



REGULATION OF THE FOREIGN INVESTMENT LAW AND THE FOREIGN INVESTMENT NATIONAL REGISTRY

New Regulation published in the Official Gazette of the Federation on September 8, 1998

CURRENT TEXT

Last reform published OJF 08-17-2016

On the margin, a seal bearing the national crest that reads: Estados Unidos Mexicanos (Mexican United States).- Presidencia de la Republica (Presidency of the Republic.).

ERNESTO ZEDILLO PONCE DE LEÓN, President of the United Mexican States, in exercise of the power conferred on me by Article 89, fraction I, of the Political Constitution of the United Mexican States, based on articles 27, 28, 31, 32, 32 Bis, 33, 34, 36, 40 and 42 of the Organic Law of the Federal Public Administration and 1, 22, 23, 28, 31, 33, 35, 36 and 38 of the Foreign Investment Law, we have issued the following

REGULATION OF THE FOREIGN INVESTMENT LAW AND THE FOREIGN INVESTMENT NATIONAL REGISTRY

TITLE I GENERAL PROVISIONS

ARTICLE 1.- For the purposes of this Regulation, in addition to what is established in Article 2. Of the Foreign Investment Law, the following shall mean:

- I. Reserved activities: those referred to in Articles 5 and 6 of the law;
- II. Activities with specific regulation: those subject to maximum participation limits of investment from foreign, under the terms of the Law and applicable legislation;
- III. Law: The Foreign Investment Law;
- IV. Majority of foreign capital: the participation of foreign investment in more than 49% of the share capital of a company;
- V. Participation of foreign investment in the share capital: the percentage of foreign investment in the capital stock of a company, calculated in relation to the total shares or social shares that do not have the character of neutral investment, and including the shares or social parts affected in trust;
- VI. General Resolutions: the criteria for the application of legal and regulatory provisions on foreign investment issued by the Commission, and
- VII. Societies: civil, mercantile or of any other character of persons constituted under Mexican law.

ARTICLE 2.- For purposes of subsection r) of fraction III of article 7. Of the Law, the "T" series shares referred to in this subsection represent exclusively the capital contributed in agricultural, livestock or forestry lands, or the one destined to the acquisition of them, in terms of the Agrarian Law.

Article amended OJF 31-10-2014

ARTICLE 3.- The participation regime referred to in Article 9 of the Law, applies to:

- I. The acquisition of shares or units of companies already incorporated, and
- II. Companies that do not carry out reserved activities or are subject to a specific regulation. In the case of companies carrying out such activities, it will be in accordance with the Law.

In any of these cases, the total value of the assets will be the updated value that they have, in accordance with generally accepted accounting principles, at the date of filing the corresponding application. The Commission shall determine the amount referred to in Article 9 of the Law, by means of a General Resolution.

ARTICLE 4.- The public notaries before whom legal acts for which the permits referred to in articles 10 A, 11, 15 and 16 of the Law are formalized, prior to the granting of the respective instrument must require the corresponding permit or, in the assumption of which the afirmativa ficta has operated, the record referred to in



article 17 of the Federal Law of Administrative Procedure, and so to make it appear in said instrument.

When permission is not available to locate in the cases referred to in the second paragraph of Article 10 A of the Law, public notaries must request the foreigner, prior to the granting of the public deed, to verify the filing with the Secretariat Of Foreign Affairs of the document referred to in Article 8 of these Regulations, and to record in the corresponding deed that has operated the afirmativa ficta in the terms of said provision.

When dealing with the case provided for in the last paragraph of Article 10 A of the Law, public notaries must request the foreigner, prior to the granting of the public deed, to accredit the presentation to the Secretariat of Foreign Affairs of the agreement referred to in Fraction I of Article 27 of the Political Constitution of the United Mexican States, and which is located in the cases provided for in the general agreements in question, and so make it appear in the public deed.

Article amended OJF 04-05-2009

SECOND TITLE OF THE ACQUISITION OF REAL ESTATE, THE USE OF MINES AND WATERS, AND OF THE TRUSTS

Chapter I Acquisition of real estate

ARTICLE 5.- For purposes of what is established in Title Two of the Law, real property for residential purposes is that used exclusively for housing for use by the owner or third parties.

By way of example, but not limited to, real estate intended for non-residential activities:

- I. Those that are allocated to timeshare;
- II. Those destined to some industrial, commercial or tourist activity and that simultaneously are used for residential purposes;
- III. Those acquired by credit institutions, financial intermediaries and auxiliary credit organizations, for the recovery of debts owed to them that derive from operations proper to their object;
- IV. Those used by legal persons for the fulfillment of their corporate purpose, consisting of the disposal, urbanization, construction, fractionation and other activities included in the development of real estate projects, up to the moment of their commercialization or sale to third parties, and
- V. In general, real estate intended for commercial, industrial, agricultural, livestock, fishing, forestry and service provision activities.

In case of doubt as to whether a property is considered destined to carry out residential activities, the Secretariat of Foreign Affairs will resolve the respective consultation within a period not exceeding ten business days. At the end of this period without issuing a resolution, it will be understood that non-residential activities are carried out in the building in question.

ARTICLE 6.- In case of doubt as to whether a real estate property is located inside or outside the restricted area, the Secretariat of Foreign Affairs, after consulting the National Institute of Statistics, Geography and Informatics, will give a resolution.

ARTICLE 7.- For the purposes of articles 10, fraction I and 16, last paragraph of the Law, the notice that the interested parties must give to the Secretariat of Foreign Affairs shall contain:

- I. The location and description of the property;
- II. The clear and precise description of the uses to which the property in question will be destined, and
- III. Simple copy, in annex, of the public instrument in which the acquisition is formalized.

