



CUATRECASAS

Doing business in Perú

2025 Edition





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These guidelines present some key issues for foreign investors interested in investing in Peru. They include legal issues that may require advice.

They must not be considered a thorough analysis of Peruvian law or interpreted as legal advice from Cuatrecasas.

These guidelines were drafted based on the information available on August 31, 2025.

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Introduction

This guide provides an overview of key legal aspects for foreign investors interested in investing in Peru. It is not intended to be comprehensive, but to address practical issues that will help investors considering an investment project in Peru. The guide addresses strategic aspects in different areas for business development in Peru.

Cuatrecasas is a law firm that advises on all areas of business law through a multidisciplinary, diverse and highly qualified team of more than 1,300 lawyers and 29 nationalities.

We have a network of 25 offices in 12 countries and our firm is well established in Spain and Portugal, where we are present in the main cities, and Latin America, where we have over 20 years of experience and a team of 300 professionals who operate from our offices in Chile, Colombia, Mexico and Peru. We have a sectoral approach and focus on all types of business, with extensive knowledge and experience in the most sophisticated advice, covering ongoing and transactional matters.

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Main definitions

BCRP	Central Reserve Bank of Peru
IGV	Social Health Insurance
INDECOPI	General Sales Tax
INGEMMET	Peruvian National Institute for the Defense of Competition and the Protection of Intellectual Property
LGCP	Geological, Mining and Metallurgical Institute
LGS	General Public Procurement Act
LPDP	General Corporation Act
MEF	Personal Data Protection Act
MINAM	Ministry of Economy and Finance
MINJUSDH	Ministry of the Environment
OECE	Ministry of Justice and Human Rights
OEFA	Specialized Agency for Efficient Public Procurement
OSINERGMIN	Environmental Assessment and Enforcement Agency
OSIPTEL	Supervisory Agency for Investment in Energy and Mining
OxI	Supervisory Agency for Private Investment in Telecommunications
PPP	Works-for-taxes scheme
PROINVERSIÓN	Public-private Partnership
RPMV	Private Investment Promotion Agency
RUC	Public Registry of the Securities Market
RUC	Tax identification number
SBS	Superintendency of Banking, Insurance and Pension Funds
SENACE	National Service of Environmental Certification for Sustainable Investments
SERNANP	National Service of Natural Areas Protected by the State
SMV	Superintendency of the Securities Market
SUNARP	National Superintendency of Public Registries
SUNAT	National Superintendency of Customs and Tax Administration



Annual indicators

	UNIT	PEN (Sol)
<i>Unidad Impositiva Tributaria</i> (Tax unit, UIT)	1 UIT	5 350
<i>Remuneración Mínima Vital</i> (Minimum vital remuneration, RMV)	1 RMV	1 130



1

Peru at a glance

With a population of 34.22 million, Peru stands out for its extraordinary diversity of natural resources and its strategic geographic location in the region. These factors, combined with solid macroeconomic stability and historically low inflation rates, have contributed to sustained economic growth over the last decades. In the first quarter of 2025, Peru's Gross Domestic Product (GDP) recorded a cumulative growth of 3.3%, while the increase over the last four quarters reached 3.8%.¹

According to data from the Economic Commission for Latin America and the Caribbean (ECLAC), Peru experienced the highest growth in foreign direct investment (FDI) in the region in 2024, with an increase of 56.7%.² This growth was mainly driven by the mining, infrastructure, and energy sectors, consolidating the country as an attractive destination for international investment.

In recent years, Peru has made significant progress in modernizing the state and improving its regulatory environment. A clear example is the outstanding score obtained in 2024 in the UN's global E-Government Development Index³, as a result of the digitization of public services and system interoperability, among other measures, contributing to more efficient and transparent government management.

Additionally, since the first quarter of 2025, the Ministry of Economy and Finance has launched an administrative deregulation program called the "deregulatory shock" to streamline procedures, remove barriers, and boost economic growth. Developed in collaboration with the private sector and leading business associations, this initiative has identified 641 issues, with 54.9% reported as resolved.⁴

The following sections outline the general framework for doing business in Peru, covering the main legal aspects to be considered.

¹ https://m.inei.gob.pe/media/MenuRecursivo/boletines/boletin_pbi_trimestral_iit2025.pdf

² <https://www.cepal.org/en/publications/82117-foreign-direct-investment-latin-america-and-caribbean-2025-executive-summary>

³ <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2024>

⁴ <https://www.gob.pe/institucion/mef/campa%C3%B1as/105277-shock-desregulatorio>



2

Promotion of private investment

2.1. Mechanisms and incentives

Private investment promotion in Peru is mainly governed by two key instruments: (i) Act No. 29230 (OxI Act) and its implementing regulations,⁵ which promote regional and local public investment with private sector participation; and (ii) Legislative Decree No. 1362 (PPP Act) and its implementing regulations,⁶ which govern investment promotion through public-private partnerships (PPPs) and government-owned assets (*Proyectos en Activos* or Asset Projects). As noted in section 10.3, Legislative Decree No. 1362 will be repealed once the recently enacted Act No. 32441 (New PPP Act) comes into force at the end of 2025.

The works for taxes (*Obras por Impuestos* or OxI) mechanism allows private companies to finance and implement public investment projects—such as infrastructure or public services—in exchange for tax credits against their income tax (third-category). This mechanism enables regional and local governments, as well as public universities, to carry out development projects with private sector support.

Both PPPs and Asset Projects are forms of private sector participation. PPPs are structured through long-term contracts between the state—acting through a public entity—and one or more private investors. These contracts may cover public infrastructure projects, public services, services linked to infrastructure, applied research, or technological innovation.

Asset Projects, in turn, are promoted by public entities with authority over their assets and may involve (i) full or partial transfer of real estate, including property swaps; and (ii) contracts such as leases, usufructs, surface rights, or other arrangements permitted by law. As a rule, Asset Project contracts cannot involve public funds or transfer risk to the state, unless expressly authorized by law.

For more details on the OxI and PPP mechanisms, see [sections 10.3 and 10.4 below](#).

⁵ Approved by Supreme Decree No. 210-2022-EF.

⁶ Approved by Supreme Decree No. 240-2018-EF.

Legal stability agreements have the force of law between the parties and generally remain in effect for of 10 years

2.2. Guarantees

The Political Constitution of Peru promotes and guarantees free investment, both domestic and foreign, within the framework of a social market economy and under a free competition regime, ensuring equal conditions for all investors.

These constitutional guarantees are reinforced by laws such as the Foreign Investment Promotion Act,⁷ and the Framework Act for Private Investment Growth,⁸ among others.

Key guarantees include (i) protection against discriminatory treatment; (ii) freedom of trade and industry; (iii) unrestricted remittance of profits and dividends; (iv) free holding and disposal of foreign currency; (v) the right to use the most favorable exchange rate available in the market.

Also, investors may enter into legal stability agreements, described below.

2.3. Legal stability agreements

Legal stability agreements are contracts between the Peruvian state and investors intended to promote and protect private investment. These agreements guarantee that certain legal frameworks remain unchanged for the duration of the agreement, even if the applicable laws are subsequently amended. Their terms may only be modified with the consent of both parties.

For investors, these agreements guarantee stability of the income tax regime, protection against discriminatory treatment, unrestricted use of foreign currency, and the free remittance of profits, dividends, and royalties (in the case of foreign capital). For recipient companies, they ensure the stability of the income tax regime (plus a 2% surtax), labor hiring regimes, and export promotion regimes, provided the company was using them at the time of application.

Legal stability agreements have the force of law between the parties and generally remain in effect for of 10 years, unless linked to concession contracts, in which case they last for the duration of the concession. They may be entered into at any time, if investors (i) commit a minimum investment of USD 10 million in the mining and hydrocarbons sector, or USD 5 million in other economic activities; and (ii) channel the investment through the Peruvian financial system.

⁷ Legislative Decree No. 662, which establishes a legal stability regime for foreign investments through the recognition of specific guarantees.

⁸ Approved by Legislative Decree No. 757.

2.4. Restrictions on foreign investment

The Peruvian Constitution prohibits foreign investors from acquiring—directly or indirectly, individually or in partnership—mines, land, forests, water sources, fuels, or energy sources located within 50 kilometers of the country's borders. However, this restriction may be waived by Supreme Decree on grounds of public necessity or national interest.

Moreover, if another country adopts protectionist or discriminatory measures that affect Peru's national interest, the state may impose reciprocal measures. The Constitutional Court has confirmed that this reciprocity principle allows Peru to restrict foreign investment to ensure fair treatment of Peruvian investors abroad.

That said, aside from these constitutional provisions, Peru's legal framework promotes freedom of enterprise and guarantees equal treatment for domestic and foreign investors.



2.5. Projects for the 2022–2025 period

The National Sustainable Infrastructure Plan for Competitiveness (PNISC) 2022–2025⁹ prioritizes 72 projects aimed at fostering economic development, enhancing competitiveness, reducing inequality, and facilitating the execution of long-term infrastructure works to improve access to public services and raise quality of life. The project portfolio represents an estimated investment of PEN 185.5 million.¹⁰

By July 2024, PEN 13.3 billion had been invested, with PEN 148.4 billion still pending. Financial progress rose from 12.8% (PEN 23.8 billion) in October 2022 to 20.0% (PEN 37.1 billion) in July 2024.

Priority PNISC projects include (i) design, construction, financing, operation, and maintenance of the Peripheral Ring Road (Anillo Vial Periférico); (ii) expansion of Jorge Chávez International Airport; (iii) Cañete Wastewater Treatment Plant; (iv) Cajamarca Wastewater Treatment Plant; (v) High-Performance Schools; (vi) headworks and conveyance infrastructure for Lima's supply of drinking water.

To facilitate these projects, special provisions have been enacted to (i) exempt them from municipal permits and licenses; (ii) allow public entities to directly finance and execute activities for the clearance, relocation or removal of interferences; (iii) ensure efficiency and predictability in environmental approval processes; and (iv) expedite archaeological intervention processes.

The Ministry of Economy and Finance is currently drafting the PNISC 2025–2030.

According to unofficial statements from the Directorate-General for Private Investment Policy and Promotion, the new plan will introduce acceleration mechanisms to ensure faster execution and tangible benefits for the population.

The PNISC 2025–2030 is also expected to establish conditions for leveraging new opportunities, including land-use planning for sustainable development, expanding value-added capabilities, and strengthening institutional technical capacity.

Approval of the PNISC 2025–2030 is anticipated in the fourth quarter of 2025.



⁹ Approved by Supreme Decree No. 242-2022-EF and supplemented by Supreme Decree No. 048-2024-EF.

¹⁰ Latest Progress Report of the National Sustainable Infrastructure Plan for Competitiveness (PNISC) 2022–2025, as of July 2024, published on October 30, 2024 (<https://www.gob.pe/institucion/mef/informes-publicaciones/6137360-reporte-de-avance-del-plan-nacional-de-infraestructura-sostenible-para-la-competitividad-2022-2025>)

Unlike in a private limited liability company, the transfer of shares in a public limited company is not registered with the public registries

3.1. Company types in Peru

We briefly describe the most commonly used legal vehicles to carry out gainful activities in Peru, as well as other less popular types of companies. The most common company types regulated by the Peruvian General Corporation Act (LGS) are the public limited company (*sociedad anónima* or SA) and the commercial private limited liability company (*sociedad comercial de responsabilidad limitada* or SL). In both cases, the company is liable to its creditors with all its present and future assets, whereas private limited company shareholders are liable up to the amount of their capital contributions.

3.1.1. Public limited company

Public limited companies are the most commonly used vehicle, since the limited liability restricts the shareholders' risk. There are three types of public limited companies: ordinary public limited company (S.A.), closed public limited company (S.A.C.) and open public limited company (S.A.A.).

