



Doing Business Peru 2025

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Corporate Matters

1.1 PERMANENT STRUCTURES

A. Corporate Forms

According to the General Corporations Law ("LGS"), the most important and widely used corporate forms are the public limited corporation (Sociedad anónima) and the limited liability partnership (Sociedad comercial de responsabilidad limitada). Nonetheless, the LGS regulates other various corporate forms, i.e. public limited

corporation, general partnership (sociedad colectiva), limited partnership (Sociedad en comandita), limited liability partnership (sociedad civil), etc.

The following are the most relevant aspects of the public limited corporation, the closely-held corporation, and the limited liability partnership.

	Public Limited Corporation (Sociedad Anónima)	Closely Held Corporation (Sociedad Anónima Cerrada)	Limited Liability Partnership (Sociedad Comercial de Responsabilidad Limitada)
Minimum number of partners/shareholders	2		
Liability of the shareholders/partners	Limited to the amount of the contributions of the partners/shareholders		
Initial Equity	Even though the LGS does not establish a minimum amount of equity for the incorporation of the company, regulation of certain sectors could do.		
Equity Representation	Shares		Quotas

	Public Limited Corporation (Sociedad Anónima)	Closely Held Corporation (Sociedad Anónima Cerrada)	Limited Liability Partnership (Sociedad Comercial de Responsabilidad Limitada)
Maximum number of partners/shareholders	750	20	
Limitations on the transfer of shares / quotas	None. However, the Bylaws can establish a right of first refusal of the other shareholders.	Unless otherwise provided for in the bylaws, shareholders have a right of first refusal of the other shareholders unless otherwise provide for in the bylaws.	Right of first refusal of the other partners unless otherwise provided for in the bylaws.
Shares/Quotas transfer formalities	The transfers are private and recorded in the company's stock ledger book.		Transfers are executed by public deed and registered in the Peruvian public record.
Profit sharing	Profits are distributed among the shareholders/partners in proportion to their equity contributions unless otherwise provided for in the bylaws or unanimously agreed in the general shareholder's / partner's meeting.		
Shareholder's – Partner's Agreements	<p>Agreements between partners/shareholders and third parties are valid in all types of companies and are enforceable in all aspects concerning the company to the extent the company is duly notified of the existence of such agreement.</p> <p>In the event of a conflict between the agreement and the bylaws, the latter shall prevail.</p>		
Governing Bodies	General Shareholders Meeting, Board of Directors, Management	General Shareholders Meeting, Management The Board of directors is optional.	General Partners Meeting, Management

B. Branches

An alternative option to the incorporation of a company is the establishment of branches that are endowed with permanent legal representation and have management autonomy within the scope of the activities assigned to them by the parent company, in accordance with the powers granted to their representatives. The branches do not have independent legal personality.

C. Joint Ventures

Peruvian law regulates two types of associative agreements: the consortium and the joint venture contract. This is not an exhaustive list, so other associative agreements are also permitted under Peruvian law, without the need for specific regulation.

On one hand, a consortium is defined as an agreement in which at least two persons or entities associate for the purpose of participating in a given business in order to share profits and reduce transaction costs. A consortium does not create an independent and separate entity from its members.

On the other hand, the LGS defines a joint venture agreement (contratos asociativos) as an agreement by virtue of which an individual or company grants a person or persons (an individual or legal entity) participation in the result or in the profits of the business that it maintains with third parties. In exchange, the associate -usually- provides some type of contribution to the business. In this type of agreement, the associate's identity remains hidden from the third parties with whom the managing associate carries out the business management.

1.2 AGENCY / DISTRIBUTOR / FRANCHISE

Peruvian law does not have any specific provisions for the establishment, requirements or treatment of agencies, distributors, franchises or distribution networks. Likewise, there are no rules for the protection of the agent or the distributor. Consequently, any agency, resale, franchise or distribution business carried out with Peruvian entities will be governed by the contract between the parties and the general provisions applicable to contracts and obligations.

Franchise agreements shall be registered before the National Institute for the Defensa of Competition and Protection of Intellectual Property (INDECOPI), being the competent Peruvian authority in charge of trademark registration, in order to be able to use the trademarks involved in such agreement.

1.3 REPRESENTATIVE OFFICES AND NON-PERMANENT ESTABLISHMENTS

Foreign companies may establish representative offices and "non-permanent" establishments without the need for any registration or approval, except in certain regulated industries, such as banks and insurance companies. These types of establishments must have sufficient powers of representation so that agreements signed by these establishments are enforceable under Peruvian law.

1.4 SENSITIVE ECONOMIC SECTORS / OWNERSHIP RESTRICTION FOR FOREIGNER

In general terms, Peruvian law does not establish restrictions on the conduct of business or ownership of property by foreigners in Peru.

1.5 CERTIFICATES AND REGISTRATIONS

The performance of certain commercial activities requires the prior approval of the corresponding authorities. This is the case, for example, of banking and financial activities, insurance and telecommunications activities, among others. Similarly, all activities related to natural resources, whether renewable or non-renewable, require prior authorization or concession from the competent administrative authority.



Tax Matters

2.1 INCOME TAX

Income tax is an annual tax that levies income obtained by taxpayers domiciled in Peru, regardless of where such income is generated. Additionally, this tax is levied upon Peruvian source income obtained by non-domiciled subjects.

Pursuant to Peruvian legislation, Peruvian source income is classified into the following categories:

First: income arising from the lease, sublease, and assignment of goods and property.

Second: investment income (capital gains, dividends, royalties, others)

Third: business income.

Fourth: income from independent professional services.

Fifth: employment income

Please find below the most relevant aspects of income tax that apply to domiciled taxpayers:

A. Domiciled

. Individuals:

The following individuals are considered domiciled in Peru, among others: Peruvian individuals residing in Peru and foreign individuals who have lived or stayed in Peru over one hundred and eighty-three (183) calendar days during any twelve-month (12) period.

Individuals domiciled in Peru who do not carry out business activities, are taxed for Income Tax purposes through the following dual system.

Capital Income: This income is taxed at a rate of 6.25% of the gross income (5% of the net income). In case of distribution of profits/dividends, the applicable rate is also 5%.

Labor Income: comprises fourth and fifth category net income. In case of fourth category income, taxpayers are required to make monthly pre-payments, directly or through a withholding system, at a rate of 8% of the income. In case of fifth category income, employers withhold one twelfth of the annual tax on a monthly basis from the beneficiary.

To determine the annual tax of an individual, Labor Net Income is added annually. A standard deduction of seven (7) tax units is applicable. An additional deduction of three (3) Tax Units is allowed for a variety of expenses including medical, financial, among others, provided certain requirements are met. The balance is added to the net income from foreign sources and the resulting amount is applied to a cumulative progressive tax scale with the following ranges:

Labor net income and net income from foreign source	Rate
Up to 5 Tax Units	8%
From 5 TU to 20 TU	14%
From 20 TU to 35 TU	17%
From 35 TU to 45 TU	20%
Over 45 TU	30%

Pre-payments and withholdings made during the year are deducted from the resulting amount.

Legal Entities:

The following legal entities are considered domiciled in Peru: legal entities incorporated in Peru, as well as branches, offices, agencies, and other permanent establishments in Peru belonging to individuals or legal entities which are not domiciled in the country, the latter only for the purposes of their Peruvian source income.

Corporate Income Tax is determined by applying a rate of 29.5% on the net income (gross income minus deductible expenses incurred in generating it).

Moreover, profit distribution carried out by Peruvian companies is taxed at a 5% rate, except when the beneficiary is another domiciled legal entity.

¹For the 2025 fiscal year, the value of the tax unit is S/ 5,350.00 (approximately US\$1,435) ("Tax Unit").

