

On January 6, 2020, the Organic Law of the Federal Conciliation and Labor Registration Center was published in the Official Gazette of the Federation ("DOF"), in observance of Article 123, Section "A", Section XX of the Political Constitution of the United Mexican States, as amended on February 24, 2017, and the Federal Labor Law as amended on May 1, 2019.

I. Federal Conciliation and Labor Registration Center

The Federal Conciliation and Labor Registration Center ("FCLRC") is a decentralized public entity of the Federal Public Administration, with legal identity and independent assets, and with full technical, operational, budgetary, decision-making and management autonomy. The FCLRC will be domiciled in Mexico City and will have the State offices necessary for the fulfillment of its purpose and in accordance with its budgetary availability, pursuant to the statutes established by its Government Board.

The FCLRC will have a General Director and a Governing Board. The General Director will be elected by presidential nomination and Senate appointment and confirmation, and will serve for six years with the possibility of one term reelection.

The Governing Board shall be comprised of the heads of the Ministry of Labor and Social Welfare ("STPS"), the Ministry of Finance and Public Credit, the National Institute of Transparency, Access to Information and Protection of Personal Data, the National Institute of Statistics and Geography, and the president of the National Electoral Institute.

The Governing Board shall validly meet with the presence of at least the majority of its members, provided that the representative of the STPS is present at the sessions. The decisions of the Governing Board will be taken by majority vote of the attending members. The sessions may be ordinary, which shall be held at least four times a year, or extraordinary, to be held as necessary.

II. Faculties

The following faculties correspond to the FCLRC:

- At the Federal level, perform the individual conciliatory function;
- At the Federal level, carry out the collective conciliatory function at the request of the parties or the judicial authority;
- Keep track of all collective bargaining agreements, industry-wide collective bargaining agreements (*contratos ley*), internal labor regulations and trade union organizations;
- Assist unions or workers in the procedures for choosing their union directives, as well as verifying compliance with democratic principles and applicable legal requirements;

- Convene and organize recount of workers' consultations and verification processes at their request, or, in case of reasonable doubt, the veracity of the documentation delivered in the verification of the election of union directives;
- Issue Certificates of no-settlement;
- Issue Certificates of Representation;
- Verify the majority support of workers in the collective bargaining agreements that govern them - and of their corresponding reviews, monitoring the exercise of personal, free, direct and secret vote;
- Verify that the content of the collective bargaining agreements has been made of the workers' knowledge, pursuant to the provisions of article 400 BIS of the Federal Labor Law;
- Provide documentation and information related with the collective bargaining agreement's registration or the administration of industry-wide collective bargaining agreements (*contratos /ey*), wage scales, lists of workers affiliated to the corresponding Unions and provide all the information that it possesses as required by the courts;
- Make the Unions' information available to the public, and provide, upon request, with a copy of the documents in the registered files, while prioritizing the use of technological means; and
- Impose the corresponding fines for non-compliance with the provisions set forth in the Federal Labor Law, in accordance with the applicable regulations.

It is important to note that the procedure for legitimizing collective bargaining agreements will be carried out by the FCLRC once it starts enforcing its registration functions and issues the corresponding Protocol. The files of the procedures related to the legitimation of collective bargaining agreements carried out before the STPS will be transferred to the FCLRC, which may determine the termination of those collective bargaining agreements that do not meet the requirements set forth in the Federal Labor Law.

The Law entered into force on January 7, 2020.

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