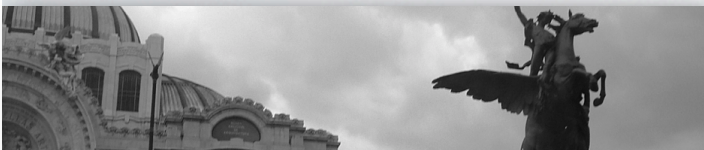


FOREIGN INVESTMENT CAPS IN MEXICO - business essentials -

* For informative purposes. It does not constitute a legal advice nor establishes an attorney-client relationship. Visit [here](#) for full disclaimer.

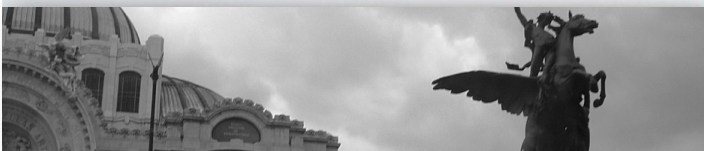
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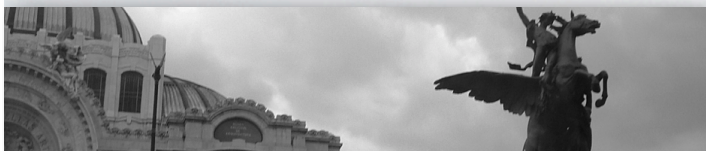
BASIC RULES

- Foreigners can invest in all activities, industries or assets unless it is excluded by Law.
- Mexican Subsidiaries with majority of foreign capital are considered foreigners in terms of investment restrictions.
- Foreigners do not need a visa for investing, but would require it for executing official documents or contracts, and enforce them.



BASIC RULES

- Mexican companies with foreign investment capital need to register and keep registration updated at Foreign Investment Commission (Commission).
- Same applies to foreigners doing acts of commerce on a regular basis.
- Purchase of real estate is not capped, but has special rules of registration and title-holding.



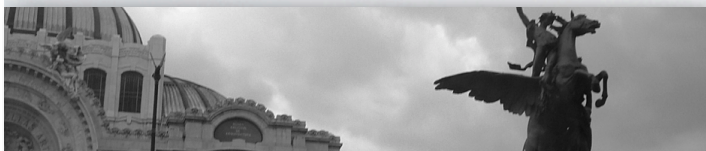
BASIC RULES

- Caps and restrictions can be:
 - 1.State-Reserved: Activities/industries are reserved to Mexican State.
 - 2.Mexicans-Reserved: Activities/industries are reserved to Mexican individuals or Mexican companies that do not accept foreign investment.
 - 3.Capped: Activities/industries are open to Mexican individuals or companies with certain cap of foreign investment.



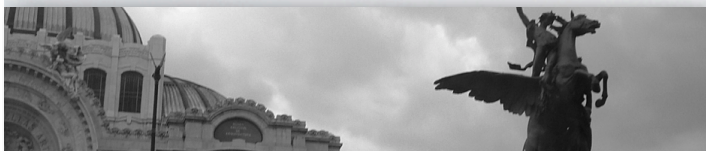
BASIC RULES

- Secondary law for energy, telecom, banks, seaports and airports provide further detail on restrictions to foreign investment. Caps are only the basic guideline, so a deep review is needed before investing.
- No-voting shares (neutral investment) do not count for caps. Special rules apply.



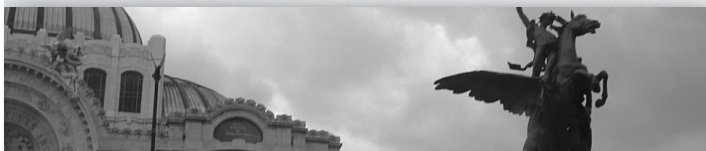
BASIC RULES

- Some Capped activities/industries can increase percentage of foreign investment with previous approval of the Commission (Increased-Capped).
- Such approval is mandatory when assets of company are higher than \$274 Million USD.



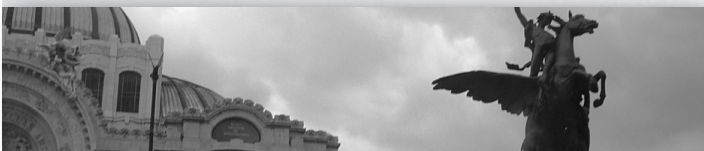
ENERGY

- State-Reserved: Oil and hydrocarbons, basic petrochemicals, electric power, nuclear power and radioactive materials.
- Mexican-Reserved: Retail and distribution of LP gas.
- 49% Increased-Capped: Construction of ducts for oil and derivatives, as well as oil and gas drilling.