ARTICLE 8.- Pursuant to the provisions of article 10 A of the Law, in order for foreign natural and legal persons to have access to real estate located outside the restricted zone, or to obtain concessions for the use of waters in national territory, they must:



- I. To agree in writing to the Secretariat of Foreign Affairs the provisions of fraction I of Article 27 of the Constitution, in relation to the concessions or real property in question, specifying in this last case, the form and percentage of acquisition;
- II. To accredit the legal capacity of the applicant. The natural persons must prove, as the case may be, their legal stay in the country and the migratory quality that, in terms of the law of the matter, allows them to carry out the legal act in question. In the case of legal persons, their legal existence must be accredited by submitting the documents provided for in fraction I of article 21 of these Regulations or by submitting a copy of the authorization referred to in article 17 of the Law.

The documents indicated in the previous paragraph must be legalized before the Mexican consul or, when applicable, apostilled in accordance with the Decree of Promulgation of the Convention, which abolishes the requirement of Legalization of Foreign Public Documents. Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

- III. Accompany, if appropriate, an annex containing the area, measures and vicinity of the property, and
- IV. Cover, if applicable, the rights established in the Federal Law of Rights.

In order to conclude the agreement referred to in fraction I of article 27 of the Political Constitution of the United Mexican States through a legal representative, the latter must have a special power, expressly specifying in one of its clauses the agreement and the waiver to which refers to said constitutional provision, or with general power for acts of domain that meets the requirements established by the applicable law.

In the case of concessions for the exploration and use of mines, the provisions of the relevant legislation and regulations will be in force.

Chapter II Of the trusts on real estate in restricted area

ARTICLE 9.- Requests submitted by credit institutions, through their fiduciary delegate, to obtain the permit referred to in article 11 of the Law, must contain:

- I. Name and nationality of trustees;
- II. Name of the credit institution that will act as fiduciary;
- III. Name and nationality of the trustee and, if any, of the second trustees and of the substitute trustees;
- IV. Duration of the trust;
- V. Use of the property;
- VI. Description, location and surface of the property object of the trust, and
- VII. Distance from the property in relation to the border or the Federal Maritime Ground Zone.

Fraction reformed OJF 04-05-2009

The request must be accompanied by an annex that contains the measures and adjoining of the property.

ARTICLE 10.- In the case of foreign individuals or corporations, the Secretariat of Foreign Affairs shall grant the permits referred to in article 11 of the Law, when the application complies with the provisions of the previous article and the property object of the trust is destined to:

Paragraph amended OJF 04-05-2009

- I. Parks and industrial divisions;
- II. Hotels and motels;
- III. Industrial ships;
- IV. Malls;
- V. Research centers;



- VI. Tourist developments, provided that they do not contain real estate intended for residential purposes;
- VII. Tourist Marinas;
- VIII. Docks and industrial and commercial facilities established therein;
Fraction reformed OJF 04-05-2009
- IX. Establishments engaged in the production, processing, packaging, preservation, transport or storage of agricultural, forestry, forestry and fishery products, and
Fraction reformed OJF 04-05-2009
- X. Consular offices and official residences of foreign governments.
Fraction added OJF 04-05-2009

ARTICLE 11.- The trust agreements that are constituted under the permits provided for in article 11 of the Law must be subject to the following conditions:

- I. That the respective public instrument establishes that the foreign trustees agree to consider themselves as Mexicans with respect to their rights as trustees, and not to invoke, therefore, the protection of their governments, under penalty of otherwise losing those rights for the benefit of the nation.

The foregoing shall not apply to cases where foreign governments are trustees and that the purpose of the trust is the establishment of consular offices and official residences of foreign governments;

Fraction reformed OJF 04-05-2009

- II. That during the whole term of the trust the trust institution retains the title of the real estate trust without granting rights to the trustees;
- III. That the fiduciary institution present to the Secretariat of Foreign Affairs, by April of each year, a report on the trusts authorized in case of fiduciary substitution, as well as the designation of substitute trustees or assignment of trust rights in favor of foreign natural persons or corporations, or of Mexican companies with a foreign admission clause, in the case of properties acquired for residential purposes;
- IV. That the trustees undertake to inform the fiduciary institution about the fulfillment of the purposes of the trust, and that the latter undertakes to inform the Secretariat of Foreign Affairs on the matter, when required to do so, whenever there are motives to assume non-compliance with the conditions under which the permit was granted;

In case of breach or violation of any of the conditions established in the corresponding permit, the fiduciary institution will have a period of sixty business days to amend or correct them, counted from the date of notification by the Secretariat of Foreign Affairs of Such irregularities; Otherwise, proceed in the terms of fraction VII of this article;
- V. That the fiduciary institution obtain prior permission from the Secretariat of Foreign Affairs regarding the extension of the subject and change of the purposes of the trust;
- VI. That the fiduciary institution undertakes to notify the extinction of the trust to the Secretariat of Foreign Affairs, within forty business days of its extinction date, and
- VII. That the parties to the agreement undertake to extinguish the trust at the request of the Secretariat of Foreign Affairs, within a period of one hundred and eighty days from the date of notification of the request, in case of breach or violation of any of the Conditions established in the corresponding permit.