B. Non-domiciled

Concerning non-domiciled taxpayers, Income Tax is only levied on their Peruvian source income. Among others, the following income is considered Peruvian source income:

Income produced by properties located in Peru.

Income produced by goods or rights, when physically located or used for economic purposes in Peru.

In respect of royalties, when goods or rights for which royalties are paid are used for economic purposes in Peru or when royalties are paid by a resident of Peru.

Produced by capital located in Peru.

Upon dividends generated by companies domiciled in Peru.

Resulting from business practices carried out in Peru.

Resulting from individual work carried out in Peru.

Obtained from the sale, redemption of shares and representative shares of capital or other stocks of companies incorporated or established in Peru.

Obtained from digital services when these are used for economic purposes or consumed in Peru.

Obtained from technical assistance services, when the service is used for economic purposes in Peru.

A non-domiciled taxpayer will incorporate a Permanent Establishment upon any of the following circumstances:

It carries out its business activities within Peruvian territory through a fixed place of business.

It provides a service within Peruvian territory, for a cumulative period of 184 or more days, within any given 12-month period.

It carries out works or constructions projects within Peruvian territory for a cumulative period of 184 or more days, within any given 12-month period.

2.2 VAT

Sales Tax or Value Added Tax (VAT) is a tax levied upon value added in each transaction at various stages of the business cycle. Applicable rate: 18% (including 2% Municipal Promotion Tax).

Sales Tax is levied upon the following operations in Peru:

Sale of personal property.

The provision of services within the country.

The use of services within the country by non-domiciled taxpayers.

The use of digital services by individuals with habitual residence within Peru.

Construction contracts.

The first sale of real property by constructors.

Import of goods.

Sales Tax Law contains a number of exemptions; among the main ones: the transfer of assets carried out as a consequence of company restructuring, the transfer of used goods carried out by individuals or legal entities who do not perform entrepreneurial activities, the transfer of shares, among others.

The Taxpayer is the person performing the taxable activity, i.e. who sells goods and provides services, imports affected goods, etc.

VAT follows the debit/credit system, under which the VAT paid upon acquisitions (input tax) is offset against the VAT of the sale (output tax)

2.3 TEMPORARY NET ASSETS TAX

Temporary Tax on Net Assets is an equity tax that is levied upon the value of the Net Assets as of December 31 of the previous year. The obligation becomes due on January 1st of every year and is paid from the month of April each year.

The applicable rate is 0% up to S/. 1,000,000 and 0.4% on the excess of S/1,000,000.00 net assets value, pursuant closing balances as of December 31st of each fiscal year. It can be used as credit against pre-payments and regularization of Income Tax.

2.4 FINANCIAL TRANSACTIONS TAX

Tax levied on bank transactions in national and foreign currency.

The applicable rate is 0.005% on the value of the transaction. The Financial Transaction Tax is deductible for Income Tax purposes.

2.5 EXCISE TAX

The Excise Tax is levied on sales in Peru at the production level and upon the import of certain goods, such as: fuel, soda and mineral water, alcoholic beverages, vehicles, cigarettes, beer, luxury goods and gambling. Tax rates vary between 0% and 50%, depending on the type of goods or services taxed. In some cases, fixed amounts are established, depending on the product or service.

2.6 REAL ESTATE PROPERTY TAX

Tax applied on the total value of real estate declared by the owner. The taxpayer is the real estate owner registered by January 1st of each year.

The tax is calculated according to the following cumulative scale:

Real State Value	Tax Rate
Up to 15 Tax Units	0.2%
More than 15 TU and up to 60 TU	0.6%
More than 60 TU	1.0%

2.7 ALCABALA TAX

This tax is levied on the acquisition of real state property. The tax rate is 3% and the tax base is the higher value between the real estate value and the value agreed upon by the parties in the acquisition agreement. A flat deduction of 10 tax units is applied to the taxable base before applying the 3% tax.

03.



Labor Matters

3.1 LABOR AGREEMENTS

A. General rule: indefinite term employment agreements

Personnel must be hired for an indefinite term (without an expiration date of the employment agreement), unless there is some exceptional cause that justifies a temporary relationship with the employee. Thus, the rule is having an indefinite term agreement and the exception is the temporary agreement. This employment agreement can be entered into verbally or in writing.

B. Exception: fixed-term employment agreements

Fixed-term hiring is allowed as long as it is supported in any of the modalities established by law. The employer must be able to objectively demonstrate the temporary need for a fixed-term agreement to be valid.

These modalities must be interpreted restrictively and can be classified into three large groups:

Temporary nature:

Due to the start or increase of an activity: it covers the tasks that are generated by the establishment of new business activities or by the increase in demand for products or services in the market.

Due to market needs: it attends unpredictable increases in production due to substantial market variations.

Due to business reconversion: it carries out tasks related to the replacement, extension or modification of the company's business line.

Accidental nature:

Occasional: it covers transitory needs other than the ordinary ones in the company.

Substitution: to cover the work performed by a worker whose employment contract is suspended.

Emergency: it attends the needs due to fortuitous events or force majeure.

Work or service

For specific work or service: to execute a specific and transitory work or service. Therefore, its duration turns out to be the one strictly demanded by the work or service entrusted.

Intermittent: to cover the needs that, by its nature, are permanent but discontinuous.

Seasonal: it seeks to meet the needs of the line of business that appears only at certain times of the year.

Each modality has common rules provided for temporary agreements, but they may also have specific rules regarding their maximum duration and evidentiary requirements.

C. Recruitment of foreign workers

Regulated by the Foreign Workers Law and its Regulations. These workers may not constitute more than 20% of the employer's total staff, and their remuneration may not exceed 30% of the entire payroll. However, employers may request an exception for specific cases.

Employment agreements for foreign employees are necessarily fixed-term of up to three years and must be consolidated in writing. They may be renewed successively for equal periods.

If the employment agreement is approved by the Labor Authority, the Immigration Office can change the worker's immigration status. Once the work visa is granted, the worker obtains an immigration card and can begin to provide services to the Peruvian company.

Foreigners from Mercosur or "Comunidad Andina" member countries are not subject to the aforementioned regulations; instead, the general regulations that apply to Peruvian workers apply for them.

3.2 TELEWORKING

It's a modality that replaces "remote work" or "home – office", which was implemented due to the propagation of Covid19. It seeks to regularize off-site work, implementing specific provisions and obligations, especially in matters of safety and health at work, such as:

The agreement to change the work modality must be in writing and must have the approval of both the employer and the worker.

The workplace will be defined by the teleworker and informed to the employer, who must verify the conditions of the workspace to identify the risks to which the teleworker is exposed.

Work tools and working conditions (such as computers, cellphones, electricity, and internet services) must be provided or compensated by the employer, unless otherwise is agreed.

In terms of privacy protection and intimacy of the teleworker, the employer cannot access the teleworker's private communications and documents, cannot record or capture his/her image and voice without his/her express consent, or enter his/her usual place of telework without prior authorization from the teleworker.

Companies that decide to implement this modality have until April 28, 2023 to comply with these provisions.

Likewise, by Ministerial Resolution No. 53-2025-TR the update of the cost of Teleworking was approved, that is, of the values for the calculation of the consumption of internet service and electricity consumption (fan/heating consumption is included in the calculation) in teleworking during the year 2025. These values will be updated annually to reflect actual costs and ensure fair compensation. Therefore, these values should be considered in case of teleworking.

3.3 MINIMUM WORKING CONDITIONS

Minimum Living Wage (RMV): Dependent and subordinate workers have the right to receive, at least, the minimum living wage in force, which is currently PEN 1130.00 (one thousand one hundred and thirty with 00/100 Soles) or approximately USD 314.00 (three hundred fourteen with 00/100 US Dollars). The RMV may be adjusted periodically by the Government.

