



**Global Employment  
Compass  
MEXICO**

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This document provides brief answers and recommendations to readers for information purposes. The information contained in this document is general and may differ according to the circumstances. Thus, this document does not constitute legal advice. We decline in advance any responsibility should you decide to act upon any information contained in this document.





# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	Yes	Yes	Yes
<b>Employees' compensation/ remuneration requirements</b>	Yes	Yes	Yes
<b>Minimum wage requirements</b>	Yes	Yes	Yes
<b>Mandatory provident fund/retirement benefit fund contributions</b>	Yes	No	No
<b>Immigration requirements including the right to work in your country</b>	Yes	Yes	Yes
<b>Personal Data (Privacy) laws and regulations</b>	Yes	Yes	Yes
<b>Anti-discrimination laws and regulations</b>	Yes	Yes	Yes



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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*"Work" refers to a task that does not necessarily provide the worker with economic retribution. "Employment", which can be understood as "action of employing" and "occupation, trade", is a position or function that an individual occupies in a company or institution, where their work (physical or intellectual) is duly remunerated.*

*However, Mexican law does not distinguish between one and the other since it defines a worker as the individual who performs subordinate personal work for another individual or entity .*

*Thus, the fundamental element to determine the existence of an employment relation is the subordination of one person (worker/employee) to another (employer).*

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

The types of contracts provided for in Mexican law may be classified as follows:

- **Individual labor contracts**
  1. For a specific project: e.g. mining exploration (PARTICULAR WORK)
  2. For an indefinite term: they have no time or dates set for the completion of the project.
  3. For a specific period/fixed term.
  4. Seasonal: e.g. Winter/Summer jobs





Any of the above will change in nature upon continuation of the employment relationship beyond the established period or project.

Unless expressly stipulated, it is understood that the contract is for an indefinite period.

- **Collective labor contracts:** *Entered into between one or more workers' unions and one or more employers, or one or more employers' unions, for the purpose of establishing the conditions under which work is to be performed in one or more undertakings or establishments.*

Additionally, employment contracts may be subject to the following conditions:

- a) On a probationary basis
- b) Subject to initial training

There are no specific employment contracts for non-profit organizations.

### **What are the key terms of employment contracts?**

- Name, nationality, age, sex, marital status, Unique Population Registry Code, Federal Taxpayers Registry and address of the Federal Taxpayers Registry and address of the employee and employer.
- They must specify the type of labor contract, i.e., for a specific work or time, seasonal, initial training or indefinite term and, if applicable, whether it is subject to a probationary period.
- The service or services to be rendered.
- The place or places where the work is to be performed.
- The duration of the working day.
- The form and amount of the salary.
- The day and place of payment of the salary or method of payment.
- The indication that the worker will be trained in terms of the plans and programs established or to be established in the company, in accordance with Mexican labor laws and regulations.
- The other working conditions, such as rest days, vacations and others agreed upon by the employee and the employer.
- The designation of beneficiaries referred to in Article 501 of the Federal Labor Law in Mexico, for the payment of salaries and benefits accrued and not collected due to the death of the workers or those generated by their death or disappearance generated by their death or disappearance as a consequence of a criminal act.

### **Is it acceptable to have a probation period for employees? If yes, for how long?**

Yes, the probation period lasts **thirty days**, extendable up to **one hundred and eighty days**, in the case of workers for management positions, managerial positions and other persons who





perform management or administrative functions in the company or establishment of a general nature or to perform specialized technical or professional work.

The probation period has the sole purpose of verifying that the worker meets the requirements and knowledge necessary to perform the work requested.

If at the end of the probation period, the employee does not prove that they meet the requirements and knowledge necessary to perform the work, in the judgment of the employer, the employment relationship may be terminated, without liability for the employer.

**Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Yes, fixed term contracts are allowed only in the following cases:

- a) When required by the nature of the work to be performed.
- b) When its purpose is to temporarily substitute another worker.
- c) In the other cases provided for in the Federal Labor Law.

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

The employment contract, as well as its conditions, must be in writing. However, it is important to mention that the lack of the written document referred to does not deprive the worker of the rights deriving from the work rules and the services rendered, as the employer will be charged for the lack of this formality.

As of the signature requirement, Article 1803 of the Civil Code establishes that the will of a person may be recorded by electronic means.

In 2021, the Advanced Electronic Signature Law was amended, which provides that *electronic documents and data messages that have an advanced electronic signature will produce the same effects as those presented with a handwritten signature and, consequently, will have the same evidentiary value that the applicable provisions grant to them.*

Additional requirements for the validity of the electronic signature are found in article 8 of the Mexican Civil Code.

**Do employees have to be issued with a written employment contract before they start work?**

Employees have the right to be issued a contract before starting work. Employment contracts are drawn up in duplicate, of which at least one copy remains in the possession of each party. But the lack of a written contract is attributable to the employer and does not deprive the employee of the rights deriving from the work rules and the services rendered.





**Can you provide a simple template of the contracts mentioned above?**

Please see the [Addendum 1](#).

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

No. As of January 2021, the Supreme Court of Justice of the Nation determined that requesting non-criminal background letters to hold a job, with some exceptions, is against the Constitution.

The Court, in ruling on the constitutionality of article 11, section XI, of the Law for the Provision of Services for the Attention, Care and Integral Development of Children of the State of Nuevo Leon through the action of unconstitutionality 38/2022, particularly determined that:

*"[...] the requirement of not having a criminal record in order to have access to any position in child care, development and attention centers, does not have a direct, clear and unfailing relationship with the necessary compliance with the constitutionally valid purpose of guaranteeing the best interests of children. The foregoing, since there is no objective basis to determine that, on the one hand, the presence of persons with criminal records in child care centers would result in endangering children and adolescents; and on the other hand, there is no objective basis to determine that, in all cases, persons without criminal records will perform their activities in child care centers with rectitude, probity and honorability."*

The exceptions to the request for a non-criminal background check are, for example, when they are a requirement to perform a job, position or commission in the public service, in public security institutions, institutions providing private security services, when required in a founded and motivated manner by administrative or jurisdictional authorities, as well as by public agencies protecting human rights and authorities in electoral matters and when requested by a foreign embassy or consulate in Mexico, or through a Mexican embassy or consulate abroad.

**Can employers request references from former employers for new hires?**

Yes, there is nothing to limit such action by employers.

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

No, the employers are not required to do so.

**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

Yes, but only if there is a union elected by the workers and duly registered with the Federal Labor Conciliation and Registration Center.





## 2 Conditions of employment

### **What is the minimum age requirement for employment?**

Those over fifteen years of age may freely render their services with the limitations established in the Federal Labor Law.

Those over fifteen years of age and under sixteen years of age need authorization from their parents or guardians and, in their absence, from the union to which they belong, the Court, the Labor Inspector or the Political Labor Authority.

### **What type of work may a child undertake? For example, are there any specific restrictions?**

The work of minors under 18 years of age is prohibited by the law in the following cases:

- a. Work in non-industrial establishments after ten o'clock at night.
- b. In liquor stores for immediate consumption, canteens or taverns and vice centers.
- c. In work likely to affect their morality or good morals;
- d. In dangerous or unhealthy work that puts their life, development and physical and mental health at risk.

