

# Global Rules on Foreign Direct Investment

## Mexico

In Mexico, foreign direct investments (**FDI**) are regulated by the Foreign Investment Law (**FIL**). Under the FIL, as a general rule, foreign investors are afforded the same rights, obligations and remedies available to Mexican nationals.

However, foreign investors are required to obtain approval from the National Commission of Foreign Investment (Commission) if they wish to obtain an equity stake of more than 49 percent of the shares of a Mexican company with assets whose aggregate value at the time of the acquisition exceeds the threshold determined annually by the Commission (currently about USD\$1m) and which is active in any of the following sectors:

- Port services in order to allow ships to conduct inland navigation operations, such as towing, mooring and barging;
- Shipping companies engaged in the exploitation of ships solely for high-seas traffic;
- Concessionaire or permissionaire companies of air fields for public service;
- Private education services of pre-school, elementary, middle school, high school, college or any combination;
- Legal services; or
- Construction, operation and exploitation of general railways, and public services of railway transportation.

To obtain approval, foreign investors must file a questionnaire detailing the origin of their investment

and pay a nominal fee. The Commission has 45 business days to issue its approval.

In addition, Article 27 of the Mexican Constitution provides that foreigners are not permitted to acquire direct domain over lands and waters within one hundred kilometers from the national borders inland or fifty kilometers from the seashore. Also, foreign capital is capped at 49 percent in certain strategic sectors, including: shipping, broadcasting, air transportation, and port administration.

Like other jurisdictions, throughout 2020 Mexico was very active in issuing administrative resolutions, decrees and recommendations to mitigate, contain and address the COVID-19 pandemic. However, no such resolutions, decrees or recommendations were specifically directed towards FDI, rather, all such resolutions were (and in some cases continue to be) applicable to private investment in general.

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