

coastal fishing, and fishing in the exclusive economic zone, excluding aquaculture; comprehensive port management; pilotage services to vessels engaged in interior navigation; shipping companies that operate commercial vessels for navigation in interior waterways and between domestic ports, excluding tourist ferries and the exploitation of dredges and naval devices for port construction, maintenance and operation; and supply of fuel and lubricants for ships, airplanes and railroad equipment.

Unless a treaty otherwise provides (e.g., the NAFTA in the case of financial services), a foreign investor may not own more than the permitted percentage of equity in a Mexican company engaged in any of the above activities. These limits may not be surpassed either directly or through any type of agreement or corporate structure or scheme, except through the "neutral" shares mentioned in 1.2.2 above.

1.2.4 Activities where foreign investors require prior approval to own more than 49 percent

Under the FIL, prior approval is required for foreign investors to own more than 49 percent of a company engaged in any of the following activities:

- port services to vessels engaged in interior navigations, such as towing and mooring;
- overseas shipping;
- management of air terminals;
- private schools, at preschool, primary, secondary, preparatory and higher education levels;
- legal services;
- credit bureaus;
- securities rating institutions;
- insurance agents;
- cellular telephone services;
- construction of petroleum and petroleum derivatives pipelines;
- drilling of petroleum and gas wells; and
- erection, construction and installation works⁶.

⁶ Under Transitory Article Nine of the FIL, as of January 1, 1999, foreigners may own up to 100 percent of the capital of Mexican entities engaged in these activities.