The capital of this company type is represented by shares, which are represented by share certificates issued by the company. They are incorporated with fully paid-up share capital and a minimum payment per share of 25% of its par value.

Management is indirectly carried out through the following corporate bodies:

General meeting of shareholders	Decision-making body on structural matters.
Board of directors	Decision-making body on management and administration matters. Members are appointed by the general meeting of shareholders and must include at least three directors.
General management	Executive body in charge of operations, acting under the guidelines of the other two bodies. It is appointed either by the board of directors or the general meeting of shareholders, as applicable. The term of office is indefinite unless otherwise provided in the bylaws.

There is no statutory minimum capital requirement. In practice, the amount is determined by banks, which require a minimum deposit to open corporate accounts.

In general, transferring shares of a public limited company is fast and flexible, as there are no formal requirements for those transactions, such as registering the transfer with public registries. It is sufficient to register the transfer in the Shareholders Register, which is a private register. The information on the company's shareholders registered with public registries is limited to the founding shareholders and does not extend to new shareholders, whose information remains confidential.

Although share transfers are generally unrestricted, limitations may be included in the bylaws or in shareholders' agreements. However, if the shares are listed on a centralized trading mechanism such as the Lima Stock Exchange, no restrictions can be imposed on their free transfer.

- **Closed public limited company (S.A.C.):** The maximum number of shareholders is 20, and their shares do not have to be registered with the public registry or the Public Registry of the Securities Market (RPMV). The bylaws can remove the pre-emptive right and the board of directors, and the transfer of the shares can be subject to the company's prior consent. Representation at the General Shareholders Meetings can only be exercised by another shareholder, a spouse, or a direct descendant or ascendant, unless the bylaws extend the representation to other people. The right of withdrawal can only be exercised if the share transferability restrictions regime or the pre-emptive right is modified, and the board of directors is optional. It should be noted that the general meetings of shareholders can be called by notices, faxes, or emails, and do not have to be published in newspapers.
- **Open public limited company (S.A.A.):** A public limited company is open if it has made a primary public offering of shares or bonds convertible into shares; over 35% of its share capital belongs to 135 or more shareholders; it is incorporated as such; or all the shareholders of a company with voting rights unanimously adapt it to that regime. Likewise, a company is considered an open public limited company when it has at least 750 shareholders. Its shares must be registered with the RPMV, and its bylaws may not establish restrictions on their free transfer. The Superintendency of the Securities Market (SMV) is responsible for supervising open public limited companies and can require a company to adapt to an open public limited company and to submit financial information, among other matters. Restricting pre-emptive subscription rights is not admitted, unless the agreement is adopted with the vote of at least 40% of the subscribed shares with voting rights, and it does not seek to improve any shareholder's position.

3.1.2. Commercial private limited liability company

The capital is divided into equal, cumulative and indivisible units (*participaciones*) that cannot be incorporated in securities or referred to as public limited company shares (*acciones*). That capital is made up of shareholder contributions paid-up in no less than 25% of each share. As with closed public limited companies, there must be at least 2 and at most 20 shareholders, who will not be personally liable for the company's obligations (limited liability), and a board of directors is not mandatory. Unlike public limited companies, private limited liability companies (S.R.L.) do not have a board of directors, and the company's management is entrusted to one or more managers who may not engage in the same type of activity as the purpose of the private limited liability company on their own or on behalf of a third party.

Shares cannot be transferred in a private limited liability company as expeditiously as those of a public limited company, as the shareholders will have a pre-emptive right on the shares to be transferred, and the transfers must be made by public deed and registered with the public registries. The information on a private limited liability company's shareholders is always public.

3.1.3. Other company types

Other company types also exist in Peru, although they are not widely used in practice:

- **Simplified closed stock company (S.A.C.S.):** Strictly speaking, this is not a different corporate form, as it operates in a similar manner to a S.A.C. but with a different incorporation process, which is carried out through the SID-SUNARP online portal and formalized by digital signature, eliminating the need for a notary to execute the public deed of incorporation of the company. All procedures incorporation procedures—such as registration and payment of registry fees—are carried out through the same portal. Subsequent corporate acts are subject to the general rules of the Public Registries and the General Corporation Act.
- **Limited partnership (*sociedad en comandita*):** It requires at least one general partner with unlimited liability and one or more limited partners whose liability is capped at their contribution.

There are two types of limited partnerships:

- **Simple limited partnership (S.C.S.):** It combines unlimited liability partners and limited partners. Unlimited liability partners are personally liable for the company's debts, while limited partners' liability is limited to the amount of their contributions.
- **Limited partnership by shares (S.C.A.):** It is similar to S.C.S., but limited partners' participation is represented by shares.

- **Limited liability civil company (*Sociedad civil de responsabilidad limitada*):** typically used for professional services. Up to 30 partners; liability is limited.
- **General partnership (*sociedad colectiva*):** a partnership in which all partners participate in management and have unlimited, joint, and several liability—different from capital companies, where liability is limited to the contribution.

3.1.4. Incorporation process

With the exception of closed public limited companies, which are incorporated through the SID-SUNARP portal, companies are incorporated by public deed, which must then be registered in the public registries of the location of their registered office in Peru. This registration will generate a company's registration number.

The process of incorporating a company usually takes between 7 and 15 calendar days

However, it may extend up to two months if the founders are non-resident entities or individuals not present in the country at the time of incorporation, as it will be necessary to register the corresponding powers of attorney—officially translated if required. Alternatively, to save time and resources, the company may be incorporated by individuals domiciled in Peru and subsequently transfer 100% of the shares to the final shareholders through a private document.

Even if it is necessary to register the company with the public registries, it may perform certain preliminary acts on the condition of subsequent registration. Before that registration, these preliminary acts performed generate individual liability for the people involved, which ends when the company is registered and these acts are ratified.

Companies incorporated in Peru must have a tax identification number (RUC) issued by the National Superintendency of Customs and Tax Administration (SUNAT) to carry out their business

activities. The tax identification number can be obtained in the company incorporation process (before its registration), which entails certain liabilities for the founders. However, the tax identification number is usually obtained after the company has been registered with the public registries. When obtaining the tax identification number, the company must state the start date of its activities, and it may perform them from that point. In turn, it will be required to comply with all its tax obligations.

Anyone carrying out economic activities in Peru in specific premises must have the corresponding municipal operating license for the premises, which is granted by the local district municipality (in accordance with compatible uses and different regulations).

These are the company incorporation steps:

- Grant powers of attorney to incorporate the company.
- Check the availability of the company name and, if available, reserve it.
- Prepare the certificate of incorporation and execute the public deed before a notary public.
- Deposit at least 25% of the company's share capital in a local bank account and get proof of it.
- Register the incorporation with public registries.
- Register at the Single Taxpayers Registry.
- Legalize corporate books.

3.1.5. Branches of companies incorporated abroad

Article 396 of the General Corporation Act defines a branch as "(...) any secondary establishment through which a company carries out certain activities within its corporate purpose in a location other than its registered office." Based on this definition, a branch is a mere extension of the company that establishes it and, consequently, it lacks its own legal personality and only has permanent representation and enjoys management autonomy in the scope of the activities that its parent company assigns it, in accordance with the powers of attorney granted to its legal representatives.

Therefore, the company (domestic or foreign) that establishes a branch in Peru will have unlimited liability, without admitting an agreement to the contrary, for all the obligations acquired by the branch.

To establish a branch in Peru, the parent company must pass a board or shareholder resolution. That resolution must list the share capital (it does not have to be deposited with a financial institution), the activities to be carried out within its corporate purpose, the location of the registered office, and the appointment of a representative in Peru duly authorized to execute the public deed establishing the branch.

The powers of attorney issued to those representatives can be granted by the parent company in the corporate resolution establishing the branch or a separate document. In any case, the powers of attorney must also be registered with the public registries.

Any future change in the branch's capital, authorized activities, registered office or permanent representative in Peru and its powers of attorney will have to be approved by the parent company's competent corporate body and be registered in Peru.

3.2. Corporate reorganization

Peruvian law provides several mechanisms for corporate reorganization. They apply not only to all forms of companies, but also extend to other types of legal entities that are not classified as companies under Peruvian law. The principal forms of corporate reorganization include:

Merger	Integration of two or more companies into a single entity. It can be carried out (i) by incorporation, when a new company is created resulting from the merger of two or more companies; or (ii) by absorption, when one company absorbs another preexisting one, and the resulting company (whether absorbing or newly incorporated) universally assumes the rights and obligations of the merged companies.
Spin-off	Division of a company’s assets into blocks, which are transferred to other companies or retained. Spin-offs may be total (the company is dissolved) or partial (the company continues, but transfers part of its assets). The shareholders of the transferring company may receive shares or equity interests in the recipient companies in proportion to their original holdings and the value of the transferred block.
Simple reorganization	Transfer of an asset block from one company to one or more new or existing companies, with the transferring company becoming a shareholder of the recipient. A key distinction between a simple reorganization and a spin-off is that, in a spin-off, it is the shareholders of the transferring company—rather than the company itself—who receive shares resulting from the contributed asset block.
Transformation	Change of corporate form—e.g., from a public limited company (S.A.) to a private limited liability company (S.R.L.), or vice versa.

3.3. Dissolution, liquidation and extinction

The General Corporation Act (LGS) sets out the grounds and procedures for dissolution, liquidation, and extinction of companies. However, certain entities such as those in the financial sector follow special rules. Below is an overview of the dissolution and liquidation process applicable to public limited companies.

3.3.1. Dissolution

When a company is dissolved, it stops its regular business activities and initiates a process to close down. Dissolution does not immediately eliminate the company but starts an orderly winding-up procedure.

A company may be dissolved for various reasons, such as the expiration of its term, the impossibility of achieving its corporate purpose, the shareholders’ decision, or the reduction of capital below the legal minimum.

On the one hand, the dissolution of a corporation under the LGS can be decided voluntarily by its shareholders at a general meeting. This dissolution agreement does not require a legal or statutory cause; it is sufficient for it to be approved by the general meeting of shareholders. On the other hand, dissolution becomes mandatory if any grounds listed in article 407 LGS are met. In such cases, the board, a shareholder, partner, or manager must convene a general meeting of shareholders within 30 days to either approve the dissolution or implement measures to remedy the cause. While public limited companies are managed by shareholders and corporate bodies, the Peruvian state may order their continued operation if dissolution is considered to impact national security or public necessity.

If a company continues to operate after incurring grounds for dissolution under the LGS, the bylaws become irregular. According to article 424 LGS, directors, representatives and any person acting on behalf of the irregular company will be personally, jointly and fully liable for all contracts and legal actions undertaken since the irregularity arose.

3.3.2. Liquidation

The liquidation process starts after the dissolution resolution is adopted, aiming to protect creditors, shareholders, and third parties by ensuring all obligations are settled and remaining assets are distributed according to law. The company maintains its legal status until liquidation is complete and registered with the public registries. One or more liquidators (individuals or legal entities), appointed by the shareholders meeting, oversee the process and must keep shareholders updated on financial statements and progress. No assets can be distributed to shareholders until all creditor claims are fulfilled.

3.3.3. Extinction

Once liquidation is complete and any remaining assets are distributed, the company’s extinction must be registered and notified to SUNAT for final cancellation of its tax identification number (RUC). Once SUNAT issues the corresponding resolution, the company is officially considered extinguished.

Any outstanding debts can be enforced against shareholders, but only up to the amount they received in liquidation.

3.4. Associative contracts

Article 438 of the General Corporation Act (LGS) defines associative contracts as “(...) those that create and govern participation and integration relationships for a certain business in the common interest of the parties.” In other words, these contracts establish collaboration ties between certain parties to carry out a specific purpose, without giving rise to a legal entity. The only formality is that these contracts must be in writing and, therefore, need not be registered in public registries.