The permits referred to in article 11 of the Law shall have a validity of one hundred and eighty calendar days counted from the date of issuance. Likewise, the issuance of these permits does not exempt from the fulfillment of the plans and programs of urban development and ecological order of the locality in which the property is located, nor of the sustainability criteria of the environmental policy and other applicable legal dispositions. The Secretariat of Foreign Affairs may extend the validity of the permit for one hundred and eighty additional calendar days, at the written request of the permit holder justifying the intention to use the permit during the requested extension period.



Paragraph amended OJF 17-08-2016

Once the permits referred to in the previous paragraph are used, credit institutions must give notice of such circumstance to the Secretariat of Foreign Affairs within five business days from the date of their formalization in a public instrument.

Added paragraph OJF 08-17-2016

ARTICLE 12.- For purposes of the provisions of article 13 of the Law, interested parties, through fiduciary institutions, must request the extension of the duration of the trusts to the Secretariat of Foreign Affairs, within ninety business days prior to the extinction of the contract. The extension shall be granted provided that the conditions referred to in the previous article are maintained and fulfilled.

THIRD TITLE OF THE COMPANIES

ARTICLE 13.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 14.- When the exclusion clause of foreigners is not enacted in the bylaws, an express agreement or pact must be signed which forms an integral part of the by-laws, whereby foreign partners, current or future of the company, are obliged before the Secretariat of Foreign Affairs to be considered as nationals in respect of:

- I. The shares, shares or rights acquired by said companies;
- II. The assets, rights, concessions, interests or interests held by such companies, and
- III. The rights and obligations that derive from the contracts in which the companies themselves are parties.

The agreement or pact indicated must include the renunciation to invoke the protection of their governments under penalty, otherwise, to lose to the benefit of the Nation the rights and property that would have acquired.

ARTICLE 15.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 16.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 17.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 18.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 19.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 20.- The notice of modification of the exclusion clause of foreigners for the admission referred to in the second paragraph of article 16 of the Law, must be accompanied by a copy of the public instrument that contains the statutory reform and that includes the agreement to which it refers article 14 of this Regulation. The company in question must state in said notice whether it owns immovable property in the restricted area and the purposes for which it is intended.

TITLE FOUR OF THE INVESTMENT OF FOREIGN LEGAL ENTITIES

ARTICLE 21.- In order to obtain the authorization to establish themselves in national territory and to habitually carry out acts of commerce referred to in article 17 of the Law, foreign legal entities must submit a request in writing, in original and two simple copies, indicating the General identification data of the applicant, as well as the description of the economic activity that it intends to develop in the country.



This application must be accompanied, in original and simple copy, of:

- I. Deed, certificate, record or other instrument of incorporation, as well as the bylaws by which the legal entity is governed.
- II. Power of legal representative granted before notary public, and
- III. Proof of payment of rights provided for in the Federal Rights Law.

When it is necessary for the applicant to obtain a favorable resolution from the Commission to participate in a particular activity, said resolution must be processed in advance and be attached to the application.

The documents indicated in the fraction I and, where appropriate, II will be returned to the interested party, after collation of the same with their simple copies and must be legalized before the Mexican consul or, when applicable, apostilled in accordance with the Decree of Promulgation of the Convention, which abolishes the requirement of Legalization of Foreign Public Documents.

Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

TITLE FIVE OF NEUTRAL INVESTMENT

Chapter I

Of the neutral investment represented by instruments issued by the institutions fiduciary

ARTICLE 22.- For the purposes of article 19 of the Law, authorization is required by the Secretariat for the constitution or modification of all types of neutral investment trusts, as well as for the transfer of shares to them, regardless of the activity performed the company intending to trust its shares. In order to obtain this authorization, fiduciary institutions, in the first case, and trustee societies, in the second, must present, in original and simple copy:

- I. Written request specifying the general identification data of the fiduciary institution and, if applicable, the economic activity and shareholding structure of the company intending to transfer its shares to the assets of the trust;
- II. Draft of trust agreement or, as the case may be, any modifications that are intended to be made to a previously authorized trust, and
- III. Proof of payment of rights provided for in the Federal Rights Law.

Chapter II

Of the neutral investment represented by special series of shares

ARTICLE 23.- For the purposes of article 20 of the Law, companies already incorporated or to be constituted, regardless of their activity, must obtain prior authorization from the Secretariat to issue special series of shares with a neutral investment nature. To obtain such authorization, companies must submit, in original and simple copy:

- I. Written request specifying general identification data, corporate and economic activity developed by the applicant company, and
- II. Proof of payment of rights provided for in the Federal Rights Law.

Chapter III

Of the investment made by international financial corporations for development

ARTICLE 24.- International finance corporations for development are considered to be those legal entities whose primary purpose is to promote the economic and social development of developing countries by providing



temporary risk capital, granting preferential financing, or providing diverse technical support.

ARTICLE 25.- International finance corporations for development, which intend to make a neutral investment in Mexican companies, in accordance with the provisions of article 22 of the Law, must be recognized by the Commission, for which they must submit:

- I. Questionnaire duly requested in original and a simple copy, containing the general identification and corporate data of the applicant;
- II. Deed, Act, certificate or other instrument of incorporation, as well as bylaws by which the international financial society for development is governed;
- III. Financial statements of the international financial corporation for development for the last fiscal year, if the company has more than one year of being incorporated, and
- IV. Financial statements projected to three years, in case the international financial corporation for development has a year or less to be incorporated.

The foreign documents must be legalized before the Mexican consul or, when applicable, apostilled in accordance with the Decree of Promulgation of the Convention, which abolishes the requirement of Legalization of Foreign Public Documents.

Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

These companies must obtain a favorable resolution from the Commission to participate in the capital of Mexican companies that carry out reserved or regulated activities.