In other words, the employment of children under the age of fifteen is prohibited; the employment of children over the age of fifteen and under the age of eighteen who have not completed their basic compulsory education may not be used, except in cases approved by the relevant labor authority where, in its opinion, there is compatibility between studies and work

### **Wages**

#### **What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

The minimum wage in Mexico, as of January 1<sup>st</sup>, 2023, is of \$312.41 Pesos (Mx.Cy.) in the Northern Border Free Zone, and of \$207.44 Pesos (Mx. Cy.) in the rest of the country (daily)

There are no statutory exceptions in minimum wages for young people or persons with disabilities, although it is common for them to be under an informal labor regime and receive less than the minimum wage, but in the eyes of an authority this could be illegal in a labor dispute brought to court.

#### **Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

Yes, for example, overtime, sales bonuses, tips, commissions, gratuities, bonuses, commissions, benefits in kind and any other amount or benefit granted to the employee for his work or any right acquired by the employee.







**When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

Daily, weekly and/or biweekly.

The deadlines for payment of wages for workers may never exceed one week for persons performing physical labor and fifteen days for other workers.

**Are employers obliged to provide employees with paid leave on public holidays?**

Yes, and if workers are employed, they will be entitled to be paid, independently of the salary corresponding to the mandatory rest, and a double salary for the service rendered.

**Are employers obliged to provide employees with annual leave?**

Yes, and may not be less than the amount established in Article 76 of the Federal Labor Law in Mexico.

**Are employees entitled to receive their usual salary during their annual leave?**

Yes, plus a payment of 25% of those days of your vacation period, that is to be saying, if there are 12 days for the first year, it will be 25% of the 12 days of your daily salary, this is called vacation premium and it is mandatory.

**Is there a requirement to pay overtime? How is overtime compensated?**

Yes, it is the employer's obligation to pay employees when they work overtime, and they must be agreed upon.

For the payment of overtime, the employee's daily base salary must be calculated by dividing the daily salary by 8 hours and the result will be multiplied by double or triple, since the first 9 weekly overtime hours are doubled, and once the 9 weekly overtime hours are exceeded, they are tripled by dividing the daily salary by 8; depending on the overtime hours performed by each employee, the amount to be overpaid will depend on the amount to be overpaid.

**Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

No, there isn't.

**Are employees entitled to an end-of-year payment?**

Every employee is entitled to a year-end bonus, which may not be less than 15 days of daily salary.





**Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

Yes, there are several assumptions, for example:

Voluntary resignation, only severance payment (Christmas bonus, vacation, vacation premium, and seniority premium in case of having worked 15 years, if it is less, it is not paid, and any other benefits owed, such as earned wages, overtime, bonuses, commissions, etc.).

**Working hours**

**What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

-8 hours per day and 48 hours per week.

As for the part-time worker, they may be considered and remunerated per unit of determined time, as long as it is agreed in the individual employment contract and it is called "hiring per unit of determined time" and this individual contract will be the formality that will give legality to such hiring and remuneration, as long as the worker earns less than the minimum established by Law in Mexican territory.

**Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

1.- Yes, they are called mandatory rest days and are the following: January 1; first Monday of February in celebration of February 5; third Monday of March in celebration of March 21; May 1; September 16; third Monday of November in celebration of November 20; December 1 of every six years, when it corresponds to the transfer of the Federal Executive Power; December 25, and the one determined by the federal and local electoral laws, in the case of ordinary elections, to carry out the election day.

2.-An employee cannot be forced to work on the mandatory rest days mentioned in the immediately preceding answer, but, if the employee and the employer agree to work on such day, the employees are entitled to receive the daily salary plus double the daily salary.

3.-Yes, for paternity, maternity, one day of weekly rest for every six days worked. The paternity leave consists of 5 working days after the birth of the child or, if applied, after the adoption certificate is issued; the maternity leave consists of 84 days which can be divided in two periods.

**Do part time employees receive any particular protection on the basis of their part-time status?**

The protection that part-time workers receive is that if their daily salary is less than the minimum wage in force in the country, for social security purposes they will have to be declared with the minimum wage in force at that moment.





**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

They have the same legal benefits, i.e., Christmas bonus, vacation, and vacation premium, and cannot be less than those established by the Federal Labor Law in Mexico

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

- Occupational risks; sickness and maternity; disability and life; retirement, unemployment at advanced age and old age; and day care and social benefits.

Which would be contemplated in the mandatory regime according to article 11 of the Social Security Law.

Not for part-time employees, who must be registered in accordance with the minimum daily wage in force, even if their salary is lower due to the specific time unit.

This last mentioned will only apply when the part-time worker earns less than the minimum wage in force, if they earn more than that amount they will have to be registered in the social security with the actual salary they receive.

**Are employers obliged to provide health insurance to their employees?**

Every employer in Mexican territory is obliged to provide health insurance to its employees, through social security, this with the registration that must be generated before the Mexican Institute of Social Security (IMSS) called "cuotas obrero-patronales" (worker-employer contributions).

**Are employees entitled to unemployment insurance/benefits following the end of employment?**

During the time in which the worker is no longer under an employment relationship, they will be entitled to:

Make contributions to his individual account, and partially withdraw in a situation of unemployment the resources of the Retirement Subaccount, or for Unemployment in Advanced Age and Old Age, or as of the forty-sixth calendar day counted from the day, in which he became unemployed, these unemployment benefits will be only in money as referred to in Article 191 of the Federal Labor Law).

**Are employers obliged to provide sick leave?**

Yes, as long as there is a clinical report from the social security institute, and the employee cannot be relocated to an activity that he/she could perform within the company and the labor relationship must be terminated, but the employee must be paid 100% of their severance payment.





### **If yes, for how long?**

In the event that the illness or disability dictated by the social security institute is temporary, the IMSS will pay the employee's salary during the time the disability persists.

In the event that the disability is for life, the employment relationship may be terminated, and the employee must be paid 100% of his severance payment.

### **How many days have to be paid by employers?**

The employer has the obligation to register the employee as his worker in order to avoid any payment with respect to the disabilities that may be generated, since the insurance has those risk premiums that will have to be covered. In case the employee is not registered before said institute, the employer will be obliged to pay fines and penalties, as well as the pension or disability determined by the institute.

### **Is it possible to have unpaid sick leave?**

No, according to the law, all sick leaves must be paid, as long as they are processed through the IMSS insurance mechanism. The accumulation of absences not justified by the social security service may give rise to the legal termination of the employment relationship.

However, employers have the power to grant better benefits to their workers than those provided for in the Law, so they could include in their internal regulations the possibility for employees to have certain days a year to attend to medical situations, without the need to document the illness before the IMSS.

### **Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

Yes, employers are obliged to grant maternity leave to pregnant workers.

During pregnancy, the worker will be entitled to an economic benefit equivalent to one hundred percent of the last daily salary contributed, which she will receive during the forty-two days prior to the birth and the forty-two days after the birth, in accordance with article 101 of the Social Security Law.