Specifically, the General Corporation Act establishes two types of associative contracts: (i) silent partnership (asociación en participación) and (ii) consortium (consorcio). However, any other associative contract that does not adjust to the above categories is allowed.



3.4.1. Silent partnership (*asociación en participación*)

Under these contracts, an active partner (*asociante*) grants one or several silent partners (*asociados*) a share in the profits of the business in exchange for a contribution. Its main features are:

- The parties must make contributions in cash, goods, or services, as established in the contract. If not specified, contributions are made in proportion to the share in profits.
- The active partner acts in their own name, and the silent partnership does not have a corporate name.
- The active manager alone manages the business. There is no legal relationship (rights or obligations) between third parties and the silent partners.
- The contract may establish control mechanisms for the silent partners over the active partner. Likewise, silent partners must be provided with an accounting report on completion of the business and at the end of each financial year.
- Participation of other persons is subject to the express consent of the silent partners.
- The assets contributed by the silent partners are presumed to be owned by the active partner, except if registered in the name of the silent partner.
- Unless otherwise agreed, silent partners share in losses in the same proportion as in profits. The losses affecting a partner do not exceed their percentage stake. However, it may be agreed that one party participates only in profits or in losses, even without making a contribution.

3.4.2. Consortium (*consorcio*)

Two or more partners (consortium members) actively and directly participate in a business to obtain a joint economic benefit, retaining their respective autonomy. Its main features are:

- Consortium members must make contributions in cash, goods or services, as established in the contract. If not specified, contributions are made in proportion to the share in profits.
- Each member is responsible for carrying out the activities assigned under the contract.

- Assets contributed by consortium members to the business under the contract remain their exclusive property. Joint acquisitions are governed by co-ownership rules.
- Each member is individually bound to third parties in the performance of their assigned activities. Each party thus acquires rights and assumes obligations individually.
- If the consortium contracts with third parties, liability will be joint and several among members only if so agreed in the contract or required by law.
- The contract must establish the profit-sharing regime. Otherwise, profits are presumed to be shared equally.
- As a general rule, consortium contracts must maintain independent accounting records. However, one member may keep the accounts if (i) the contract term is less than three years, or (ii) the nature of the business does not allow for independent accounting.
- For tax purposes only, a consortium that maintains independent accounting records is considered a legal entity—i.e., a separate taxpayer from the consortium members. In such cases, the consortium must have a name and a single tax identification number (RUC).

3.5. Corporate governance

Corporate governance is the set of practices and principles governing how companies are directed and controlled. It clarifies stakeholder roles and seeks to make the organization run more efficiently and transparently for investors (e.g., through board committees for independent audits to review reports and assess risks).

Corporate governance has become a fundamental pillar of business management, especially in a globalized environment where transparency and trust are essential to attract and retain investment.

Traditionally, corporate governance rules were mostly framed as soft law (voluntary recommendations or guidelines), meaning they were flexible and not legally binding. However, some corporate governance rules are becoming formal laws, meaning that companies are now required to follow them.

In Peru, voluntary and mandatory regulations are combined, to the extent that regulators, such as the Superintendency of the Securities Market (SMV) and the Insurance and Pension Funds (SBS), have deemed it appropriate to incorporate certain practices into their regulatory framework.

In Peru, corporate governance regulation combines mandatory and voluntary measures

3.5.1. Code of good corporate governance for Peruvian companies

The Code of Good Corporate Governance for Peruvian Companies (Code) is a voluntary instrument issued by a committee comprising public and private institutions, chaired by the SMV. It was published in 2013, as a review and update of the 2002 “Principles of Good Corporate Governance for Peruvian Companies,” based on OECD principles.

The Code's principles and recommendations seek to create greater value for investors and the economy, but companies are free to self-regulate and adhere.

3.5.2. Code compliance report

Security issuers listed on the Public Registry of the Securities Market (RPMV) must submit an annual report including an attachment known as the “Report on compliance with the Code of Good Corporate Governance for Peruvian Companies.” In this report, companies are required to answer several questions to inform the market about the good governance measures they have put in place, in line with the Code.

3.5.3. Guidelines for independent directors

One of the good corporate governance practices established by the Code is to have a board of directors with at least one-third of them being independent directors based on the qualifying criteria set forth in SMV Resolution No. 016-2019-SMV/01—including their professional background, financial autonomy, and lack of ties to the company.

However, entities supervised both by the SMV and the SBS, such as listed banks, follow specific rules contained in the Corporate Governance and Comprehensive Risk Management Regulation, approved by SBS Resolution No. 272-2017.





4

The new Secured Transactions System (SIGM) has modernized the registration of security interests over movable assets

Financial sector

4.1. Secured transactions

Peru's business environment has undergone a significant transformation in the area of secured transactions, following the enactment of the new regime under Legislative Decree No. 1400 and its implementing regulations. Since March 2, the electronic platform SIGM (Secured Transactions System), administered by the Superintendency of Public Registries (SUNARP), has substantially modernized the registration and publicity of security interests over movable assets.

SIGM enables electronic registration and publicity of secured transactions, eliminating the need for registry qualification or notarial intervention. This development has streamlined procedures, reduced notarial and registry costs, and facilitated access to financing for companies of all sizes.

Users can now register and manage security interests online, without submitting physical documentation to registry offices. Moreover, any person may verify the existence of a registered security interest through SIGM, thus accelerating commercial transactions.

Prior registrations made under the traditional registry system remain valid until their cancellation, which must be recorded both in SIGM and in the movable contract registry or the property registry, as applicable. Amendments or extensions to pre-existing security interests must be processed exclusively through SIGM.

Under the new regime, notarial notification is no longer required for enforcement. If the security interest is registered in SIGM, the debtor will be notified electronically by the secured creditor. Additionally, the sale of the encumbered asset may be suspended not only upon fulfillment of the secured obligation but also at the creditor's discretion.

SIGM does not conduct legality checks or verify the validity of submitted documents. Accordingly, users bear full responsibility for the accuracy of the information provided and may be subject to administrative sanctions and legal liability in the event of erroneous or misleading data.

Notwithstanding the changes introduced by the new secured transactions regime, Peru's financial and commercial system continues to recognize and rely on traditional forms of collateral, which remain



Peru has emerged as one of Latin America's fastest-growing fintech markets

in force and play a vital role in financing operations. Among the most relevant are mortgages and standby letters of credit.

4.2. Fintech

The term “fintech”—a combination of the words “finance” and “technology”—refers to the sector of emerging companies (startups) that apply advanced technology to transform how financial services are delivered and consumed. Innovations include electronic payments, online lending, investment management, and digital insurance, all aimed at making the financial industry more efficient, accessible, and secure.

4.2.1. Fintech ecosystem in Peru

Over the past decade, the global fintech ecosystem has grown exponentially, and Peru has emerged as one of Latin America's fastest-growing markets. Between 2014 and 2024, the number of tech-driven ventures grew by 370%. In addition, 4G and 5G networks now cover 95% of provincial capitals, driving adoption of mobile wallets, NFC payments, and digital lending platforms.

This progress is the result of expanding digital infrastructure, a dynamic regulatory framework, and rising demand from consumers and MSMEs seeking faster and more efficient alternatives to traditional financial services.

Currently, Peru does not have a general fintech law. Instead, regulations vary depending on the specific activity (vertical) carried out by fintech companies, as shown in the table below:

Vertical	Description	Regulatory framework
Payments and transfers	Platforms that facilitate electronic payments, money transfers, digital wallets, and payment processing for individuals and businesses. Noteworthy platforms: Yape (Banco de Crédito del Perú) and Plin (used by Interbank, BBVA, and Scotiabank).	Law No. 29985, regulating the basic characteristics of electronic money as a financial institution.
		Supreme Decree No. 090-2013-EF, regulating Law No. 29985.
		SBS Resolution No. 1025-2005, regulating Fund Transfer Companies.
		SBS Resolution No. 6284-2013, regulating Electronic Money Companies.
		Circular No. 003-2020- BCRP, regulating QR Code Payment.
		Circular No. 024-2022- BCRP, regulating Payment Services Interoperability Regulation.
		Circular No. 027-2022- BCRP, regulating Card Payment Agreements.
		Circular No. 009-2024- BCRP, regulating Interoperable Payment Services Quality Standards.
		Circular No. 011-2024-BCRP, regulating Digital Money Innovation Pilots.

Digital lending	Platforms streamlining access to personal, business, and mortgage loans, including peer-to-peer (P2P), business-to-business (B2B), and business-to-person (B2P).	Act No. 31141, Anti-Usury Act. BCRP Circular No. 0008-2021, Interest Rates.
	Includes crowdlending platforms regulated by the SMV and neobanks under the “credit company” model of Legislative Decree No. 1531.	Resolution No. 789-2028, AML/CFT regulating entities supervised by UIF-Peru. SBS Resolution No. 00650-2024, Registry of Financial and Currency Exchange Operators.
Crowdfunding	Online platforms enabling multiple investors or donors to fund projects, including lending and asset-based models.	Emergency Decree No. 013-2020, promoting financing for MSMEs, startups and ventures.
		CONASEV Resolution No. 033-2011-EF, AML/CFT regulations. SMV Resolution No. 045-2021-SMV/02, Crowdfunding Regulation.
Factoring	Sale of a company’s accounts receivable to a specialized entity (factor) for immediate liquidity. The factor advances a portion of the invoice value and manages collection. This enables the company to enhance its cash flow and mitigate the risk of non-payment.	Act No. 29623, promoting financing via commercial invoices.
		Act No. 30308, amending laws to promote factoring and discounting. SBS Resolution No. 4358-2015, Factoring Regulation.

Currency exchange	Platforms using advanced technology to enable fast, secure, and efficient foreign exchange with competitive rates and international transactions.	Resolution No. 789-2028, AML/CFT regulations for entities supervised by UIF-Peru. SBS Resolution No. 00650-2024, Registry of Financial and Currency Exchange Operators.
Insurtech	Use of advanced technology in insurance to enhance customer experience, policy underwriting, claims management, and risk assessment. Fintechs are introducing parametric policies based on IoT and telematics, reducing underwriting costs and expediting claims in sectors like agriculture and transportation.	Act No. 29946, Insurance Contract Act. SBS Resolution No. 1121-2017, Insurance Product Marketing Regulation. SBS Resolution No. 809-2019, Insurance Brokers Regulation.
Personal finance management	Tools and strategies for managing individuals' income, expenses, savings, and investments. This includes budgeting, debt management, saving for future goals, and making informed investment decisions, all with the aim of achieving long-term financial stability and growth.	Not regulated.

Regtech	The use of advanced technological tools to help companies comply with financial regulations and requirements. These solutions enable the automation of compliance processes, support risk management, and ensure that operations adhere to current laws, thereby increasing efficiency and reducing administrative burden.	Not regulated.
Finance as a Service (FaaS)	Comprehensive financial solutions through cloud-based platforms, which give businesses and consumers access to services such as investment management, accounting, and financial analysis, all tailored to their specific needs.	Not regulated.

Main supervisory and regulatory authorities include the SMV, the SBS and the BCRP (Peru's central bank).

4.2.2. Regulatory sandbox

A regulatory sandbox is an experimental framework established by regulators that allows companies to test new technologies or business models under special supervision and adapted rules, fostering innovation while safeguarding financial stability and market integrity.

Through Resolution No. 2429-2021, the SBS approved regulations for temporary activities using innovative models, applicable to entities under its supervision (such as banks and electronic money institutions). This regulation establishes two distinct regimes: (a) the flexibility regime, for pilot testing of innovative models within already regulated activities, allowing temporary relaxation of certain rules; and (b) the extraordinary regime, for pilot testing of activities not yet contemplated in the existing regulatory framework. In both cases, it is necessary to submit an authorization request, which must demonstrate compliance with certain eligibility criteria, such as (i) the model must be sufficiently developed to include participants in the pilot test; (ii) it must add value to the user experience or contribute to industry development; and (iii) a detailed pilot plan with clear objectives must be presented.