In order to obtain the favorable resolution, it will be necessary for each specific project to comply with the provisions of Article 29 of this Regulation.

TITLE SIX OF THE FOREIGN INVESTMENT NATIONAL COMMISSION

ARTICLE 26.- The Executive Secretary of the Commission shall be the public servant appointed by the President of that body, who for the exercise of his functions shall be assisted by a Technical Secretary, a public servant appointed by the latter.

For the purposes of article 25 of the Law, public servants who are members of the Committee of Representatives must be Undersecretaries or their equivalent, attached to the Secretariats that comprise the Commission and whose field of competence is related to the matters to be dealt with. The appointment of the members of the Committee of Representatives shall be notified to the Chairman of the Committee by the heads of the Secretaries that make it up, within thirty business days of the date of such appointment.

ARTICLE 27.- The matters submitted to the Committee for consideration shall be resolved at the meeting of the members of the Committee, or by the written opinion of each of them or the Committee of Representatives. In the latter case each of its members shall have five business days, counted from the day on which the matters were presented, to issue the corresponding vote. After the said period has expired without the members of the Commission or the Committee of Representatives objecting or issuing and communicating the corresponding vote, they shall be deemed to have cast a favorable vote on the matters that have been submitted for their consideration and resolution.

The Technical Secretary of the Commission shall send to each of the members of the Commission or of the Committee of Representatives a written report on the resolutions of the cases submitted to it, within seven business days of the date in which the corresponding resolutions are issued.

ARTICLE 28.- Meetings of Commission officials may be convened by the Chairman of such Inter-Secretariat body or, as the case may be, by its Executive Secretary. The call must be made in writing, and must contain the agenda and be addressed to each member of the Commission at least eight business days in advance of the meeting.



In order for the Commission to be considered as having a meeting, at least half of the members must be present. If the meeting can not be held on the scheduled date, a second call will be made, indicating in it such circumstance. The meeting held on second call shall be resolved on the subjects indicated in the agenda, regardless of the number of holders present.

The meetings of the Committee of Representatives may be convened and chaired by the Executive Secretary or, where appropriate, the Technical Secretary. The call must be made in writing, and must contain the agenda and be addressed to each member of the committee at least eight business days in advance of the meeting.

In order for the Committee of Representatives to be considered, at least half of the representatives shall be present and shall resolve by a majority of the votes present. If the meeting can not be held on the scheduled date, a second call will be made, indicating in it such circumstance. The meeting held on second call shall be resolved on the subjects indicated in the agenda, regardless of the number of holders present.

The members of the Committee of Representatives may appoint a Director General or equivalent as an alternate, to attend the meetings of said organ.

Once the meeting of the members of the Commission or the Committee of Representatives has been held, the minutes of the meeting must be sent to each of the members of these bodies, within seven business days of the date of the meeting.

ARTICLE 29.- In order for the Commission to resolve the applications submitted for its consideration, applicants must submit them to the Executive Secretary of the Commission:

- I. Written request, in original and a simple copy, describing the main characteristics of the project, as well as the general identification data of the applicant;
- II. Questionnaire, in original and a simple copy, that must contain the mention of the type of project to be carried out by the applicant and the data that prove the benefits of the project for the economy of the country;
- III. In case the applicant is a natural person, updated curriculum or biographical summary of the foreign investor;
- IV. If the applicant is a foreign legal entity, annual report or description of activities of the last fiscal year;
- V. In the case of a company already established, constitutive act and audited financial statements corresponding to the last fiscal year;
- VI. When it is intended to establish a branch in the Mexican Republic, constitutive act and by-laws of the foreign moral person, and
- VII. Proof of payment of rights provided for in the Federal Rights Law, in original and simple copy.

In the case of foreign companies, the constitutive act referred to in the previous fraction VI must be legalized before a Mexican consul or, when applicable, apostilled in accordance with the Decree of Promulgation of the Convention, which eliminates the requirement of Legalization of Foreign Public Documents.

Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

ARTICLE 29 Bis.-In order for the Commission to resolve the request for an opinion referred to in article 77 of the Federal Law of Telecommunications and Broadcasting, the company in question must submit to the Executive Secretary of the Commission the following:

- I. Written request, in original and simple copy, describing the identification data of the applicant company, as well as its current structure or proposed capital, including all partners, associates, shareholders, funds, trusts or any entity which participates or would participate in the capital of said company, directly or indirectly;
- II. Deed, certificate, record or other instrument of incorporation, as well as the bylaws or instrument by which the applicant company is governed. Said documents must also be presented by any person or



- entity that participates or intends to participate directly in the capital of the applicant company or in an indirect way, in the latter case in accordance with fraction V of this article;
- III. The data and documents that clearly demonstrate the detail of the current structure or proposed capital of the applicant company referred to in fraction I of this article, as well as those necessary to determine, as appropriate, the nationality, value and characteristics of each participation, including any person or entity that participates or intends to participate directly in the capital of the company or indirectly, in the latter case in accordance with fraction V of this article;
 - IV. If applicable, any trust, agreement, social or statutory agreement, scheme or any other mechanism that grants control, a greater participation or special rights in favor of any of the persons or entities referred to in fraction I of this article, both for the case of those who participate directly or indirectly, in the latter case in accordance with fraction V of this article;
 - V. The data and documents indicated in fractions II, III and IV of this article must be presented when a person or entity participates indirectly in the applicant company when:
 - a) Has a percentage higher than 49% in, or by any means control, those who participate directly or indirectly in the capital of the applicant company, and/or
 - b) Participates, in any proportion, in the capital of a company that participates directly or indirectly in the applicant company, when there is no person or entity that has a percentage greater than 49% or exercises control of the person or entity in question, and
 - VI. Proof of payment of rights provided for in the Federal Rights Law.

