

1.8.3 Non-rural land outside the Restricted Zone

Under Mexican law, foreign individuals and Mexican companies with foreign equity participation may hold legal and beneficial title to non-rural land located outside the Restricted Zone.

1.8.4 Rural land outside the Restricted Zone

Foreign individuals and Mexican companies with minority foreign equity participation may hold legal and beneficial title to rural land located outside the Restricted Zone. Mexican companies with majority foreign equity participation may hold legal title to rural land, provided the ownership of such land is represented by special Series "T" shares. Foreign investors may not own more than 49 percent of the Series "T" shares issued by the respective company.

1.8.5 Quantitative restriction of land ownership

The Mexican constitution and regulatory agrarian legislation establish limitations on the amount of rural land a person may own and protect against expropriation for communal use. For example, generally the maximum area of irrigated land which may be protected from expropriation is 100 hectares per person. For lands subject to seasonal use and unirrigated pastures subject to agricultural harvest, the maximum protection area is 200 hectares. Under the constitution, a Mexican corporation may own and protect up to 25 times the land area one individual is permitted to protect.

Under certain circumstances and if certain requirements are met, a landowner may protect an area which exceeds the above limitations, e.g., if he or she improves the quality of the land by installing irrigation or drainage systems.