Medios (CIM)
October 11, 2017	Instituto Nacional Electoral (INE)
February 9, 2018	Consejo de Autorregulación y Ética Publicitaria A.C.
May 14, 2018	Centro de Investigación y Docencia Económicas, A.C.
August 6, 2018	Secretaría Ejecutiva Sistema Nacional Anticorrupción (SESNA)
April 29, 2019	Universidad del Valle de México (UVM)

(continued)

Date	Entity
February 12, 2019	Unión Internacional de Telecomunicaciones (UIT)
May 6, 2019	Agencia Digital de Innovación Pública (ADIP) de la CDMX
July 11, 2019	Agencia Espacial Mexicana (AEM)
December 13, 2019	Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)
February 12, 2020	Comisión Nacional de Mejora Regulatoria (CONAMER)
May 20, 2021	Academia de Ingeniería de México, A.C.
June 18, 2021	Mujeres por Más Mujeres, A.C. (Conectadas)
September 28, 2021	Organismo Superior de Inversión Privada en Telecomunicaciones (OSIPTEL) from Perú
December 1, 2021	Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)
December 14, 2021	Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales (INAI)

Annex 2: Acronyms

CEDN	National Digital Strategy Coordination (Coordinación de Estrategia Digital Nacional)
CIDGE	Inter-secretarial Commission for the Development of e-Government (Comisión Intersecretarial para el Desarrollo del Gobierno Electrónico)
CITEL	Inter-American Telecommunications Commission
CNVB	National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores)
COFECE	Federal Economic Competition Commission (Comisión Federal de Competencia Económica)
COFETEL	Federal Telecommunications Commission (Comisión Federal de Telecomunicaciones)
COMTELCA	Comisión Técnica Regional de las Telecomunicaciones
CONAMER	National Commission for Regulatory Improvement (Comisión Nacional de Mejora Regulatoria)
CONDUSEF	National Commission for the Protection and Defense of Financial Services Users (Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros)
CRE	Energy Regulatory Commission (Comisión Reguladora de Energía)
ENDUTIH	National Survey on the Availability and Use of Information Technology in Households (Encuesta Nacional sobre Disponibilidad y Uso de Tecnologías de la Información en los Hogares)
FCC	Federal Communications Commission
G5 Benchmark	Benchmark of Fifth Generation Collaborative Regulation
GDP	Gross Domestic Product
GSR	Global Symposium for Regulators
ICT	Information and Communication Technologies
IFT	Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones)
INAI	National Institute for Transparency, Access to Information and Personal Data Protection (Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales)
INEGI	National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía)
INPI	National Institute of Indigenous People (Instituto Nacional de Pueblos Indígenas)
ITU	International Telecommunication Union

(continued)

LFTR	Federal Telecommunications and Broadcasting Law (Ley Federal de Telecomunicaciones y Radiodifusión)
LGMR	General Law for Regulatory Improvement (Ley General de Mejora Regulatoria)
MVNO	Mobile Virtual Network Operators
OECD	Organisation for Economic Co-operation and Development
PND	National Development Plan (Plan Nacional de Desarrollo
PROFECO	Consumer Protection Agency (Procuraduría Federal del Consumidor)
SCT	Ministry of Communications and Transportation (Secretaría de Comunicaciones y Transportes)
SDG	Sustainable Development Doals
SDG	Sustainable Development Goals
SMEs	Small and Medium Enterprises
UDP	Productive Development Unit (Unidad de Desarrollo Productivo)
UN	United Nations
WTDC	World Telecommunication Development Conference

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