



# LABOR, SOCIAL SECURITY AND IMMIGRATION





## Labor, Social Security and Immigration

This practice advises clients on compliance with labor and social security laws, and in the design and implementation of labor structures to avoid risk. We assist in processing immigration documentation for top-level executives and their families, with employment agreements, terminations, and fringe benefit planning, and represent clients in employment litigation.

### Industries we serve

The Labor, Social Security and Immigration team serves clients in the Manufacturing, Automotive and Auto Parts, Energy, Services, Leisure and Tourism, Life Sciences, Financial Services, Retail, Information Technology, Media and Telecommunications industries, among others.

### Representative experience

- We advised a client, a leading manufacturer of certain specialized constructions products, in a challenge to its collective bargaining agreement with its pro-management union of more than a decade. A common unlawful practice in Mexico is to pay the challenging union to drop the action. However, the company complied with the law and allowed their employees to choose the union that would represent them.
- The state government has a policy of not starting collective labor litigation, to maintain the good image of the state. Although there have been only a few collective bargaining agreement challenges permitted in Nuevo Leon, our client's case was litigated and successfully concluded by our firm. We negotiated the transition to the new union, which is regarded as hostile. However, due to our good preparation of the employees and the union advisors, we have achieved a cordial and peaceful labor relationship.
- Our team assisted a leading global renewable energy company that was authorized to construct major wind farm operations in Mexico. The importance of the case was our successful negotiation of the collective bargaining agreement with SUTERM, one of the most important unions in Mexico, at the highest (general secretariat) level.
- We successfully negotiated that EDPR, as a main beneficiary of services, was not to pay union dues, but that this would be the responsibility of the subcontractors.
- We advised a major foreign automotive manufacturing company with one of the earliest manufacturing facilities in Mexico, with thousands of unionized workers. As regular counsel, we assist the client every year with the negotiation of the collective bargaining agreement with its independent union, and have successfully avoided strikes or disruptions of client's operations.
- We are regular counsel for a leader in the aircraft manufacturing industry based in various countries in Europe and with a manufacturing plant in Mexico. We assisted the company on the establishment of helicopter pilot training centers in international airports in Mexico. We are currently advising the client on the restructure of its operations in Mexico, including on minimizing the potential impact of transfer of employees and negotiations with its three different unions, and tax consequences.
- With the acquisition of a French company, all of the company's employees were terminated. However, the French company never terminated the collective bargaining agreement in their site. This site is very important for our client, given the fact that it has specialized equipment, of which apparently there are only two others in Latin America. The collective bargaining agreement had many benefits for employees, which made it costly for our client to operate under such agreement.
- We designed a strategy to: (i) cancel the registration of the union; (ii) cancel the collective bargaining agreement; and (iii) present a new collective bargaining agreement. We have been successful in all cases, preventing enforcement of the pre-existing collective bargaining agreement.



- We are regular counsel for a worldwide leader in retail sales of professional salon and beauty products, with hundreds of stores in Mexico and new stores opening monthly. Despite the complexity of administration and of the negotiation of collective bargaining agreements, we have successfully helped avoid challenges and summons for a strike during their tenure in Mexico.
- We represent a worldwide leader in the manufacturing and maintenance of electricity generating turbines, advising in the negotiation with the union SUTERM for the maintenance and repair services for turbines for the state hydroelectric company, CFE.
- CFE's Collective Bargaining Agreement states that any contractor engaged in business with CFE should sign a collective bargaining agreement with SUTERM and its employees should become members of it. We successfully negotiated with the labor union for our client to provide services to CFE without signing a collective bargaining agreement with CFE's union. We entered into an accord with the union, where the company paid displacement fees, but the employees are not subject to union membership.
- We advise a worldwide leader in the pharmaceutical industry on every labor and employment matter for its operations in Mexico, including collective relationships with the unions representing its workers at their different plants. While still at an early stage, we are advising the client on the different scenarios of the future integration of the client and a US company, as a consequence of a multi-billion acquisition of last year. This will require the re-engineering of benefit plans and policies, negotiations with multiple unions and, probably, redundancies during the process.