Workload: The maximum workload in Peru is eight (8) hours per day or forty-eight (48) hours per week. It is possible to establish atypical or cumulative days, as long as the legal maximums are respected.

Weekly rest day and holidays: Workers have the right to have a duly paid weekly rest day of at least twenty-four (24) continuous hours, and preferably on Sundays. In addition, for the nonworking holidays that are established by law, they must receive their regular pay corresponding to a working day.

People with disabilities: Workers with disabilities have the right to have reasonable accommodations in their workplace implemented by the employer. Companies with more than 50 workers, must reserve 3% of its payroll for the employment of people with disabilities.

3.4 EMPLOYMENT BENEFITS

Family allowance: this benefit extends to workers who children under age; those who have children up to the age of 24, who are pursuing higher education; and those who have children with severe disabilities, unless they receive the Non-Contributory Pension for Severe Disability. This benefit is equivalent to 10% of the minimum wage, currently amounting to PEN 113.00 (one hundred and thirteen with 00/100 soles) or approximately USD 31.00 (thirty-one with 00/100 US Dollars). Consequently, it can be adjusted periodically when the government updates the minimum wage.

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Legal bonuses: in the months of July and December of each year, the worker is entitled to receive an additional monthly remuneration, on occasion of the National Independence Day and Christmas, respectively. Additionally, the employer must pay the worker 9% of its value, at each opportunity, if the worker is affiliated to the public health system (EsSalud) or 6.75% if he is affiliated to a private health provider (EPS).

Compensation for service time (CTS): this benefit provides a contingency fund that allows the worker to face transition in case of unemployment. Only workers who provide minimum services of 4 hours a day are entitled to it.

This is a semiannual deposit that the employer must make, which is deposited in a bank account in the name of the worker in the month of May and November of each year. Generally, this amount should be withdrawn by the worker at the time of termination of the employment relationship. However, the worker is allowed to dispose of 100% of the surplus of four gross remunerations; and the rest, at the end of his employment relationship. Exceptionally, due to the context of the economic recovery post health emergency, the total withdrawal of the fund has been allowed until December 2026.

Vacations: after completing one year of service, the worker is entitled to thirty (30) calendar days of paid vacation leave.

The law contemplates possibilities of agreement between employer and worker to reduce,

advance, accumulate and sell his/her vacations. It is also established that the worker must receive a compensation when he/she has not enjoyed his/her vacation rest within the following year in which he/she obtained that right.

The opportunity for taking this benefit is determined by agreement between the parties, but, in the absence of agreement, the employer decides based on the operational needs of the company.

Profit share: companies that generate third-category income and have more than 20 employees, are obliged to distribute a percentage of their profits among their workers. This percentage is set according to their economic activity, and ranges between 5% and 10% of their annual income before taxes. The calculation method for the distribution is made according to attendance days to work and the remuneration received in the year of each worker.

The profit share must be distributed within thirty calendar days after the expiration of the period for filing the Annual Income Tax Sworn Statement before the Tax Authority.

Overtime pay: Overtime work is voluntary, both in its agreement and in its realization. Overtime work is compensated with substitute rest or payment with a surcharge of 25% of the regular hourly value for the first two hours, and 35% of the hourly value for the remaining hours.

High management personnel and workers who are not subject to the maximum working hours are not entitled to this compensation.

Life insurance: Every worker has the right to a life insurance at the expense of the employer from the beginning of the employment relationship. Its characteristics are established by law and the insurance fee results from the agreement between the employer and the insurance company.

Leaves: are paid leave days provided by the company, and duly subsidized in some cases. Among the most important licenses, we have the following ones:

Maternity leave (98 calendar days)

Paternity leave (10 calendar days)

Medical Assistance and Rehabilitation Therapy for Family Members with Disabilities license (56 hours per day)

Leave for workers with family members in serious or terminal condition, or serious accident (7 calendar days)

Leave for workers with children diagnosed with cancer (up to a period not exceeding 1 year)

Adoption Leave (30 calendar days)

Union leave (30 calendar days per year)

Mandatory military service leave (up to 30 calendar days)

Leave for members of the Occupational Safety and Health Committee and Occupational Safety and Health Supervisors

Preventive cancer exam license for men and women (up to 2 business days continuous or discontinuous)

Leave for death of family members (up to 5 calendar days)

3.5 SOCIAL CONTRIBUTIONS, PENSION CONTRIBUTIONS AND TAXES

In Peru, to protect certain workers' rights, the Government has imposed a series of obligations on employers.

Contributory Social Security in Health Regime (RCSSS): The Social Security in Health is in charge of EsSalud, the entity responsible for providing coverage to the insured and their beneficiaries through a series of benefits (health, welfare and promotion, economic and human risks). In this case, it's the employer who must make monthly contributions to EsSalud, which amounts to 9% of the gross monthly remuneration of each worker.

Additionally, this insurance can be complemented with health plans provided by the EPS (private health providers). The EPS are duly accredited institutions that provide health benefits and are subject to the control of the Superintendence of Health Providing Entities. Also, to hire the services of an EPS the decision of the absolute majority of all the workers of the company is required.

Pension System: Currently, there are two pension systems in Peru: the National Pension System (SNP) and the Private Pension System (SPP).

Through the SNP, the State provides retirement, death and disability benefits to its insured. This system is in charge of two institutions: the National Pension Office and the National Superintendence of Tax Collection (basically collection aspects). In the SNP, for those who are mandatory members, the contribution rate amounts to 13% of their monthly remuneration, the contribution is assumed entirely by the worker.

On the other hand, in the SPP, the institutions responsible for providing benefits are the Pension Funds Administrators, which are entities that administer the contributions of their affiliates made on the basis of individual capitalizations and that are under the supervision of the Superintendency of Banking, Insurance and Pension Funds Administrators. The benefits provided in the SPP are those of retirement, disability or survival pensions as well as burial expenses. Under this scheme, the employer is responsible for withholding the amount of contributions in order to declare them and pay them to the AFP. The average retention is approximately 13% depending on the AFP selected by each affiliate.

Income Tax: It is applicable to all income derived from work and paid by the employee; however, it is the employer's obligation to withhold and pay it to the corresponding entity. The income tax rates are incremental and by brackets, regulated by the income tax law.

3.6 COLLECTIVE LABOUR RELATIONS

Workers' unions: Workers have the right to form unions, which, at the company level, must have at least 20 members. Membership is voluntary.

Collective agreements: Signed between the employer(s) and the union(s) in order to regulate various working conditions. If the union affiliates the majority of the personnel, it will apply to all workers of the company, regardless of their affiliation to the union; whereas, if the union is a minority, it will apply only to union members.

Right to strike: It is constitutionally recognized and consists of a collective suspension of work by those involved. The strike must follow certain legal aspects and can be declared illegal. The employer has the duty to recognize the exercise of this right if it follows the legal formalities. The only workers who are excluded from this are the management and workers with positions of trust and those who perform minimum services on the company.

3.7 TERMINATION OF THE EMPLOYMENT RELATIONSHIP

A. General grounds for termination of the employment relationship

Our legislation provides an exhaustive list of grounds that justify the conclusion of employment agreements:

Death of workers or employers, in the case of the latter being a natural person.

Voluntary resignation or withdrawal.

Termination of the work or service, the resolutive condition and compliance with the deadlines provided for the temporary contract.

Mutual dissent

Absolute and permanent disability.

Retirement.

Dismissal for just cause (said causes are determined in the norm).

Termination for objective reasons (termination for objective reasons is the name given to collective dismissal).

