

MEXICAN PUBLIC PROCUREMENT ANTI-CORRUPTION LAW

The President of Mexico sent the bill of the Public Procurement Anti-Corruption Law (*Ley Federal Anticorrupción en Contrataciones Públicas*) in order to comply with the international obligations assumed by Mexico under various international instruments, such as the Inter-American Convention Against Corruption of the OAS and the UN Convention Against Corruption, providing that Mexico had to pass legislation to prevent and eradicate corruption.

The purpose of the bill is to provide a legal framework to prevent and sanction corrupt practices by public servants and private persons engaging in government procurement and thus to combat the growing corruption which undermines government institutions and the country's economy, as a first step towards complete eradication of the problem.

As regards private individuals or legal entities, either domestic or foreign, the bill seeks to increase the efficacy and scope of the administrative sanctions to be applied to infringing parties in the event they engage in corrupt practices involving government procurement at the federal level. The bill also contemplates the imposition of sanctions on individuals and legal entities who engage in corrupt practices relating to international trade transactions.

The authority in charge of administering this statute and imposing administrative sanctions after proper investigation will be the Mexican Ministry of the Comptrollership (*Secretaría de la Función Pública*). The monetary sanctions provided in this bill range from 62,000 to 3,000,000 pesos for individuals and from 623,000 to 124 million pesos for legal entities. In addition the law provides the banning from participating in federal government procurement for periods ranging from three months to 8 years for individuals and from three months to 10 years for legal entities.

Regardless of the foregoing the law contains provisions for sanction reduction for persons (individuals or legal entities) who voluntarily admit their liability and cooperate with the Ministry in the investigation of corrupt practices and by providing evidence that may serve to combat corruption.

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