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Reforms to the Federal Law of
the Contentious Administrative
Procedure.

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Procedure.

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On June 13, 2016, major changes were performed to the Federal Law of the Contentious Administrative Procedure (*Ley Federal de Procedimiento Contencioso Administrativo*).

It could be said that the most important reform was the reduction of the term for the filing of the lawsuit in the regular procedure and the expansion of the term for the filing of the legal claim in the summary procedure. Both terms are now standardized in to thirty days, which basically makes useless the summary procedure since the term for filing a legal claim now is the same as in the ordinary procedure.

“...these reforms will not decrease the workload of the Court by simply reducing terms if no new chambers are created in other states or new specialized chambers are opened”.

The summary procedure has to be filed when the disputed amount does not exceed fifteen times the current general minimum wage in Mexico City in the year that the order was issued. As it now stands, the applicable amount is \$73.04 Mexican pesos, when the administrative sanction exceeds \$1,095.60 Mexican pesos, the claim has to be filed as an ordinary procedure. The regular procedure is for the objection of administrative orders exceeding fifteen times the current general minimum wage in Mexico City in the year that the order was issued.

The purpose of these reforms, according to the law project presented by the Executive Power to Federal Congress, is to speed up the procedures at the Federal Court of Administrative Justice (*Tribunal Federal de Justicia Administrativa*), given the fact that this Court through its seventy seven years of history has gained jurisdiction in different areas of law, among them foreign trade, social security, military and civil pensions, interpretation of public work contracts and administrative responsibility of government officials.

Beside the changes in law, during past years the Court has opened in different states new chambers aimed to increase its effectiveness but it has not been enough. The Court still carries an excessive burden of cases and this is why the Congress made the studied reform. Other changes include the reduction for the term for the filing of the closing arguments from fifteen to five business days in the regular procedure and the reduction from sixty to forty five business days to render judgment.

In the regular procedure, the term for the authority to reply the legal claim was reduced from forty-five to thirty business days and the term to extend the lawsuit was reduced from twenty to ten business days and the same term goes for the authority to replay to the extension of the lawsuit, which makes the regular procedure more efficient and makes the summary procedure useless thanks to the shortening of the terms in the regular procedure.

These reforms, according to the project of the reforms, are aimed so that the Court can relieve all procedures in an expeditious way. Right now is not possible to measure the effects of these reforms because they just came into force. The Court ought to establish parameters to quantify if these reforms are meeting their aim. In case these reforms do not comply with their aim, there is no sanction and the justice will not be expeditious.

Nevertheless, these reforms should meet their purpose because as it was mentioned in previous paragraphs, the Federal Court of Administrative Justice has opened new chambers in different states and in Mexico City has created specialized chambers in foreign trade, intellectual property and environmental and regulatory law. The creation of specialized chambers in Mexico City and new chambers in different states involves the hiring of new personnel that should be able to manage the new cases and provide an expeditious justice.

The path to an efficient justice still has a long way to go because there are not specialized chambers in the rest of the other matters, like social security, public work contracts, military/civil pensions and administrative responsibility of government officials, that the Court has jurisdiction and some states do not have a local chamber of the Federal Court of Tax and Administrative Justice and their cases are managed by another local chamber situated in a different state within long distances in between.

It might be stated that the current reforms will not decrease the workload of the Court by simply reducing terms if no new chambers are created in other states or new specialized chambers are opened. At this moment, these reforms only put more pressure to litigation lawyers and judges because of the shortening of terms going from the filing of the legal claim to the court decision. Also the specialized chambers in Mexico City are insufficient, each of the fourteen chambers should specialize in specific matters in order to facilitate the flow of the cases. By opening specialized chambers we would be creating specialized judges in specific matters with a profound knowledge in a given law branch and this would enable judges to render more professional judgments.

However, and although the reform tends to expedite the legal process, when judges do not comply with the statute of limitations specified by the law, they tend to argue that the strong workload in their Courts prevented them to resolve in timely fashion according to the law, but there is no sanction.

With the creation of new chambers the judges will have more possibilities to deliver their judgments within the terms specified by the law. It must be considered that the most efficient way for providing an expeditious justice besides shortening the statute of limitations of the different phases of the process, is the creation of more specialized chambers in Mexico City for one or two areas of law in which the Federal Court of Administrative Justice has jurisdiction, this given to the volume of cases handled by the Court in Mexico City. For example, there should be a chamber specialized in social security affairs, military/civil pensions and administrative responsibility of government officials. The creation of specialized chambers can ease the workload of the Court and provide an efficient justice because they will handle only cases in certain matters.