B. Just cause of dismissal

The cases that justify dismissal for just cause are determined in the law. These may be related to the capacity, or the worker's conduct. However, the causes of dismissal for conduct are the most frequently invoked by employers to terminate employment relationships.

This requires compliance with a legal procedure that involves notifying an imputation of charges letter, granting 6 days to the worker to present his/her defenses and, finally, informing about the decision of dismissal, if applicable. In this way, the rights of due process and defense are guaranteed.

C. Compensation for arbitrary dismissal

Dismissals must have and objective cause. When this does not happen, an alleged cause cannot be proven later, or the procedure established by law is not followed, the worker may request a compensation for arbitrary dismissal or request the reinstatement to their previous job, alternatively.

The amount of compensation is defined by law and is calculated as follows, depending on the type of employment contract in place:

Workers with an indefinite term agreement: Compensation will be paid for arbitrary dismissal, which is equivalent to 1.5 salaries per year of service, with a ceiling of 12 remunerations. The fraction of the year is counted by twelfths and thirties.

Workers with temporary agreements: Compensation will be paid for arbitrary dismissal, which is equivalent to 1.5 salaries per month missing for the date scheduled for the conclusion of the contract, with a limit of 12 remunerations.

3.8 NON-LABOR HIRING

A. Labor intermediation

Agreement by which a company (usually called the "User company") hires another one to deploy its workers to the workplace of the first, with the aim of executing certain activities in its favor. Although the company providing the intermediation service continues to be the employer of those workers, the **User company is empowered to direct and supervise their work**, without this situation implying a distortion of the intermediation service agreement.

The main substantive and formal requirements that our legal system requires for the correct use of labor intermediation are the following ones:

Labor intermediation is only permitted when the User company activities are: a) main, but temporary; b) complementary or c) highly specialized.

The intermediated personnel may not exceed 20% of the total number of workers in the User company, when they provide main but temporal services. In the case of complementary or highly specialized activities intermediation, the percentage limit does not apply if the third-party company assumes full technical autonomy and responsibility for the development of its activities.

If the User company has its own workers who carry out the same activities as the intermediated workers, the benefits that the User company grants to their employees should be extended to the detached workers.

The company that provides the intermediation service must grant a letter of guarantee, in the name of the User company or the Ministry of Labor and Employment Promotion, that guarantees the fulfillment of its labor obligations in favor of its deployed workers.

The intermediary company must be registered in the National Registry of Companies and Entities that carry out Labor Intermediation activities (RENEEIL) throughout the term of the labor intermediation contract.

B. Outsourcing of services

Service outsourcing is a contract by which a company (usually called “principal”) hires another to take charge of a part of its production process or to provide a certain service. For these purposes, the outsourcing company makes use of its own workers, who could be assigned to the work centers of the main company but remaining under the exclusive subordination of the outsourcing company.

The main requirements that our legal system imposes for the correct use of outsourcing services are the following one:

The outsourcing company must carry out the agreed activities at its own risk, being responsible for its results.

The outsourcing company must have its own financial, technical and material resources.

The outsourcing company must keep its workers under its exclusive subordination.

Only the outsourcing of the user company activities that are considered as “main activities”, but not part of its core business, are allowed. This requirement was incorporated through a regulatory change in 2022 and is currently questioned in judicial and administrative instance, with the aim of removing it from the labor regulations. As of today, the effectiveness of this limitation is suspended until the ongoing judicial and administrative procedures are resolved.

C. Training agreements

They are regulated by the Law on Labour Training Modalities and its Regulation. They have the objective of relating theoretical and practical learning through the performance of programmed training and vocational tasks. These types of agreements can be:

Learning

Pre-professional trainees

Professional trainees

Youth Job Training

Internships

Depending on the modality, the agreements must be signed by three parties: the company, the student (or graduate) and the Vocational Training Center (university, institute, among others).

D. Consultancy agreement

It is the agreement of a civil nature by virtue of which a natural or legal person, usually called a “consultant”, provides services independently and autonomously in favor of another. The agreement is denaturalized if it is verified that the consultant, being a natural person, provides subordinate services, consequently declaring the existence of an employment relationship.

3.9 INCREASE OF THE UNIDAD IMPOSITIVA TRIBUTARIA (UIT) FOR 2024:

According to Supreme Decree N°260-2024-EF approves the value of the UIT during 2025 which will be PEN 5,350.00 (five thousand three hundred fifty with 00/100 soles) or approximately USD 1,486,11 (one thousand four hundred eighty-six point eleven with 00/100 US Dollars). This has a direct impact, among others, on the calculation of fines imposed by SUNAFIL in case of detection of labor violations.



Immigration Matters

4.1 IMMIGRATION AND VISA REQUIREMENTS

All foreign citizens entering Peruvian territory must do so presenting a passport with a minimum validity of six months from the date of entry.

The following is a brief summary of the most relevant types of immigration status for work and business purposes.

4.2 BUSINESS VISA

Business visas are granted to those foreign citizens who enter the country to perform activities of a business, legal, contractual, specialized technical assistance or similar nature, and who do not intend to work or receive income from Peruvian sources.

Business visas are issued by the Peruvian Consulates abroad, after complying with the requirements (valid passport, letter of invitation and presentation, form, payment of fee, etc.) requested. The term for the issuance of the business visa varies depending on the Consulate.

Citizens of some countries with which Peru has signed international agreements for exemption from compliance with business visa requirements, are exempted from the prior procedure before a Consulate to obtain the business visa.

In these cases, they can instead request the visa verbally upon entering Peru at the immigration and/or border control posts. Some of the countries that have this benefit are Chile, Colombia, Mexico, Brazil, Bulgaria, Romania, Switzerland, as well as the member countries of the European Union belonging to the Schengen area.

A foreign citizen with this visa may stay in the country for the period granted, of a maximum of 183 calendar days per 365 days-period, continuously or in different periods, without extension.

4.3 RESIDENT WORKER

Foreign citizens who wish to work for a local employer and reside in Peru may opt for the status of Resident Worker. In order to do so, they must sign an employment agreement that must be registered before the Ministry of Labor and Promotion of Employment.

This immigration status allows a foreign citizen to validly work for a Peruvian employer and receive their remuneration from said employer. Therefore, it may also be granted to employees of a transnational company or international corporation who are transferred to Peru to work with a company established in the country of the same economic group or holding.

A foreign citizen who obtains this immigration status will receive the residence for one year, renewable annually.

4.4 TEMPORARY RESIDENT BY MERCOSUR AGREEMENT OR ANDEAN MIGRATION STATUTE

Foreign citizens from a country part of the Mercosur who wish to work for a local employer and reside in Peru, may also opt for the status of Temporary Resident by Mercosur Agreement. This immigration status is applicable to foreigners from countries that are part of the Mercosur Agreement, i.e. Argentina, Brazil, Paraguay, Uruguay, Chile, Bolivia, Ecuador and Colombia.

Citizens from a country part of the Andean Migration Statute can also opt for a Temporary Residence, i.e. Bolivia, Colombia and Ecuador.

Similarly to the Resident Worker condition, this immigration status allows a foreign citizen to validly work for a Peruvian employer and receive their remuneration from said employer. In this sense, it may be granted to any person or employee coming to Peru to work with a company established in the country.

This status grants a residence for two years, after which the foreigner can apply for an indefinite residence.

4.5 DESIGNATED WORKER

(Foreign employee of a non-domiciled company)

This immigration status is issued to foreign employees who are sent to Peru by their non-domiciled employer to perform contractual services on its behalf.

This immigration status requires the existence of two companies. The first one must be domiciled in Peru and operate in the country, while the second company must be domiciled abroad. For the term of the foreigner's residence in Peru, the labor relationship with the employer abroad remains in force.