In the case of legal entities or foreign entities, the constitutive or equivalent act must be legalized before a Mexican consul or, when applicable, apostilled in accordance with the Convention, which eliminates the requirement of Legalization of Foreign Public Documents.

Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

Article added OJF 10/31/2014

TITLE SEVENTH FOREIGN INVESTMENT NATIONAL REGISTRY

Chapter I

Of the Organization and Functioning, and of the Procedures in General

Name of the Chapter reformed OJF 31-10-2014

ARTICLE 30.- The Registry is the responsibility of the Secretariat and is under the direction of the Executive Secretary of the Commission.

ARTICLE 31.- For the purposes of registrations, renewals of registrations, cancellations of registrations, notices, reports and annotations provided for by these Regulations, the Registry is divided into three sections, which will register, as appropriate, the persons, companies and trusts Referred to in Article 32 of the Law and whose name is:

- I. Section One: Of natural persons and foreign moral persons;
- II. Section Two: Of societies, and
- III. Section Three: Of the trusts.

ARTICLE 32.- The Secretariat may not provide to third parties the information contained in the records of the Registry on the individuals registered in particular.

Only those who certify their personality or the character of representative of the enrolled subjects, obligated to register or to make registrations with the Registry, in respect of each file they wish to consult, may consult the files in the Registry, and may consult only those records.

The consultation of the files will be done in the premises of the Registry in accordance with the schedule established by the Secretariat.



ARTICLE 33.- Applications, notices and reports submitted to the Registry in accordance with the provisions of these Regulations shall be:

- I. Formulated using approved formats, and
- II. Accompanied by the supporting documentation formats required in the preceding fraction.

Documents submitted in a language other than Spanish should be accompanied by a translation made by an expert translator.

ARTICLE 34.- The formats in which requests, notices and reports addressed to the Registry must be submitted in Spanish, in a truthful, complete and duly requested form, in an original and a simple copy, to the corresponding receiving offices of documents of the Secretariat, which will return to the interested party the simple copy of the same with indication of the number and date of presentation, as well as with the seal of the Secretariat. Likewise, in the simple copy that is given to the individual, indicate if the request, notice or report was filed with or without obvious errors or omissions.

In case the formats referred to in the previous paragraph are submitted by certified mail with acknowledgment of receipt or courier, the simple copy mentioned in said paragraph will be sent by mail.

Paragraph amended OJF 31-10-2014

If, after receiving the original format referred to in the first paragraph of this article, and as a result of a detailed analysis of said format, it is detected that it does not contain all the data and documents or omitted any notification to the Registry, the individual will be required to remedy the omissions or breaches within five business days following notification of the corresponding request. In the event that the request is not released within the aforementioned deadline, the authority will discard the original format and the matter in question will be understood as not presented. In the event that the Secretariat does not make the request referred to in this paragraph within ten business days of the submission of the original format, it shall be understood that it was duly requested.

Paragraph amended OJF 31-10-2014

ARTICLE 35.- A simple copy of the format referred to in the first paragraph of the previous article, shall be considered as proof of registration, renewal of record of registration, cancellation of registration, or confirmation of note, as the case may be, provided that it has the seal of the Secretariat, the number and date of submission and indicate that the brief was presented without obvious errors or omissions.

The simple copy referred to in the previous paragraph shall be valid as proof of the procedure in question, provided that the corresponding original format has not been discarded as a result of any breach in accordance with the Law and these Regulations, or has been indicated in the Request, notice or report that was presented with obvious errors or omissions.

Paragraph amended OJF 31-10-2014

- I. Repealed.

Repealed Fraction OJF 31-10-2014

- II. Repealed.

Repealed Fraction OJF 31-10-2014

ARTICLE 36.- Repealed.

Article repealed OJF 10/31/2014

Chapter II

Of Registration of Individuals, Foreign Legal Entities and of the Mexican companies

ARTICLE 37.- Natural persons and foreign legal entities must submit their application for registration to the Registry within forty business days of the date on which they commence the ordinary conduct of trade.



ARTICLE 38.- In order to obtain registration and keep up to date the information presented to the Registry, the subjects referred to in fractions I and II of article 32 of the Law must provide:

- I. Date on which the usual conduct of commercial acts begins or the establishment of the branch or date of incorporation and date of entry of the foreign investment; Data to determine the nationality, origin, value and general characteristics of the investment made in the capital or social stock; Data of the legal representative; Names of persons authorized to hear and receive notifications, and data to determine the identity, economic activity and location of persons subject to registration.

The information referred to in the previous paragraph must be provided at the time of filing the application for registration.

The updating of the information referred to in this fraction should be done quarterly for the periods from January to March; April to June; July to September, and October to December and only when the investment exceeds the amount established by the Commission through a general resolution published in the Official Gazette of the Federation.

The presentation of the update of the information referred to in the previous paragraph must be made within ten business days following the close of the quarter in which the modification to said information has been made;

- II. Data to determine the value of income and expenses derived from:
 - a) New contributions and reserves or withdrawal of any of these, which do not affect the capital stock;
 - b) Withholding of profits of the last fiscal year and provision of accumulated retained earnings, or
 - c) Loans payable or receivable to: subsidiaries resident abroad; To the matrix on the outside; To foreign investors residing abroad who participate as partners or shareholders, and to foreign investors residing abroad who are part of the corporate group to which the subject obliged to file the report belongs.

