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Electronic Timekeeping Requirements in Mexico for 2027: Labor Strategy in the Absence of Implementing Regulations from STPS

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Public discussion surrounding the gradual reduction of the workweek in Mexico has overshadowed another significant development that will fundamentally change how employers manage employee attendance: the mandatory implementation of electronic timekeeping for all employees. Beginning January 1, 2027, the use of an auditable electronic time clock will no longer be an optional administrative tool, but rather the cornerstone of workforce attendance compliance. Employers will be expected to implement electronic attendance systems that provide Mexican labor authorities with greater oversight as new working-time limits are introduced.

The principal challenge facing employers today is regulatory uncertainty. Although amendments to Mexico's Federal Labor Law already establish the obligation to maintain electronic attendance records, the Department of Labor and Social Welfare ("STPS") has not yet issued implementing regulations defining the operational requirements. As a result, employers know they must modernize their timekeeping systems, while it remains uncertain whether the government will require cloud-based storage, geolocation capabilities for remote employees, or specific certifications ensuring that attendance records cannot be altered.

The risk extends beyond labor inspections or administrative fines, which under Mexican law may exceed MXN $500,000 per workplace. The more significant exposure arises in labor litigation. Articles 784 and 804 of Mexico's Federal Labor Law place the burden of proving employees' working hours fully on the employer. In overtime disputes, attendance records that can be manipulated, outdated systems, or paper logs may carry little or no evidentiary value. Without a reliable technological system capable of demonstrating the actual hours worked, employers may find themselves at a disadvantage from the outset of a labor claim.

Against this backdrop, companies should evaluate their current compliance status by taking a few practical measures. First, employers should conduct a comprehensive audit of their existing timekeeping infrastructure. Legacy biometric systems that permit manual modifications through local servers may represent a substantial source of labor liability. Second, companies should review their Internal Work Rules and related employment policies so they can promptly update them once the STPS issues the implementing regulations governing electronic attendance platforms. Those policies should clearly address missed clock-ins, compensable break periods, and the prohibition against performing work outside the official timekeeping system. Finally, training frontline managers and supervisors will be essential. Even the most sophisticated attendance platform will provide limited protection if supervisors continue assigning work or communicating operational instructions through messaging applications outside recorded working hours.

Employee attendance tracking is no longer merely a payroll function. Under Mexico's evolving labor framework, it is becoming one of the most important legal compliance tools available to employers to substantiate working hours and defend against future overtime claims. Companies that are able to strengthen their systems now will be better positioned once the STPS publishes the long-awaited implementing regulations.