

Mexico: General provisions for the registration of providers of specialized services or works

On May 24th, 2021, the Ministry of Labor and Social Welfare (“MLSW”) published in the Official Gazette of the Federation, the general provisions for registration in the Public Registry of Contractors of Specialized Services or Specialized Works (the “Provisions”).

The purpose of these Provisions is to establish the registration proceeding for **providers** who provide or make their own workers available for the benefit of another to perform specialized services or specialized works.

Companies that provide complementary or shared services or works in the same business group must also register in accordance with the Provisions.

Requirements for registration. Contractors must:

- Be up to date with their tax and social security obligations.
- Establish with precision the specialized service to be provided or the type of specialized work to be executed.
- **Demonstrate the specialized nature** of their activities and describe the elements or factors that support this exceptional nature, for which they must provide information and documentation, regarding: training, certifications, permits or licenses that regulate the activity, equipment, technology, assets, machinery, risk level, average salary range, experience, among others.
- Include in their corporate purpose the specialized services or specialized works they want to register.

Registration proceeding.

- The MLSW must respond to registration requests within 20 business days after receipt.
- Once said period has elapsed without notification of the resolution, the registration shall be deemed completed.

Granting of registration.

- Once the analysis of the documentation, the specialized nature of the services or works, and of compliance with all the requirements had been completed, the MLSW shall include the Employer in the Registry, issuing the corresponding registration notice.
- The registration shall be renewed every three years.

Refusal of registration. The MLSW may deny registration if the specialized nature of the works or services is not proven, among other refusal causes.



Cancellation of registration. The MLSW may cancel the registration if the provider incurs in any of the following cases:

- Provides unregistered specialized services or works.
- Provides specialized services or works that are part of the main corporate purpose or economic activity of the beneficiary.
- Fails to renew its recordation in the Registry within the established period.

Obligations of the providers.

- Fully identify its workers by means of the image, name, badge or identity code that links said workers with the provider company during their work at the beneficiary company's facilities.
- Include in their contracts, the valid registration and folio of the specialized activity or work conducted or executed.

Sanctions. The Federal Labor Law establishes a penalty of 2,000 to 50,000 times the UMA (\$174K to \$4.4 million pesos approx.), to those who outsource personnel or provide specialized services or execute specialized works without the corresponding registration, as well as the beneficiaries of the same.

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