- Following the acquisition of breweries in certain states of Mexico, our client retained us to advise on complex union relationships with different unions in those locations. The client is also in the construction phase of another brewery facility. We have assisted with negotiations with federal and state unions for the construction and future operation of that plant. We have successfully avoided a rival union's attempts to interrupt the construction of this latter plant by lobbying with state and federal labor authorities.
- A long-standing client requested of us a thorough analysis of its complex business structure in Mexico, where one legal entity manufactures products, another company markets the products, and a third company hires the administrative staff and management. Our risk assessment of the company's operation will require important changes, and we are now implementing a new business structure from a labor and tax perspective.



## Our Labor, Social Security and Immigration team

The team in this practice area is one of the largest teams at Sánchez Devanny and comprises two partners and more than 15 associates with extensive experience in labor matters, individual and collective litigation, social security matters and immigration processes.

### Alfredo Kupfer Domínguez

He co-heads the firm's Labor, Social Security and Immigration practice group. He has more than 20 years of experience advising local and foreign clients in complex labor and employment matters, including union negotiations, planning for new and existing investments in efficient labor structures, executive transfers and terminations, social security and data privacy matters, formation and implementation of pension plans, equity compensation programs, and flexible benefit plans. Alfredo also advises clients on labor matters in mergers, acquisitions, restructurings and privatizations. He has assisted clients in the preparation of all kinds of contracts and documents in labor matters.

### David Puente Tostado

He co-heads the Labor, Social Security, and Immigration practice group. He has more than 18 years of experience advising domestic and foreign clients on labor, immigration and social security matters deriving from investments, establishment, day-to-day operations and activities, and from mergers or other corporate restructurings. He also has extensive experience in collective negotiations, individual and collective litigation, and litigation involving credits issued by social security institutions. David is currently the President of the Canadian Chamber of Commerce in Mexico (CANCHAM) in Monterrey.





## Who we are

Sánchez Devanny is a leading Mexican law firm providing full-service legal advice both to Mexican and international clients.

With distinct practice areas that regularly collaborate with one another, we provide comprehensive counsel to help clients in many industries make better decisions for their businesses.

## More than attorney-client services

We build enduring client relationships that go beyond individual service contracts because we make every effort to understand our clients' businesses and expectations, to serve as an ally, and to provide complete, accessible and personalized advice. As a testament to these efforts, we continue to advise clients today who have trusted us with their legal matters since Jorge Sánchez Devanny founded the firm in 1996.

## Experience and creativity

Throughout the firm, we take pride in serving our clients with a combined approach of experience and creativity because we recognize that when you know how things are done it is easier to think outside the box. Our partners offer a wealth of experience, including in prior roles as in-house counsels at global companies and government agencies, and key roles within international law firms.

We have more than 80 practitioners engaged in 15 different practice groups and several industry groups. With offices in Mexico City, Monterrey, and Querétaro, as well as several strategic alliances worldwide, the firm is well-positioned to quickly and efficiently represent and respond to clients' needs, shortening the distance between us and our clients. Our services are delivered in an efficient, professional, cost effective and timely manner, keeping always in mind that, as lawyers, we are business facilitators for our clients and must maintain a proactive and preventive approach.

## Team and Location

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Sánchez Devanny provides legal services in the areas of Corporate and M&A; Corporate and Project Finance; International Trade and Customs; Real Estate, Infrastructure and Hospitality; Tax; Labor, Social Security and Immigration; Corporate Governance and Regulatory Compliance; Energy, Natural Resources and Environmental; Life Sciences; Intellectual Property, Entertainment and Sports Law; Litigation and Alternative Dispute Resolution; Antitrust; Financial Institutions and Services; Private Wealth Management and Estate Planning and Data Privacy and Information Technology to both public and private clients, especially in the automotive, retail, pharmaceutical, manufacturing, real estate and energy industries.