5

Tax

5.1. Income tax

Income tax is levied on:

- The global income obtained by companies resident in Peru;
- The Peruvian income generated by branches, agencies, or permanent establishments of foreign companies established in Peru; and
- The Peruvian-sourced income received by legal entities resident abroad.

Income tax is assessed annually. The financial year runs from January 1 to December 31. The deadline for filing the annual income tax return falls between the last week of March and the first weeks of April of the following year.

Entities domiciled in Peru are subject to a 29.5% tax rate on their net taxable income.

The net taxable income will be the book earnings for the year adjusted with the additions and deductions envisaged in the tax regulations. Expenses may be deducted if they help generate or maintain taxable income, subject to requirements and limits.

Any transaction exceeding PEN 2,000 or USD 500 must be carried out through the Peruvian financial system. Otherwise, the amounts cannot be deducted as expenses.

Dividends and any other profit distributions paid by a domiciled taxpayer to non-residents are subject to a 5% withholding tax to be withheld and paid by the distributing entity.

5.1.1. Capital gains

Capital gains from the direct or indirect sale of securities issued by Peruvian companies are subject to income tax. The share price must reflect fair market value.

As a general rule, if the securities are listed on a centralized trading mechanism, the market value is the quoted price. In other cases, the market value is the higher of (i) the transaction value; or (ii) the value determined using the discounted cash flow method, except in specific cases where equity participation value applies.

For resident entities, capital gains from share transfers of Peruvian companies are taxed at 29.5%.

For non-residents, the general rate is 30%, unless the securities



are listed on the RPMV and traded through a centralized trading mechanism, in which case a reduced 5% rate applies.

Non-resident sellers must obtain a certification from SUNAT before the transfer to deduct the cost basis of securities.

5.1.2. Personal income tax

Taxpayers residing in Peru are Peruvian nationals living in the country and foreigners who have been in Peru for over 183 calendar days in any 12-month period.

For resident individuals, income from capital is subject to a rate of 6.25% on net income. Since net income is calculated by deducting 20% from the gross income obtained, the effective tax rate for capital gains earned by residents is 5%. Employment income is subject to a progressive cumulative scale (8%, 14%, 17%, 20%, and 30%).

Employment income up to 7 UIT (tax units) is exempt from income tax. For non-resident individuals getting a salary income, a fixed rate of 30% on the net income applies, without deducting the sum equivalent to 7 UITs (tax units).

5.1.3. Non-resident income tax

Local entities that pay income to non-resident taxpayers must withhold income tax at the following rates:

Payment type withholding	Income tax
Dividends or distribution of earnings	5%
Interest on loans between unrelated parties, if they meet certain requirements	4.99%
Interest on loans between related parties	30%
Interest paid by financial institutions or Peruvian banks to foreign beneficiaries for lines of credit used in Peru	4.99%
Royalties	30%
Digital services	30%
Technical assistance	15%
Leasing of vessels or aircraft	10%
Other income	30%

The tax withheld may not be deducted as an expense, except in the case of loans granted by non-resident taxpayers, insofar as the debtor has contractually assumed the obligation to bear the income tax.

5.1.4. Transfer pricing

In the case of transactions between related parties or from, to, or through tax havens, non-cooperating states or states with a preferential tax regime, the market value will be considered equal to the consideration agreed by independent parties in comparable transactions, following the transfer pricing rules.

The tax authorities will make the adjustments for both the buyer and the seller, even if one of them is a non-resident entity, provided the agreed value results in a lower tax than would have been applied had the transfer pricing rules been used.

5.1.5. Double taxation agreements

Peru has signed treaties with Brazil, Canada, South Korea, Mexico, Portugal, and Switzerland with regard to double taxation of income tax under the model of the Organisation for Economic Co-operation and Development (OECD).

	Dividends	Interest	Royalties	Technical assistance	Digital services
No DTA	5%	4.99/30%	30%	15%	30%
DTA					
Brazil	10/15%	15%	15%	15%	15%
Canada	10/15%	15%	15%	-	-
Chile	10/15%	15%	15%	-	-
South Korea	10%	15%	15%	10%	-
Mexico	10/15%	15%	15%	-	-
Portugal	10/15%	10/15%	15%	10%	-
Switzerland	10/15%	10/15%	15%	10%	10%
Japan	10%	10%	15%	-	-

The entry into force of the MLI will modify certain DTAs signed by Peru

As a member of the Andean Community, Peru also applies a special regime to avoid double taxation in transactions with residents of the other member countries, namely Bolivia, Colombia, and Ecuador. Unlike the OECD model, this regime prioritizes taxation in the source country.

On October 1, the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting ("MLI"), ratified by the Peruvian State through Supreme Decree No. 013-2025-RE, will enter into force in Peru.

On October 1, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), ratified by Supreme Decree No. 013-2025-RE, will enter into force in Peru. This convention, part of the OECD/G20 BEPS Project, will modify certain DTAs signed by Peru.

The MLI introduces provisions to eliminate double taxation, counter hybrid mismatches, resolve dual residency conflicts for legal entities, and expand the criteria for determining the existence of a permanent establishment.

5.2. General sales tax

The General Sales Tax (IGV) is an indirect value-added tax applied at a rate of 18% to the following transactions:

- Sale of goods within Peru
- Provision or use of services within Peru
- Construction contracts
- First sale of real estate by developers
- Importation of goods

In all cases, the seller or service provider is responsible for charging and remitting IGV, except in the case of imported goods or services rendered by non-resident entities. The export of goods and services is exempt from IGV, provided the exporter is registered in the Exporters Registry and the transaction qualifies as an export under applicable regulations.

IGV paid on the acquisition of goods or services may be used as a tax credit against the IGV generated from the company's taxable transactions. IGV is calculated and paid on a monthly basis.

Any transaction exceeding PEN 2,000 or USD 500 must be carried out through the Peruvian financial system. Otherwise, the amounts involved will not give rise to a tax credit.

5.3. Main municipal taxes

5.3.1. Real estate tax (*impuesto predial*)

Real estate tax is levied annually on the value of real estate, administered by the district municipalities where the property is located. Progressive cumulative rates of 0.2%, 0.6%, and 1% apply based on the property value as established by municipal authorities.

5.3.2. Real estate transfer tax (*impuesto de alcabala*)

Real estate transfer tax is levied on gratuitous and onerous transfers of real estate and is also administered by the district municipalities where

the property is located. The rate is 3% of the higher of the sale price agreed by the parties or the self-assessed value determined by the district municipalities where the property is located, applicable only to the portion exceeding 10 UIT.

5.4. Other taxes

5.4.1. Excise duty (ISC)

Indirect tax levied on the sale of specific items established by law, including fuel, beer, liquor, and cigarettes; on importing those products; and on gambling, including prize draws and raffles. The rates are variable depending on the type of good or service.

5.4.2. Financial transactions tax (ITF)

A rate of 0.005% is levied on both the credit (deposit) and the debit (withdrawal) of accounts under the control of the Superintendency of Banking, Insurance and Pension Funds (SBS). ITF payments are a deductible tax expense for income tax purposes.

5.4.3. Temporary net assets tax (ITAN)

This is a tax on net assets as a sign of contribution capacity. Taxpayers generating third-category income whose net asset value exceeds PEN one million are required to pay ITAN at a rate of 0.4%. The amount paid may be used as a credit against monthly income tax prepayments and the annual income tax regularization. If any portion of the ITAN paid is not used in the annual income tax return, the taxpayer may request a refund from the tax administration, which must respond within 60 business days.



6

Insolvency proceedings

Insolvency proceedings are primarily governed by Act No. 27809 (General Insolvency Act).

The insolvency authority is composed of two administrative bodies under INDECOPI: the Commission for Insolvency Proceedings (first instance), and the Specialized Chamber for Insolvency Proceedings (second instance).

In Peru, a creditors' meeting made up of INDECOPI-recognized claim holders decides whether a debtor is viable.

6.1. Types of proceedings

6.1.1. Preventive insolvency proceedings

Debtors may file for this proceeding when accumulated losses (net of reserves) are less than one-third of paid-in capital, and overdue obligations represent no more than one-third of total liabilities for more than 30 days.

The proceeding concludes with the creditors' meeting approving or rejecting a global refinancing agreement (including payment schedules, interest rates, and other terms). If not approved, the ordinary insolvency proceeding is triggered.

6.1.2. Ordinary insolvency proceedings

Debtors may voluntarily file for this proceeding when losses exceed one-third of paid-in capital or overdue obligations exceed one-third of total liabilities for more than 30 days. Creditors may also initiate the proceeding if claims exceed 50 UITs and are more than 30 days overdue.

This proceeding concludes with either the restructuring or liquidation of the company. Restructuring takes place when the creditors' meeting decides to continue the debtor's activities. Upon approval of a restructuring plan, mechanisms and schedules for debt repayment are established to facilitate the debtor's economic recovery. The creditors' meeting assumes key decision-making authority over the debtor's management and operations.

Liquidation results from the creditors' meeting determining that the debtor's recovery is not viable or if the restructuring plan is breached. The resolution to dissolve and liquidate the debtor leads to the cessation of its activities, unless a going-concern liquidation is chosen. The process of asset realization and payment of recognized claims—according to the legally established order of priority—is carried out by a liquidator. This final stage ends with either the extinguishment of

If debts remain unpaid after liquidation, the liquidator must request a judicial declaration of bankruptcy

recognized claims or, if the debtor's assets are insufficient, a judicial declaration of bankruptcy.

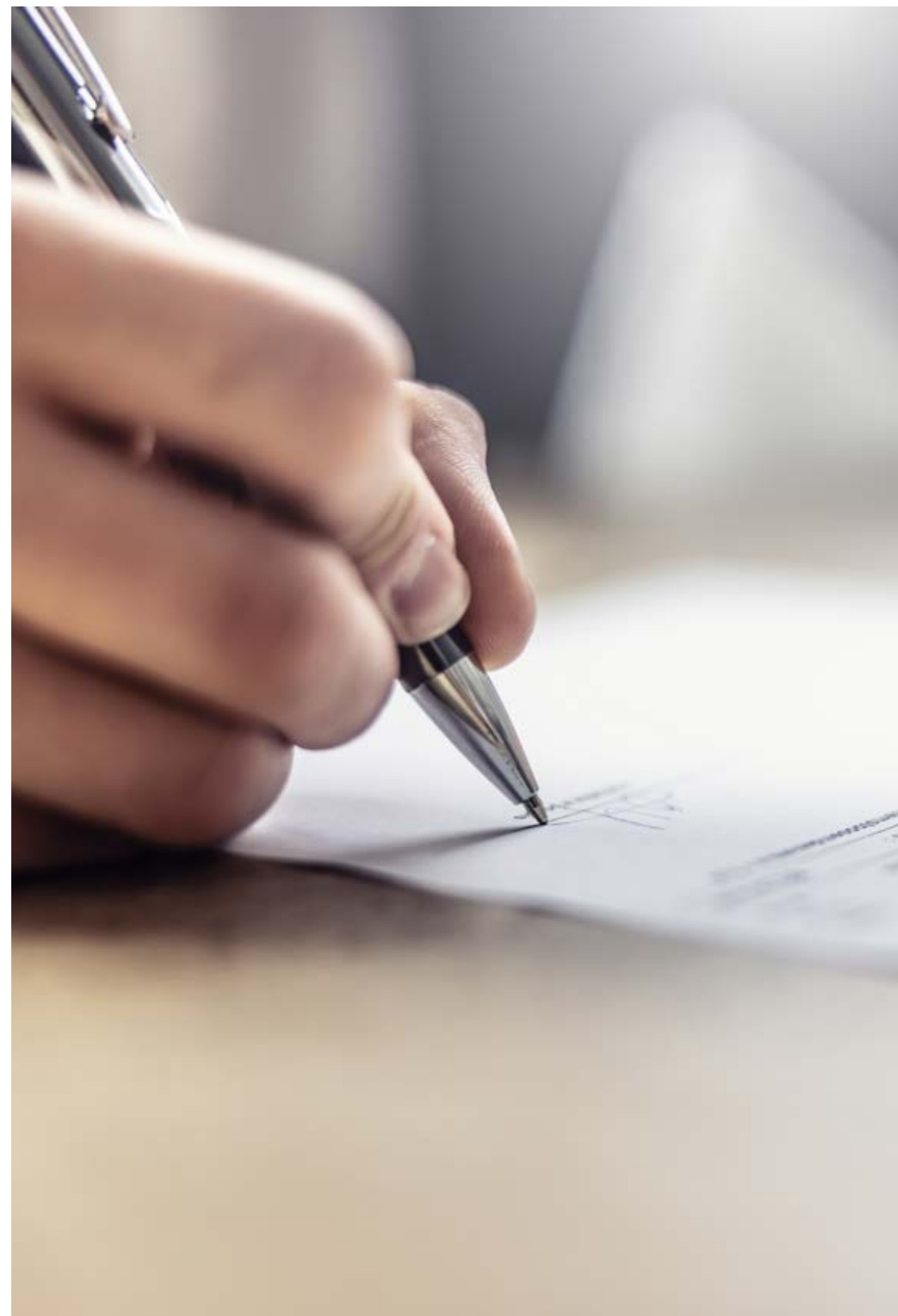
In the event of liquidation, claims are paid in the following order:

