

LATIN AMERICA MINERAL AND ENERGY LAW

Newsletter

Volume 3 | No. 1 | 2025

In this issue

Argentina	1
Bolivia	1
Chile	6
Perú	7

ARGENTINA

Jimena Vega Olmos, Reporter

Regulation of the Amendments Introduced by the Bases Law to the Federal Hydrocarbons Law and the Natural Gas Law

Through Decree N° 1057/2024 (Decree 1057), published in the Official Gazette on November 29, 2024, the Executive Branch approved the implementing regulations of the provisions of the Bases Law N° 27,742 amending the Federal Hydrocarbons Law N° 17,319 and the Natural Gas Law N° 24,076.

Decree 1057, inter alia, approves the implementing regulations governing the export of hydrocarbons (including crude oil, natural gas, LNG, and byproducts) and amends the preexisting authorization process. Although the need to obtain an export authorization remains, the new default is the right to export. The Energy Secretariat may only restrict exports in limited, specified cases through an objection procedure. Pursuant to the new regime, restrictions must be proportional and approved on a non-discriminatory basis and if no objections are made within the applicable term, the Energy Secretariat must issue a certificate authorizing the export indicating the approved volumes and term. The approved export program cannot be revisited and the right to export becomes firm.

Decree 1057 also approves rules applying to the conversion of conventional production concessions into unconventional concessions, hydrocarbons transportation authorizations and hydrocarbons processing and storage authorizations.

page 2

BOLIVIA

Gonzalo Dávila, Reporter

Administrative Treatment of Illegal Mining in Bolivia

New Regulatory Framework for Actions Against Illegal Mineral Exploitation in Bolivia

Illegal mining has been expanding significantly in Bolivia, impacting the environment as it encroaches upon protected areas such as Madidi National Park. This expansion has increasingly affected Indigenous communities due to river pollution. Additionally, illegal mining has led to human fatalities.

In relation to the subject matter, through Administrative Resolution N° RA AJAM-DJU-RES-ADM16-2023 of December 29, 2023, the Bolivian Jurisdictional Administrative Mining Authority (AJAM), the regulatory body for the mining sector in Bolivia, approved the *Internal Regulation for the Implementation of Actions against the Illegal Exploitation of Mineral Resources*. This new regulation replaces the *Internal Regulation for the Implementation of Actions against Illegal Mining Exploitation*, which had been in force since 2018 pursuant to Administrative Resolution N° AJAM-DJU-RES-ADM-14-2018 of July 18, 2018. In April 2024, the mining regulator announced the publication of the said new regulation in the Bolivian *Mining Gazette*.

According to the article "New AJAM Regulations Abolish Operations Against Illegal Mining and Reduce Them to Bureaucratic Procedures," published by the Agencia de Noticias Ambientales (ANA) on April 3, 2024, the approval of the new regulation took place in an international context where gold prices had begun to rise. In Bolivia,

page 4

ARGENTINA

(continued from page 1)

Extension of the Energy Emergency Declaration

Through Decree N° 1023/2024, published on November 20, 2024, the Executive Branch extended until July 9, 2025, the national energy emergency that had been declared in December 2023 by Decree N° 55/2023.

One of the most significant consequences of this measure is the extension of the deadline to implement revised tariff regimes for power and natural gas distribution and transmission licensees under federal jurisdiction, which deadline was originally set for December 31, 2024, and has now been extended to July 2025.

The Decree also empowers the Energy Secretariat to promote competitive and transparent pricing, sustain real-term revenues, and foster investments to maintain uninterrupted energy services.

Reforms to the Power Regulatory Framework

With the issuance of Resolution SE N° 21/2025, published in the Official Gazette on January 28, 2025 (Resolution 21), the Energy Secretariat introduced important reforms to the power regulatory framework with the aim of continuing to work toward the gradual deregulation of the energy sector.

In 2013, through Resolution SE N° 95/2013, the Government suspended the ability to enter into term market PPAs with local generators. This suspension was eliminated for renewable energy generators through Law N° 27,191 while maintained for conventional generators. In accordance with Resolution 21, generation, self-generation, and cogeneration projects using thermal, hydroelectric, or nuclear sources that achieve COD as from January 1, 2025, shall be authorized to enter into private PPAs within the power term market.

Resolution 21 also abrogated Resolution SE N° 354/2020 and, as a result, CAMMESA (the grid administrator) shall no longer centralize the purchase of fuel for local generators. Beginning March 1, 2025, a new fuel supply framework takes effect, pursuant to which thermal generators are allowed to procure their own fuel, while CAMMESA will continue managing fuel purchases for generators under contracts without self-supply obligations. Resolution 21 establishes rules governing the manner in which fuel costs shall be declared for purposes of calculating spot prices.

Approval of First Projects Under the RIGI Framework

As informed in prior editions of this newsletter, during 2024 Law N° 27,742 was approved in Argentina, which, inter alia, approved a comprehensive promotional regime for large investments (RIGI), granting tax, customs, operational, foreign exchange benefits, and regulatory stability to qualifying projects. As of this date, several projects have been submitted for approval. Two of those projects were approved by the Ministry of Economy, who acts as enforcement authority for RIGI:

- (1) El Quemado solar farm: through Resolution ME N° 1/2025, published in the Official Gazette on January 8, 2025, the Ministry of Economy approved the incorporation of the El Quemado solar farm to RIGI, a 305-MW solar farm in the Province of Mendoza, with a total declared investment in computable assets of US\$211.6 million.

