

CCN NEWSFLASH

Mexico's department of public administration issues guidelines for the new registry of business integrity and distinction


#160 November - December 2022 | December 14, 2022

On November 9, 2022, the Department of Public Administration ("Department") published the Agreement issuing the Guidelines for the Registry of Business Integrity and Distinction of the Department of Public Administration ("Decree").

In accordance with the published guidelines (Guidelines), the registry consists of a record maintained by the Department of companies that have an integrity policy; that is, principles, guidelines, standards, and activities designed to promote integrity in their operations and prevent corruption risks (the "Registry"). Additionally, the Guidelines provide that those companies registered with CompraNet's Single Registry of Suppliers and Contractors may link the information contained in the said system with the platform implemented by the Department to carry out their registration process in the Registry and granting of the business integrity distinction.

Companies interested in registering with the Registry must submit their application to the Department, complying with the requirements and attaching the documentation provided in the Guidelines. Such include a commitment to promote and disseminate a culture of integrity and the adoption of best practices, and that the company will not engage in disqualifying activities under the Guidelines or falls under the scenarios foreseen in the Public Sector Acquisitions, Leases and Services Law ("Acquisitions Law"), or in the Public Works and Related Services Law ("Public Works Law") based on which, public agencies shall abstain from receiving proposals or award contracts for public works projects, or is disqualified from participating in contracting procedures or from entering into contracts regulated by said laws.

Likewise, the Guidelines establish that the business integrity distinction ("Distinction") consists of a recognition granted by the Department to companies registered in the Registry, which certifies that their integrity policy complies with all the elements provided by the General Law of Administrative Responsibilities, the purpose of which is to "highlight the commitment of companies to prevent corruption in their interactions with the business sector and with the agencies and entities of the Federal Public Administration."



Once registration has been obtained in the Registry, as well as the status of Distinction, companies must ensure that they comply with the obligations established in the Guidelines to maintain said registration in the Registry and the recognition of Distinction, consisting mainly of the annual update of certain information presented at the time of filing the corresponding application, and reporting of any changes to both the information presented and the integrity policy, among others.

It is noteworthy that the Distinction status will be valid for four years from the date it is granted and must be renewed through the same platform at least one month prior to its expiration.

Additionally, it is important to take into account that the Department may cancel both the registration in the Registry and status of Distinction if companies do not comply with their obligations under the Guidelines if they fall under the mentioned scenarios whereby the public agencies are prohibited from receiving proposals or entering into contracts with them, or the companies become disqualified in terms of the Acquisition Law and the Public Works Law.

This undoubtedly represents a step forward in terms of integrity and the fight against corruption.

Contact:

Adrián Salgado

Partner

asalgado@ccn-law.com