- **First:** Remuneraciones y beneficios laborales adeudados a los trabajadores, así como los aportes impagos al sistema de pensiones (público y privado) y deuda exigible a ESSALUD.
- **Second:** Créditos alimentarios, en caso de quiebra de personas naturales.
- **Third:** Créditos garantizados con hipotecas, garantías mobiliarias, anticresis, warrants, derecho de retención o medidas cautelares que recaigan sobre los bienes del deudor, siempre que dichas garantías hayan sido constituidas o la medida cautelar correspondiente haya sido ejecutada con anterioridad al inicio del procedimiento concursal.
- **Fourth:** Créditos tributarios, tales como los tributos, las cuotas, las tasas, las contribuciones, los intereses y las multas.
- **Fifth:** Los demás créditos no garantizados, no comprendidos en los órdenes precedentes.

If debts remain unpaid after liquidation, the liquidator must request a judicial declaration of bankruptcy.

6.2. Challenge of creditors' agreements in administrative proceedings

Resolutions adopted by the creditors' meeting may be challenged by the debtor or by creditors representing at least 10% of the INDECOPI-recognized claims.





7

Competition

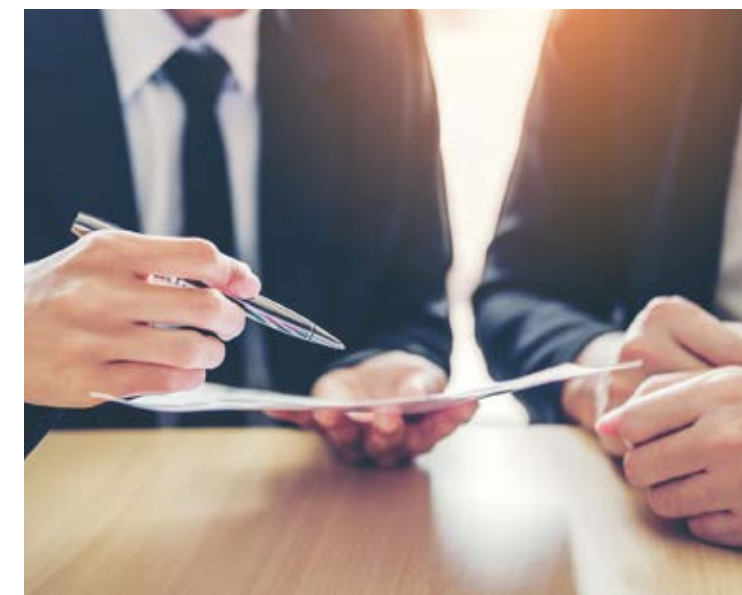
INDECOPI is a specialized public agency attached to the Presidency of the Council of Ministers and, therefore, part of the executive branch. Its functions include (i) oversight and sanctioning of anticompetitive conduct; (ii) control of concentrations; and (iii) oversight and sanctioning of unfair competition practices.

7.1. Anticompetitive conduct

The state promotes and oversees free competition primarily through the Competition Act,¹¹ which applies to both for-profit and non-profit entities that offer or demand goods or services in the market, as well as to their representatives, employees, and trade associations, among others.

INDECOPI's National Directorate for Competition Investigation and Promotion is responsible for investigating anticompetitive conduct under the Competition Act. The Free Competition Commission serves as the first-instance decision-making body, while the Specialized Chamber for Competition Defense acts as the second-instance authority. In the telecommunications sector, OSIPTEL is the competent authority for enforcing the Free Competition Act.

The Competition Act identifies the following anticompetitive practices:



¹¹ Approved by Legislative Decree No. 1034. Consolidated text approved by Supreme Decree No. 111-2024-PCM.

Abuse of dominant position	When a market-dominant company uses its position to restrict competition unduly, obtaining benefits and harming actual or potential competitors, whether direct or indirect, and the outcome would not have occurred without holding such a dominant position. Examples include (i) unjustified refusal to meet purchase requests or accept offers for goods or services from third parties; (ii) unjustified exclusivity or non-compete clauses; (iii) imposing unequal or discriminatory conditions for equivalent transactions that disadvantage certain competitors; and (iv) inducing third parties not to supply or accept goods or services. The mere exercise of market dominance is not abusive unless it harms actual or potential competitors.
Horizontal collusive practices	Coordinated decisions, recommendations, or practices among competitors aimed at restricting free competition.
Vertical collusive practices	Coordination between companies at different levels of the production or distribution chain, intended to restrict competition. One party must hold a dominant position in the relevant market.

Anticompetitive practices may fall under absolute or relative prohibition. Absolute prohibitions (e.g., price fixing, market or customer allocation, and bid rigging) require only proof of the conduct to establish an administrative violation. They may also constitute the criminal offense of abuse of economic power under article 232 of the Criminal Code.

Relative prohibitions require a more detailed analysis. In addition to proving the conduct, the authority must demonstrate its negative impact on competition and consumer welfare. Examples include (i) unjustified refusal to meet purchase requests or accept offers for goods or services from third parties; (ii) unjustified exclusivity or non-compete clauses; and (iii) imposing unequal or discriminatory conditions for equivalent transactions that disadvantage certain competitors.

If administrative liability is established, the Free Competition Commission may impose monetary sanctions and order corrective measures to restore competitive conditions and eliminate the effects of the anticompetitive conduct.

7.2. Control of concentrations

Concentration control legislation aims to promote effective competition and economic efficiency in the markets for the benefit of consumers.

The legal framework includes (i) Act No. 31112—Act on Prior Control of Business Concentration Operations and its regulations;¹² (ii) Resolution No. 021-2021-CLC-INDECOPI, approving the Ordinary and Simplified Notification Forms; (iii) Resolution No. 022-2021-CLC-INDECOPI, establishing guidelines for calculating notification thresholds; (iv) Resolution No. 103-2022-INDECOPI, providing guidelines for qualifying and analyzing concentration.

Under the Act on Prior Control of Business Concentration Operations, a business concentration involves a change in control of a company or part of a company through mergers, acquisitions of rights (individually or jointly), joint ventures, or acquisition of productive operating assets.



¹² Approved by Supreme Decree No. 039-2021-PCM.

The following are **not** considered concentrations:

- Internal growth within the same economic group.
- Organic growth of a single entity.
- Transactions with no effect in Peruvian markets.
- Temporary control over an entity due to legal mandates granted by law, such as the expiration or termination of a concession, corporate restructuring, insolvency, creditor agreements, or similar proceedings.
- Temporary acquisition of shares or interests by financial institutions or other financial, insurance, or capital market entities—whose normal business involves trading securities on their own behalf or for others—for resale purposes, provided voting rights attached to those shares or interests are not exercised to influence competition.



Authorization from the Free Competition Commission (and/or other competent authorities),¹³ is required if the operation (i) has effects in Peru; (ii) results in a change of control; (iii) meets the legal thresholds.

The law sets two thresholds:

- **Joint threshold:** combined annual sales, gross income, or asset value in Peru of the companies involved in the transaction reached $\geq 118,000$ UITs in the previous financial year.
- **Individual threshold:** annual sales, gross income, or asset value in Peru of at least two of the companies involved in the transaction reached $\geq 18,000$ UITs in the previous financial year.

Even if thresholds are not met, the Free Competition Commission may review a transaction within one year of its formal closing.

A series of transactions between the same economic agents within two years will be considered a single operation. As a result, the competent authority must be notified of the operation before executing the final transaction causing the thresholds to be exceeded.

¹³ Concentrations involving entities that neither take deposits from the public nor operate as insurance companies supervised by the SBS must be notified simultaneously to both the SBS and the Free Competition Commission.

If the transaction involves financial entities that take deposits from the public or are insurance companies, the authorization request must be submitted to the SBS, which will determine whether a concurrent notification to the Free Competition Commission is required.

Similarly, if any party to the transaction is an entity authorized by the SMV, the authorization request must be filed simultaneously with the SMV and the Free Competition Commission.

7.3. Unfair competition practices

Unfair competition practices disrupt the proper functioning of the market. They are regulated by Legislative Decree No. 1044 (Competition Act), which applies to all entities—whether for-profit or not—that offer or demand goods or services in the market, whether through advertising or other means.

The competent authority is INDECOPI, specifically the Commission for Oversight of Unfair Competition (first instance), and the Specialized Chamber for Competition Defense (second instance). In the telecommunications sector, OSIPTEL is the competent authority.

The Competition Act identifies the following as unfair competition practices:

- Acts contrary to business good faith that should guide a social market economy.
- Deceptive acts, which mislead market participants regarding the nature, origin, characteristics, price or other attributes of goods, services, establishments, or transactions.
- Confusion acts, which mislead regarding the business origin of an activity, establishment or services.
- Misappropriation of reputation, which are actions that take advantage of the image, goodwill, reputation, prestige, or brand of another economic agent, including conduct that may create a risk of association with a third party.



- Denigration acts, which undermine the image, credit, reputation, prestige, or professional standing of other market participants. These are lawful only if they meet the “truthfulness exception,” requiring that the information be (i) objective and verifiable; (ii) accurate and unambiguous; (iii) appropriately presented (avoiding irony or unjustified satire); and (iv) appropriate in substance, avoiding references to the beliefs, privacy, or nationality of the owners or representatives of the allegedly affected company.
- Improper comparisons or equivalence, which highlight one’s offerings against competitors or claim parity without substantiation. These are lawful only if they meet the “truthfulness exception.”
- Violation of trade secrets, including unauthorized disclosure or exploitation, or acquisition through espionage or breach of confidentiality.
- Violation of legal norms, which involves gaining advantage through breach of mandatory rules.
- Business sabotage, which involves unjustifiably interfering with another’s production or commercial activity by interfering with contractual relationships involving their employees, suppliers, clients, or other obligated parties, with the intent to induce them to breach essential obligations or through any other form of interference in their processes or activities.