LATIN AMERICA MINERAL AND ENERGY LAW NEWSLETTER

Editor

Miguel Baeza

International Program Fellow

The Foundation for Natural Resources and Energy Law

Reporters

ARGENTINA

Jimena Vega Olmos
Martínez de Hoz & Rueda Abogados
Buenos Aires

Inés Agüero Ovejero
Rio Tinto
Salta

BOLIVIA

Mattías Garrón
PPO Abogados Legal & Tax
La Paz

Gonzalo Dávila Maceda
Oficina de Asesoramiento Legal
La Paz

BRAZIL

Marina Diniz Cândido de Araújo
Anglo American
Belo Horizonte

Marilda Rosado de Sá Ribeiro
BRZ Advogados
Rio de Janeiro

CHILE

Joaquín Corvalán Azpiazu
Bascuñán & Cía
Santiago

Alejandro Montt R.
Albagli Zaliasnik
Santiago

COLOMBIA

Tomás de la Calle
TdlC Energy Consulting & Training
Bogota

Janine Acosta
Cemex
Bogota

ECUADOR

Rafael Valdivieso E. &
Analia Andrade
Bustamante Fabara Abogados
Quito

Patricio Albuja Jijón
Gran Tierra Energy
Quito

MEXICO

Rodrigo Sánchez Mejorada Raab
Sanchez-Mejorada, Velasco y
Ribé, S.C.

Mexico City
Fernando Todd Dip
Todd y Asociados, S.C.
Mexico City

PERU

Oscar Benavides
Rodrigo, Elias & Medrano Abogados
Lima

Luis Felipe Huertas del Pino
Hernández & Cía Abogados
Lima

URUGUAY

Mariana Estradé & Clara Villamil
Hughes & Hughes
Montevideo

VENEZUELA

Isabella Sordo Huizi &
Santiago Fontiveros Santander
Sucre Energy Group
Caracas

The *Latin America Mineral and Energy Law Newsletter* is compiled by Miguel Baeza, and edited jointly with The Foundation for Natural Resources and Energy Law. The Foundation distributes the *Newsletter* electronically on a complimentary basis by request, three issues per year. Copyright ©2025, The Foundation for Natural Resources and Energy Law, Broomfield, Colorado.

- (2) Vaca Muerta Sur oil pipeline: through Resolution ME N° 302/2025, published in the Official Gazette on March 21, 2025, the Ministry of Economy approved the incorporation of the Vaca Muerta Sur oil pipeline to RIGI, a 437-km crude oil pipeline from Allen to Punta Colorada in the Province of Río Negro, with associated infrastructure, with a total declared investment in RIGI computable assets of approximately US\$2.4 billion.

Natural Gas Pipeline Private Initiative Declared of Public Interest

Decree N° 1060/2024, published in the Official Gazette on December 2, 2025, declared of public interest the private initiative submitted by the Transportadora de Gas del Sur S.A. (TGS)

to increase the gas transportation capacity of the Gasoducto Perito Francisco Pascasio Moreno pipeline.

This initiative was filed by TGS under the new Private Initiative Regime and seeks to increase the gas transportation capacity of the referred pipeline by 14 million cubic meters per day (MMm³/d) in the first segment of the pipeline.

Decree N° 54/2025, published in the Official Gazette on February 2, 2025, stated that the increased capacity shall be allocated through a public tender process and the signing of transportation capacity reserve contracts.

Moreover, through Resolution ME N° 169/2025 (Resolution 169), published in the Official Gazette on February 26, 2025, the Ministry of Economy delegated in the Energy Secretariat the adoption of the necessary measures to implement the private initiative submitted by TGS. It also instructed ENARSA to conduct a national and international public tender to select the contractor responsible for carrying out the expansion works.

Finally, through Resolution SE N° 136/2025, published in the Official Gazette on March 31, 2025, the Energy Secretariat approved the guidelines for the allocation of incremental capacity in the gas pipeline and stated that the awardee and TGS shall market with interested third parties the transportation capacity resulting from the pipeline expansion by convening the necessary tenders, ensuring no discrimination in the access to the increment capacity. It also approved the bidding terms and conditions for the aforementioned public tender to appoint the contractor in charge of the pipeline expansion works.

Electricity Regulator Approves Pass-Through of Renewable PPA Prices to Tariffs Paid by Large Users Served by Power Distribution Companies

Through Resolution ENRE N° 185/2025 (Resolution 185), published in the Official Gazette on March 26, 2025, the electricity federal regulator, ENRE, authorized EDENOR and EDESUR (the major power distribution companies under federal jurisdiction) to pass-through the monthly price under renewable energy PPAs executed by renewable generators and power distribution companies servicing large users ("GUDIs" per its Spanish acronym) to the tariffs paid by those large users.

This measure was issued within the framework of Resolution SE N° 370/2022, that in 2022 had authorized power distribution companies to execute renewable energy PPAs with renewable energy generators to cover the renewable energy demand obligations of GUDIs. Although the mechanism was approved in 2022, power distribution companies were not authorized to pass-through the cost thereunder to the price paid by GUDIs and, as a consequence, the mechanism was not used.