It is not possible for a pregnant worker to take unpaid maternity leave, since this would be a waiver of a fundamental right enshrined in the Political Constitution of the United Mexican States and the Federal Labor Law.

### **Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

Every worker who is a father will have the right to 5 days of paid leave and it will be called paternity leave on the day of the birth of his children. The same happens when the worker adopts an infant, this on the basis of article 132, section XXVII bis, of the Federal Labor Law. Although





there is no regulation whether fathers can take a full paternity leave the same duration as the maternity leave. Instead of mothers, the Employer may provide the maternity leave to male employees if it considers it.

Thus, it is not possible to have unpaid paternity leave.

#### **Are employers liable for absence due to work-place injuries?**

No, as long as the worker is registered with the Mexican Social Security Institute, otherwise the employer will be liable in every sense.

#### **Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

Every worker in Mexican territory is entitled to a pension plan derived from the retirement, unemployment and old age insurance; this is provided by the Mexican Social Security Institute, of which the company has the obligation to register each and every one of its workers so that they can obtain such pension plans, this is based on article 15 of the Social Security Law, section VII.

These benefits are in cash, in species and medical service to them and their beneficiaries, wife or husband and/or economic dependents.

#### **Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

Every company must have such channels since they are obliged to generate a healthy work environment, which allows the easy development of the worker's activities with respect to his job.

### **3 Safe and supportive work environment**

#### **Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

In the workplace, employers have the obligation to train their workers for any eventuality that may arise, since by law employers are obliged to do so, as part of the employer's obligations based on article 132 of the Federal Labor Law, section XVII.

#### **Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

While it is true that there is no express mandate within the Federal Labor Law, it is true that it goes hand in hand with the human rights recognized in the Political Constitution of the United Mexican States, which contemplate non-discrimination within Mexican territory, and in the understanding that companies, being located within the same territory, must comply with the rules and policies of non-discrimination.





**Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

Of course, and it goes with regards to the previous answer, in which the companies within the Mexican territory must comply with the norms and policies of the country, which exhort to carry out campaigns against non-discrimination in the workplace and to promote respect within the labor centers, this through the committees of training and education.

**Is there a requirement to have a data protection policy?**

The employer, when handling personal data of each employee, has the obligation to safeguard such data, based on Article 6 of the Political Constitution of the United Mexican States.

**Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

In general, employers are not obliged, however, if the activity developed by the company is with minors, the company is obliged to integrate training programs on these policies and especially if there are minors working, this as part of the training programs, as established in Article 132 of the Federal Labor Law section XV as employer obligations.

## 4 Tax

**Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

I.S.R. (Personal Income Tax) witch goes from 1.9% up to 35% monthly depending on the wages of the employees.

**Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

The company is obligated to withhold ISR from its employees and pay it to SAT on a monthly basis on the same dates it files its ISR returns.

## 5 Remote work

**Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

Yes, since all workers are entitled to the guarantees established in the Federal Labor Law.





**Are employers required to provide any form of physical working space for employees working in your country?**

Indeed, as well as the work resources, and if teleworking or telecommuting exists, it must provide the elements for the performance of their duties and abide by the terms of Article 311, Chapter XII bis of the Federal Labor Law, in matters of teleworking.

**Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

The tax obligations are the same as with a worker providing services within the workplace.

## 6 What to do when things go wrong

### Dispute resolution

**Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

Yes, in the new labor justice model, it is required to execute a pre-judicial conciliatory instance, prior to filing the lawsuit as a worker before court, and the Labor Conciliation Center must issue a document called "Constancia de No Conciliación" (Certificate of No Conciliation).

### Resignation

**What grounds do employees have for resignation?**

When an employee makes this decision, it is unilaterally, and it may be due to many factors, most of which are the following: professional growth, not feeling comfortable with the workplace, a medical condition, academic studies, or any other reason that leads him/her to make this decision, which is unilaterally. Advance notice is not mandatory; sometimes employees give companies a couple of weeks notice however they may resign with immediate effects.

### Termination

**What grounds do employers have for the termination of employment contracts?**

There are a series of situations listed in Article 47 of the Federal Labor Law, for which the employer may terminate employment contracts with its employees without liability for the company.

For example, if the employee, during their work, engages in a lack of probity or honesty, in acts of violence, threats, insults or bad treatment against the employer, their family members or the management or administrative personnel of the company or establishment, or against the employer's customers and suppliers.

A worker who intentionally causes material damage during the performance of their work or in connection therewith, to buildings, works, machinery, instruments, raw materials and other objects related to the work.





To cite a few examples, but in the Federal Labor Law, there are detailed the sufficient reasons to terminate the contracts or employment relationship of the employer with its workers.

### **How do employers have to document the termination of an employment contract?**

With administrative records, documents, videos, witnesses, which must be recorded in a document called a labor termination notice, which must be in writing to the employee in which the conducts that motivate the termination and the dates on which they were committed are clearly stated.

### **What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

Employers are responsible for the actions, omissions or negligence of their workers in the first place, but at the time of a judicial controversy, the employer has the responsibility to prove that the worker is the one who caused such situation and thus be able to determine responsibilities, otherwise he could be held directly or jointly and severally liable for the damages caused, because this is expressly established in article 1,903 of the Civil Code, which provides that the obligation to repair the damage is not only enforceable for the employer's own acts or omissions, but also for those of the persons for whom he is responsible.







## b. Independent contractors/consultants\*

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*A service provider is a company, individual or legal entity that offers independent services to another individual or legal entity in exchange for remuneration*

*\* The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

There are different types of contracts available for independent contractors, some of which are governed by the Civil Code.

The Civil Code regulates the following agreements:

- i. Professional service agreement
- ii. Lump sum construction agreement
- iii. Carriers and Renters

There are no specific jobs for NGO workers, only for NGO volunteers.

#### **What are the main elements of consultant agreements?**

The most common and fundamental clauses contained in consultant agreements refer to the following:

1. Contractor or contractor
2. Company, person or company responsible for providing the service or supplier
3. Name of the services being contracted
4. Purpose for which the services are being contracted





5. Duration of the contract
6. Total payment for the services
7. Methods of payment (installments or percentages)
8. Confidentiality agreement
9. Obligations of the parties
10. Working hours available to respond to the client's concerns
11. Penalties for non-compliance for both parties

**Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

No, because it is not subject to a subordinate (labor) relationship, the period of time will be determined by the agreement reached by the parties or when either of them decides not to continue with the services performed, but this will not generate any compensation in labor matters.

**Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**

Since independent contractors' agreements are fundamentally governed by free will, the parties are entitled to determine the term for which the services are to be rendered. In contracts in which a term is not established, it is understood as the term that is necessary to conclude the rendering of the service or consultancy (e.g. professional services contract).

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

Pursuant to Article 1803 of the Civil Code of Mexico City, as in employment contracts, the will of contractors and consultants may be expressed in writing or by electronic means.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

Although the agreement is not an essential requirement for the rendering of a service, it is an obligatory requirement for the contractor to be able to demand the provision of the services and for the consultant to be able to demand payment of the corresponding fees.