The creation of local chambers in every state will also ease pressure on the Court because they will handle the affairs of the State in which they are located.

These new reforms can only work if the Federal Court of Administrative Justice has the necessary human resources and infrastructure to relieve all cases in which it has jurisdiction. Without infrastructure and the necessary human resources, these new reforms are condemned to fail because the Administrative Court will not be able to deliver an expeditious justice.

In conclusion, to make these reforms more efficient is necessary the elimination of the summary procedure because the term to file a claim is the same as in the ordinary procedure and the terms in this last procedure were shortened. The summary procedure with these reforms is redundant and it only creates an unnecessary human resources structure.

Constitutional Reforms on Gay Marriage.

Gay marriage has been legal in the city since 2010; under a law passed in 2014, people can change their legal sex simply by applying to alter their birth records. The Catholic church, denounce gay marriage as a threat to families. Three of Mexico's 32 states (Michoacán, Colima and Morelos) have recently passed laws permitting gay marriage, joining Mexico City, Campeche, Coahuila and Nayarit in a liberal group of seven. Enrique Peña Nieto, proposed changing the constitution to make gay marriage legal throughout the country. www.economist.com 20/08/2016.

Elevated Trade and Mexico's Oil Headache.

Mexico's trade deficit in July resulted in being much more elevated than previously expected. Petroleum and manufactured goods fell sharply from a year earlier, partially offset by a decline in imports. "The trade deficit last month was \$1.83 billion, smaller than the \$2.38 billion gap in July 2015 but wider than June's \$524 million shortfall, the National Statistics Institute said Friday. The deficit was wider than the \$1.34 billion median estimate of eight economists polled by The Wall Street Journal, and brought the accumulated trade deficit for the first seven months of the year to \$8.94 billion." Petroleum trade accounted for \$1.4 billion of the deficit as Mexico exported less crude oil than a year before at a lower price, while gasoline imports continued to rise. nasdaq.com 26/08/16.

Oaxaca teachers plan return to classrooms.

Protesting teachers in Oaxaca have announced they will return to the classrooms on Wednesday, two weeks after the official start of the school year. But their counterparts in Chiapas will continue their strike. In Oaxaca, blockades of highways have been costly to tourism. The state's Tourism and Economic Development Secretary said yesterday that losses caused by 107 days of teacher protests had cost 6 billion pesos, about US \$320 million. Ángela Hernández Sibaja said hotel occupancy rates in Oaxaca's three main tourist destinations have been down 19 points to 46% this year. The teachers have been protesting the education reforms approved by the federal government in 2013. Talks to resolve the current conflict, which began in May, broke off two weeks ago when federal authorities said there would be no talks as long as the teachers remained on strike www.mexiconewsdaily.com 29/08/16.

Peña Nieto heads to G20 summit in Hangzhou, China.

President Enrique Peña Nieto announced that he will travel to China to participate in the 11th G20 Summit, which will take place in the city of Hangzhou on Sept. 4 and 5. Mexico's seven most important trade partners are also members of G20—the United States, China, Canada, Japan, Germany, South Korea, and Brazil. Mexico has five central objectives for its participation at Summit: to promote the use of structural reforms as a tool to increase production, to promote global trade, to facilitate investment in high quality infrastructure, to promote financial inclusion, and to promote collective effort towards the implementation of 2030 Sustainable Development Goals. www.thenew.mx 31/08/2016.

Mexico cuts back economic growth.

Mexico's central bank on Wednesday lowered its growth outlook due to economic weakness in the United States, and the bank's governor warned that more protectionism could hurt an anemic global economy as U.S. Republican presidential candidate Donald Trump made a visit to Mexico. In its quarterly inflation report, the central bank lowered its 2016 economic growth forecast to between 1.7 and 2.5 percent compared with a previous estimate of 2.0 to 3.0 percent. The central bank's governor, Agustín Carstens, said at a news conference in Mexico City that the bank lowered its forecast after weaker-than-expected growth in the second quarter in Mexico, Latin America's No. 2 economy, and a sluggish U.S. economic expansion. "We are facing a complex environment," Carstens said. "Without a doubt, the economy of the United States has the biggest influence." www.lta.reuters.com 31/08/2016.

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