This situation has been addressed through Resolution 185, which as mentioned authorizes the pass-through to tariffs payable by GUDIs of the price of the renewable energy supplied under the aforementioned PPAs, a measure that is expected to promote the execution of renewable energy PPAs between power generators and distribution companies servicing GUDIs.

Inés Agüero Ovejero, Reporter

Latest Major Modifications to Mining Legal Framework in Argentina

Resolution 142/2024—National Glacier Inventory

Published in the Official Gazette on November 29, 2024, this resolution, approved by the Vice-Chief of Cabinet of Ministers of the Interior, updates the National Glacier Inventory for the Desert Andes region in northwestern Argentina. The update covers a total of 22 sub-basins located in the provinces of Catamarca, Jujuy, La Rioja, Salta, San Juan, and Tucumán.

Resolution 104/2024—Annual Mining Canon Fee

Issued by the Secretariat of Mining and published in the Official Gazette on December 9, 2024, this resolution updates the value of the annual mining canon fee per claim, in accordance with Resolution N° 90/2023 of the Secretariat of Mining. The new values include:

- First Category Substances: ARS 13,511.11 per property.
- Second Category Substances: ARS 6,826.67 per leasehold.
- Exploration Canon Fee: ARS 170.67 per km².

Incentive Regime for Large Investments (RIGI)

Resolution 5620/2024

The Argentine Tax Authority (ARCA) issued Resolution 5620/2024, establishing procedures and conditions for RIGI benefits, including exemptions from import duties, statistical fees, and other national or local taxes for the importation of new capital goods, spare parts, components, and consumables by Single Project Vehicles (SPVs). It also details the procedures for processing import destinations eligible for these benefits. Additionally, the resolution modifies previous regulations to ensure a streamlined process for SPVs to benefit from the regime, aiming to facilitate large investments in the mining sector by reducing the financial burden on necessary imports.

Resolution 19/2025

The Ministry of Economy issued Resolution 19/2025, which outlines the regulations for the implementation of RIGI. The resolution mandates that local suppliers to the Single Project Vehicles (SPVs) under RIGI must provide an Origin Certificate, detailing the product's tariff code and the applicable origin rule under MERCOSUR or other agreements. Additionally, the resolution establishes criteria for determining the national origin of goods and sets a minimum billing percentage for RIGI-affiliated suppliers, starting at 0.7% in the first year and increasing to 1.2% thereafter. This initiative aims to support local suppliers and ensure the benefits of large investments are distributed within the national economy.

Incentive Regime for Large Investments (RIGI)—Provinces' Adhesion

As of now, 13 provinces have adhered to the Incentives Regime for Major Investments under Title VII of National Law 27,742 (RIGI). The provinces are: Catamarca, Chaco, Chubut, Córdoba, Corrientes, Jujuy, Mendoza, Río Negro, Salta, San Juan, San Luis, Tucumán, and Entre Ríos. Additionally, bills have

DISCLAIMER: The information herein is provided for general informational purposes and does not constitute legal counsel or advice. The Foundation does not guarantee its accuracy and assumes no liability for any reliance thereon. External links are not endorsements. All content is protected by copyright. Always seek direct legal consultation for specific matters.

been presented in the legislatures of the City of Buenos Aires, Misiones, Neuquén, Santa Cruz, Santa Fe, and Tierra del Fuego.

Governors Commit to Local Employment and Supplier Prioritization in Lithium Industry

Governors Sáenz (Salta), Carlos Sadir (Jujuy), and Raúl Jaílil (Catamarca) have signed an agreement under the framework of the Lithium Round Table to prioritize local suppliers in the lithium industry. This initiative aims to boost regional economies and create jobs. This agreement reflects the provincial governors' vision to foster economic development through mining investments, ensuring that benefits like employment and supplier opportunities remain local. The plan includes creating a supplier registry and harmonizing policies across provinces to prioritize local, regional, and national providers for contracts.

Salta Signs MOU with France to Study Hydrogeological Resources and Sustainable Lithium Production

The government of Salta has signed a Memorandum of Understanding with France's Geological and Mining Research Office and the French Development Agency to collaborate on studying the province's hydrogeological resources. This partnership aims to develop sustainable models for lithium production, with a focus on preserving water resources in the Puna region. The initiative includes the exchange of knowledge, technologies, and expertise, with initial studies concentrating on the Hombre Muerto salt flat. The agreement supports Salta's commitment to sustainable mining and aligns with its 2030 development plan.

Central Puerto and IFC to Study US\$600-Million High-Voltage Power Line Project in the Puna

Central Puerto, in partnership with the International Finance Corporation (IFC), is exploring a US\$600-million project to construct a 140-kilometer high-voltage power line in the Puna region. The proposed power line aims to deliver renewable energy to mining companies, enhancing their competitiveness and supporting sustainable development. This initiative aims to improve mining operations and benefit local communities. The collaboration between Central Puerto and IFC underscores a commitment to sustainable energy solutions in the mining sector, contributing to both economic growth and environmental stewardship.

