

ALTERNATIVE DISPUTE RESOLUTION MECHANISMS BEFORE THE FEDERAL COURT OF ADMINISTRATIVE JUSTICE

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On January 29, 2024, the General Law of Alternative Dispute Resolution Mechanisms entered into force; in the same, the Congress introduced the applicability of such mechanisms in administrative and public matters, regulation that as of that moment was not included in any other Law. To implement this, on May 12, 2025, the Federal Court of Administrative Justice ("TFJA" per its acronym in Spanish) issued the Rules of the Public Center ("Rules"), in which the negotiation, mediation and settlement are identified as the alternative mechanisms; and expressly forbidding the arbitration.

Considering the excessive work load of the TFJA, and the economic and time aspects of any trial, we consider that the possibility to resolve tax and administrative disputes through any of these mechanisms is a great opportunity that should be used, being important to mention that the Rules are clear in establishing a time frame of 6 months for these mechanisms to be over.

Both the General Law, and the Rules, allow to use any of these mechanisms in initiated trials and even in those that have already been resolved, only if the ruling is in process of being fulfilled. As an additional requirement, the trials that can be resolved by such mechanisms are only the trials that the TFJA should know of.

The differences between each mechanism are the following:

- Negotiation: The parties, by themselves, resolve the dispute.
- Mediation: The parties are assisted by a facilitator, who will just conduct the process without active participation.
- Conciliation: The facilitator has an active participation in the process to resolve the dispute.

To facilitate the access to these mechanisms, the request to initiate them can be submitted online, remaining of course the possibility to use the ordinary methods; and even a mix of both methods.

As well, the General Law and the Rules, establish that all the legal terms applicable to the trials will be suspended if any of these mechanisms are initiated.

This allows to attend correctly the correspondent process and, if the dispute is not resolved, the trial will continue until the issuance of the ruling.

As of this moment, the Head of the Public Center has not been appointed, and the operational manuals are still in the process of being issued; as well, the facilitators are taking all the necessary courses and obtaining their credentials. Even if the mechanisms are not yet operational, the Rules are a key factor to advance in the alternative dispute resolution mechanism in tax and administrative cases.

Roberto Fernández del Valle
Partner
rfernandez@s-s.mx

Mariano Calderón
Partner
mcalderon@s-s.mx

Carlos Brehm
Partner
cbrehm@s-s.mx

Jair Vaca
Associate
jvaca@s-s.mx