In addition, it will avoid any labor liability since the relationship will be one of rendering professional services and not of a labor nature.





**Can you provide a simple template of the agreements mentioned above?**

Please see the [Addendum 2](#).

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

-Contract of professional services (fees)

-Since its nature is civil, the parties may carry out the investigations they wish and are necessary to hire or provide services independently.

## 2 Conditions of work for consultants

**Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

It is important to mention that independent contractors must comply with certain obligations, mainly in tax matters. Therefore, considering the nature of the services provided and the scope of this obligation, it could be understood that the minimum age to provide an independent service is 18 years, the same age required to be registered in the Federal Taxpayer Registry. For this purpose, it is also understood that they must be professionals in the field, that is to say, have the legal requirements to perform the activities agreed as part of a professional service.

**Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

Yes. For certain jobs, the law requires a degree that certifies the qualification of the person who holds it to be able to practice a given profession. Whoever renders a professional service independently without the required degree, is guilty of the criminal offense of professional misappropriation and is not entitled to receive remuneration for the services rendered.

### Payment

**Are there any minimum pay requirements for consultants/independent contractors?**

In the ILO Recommendation (R204) on the transition from the informal to the formal economy issued in 2015, it was proposed, among other aspects, to extend social protection to consultants/independent contractors to provide them opportunities and income security. This recommendation was extended to independent contractors and has already been taken up and incorporated into the legislation of countries such as Colombia, where there is a minimum wage for independent professionals. However, in Mexico this transition has not yet been made, and to date, there is no minimum wage for self-employed workers, nor are there any exceptions applicable to the fees received by disabled or young people.





**Are there any exceptions in minimum wages for young persons or people with disabilities?**

No. Since independent contractors are governed by the terms established in the service rendering agreement and are not subject to an employer-employee regime, the typical obligations of an employment contract do not arise for the person requesting the services, and therefore there is no requirement to provide a paid leave for statutory holidays.

**Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

Since independent contractors are governed by the terms established in the service rendering agreement and are not subject to an employer-employee regime, the typical obligations of an employment contract do not arise for the person requesting the services, and therefore there is no requirement to pay an annual leave to independent contractors, nor is it compensated.

**Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

Since independent contractors are governed by the terms established in the service rendering agreement and are not subject to an employer-employee regime, the typical obligations of an employment contract do not arise for the person requesting the services, and therefore there is no requirement to pay an annual leave to independent contractors, nor is it compensated.

**Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

As a general rule, in independent service contracts, the contribution to be paid for services rendered is agreed beforehand. Therefore, the price per hour of work can be agreed upon in the contract itself, and there would be no "overtime" as such. Likewise, it is important to point out that the expenses to be incurred in the business rendered are also subject to agreement, and that, if there is no agreement on the fees, these will be paid according to the importance of the work rendered, the matter for which they are rendered, the economic capacity of the end user and the professional reputation of the person rendering them, or by means of a tariff, in accordance with the Civil Code of Mexico City.

**Are consultants entitled to an end-of-year payment?**

Unless the agreement provides otherwise, consultants are not entitled to an end-of-year payment.

**Are consultants entitled to a final payment when the contract is terminated?**

Unless the agreement provides otherwise, consultants are only entitled to the payment of expenses incurred in the business in which the service was provided.





## **Working hours**

### **Are consultants entitled to any type of leave, whether paid or unpaid?**

Unless the agreement provides otherwise, consultants are not entitled to any type of leave.

## **Social security**

### **Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

No, the typical obligations of an employment contract do not arise for end user engagers, they are not required to make any social security contributions on behalf of an independent contractor, nor are independent contractor entitled to health insurance. However, independent contractors may join the Mexican Social Security Institute to obtain all the benefits it offers through voluntary affiliation.

### **Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

Neither contractors nor consultants are entitled to unemployment insurance or benefits after termination of their independent contractor/consultancy agreement from the end user engager. They will only be entitled to the payment of the penalties established in the agreement for non-compliance with the same.

### **Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

Independent contractors are not entitled to sick leave from the end user engager.

### **Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

Independent contractors are not entitled to maternity leave from the end user engager.

### **Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

Independent contractors are not entitled to paternity leave from the end user engager.

### **Are employers obliged to cover work-place injuries for independent contractors/consultants?**





Independent contractors are not entitled to additional benefits except for those expressly established in the service/consultancy agreement.

**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

Independent contractors are not entitled to additional benefits except for those expressly established in the service/consultancy agreement.

### 3 Safe and supportive work environment

**Are there any differences in terms of the regime that applies to employees?**

Yes. Initially it is not an obligation of the contractor to provide some sort of safety at the workplace, however, this can be agreed as one of its obligations, which, if not fulfilled, would result in an indemnification for the damage caused to the independent contractor for the damages caused by the injuries he may have suffered in the business in which he renders the services.

### 4 Remote work

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

No, end user engagers are not required to have a registered legal entity in the jurisdiction to hire independent contractors.

### 5 What to do when things go wrong

#### Resignation

**Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

They may terminate it for any reason in accordance with the terms of the contract, generally those arising from a breach of the other party's obligations.

#### Termination of agreement

**What grounds do end user engagers have for the termination of consultant agreements?**

Any that may have been established in the agreement, force majeure causes beyond their control or responsibility and unforeseen events (eg. Death of the independent contractor)





**What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

Pursuant to Article 2615 of the Civil Code of Mexico City, "*whoever renders a professional service is only liable **to the persons they serve** for negligence, lack of skill or malice, notwithstanding the penalties he/she may be subject to for the commission of a crime.*"





## c. Volunteers

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*It is important to refer that there are two types of volunteering within the Mexican legislation, each with an independent applicable legal regime:*

- i. Professional and Student Social Service: Pursuant to section 53 of the Regulatory Law of Article 5 of the Mexican Constitution, regarding the professional practice in Mexico City (the "**Professional Practice Law**"), the professional and student social service is the work of temporary nature and for certain remuneration, performed and rendered by professionals and students in the interest of society and the Mexican State.*
- ii. Social Volunteering: Even though there is no federal legislation regarding social volunteering (there have been several bills which were not approved by the Federal Congress), this activity is common throughout Mexico and regulated in local laws such as the Social Volunteering Law for the State of Puebla and the Social Volunteering Law for the State of Queretaro (the "**Social Volunteering Existing Laws**"), which define social volunteering as the activities of general interest with an altruistic and solidary character, without being subject to the provision of a subordinate activity, either individually or as part of an organization, without receiving any remuneration, salary or economic consideration whatsoever, without prejudice of any kind of remuneration, salary or economic consideration whatsoever, receive any remuneration, salary or economic consideration, without prejudice to the reimbursement of the reimbursement of any expenses incurred in the performance of their voluntary service carried out by individuals, by their own free will.*

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

Regarding the Professional and Student Social Service, it is common practice in Mexico for foundations and institutions to execute master agreements with both professional associations (*colegios profesionales*) and universities establishing the general terms and conditions for the provision of the social service between the foundation/institution and the professionals and students, as applicable.

