

## Real Estate and Restricted Zone in Mexico

As general rule, foreign nationals are entitled to buy and own real estate assets in Mexico; although, an exception is described by a Constitutional provision and it is called "Restricted Zone". Mainly, the "Restricted Zone" is the strip of land within 100 kilometers from any international border and 50 kilometers from the coastline.

Nevertheless, Mexican law has established formulas to allow foreign national to safely enjoy and acquire rights over real estate assets and to protect their investment within the "Restricted Zone".

The first formula is call *Fideicomiso* or Trust. This formula is mandatory if real assets will be used for residential purposes, including hotels and tourist related developments.

The second formula is through a Mexican corporation with foreign capital. In this case, the acquisition must be notified to the Ministry of Foreign Affairs within 60 days.