New ESG Obligations for Insurance Institutions in Mexico

Category: Publications
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Mexico City, January 7, 2025 — Ana Paula Silva and Sofía Mitre de Jacobis, co-authored an insightful article titled "Nuevas Obligaciones ASG para Instituciones de Seguros en México", which sheds light on the significant regulatory advancements in Mexico's insurance sector.

The article, published in The Legal Industry, explores the implications of the recently issued Circular Modificatoria 2/24 ("Circular 2/24") by the Comisión Nacional de Seguros y Fianzas (CNSF). Effective January 1, 2025, this regulation mandates insurance and bonding institutions (collectively, "Instituciones") to integrate Environmental, Social, and Governance (ESG) criteria into their operations, marking a critical step towards sustainable development in alignment with the Agenda 2030 for Sustainable Development.

Key Highlights of Circular 2/24:

1. Corporate Governance:

Institutions must revise their governance policies to include ESG criteria and establish compliance verification mechanisms.

2. Risk Management:

Risk management manuals must now incorporate ESG factors to assess and address associated risks effectively.

3. Investment Policies:

Investment policies must define the ESG standards that applicable assets and instruments must meet.

4. Public Disclosure:

Institutions are required to disclose the implementation status of ESG criteria through their Solvency and Financial Condition Report (RSCF).

Insights from the Authors:

Ana Paula Silva and Sofía Mitre de Jacobis highlight the pivotal role this regulatory framework plays in aligning Mexico’s financial sector with global sustainability standards. Their analysis underscores the benefits for institutions adopting ESG strategies, including improved investor confidence and enhanced stakeholder relations.

This landmark regulation not only strengthens compliance within the industry but also sets a precedent for sustainable operations, positioning institutions as key contributors to Mexico’s sustainable development goals.