- Violation of authenticity, preventing recipients from recognizing advertising as such.
- Violation of legality, which involves disseminating advertising that breaches legal norms.
- Violation of social adequacy, including advertising that (a) incites illegal acts or discrimination based on origin, race, gender, religion, opinion, or economic status; or (b) promotes erotic content to non-adult audiences beyond legal limits.

Advertising is subject to post-publication control, as prior approval is not required.

The Competition Act applies only to advertising disseminated in the market.

If administrative liability is established, the authority may impose monetary sanctions and order corrective measures to restore competitive market conditions.

8

As a rule,
employees are
hired for an
indefinite term

Labor

8.1. General hiring characteristics

As a rule, employees are hired for an indefinite term. These contracts do not require a specific form and may be executed verbally or in writing. However, written contracts are recommended as they provide greater clarity regarding labor obligations (e.g., non-compete clauses, confidentiality).

As an exception, Peruvian law allows fixed-term hiring, provided that one of the specific legal grounds is met. In these cases, the contract must be executed in writing.

In this framework, labor law establishes cases in which the regulations consider that there are temporary grounds justifying fixed-term hiring. These cases are:



Contracting mechanism	Specific modality	Description	Maximum duration
Temporary	Start-up or increase in activity	To launch new business activities. This includes launching productive activities, opening new establishments or markets, beginning new activities, and expanding existing activities within the company.	3 years
	Market needs	To address temporary and unforeseen increases in production due to substantial changes in market demand, even if the tasks are part of the company's core business.	5 years
	Business reconversion	For technological, productive, or organizational changes, among others.	2 years
Accidental	Occasional	To meet temporary needs unrelated to regular business activities.	6 months to 1 year
	Substitution	To temporarily replace a permanent employee whose employment is suspended for a reason established by law or under collective bargaining provisions applicable to the workplace.	Until the return of the replaced employee
	Emergency	For force majeure or unforeseen events.	Until the end of the emergency events.

Contracting mechanism	Specific modality	Description	Maximum duration
Specific work or service	Specific work or service	For a defined project not related to the company's core and permanent activities.	Until completion of the work or service, maximum 8 years
	Intermittent	For permanent, but discontinuous non-cyclical and unpredictable needs.	No limit
	Seasonal	For cyclical and predetermined needs during specific times of the year.	No limit
Any temporary cause	All temporary causes	Duration depends on the specific temporary cause.	Until the end of the temporary cause

Through labor intermediation and outsourcing, an employer may engage a third-party company to perform certain activities

8.2. Possibility of subcontracting

Peruvian companies may optimize their production processes and adapt to market demands through subcontracting, primarily via labor intermediation and outsourcing. Both mechanisms allow an employer to engage a third-party company to perform certain activities. We analyze these mechanisms below.

8.2.1. Labor intermediation

Regulated by Act No. 27626 and its regulation (Supreme Decree No. 003-2002-TR), labor intermediation involves the assignment of labor from one company to another (the user company). Direction and supervision are shared between the staffing agency and the client company (except for highly specialized services), allowing the client to supervise and manage the assigned workers' tasks.

Formal requirements include: (i) registration of the agency in the National Registry of Labor Intermediation Companies; (ii) written contract submitted to the Ministry of Labor; (iii) provision of a guarantee bond to ensure compliance with labor and social security obligations for the assigned workers; and (iv) sector-specific authorizations, if applicable.

Labor intermediation may be used for (i) temporary core activities; (ii) permanent or temporary complementary activities; (iii) permanent or temporary specialized activities.



8.2.2. Labor outsourcing

Regulated by Act No. 29245, Legislative Decree No. 1038, and Supreme Decree No. 006-2008-TR, outsourcing allows a principal company to delegate part of its production process to a third-party contractor.

Outsourcing must meet all the following conditions: (i) the contractor performs the service at its own risk; (ii) it uses its own financial, technical, or material resources; (iii) its personnel are under its exclusive supervision; (iv) it assumes full responsibility for service execution. Failure to meet any of these conditions invalidates the outsourcing arrangement.

On February 23, 2022, Supreme Decree No. 001-2022-TR prohibited outsourcing of core business activities. However, this restriction was repealed by Resolution No. 0270-2023/CEB-INDECOPI of July 22, 2023, and outsourcing is now permitted without limitations on the type of activity.

8.3. Legal benefits

Minimum wage

All workers are entitled to a minimum wage. Currently, the minimum wage is USD 314 or PEN 1,130.¹⁴ The Peruvian government may periodically adjust the minimum wage.

Working hours

The maximum working day in Peru is 8 hours per day or 48 hours per week. It is possible to establish atypical or cumulative schedules provided the legal maximum is respected.

Family allowance

This benefit is equivalent to 10% of the minimum wage and is granted to workers whose remuneration is not governed by collective bargaining, provided the following conditions are met: (i) having one or more dependent children under 18; (ii) having a child who has reached legal age and is pursuing higher or university education, until completion of the studies for up to 6 years after reaching adulthood; (iii) having one or more children over 18 with a severe disability certified by the National Health Authority, unless they receive a non-contributory pension for major disability.

Legal bonuses

Workers are entitled to two bonuses a year: one in July (national holidays) and another in December (Christmas). Each bonus is equivalent to one month's pay.

The legal bonuses are exempt from any provision, contribution, and discount of any nature, e.g., social health insurance and private pension system, with the exception of the discount for fifth category income tax.

The employer must pay the worker directly 9% of the value of this benefit if the worker is registered with the public health system (EsSalud) or 6.75% registered with a health care entity (Entidad Prestadora de salud, EPS).

¹⁴ Exchange rate used: 3.6.

Compensation for time worked

All workers are entitled to compensation for time worked if they work at least four hours a day.

This benefit is deposited every six months in the bank or financial institution chosen by the worker. The employer must make two deposits a year (in May and November). The amount is approximately equivalent to 8.33% of the worker's total remuneration in money or in kind during the semester. The computable remuneration is the amount that the worker regularly receives as compensation for their work.

The worker may make partial withdrawals of up to 50% of their deposits. When the employment relationship terminates, the worker may withdraw the full deposited amount and the corresponding interest.

Profit sharing

Peruvian labor law establishes a system for sharing the profits of companies with over 20 workers on payroll and whose activities generate third-category income.

Employers share their profits by distributing a percentage of the yearly pre-tax income. The workers' share is thus not calculated on

the employer's earnings but on its annual pre-tax income calculated under the income tax regulations.

The percentage that the employer must distribute among its workers ranges between 5% and 10% depending on the employer's activity, as follows:

- The percentage for fishing, industrial, and telecommunications companies is 10%.
- The percentage for agricultural companies is 7.5% for the period 2024–2026, and 10% from 2027 onward.
- The percentage for mining and trade (wholesale and retail) companies and for restaurants is 8%.
- The percentage applicable to all other companies not included above is 5%.

The distribution of the profit-sharing is made 50% pro rata by days worked by each worker and 50% in proportion to each worker's remuneration. The maximum cap on the profit-sharing entitlement is the equivalent of 18 monthly remunerations.

The share in profits must be distributed within 30 calendar days of the deadline established in the legal provisions for submitting the annual sworn income tax return.



Overtime

Overtime work is voluntary and must be compensated with an additional surcharge. This surcharge may not be less than 25% of the regular wage for the first two hours, and 35% for any additional hours. If the worker proves that overtime was imposed, the employer must pay compensation equal to 100% of the value of the overtime hour. There is no legal limit on the number of overtime hours an employee may work.

Executive personnel, workers not subject to direct supervision, and those performing intermittent services with waiting periods or custodial duties are not entitled to this benefit.

Vacation

Workers are entitled to 30 calendar days of paid vacation for each full year of service, provided they work at least 4 hours a day and meet the minimum number of days worked. The law allows for splitting, reduction, advancement and accumulation of vacation days. Workers who do not enjoy the vacation in due time may request compensation equivalent to an additional month's salary plus the vacation pay.

The timing of the vacation may be agreed by both parties. However, the employer will decide if no agreement is reached.

Non-working public holidays

The law establishes that all workers are entitled to paid rest on public holidays. In Peru, these public holidays are January 1 (New Year's Day); movable

holidays (Holy Thursday and Good Friday); May 1 (Labor Day); June 7 (Battle of Arica and Flag Day); June 29 (Saint Peter and Saint Paul); July 23 (commemoration of the heroic sacrifice of Captain FAP José Abelardo Quiñones Gonzales); July 28–29 (Independence Day); August 6 (Battle of Junín); August 30 (Santa Rosa de Lima); October 8 (Battle of Angamos); November 1 (All Saints' Day); December 8 (Immaculate Conception); December 9 (Battle of Ayacucho); and December 25 (Christmas).

Remuneration for non-working holidays is equivalent to the remuneration for a normal day of work and its payment is directly proportional to the number of days worked during the week.

The work carried out on non-working holidays without compensatory time off will result in payment of the corresponding compensation for the work carried out with a 100% surcharge. If both the worker and the employer agree on a later day off, the worker is only entitled to receive the usual remuneration corresponding to the day of work.

Leaves

Workers are entitled to various paid and unpaid leaves. The main statutory leaves are:

- **Temporary disability leave (due to illness or accident):**

Granted for illness duly certified and endorsed by ESSALUD or the competent health authority. The employer pays for the first 20 days of absence, and EsSalud covers any

additional period through subsidies, subject to reimbursement and applicable regulations.

- **Maternity leave:**

Granted for 49 days before the expected delivery date and 49 days after childbirth, based on medical certification. Payment is covered by Social Security. The pregnant worker may choose when to begin prenatal leave. Prenatal leave may be partially or fully deferred and combined with postnatal leave. An additional 30 days may be granted in cases of multiple births or birth of a child with a disability.

- **Breastfeeding leave:**

After the postnatal period, the mother is entitled to one hour of daily leave for breastfeeding until the child turns one year old. In cases of multiple births, the leave is increased by one additional hour per day. This leave may be split into two equal periods and must be granted during the workday. It cannot be deducted from wages.

- **Paternity leave:**

Granted for 10 calendar days or as otherwise provided by applicable regulations. The leave may be extended by 20 days for premature births or multiple births, and by 30 days for births involving terminal congenital illness, severe disability, or serious health complications of the mother. The leave may be taken at any time between the child's birth and the discharge of the mother or child from the medical facility. The worker must notify the employer of the expected delivery date at least

15 days in advance.

- **Adoption leave:**

Granted for 30 calendar days, starting the day after the issuance of the administrative placement resolution and the signing of the delivery certificate, provided the adopted child is under 12 years of age. The worker must request leave at least 15 days in advance.

- **Leave for serious or terminal illness or accident of a family member:**

Granted for up to 7 calendar days when a direct family member suffers a serious or terminal illness or a life-threatening accident. Additional leave of up to 30 days may be granted, deducted from the worker's vacation entitlement.

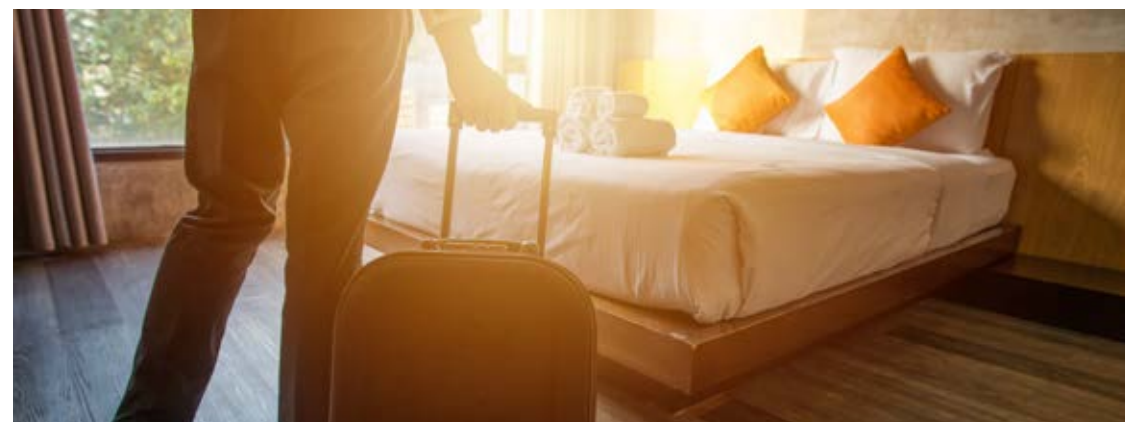
- **Leave for medical assistance and rehabilitation for persons with disabilities under the worker's care:**

Workers with a certified disabled direct family member requiring medical assistance or rehabilitation are entitled to up to 56 hours of paid leave per year.