First Andean Intercultural Summit on Lithium Mining Held in Jujuy, Argentina

The inaugural Andean Intercultural Summit on Lithium Mining took place in Jujuy, Argentina, from January 17–19, 2025. The event brought together indigenous representatives from Argentina, Bolivia, Chile, and Peru. Participants discussed the environmental and social impacts of lithium mining, with a particular focus on water scarcity and the lack of community consultation prior to the commencement of mining projects. The summit emphasized the need for the recognition of indigenous land rights, mandatory consultations, and adherence to human rights standards by mining companies. It also called for the establishment of international legal frameworks to protect the rights of indigenous communities in mining areas.

BOLIVIA

(continued from page 1)

"more than 90% of gold exploitation is in the hands of gold mining cooperatives," many of which operate illegally. *Id.* In that respect, Jaime Cuellar, former Coordinator of Illegal Mining at AJAM and an expert on the matter, was consulted by ANA for the aforementioned article and strongly criticized the new regu-

lation. He affirmed: "Now more than ever, the inhabitants of the Bolivian State are left completely defenseless, as the regulation entirely eliminates all operational actions, which are understood as crimes in flagrante delicto. Under this new framework, complaints can now only be addressed through two avenues." *Id.* He further warned that the new regulation allows only for the issuance of a mining activity cessation form, rather than enforcement operations led by AJAM. Additionally, Cuellar emphasized that "with this regulation, the responsibility for combating illegal mining is objectively transferred to the Ministry of Government, thus delegating a specific function, power, and duty of AJAM to a Ministry that lacks the technical and legal capacity to address this illicit activity." *Id.* The article concludes by stating that "AJAM's new Internal Regulation establishes a long and critical bureaucratic process for those filing complaints against illegal mining, delaying the verification of the offense, which is no longer treated as a crime but rather as an administrative matter." *Id.*

However, through a statement published on April 4, 2024, the AJAM indicated that the new Internal Regulations for Actions against Illegal Mining "only includes clarifications to ensure a more appropriate and effective response from AJAM to complaints and ex officio verifications it carries out . . . considering that this institution is primarily technical and administrative." Further, it clarified that the new regulations did not eliminate operational actions but rather that "the adjustments aim to make the actions of the State, through the institutions involved in dismantling this crime, more effective and forceful within the scope of their competencies"

New Internal Regulation for the Implementation of Actions Against the Illegal Exploitation of Mineral Resources

From an objective point of view, the new regulation establishes the following:

Article 4 outlines the understanding of "illegal mining of mineral resources," indicating that it refers to mining activities: (1) carried out in areas that lack mining rights or authorization granted by the competent authority, including those where an application for an Administrative Mining Contract (AMC) or an Exploration and Prospecting License (EPL) is under review; (2) conducted in mining areas that possess mining rights subject to adjustment or AMC, but where the activity is carried out by third parties in violation of Paragraph III of Article 370 of the Political Constitution of the State and Articles 17 and 18 of the Mining Law; and (3) performed in mining areas that only have an EPL.

Articles 5 to 14 describe and detail the "Process for Verifying Illegal Mining of Mineral Resources," stating in Article 5 that the verification process may begin: (1) upon physical or digital complaint to the AJAM by any individual or legal entity, or (2) ex officio.

Thus, regarding the procedure, Articles 7, 8, and 9 describe the completion of a series of administrative steps ranging from the receipt of the complaint, the completion of the "Illegal Mining Form," and the generation of the "Cadastral Technical Report," aimed at confirming the existence or non-existence of mining rights in the reported area. This is done in order to initiate the actions of the respective administrative investigation if there are indications of illegal mining.

Therefore, if according to the Cadastral Technical Report, the AJAM has sufficient information to initiate a criminal action and has identified the alleged perpetrators, it will issue the "Resolution of Suspension of Illegal Activities" and then begin the "Criminal Actions."

On the other hand, if the regulator does not have sufficient information, it will conduct the “On-Site Inspection” (Art. 10), which is primarily intended to gather information at the location of the complaint. Only if individuals are found conducting mineral resource exploitation will the “Mining Activity Cessation Form” be issued (Art. 11)—a document that will serve for the issuance of the “Resolution of Suspension of Illegal Activities.”

Article 12 stipulates that, as a result of the On-Site Inspection, a “Legal Technical Report” must be issued. If it determines the existence of illegal mineral resource exploitation, it will serve as a basis for the issuance of the “Resolution of Suspension of Illegal Activities” and the initiation of the “Criminal Action.” However, if it determines the presence of risk factors and dangers that prevented the inspection from being carried out, the case will be referred to the Ministry of Government.

Finally, the new regulation states that in cases where criminal action is appropriate, the regulator has the obligation and responsibility (Art. 14) to initiate and pursue it to its conclusion.

Differences with the Former Regulation

The differences between the new regulation and the regulation in effect between 2018 and 2023 (*Internal Regulation for the Implementation of Actions against Illegal Mining, approved by Administrative Resolution N°AJAM-DJU-RES-ADM-14-2018 of July 18, 2018*) are mainly the following:

- There was a unit within the mining regulator called the “Illegal Mining Coordinator,” whose function was to “plan and execute operational actions to dismantle illegal mining activities of minerals and/or metals.” (Section 6.2 of Article 6 of the former regulation)
- The Illegal Mining Coordinator could “within the framework of the Operations Plan or actions, carry out administrative procedures to request the support of the Armed Forces and coordinate with other instances.” (Article 11 of the former regulation)
- The former regulation governed the conduct of “in flagrante operations,” which were under the responsibility of the Illegal Mining Coordinator. (Article 12)

Application of the New Regulation

Following the publication of the new regulation, between April 2024 and February 2025, AJAM has published through its website seven administrative resolutions for the suspension of mining activities. These resolutions mark the conclusion of the administrative phase of verifying illegal mining activities in various locations across Bolivia, in accordance with the procedure established in the new regulation. Furthermore, through the aforementioned administrative resolutions, the mining regulator has determined the initiation of criminal proceedings for the alleged commission of illegal mining in four out of the seven published cases.

