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ENACTMENT OF LAW 21.301, WHICH EXTENDS THE TERMS OF THE BASIC SERVICES LAW

On **August 8, 2020, Law 21,249** which provided for exceptional measures in favor of the end users of sanitary services, electricity and network gas was published in the Official Gazette on August 8, 2020 (hereinafter the " **Basic Services Law** "). Likewise, on January 5, 2021, Law 21,301 (the " **Extension Law"**), which extended the effects of the Basic Services Law was published in the Official Gazette

The Extension Law modified all those 90-day terms included in the Basic Services Law, for 270-day terms (counted from the publication of the Basic Services Law, that is, from August 8, 2020), as well as the number of months in which the debt generated within this period could be prorated, increasing it from 12 to 36. In addition, the Extension Act added two new articles, by which it included:

• A period of 30 additional days for the beneficiaries of this Basic Services Law, so that those who are beneficiaries may take advantage of the possibility of prorating the debt generated within the period covered by it. This additional 30- day period will begin to run once the 270-day period is over; and
• An obligation for Basic Services Companies (as defined below) to inform their users (through information published on the website and in the accounts) about the debt they have with the respective company.

Having said that, the essential characteristics of the Basic Services Law since its modification are the following:

• As of the publication of the Basic Services Law (i.e., from August 8, 2020 onwards), and for a period of 270 days, the sanitary service providers, electricity distribution companies and cooperatives, and network gas distribution companies (hereinafter, the " **Basic Services Companies** ") may not interrupt the supply for non-payment to certain customers, including residential users, hospitals, prisons, homes for minors at social risk, non-profit organizations, and micro-businesses, among others.

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• For some types of clients (those who are within 60% of vulnerability according to the Social Registry of Homes; older adults; those who are receiving benefits under the law establishing unemployment insurance, independent or informal workers who signed an affidavit indicating that they would be significantly affected in their income, among others) and certain institutions or establishments, The debts contracted with Basic Services Companies generated between March 18, 2020 and up to 270 days from the publication of the Basic Services Law, will be prorated in the number of installments determined by said user (although not more than 36), as of the billing following the end of this period, without being affected by fines, interest or associated expenses. Such pro-rata may include debts prior to March 18, 2020, but may not exceed 10 UF in the case of electricity distribution companies and electricity cooperatives, and 5 UF in the case of network gas distribution and sanitary services companies.These benefits could also be extended to those end users who, although not included among those mentioned above, signed an affidavit stating that they are unable to meet their payment obligations to Basic Services Companies, and who requested to avail themselves of this benefit, being able to prove this circumstance. In any case, the malicious declaration may be sanctioned with the provisions of Article 210 of the Criminal Code, that is, with penalties of minimum to medium imprisonment and a fine of six to ten monthly tax units (UTM).
• The Basic Services Companies must respond to requests for benefits under the Basic Services Law within 5 working days of the request, and may not deny it to those who are within 60% of vulnerability, older adults, and those users who are receiving benefits under the law that establishes unemployment insurance.
• During the 270 days following the publication of the Basic Services Law, the energy generation and transmition companies must continue to provide the distribution companies and cooperatives with electric energy normally. Likewise, within the period counted from 30 days prior to the publication of the Basic Services Law and up to 270 days after its publication, the electric energy cooperatives may pay the generators and transmission companies in installments, considering the same number of months in which the accounts of their beneficiaries will be pro-rated.
• Basic Services Act beneficiaries will have an additional 30 days to qualify for the possibility of prorating the debt generated during this period. This additional 30- day period will begin to run after the 270-day period ends; and

• Basic Services Companies must inform their users (through information published on the website and in the accounts) about the debt they have with the respective company.

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