- **Bereavement leave:**

Granted for 5 calendar days in the event of the death of a spouse, parent, child, or sibling. If the death occurs in a location different from the workplace, the leave may be extended to account for travel time.

- **Other leaves provided under applicable legislation.**



Mandatory life insurance (*seguro de vida ley*)

All workers are entitled to life insurance taken out by the employer from the start of the employment relationship. Legislative Decree No. 688 governs this insurance. The premium is subject to agreement between the employer and the insurance company.

8.4. Occupational safety and health

In Peru, employers must ensure that the workplace provides the means and conditions necessary to protect the life, health and well-being of workers, service providers, and anyone present on the premises.

The main obligations of employers regarding occupational safety and health include:

- Implementing an occupational safety and health management system based on the type of company or organization, level of exposure to hazards and risks, and the number of workers exposed.
- Conducting periodic audits to verify whether the system has been implemented effectively and is adequate for preventing occupational risks.
- Preparing an annual occupational safety and health plan and an annual training program.
- Establishing an occupational safety and health policy.
- Preparing an internal occupational safety and health regulation (companies with 20 or more workers).
- Appointing an occupational safety and health supervisor (companies with fewer than 20 workers) or establishing an occupational safety and health committee (companies with 20 or more workers).
- Periodically identifying hazards and assessing



risks to workers' safety and health.

- Preparing a risk map with the participation of the labor union, worker representatives, delegates, and the occupational safety and health committee.
- Providing training to workers as established by law.
- Conducting occupational medical examinations for workers.
- Providing appropriate personal protective equipment, based on the type of work and specific risks.
- Including occupational safety and health recommendations in employment contracts.
- Complying with other obligations established by the Occupational Safety and Health Act, its regulations, and applicable sectoral rules.

8.5. Social security contributions levied on remuneration

Social health insurance

Social health insurance is mandatory for all workers. This contribution is borne by the

employer and equal to 9% of the worker's salary.

Pension system contributions

Workers can choose between belonging to the national pension system or the private pension system. The employer must provide proof that workers have received the information bulletin detailing both the private and national pension systems.

In either case, the employer will discount a contribution to the pension system of their choice from the workers' remuneration. The value of the contribution is 13% of the remuneration in the national pension system and approximately 12.50% (on average) of the remuneration in the private pension system. We highlight that national and foreign workers are subject to the same social security regime and make the same contributions.

8.6. Termination of the work contract

Peruvian labor law envisages the following grounds for terminating work contracts:

- Death of the worker or employer, if the latter is an individual
- Voluntary resignation or retirement of the worker
- Completion of the work or service, fulfillment of a condition subsequent, or expiration of the term in legally executed fixed-term contracts
- Mutual agreement between the worker and employer
- Absolute permanent disability.
- Retirement
- Dismissal for just cause
- Termination on objective grounds: (i) force

majeure or unforeseen events; (ii) economic, technological, structural, or similar reasons; (iii) dissolution and liquidation of the company, or bankruptcy; (iv) corporate restructuring.

Just cause for dismissal

Peruvian labor legislation expressly sets out the just causes for dismissal. These may relate either to the employee's capacity or conduct. An employer may not dismiss a worker for reasons related to conduct or capacity without first granting the worker a reasonable written period to respond—not less than 6 calendar days to present a written defense, or 30 calendar days to demonstrate capacity or remedy the deficiency, as applicable.

Protection against unjust dismissal

If an employer dismisses a worker without a duly proven just cause, invokes a cause that cannot be substantiated, or fails to follow the legal procedure, the worker may choose between receiving compensation for unjust dismissal or requesting reinstatement. Claims for damages cannot be excluded.

Severance is determined as follows:

- **Indefinite-term contracts:** One and a half monthly salaries for each year of service, capped at 12 monthly salaries. Fractions of a year are calculated proportionally in twelfths and thirtieths, as applicable.
- **Fixed-term contracts:** one and a half monthly salaries for each remaining month until the contract's scheduled end date, up to a maximum of 12 monthly salaries.

8.7. Telework

Act No. 31572 and its regulation, approved by Supreme Decree No. 002-2023-TR, govern telework. The main provisions are as follows:

- The agreement to change the work modality must be in writing and have the approval of both the employer and the worker.
- Teleworkers define their habitual place of work and must inform the employer, who is responsible for verifying the conditions of the space to identify any potential risks.
- Unless otherwise agreed, the employer must provide or compensate the employee for working tools and conditions (such as computers, cell phones, electricity and internet services).
- The employer is prohibited from recording or capturing the image or voice of the teleworker without their prior and express consent, and from requesting such recordings. Consent is not required when image or voice capture is necessary due to the nature of the worker's duties.
- The employer may unilaterally change the work modality for duly justified reasons, with at least 10 business days' notice.
- If the worker requests a change in modality, the employer must respond within 10 business days; otherwise, the request is deemed approved.
- The employer must provide training to teleworkers on the following topics:
 - (i) use of software applications and information security; (ii) occupational safety and health in telework; (iii) prevention and

sanction of sexual harassment in telework; and (iv) use of digital tools for personal data protection, digital security, and trust.

- Teleworkers must not engage in personal activities during working hours. If they do, they must justify them to the employer. Otherwise, such conduct may be considered a serious offense and grounds for disciplinary action, which may result in the worker being required to return to on-site work.
- The employer must establish active breaks for teleworkers during the workday. Although active breaks were previously included in general safety guidelines under Annex No. 4 of the Telework Regulation, the amendment emphasizes their mandatory nature.

8.8. Contracting foreign employees

The Foreign Workers Employment Act and its implementing regulations govern the employment of foreign workers in Peru.

To hire foreign workers, the following requirements must be met:

- Inclusion in the employment contract of the minimum clauses established in article 14 of the Regulation approved by Supreme Decree No. 014-92-TR.



- Registration of the contracts in the National Registry of Foreign Worker Employment Contracts via the SIVICE platform.
- Limiting percentages for hiring foreign personnel: (i) foreign workers may not exceed 20% of the company's total workforce; and (ii) salaries paid to foreign workers may not exceed 30% of the employer's total payroll.
- However, certain exceptions allow specific foreign workers to be excluded from these quotas and exempt from contract approval formalities.



8.9. Collective labor relations

- **Right to union membership:** Workers have the right to form unions. At the company level, a union must have at least 20 members. Union membership is voluntary.



- **Right to collective bargaining:** The purpose of collective bargaining is to sign a collective agreement regulating wages, working conditions, and other aspects of the employment relationship. If the union represents the majority of employees, the agreement applies to all workers in the company. If the union is a minority, the agreement applies only to its members. The agreement may be reached through direct negotiation, conciliation, mediation, or arbitration.
- **Right to strike:** This right is constitutionally recognized and consists of a collective suspension of work by those involved, with abandonment of the workplace. Strikes must comply with legal requirements and may be declared illegal by the administrative labor authority. The employer must recognize the exercise of this right when legal formalities are followed. The only workers excluded from the right to strike are executive personnel, trust employees, and those providing essential minimum services in the company.

9

Compliance with the LPDP and its regulation is overseen by the National Data Protection Authority

Data protection

9.1. Legal framework

In Peru, the legal data protection framework is regulated by Law no. 29733, i.e., the Peruvian Data Protection Act (Ley de protección de datos personales, LPDP), and its regulation, approved by Supreme Decree 016-2024-JUS. The purpose of the LPDP is to guarantee the fundamental right to protection of personal data through their proper processing.

The National Data Protection Authority, a body attached to the Peruvian Ministry of Justice, oversees compliance with the Data Protection Act.

The LPDP is applicable to the personal data stored or to be stored in publicly and privately managed personal data banks, whose processing is performed in the national territory. Additionally, data controllers established outside Peruvian territory may be subject to the LPDP under certain circumstances. The regulation specifies cases in which the law applies extraterritorially: when the controller is not located in Peru but carries out activities related to offering goods or services directed at data subjects in Peru or engages in activities aimed at analyzing behavior and creating profiles intended to predict conduct, preferences, habits, or similar aspects.

9.2. Main obligations

The owners of personal data banks have the following obligations, among others:

- Register the creation, modification, and cancellation of the personal data banks and report crossborder flows at the National Data Protection Registry.
- Obtain the personal data owner's prior, informed, express and categorical consent to process and transfer them.
- Establish a privacy policy guaranteeing the data subjects' right of information, including the existence of the data bank, disclosure of any crossborder transfer of data, and the purpose and intended uses.
- Establish a simple procedure guaranteeing the right of access, the rights to accuracy and erasure, and the right to object, among others.
- Adopt the technical, organizational, and legal measures necessary to prevent any processing contrary to the LPDP or its regulation, including falsifying, losing and changing information, intentionally or not, whether the risks stem from human action or the technical means used.

- Where the processing involves large volumes of personal data, either in quantity or by the type of data, such that it could affect a large number of individuals, a Personal Data Officer must be appointed.

9.3. Rights of personal data subjects

Personal data subjects have the following rights:

- To access, rectify, revoke, cancel, and object to the processing of personal data that is inaccurate, incomplete, contains omissions, errors, or falsehoods, or that is no longer necessary or relevant for the purpose for which it was collected, as well as when the retention period has expired. The regulation has also introduced the right to data portability as an expression of the right of access. This right allows data subjects to request that their personal data, collected in a structured, commonly used, and machine-readable format, be transmitted to another controller or personal data bank owner. This right will be enforceable from September 30, 2025. The LPDP sets out its own specific procedures applicable to the handling of claims filed by data subjects.
- To prevent the disclosure of personal data and to object to its processing, unless otherwise provided by law.
- To be informed in detail, clearly and unequivocally, before their data is processed, of the following:
 - The identity and address of the personal data bank owner or controller to whom they may address revocation requests or exercise their rights.
 - The purpose(s) for which their data will be processed.
 - The identity of actual or potential recipients, where applicable.
 - The existence of the personal data bank in which the data will be stored, where applicable.
 - The mandatory or optional nature of their responses to questionnaires, where applicable.
 - The consequences of providing or refusing to provide personal data.
 - The period during which their data will be retained.
 - Any national or international data transfers that may take place.
 - The possibility of exercising the rights granted by law and the means available to do so.
 - The existence of automated decision-making, including profiling, and the

consequences for the data subject.

- When personal data has not been collected directly from the data subject, the source of the data must be disclosed upon first contact or upon request.

9.4. Transfer of personal data

National transfers occur when both the sender and the recipient of the data are located within the same country. International transfers occur when personal data is sent outside the country in which it was collected—i.e., when the sender and the recipient are located in different countries.

To carry out any type of personal data transfer, data bank owners must comply with the following obligations:

- In both national and international cases, the data subject's consent is required, unless otherwise provided by law.
- For international transfers, the destination country must maintain adequate levels of data protection. The General Directorate for Transparency, Access to Public Information, and Personal Data Protection issues a resolution to determine whether the recipient country offers protection comparable to that of Peru, based on the following criteria:
 - The existence of a legal framework for personal data protection.
 - The existence of principles governing personal data processing.

