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MEXICO TRADE CAPACITY BUILDING PROJECT

ENHANCEMENT OF THE BUSINESS AND LEGAL ENVIRONMENT AND TRADE CAPACITY THROUGH LEGAL REFORM AND IMPROVEMENTS IN THE ADMINISTRATION OF JUSTICE BY COMMERCIAL COURTS IN MEXICO

USAID ANNUAL PROGRAM STATEMENT
APS No. M/OAA/GRO/EGAS-06-107
Cooperative Agreement: 523-A-00-06-00044-00

QUARTERLY REPORT 1 OCTOBER TO 31 DECEMBER 2011

I. TWENTIETH QUARTER (1 OCTOBER TO 31 DECEMBER 2011):

- A. SECURED TRANSACTIONS REFORM, OCTOBER-DECEMBER 2011.** In early October 2011, the NLCIFT advised the Ministry of Economy of Mexico in the drafting of amendments to the Mexican laws on Secured Transactions. The Ministry of Economy has formed a drafting committee for purposes of working on reforms that will provide an improved secured lending environment in Mexico. The drafting committee prepared a comparative document that included current provisions, proposed amendments, and reasons for the amendments. The NLCIFT provided comments and supporting statements on all amendments, and additional suggestions. In mid-October 2011, the NLCIFT continued to assess the Mexican law on Secured Transactions by collaborating with the Ministry of Economy on the analysis of an assessment of the proposed amendments prepared by a group of experts from the International Finance Corporation. The NLCIFT reviewed this assessment and provided further feedback to the Ministry of Economy. The drafting of the amendments was finalized in December 2011 and are expected to be submitted to Congress in early 2012.
- B. ORAL TRIAL TRAINING FOR JUDGES, NOVEMBER 2011.** The NLCIFT, represented by team members Cristina Castaneda and Michael Mandig, participated in the 35th Annual Conference of the National Commission of State Supreme Courts of Mexico (CONATRIIB), in Villahermosa, Tabasco in November 2011. As *congresistas invitados* (guests with voting rights), the NLCIFT presented a discussion paper with recommendations related to the recently-introduced oral trial procedures for commercial matters. Their participation was extremely well-received and their discussion paper was unanimously approved by the working group appointed to discuss the broader topic of oral trials in commercial, civil and family matters in Mexico. While in



Tabasco, the NLCIFT also delivered two lectures on oral trials and oral advocacy skills. The first lecture was held exclusively for approximately 40 trial and appellate-level judges and included a round table discussion with the attendees. The second lecture was open to the entire legal community of Tabasco, and was attended by over 350 trial and appellate-level judges, court staff, lawyers, law professors and law students. For this second lecture, the NLCIFT worked with a group of local judges in preparing a simulation of the various steps that make up an oral trial hearing which was presented at the end of the event. Both presentations were very successful and engaged an active audience. As a result, the State Court of Tabasco, which had recently formed a Commission responsible for the implementation of oral trials in commercial, civil and family matters, asked the NLCIFT to return and conduct an in-depth, 30-hour training program for the state judiciary on the new oral trial procedures for commercial matters. The NLCIFT team discussed the details of this training and began steps towards its implementation.

During the same trip in November 2011, the NLCIFT team traveled to Mexico City and delivered a presentation to the legal community in the Federal District. This event was organized in collaboration with the Judicial Training Institute of the Federal District Court. This presentation was a lecture-style program and was also attended by over 175 members of the judiciary, lawyers and law professors.

Finally, during this visit, the NLCIFT team also met with the Federal Judicial Institute in order to plan for training specifically targeted at federal judges in various areas, including the new oral trial for commercial disputes, competition law and secured transactions.

C. PREPARATIONS FOR TRAINING ON COMPETITION LAW & SECURED TRANSACTIONS REFORM. The NLCIFT continued working with the Mexican Federal Competition Commission (COFECO) and Abt Associates (USAID contractor on Competition Law and Policy) on the training program for judges on competition law. A detailed agenda has been submitted to the Federal Judicial Institute (IJF) for approval and the team has continued to develop the training materials and to discuss the necessary logistics. In addition, the NLCIFT team has continued to work on identifying and contacting international experts for this proposed training program.

The NLCIFT has also continued to work with the Ministry of Economy in coordinating training on secured transactions and the use of the new registry of security interests (RUG).



II. NEXT QUARTER (1 JANUARY TO 31 MARCH 2012)

- A. CONTINUED WORK ON SECURED TRANSACTIONS REFORM.** For awareness and dissemination of information on the Mexican registry of security interests (RUG), the NLCIFT in collaboration with the Ministry of Economy will finalize preparations and will conduct training sessions on secured transactions law and registry practice. In addition to judicial training, the NLCIFT will begin working with the Ministry of Economy in the preparation of bilingual manuals and guidelines on secured transactions in Mexico and the use of the RUG for both domestic and foreign lenders, in an effort to increase practical understanding of the RUG.
- B. TRAINING FOR FEDERAL JUDGES ON COMPETITION LAW.** The NLCIFT will continue to work with COFECO and Abt Associates to conduct a training program for federal judges on competition law. Approval by the IJF of the proposed agenda is pending, and thus far, specific dates for the first training session have not been identified but it is anticipated that it take place before the end of the quarter.
- C. ORAL TRIAL TRAINING FOR JUDGES.** During this next quarter the NLCIFT will continue to collaborate with both the Federal and state-level judiciary to conduct training programs on oral trial procedure for civil and commercial matters. In particular, the NLCIFT will conduct an in-depth training for the judiciary in Tabasco that has been scheduled for January 2012. In addition, the NLCIFT is currently exploring similar collaboration with other state courts (including the State Court of Yucatan) and anticipates a high-level of interest from numerous state courts as the final implementation date (scheduled for January 2013) approaches.

Further, the NLCIFT will also provide skill-based training on oral trial procedure to the Federal Judiciary, in collaboration with the Federal Judicial Institute. This training program has been tentatively scheduled for the end of January or beginning of February 2012.