The status of Designated Worker allows the foreigner to perform labor activities in the national territory, consisting in the development of specific tasks or functions or work that requires professional, commercial or specialized technical knowledge.

The Immigration Law in force distinguishes between the temporary designated worker and the resident designated worker. The term of stay for the resident designated worker is 365 days, renewable; while for the temporary designated worker, it is 183 days, renewable for the same term.



Public Law Matters

5.1 PUBLIC PROCUREMENT

National Registry of Suppliers

Registration in the National Registry of Suppliers managed by the Specialized Agency for Efficient Public Procurement (“OECE” by its acronyms in Spanish) is a mandatory requirement for any natural or legal person that wishes to participate in public bids and enter into contracts with the Peruvian Government for the execution of public works, works consultancy, provision of goods or rendering of services.

This Registry has an indefinite validity and is divided in four categories: (i) goods, (ii) services, (iii) public works, and (iv) works consultancy.

The suppliers will be able to obtain the correspondent registration as long as they meet all the requirements established by OECE.

5.2 MUNICIPAL AUTHORIZATIONS

Operating license

For the development of economic activities in an establishment (factories, administrative offices, restaurants, malls, among others) it is necessary to obtain an operating license issued by the corresponding municipality in which such establishment is located.

In order to obtain this license, the Municipalities will have to verify that the activity which is going to be performed in certain establishment complies with the zoning, authorized uses and environmental regulations established by the Municipality and other relevant government entities.

This license has an indefinite validity and to obtain it the requirements and procedures established by each Municipality will have to be met, which may include the submission of structural documents, payment of fees, and undergoing inspections.

Technical Inspection of Building Safety Certificate

This certificate is another mandatory authorization in order to develop economic activities in a certain establishment. It is also issued by the Municipality where the establishment is located and with its issuance it is verified that the facilities or buildings comply with the safety requirements established by local regulations regarding construction, structures, and safety systems.

In order to obtain this certificate, certain requirements, mainly technical, must be met according to the risk level of each establishment (classified as low, medium and high). The validity of this authorization is 2 years renewable for the same periods.

5.3

MEDICAMENTS, MEDICAL DEVICES AND SANITARY PRODUCTS

The sanitary registration, issued by the General Directorate of Medicines, Supplies, and Drugs ("DIGEMID" by its acronyms in Spanish), entitles its holder to manufacture, import, store, distribute, commercialize, promote, dispense, dispense or use pharmaceutical products, medical devices and sanitary products (cosmetic products and sanitary articles). The validity of this authorization, which is used for each product, is 5 years renewable for the same periods.

Additionally, establishments dedicated to the manufacture, import, export, storage, distribution, commercialization, dispensation and dispensing of the products before mentioned require prior sanitary authorization for their operation. This authorization is a prerequisite for the granting of operating licenses by Municipalities.

5.4

AUTHORIZATIONS FROM DIGESA

Operating license

For companies related to environmental health and food safety in Peru, authorizations and compliance with obligations established by the General Directorate of Environmental Health and Food Safety (DIGESA) may be required. DIGESA supervises companies that provide services in the following areas: water quality; ii) toys and stationery; iii) management of solid waste from health facilities; iv) transfer of corpses and human remains; v) food and beverages intended for human consumption; and vi) industrially manufactured additives of local or foreign production. These authorizations involve compliance with specific regulations to ensure environmental protection and food safety.



Infrastructure Projects Matters

6.1

REGIME OF PUBLIC-PRIVATE PARTNERSHIPS (PPPs) AND ASSET PROJECTS

Participation in public tenders through PPPs

The promotion of private investment through Public-Private Partnerships and Asset-Based Projects, to contribute to the growth of the economy, the closing of gaps in infrastructure or public services, the generation of productive employment and the country's competitiveness has been declared of national interest.

Public-Private Partnerships are a form of private investment participation through long-term contracts involving the Government, through a public entity, and one or more private investors. They are used to develop public infrastructure projects, public services, services related to public infrastructure and public services, applied research and/or technological innovation.

The projects may be originated by (i) public initiative; in which a selection process must be carried out, or (ii) by private initiative, in which the project can be granted to the one who submitted the proposal in case there are no third parties interested in pursuing the project.

Regime of Works for Taxes

The Works for Taxes regime offers private companies the possibility of entering into public investment agreements for the purpose of financing and/or executing public investment projects. By virtue of such investment, public investment certificates are issued, destined to cancel the amount of the projects and to recover the investment made, which may be applied against the payment of (i) income tax (IR) (up to 80% of the Annual IR - for several fiscal years) and (ii) any other tax, debt or other tax obligation that is income of the Public Treasury and that is administered by the National Superintendence of Customs and Tax Administration - SUNAT.

The projects may be executed by: (i) initiative of the Public Entity, or (ii) proposal of the private company; which also is qualified as "grace petition"; however, in both cases, a selection process must be carried out.

6.2 INCENTIVES FOR PRIVATE INVESTMENT

Peru offers a very favorable legal framework for foreign investors, guaranteeing a non-discriminatory treatment, unrestricted access to most economic sectors and international dispute resolution mechanisms as well as allowing investors to enter into legal stability agreements, which secure, among others, the stability of the Income Tax regime (dividends), the right to use the most favorable exchange rate available in the market, the free availability of foreign currency to repatriate funds and the right to remit profits, dividends and royalties.



Real State Matters

7.1 PROPERTY RIGHTS

According to Peruvian law, the ownership is the is the legal right to use, possess, enjoy, dispose, and claim them or receive fair compensation in case of arbitrary deprivation, through the legal mechanisms established by the legal system.

According to the Constitution of the Republic of Peru, national and foreign investment are subject to the same terms. Regarding private property, the Constitution establishes that foreigners are in the same condition as nationals, without being able to invoke exceptions or diplomatic protection. However, within 50 kilometers of the borders, foreigners cannot acquire or possess by any title, mines, lands, forests, water, full or energy sources, directly or indirectly, individually or through a legal entity, under penalty of losing it, for the benefit of the State, the right thus acquired. To be excepted from this restriction, it would be necessary to be before a case of public interest, which should be declared by the Council of Ministers, through a supreme decree

7.2 OTHER LAND RIGHTS

Additionally, Peruvian law regulates the following land rights and agreements for the development of economic activities and real estate projects:

Rights	Scope	Maximum legal term
Lease agreement	Lease agreement grants the temporary use of assets in favor of third parties in change for a certain rent agreed between the parties.	The lease agreement has a maximum term of 10 years. Therefore, any term or extension that exceeds such term will be reduced to 10 years.
Usufruct agreement	Usufruct agreement grants the temporary use and enjoyment of assets in favor of third parties, which can be on a gratuitous basis or in change for a certain rent agreed between the parties.	The usufruct agreement has a maximum term of 30 years when it is entered into with a legal entity. Therefore, any term or extension that exceeds such term will be reduced to 30 years. In case a usufruct agreement is entered into with an individual entity, the term aforementioned is not applicable.
Surface agreement	Surface agreement grants the right to temporarily have a separate property construction over and/or under the surface of the land. Hence, the land on which a project will be developed will continue to be owned by the owner, while only constructions built that will form part of such project will be owned by surface beneficiary.	The surface right may be granted for a maximum term of 99 years and once the surface agreement's term expires, the owner of the land will acquire the ownership of every construction that has been built on such area, reimbursing its value, except if the parties have agreed otherwise.

7.3 REGISTRATION MATTERS

According to Peruvian law, the registration of an agreement is not considered as constitutive, but declarative of land rights (ownership, use, usufruct, surface, etc.). That is, the land rights do not have to be registered to be effective. However, it is advisable to register these rights to obtain prevalence and opposability against the right of any third party:

According to Article 2022 of Peruvian Civil Code, to oppose the land rights over properties to those who also have rights over said properties, it is necessary that said right be registered prior to any other land right. That is, if the land right granted over the property is registered first, it will prevail over unregistered right of any other third party.

