

Amendment to Articles 107 and 123 of the Constitution of the United Mexican States

February 2017

On February 24, 2017, a Decree was published in the Mexican Official Gazette amending Articles 107 and 123 of the Constitution of the United Mexican States regarding the process and resolution of disputes among employees and employers as well as certain aspects of the hiring process in collective matters.

For any questions regarding this note, please contact a partner of our Firm or send an email to macf@macf.com.mx or to:

The most important aspects of this reform are the following:

- The Constitutional text is modified to be consistent with the name of the new authority in charge of overseeing the administration of justice on labor disputes.
- Labor Courts will now be in charge of the administration of justice on labor disputes and they will be part of the judicial branch of the Federation and of each State replacing the Conciliation and Arbitration Boards, which will disappear.
- The amendments contemplate the creation of Conciliation Centers in each State, which shall be mandatorily used prior to any employment or labor related judicial dispute.
- At the Federal level, a new independent organism is created with conciliatory functions, which will be responsible for the registration of each and all of the collective bargaining agreements and the related administrative processes.
- In terms of collective hiring processes and other conflicts that may originate in connection therewith, the constitutional amendments guaranty principles on freedom of negotiation and the rights of employees to a free, individual and confidential vote.

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The Decree became effective the day after its publication and orders all Federal and State Legislative branches to, within a year period, undertake the applicable legislative actions to implement the reforms contained in the Decree; provided, that, in the meantime, the Secretariat of Labor and the Federal and Local Conciliation and Arbitration Boards will continue to operate as the authority in charge of administering conciliation services and justice on Labor and Employment matters and in all aspects related to collective contracts.