In the near future, we will have to wait for both the results of these criminal actions and the impact of the new regulation’s implementation on protected areas and the environment.

Mattías Garrón, Reporter

Challenges and Opportunities in the Exploitation of Rare Earths in Bolivia

The exploitation of rare earths has become strategically important on a global scale due to their essential role in the development of advanced technologies and renewable energies. These minerals are essential for the manufacturing of

electronic devices such as cell phones and computers, as well as for the production of electric vehicles, telecommunication systems, and wind turbines. Their growing demand in international markets responds to the transition towards more sustainable energy sources and the expansion of the technology industry, which has led various countries to strengthen their strategies for the extraction, processing, and industrialization of these resources.

Bolivia, as a country with high mining potential, has begun to focus its attention on the exploration and possible exploitation of rare earths. Although its development is still incipient compared to other traditional mining industries, the identification of more than 17 varieties of these minerals in the national territory—mainly in Cochabamba, Potosí, and Santa Cruz—has awakened the interest of the State and international actors in their exploitation. However, in order for Bolivia to position itself as a relevant player in this sector, it is imperative to establish clear policies that encourage investment in sustainable technologies and regulate the proper exploitation of these minerals, as well as ensure compliance with environmental regulations and the participation of local communities in decision-making processes.

Legislatively, Bolivia does not have a specific regulatory body that regulates the exploitation of rare earths; however, there are regulations that norm mining activities and are applicable to these minerals, such as Law No° 535 on Mining and Metallurgy, which establishes the legal framework for the development of mining activities in Bolivia, and Law N° 1333 on the Environment, which regulates environmental protection in all productive activities, including mining, ensuring that negative impacts on the ecosystems are minimized.

However, the creation of the Vice-Ministry of Technological Minerals and Mining-Metallurgical Productive Development, through Supreme Decree 4721 in July 2022, reflects the Bolivian government’s commitment to implement strategies to develop the productive chain of technological minerals, including rare earths. For its part, the Bolivian Mining Corporation (Comibol) has taken concrete steps to advance in the prospecting and exploration of these resources, projecting an investment between US\$2 million and US\$3 million in prospecting and exploration activities for technological minerals and rare earths, with the aim of venturing into new kinds of mining and meeting the growing global demand for these minerals.

Also, on March 24, 2025, Bolivia and Iran established a strategic collaboration for the development and exploitation of rare earths in Bolivian territory, covering the exchange of technology and cooperation in the exploitation of rare earths in specific areas of Cochabamba and Santa Cruz, totaling 28,500 hectares. This agreement contemplates scientific cooperation and joint research, as well as the participation of Iranian companies in projects with joint investment.

Cooperation between Bolivia and Iran in the field of rare earths presents both opportunities and challenges. On one hand, the development of this sector could diversify the Bolivian economy and position the country as a key player in the global market for technological minerals. On the other hand, it is essential to address aspects related to environmental sustainability, consultation and participation of local communities, and the implementation of clean technologies in extraction and processing.

Likewise, in the eventual scenario that the collaboration between both countries is formalized through the signing of a commercial agreement, it will be essential to analyze the contractual structure that will be adopted for its implementation.

This contractual framework must be in line with the principles established in the Political Constitution of the State, in particular, those that guarantee the country's sovereignty over its natural resources. In this sense, it would be crucial that the contract model used ensures an adequate balance between national interests and benefits for both parties.

In addition, the contractual structure should include clear mechanisms regarding benefit sharing, technology transfer, State participation in strategic decisions, and compliance with environmental and social standards. The implementation of clauses regulating the control of extractive activities and the protection of labor rights would be vital to ensure that the agreement contributes to the sustainable development of the country and the consolidation of a responsible exploitation model for strategic resources.

In conclusion, the exploitation of rare earths not only represents a significant economic opportunity but also poses complex challenges in terms of sustainability, mining, and environmental regulation. Due to the particularities of its extraction, which involves highly polluting and technically demanding processes, its exploitation must be carried out under strict environmental protection standards and with due respect for local communities.

In this sense, it is imperative to establish an adequate regulatory and technical framework that allows for efficient and sustainable exploitation, guaranteeing a balance between economic development, legal security, and the protection of natural resources and the communities involved.

CHILE

Joaquín Corvalán Azpiazu, Reporter

Law N° 21,727: Extension of Deadline Under Law N° 21,435 for Registration of Water Rights

On February 18, 2025, Law N° 21,727 was published in the Official Gazette, extending the deadline established by Law N° 21,435 for the registration of water use rights to April 6, 2027. Enacted in 2022, Law N° 21,435 amended the Water Code and, among other provisions, imposed deadlines for registering unrecorded water use rights with the relevant Real Estate Registry (*Conservador de Bienes Raíces*) and in the Public Water Registry (*Catastro Público de Aguas*). The original deadline was April 6, 2025; however, Law N° 21,727 extends this period by two years. The penalties and legal consequences for noncompliance remain unchanged and continue to apply as set forth in Law N° 21,435.