The information referred to in this fraction must be presented within 10 business days after the end of each quarter. It will be understood that the quarters to be considered are the following: from January to March; From April to June; From July to September, and from October to December.

In the case of natural persons and foreign moral persons, the information must be presented only as regards their operations in national territory.

It will only be necessary to notify the Registry of the changes referred to in this fraction, when the total quarterly income or expenses for the above mentioned items are greater than the amount determined by the Commission, by means of a general resolution published in the Official Journal of the Federation.

The loans referred to in subparagraph c) of this fraction include negotiable securities such as bonds, debt bills, commercial paper, promissory notes and other negotiable securities representing loans, as well as loans, deposits, commercial credit and other accounts payable or receivable, with a maturity of more than one month.

In addition to presenting the information referred to in this fraction, the name, nationality, country of origin and activity of the partners or shareholders, creditors and debtors involved in the reported transaction must be indicated, and

- III. Corporate data, accounting, financial, employment, production and related to the economic activity of the person subject to registration, as well as identification data and of the person who can be consulted for clarification. The information indicated in this fraction must be presented:
 - a) When submitting your application. In this case, the information must correspond to the date on which they were obliged to register;
 - b) Within the first five months following the closing date of each fiscal year, in accordance with the provisions of Article 43 of these Regulations. In this case, the information must correspond to the fiscal year of the previous year, and



- c) In case of requesting the registration in an extemporaneous manner, for each fiscal year elapsed from the date from which they were obliged to register, and until the last fiscal year concluded.

The presentation of the information referred to in this fraction should only consider the last five fiscal years of the obligated parties and exceed the amount determined by the Commission through a general resolution published in the Official Journal of the Federation.

Article amended OJF 31-10-2014

ARTICLE 39.- Repealed.

Article repealed OJF 10/31/2014

ARTICLE 40.- Individuals, foreign legal entities and Mexican companies registered in the Registry must request the cancellation of their registration in the event that they cease to be in any of the cases referred to in fractions I and II of article 32 of The Law, within the forty business days following the date on which it occurs.

Chapter III

About the Registration of Trusts

ARTICLE 41.- To obtain registration of trusts and to keep updated the information presented to the Registry, fiduciary institutions must provide the date of conclusion of the trust agreement; The identification and domicile data of the fiduciary institution and the fiduciary delegate; The names of persons authorized by the trustee to hear and receive notifications, and data to determine the nationality, origin, value and general characteristics of the investment made in the country through trust, as well as the general data of the trust agreement.

The information indicated in the previous paragraph must be provided at the time of submitting the registration application and within the forty business days following the date on which any change to such information occurs.

The obligation to update the information referred to in this article will only be required when the investment exceeds the amount determined by the Commission through a general resolution published in the Official Journal of the Federation.

Paragraph added OJF 31-10-2014

ARTICLE 42.- The fiduciary institutions must request the cancellation of the registration of the trusts in the event that they cease to be in the cases referred to in fraction III of article 32 of the Law, within the forty business days following the date it occur.

Chapter IV

From the Common Provisions to the Registry

ARTICLE 43.- The subjects referred to in fractions I and II of article 32 of the Law, shall renew annually their record in accordance with the general resolution issued by the Commission during the first five months of each year, for which it will suffice to present The information referred to in fraction III of article 38 of these Regulations, according to the following schedule that depends on the letter with which initiates the name, legal name or business name of the subject who will submit the information:

- I. From A to J, during April of each year, and
- II. From K to Z, during May of each year.

In the event that the information referred to in this article is submitted before the month in which it is due to be filed, the filing date shall be the first business day of said month.

Article amended OJF 31-10-2014

ARTICLE 44.- For the purposes of the provisions of article 34 of the Law, public notaries must require the persons required to register in the Registry that accredit their registration through the display of a copy of the acknowledgment of receipt of the delivery of the information to which refers paragraph b) of fraction III of article 38 of these Regulations, relative to the previous immediate fiscal year for which the period in which said notification was due.



In the case of persons who, when they come to the public notary, have not had the obligation to submit the information referred to in paragraph b) of fraction III of article 38 of this Regulation, they must prove their registration through the display of the copy of the acknowledgment of receipt of the application for registration.

In the case of the second and subsequent appearances before a public notary of an obligor to be registered in the Registry, the obligation of notice of the notary in terms of Law shall be complied with if, during the year of appearance, a notice relating to Such person has already been issued.

For purposes of the report referred to in article 34 of the Law, public notaries must do so using the formats approved for that purpose.

ARTICLE 45.- The public notaries must insert in the corresponding public instrument the obligation of:

- I. Enroll in the Registry, when they intervene in the protocolization of meeting minutes corresponding to legal acts relating to:
 - a) Foreign legal entities for registration in the Public Registry of Commerce;
 - b) Incorporation of companies in which foreign investment participates;
 - c) Shareholders' meetings by virtue of which enter foreign investment, or
 - d) Granting of trusts from which rights are derived in favor of foreign investment;
- II. To notify to the Registry, when they intervene in the protocolization of minutes of assembly related to legal acts of companies in which the foreign investment participates, regarding modification in:
 - a) Name, registered name or corporate name, or
Subparagraph amended OJF 31-10-2014
 - b) The share capital or shareholding structure.
Subparagraph amended OJF 31-10-2014
 - c) Repealed.
Subparagraph repealed OJF 10-31-2014

ARTICLE 46.- In the event that the supporting documentation proving the information presented to the Registry is not available, the corresponding registration or annotation may be made based on a declaration of truth or a certification issued by the presidents or secretaries of the boards of directors or meetings of members, sole administrators, directors, managers and legal representatives with sufficient powers to record what corresponds to the statutes, books, records and other documents of the companies, and the rights and obligations of shareholders or shareholders to them.

