

legal memo

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REPSE Reform in Mexico: changes are introduced for registration of service providers or specialized works

On February 3, 2023, Mexico's Official Gazette of the Federation ("DOF") published an agreement amending the general provisions for the registration of individuals or legal entities that provide specialized services or perform specialized works referred to in Article 15 of the Federal Labor Law ("LFT") (the "Agreement").

In order to strengthen the actions and implementation of the registration process for Specialized Services or Specialized Works Providers ("REPSE"), on February 3, 2023, the DOF published several amendments to the requirements to be met by companies that provide specialized services or perform specialized works, as well as more details to the manner in which the surveillance visits shall be carried out, and the circumstances under which the Decent Work Unit through the General Directorate of Federal Labor Inspection (the "Authority") may deny or cancel the REPSE' registration.

The Agreement establishes that companies seeking to register in the REPSE registry for the provision of services or specialized works, in addition to the information and documentation indicated in the agreement published in the DOF on May 24, 2021, they must also have the following documents at the time of submitting their registration request:

- Last pay slip in PDF format.
- Last receipt of the Single Self-Determination System ("SUA") issued by the Mexican Social Security Institute ("IMSS").

The Agreement includes a new chapter titled "Registration Surveillance", which establishes that the Authority may carry out verification visits both at the facilities of the service providers or specialized works and of the beneficiaries, as well as new obligations for each of them, which are as follow:

1. Providers



- To deliver the information and documentation requested by the inspectors, that demonstrates compliance with the general working conditions related to subcontracting and registration obtained before the REPSE.
- That the information provided for the registration before the REPSE' platform corresponds with the actual conditions of the workplace.
- Proof that the services or specialized works are not part of the corporate purpose and/or predominant economic activity of the beneficiaries.
- To have the agreements entered into for the provision of services or specialized works.
- To comply in due time and form with the registration of its workers before the IMSS and that the salary is paid in accordance with the LFT and other applicable regulations.

2. Beneficiaries

- Proof that the workers performing the services or specialized works do not perform activities that are part of its corporate purpose and/or its predominant economic activity.
- That the workers of the service provider or specialized works are properly identified.
- To have the agreements entered into for the provision of services or specialized works.

In the case of verification visits carried out by the Authority, the inspector must record

(i) the results obtained, (ii) the facts that prevented the visit and (iii) any circumstance that arose during the visit. In case of identifying non-compliance with labor regulations regarding subcontracting of service providers or specialized works or of the beneficiaries of such services, the corresponding administrative procedure must be requested and, when applicable, the procedure for cancellation of the registration before the REPSE must be initiated.

The **Agreement** also **establishes that the Authority may deny registration with the REPSE** if the Authority identifies that the workers through whom the services or specialized works are provided are not registered with the IMSS, or if the Authority identifies irregularities related to the salary and/or the contract for the provision of services or specialized works.

On the other hand, **the Authority may cancel the REPSE registration in** the following cases:

- If the data or documents provided during the visits are different or inaccurate with respect to those indicated in the platform;
- Providing false information or apocryphal documents during visits, without prejudice to any legal action that may be taken;
- Non-compliance with the LFT regarding subcontracting;
- If the workers through whom the services or specialized works are provided, are not registered with the IMSS, or if irregularities related to the salary and/or the contract for the provision of services or specialized works, are identified.



Finally, **companies registered with the REPSE may request at any time the cancellation of their registration notice**; provided that such companies explain and justify to the Authority the reason for doing so. In addition, they may submit through the platform a request to modify or update the registered activities or add new activities, as long as the modifications or updates are part of its corporate purpose.

Labor Law Area of ECIJA Mexico

socios.mexico@ecija.com

info.mexico@ecija.com