According to Article 2014 of Peruvian Civil Code, the third party who in good faith acquires a right for valuable consideration from a person who appears in the registry with faculties to grant it, preserves his acquisition once its right is registered, even if later the grantor's right is annulled or terminated due to causes that do not appear in the registry entries and the filed titles that support it. The good faith of the third party is presumed as long as it is not proved that he knew of the inaccuracy of the registration.

7.4 URBAN PLANNING MATTERS

Urban development plans and municipal urban regulations must be considered for the execution of investment and real estate projects. An urban development plan is essential in urban planning, since it regulates the rational and sustainable occupation of urban and rural population centers, the adequate provision of services, as well as the equitable distribution of the benefits and burdens derived from the use of the territory.

In addition, the zoning is the most important municipal instrument, since it regulates building parameters and uses permitted applicable to urban land, concretizing the objectives and strategies of development in each municipality. Hence, the urban and building parameters limit the ownership right and determine the possibilities, scope, and technical requirements for the execution of urban development and building projects.

7.5 MUNICIPAL LICENSES FOR REAL ESTATE PROJECTS

For the execution of the real estate projects on urban land, the following licenses must be obtained, depending on the specific case:

Rights	Licenses
Urban Development License	Urban development is defined as the procedure by which a rustic or uncultivated land acquires the quality of urban, as result of the execution of accessibility works, water distribution and drainage supply, energy distribution, and public lighting, among others. Any individual or legal entity, public or private, who is the owner, usufructuary, superficiary, concessionaire or beneficiary of an easement or affectation in use, or any possessor who has the right to urbanize a property, is entitled to obtain the respective urban development license before the competent district municipality.
Reception of Urban Development Works	Reception of Urban Development Works is defined as the procedure by which it is determined that the urban development works have been carried out in accordance with the maps and the license approved by the municipality, which may be processed with or without variations.
Building License	A building license is an administrative act through which the municipality authorizes the execution of building works on a property. Any individual or legal entity, public or private, who is the owner, usufructuary, superficiary, concessionaire or beneficiary of an easement or affectation in use, or any possessor who has the right to build in a determined property, is obliged to obtain the respective building license before the competent district municipality, in the event that the project involves the execution of any of the permanent constructions.
Conformity of Works	The Conformity of Works is defined as the procedure by which it is determined that the constructions have been carried out in accordance with the approved maps and municipal license.

7.6 ARCHAEOLOGICAL AUTHORIZATIONS

It should be noted that, depending on the scope of each investment or real estate project, the following instruments must be obtained in

order to avoid, reduce and mitigate possible negative impacts on archaeological evidence:

Certificate of Non-Existence of Archaeological Remains ("CIRA")	<p>CIRA is defined as the document through which the Ministry of Culture certifies that there is no archaeological evidence on surface in certain area. Obtaining the CIRA is mandatory for the execution of any public or private investment project, except in cases where there is pre-existing infrastructure and in underwater environments up to the high tide line or flood zone.</p>
Archaeological Monitoring Plan ("PMA")	<p>Once the CIRA is issued, or in cases where there is pre-existing infrastructure and in underwater environments up to the high tide line or flood zone if there is no archaeological evidence on the surface, the PMA must be obtained prior to the start of the works that involve soil removal. The PMA is an archaeological intervention to prevent, avoid, control, reduce and mitigate the possible negative impacts before and during the execution phase of a project, which could affect the properties classified as the Cultural Heritage of the Nation.</p>

If any intervention is executed without obtaining the respective CIRA or PMA, and the Cultural Heritage of the Nation is affected as a result of such intervention, the Ministry of Culture can

impose administrative sanctions such as the payment of a fine and the seizure of facilities or instruments, notwithstanding of the criminal sanction.



Insurance Matters

8.1 REGULATORY CAPITAL

According to the Peruvian regulation, Insurance and Reinsurance companies are required to obtain an authorization for organization and an authorization of functioning before being able to provide such services to the public. In this case, the Superintendency of Banking and Finance (“SBS”) is the administrative authority in charge of supervising the entities of the insurance system.

Among others, the insurance and reinsurance companies must comply with a regulatory capital determined by the SBS. On July 9th, 2025, the Circular Letter N° G-229-2025 updated said regulatory capital:

Company Type	Regulatory Capital (USD)
Insurance Companies – Companies operating in a single line of business (general risks or life insurance)	1,683,587.57
Insurance Companies – Companies operating in both lines of business (general risks and life insurance)	2,314,322.03

Company Type	Regulatory Capital (USD)
Insurance and reinsurance Companies	5,891,949.15
Reinsurance Companies	3,577,627.12

It must be considered that the Regulatory Capital is established in Peruvian Soles (PEN). The amount detailed above is an approximate.

8.2 INCORPORATION OF INSURANCE AND REINSURANCE COMPANIES

As previously detailed, the Insurance and Reinsurance companies are required to obtain an authorization for organization and an authorization of functioning before providing their services.

Authorization for Organization

In order to obtain the Authorization for Organization, among others, the companies must submit various information to the SBS regarding their organizers, shareholders, possible directors and managers, as well as information regarding

the economic group of the new entity. Additionally, the companies must submit a market, financial and management feasibility study and a draft of the private deed of incorporation. It must be considered that the company must include in the application file a security deposit certificate for 5% of the regulatory capital.

Once all the documents have been duly submitted, the SBS has a period of 240 calendar days in order to issue a response. After the authorization is obtained, the company may be incorporated and registered in the Peruvian Public Registry. However, to be able to start its operations, the company must obtain an Authorization of Functioning.

Authorization of Functioning

The Authorization of Functioning must be requested within 360 days of obtaining the Authorization for Organization. During said period, the company must prepare the application file, which include the policy and procedure manuals that must be approved by the company, the update of the information provided in the organization request, the registration request of the insurance policies templates, the request to open the main office, agencies, special offices, among other requirements.

8.3 INSURANCE BROKERS

In order to be registered as an Insurance Broker, the company must submit a registration request to the SBS. Said request must include, among others, the draft of the private deed of incorporation, information regarding the CEO, other managers, shareholders, and directors. Additionally, the company must include in the application file its business plan, code of conduct, policies and manuals. It must be considered that the CEO must comply with specific requirements specified in the corresponding regulation.

The Insurance Brokerage firms must comply with a regulatory capital of USD 6,547.61.

Once all the documents have been duly submitted, the SBS has a period of 60 business days in order to issue a response.

8.4 REINSURANCE BROKERS

According to the Peruvian Regulation, it is possible to register a national reinsurance broker or a foreign reinsurance broker. In the case of the national reinsurance brokers, the registration request must include, among others, the draft of the private deed of incorporation, taking into account the regulatory capital of USD 60,000.00, a feasibility study, information regarding the CEO, managers, directors and shareholders.

In the case of foreign reinsurance brokers, the registration request must include, among others, a certificate issued by their local supervisor stating whether said company is authorized to intermediate risks assigned from abroad, the annual report, including the audited financial statements, a copy of its articles of incorporation and information regarding the legal representative that will be appointed. It must be considered that the power of attorney of the legal representative must be previously registered in the Peruvian Public Registry.

In both cases, once all the documents have been duly submitted, the SBS has a period of 90 business days to issue a response.



Intellectual Property Matters

Intellectual Property Protection in Perú

In Peru, protection of intellectual property can be divided into the protection of industrial property and the protection of copyright.

Industrial property protection applies to all economic activities. And all natural or legal persons recognized by the constitution and laws of Peru, whether or not domiciled in Peru, are entitled to industrial property protection.