EIGHTH TITLE OF THE COMPLEMENTARY PROVISIONS

ARTICLE 47.- The legal representatives and fiduciary delegates will be responsible for the veracity of the data regarding the requests, notices and reports, as well as the documents they provide in accordance with these Regulations, when they do not provide the Registry with the name, address and telephone number of the person responsible for the accuracy of the data and documents mentioned.

ARTICLE 48.- The Secretariat may extend the deadlines set forth in these Regulations for compliance with the obligations set forth herein, as well as in the requirements and authorizations issued by the Secretariat itself, provided that extensions are requested before the respective periods expire.

Extensions shall be granted for a maximum period of half of the term originally established, provided that they have been requested in advance in writing and that special circumstances exist that objectively justify granting them, and prior full rights provided by applicable tax law.

ARTICLE 49.- The Secretariat shall at all times have the power to require those obliged by Law and these



Regulations to present any means of proof in order to ascertain the veracity of the data contained in the requests, notices and reports and to verify compliance with the provisions of the Law, these Regulations and the corresponding General Resolutions.

In order to keep up to date and complete the information regarding the persons and trusts registered in the Registry in accordance with article 32 of the Law, the Secretariat may require the obligors to provide the Registry with the information indicated in Articles 38 and 41 of these Regulations, whenever there are special circumstances that justify it.

The requirements issued by the Secretariat, based on the powers established in this article, must be fulfilled by the requested persons within the periods expressly set forth in them, which may not be less than five business days.

ARTICLE 50.- The Commission, when establishing in general resolutions the amounts of investment that will determine the obligation to submit to the Registry the information referred to in this Regulation, will consider the investments that are statistically significant for the measurement of foreign investment flows.

Article added OJF 10/31/2014

ARTICLE 51.- The Secretariat may at any time carry out surveys to the subjects registered in the Registry in order to obtain information relevant to the preparation of statistics or diagnoses on the impact of foreign investment on the national economy.

Article added OJF 10/31/2014

TRANSITORY PROVISIONS

FIRST. This Regulation shall enter into force on the twentieth business day following the date of its publication in the **Official Journal of the Federation**, except as provided in the fourth paragraph of Article 18, which shall enter into force within six months of such publication.

SECOND. It is repealed the Regulation of the Law to Promote Mexican Investment and Regulate Foreign Investment, published in the **Official Journal of the Federation** on 16 May 1989 and repealing all administrative provisions of a general nature which oppose the present Regulation.

THIRD. The investment made in the country by foreigners with immigrated status in any of the activities indicated in articles Six, Seventh and Ninth Transitory of the Law, will be considered comparable to the Mexican investment for the effects of the provisions of article 3 of the same.

FOURTH. Notices and requests for permission that are pending before the Secretariat of Foreign Affairs upon the entry into force of this Regulation shall be resolved in accordance with the provisions in force at the time of submission.

FIFTH. Applications submitted to the Registry and notices and reports filed with the Registry that are pending resolution on the date this Regulation comes into force will be resolved in accordance with it in all that benefits the applicants.

SIXTH. To those who have outstanding obligations in the Foreign Investment National Registry and that comply with the provisions set forth in Title Seven of the Foreign Investment Law within sixty business days following the date of entry into force of this Regulation, the Secretariat shall impose, as the case may be, the minimum penalty established in fraction IV of article 38 of the Law.

Given at the Residence of the Federal Executive Branch, in Mexico City, Federal District, on the twenty-seventh day of August of nineteen hundred and ninety-eight.- **Ernesto Zedillo Ponce de León.**- Signature.- The Secretary of the Interior, **Francisco Labastida Ochoa.**- Signature.- The Secretary of Foreign Affairs, **Rosario Green.**- Signature.- The Secretary of Finance and Public Credit, José **Ángel Gurría Treviño.**- Signature.- The Secretary of Social Development, **Esteban Moctezuma Barragán.**- Signature.- The Secretary of Environment, Natural Resources and Fisheries, **Julia Carabias Lillo.**- Signature.- The Secretary of Energy, **Luis Téllez Kuenzler.**- Signature.- The Secretary of Commerce and Industrial Development, **Hermínio Blanco Mendoza.**- Signature.- The Secretary of Communications and Transportation, Carlos **Ruiz Sacristán.**-



Signature.- The Secretary of Labor and Social Welfare, **José Antonio González Fernández**.- Signature.- The Secretary of Tourism, **Óscar Espinosa Villarreal**.- Signature.



TRANSITIONAL ARTICLES OF REFORM DECREES

DECREE that reforms the Regulation of the Foreign Investment Law and the Foreign Investment National Registry.

Published in the Official Journal of the Federation on May 4, 2009

SOLE ARTICLE.- Articles 4, 9, 10 and 11 of the Regulations of the Foreign Investment Law and of the Foreign Investment National Registry, published in the Official Gazette of the Federation on September 8, 1998, are hereby amended to read as follows:

.....

TRANSITORY PROVISION

FIRST.- This Decree will enter into force the day after its publication in the Official Journal of the Federation.