Alejandro Montt, Reporter

Law No. 21,721: Energy Transition Law

On December 27, 2024, Law No. 21,721, known as the Energy Transition Law, was published in the Official Gazette. This law modifies the electricity regulatory framework, particularly in the area of energy transmission, by amending the General Law of Electrical Services. Its purpose is to position electricity transmission as a critical enabler of carbon neutrality and to accelerate the integration of renewable and clean energy sources into the system.

The law aims to correct delays in the development of transmission infrastructure, advance the decarbonization process, promote resilience by ensuring that transmission systems

can adapt to and recover from adverse events, and attract new investment into the energy sector.

Key legal changes include a shift in responsibility for bidding on expansion projects from the National Electric Coordinator (the public body that manages the electric system) to the owners of the facilities being expanded. While the owners will now conduct the bidding processes, the Coordinator will continue to oversee and supervise them—a change intended to streamline administration. The law also allows certain “urgent and necessary” works to bypass the standard planning process and modifies the rules governing the remuneration and expansion of zonal transmission systems to expedite project implementation.

Additionally, the law introduces a mechanism for reviewing the value of investments in transmission works in cases of early contract termination. This mechanism acts as a safeguard in the event that the original contractor abandons the work. A transitional provision allows investment reviews for currently affected projects, though this measure does not extend to future cases.

To implement the new law, the National Energy Commission issued three resolutions on March 7, 2025. Exempt Resolution No. 98/2025 sets out the bidding procedures for expansion works managed by facility owners. These owners must organize public tenders for projects established in Expansion Decrees and Decrees of Urgent and Necessary Works. They are responsible for preparing bidding conditions (subject to review by the Coordinator), supervising project execution, ensuring regulatory compliance, and submitting monthly progress reports, which the Coordinator must make publicly available.

Exempt Resolution No. 99/2025 establishes a process for reviewing the awarded investment value when a contract is terminated early. In such cases, the owner may either complete the work directly or re-tender it to another party.

Exempt Resolution No. 100/2025 introduces a procedure for reviewing and adjusting investment values in transmission expansion projects under specific circumstances. The request must be jointly submitted by the facility owner and the successful bidder.

Reduction of the Power Threshold to Qualify as a Free Customer from 500 kW to 300 kW

Article 147(d) of the General Law of Electrical Services allows end users to contract electricity at free (unregulated) prices when their connected power exceeds 500 kW. However, the same provision authorizes the Ministry of Energy to lower this threshold, subject to a report from the Court for the Defense of Free Competition (TDLC).

Exercising this authority, the Ministry issued Exempt Resolution No. 58/2024, reducing the threshold to 300 kW. The resolution also clarified that connected power must be determined “by connection point associated with each end user’s supply,” specifying the method for calculating whether a user meets the 300 kW requirement.

In practice, this change allows users to move from the regulated tariff regime to the free customer regime, enabling them to negotiate electricity prices directly with suppliers and potentially obtain more favorable terms. Customers who opt into the free regime must remain in it for at least four years and must provide written notice to their distribution concessionaire at least 12 months in advance of switching.

However, the resolution’s language on determining connected power sparked debate. By tying the threshold to a single

connection point, the rule was seen by some as unlawfully limiting the discretion of public distribution service concessionaires to evaluate customer eligibility. Critics argued that the law does not specify how connected power should be measured in cases involving multiple connections. This ambiguity could exclude users with several connections—each below 300 kW individually but exceeding that figure in aggregate—from qualifying for the free regime.

Following challenges by Walmart, Movistar, and SMU, the Ministry issued Exempt Resolution No. 10/2025, reaffirming that existing sector regulations already define “connected power” and how it must be calculated. Citing Article 225(l) of the General Law of Electrical Services, the Ministry clarified that connected power corresponds to the maximum demand a user can place on the system based on the capacity of the connection. The Ministry also acknowledged limited exceptions for grouping multiple connections, such as when consumption facilities are located outdoors or on public property.

The reduction of the connected power threshold to 300 kW presents a strategic opportunity for industrial and commercial users—particularly in manufacturing, agribusiness, retail, and logistics—to access the free customer regime. This regulatory shift may allow these users to negotiate more competitive electricity supply contracts, with greater flexibility in pricing and tariff structures compared to the regulated regime.

PERÚ

Luis Felipe Huertas del Pino, Reporter

Peruvian Government Introduces Significant Modifications to Mine Closure Regulations

On March 19, 2025, the Peruvian government enacted a major overhaul of the national mine closure regulations. The update includes more than 30 regulatory changes and incorporates five new provisions, following a 2021 act of Congress. This is the most substantial revision to mine closure rules since their initial adoption in the early 2000s.

The new provisions have drawn particular attention from the mining industry for strengthening the liability regime applicable to companies and their directors in connection with Mine Closure Plan compliance. Notably, joint and several liability is now established between the mining company and its directors and/or majority shareholders for administrative and civil penalties resulting from noncompliance with the Closure Plan—provided that such noncompliance leads to verified environmental damage.

Another key change generating significant industry interest is the new requirement to provide financial guarantees for the progressive closure stage (i.e., closure activities carried out concurrently with mining operations). Previously exempt, this stage must now be financially backed, marking a meaningful shift in the regulatory approach to early-stage closure.

