

Constitutional labor reform

Today, the executive order reforming articles 107 and 123 of the Political Constitution of the United Mexican States (*called the constitutional labor reform*), which transforms the labor justice system, was published in the Official Federal Gazette.

According to the second transitory article of this decree, the National Congress and the state legislatures will have one year from the publication to make the necessary legal adjustments for the application of the constitutional amendments.

The fundamental changes in this executive order are:

1. Elimination of the Local and Federal Conciliation and Arbitration Boards and the consequent integration of labor justice into the Judicial Branch with the formation of labor courts.
2. Creation of a decentralized federal body with the authority to register unions and to register and file collective bargaining agreements.
3. The strike process for the execution of a collective bargaining agreement will require that the petitioning union prove that it represents the workers.
4. In compliance with international treaties and accords regarding collective bargaining and freedom of association, it is sought to guarantee to workers freedom and secrecy of the vote they exercise to resolve collective conflicts, elect union representatives, execute contracts and exercise the right to strike.
5. Mandatory conciliation as a preliminary procedure before the newly created decentralized body, the purpose of which is to reduce the number of cases reaching trial.

It is important to consider that the constitutional reform will also have an impact on several aspects of labor practice such as:

- a) Possibility of reducing the number of lawsuits due to a greater likelihood of conciliation before going to trial.
- b) Increase in the criteria that must be considered by the authority when resolving a judicial labor conflict.
- c) Increase of the negotiation and representativeness of the unions, being vitally important that the Union have a more active role and increase interaction with the Company and its workers.



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It is very important to keep an eye on the legal adjustments that will be developed in order to be able to analyze and determine the impact this reform will represent and in general, on the development of the labor law practice in our country.

It should be mentioned that the Ministry of Labor and Social Welfare has created a special unit responsible for drafting the National Labor Procedures Code.

We will pay close attention to the emerging issues and keep you informed of the changes and latest news in relation to this important reform.

For more information, consult the main page of the Official Federal Gazette at the address http://www.dof.gob.mx/nota_detalle.php?codigo=5472965&fecha=24/02/2017

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Sincerely,

Von Wobeser & Sierra, S.C.

Mexico City, February 24th, 2017.