

Under Transitory Article Fifth of the FIL, foreign investors may petition the foreign investment authorities to release them from their investment commitments. The authorities have 45 business days to respond to the foreign investor's petition. Because the NAFTA does not, in general, allow Mexico to impose or enforce a series of performance requirements against any foreign investors, (including export, foreign currency and job requirements) the Mexican foreign investment authorities should release foreign investors from these types of requirements upon request.

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**1.6 Registration requirements**

Under the FIL, all foreign investments, whether subject to prior approval or not, must be registered with the Foreign Investment Registry within 40 business days from the date of the respective incorporation, branch registration, acquisition or execution of the relevant trust agreement. Foreign investors who do not register their investment with the Foreign Investment Registry are subject to administrative fines.

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**1.7 Repatriation and remittance rights**

Mexican law does not impose any general restrictions or limitations on the remittance of dividends or repatriation of capital.

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**1.8 Real estate**

Mexican law establishes certain restrictions on land ownership by foreign investors in Mexico.

**1.8.1 Restricted zone**

Under the Mexican Constitution, foreign individuals and entities may not hold legal title to real estate in Mexico located within 100 kilometers from the border or 50 kilometers from the coastline (the Restricted Zone). However, such individuals and entities may hold the beneficial interest in such real estate under a Mexican trust. Real estate trusts in Mexico have a maximum duration of 50 years and the trustee thereof must be a Mexican bank.

Under the FIL, Mexican companies with foreign equity participation may hold direct title to real estate located in the Restricted Zone if they engage in non-residential activities. If they engage in residential activities, they may hold the real estate in trust, that is, they may not hold direct title thereto.

**1.8.2 Foreign corporate ownership of land**

Although the FIL and the relevant constitutional provisions are not entirely clear, it appears that foreign companies still may not hold direct title to real estate located in Mexico. They may, however, hold the beneficial interest in such real estate under a Mexican trust.