TAX AND LABOR ASPECTS OF DIGITAL PLATFORMS

JULY 2025

Executive Summary:

- On June 22, 2025, an amendment to the Federal Labor Law regarding digital platforms came into effect, which was a significant development in the field of labour law. This amendment incorporated a new chapter recognising labour rights for individuals providing services through technological applications. New obligations for platforms include recording working hours, issuing weekly receipts, paying social security above the minimum, and implementing profit sharing. Although they are recognised as workers within the labour sphere, for tax purposes they continue to be treated as business activities, creating a regulatory autonomy issue. Authorities such as the IMSS, INFONAVIT and the STPS have issued complementary provisions, but challenges remain for effective compliance, especially for foreign platforms without a legal presence in Mexico.

The “Decree adding various provisions to the Federal Labour Law regarding digital platforms”, published in the Official Gazette of the Federation on 24 December 2024, came into effect on 22 June. Consequently, the relevant authorities have recently made pronouncements regarding its implementation. Understanding these is crucial to ensure compliance and avoid sanctions.

For context, this Decree classifies work on digital platforms as a specific type of employment under the Federal Labour Law (LFT) and amends various provisions applicable to these workers. The following obligations, which took effect on 22 June, are particularly noteworthy:

- A person is considered a digital platform worker if they provide personal, remunerated and subordinate services under the command and supervision of an individual or legal entity offering services to third parties via a digital platform. They must also generate a monthly net income equivalent to at least one monthly minimum wage in Mexico City ($8,480.17 MXN in 2025).
- If a worker's net income does not exceed this threshold at the end of each month, they are considered an independent contractor and are entitled to the rights provided for digital platform workers during this period and for the time actually worked, with the exception of the withholding and payment of social security contributions to the IMSS and INFONAVIT.
- Employers will be responsible for paying for social security coverage when a work-related risk occurs while a worker is performing their duties.
- Digital platform workers will enjoy all labour rights, including collective ones.
- Specific rules for determining salary have been set, with tips excluded from the base salary for social security contributions.
- Digital platform workers have the right to participate in company profits (PTU) if they have worked more than 288 hours in a year.
  - "Time effectively worked" is defined as the

period from when the worker accepts a task, service or job on the digital platform until the task or service is definitively completed.

- If a digital platform worker is inactive for 30 consecutive calendar days, the labour relationship will be considered terminated automatically, with no liability or compensation owed by the employer.
  - If the individual later meets the conditions to be considered a worker again, this will be considered the start of a new labour relationship.

- Employers can refuse to reinstate a digital platform worker by paying a severance package consisting of three months' salary plus twenty days' salary for each year of service, taking into account the time actually worked. Any back pay and interest will also be taken into account, if applicable.

  - Severance payments will be calculated using the person's average salary earned on the platform over the last six months.
  - However, mandatory reinstatement will proceed in cases of violations of collective rights such as freedom of association, union autonomy, the right to strike and collective bargaining.

- The contract model must be authorised and registered with the Federal Centre for Conciliation and Labour Registration, and must comply with the requirements set out in Article 291-H of the LFT.

- Employers must create a document outlining their algorithmic management policy to inform workers of the elements used by algorithms to make decisions that could affect the labour relationship.

- Special obligations for employers are included, such as paying for services rendered within a period of no more than one week, issuing payment receipts and establishing mechanisms to record working hours and waiting times.

- Specific grounds for termination of employment are established, in addition to those in Article 47 of the LFT. This includes a special cause for termination of the labour relationship due to the disabling or closure of the platform.

- Specific sanctions are also established for non-compliance with the applicable rules for this special type of work.

On 24 June 2025, the IMSS Technical Council published Agreement ACDO.AS2.HCT.270525/132.P.DIR, which approves the general rules for the pilot programme to incorporate digital platform workers into the mandatory social security regime, along with its Sole Annex. These rules took effect on 1 July 2025. From 25 June, version 3.6.6 of the Single Self-Determination System (SUA) was made available, including adjustments for digital platform employers and removing the option to make donations to FUNDEMEX.

Similarly, on June 26, INFONAVIT published a notice that makes public the Sole Annex of the Agreement approving the General Rules issued by the Administration Council of the National Housing Fund Institute for Workers. This aims to regulate the Institute's participation in the pilot programme outlined in the Second and Third Transitory Articles of the 'Decree adding various provisions to the Federal Labour Law regarding Digital Platforms', published on 24 December 2024.

Additionally, on 27 June, the Ministry of Labour and Social Welfare published the general provisions determining the procedures for calculating the net income of digital platform workers. These provisions exclude a differentiated percentage for the use of the digital platform as a technological work tool and establish maximum factors depending on the type of vehicle used for the service. The aim is to create a compensation mechanism that reflects the real conditions under which digital platform work is carried out. The provisions came into effect on 1 July 2025.

Furthermore, on 27 June, the Mexican tax authority published normative criterion 59/ISR/IVA/N in an early release version. This criterion determined that individuals providing services via the internet through technological platforms, computer applications and similar means who are considered workers of these platforms due to the LFT reform will continue to be taxed under the same regime as before. In other words, they will remain under the business activities regime for income from providing services through digital platforms in both the Income Tax Law and the Value-Added Tax Law.

This creates a lack of autonomy since, for tax purposes, their income is not considered to be salary. Therefore, individuals will continue to be required to comply with their tax obligations, including providing digital tax receipts (CFDI). At the same time, for labour purposes, they are considered employees of these platforms, particularly since employers are required to issue weekly payment receipts detailing the number of tasks, services, or jobs performed, the time worked, the worker's availability for task assignments, applicable legal deductions, and other relevant information.

Some platforms do not have a subsidiary or permanent establishment in Mexico, generating uncertainty regarding fulfilment of labour and tax obligations, including issuance of CFDI, tax withholding and PTU calculation.

We would be happy to help you analyse the implications of these new labour and tax obligations.

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