With respect to Social Volunteering, foundations or institutions commonly execute a participation agreement or letter of commitment with the volunteers in order to regulate their non-labor relationship and the rights and obligations of each party. Furthermore, the Social Volunteering







Existing Laws require that the integration of the volunteers to the organizations carried out shall be formalized through a written agreement in duplicate, signed by the parties.

## 2 Conditions of employment

### **Is there a minimum age requirement for volunteers?**

Section 52 of the Professional Practice Law establishes that all students and professionals under the age of 60 must provide Professional and Student Social Service through their professional associations (*colegios profesionales*) or universities.

Additionally, pursuant to the Social Volunteering Existing Laws, adolescents over 12 years of age and under 18 years of age may have the status of volunteers, as long as they do not harm their integral formation as a result of the activity carried out and that they have the written authorization of their parents or guardians.

### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

As explained in the previous question, children may provide Student Social Service through their university and have the status of volunteers as long as it does not harm their integral formation and have the written authorization of their parents or guardians.

### **Payments and reimbursement**

#### **Are organizations allowed to pay stipends to volunteers?**

Organizations are obliged to pay stipends to professionals and students who render Social Services pursuant to article 5 of the Mexican Constitution. On the other hand, organizations shall not pay stipends to social volunteers as such activity is considered by the applicable legislation as altruistic and solidary, and the payment of a salary could result in such relationship being considered as a labor one before the Mexican labor and tax authorities and even the courts.

#### **Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Organizations are allowed to reimburse both professionals and students rendering social service, as well as volunteers, as agreed in the corresponding written agreement or letter of commitment.

### **Working hours**

#### **Are there any obligations around how many hours volunteers can work?**

There are no restrictions around how many hours volunteers or professionals and students carrying out social service can work, as such terms and conditions must be agreed in the corresponding written agreement or letter of commitment. However, please consider that under the Mexican Federal Labor Law, no person is allowed to work more than forty-eight (48) hours per week.





### **Are volunteers entitled to any type of leave?**

As there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, they will only be entitled to the types of leave agreed in the corresponding written agreement or letter of commitment, as applicable.

### **Social security**

#### **Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

As there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, organizations are not obliged to pay any social security contributions on behalf of them.

#### **Are organizations obliged to provide health insurance to volunteers?**

As there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, organizations are not obliged to provide health insurance to volunteers. However, it is advisable to hire a general insurance covering the organization's activities to avoid potential contingencies or liabilities.

#### **Are organizations liable for absences of volunteers due to work-place injuries?**

As there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, organizations are not obliged to provide health insurance to volunteers.

## **3 Safe and supportive work environment**

### **Are there any differences in terms of the regime that applies to employees?**

Yes, considering that there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, their relationship will not be subject to employment and social security regulation, and will be subject to the terms and conditions agreed upon by the parties, as well as the Professional Practice Law and the Social Volunteering Existing Laws.

## **4 Tax**

### **Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**





As previously referred to in Section V.2.c.i., organizations must not pay stipends to volunteers as such circumstance would be contrary to the social volunteering nature set forth in the Social Volunteering Existing Laws.

Regarding the stipends paid to professionals and students rendering social service, organizations will have to retain and pay to the Mexican Tax Administration Service the applicable income tax.

## 5 What to do when things go wrong

### **What grounds do organizations have for the termination of volunteer agreements/arrangements?**

As previously explained, the relationship between organizations and volunteers or professionals and students carrying out social service will be regulated by the agreement or commitment letter executed between the parties. In that sense, it is highly advisable to establish clear and precise parameters for the termination of the agreements or arrangements.

### **What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

Considering that there is no employment relationship between organizations and volunteers or professionals and students carrying out social service, there is no direct responsibility for the organization as pursuant to section 1910 of the Federal Civil Code, whoever, acting unlawfully or against morality, causes damage to another, is obliged to repair it, unless he proves that the damage was caused as a consequence of fault or inexcusable negligence of the victim. Nevertheless, it is advisable to hire a general insurance covering liabilities before third parties resulting from the organization's activities to avoid potential contingencies.





## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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### 1 Status and the right to work

#### **Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

Pursuant to the Mexican Migration Law (the “**Migration Law**”), employers are not obliged to secure legal status for their foreign employees or consultants, as they are only required to verify and ensure that their non-citizen employees’ migration status and work permits are valid and in force during their employment relationship.

However, it is important to bear in mind that organizations may assist potential non-citizen employees or consultants to achieve a valid migration status and work permit by offering a job offer to them as a registered organization before the National Migration Institute (“**INM**”, by its acronym in Spanish), as further explained in the next section. In this regard, once receiving the job offer, the potential non-citizen employee or consultant will be able to request before the INM a temporary or permanent working visa.

#### **Are employers obliged to secure work permits for their employees or consultants?**

Pursuant to section 166 of the Migration Law Regulations, employers are only required to register before the INM and to obtain their proof of employer registration (*constancia de inscripción del empleador*), in order to hire foreign employees or consultants. Therefore, it is not an employer’s obligation to secure work permits for its non-citizen employees or consultants.

#### **Is it always necessary to obtain a work permit?**





In terms of sections 40 and 52 of the Migration Law, only foreign citizens with a valid working migration status (either temporary or permanent) are entitled to carry out remunerated activities in Mexico.

In this sense, as a general rule, non-citizens with a residence migration status or that hold a humanitarian visitor status implicitly have a work permit and therefore are entitled to carry out remunerated activities in Mexico without requiring any further work permits. However, it is highly advisable to always confirm the non-citizen's migration status at the moment of hiring as certain migration status (such as student visas or temporary visitors) do require an additional work permit to carry out remunerated activities.

Please consider that non-compliance with such provisions may result in an immigration sanction procedure for the non-citizen and administrative and tax liabilities for the organization.

**Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

Yes, pursuant to section 164 of the Migration Law Regulations, the foreign citizens that hold a humanitarian visitor status implicitly have a work permit and therefore are entitled to carry out remunerated activities in Mexico.

## 2 Contracts

**Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

The contracts or consultants' agreements for foreign employees must comply with the same obligations and formalities for the hiring, employment and labor termination described for national employees in Section II. However, the employer is entitled to negotiate and agree with the foreign employee additional benefits (economic support for housing, flights to country of origin, food vouchers, etc.) considering the nature of its relationship or secondment agreements, as applicable.

## 3 Conditions of employment

**Does national law regulate the quotas for the number of non-citizens within one organization? Are employers obliged to report about employed non-citizens?**

Pursuant to section 7 of the Mexican Federal Labor Law, every enterprise or establishment, must employ at least ninety percent (90%) of Mexican workers. However, such provision establishes certain exceptions:

- i. Regarding technicians and specialized workers, such employees must be Mexicans, unless there are no workers in such specific specialty, in which case the employer may temporarily employ foreign workers, in a proportion not exceeding ten percent of those in the specialty.
- ii. If hiring medical staff, such employees must be exclusively Mexicans.
- iii. There are no restrictions for directors, senior executives and general managers hirings.