Given at the Residence of the Federal Executive Branch, in Mexico City, Federal District, on April twenty-nine, two thousand nine.- **Felipe de Jesús Calderón Hinojosa.-** Signature.- The Secretary of the Interior, **Fernando Francisco Gómez Mont Urueta.-** Signature.- The Secretary of Foreign Affairs, **Patricia Espinosa Cantellano.-** Signature.- The Secretary of Finance and Public Credit, **Agustín Guillermo Carstens Carstens.-** Signature.- The Secretary of Social Development, **Ernesto Javier Cordero Arroyo.-** Signature.- The Secretary of Environment and Natural Resources, **Juan Rafael Elvira Quesada.-** Signature.- The Secretary of Energy, **Georgina Yamilet Kessel Martínez.-** Signature.- The Secretary of Economy, **Gerardo Ruiz Mateos.-** Signature.- The Secretary of Communications and Transportation, **Juan Francisco Molinar Horcasitas.-** Signature.- The Secretary of Labor and Social Welfare, **Javier Lozano Alarcón.-** Signature.- The Secretary of Tourism, **Rodolfo Elizondo Torres.-** Signature.

**DECREE which amends, adds and repeals various provisions of the Regulations of the Foreign Investment Law and the Foreign Investment National Registry.**

Published in the Official Journal of the Federation on October 31, 2014

SOLE ARTICLE.- Articles 2, 34, second and third paragraphs, 35, second paragraph, 38, 43 and 45, fraction II (a) and (b), as well as the name of Chapter I of Title VII, are REFORMED; Article 29 bis, a third paragraph to Article 41, and Articles 50 and 51 are hereby ADOPTED and articles 13, 15, 16, 17, 18, 19, 35, fractions I and II, 36, 39 and 45 are hereby REPEALED, fraction II, subsection c) of the Regulations of the Law on Foreign Investment and the Foreign Investment National Registry, to be as follows:

.....

TRANSITORY PROVISIONS

FIRST.- This Decree shall enter into force sixty business days after the date of its publication in the Official Journal of the Federation, except as provided in articles 2, 13, 15, 16, 17, 18, 19 and 29 Bis of the present order which will enter into force on the day following its publication.

SECOND.- The procedures presented to the Registry that are pending resolution on the date of entry into force of this Decree, and those whose obligation to submit to the Registry were generated before the entry into force of this General Resolution, will be resolved in accordance with the provisions of the present order in all that benefits the applicants.

THIRD.- To those who have outstanding obligations in the Foreign Investment National Registry and that comply with the provisions set forth in Title Seven of the Foreign Investment Law within sixty business days following the date of entry into force of this Decree, the Secretariat of Economy shall impose, as the case may be, the minimum penalty established in fraction IV of article 38 of the Law.

Given at the Residence of the Federal Executive Power, in Mexico City, on the twenty-ninth of October two thousand fourteen.- **Enrique Peña Nieto.-** Signature.- The Secretary of the Interior, **Miguel Ángel Osorio Chong.-** Signature.- The Secretary of Foreign Affairs, **José Antonio Meade Kuribreña.-** Signature.- The Secretary of Finance and Public Credit, **Luis Videgaray Caso.-** Signature.- The Secretary of Social Development, **María del Rosario Robles Berlanga.-** Signature.- The Secretary of Environment and Natural Resources, **Juan José Guerra Abud.-** Signature.- The Secretary of Energy, **Pedro Joaquín Coldwell.-** Signature.- The Secretary of Economy, **Ildefonso Guajardo Villarreal.-** Signature.- The Secretary of Communications and Transportation, Gerardo **Ruiz Esparza.-** Signature.- The Secretary of Labor and Social Welfare, **Jesús Alfonso Navarrete Prida.-** Signature.- The Secretary of Tourism, **Claudia Ruiz Massieu Salinas.-** Signature.



DECREE which amends the second paragraph and adds a third paragraph to article 11 of the Regulations of the Foreign Investment Law and the Foreign Investment National Registry.

Published in the Official Journal of the Federation on August 17, 2016

SOLE ARTICLE.- It is **REFORMED** the second paragraph and **ADDS** a third paragraph to article 11 of the Regulations of the Foreign Investment Law and the Foreign Investment National Registry, to read as follows:

.....

TRANSITORY PROVISIONS

FIRST.- This Decree will enter into force the day after its publication in the Official Journal of the Federation.

SECOND.- The permits referred to in article 11 of the Foreign Investment Law, which were issued by the Secretariat of Foreign Affairs prior to the entry into force of this Decree and which do not indicate a temporary nature for their use, shall remain in force, obliging the credit institution to advise the Secretariat of Foreign Affairs on the constitution of the corresponding trust, within five business days after such constitution.

Given at the Residence of the Federal Executive Power, in Mexico City, on August 12, two thousand sixteen.-
Enrique Peña Nieto.- Signature.- The Secretary of the Interior, **Miguel Ángel Osorio Chong.-** Signature.- The Secretary of Foreign Affairs, **Claudia Ruiz Massieu Salinas.-** Signature.- The Secretary of Finance and Public Credit, **Luis Videgaray Caso.-** Signature.- The Secretary of Social Development, **José Antonio Meade Kuribreña.-** Signature.- The Secretary of Environment and Natural Resources, **Rafael Pacchiano Alamán.-** Signature.- The Secretary of Energy, **Pedro Joaquín Coldwell.-** Signature.- The Secretary of Economy, **Ildelfonso Guajardo Villarreal.-** Signature.- The Secretary of Communications and Transportation, **Gerardo Ruiz Esparza.-** Signature.- The Secretary of Labor and Social Welfare, **Jesús Alfonso Navarrete Prida.-** Signature.- The Secretary of Tourism, **Enrique Octavio de la Madrid Cordero.-** Signature.