

Invalidity of the Law for the Transparency, Prevention and Combat of Improper Practices in Advertising Contracting

On 8 June 2023, the Supreme Court of Justice (SCJN) ruled on the constitutional complaint filed by the Federal Commission for Economic Competition (processed under case no. 94/2021), annulling the decree which enacted the Law for the Transparency, Prevention, and Combat of Improper Practices in Advertising Contracting, considering that the Congress of the Union had violated the legislative procedure.

The decree, which entered into force on September 1st, 2021, introduced significant changes to the way in which advertising services are provided, regardless of how they are distributed, and aimed, among other things, to combat certain practices, particularly the resale of advertising spaces. In other words, this law changed the way in which advertisers, agencies, and digital media had previously operated imposing important changes to the contractual and billing structure of both traditional and digital advertising media.

The SCJN stressed that in the case of this law, there were violations of the legislative process, as, among other things, the quality of the debate was not good because the legislators were not informed in advance and in a timely manner. It also considered that there was no participation in conditions of freedom and equality, as political parties were not able to express and defend their opinions.

It is worth mentioning that the Federal Commission for Economic Competition also raised arguments regarding the content of the provisions of the law (constitutional challenge processed under case no. 94/2021). Nevertheless, they were not resolved as the violations of the legislative procedure were sufficient to invalidate the decree. The same was also challenged by the Federal Institute of Telecommunications (constitutional challenge processed under case no. 93/2021) but, this case was dismissed as the effects of the decree had ceased because of the challenge filed by the Federal Commission for Economic Competition.

For more information on the implications of the repeal, please contact:

Patricia Kaim, Partner:

+52 (55) 5258 1038 | pkaim@vwys.com.mx

Silverio Sandate, Associate:

+52 (55) 5258-1013 | ssandate@vwys.com.mx

S I N C E R E L Y

VON WOBESER Y SIERRA, S.C.

Mexico City, June 16, 2023.

The information contained in this note does not constitute, nor is it intended to constitute, nor shall be construed as legal advice on the topic or subject matter covered herein. This note is intended for general informational purposes only. To obtain legal advice on a particular matter in connection with this topic, please contact one of our attorneys referred to herein.



VON WOBESER Y SIERRA, S.C.

Paseo de los Tamarindos 60, 05120 Ciudad de México

+52 (55) 5258 1000

vonwobeser.com