The regulation also introduces other provisions that will materially affect how mine closures are planned and executed in Peru. The most important of these are outlined below.

Mine Closure Standards

The updated regulations expand the objectives of soil remediation to include hydrogeological and geochemical stability, moving beyond the prior focus on physical and chemical stability established under the 2005 rules. This change acknowledges the critical role of water systems in environmental remediation and promotes a more holistic and sustainable approach to environmental protection.

Government Audits

The Supervisory Agency for Investment in Energy and Mining (Osinermin), responsible for overseeing the safety of mining facilities, is now included as a competent authority alongside the Environmental Enforcement Agency (OEFA) in supervising compliance with Mine Closure Plans. Previously, this role was reserved exclusively for OEFA, which had inherited it from the General Directorate of Mining.

Under the new regime, both OEFA and Osinermin may issue administrative orders when closure work fails to meet the objectives of the approved plan and may require plan modifications if necessary. Additionally, any proposed reduction in the approved closure budget must be reviewed and verified by both agencies, reinforcing oversight and preventing underestimates that could compromise implementation.

Reporting

In line with the new oversight framework, companies must now submit semiannual progress reports on Mine Closure Plan execution to both OEFA and Osinermin. The Ministry of Energy and Mines will approve a technical guide establishing the mandatory content for these reports.

Moreover, closure activities must now be reported at the detailed engineering level, ensuring a higher standard of design and documentation before execution begins. Although this may increase costs and reporting burdens, it enhances traceability and government oversight of closure activities.

At the same time, the regulations streamline the incorporation of technological improvements in treatment systems designed to ensure physical, chemical, and hydrological stability. Such improvements no longer require formal amendments to the Closure Plan; instead, a technical report submitted to the General Directorate of Mining (DGM) will suffice. This change is a notable advance, reducing delays for clearly beneficial upgrades that previously required lengthy approval processes.

Greater Regulation of Progressive Closure

The regulations now explicitly define the period applicable to progressive closure as the lifespan of the project, based on proven and probable reserves and the annual production capacity set out in the Environmental Impact Assessment (EIA) or its approved modifications. This clarification addresses a longstanding issue where the Closure Plan lifespan—rather than the updated EIA—was sometimes used for compliance audits, leading to inconsistent enforcement and reversed penalties.

In the past, discrepancies between the approval dates of EIAs for project expansions and the corresponding Closure Plan updates allowed for inconsistent interpretations by environmental authorities. The new provisions resolve this issue by aligning regulatory timelines and reducing the scope for discretionary enforcement.

Finally, the OEFA is now empowered to order the immediate closure of mining components when there is noncompliance with progressive closure obligations. This authority serves as a supplemental enforcement tool alongside the imposition of fines.

Oscar Benavides & Tomás Denegri, Reporters

Regulatory Developments Affecting Mining Investment in Peru: Deregulation, Community Lands, and Mine Closure

Due to its vast natural resources, Peru remains one of the most attractive destinations for mining investment. In this con-

text, both the public and private sectors continue to pursue efforts to maintain Peru's role as a key global mining player.

Nevertheless, despite encouraging figures recently published by the Ministry of Energy and Mines (a portfolio of 84 exploration projects with a combined investment of US\$1.039 billion and 68 development-stage projects totaling US\$63 billion for 2025), investors remain concerned about the country's high administrative burden. For example, unlike other countries in the region, initiating activities in an exploration project in Peru can take years.

Both current and former governments have clearly identified red tape as an obstacle to investment. In recent months, the Peruvian government has made public statements emphasizing efforts to reduce administrative burdens and facilitate investment.

This report highlights recent positive announcements from the Ministry of Economy and Finance on reducing red tape, while also addressing two developments that may raise investor concerns: changes to regulations governing ownership of peasant community lands and amendments to the Mine Closure Law Regulations.

Deregulation Shock

On March 31, 2025, Minister of Economy and Finance José Salardi announced a sweeping "deregulation shock" initiative to stimulate and incentivize investment. The initiative has three main objectives: to improve and simplify existing regulations, reduce administrative procedures, and enhance the efficiency of state management and the quality of legislation. While the announcement is encouraging, its success will depend on coordinated efforts across all branches of government.

The proposed measures result from collaboration between the Ministry and representatives from key economic sectors, including transportation, fishing, mining, construction, commerce, and hydrocarbons. The first package of legislative reforms is expected between April and July 2025, though no major announcements have been made yet.

Government officials have expressed strong support for the initiative. For example, Gustavo Adrianzén, Head of the Council of Ministers, described it as the first time that concrete measures will be taken to address long-standing issues of over-regulation—warranting cautious optimism.

A related initiative is the so-called "regulatory blackout" (*apagón normativo*), set to begin in July 2025. However, no specific details have been released so far.

New Exception to Ownership of Community Lands

On April 8, 2025, Law No. 32293 was published in *El Peruano*, amending Law No. 24657 (the Peasant Communities Law). The amendment introduces an exception to peasant community land ownership: areas within such lands that, as of December 31, 2015, are occupied by population centers (*centros poblados*) or human settlements (*asentamientos humanos*) will no longer be deemed part of the peasant communities' property. This exception does not apply to communities recognized as Indigenous or tribal peoples under ILO Convention No. 169.

