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New threshold for foreign investments in Mexican companies

According to article 9 of the Foreign Investment Law, a favorable resolution from the National Foreign Investment Commission (“Commission”) is required for foreign investment to participate, directly or indirectly, in more than 49% of the share capital of Mexican companies whose total value of assets exceeds the amount determined by the Commission at the time the acquisition is requested. Such amount is annually published in the Federal Official Gazette.

Furthermore, as provided in international treaties and agreements signed by Mexico with various countries, the maximum amount of the value of assets referred to in article 9, should be adjusted each year according to Mexico’s Gross Domestic Product (GDP), as reported by the National Institute of Statistics and Geography.

Thus, on June 10, the Commission issued the Second General Provision through which the amount of the total value of assets referred in article 9 of the Foreign Investment Law is determined (“Resolution”), specifying that, during 2018, Mexico’s GDP was 7.4%.

The Resolution also states that the previous maximum total value of assets, determined by resolution of July 26, 2018, amounted to MXN\$18,211,163,933.16 (eighteen thousand two hundred eleven million one hundred sixty-three thousand nine hundred thirty-three pesos with sixteen cents). By applying the 7.4% rate, the Resolution specifies that, as of June 11, date of its entry into force, the amount of the total value of the assets of the companies concerned is MXN\$19,558,790,064.21 (nineteen thousand five hundred fifty-eight million seven hundred ninety thousand sixty-four pesos with twenty-one cents).

The Resolution finally provides that, as from its entry into force, the previous resolution is repealed.

**For information regarding this subject, please do not hesitate
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