

Bill Reforming the Federal Labor Law

On December 22, 2018 a bill reforming the Federal Labor Law (LFT) was presented in the Chamber of Deputies by the Parliamentary Group of Morena, which is currently under analysis for the clearance of the Labor Commission of that Chamber.

This bill is based on the constitutional reform published on February 24, 2017 which changes the labor judicial system, among other matters; as well as the ratification of Convention 98 of the International Labour Organization and the commercial agreement reached with the United States and Canada (*USMCA*), which establishes, among other things, the principles of freedom of association and collective bargaining negotiation.

Below we present the most relevant aspects of this bill:

- A new single-instance ordinary labor proceeding is established under the relevant courts of the Federal and Local Judicial Power, in which the parties must include all the evidence for both the claim and the answer to the complaint.
- The conciliatory function is strengthened, establishing it as a prejudicial requirement.
- The Federal Conciliation and Arbitration Center (*Center*) is created, which will be responsible for the registration of the collective bargaining agreements and unions of the country, as well as the conciliatory function in the federal sphere.
- The use and utilization of information technologies for notification and carrying out official actions is regulated.
- It is established that, in the judicial process, the strategy of the employer to offer the job to the employee will not reverse the burden of proof for the worker.
- It is indicated that the failure to deliver the notice of rescission to the worker or its filing before the Court will only result in the presumption that the dismissal was unjustified.
- The employment termination agreements may be ratified before the Center or the Labor Court.
- A mandatory requirement is established that for the execution of a collective bargaining agreement the union must obtain the "Record of Representation", which will be obtained through a personal, free and secret vote of the workers of the company.

- Similarly, having the “Record of Representation” is established as a requirement to call a strike.
- It is established that the existing collective bargaining agreements must be reviewed at least once during the four years after the entrance into force of the law, in order to verify that such agreements represent the interests of the workers of the company.
- Regarding the topic of union leadership, it is established that they will be elected through a personal, free and secret vote; that there will be no lifetime leadership positions and that leaders will be held accountable to the workers for their management.

It is important to note that this bill does not address some very polemic matters, such as, subcontracting and the voluntary resignation of the worker as a cause of termination of employment, among other things. However, it is likely that in the upcoming period of sessions beginning in February, new bills will be discussed that may address the matters this bill left out.

We will be following the discussions on the bill and will keep you informed.

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Sincerely,

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Mexico City, January 31, 2019.