



CORASOL

Bank trust

As a foreigner can I buy a property in Mexico?

Yes, according to current legislation, a foreigner can acquire real estate in any part of Mexico.

However, if the property is located on the beach or within 48 kilometers of the Mexican coast and / or 96 kilometers from a national border, it is called “the restricted zone.”

That means that if **a foreigner** wants to buy a property within that area, they must do it through a bank trust, as established in the Mexican Law in 1973.



The objective of this law is protect the Mexican territory from foreign invasion and possible emancipation.

Mexican banks are the only institutions that grants the certainty of a property deed for foreign buyers, who will be able to choose the banking institution of their preference from a list of banks authorized to issue a bank trust.

The bank cannot use the trust-held property as an asset of the bank, in fact it can only take any action over the property with the prior authorization and written instructions of the beneficiary of the bank trust, which is the buyer of the property.

A trust can have more than one beneficiary, so you can purchase a real estate in co-ownership, and even name an heir. In case that the beneficiary dies, the heir can take possession over the real estate given, as he is considered the new beneficiary, which will also avoid local inheritance taxes.

What is the step by step to start the process?



Do a research between different banks to compare the costs of the bank trust as well as the annual fee that must be paid. Typically, the **opening cost** ranges from \$1,500 USD to \$2,000 USD and the annual payment is around \$ 500 USD.



Once you choose the bank, it will be necessary to process the “Permit to establish a trust in a restricted area”. This procedure is carried out digitally by the email directly with the Ministry of Foreign Relations of Mexico and the resolution **should not take more than 5 business days.**



To know the process in detail you can visit [**this link.**](#)



The permission document is sent to **a Certified Notary Real Estate Lawyer** as well as the the contract project to formalize the process in the public deed.



The bank trust is registered in the National Registry of Foreign Investment and the Ministry of Foreign Relations is notified.



The signing of deeds is coordinated and that's it!



What should I consider when using the bank trust as an instrument to invest in a restricted area?

The trust has a **validity of 50 years** since it is opened, after this time an extension for another 50 years can be requested.

Once this extension has expired, the initial process will have to be repeated to open a new bank trust.



It is important to have in mind that even though the investor owns the property through the bank trust, he retains all the rights to use it. The beneficiary can live in it, sell it, make improvements to it, mortgage it, pass it to heirs, or rent it out.

The bank trust only applies to the purchase of residential properties in the restricted area.

The bank trust creation process must be monitored, endorsed and signed by a notary who certifies that **the transaction is legal.**





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