Furthermore, employers who intend to hire foreign citizens are obliged to register before the National Migration Institute (“**INM**”, by its acronym in Spanish) and to obtain their proof of employer registration (*constancia de inscripción del empleador*) in terms of section 166 of the Migration Law Regulations. Such registration must be updated and renewed on an annual basis. If the Mexican company will pay the salary and benefits to the foreign citizen (regardless of whether they work in Mexico or remotely in another country), they must be registered as a foreign employee in Mexico before INM.

Additionally, both employers and foreign employees are required to notify the INM the hiring of such non-citizen within the following ninety (90) days.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

Employers are required to have the corresponding registration before the INM and to verify and supervise that the foreign employee’s permits and authorizations are valid and in force during their employment relationship. In this sense, the Mexican applicable legislation does not allow to hire foreign employees without the prior INM’s approval for both the employer and the non-citizen.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

Except for the migration-related obligations, there are no special conditions or differences between national and foreign employees.

## 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

There are no applicable differences regarding safe and supportive work environment approach for non-citizens. However, it is advisable to have internal procedures and to comply with the UN Refugee Agency and the National Human Rights Commission recommendations.

**Does the employer have additional obligations for non-citizens?**

There are no additional obligations for employers regarding non-citizens except for those migration-related described in the previous Section VI.3.

## 5 What to do when things go wrong

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**





The termination of an employment contract with a non-citizen is the same as for national employees. However, both employer and employee must notify such circumstances to the INM within the following ninety (90) days.

Please consider that non-compliance with such provisions may result in an immigration sanction procedure for the non-citizen and administrative and tax liabilities for the organization.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

The resignation of an employment contract with a non-citizen is the same as for national employees. However, both employer and employee must notify such circumstances to the INM within the following ninety (90) days.

Please consider that non-compliance with such provisions may result in an immigration sanction procedure for the non-citizen and administrative and tax liabilities for the organization.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

Non-citizens employees are entitled to the same protection and rights set forth in the Constitution and Labor laws in the event of employment-related disputes.





## 3. Addendums

### Addendum 1

#### INDIVIDUAL EMPLOYMENT AGREEMENT FOR AN INDEFINITE PERIOD OF TIME

ENTERED INTO BY \_\_\_\_\_ S.A. DE C.V., REPRESENTED IN THIS ACT BY \_\_\_\_\_, HEREINAFTER REFERRED TO AS "THE EMPLOYER" AND ON THE OTHER HAND, \_\_\_\_\_, HEREINAFTER REFERRED TO AS "THE EMPLOYEE" IN ACCORDANCE WITH THE FOLLOWING:

##### RECITALS

##### I. - "THE EMPLOYER" DECLARES:

- a) To be a person (company) \_\_\_\_\_, with its own capacity and assets, duly incorporated in accordance with Mexican Laws, as evidenced in \_\_\_\_\_
- b) To be legally represented by \_\_\_\_\_, as set forth in Public Deed number \_\_\_\_\_ (\_\_\_\_\_), under book \_\_\_\_\_, dated \_\_\_\_\_, granted before Mr. \_\_\_\_\_, Notary Public number \_\_\_\_\_ of the city of \_\_\_\_\_, which to date have not been revoked or limited
- c) That its fiscal domicile to hear and receive notifications and as a source of work, is located at \_\_\_\_\_.
- d) That requires the services of the worker, to be involved mainly in the position regarding the \_\_\_\_\_ area. Entering into this agreement for an indefinite period of time and in compliance with provisions set forth in Article 35 of the Federal Labor Law.
- e) To be economically capable to hire the rendering of services and accounts with sufficient personal elements to fulfill its obligations derived from the relationship with its workers.

##### II. - "THE WORKER" DECLARES:

- a) His/Her name is \_\_\_\_\_,
- b) With date of birth on \_\_\_\_\_, \_\_\_\_\_ and being of age \_\_\_\_\_ years old at the date this agreement is executed.
- c) Being of nationality: \_\_\_\_\_.
- d) Stating as a domicile: \_\_\_\_\_.
- e) Unique Population Registry Code ("CURP"): \_\_\_\_\_.
- f) Taxpayers' Registry Number ("RFC"): \_\_\_\_\_.
- g) Marital Status: \_\_\_\_\_.
- h) Telephone: \_\_\_\_\_.
- i) To be aware of the position, work schedule, salary, benefits, and tasks to be performed in this company, after a previous discussion with THE EMPLOYER. That he/she does not have another







job, nor suffer from illness or disability, and therefore, to accept the job and be bound to the agreed and declared under this agreement.

- j) To be aware that the Company needs his/her services for the time indicated as of the date mentioned under this agreement. And that he/she has the capacity and skills to be performing the necessary work to comply with the purpose of the company; having no inconvenience in traveling to the places that are indicated to him/her for the fulfillment of the entrusted duties. Expressly authorizing his/her change to the office(s) of the company where he/she is required to perform the work for which he/her is hired for.

The parties are in accordance and have agreed upon the following:

### CLAUSES

**FIRST.** The company \_\_\_\_\_, which for the purposes of the employment relationship, will be considered as the sole and exclusive responsible for the employment relationship with THE WORKER, hires THE WORKER \_\_\_\_\_ for an indefinite period of time in accordance with the provisions set forth under Article 39-A of the Federal Labor Law; which will become effective as of the date of execution.

The parties enter into this individual employment agreement for an indefinite period of time, which shall be governed by the Federal Labor Law and the internal labor provisions, in all matters not expressly provided for.

**SECOND.** The worker is assigned the category of \_\_\_\_\_, which he/she will occupy during the term of this Agreement, unless there is a written modification, signed by THE EMPLOYER or his/her legal representative; any agreement or legal modification has no legal effect whatsoever.

**THIRD.** That within the duties to be developed by the worker are: \_\_\_\_\_ and other activities required by his superiors.

**FOURTH** The place of work of "THE WORKER" will be at the domicile of "THE COMPANY" in which he/she will be provided with all the necessary material for the development and functionality in the performance of his/her work activities; in the same way "THE WORKER", is responsible for the inadequate use of equipment assigned to him/her and that he/she uses jointly for the development of his/her activities such as: COMPUTERS, TELEPHONES, FAX, CALCULATORS, PRINTERS, SMARTPHONES, PAPERWORK, FURNITURE, ETC; which for this reason is damaged by deliberate or unconscious actions and that affect "THE COMPANY".

**FIFTH.** The worker agrees to perform personal and subordinate work to "THE EMPLOYER", in the category and/or position of \_\_\_\_\_, which he/she shall perform with the appropriate intensity, care and dedication, in the manner, time, schedule and place agreed upon or in any other place assigned to him/her due to the needs of the service.

THE WORKER shall perform his/her work in a \_\_\_\_\_ shift, covering \_\_\_\_ hours per week, obliging himself/herself to comply with it and that for such purpose the work schedule shall begin at \_\_\_\_ HOURS and end at \_\_\_\_ HOURS from Monday to Friday and on Saturdays from \_\_\_\_ HOURS. to \_\_\_\_ HOURS. to \_\_\_\_ HOURS. of each week, enjoying within the schedule \_\_\_\_\_ hour(s) to eat food outside the workplace and will not practice any work in this time; therefore, the food schedule will not be accounted for as part of the workday.

