

On December 24, 2024, the "Decree by which various provisions on digital platforms are added to the Federal Labor Law (the "Law") was published in the Federal Official Gazette (the "Decree"), same that defines work on digital platforms as the employment relationship where the physical presence of the employee is required to carry out remunerated activities, which are managed through a digital platform, using Gig Economy.

Pursuant to the Decree, digital workers are those who, provide personal, paid and subordinated services through a digital platform and generate a monthly net income of at least one minimum monthly salary of Mexico City. If such perception is not generated, the individuals will be considered independent workers.

On the other hand, the individuals and legal entities that manage digital platforms and use communication to exercise control and supervision over the digital workers are deemed to be employers. Users, consumers or beneficiaries of services offered through applications will not be considered employers, nor jointly responsible for the digital workers.

In addition to the above, the Decree establishes the following rules applicable to work on digital platforms:

- i. Social security: employers of digital platform workers must register them in the mandatory social security regime. Likewise, with respect to independent workers, it is provided that the individuals and legal entities that manage digital platforms will be responsible for paying insurance in the social security regime when an occupational risk occurs during working hours.
- ii. Profit sharing: digital platform workers have the right to participate in profit sharing, provided the time actually worked is greater than 288 yearly hours.

- iii. Employment agreement: the template of the employment agreements must be authorized and registered before the Federal Conciliation and Labor Registration Center.
- iv. Wages: the salary will be set per task, service, work or job performed and must be paid at least on a weekly basis. This payment will include the proportional amount of the weekly rest days, vacation, vacation premium and Christmas bonus.
- v. Collective rights: workers on digital platforms will be granted the collective rights recognized by the Law and the employers must establish the necessary mechanisms to guarantee them.
- vi. Algorithm transparency: algorithms for task assignment must be transparent and known to all workers, likewise service providers on digital platforms must develop a policy to inform workers of the elements used by their algorithms that may affect the employment relationship.
- vii. Severance: servance payments for digital platform workers will consist of three months' salary, plus twenty days' salary for each year of service provided, considering the time actually worked.
- viii. Other obligations of employers of digital platform workers: other obligations are established with respect to training and instruction, safety and health at work, gender perspective and for the attention and review of decisions that affect or interrupt the connection, link or access to the digital platform.

Finally, the Decree provides for the sanctions that may be imposed on employers of digital platform workers in the event of non-compliance with their obligations, which may amount to up to 25,000 times the Unit of Measurement and Update (approximately USD\$131,180.22).

The reform will become effective 180 days after its publication, that is on June 22, 2025. The Technical Council of the Mexican Social Security Institute and, where applicable, the Board of Directors of the National Workers' Housing Fund Institute must publish, within 5 days following the entry into force of the Decree, the General Rules that guarantee compliance with social security obligations related to work on digital platforms.

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