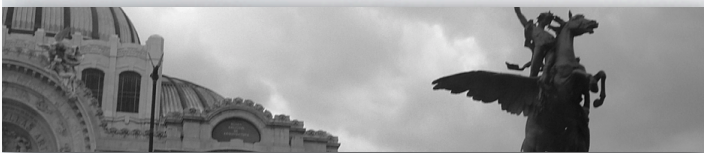
COMMUNICATIONS

- State-Reserved: Telegraphs, radiotelegraphs, postage, as well as control, surveillance and vigilance of ports, airports and heliports.
- Mexican-reserved: National transport of passengers, tourism and charge (excluding couriers).



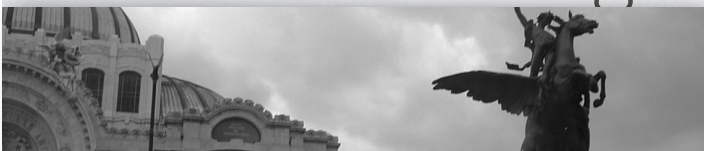
COMMUNICATIONS

- 25% Capped: National air, air taxi and specialized air transportation.
- 49% Capped: Seaport management, ship companies for inland navigation, cabotage and piloting (excluding cruises and dragging and naval artifacts for construction, conservation and port operation), as well as supply of fuel and lubricants for ships, planes and railroads.
- 49% Capped: Broadcasting of TV and radio.



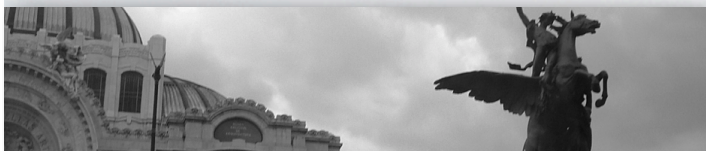
COMMUNICATIONS

- 49% Increased-Capped: Seaport services for shippers on inland navigation services (towing, mooring and lightening), shippers exclusively rendering services in deep water ports.
- 49% Increased-Capped: Concessionaire and permit holders for public airports.
- 49% Increased-Capped: Construction, operation and exploitation of public railroad and rendering of railroad public service.



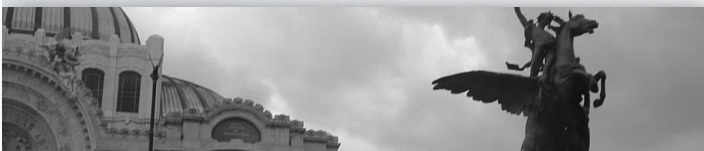
FINANCIAL

- State-Reserved: Coining.
- Mexican-Reserved: Development banks.
- 49% Capped: Insurance and bond companies, exchange currency, general warehousing and deposits, retirement funds management.
- 49% Increased-Capped: Credit information companies, stock rating agencies and insurance brokers.



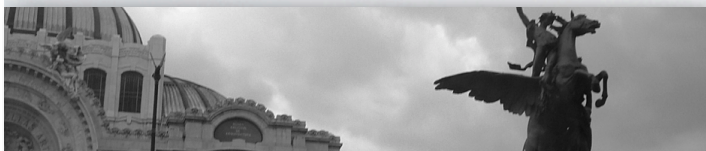
PRODUCTION & SERVICES

- Mexican-Reserved: Rendering of professional and technical services, as provided by law (professions that require license).
- 10% Capped: Production cooperative corporations.



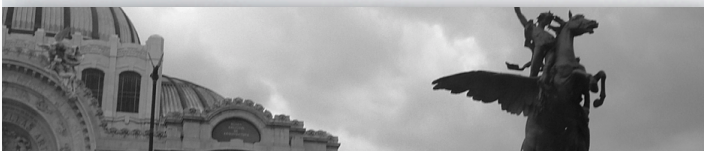
PRODUCTION & SERVICES

- 49% Capped: Manufacturing and trading guns and explosives (except for industrial use).
- 49% Capped: "T" stock from agricultural, cattle and forestry land. "T" stock allows holders to receive land when cashed.



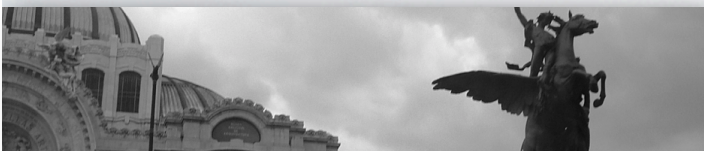
PRODUCTION & SERVICES

- 49% Capped: Printing and publishing of newspapers of national distribution.
- 49% Capped: Fishing at fresh water, coast or exclusive economic zone (200 nautical miles from coast), but excluding fish farms.



PRODUCTION & SERVICES

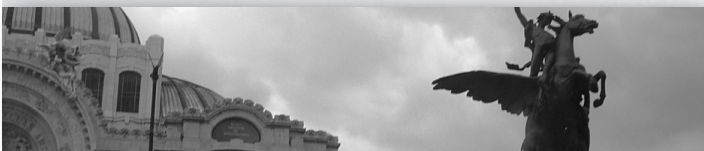
- 49% Increased-Capped: Private education.
- 49% Increased-Capped: Legal services.



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