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CONGRESS APPROVES BILL THAT POSTPONES EFFECTS OF LAW 21,420 FOR THE MINING SECTOR

On January 17, 2023, the Senate approved the that sought to postpone the entry into force of the amendments introduced to the Mining Code by Article 10 of Law 21,420 (the "Bill 15,511-08").

This concludes the legislative process of Bill 15,511-08, as the House of Representatives had already approved this bill on January 5, 2023.

Now, the initiative will be sent to the President of the Republic for its promulgation and subsequent publication in the Official Gazette in order to be enacted.

Background information

On November 23, 2022, the President of the Republic submitted a bill to the National Congress that aims to address and resolve the inconsistencies and loopholes contained in Law 21,420, as well as to amend a series of other mining legal provisions in order to generate a more harmonious regulatory statute in line with the practical reality of mining in Chile (the “Bill 15,510-08”).

At the same time, the President of the Republic sent to Congress a bill to postpone the entry into force of Law 21,420 in order to have time to discuss the amendments proposed in Bulletin 15.510-08 (the “Bill 15,511-08”).

The amendments proposed by Bill 15,510-08 can be reviewed here.

Amendments introduced by the approval of Bill 15,511-08

The sole article of Bill 15,511-08 amends the tenth transitory article of Law 21,420, which is the main article that regulates the entry into effect of the amendments that Article 10 of said law introduced to the Mining Code. The tenth transitory article of Law 21,420 stated that this law would enter into effect “one year after its publication in the Official Gazette”, that is, on February 4, 2023.

Now that Bill 15,511-08 has been approved, Law 21,420 shall come

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Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

into force on January 1, 2024. Accordingly:

• Geological Information

• The obligation of the holder of a mining concession holder to submit all geological information obtained from exploration works carried out in its concession shall come into effect two years after the entry into force of Law 21,420, that is, on January 1, 2026.

• Exploitation Mining Concessions

• The amendments to the procedure for the constitution of an exploitation mining concessions shall come into effect on January 1, 2024.
• Proceedings of constitution pending on January 1, 2024, shall continue to be governed by the provisions in force at the time of their initiation.

• Possessory actions

• The requirement for the mining concessionaire to have a mining easement or other right in rem encumbering the surface land of its concession for a possessory action against the owner, possessor or mere holder of such surface land to proceed, shall become effective on January 1, 2024.

• Exploration Mining Concession

• The amendment of the duration of exploration mining concessions to 4 years, non-extendable, shall become effective on January 1, 2024.
• Exploration mining concessions registered in the relevant Custodian of Mines, in force as of January 1, 2024, and that have not been extended to that date, shall be understood to be granted for a term of 4 years from the date of their final judicial award.

• Annual Mining License

• The elimination of the distinction between licenses for mining concessions over metallic and non-metallic substances, the modification of the values of the annual license for each type of mining concession (exploration and exploitation) and the benefit of a reduced patent in certain cases shall come into effect on January 1, 2024.
• On the other hand, for calculating the terms of the progressive

license of unworked exploitation concessions, those exploitation concessions that are subject to the payment of annual mining license prior to January 1, 2024, shall be deemed to have completed their first year of validity on February 28, 2024.

• Change of Datum

• The process of unification of the coordinates system to the SIRGAS datum shall be initiated for mining concessions in force as of January 1, 2024.

It must be noted that Bill 15,510-08 (still under discussion in Congress) intends to amend the matters commented in the previous points, except for the possessory actions, subject not contemplated in the bill.

The amendments introduced by Law 21,420 can be reviewed here.

Effective date

The provision of Bill 15,511-08 shall come into force as of the date of its publication in the Official Gazette, at which time it will become a law of the Republic.

Authors: Rafael Vergara; Joaquín Granados