

of properties and the rise in the price of US dollars, presents an opportunity for foreigners who wish to invest in Colombian real estate.

MEXICO

Foreigners Buying Real Estate in Mexico

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According to the Mexican Constitution and the Foreign Investment Law, only Mexican individuals and corporate entities can acquire real estate in the Republic. The State can grant the same right to foreigners signing the covenant known as the 'Calvo Clause', that is, who agree with the Ministry of Foreign Relations ('SRE') to consider themselves as Mexican in connection with said property, and not to invoke the protection of their government in connection with same under the penalty, should they so do, of forfeiting whatever properties they may have acquired to the benefit of the nation. However, within a strip 100 kilometres in width along the borders and 50 kilometres along the coastline (Restricted Zone), foreigners are unable to acquire direct dominion over real estate under any conditions.

Mexican corporations allowing the participation of foreign capital (the by-laws of which must include the Calvo Clause), are able to acquire real estate. They can do so in the restricted zone, always providing that the property is intended for non-residential purposes, and must notify the SRE of such acquisition within the 60 days following the date this takes place. They can also acquire rights for residential purposes over real estate coming within the restricted zone, always providing that this is done through a trust.

In order to acquire real estate outside the restricted zone, both foreign companies and individuals must previously file a document with the SRE in which they agree to the Calvo Clause and obtain the Ministry's permission for such acquisition. If the property is located completely outside the restricted zone, permission will be understood to have been granted if not refused by the SRE within five working days following the date the application is filed. Should the property be partially located within the restricted zone, the SRE will resolve on the application within 30 days following the filing date. Citizens of countries with which Mexico has diplomatic relations need only file a notice containing the Calvo Clause with the SRE, without having to obtain the latter's permission.

Foreign individuals and corporate entities are able, through trusts with a maximum duration of 50 years which can, however, be extended, to exploit and utilise real estate within the restricted zone without establishing real rights over same.