In short, Law No. 32293 seeks to exclude from communal ownership any land used for housing by population centers or settlements prior to 2015—provided no lawsuit had been filed by the community by that date. Although further implementing regulations are pending, it is expected that authorities will formalize these areas by granting land titles to current occupants.

The law introduces a new layer of complexity for investors. Before acquiring or leasing community land, investors must now assess whether any portion is occupied by population centers or settlements and whether the community qualifies as Indigenous. As public records may not reflect this information, fieldwork will be essential, and investors will likely need to rely heavily on information provided—or withheld—by the communities. The resulting uncertainty could complicate land access negotiations.

We will provide further updates once implementing regulations are issued.

Amendments to Mine Closure Regulations

On March 19, 2025, amendments to the Regulations to the Mine Closure Law (MCL Regulations) were published in *El Peruano* through Supreme Decree No. 006-2025-EM. While the decree covers a range of updates, this report focuses on two critical areas: mine closure guarantees and the liability of majority shareholders and directors of mining companies.

The main developments regarding Mine Closure Guarantees (MCGs) include:

- MCGs must now ensure compliance not only with environmental protection standards but also with infrastructure safety standards.
- The Ministry of Energy and Mines will approve a methodology for calculating the MCG amount, which all mine owners with approved Mine Closure Plans must follow.
- In the context of a transfer or assignment of mining concessions, the current holder (transferor/assignor) must continue posting MCGs until the acquiring party assumes the obligation.
- An additional guarantee is required to cover the progressive closure of unguaranteed components and any corrective or preventive measures ordered by the Environmental Enforcement Agency (OEFA).
- If the required MCG is not submitted, the General Mining Bureau may instruct the Public Registry to record an administrative lien (*medida administrativa*) against the relevant concession for the outstanding amount.
- Acceptable forms of MCGs now include bank certificates, letters of credit, and stand-by letters of credit issued by first-tier national financial institutions.
- Mining titleholders with approved Mine Closure Plans must revise their MCG schedules—reflecting the main components of progressive closure—by no later than March 20, 2028.

The amendments also codify the joint and several liability of mining activity holders, their directors, and majority shareholders for breaches of Mine Closure Plans. If such a breach results in an administrative or civil penalty, all parties involved may be held jointly liable.

Additionally, those responsible for noncompliance that causes actual environmental harm will be barred—whether directly or indirectly—from acquiring new mining rights or securing authorizations to initiate exploration, exploitation, or processing activities for a period of five years.

The decree also clarifies that OEFA has authority to supervise compliance with Mine Closure Plans.



71st Annual Natural Resources and Energy Law Institute

July 17-19, 2025

Whistler, British Columbia | Fairmont Chateau Whistler

Join us for the 71st Annual Natural Resources and Energy Law Institute. This year, the Annual Institute will be held on July 17-19, 2025, in Whistler, B.C. While Whistler may seem off the beaten path, its stunning scenery, vibrant atmosphere, and exceptional value are well worth the journey!

Home of the 2010 Winter Olympics, Whistler and its Village are vibrant and bustling with activities in the summer, including sightseeing, mountain biking, hiking, bear viewing, white-water rafting, zip-lining, shopping, dining, and a robust nightlife. Whistler is also the premier golf destination in Canada. Bring the entire family!

The Institute will be held at the iconic Fairmont Chateau Whistler. In addition to the Fairmont, we have discounted rooms, suites, and condos blocked at five other hotels within walking distance of the Fairmont at negotiated rates that are a fraction of market rates!

The Institute will bring together 76 speakers from private practice, companies, academia, government, and non-profits for 39 presentations in 10 separate sessions, including the plenary general session, two sessions on oil and gas and landman's legal issues, sessions on mining, renewable energy and electricity, environmental law, and public lands, a session just for in-house counsel, and for the first time, two sessions on international issues. Review the incredible lineup of speakers and timely topics!

The Institute offers numerous networking and social opportunities, including our complimentary sponsored reception for the entire family on Thursday night at the Squamish Lil'wat Cultural Centre; our complimentary reception for in-house counsel, corporate employees, and their families; a reception for young professionals, students, law professors, and their families; Portia's Lunch for Women; and separate lunch events for oil and gas practitioners, international practitioners, and law teachers.

In addition to our heavily discounted hotel room rates, institute registration rates remain incredibly low for members, and we negotiated a 10% discount on airfare through Air Canada! Fly into Vancouver International Airport then sit back and take the nonstop Whistler Connection shuttle at a discount to Whistler.

Don't miss this unique opportunity to expand your expertise and create lasting memories in one of the most majestic and captivating destinations in the world!

REGISTRATION – fnrel.org/programs/ai71/registration



Association of International Energy Negotiators



Institute for ENERGY LAW

Short Course on

International Oil & Gas Law, Contracts, and Negotiations

Hilton Post Oak | Houston, Texas | Part 1: September 22-26, 2025
Part 2: September 29 – October 3, 2025

Part 1: September 22-26, 2025
From Concept to Discovery

Part 2: September 29 – October 3, 2025
From Discovery to Decommissioning

REGISTRATION – fnrel.org/programs/SCI25/registration



2095 West 6th Ave., Suite 109
Broomfield, Colorado 80020
www.fnrel.org