The protected components of industrial property are: (i) invention patents; (ii) certificates of protection; (iii) utility models; (iv) industrial designs; (v) trade secrets; (vi) goods and services marks; (vii) collective marks; (viii) certification marks; (ix) trade names; (x) commercial slogans; and (xi) appellations of origin.

9.1 The INDECOPI

The INDECOPI is the authority in charge of maintaining records and amendments to the industrial property registrations and the correct application of the respective rights.

Regarding product and service marks, they must be registered with INDECOPI to obtain legal protection. Registration is done according to the International Classification of Goods and Services for the Purposes of the Registration of Marks

(i.e., Nice Classification) and can be carried out through a multi-class registration request. Upon completion of the registration procedures, the competent authority issues a certificate that grants the holder exclusive rights over the mark for 10 years. Owners of registered marks may divide their trademark certificates as trademark applicants may also divide their applications. Registration may be renewed six months prior to expiration and up to six months after the expiration date.

If a registered mark has not been used in Peru or in any Andean Community member country by the owner or a licensee for three consecutive years, the mark may be canceled by any person having a legitimate interest in the mark.

Similarly, the competent authority may, either on its own motion or at the request of an interested party, annul the registration of a mark if: (i) the mark does not meet the requirements for registration; (ii) the right to the mark has been granted contrary to laws or regulations; or (iii) the registration has been granted in bad faith.

Based on the violation of its industrial property rights, the holder of an industrial property right may initiate an administrative proceeding before the INDECOPI. After the administrative authorities determine that there was a violation of industrial property rights, the holder of such rights may also file a civil lawsuit seeking a compensation for damages.



10.1 MINING MATTERS

Mining plays a crucial role in the Peruvian economy and contributes significantly to private investment, GDP, exports, trade balance, formal employment (both direct and indirect), and tax revenues. Peru benefits from having some of the lowest cash costs globally, which enhances the economic feasibility of mining projects. The country also boasts a large pool of skilled professionals including geologists, mining engineers, and field technicians, as well as sophisticated mining contractors, all of which support project development.

The life cycle of a mining project consists of five (5) distinct stages. These are:

Greenfield exploration:

This stage takes place in areas where there are no known mineral deposits or existing mining operations. It begins with prospecting activities, which are research efforts aimed at identifying potential zones of mineralization. It also involves preliminary studies and early exploration work to help to determine the size, location, mineralogical characteristics, reserves and economic value of the deposit. Greenfield exploration aims to evaluate the quantity of minerals present in each area and the feasibility of its extraction. As such, it is essential for

the discovery of new deposits and for building a portfolio of mining projects to replenish or expand the country's mineral reserves and production capacity.

Evaluation:

If the exploration results are promising from an economic standpoint, pre-feasibility studies or preliminary economic evaluations are conducted. At this stage, project development alternatives are evaluated considering the reserves and values of the identified mineral deposits.

Development:

Once the preferred development alternative for the mining project has been selected, a feasibility study is carried out to determine whether the project can be carried out successfully. This study evaluates the size of the mine, the mining method, the reserves or economically exploitable part, the funds required for construction, among others. If the results are favorable, the necessary permits and contracts for construction are obtained. Subsequently, the mine and its associated infrastructure are built. Once construction is completed and the required permits have been obtained, the mining project enters into operation.

Production:

This stage involves the extraction of minerals from the deposit and their processing in a beneficiation plant for subsequent commercialization. Brownfield exploration is also conducted in areas surrounding the existing operation, where previously identified mineral deposits are further explored to confirm or expand the reserves.

Closure:

Once commercial production has ended, the mine must be closed. This stage involves carrying out the necessary activities to rehabilitate and restore the areas affected by the mining operations, so that they return to a state compatible with a healthy and suitable environment for the development of life.

A mining concession –the main mineral right in the mining industry– must be obtained to carry out a mining project. This concession grants the exclusive right to explore and exploit mineral resources located within an a given area, referenced by UTM coordinates. They are granted on a -come, first-served basis and no prior permits or licenses are required to obtain a mining concession. The administrative procedure for obtaining a mining concession is regulated, predictable, and transparent, and is overseen by the Geological, Mining and Metallurgical Institute (INGEMMET), an autonomous public agency.

Once the mining concession title has been obtained, the holder must comply with the main obligations established in the Single Ordered Text of the General Mining Law (1992) (Texto Único Ordenado de la Ley General de Minería) (hereinafter, the “TUO”) to keep the mining concessions in good standing:

Payment of the Good Standing Fees: From the year the mining claim is filed, the titleholder of the mining concession must pay an annual good standing fee of USD 3.00 per year and per hectare for medium and large-scale mining. Failure to pay this fee for two (2) years—whether consecutive or not— will result in the cancellation (caducidad) of the mining concession.

Minimum production requirement: The mineral production obtained from the mining concession may not be less than one UIT per year and per hectare (in the case of metallic substances) and 10% of the UIT per year and per hectare for non-metallic substances (“Minimum Annual Production”). This production must be obtained no later than the tenth (10th) year, counted from the year following the granting of the mining concession title.

If the minimum production is not attained, starting from the first semester of the eleventh (11th) year, the titleholder shall pay a penalty of 2% of the required Minimum Annual Production until the minimum production or investment is met. If production is still not achieved by the fifteenth (15th) year, the penalty increases to 5%, and on the twentieth (20th) year, it rises to 10%. Finally, if the minimum production is not met by the thirtieth (30th) year, the mining concession will be cancelled.

Concessionaires must also yearly submit a yearly declaration (“Consolidated Annual Declaration – DAC”), an affidavit whereby titleholder (or leaseholders) report to the authority the activities carried out during the previous calendar year.

Mining concessions – other important aspects:

Mining concessions is distinct from surface land ownership. Therefore, in order to carry out mining exploration or exploitation activities, the titleholder must also obtain the necessary surface land rights.

The mining concession does not, by itself, authorize the commencement of mining activities. To begin mining activities, the titleholder must also obtain an Authorization to Initiate Activities (“AIA”), along with any other permits, licenses and authorizations required by applicable laws. Depending on the nature of the project (exploration, exploitation, processing, etc.) many other permits, licenses and/or authorizations will be required.

10.2 ENERGY MATTERS

The energy industry in Peru was reformed in the early nineties with the entry to force of Decree Law 25844, Law of Electricity Concessions (LCE) and Law 26221, Organic Law of Hydrocarbons (LOH).

Regulations for power activities

The LCE establishes the principle of vertical disintegration of activities in the national electricity industry, which are divided into: (i) generation, (ii) transmission and (iii) distribution and commercialization.

For the development of generation, transmission and/or distribution and commercialization activities mentioned above, the LCE requires a license granted by the Ministry of Energy and Mines - MINEM.

Licenses for power activities					
License	Generation (Capacity in MW)			Transmission	Distribution Demand in MW
	Hydro	Renewable ²	Thermo		
Definitive Concession	MW > 0.5	MW > 0.5	N.A.	The project affects state property and/or requires imposition of easements by MINEM	MW > 0.5
Authorization	N.A.	N.A.	C > 0.5	N.A.	N.A.
None³	MW ≤ 0.5	MW ≤ 0.5	MW ≤ 0.5	When the project holder has title over the land.	MW ≤ 0.5

Peru also has many segregated special regimens for power generation, such as (i) renewable generation, regulated by Legislative Decree 1002 which created public subsidies (RER Prime) for projects granted within a Public Auction led by OSINERGMIN; (ii) cogeneration (also known as combined heat and power) regulated by Supreme Decree 037-2006-EM which states that this generation does not pay for transmission network fees or the additional charges included into those, (iii) distributed generation, defined as generation facilities directly connected to a distribution network and partially regulated by Law 28832 and Legislative Decree 1221.