THE WORKER shall rest one day a week, assigning SUNDAY as a rest day. The worker agrees to comply with the documented controls of attendance, entry and exit of work, as well as time to take his/her meal, abiding by the provisions issued for this purpose by general management and / or the human resources area.

In terms of article 59 of "THE LAW", in order for "THE WORKER" to enjoy a weekly rest longer than the commonly established, the daily work schedule may be extended, in order to accommodate his working hours and that he may enjoy Saturday as a rest day, which is not mandatory. The foregoing provided that he/she complies with the weekly working hours established in this agreement.

**SIXTH.** It is prohibited for the employee to work overtime, unless there is written authorization from the EMPLOYER and/or legal representative and/or General Director, indicating the reason and authorized overtime hours to be worked, with both parties signing in agreement and the employee





keeping a copy of such authorization; any verbal agreement or claim without such authorization and acceptance by the EMPLOYER shall have no legal force. The same applies in the case of Sunday premium, for working on his/her day of rest.

The employee shall enjoy the mandatory holidays mentioned in Article 74 of the Law, with pay and will not work those days unless agreed so with THE EMPLOYER in writing and signed by the parties, receiving the payment of a double salary if he/she agreed in writing to work those days. The worker, when working on his day of rest (agreed upon Sunday), will be paid a Sunday premium at the rate of 25% of his/her daily salary.

**SEVENTH.** Furthermore, "THE PARTIES" agree upon and "THE EMPLOYEE" accepts that when for administrative reasons or for development of the activity or provision of agreed services there is a need to remove him/her, he/she may transfer to the place that "THE COMPANY" assigns him/her. In this previous case "THE COMPANY" will communicate in advance the removal of the workplace indicating the new assigned work place. In the event that in the new workplace assigned to him the work schedule varies, "THE EMPLOYEE" accepts to adapt to this modality.

**EIGHTH.** The parties agree that in the event that the company implements attendance and/or schedule controls, the employee shall register his/her attendance in the corresponding list, and the employee shall be obliged to sign the lists daily, in the event that the employee shows up and does not register his/her attendance and schedule in the corresponding lists, said day shall be considered as an unjustified absence, all unjustified absences from work shall be reported to the employee's immediate boss, The employee's wages will be deducted for unjustified absence from work, and such concept will be recorded in the pay stub and the day not worked will be deducted, and it is agreed that the pay stub will serve as the basis for the legal accounting of unjustified absences and, if applicable, to prove the legal termination of the labor relationship pursuant to section X of article 47 of the Law.

**NINTH.** "THE WORKER" shall receive for the rendering of his services as monthly salary the amount of \$ \_\_\_\_\_ ( \_\_\_\_\_ 00/100, legal currency in the United Mexican States), plus five percent of the payment regarding commissions. Which will be paid in cash and in national currency of the current currency or through a bank deposit in a payroll account, or through a bank transfer to their personal payroll accounts. From the previous salary "THE COMPANY" will make on behalf of "THE EMPLOYEE" the corresponding legal deductions, particularly those that refer to the corresponding tax and social security laws. Said amount, which includes the payment of seventh days and mandatory breaks.

"THE EMPLOYEE" shall, each time he/she is paid his/her salary, issue the corresponding receipt in favor of "THE COMPANY" in the documents presented by the same for such purposes.

In the case the payment is done in cash, "THE WORKER" shall receive the payment of his/her salary at the domicile of the place where his/her services are rendered on \_\_\_\_\_(days).

**TENTH.** The employee will receive the payment and gratification of the following benefits:

- a) The payment of the proportional part corresponding to the time worked, regarding the Christmas bonus and vacations.

**ELEVENTH.** The employee agrees to work with dedication, probity, and care, using his/her work clothes and tools necessary to perform his/her work, according to his/her category. Likewise, the terms of this agreement may not be modified, except for the salary increase that may be granted in terms of the applicable law, so that any renewal must be in writing and signed by both parties, keeping a copy each of them for any clarification or request; done otherwise any renewal of the working conditions and benefits agreed upon is illegal.

**TWELFTH.** "THE EMPLOYEE" agrees to undergo the medical examinations periodically established by "THE EMPLOYER" under the terms set forth in Section X of Article 134 of "THE LAW", in order to maintain his/her physical and intellectual faculties in optimum condition for the best performance of his/her duties. The doctor who performs the examinations shall be appointed and paid by "THE EMPLOYER".

**THIRTEENTH.** "THE PARTIES" stipulate that in the event that "THE WORKER", in the performance of his/her work, acts with carelessness, lack of attention, negligence, indiscipline, or his/her conduct is suitable with the provisions set forth in sections of Article 47 of the Federal Labor Law, "THE





EMPLOYER" may choose, prior to terminating "THE AGREEMENT", to reprimand "THE WORKER" by means of an administrative act signed by "THE PARTIES"; and, if applicable, witnesses of attendance, in which the fault committed by "THE WORKER" is clearly established. It is understood that upon accumulating three warnings in a period of three months, this agreement shall be terminated without liability for "THE EMPLOYER".

**FOURTEENTH.** THE EMPLOYEE is obliged to comply with the Federal Labor Law, the internal labor provisions, and the orders given by THE EMPLOYER through its representatives and hierarchical superior; therefore, violations to this agreement or to the law, which do not warrant termination of the labor relationship.

**FIFTEENTH. It is in** THE EMPLOYEE's will to designate as beneficiaries in case of his/her death in terms of section X of Article 25 and Article 501 of the Federal Labor Law the following people:

- 1.- \_\_\_\_\_
- 2.- \_\_\_\_\_
- 3.- \_\_\_\_\_

In virtue of which both parties declare that they have read this agreement, being aware of their obligations and rights expressed herein,  
THIS INDIVIDUAL EMPLOYMENT AGREEMENT IS SIGNED BY BOTH PARTIES IN THE CITY OF \_\_\_\_\_, ON \_\_\_\_\_.

