VON WOBESER

MEXICAN LEGAL NEWS

Freezing of Accounts by the UIF is Constitutional: The SCJN ruling reminds business owners that their compliance programs are key to avoiding UIF measures

This week, the Supreme Court of Justice of the Nation (SCJN) has definitively confirmed the Financial Intelligence Unit's (UIF) authority to freeze bank accounts without a prior court order, as well as the mechanism available for affected parties to challenge such measures. While the ruling does not modify the procedure introduced in the 2022 reform, it provides definitive constitucional backing to a mechanism that has long been contested.

The measure is a reminder to companies, compliance officers, and entities of the financial system of the mandatory nature of compliance programs and constitutes a call to review internal procedures and verify that a robust compliance program is in place. This is a decision that recognizes the validity of a tool for the government to immobilize funds without needing to go before a judge, placing the burden on companies to act with extreme speed to unfreeze their assets in case of a possible account blocking.

According to the SCJN, the Blocked Persons List is a preventive and administrative mechanism operated by the Ministry of Finance and Public Credit (Secretaria de Hacienda y Crédito Público), designed to protect the integrity of the financial system. The UIF may include a natural or legal person on this list when it has "sufficient indications of illicit operations". In accordance with the procedure reformed in 2022, it is the financial institution, in compliance with the law, that notifies the client that their accounts have been frozen and explains the reasons for said measure. This procedure will also require financial institutions to review internal processes and define an efficient and valid way to notify their clients that they have been included in said list.

Following the notification, the person can initiate their defense by requesting a hearing before the UIF within five days and, subsequently, present evidence to dispel the authority's suspicions within ten days. The brief time windows of this procedure require agile and efficient action to prevent this measure from being prolonged or escalating into criminal procedimos.

With this ruling, the Mexican State consolidates a shift in the regulatory paradigm. Previously, in the face of UIF account freezes that did not stem from a foreign authority's request, private individuals would resort to an *amparo* (constitutional protection lawsuit), arguing a lack of due process, and would obtain a suspension order. Now the SCJN endorses these measures, derived from the hearing procedure established in the law, even though the hearing is not conducted prior to the freezing. Furthermore, it is relevant to remember last year's reform to the Amparo Law, which restricts the suspension order of an authority’s acts in cases that may favor money laundering operations.

Given the brevity of the legal deadlines, prevention is consolidated as the most effective strategy. Failing to prepare can lead to a total operational standstill for companies. Having rigorous internal controls fulfills a dual function: on the one hand, it helps prevent the company from becoming involved in high-risk operations that trigger an account freeze; on the other hand, in the event a freeze materializes, it ensures that the company immediately has sufficient documentary evidence and financial traceability to mitigate liabilities and present an effective defense within the brief deadlines set by law.

To recap, the SCJN decision determines that:

- **The freezing of accounts ordered by a national authority is constitutional.** The highest court determined that it is a precautionary measure of an administrative and preventive nature, not a penalty of a criminal nature. The UIF does not usurp the Public Prosecutor's Office's functions of investigating crimes. Its objective is to protect the financial system based on "sufficient indications," which allows it to act without requiring a prior judicial resolution.

- **The review procedure provided for in Article 116 Bis 2 of the Law of Credit Institutions is constitutional.** The resolution puts and end to longstanding debates, confirming that the national freezing system is indeed in accordance with the constitutional framework thanks to the 2022 reform that grants a guarantee of a hearing before the UIF.

- **The bank's role is instrumental, not authoritative:** The notification of the freeze, carried out by credit institutions, does not violate legal certainty, since banks do not act as authorities in this process; it is a collaboration function.

For any questions or personalized advice on how to strengthen your corporate programs, do not hesitate to contact our team of experts.

Luis Burgueño, Partner:
+52 (55) 5258 1003 | lburgueno@vwys.com.mx

Diego Sierra, Partner:
+52 (55) 5258 1039 | dsierra@vwys.com.mx

Alberto Córdoba, Partner:
+52 (55) 5258 1016 | acordoba@vwys.com.mx

Raymundo Soberanis, Partner:
+52 (55) 5258 1059 | rsoberanis@vwys.com.mx

Ricardo Cacho, Partner:
+52 (55) 5258 1000 | rcacho@vwys.com.mx

SINCERELY

VON WOBESER Y SIERRA, S.C.

Mexico City, April 8, 2026.