MIJARES ANGOITIA CORTES Y FUENTES | 25 YEARS

BILL FOR THE AMENDEMENT OF THE MEXICAN FEDERAL LABOR LAW AND THE SOCIAL SECURITY LAW REGARDING OUTSOURCING PROVISIONS

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Senator Napoléon Gómez Urrutia submitted before the Mexican Senate a bill for the amendment of the Mexican Federal Labor Law ("FLL") and the Social Security Law ("SSL") regarding the outsourcing employment regime.

The Senator intends with this bill to limit outsourcing provisions so that employers assume their responsibility in the payment of mandatory profit sharing, social security obligations, and the elimination of tax fraud by using false invoices. To this end, the most important points of this bill are:

a. Differentiate legal outsourcing from illegal outsourcing;

b. Protect the right of the employees to receive the mandatory profit sharing ("PTU", per its acronym in Spanish);

c. The obligation of contracting parties that did not pay profit sharing to voluntarily pay affected employees the corresponding amount of profit sharing omitted during the period of illegal outsourcing employment regimes;

d. That simulated acts are investigated, judged and condemned according to the applicable criminal provisions;

e. To incorporate the corresponding provisions to the FLL and the SSL so that only personnel outsourcing companies that strictly comply with the law parameters can operate;

f. That the labor authority generates the necessary standards for the certification of outsourcing companies, as well as the creation of a management system to verify the compliance with the requirements for outsourcing;

g. The creation of the National Registry of Outsourcing Companies by the Labor Ministry;

h. A temporary program of criminal immunity so that those contracting parties who incurred in criminal conducts to the detriment of employees and the federal treasury compensate the damage in exchange for criminal benefits, provided that these, in addition, denounce the leaders of the simulated outsourcing criminal organizations and provide full cooperation during investigations and criminal proceedings that correspond with the intention of extinguishing the domain of the assets of these criminal groups.

Please note that the comments mentioned in this note are based on the referred bill; however, such comments may change and even be contradictory due to subsequent modifications.

Should you have any further questions or comments in connection with the foregoing, please contact:
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