Regulations for hydrocarbons

The LOH considers that oil and gas deposits are state property. Thus, upstream activities of exploration and production are executed under a license and/or service agreement signed with PERUPETRO, the state entity in charge of awarding (including contracting third parties by means of joint ventures) and supervising oil blocks.

On the other hand, the commercialization of liquid fuels and other products derives from hydrocarbons is regulated under the Supreme Decree 045-2001-EM which establishes the rules for the placement and operation of supply plants, airport supply plants, terminals and direct consumers, and the qualification

and operation of wholesale distributors, importers/exporters, and retail distributors. The OSINERGMIN is the entity who grants the permits for those activities under the specific regulation for the Hydrocarbons Registry and supervises the company's compliance of the regulation for hydrocarbons issued by MINEM.

10.3 LAND RECLAMATION MATTERS

The energy industry in Peru was reformed in the early nineties with the entry to force of Decree Law 25844, Law of Electricity Concessions (LCE) and Law 26221, Organic Law of Hydrocarbons (LOH).

Surface Rights for investment projects

The land is usually one of the most critical assets for developing most projects. According to Peruvian legislation, lands belong to (i) private parties, (ii) rural or native communities, or (iii) the State. To carry out an investment, the investor must acquire surface rights over the areas needed. Depending on who owns the land, requirements and legal matters must be considered.

State-owned lands

The State (represented by ministers, local and regional governments, or the Superintendence of National Estates -SBN-) holds property titles of premises in the country. Besides, according to Peruvian regulation, all the lands without an owner belong to the State. Investors can acquire ownership of State-owned lands or subscribe temporary surface rights agreements, such as leases, easements, or similar, paying a commercial appraisal price for them.

Rural communities

Communal property is based on ancestral rights over said land and is constitutionally protected (article 89).

Thus, rural communities' lands have limitations to being transferred or seized. Moreover, an adverse possession lawsuit over those lands is banned.

To acquire any surface right over a Rural community's lands, the agreement should be prior approved by a minimum percentage of the members of the community (law provides different minimums depending on whether the community is based on the coast or the highlands/jungle) and some legal formalities must be complied.

Stimulus to economics activities related to surface rights

It is important to note that authorized concessions holders from mining, energy, O&G, utility companies, or infrastructure companies can apply for a chargeless easement over State-owned lands insofar as the area is necessary to develop the project and is not needed for any other use.

Exceptionally, those investors listed above who hold concessions can apply for an administrative compulsory easement when they tried to acquire surface rights with the owner of a land (rural community or private party) without any success due to unjustified arguments. The administrative compulsory easement requires proof of a fair negotiation as well as the payment of a commercial appraisal price.

Regularization of surface rights

As previously mentioned, recording rights in the Public Registry is optional but recommendable. Therefore, there are many cases where the Registry does not reflect the actual status of the property. For instance, some lands are not duly recorded or recorded in the name of third parties. Even though its owner may legally transfer rights over the plot, in these cases, recording the ownership in the Public Registry requires a prior property regularization procedure in favor of the buyer.

Likewise, in rural areas, overlapping rights (between files recorded in the names of different owners) and areas' mistakes (plots recorded with an area that is not the correct one) are usual.

Besides, it is common to find possessors using lands without any rights. As evictions are large and cumbersome procedures, it is used to indemnify them to assure the use of the areas, especially in the natural resources industry.

In that vein, a prior legal assessment to determine legal rights over the areas required and the clear title actions (that could imply administrative or judiciary procedures) that should be carried out is recommendable.

Deprivations

Peruvian Constitution authorizes takings only in favor of the State and when a homeland security or public need is proved and established by law. Also, prior payment of appraised value that includes compensation and potential damages to the owner is mandatory. Therefore, takings are mainly used for infrastructure projects. Notwithstanding the last mentioned, Peruvian regulation promotes the fulfillment of international standards to indemnify title holders affected by these projects or that require population resettlement.

10.4 WATER RESOURCES MATTERS

According to Article 66° of the Political Constitution of Peru of 1993 (hereinafter, the "Constitution"), water, as a natural resource, is patrimony of the Nation and the State is the one who decides on its use. In addition, it is important to note that through Law No. 30588 of June 22, 2017, Article 7-A was incorporated to the Constitution, whereby the State recognizes and guarantees the fundamental right to access to drinking water.

The current legal framework regulating water resources is Law N° 29338, Water Resources Law (hereinafter, "WRL") and its regulations, approved by Supreme Decree No. 001-2010-AG (hereinafter, "WRR"). These regulations complement Law N° 26821, Organic Law for the Sustainable Use of Natural Resources, as well as Article 66 of the Constitution.

The WRL created the National Water Resources Management System as a platform integrated by all public sector institutions and users that have competencies and functions related to water management.

The purpose of this system is to coordinate the actions of all its members to implement, supervise and evaluate, through the National Water Authority (hereinafter, "NWA"), compliance with the National Water Resources Policy and Strategy and the National Water Resources Plan, at the different levels of government, with the participation of organized water users, rural communities, native communities and water infrastructure operators.

The four thematic areas addressed by the current regulations are as follows:

Use of Water Resources

NWA has the faculty to grant water use rights, for a maximum volume, as long as there is natural availability of this resource and it does not affect the rights of third parties. In other words, in an efficient manner and respecting previously granted rights.

The classes of water use established in order of priority are the following: primary, domestic and productive. Primary use has preference over domestic use and domestic use over productive use. Considering this order of priority, NWA grants the following types of water use rights: license, permit and authorization. It should be noted that among the obligations of the holders of water use rights is the payment of the economic retribution for the use of water, which is a consideration for the use of the resource, in accordance with the provisions of Article 176° of the WRL. The value of the economic retribution is approved annually by Supreme Decree.

Disposal of wastewater

According to Article 131° of the WRR, wastewater is water that has been modified in its original physical or chemical characteristics due to human activities and that, after treatment, may be discharged into a natural watercourse (discharge) or reused by the holder of the water use license or by a third party (what the law calls "reuse").

Reuse of water for purposes other than those granted in the license and reuse by third parties require authorization from NWA.

Hydraulic Infrastructure

When hydraulic infrastructure is for self-supply (for example, reservoirs for mining or hydroelectric projects) it can be of a private nature and when hydraulic infrastructure is intended for the provision of public services of raw water supply, which are provided by operators with qualifying titles granted by the NWA, it can be of a public nature.

The execution of hydraulic infrastructure works that are projected in channels and natural and artificial water bodies require the approval of the NWA.

Assets Associated with Water

In accordance with the provisions of Article 7 of the WRL, the natural assets associated with water (e.g., river courses, water table, basin headwaters, surveillance roads, conduction works, river defenses) are public domain assets, which determines that any intervention on them that affects or alters their characteristics must be previously authorized.

This authorization is called "Authorization for the execution of works on natural assets associated with water and multisectoral hydraulic infrastructure" and entitles its holder to install structures and carry out temporary or permanent works.

It should be noted that, although the qualifying title refers to "works", it actually includes any intervention, including activities on hydraulic public property (occupation, maintenance actions or debris removal, etc.).

It is clear that water is one of the various environmental components that, as a whole, allow the formation of a balanced environment. Therefore, it is consistent to state that water, as a natural resource, is also part of the fundamental right of people to enjoy a balanced and adequate environment for the development of their lives.

It is therefore important for companies to manage water resources in a sustainable manner as part of the Hence, it is essential for companies to manage water resources sustainably in the execution of their projects, which is materialized in an adequate management of the water use rights that correspond to them. This will generate a positive impact on society, demonstrating that the sustainability and conservation of the resources involved in their activities are highly relevant.

Doing Business Peru 2025



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