



CACHEAUX CAVAZOS & NEWTON

## CCN MEXICO REPORT™

March - April 2017

### 300 Palabras, by Dr. Mario Melgar Adalid

#### The beginning of 2017 for Mexico

The New Year has brought about a difficult economic reality for Mexico. The general outlook for prior years was optimistic, based on the structural reforms previously used by the federal government to outline its plan of governance. Despite success in uniting Mexican political parties, international conditions - specifically the drop in oil prices - affected the price of consumer goods, the stability of the Peso against the U.S. Dollar, the value of wages and the price of gasoline.

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#### Political and Business Outlook

##### Political Thermometer

After the elections for state governors in 2016, in which the Institutional Revolutionary Party (PRI, for its Spanish acronym) fared poorly, opinion polls show that the PRI no longer occupies first place, as it has for many years. The PRI is currently in third place after the National Regeneration Movement Party (MORENA, for its Spanish acronym) and the National Action Party (PAN, for its Spanish acronym), both of which are still fighting for first place. The Party of the Democratic Revolution (PRD, for its Spanish acronym) is currently in fourth place. These results are debatable and certainly up for discussion.

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#### Economic Indicators

On April 11, 2017, the financial indicators are:

- Peso/Dollar Exchange Rate: \$ 18.7646 pesos per Dollar.
- Mexican Stock Exchange: The Mexican Stock Exchange (BMV) closed at 49,637.93 points.
- Interest Rates: The Average Interbank Rate (TIIE) for a 28-day period was at 6.8559 %

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#### Legal Updates

##### Recent Jurisprudence –Termination of Employment Agreements. Ratification before the Labor Board, by Adrián Salgado

Recently, the Second Chamber of the Supreme Court of Mexico issued legal decision by contradiction titled: "Termination of Employment Agreements. The parties are not required to appear before the competent Labor Board in order to ratify such." In this legal decision, the Second Chamber states that pursuant to an interpretation of labor provisions relative to employment termination agreements, it is concluded that it is not required that an employer and employee ratify the corresponding agreement before the Labor Board, since this ratification is optional and does not imply that the employee

## About CCN

Cacheaux, Cavazos & Newton is an international law firm based in San Antonio, with additional offices in McAllen and Austin, Texas and throughout Mexico in Mexico City, Guadalajara, Monterrey, Reynosa, Querétaro, Tijuana, Matamoros, and Ciudad Juárez. CCN features attorneys licensed to practice in the U.S. and Mexico. With an in-depth understanding of the legal issues facing clients in the United States, Mexico and Latin America, CCN's attorneys advise clients on how to conduct business in the increasingly complex and interconnected North American market. The firm represents clients in a wide range of practice areas, from the world's largest multinational corporations to smaller, closely held enterprises.

Since its founding in 1994, CCN has focused on international business transactions in North America. The firm relies on both Spanish-speaking U.S.-licensed attorneys and Mexico-licensed attorneys who are fluent in English to provide clients with legal advice and strategy. Integrating cross-border capabilities in one firm enables CCN to serve clients efficiently, with information provided promptly, in practical terms.

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loses the opportunity to file an action for nullity through the corresponding labor proceeding.

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#### **Legal Unit of Measure, by Maria Fernanda Magallanes**

Several legal and constitutional amendments were published on January 27, 2016 in order to replace the minimum wage reference with the Legal Unit of Measure (Unidad de Medida y Actualización or UMA, for is Spanish acronym), as the unit of account, index, base, measure or reference to determine the amounts for payment of obligations, contributions, fines, fees and other concepts provided for in federal, state and local laws.

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#### **New Regulations on Distributed Generation, by José María Lujambio**

In 2010, the Energy Regulatory Commission ("CRE") published in the Official Journal of the Federation ("DOF") the Models of interconnection contracts for medium and small-scale renewable energy sources, based on its role promoting of the use of such sources, derived from the 2008 energy reform.

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