**THE EMPLOYEE**

**THE EMPLOYER**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_





## Addendum 2

### AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES

AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES ENTERED INTO BY, ON THE ONE PART, \_\_\_\_\_ (name of the company to which the service is to be provided), WHICH WILL HEREINAFTER BE REFERRED TO AS "**THE COMPANY**" DULY REPRESENTED BY \_\_\_\_\_, IN HIS CHARACTER OF \_\_\_\_\_; AND ON THE OTHER HAND, THE \_\_\_\_\_, HEREINAFTER REFERRED TO AS "**THE PROFESSIONAL**", IN ACCORDANCE WITH THE FOLLOWING DECLARATIONS AND CLAUSES:

#### DECLARATIONS

##### I. DECLARES \_\_\_\_\_ (name of the company)

- A. That it is a legally constituted \_\_\_\_\_, in accordance with Mexican law as evidenced by the deed of incorporation number \_\_\_\_\_ volume \_\_\_\_\_ granted before the Notary Public Number \_\_\_\_\_ of the State of \_\_\_\_\_ Lic. \_\_\_\_\_.
- B. To achieve its objectives, in addition to its approved programs and budgets, it carries out a series of specific activities by entering into agreements or contracts with the public, social and private sectors.
- C. That on \_\_\_\_\_ "THE COMPANY" entered into a (contract, covenant or agreement) with \_\_\_\_\_ for \_\_\_\_\_.
- D. That they require for the performance of the \_\_\_\_: (contract, covenant, or agreement) indicated in the previous statement, the services of "THE PROFESSIONAL" to carry out the actions that are the subject matter of this agreement, consisting of \_\_\_\_\_. (description of functions)
- E. That it indicates as domicile. For effects of this agreement, the one located in the streets of \_\_\_\_\_, number \_\_\_\_\_, colony \_\_\_\_\_, in the delegation or municipality of \_\_\_\_\_ in the city of \_\_\_\_\_, in the state of \_\_\_\_\_.

##### II. DECLARES "THE PROFESSIONAL"

- A. That it has the professional and technical knowledge and experience necessary to perform the work contained in this agreement.
- B. That it holds the title of \_\_\_\_\_ with professional license number \_\_\_\_\_ issued by the General Direction of Professions, on \_\_\_\_\_ of the month of \_\_\_\_\_ of \_\_\_\_\_, documents of which he exhibits originals and leaves photocopies.
- C. That its nationality is \_\_\_\_\_ and that for the purposes of this agreement he indicates as his domicile the one located in the streets of \_\_\_\_\_, number \_\_\_\_\_, colony \_\_\_\_\_, in the delegation or municipality of \_\_\_\_\_ in the city of \_\_\_\_\_, in the state of \_\_\_\_\_.
- D. That it's registered in the Federal Taxpayers Registry, with the number \_\_\_\_\_ and to prove it, he exhibits a taxpayer registration certificate and notice of registration as a taxpayer.

**FOR FOREIGNERS ONLY:**





That its nationality is \_\_\_\_ accredits it with the FM \_\_\_\_\_ issued by the Ministry of the Interior on the day \_\_\_\_\_ of the month of \_\_\_\_\_ of 2017, and that he has the corresponding permit to provide professional services, subject of this contract to "THE COMPANY", as accredited with the aforementioned document, which exhibits original, accompanied by photostatic copy of the same, which he delivers to form part of the present.

Having stated the foregoing, the parties subject their commitments to the terms and conditions set forth in the following:

### CLAUSES

**FIRST.** "THE PROFESSIONAL" undertakes to render to "THE COMPANY", its professional services for the purpose of performing the activities consisting of: \_\_\_\_\_.

**SECOND.** "THE PROFESSIONAL" undertakes to perform the professional service set forth in the preceding clause, to the entire satisfaction of "THE COMPANY", providing all its experience and capacity, devoting all the necessary time to it.

**THIRD.** The parties agree that the present contracting is based on the guidelines contained herein (contracts, covenants, or agreements), which may be agreed upon by means of civil agreements.

**FOURTH.** "THE PROFESSIONAL" is obliged to inform "THE COMPANY" of the status of its work, as many times as it is required to do so, as well as to render a general report at the end of the agreement and not to assign the rights and obligations derived from this agreement, without the express consent of "THE COMPANY".

**FIFTH.** The present agreement shall be in force from the day \_\_\_\_ of the month of \_\_\_\_ of 2016, to the day \_\_\_\_ of the month of \_\_\_\_ of 2017.

**SIXTH.** "THE PROFESSIONAL" shall receive as fees, the sum of \$ [●] distributed in monthly payments of \$ [●] in accordance with the terms granted by "THE COMPANY" to perform these services.

**SEVENTH.** "THE PROFESSIONAL" agrees that the remuneration received for the performance of the services under this agreement shall be the only ones.

**EIGHTH.** "THE COMPANY" undertakes to pay the fees of "THE PROFESSIONAL" through the corresponding administrative unit, upon delivery of the respective receipts or vouchers, which must meet the tax requirements set forth in the applicable legislation in force.

**NINTH.** "THE PROFESSIONAL" accepts and agrees that in the event of omitting the notice and declaration for tax purposes referred to in the preceding clause, it authorizes "THE COMPANY" to withhold the payments in its favor, until such time as such tax omissions are complied with, in accordance with the terms of the applicable laws.

**TENTH.** Once the term of this agreement has expired, there shall be no automatic extension simply because of the passage of time and it shall terminate without the need for notice between the parties.

**ELEVENTH.** In the event that "THE COMPANY" needs the services of "THE PROFESSIONAL" again, it will be required to enter into a new agreement.

**TWELFTH.** It is expressly agreed that when "THE PROFESSIONAL" relies on auxiliary personnel in the performance of its activities, performing the work entrusted to it, such personnel shall depend exclusively on it, without any link being established between "THE COMPANY" and the same, and





"THE PROFESSIONAL" shall be responsible for all liabilities arising from the use of the services of the personnel that supports it, and that is not made available to it by "THE COMPANY".

**THIRTEENTH.** This agreement may be terminated at the will of either of the contracting parties, after giving ten days' notice to the other, so that during this period there is a possibility of concluding the pending work and so that, in any event, "THE COMPANY" has the opportunity to designate a replacement for "THE PROFESSIONAL".

**FOURTEENTH.** It is expressly agreed that non-compliance with any of the obligations contracted herein, and those others arising from the Civil Code in force for the state of \_\_\_\_, as consubstantial to the obligations of the parties, will be grounds for termination of this agreement, and will generate the payment of damages and losses that the breach causes to the counterparty fulfilled.

**FIFTEENTH.** "THE PROFESSIONAL" assigns free of charge to "THE COMPANY" the rights (property, author, translator, compiler, performer, or interpreter) that may arise from the rendering of its professional services.

Likewise, "THE PROFESSIONAL" agrees to assign free of charge all (the rights of patents and trademarks or exploitation of inventions, drawings, and models of industrial character), which may result from the provision of the above-mentioned services, so that "THE COMPANY", if it deems it convenient, reserves the right to license or to make the due cultural or scientific divulgation of the work performed.

**SIXTEENTH.** "THE PROFESSIONAL" undertakes to enter into an agreement regarding its economic rights as author with "THE COMPANY", if as a result of the performance of its services, works of cultural interest are produced, authorizing "THE COMPANY" to carry out the corresponding registration procedures.

**SEVENTEENTH.** For the interpretation and performance of this agreement, the parties submit to the jurisdiction and competence of the courts of the city of \_\_\_\_, state of \_\_\_\_, as well as to the provisions contained in the Civil Code in force for the state of \_\_\_\_, expressly waiving the jurisdiction that may correspond to them by reason of their current or future domicile.

Having read the present agreement and having informed the parties of its contents and scope, they sign it in the city of \_\_\_\_, state of \_\_\_\_, on the \_\_\_\_ days of the month of \_\_\_\_ del 2017.

**"THE COMPANY"**

**"THE PROFESSIONAL"**

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