

- radio and television, excluding cable;
- credit unions;
- development banks; and
- professional and technical services reserved to Mexicans in the relevant legislation.

Under the FIL, foreign investors may not engage in any of the foregoing activities, directly or indirectly, through any agreement or corporate structure or scheme, except through special approved “neutral” shares without voting rights or with limited corporate rights, or as otherwise approved by the National Commission of Foreign Investments (NCFI).

1.2.3 Activities with foreign investment equity limitations

The FIL establishes foreign ownership limits in certain companies, activities and types of shares, as set forth below:

- up to 10 percent: production cooperatives;
- up to 25 percent: domestic and specialized air transport and aerotaxi transport;
- up to 30 percent: financial holding companies, commercial banks, securities firms and securities specialists³; and
- up to 49 percent: autoparts industry, as defined in the applicable legal provisions⁴; insurance and bonding companies; exchange houses; general deposit warehouses; financial leasing and factoring companies; authorized companies that loan funds raised in the capital markets; investment advisors and companies that manage investment companies; shares in the fixed capital of investment companies and companies that manage investment companies; production and sale of explosives, firearms, cartridges, munitions, fireworks, excluding the purchase and use of explosives for industrial and extractive purposes, and the preparation of explosive mixtures for use in said activities; printing and publication of periodicals for exclusive distribution within Mexico; Series “T” shares of companies owning agricultural, cattle-raising and forest lands; cable television; basic telephone service and videotext and packet switching services⁵; fresh-water and

³ Under an amendment to various Mexican financial laws effective as of February 16, 1995, foreign investors generally may own up to 49 percent in these companies. These new provisions prevail over the FIL.

⁴ Under Transitory Article Seventh of the FIL, as of January 1, 1999, foreigners may own up to 100 percent of the capital of Mexican entities engaged in the autoparts industry.

⁵ Under Transitory Article Eighth of the FIL, as of July 1, 1995, foreigners may own up to 100 percent of the capital of Mexican entities engaged in videotext and packet switching services.