- The existence of rules recognizing and guaranteeing the rights of data subjects, together with mechanisms for exercising them.
- The existence of a data protection authority or an equivalent body responsible for oversight and enforcement.

- If the destination country does not meet the required level of protection, model contractual clauses or other legal instruments may be used. In October 2022, the Permanent Secretariat of the Ibero-American Data Protection Network approved the “Guide for the Implementation of Model Contractual Clauses for the International Transfer of Personal Data,” based on international standards. This document aims to ensure and facilitate compliance with the requirements for personal data transfers from countries belonging to the Network, such as Peru.



10

Public entities must follow a special public procurement regime

Public procurement

10.1. Legal framework

Under article 76 of the Peruvian Constitution, any public body using public funds or resources is subject to a special public procurement regime.

In general, the procurement of works, goods, and services by state entities is governed by General Procurement Act No. 32069 (Ley General de Contrataciones Públicas, LGCP), its regulation,¹⁵ and various directives issued by the Specialized Agency for Efficient Public Procurement (OECE).

Certain infrastructure projects carried out by public entities may instead fall under other special regimes, such as Public-Private Partnerships (PPPs) or Works for Taxes (Oxl), as explained in section 2.1.

Another mechanism increasingly used in recent years is government-to-government agreements (G2G), regulated in the twentieth final supplementary provision of the LGCP. G2G agreements are governed by international trade principles and international law.

Below we describe the main aspects of these public procurement regimes.

10.2. Public procurement regime

Transactions carried out by state entities using public funds for the acquisition of goods, services, and works are governed by the provisions of the new LGCP and its regulation. This new framework entered into force on April 22, 2025, establishing the Peruvian public procurement regime. Key changes include:

- Implementation of the single supplier profile (FUP) and a reputation-based evaluation mechanism. This profile provides access to key supplier information, including experience and performance level, in accordance with the reputation-based evaluation mechanism, as well as relevant data for determining disqualification grounds.
- Regulation of a Prequalification stage prior to bid evaluation, including sub-stages for negotiation and competitive dialog. Bidders submit preliminary offers and, following dialog or negotiation, submit final offers. This process helps identify and develop suitable solutions to meet the contracting entity's needs (improvement of bids, clarification of requirements, or modification of the preliminary contract).

¹⁵ Approved by Supreme Decree No. 009-2025-EF.

- Segmentation of goods and services procurement into routine, operational, critical, and strategic categories. Competitive and non-competitive selection procedures are regulated accordingly.
- Regulation of conditions for using international standardized engineering and construction contracts (FIDIC and NEC).
- Expansion of matters subject to conciliation, including disputes over damages, ancillary services, hidden defects, and post-performance obligations.
- Mandatory establishment of dispute avoidance and resolution boards for works contracts equal to or greater than PEN ten million and prohibition of their use in contracts under PEN five million.
- Introduction of a prompt payment benefit in the sanctioning regime, allowing sanctioned suppliers to obtain a 30% discount if they pay the fine within 5 business days, or 15% if they pay between the sixth and tenth business day.

10.2.1. Specialized Agency for Efficient Public Procurement

OECE, formerly known as OSCE,¹⁶ is the body responsible for supervising and regulating public procurement in Peru. Its main function is to ensure efficiency, effectiveness, and transparency in the use of public resources. It oversees compliance with public procurement rules and regulates selection procedures to ensure they are conducted efficiently and transparently. It also selectively or randomly supervises procurement processes, including minor contracts, and may suspend selection procedures if risks or violations are identified.

OECE plays a key role in interpreting and applying procurement regulations, issuing technical opinions to assist contracting entities, the private sector, and civil society in understanding and complying with applicable laws. It also manages the digital public procurement platform (Pladicop), which centralizes information and procedures.

10.2.2. Electronic Public Procurement System (SEACE)

SEACE is a digital platform within Peru's national supply system. It manages all stages of the procurement process, from preparatory actions to contract execution. This includes electronic transaction registration, information exchange, the dissemination of public procurement activities, as well as the publication of calls for bids, bidding terms, and offer submissions.

Contracting entities are required to register all procurement-related information in SEACE. All actions and records on the platform have the same validity and effect as those carried out manually. This facilitates access to processed information, allowing the public and procurement stakeholders to access historical and current data on suppliers, contracts, and selection processes.

10.2.3. National supplier registry

To qualify as a state supplier, one must be registered in the National Supplier Registry (RNP). This registry includes individuals, legal entities, autonomous estates, and other associative forms, both domestic and foreign. It is part of Pladicop and administered by OECE. Its main purpose is to register and keep updated the general and relevant information on suppliers wishing to participate in public procurement, including legal and financial data.

To register in the RNP, suppliers must meet general and specific conditions. Generally, they must be active, have a registered address in SUNAT's RUC, have no current disqualification sanctions from the public procurement tribunal, and keep their legal and financial information up to date. Natural persons, whether Peruvian or foreign, must be in full exercise of their civil rights. Foreign residents must have a legal representative authorized to act in administrative proceedings before public entities.



Domestic legal entities must be incorporated under applicable law, have a corporate purpose related to the provision of goods and services, and have a legal representative registered with SUNARP. Foreign legal entities may register as domiciled if they have a branch in Peru, or as non-domiciled if incorporated under the laws of their home country.

The RNP classifies suppliers quarterly based on scores assigned to their attributes and merits, evaluating factors such as delivery timeliness, sanctions, financial risk level, and sustainability standards. Top-rated suppliers may receive incentives in public procurement processes.

¹⁶ Supervisory Agency for Government Procurement (formerly OSCE).

10.2.4. Selection procedures

The LGCP establishes several procedures for the procurement of goods, services, and works, determined by the purpose and value of the contract. The main procedures are:

Public tender <i>(licitación pública)</i>	Procurement of goods and works. It involves several stages: call, participant registration, submission of questions regarding the terms of reference, submission and evaluation of tenders, and award. The period between the call and the submission of tenders must be no less than 22 business days. The call is published via SEACE, and bids are submitted electronically through the platform, unless otherwise provided in the terms of reference. To be awarded the contract, the tenderer must demonstrate experience relevant to the subject matter of the call.
Public bidding <i>(concurso público)</i>	Procurement of services and consulting for works. It follows similar stages to the public tender. The call is published via SEACE, and bids are also submitted electronically through the platform, unless otherwise provided in the terms of reference. To be awarded the contract, the tenderer must demonstrate experience relevant to the subject matter of the call.
Simplified tender <i>(adjudicación simplificada)</i>	Smaller procurements or emergency situations. The call is published via SEACE, and bids are submitted electronically through the platform.
Electronic reverse auction <i>(subasta inversa electrónica)</i>	Procurement of common goods and services with technical specifications. Suppliers compete online, and the winner is the one offering the lowest price. The process is conducted entirely online via Pladicop, in accordance with technical specifications approved by the public procurement center—PERUCOMPRAS.
Direct awarding <i>(contratación directa)</i>	Non-competitive procedure used in specific situations requiring rapid and targeted responses. It allows direct contracting with a supplier without a competitive selection process. Approval must be granted by the administrative authority or the head of the entity, as applicable, and must be supported by technical and legal reports justifying the need for direct awarding. This procedure is only permitted in cases expressly provided in the regulation, such as emergencies, shortages, sole-source suppliers in the domestic market, classified or military procurements, procurements for internal order, and objectively justified personal services.

10.2.5. Dispute resolution

• During selection procedures

Disputes arising during selection procedures may be resolved by filing appeals with the public procurement tribunal, which may annul procedural acts in cases of lack of jurisdiction, breach of law, or legal impossibility, among others.

Participants may challenge the rejection or disqualification of their bids, as well as the award of the contract to another bidder. The deadline for filing appeals is eight business days for tenders or bidding, and five business days for simplified tenders, counted from notification of the award.

To file an appeal, a guarantee must be submitted in favor of the OECE or the public entity that called the procedure. The guarantee must be 3% of the value of the selection procedure or the item being

challenged, and it may not exceed 300 UITs at the time of filing. For micro and small enterprises, the guarantee must be 0.5% of the value of the procedure or item, with a maximum of 25 UITs.

The guarantee is fully enforced if the appeal is rejected or withdrawn, and 50% if declared inadmissible. The guarantee is returned if the appeal is upheld, the procedure is annulled, or the appellant becomes ineligible to contract with the state.



- **During performance of the contract**

Disputes during performance of a contract under the LGCP may be resolved through the following mechanisms:

Dispute avoidance and resolution board	Promotes efficient resolution of technical and contractual disputes. Its decisions are binding and immediately enforceable. Although the Dispute Prevention and Resolution Board is an alternative dispute resolution mechanism, it is mandatory for works contracts equal to or exceeding PEN ten million. It is optional for contracts below this amount but prohibited for under PEN five million.
Conciliation	Parties may agree to conciliation as a preliminary step before arbitration to resolve disputes related to contract termination, deadline extensions, acceptance, or conformity of performance. For smaller contracts valued at 8 UITs or less, conciliation is mandatory.
Arbitration	Applies to disputes concerning the validity, interpretation, performance, termination, or effectiveness of the contract. Disputes may be resolved by a sole arbitrator or a panel of three, depending on the parties' agreement. Arbitrators must be listed with an institution registered in the Registry of Arbitration Institutions and Dispute Boards and must meet independence and impartiality requirements.

The LGCP and its regulation also allow other dispute resolution mechanisms provided in international standardized engineering and construction contracts (FIDIC and NEC).

10.2.6. Guarantees

The LGCP and its regulation require the winning bidder to provide various guarantees to formalize a contract. These guarantees aim to ensure compliance with contractual obligations and protect the contracting entity's interests. We list the main guarantees below:

- **Performance guarantee:** One of the primary guarantees required from the winning bidder. Must equal 10% of the original contract amount. Acceptable forms include:

- **Trust:** The winning bidder may establish a trust, to be submitted within 20 business days of contract execution. The trust must be managed by authorized fiduciary service providers or financial institutions.
- **Financial guarantee letter:** Must be unconditional, joint and several, irrevocable, and automatically enforceable in Peru upon request by the contracting entity.
- **Insurance contract:** A surety bond policy that must meet the same conditions as the financial guarantee letter.
- **Payment retention:** Applicable to contracts with awarded amounts equal to or less than PEN 480,000 for goods and services and PEN 5,000,000 for works, unless the contractor qualifies as a micro or small enterprise.
- **Performance guarantee for ancillary services:** Required for contracts involving ancillary services such as maintenance or repairs. This guarantee must equal 10% of the value of the ancillary service and may be provided as a financial guarantee letter, payment retention, or insurance contract.
- **Advance payment guarantee:** May take the form of a trust, financial guarantee letter, or insurance contract. It must have a minimum validity of 3 months, renewable until full amortization of the advance.

Guarantees are enforced in case of contractor default, when contract termination due to contractor fault becomes final, or when an arbitral award confirms the termination. The contracting entity may enforce the guarantee after granting the contractor a deadline to repay any outstanding advance.



10.3. Public-Private Partnership

The PPP regime in Peru is governed by the PPP Act and its regulation, which promote private investment in infrastructure and public service projects to contribute to the country's economic and social development.

Recently, Congress approved the New PPP Act, published on September 16, 2025. It will enter into force the day after publication of its regulation—no later than November 15, 2025. Upon its entry into force, the previous PPP Act will be expressly repealed.

Key aspects of the current PPP regime that are retained in the New PPP Act include:

- PPPs in Peru are classified as co-financed and self-financed. Co-financed PPPs require state cofinancing or the granting/contracting of financial or non-financial guarantees that are likely to require cofinancing. These are essential for large or complex projects that cannot be financed solely by the private sector. Self-financed PPPs have their own revenue-generating capacity.
- Regardless of classification, PPP projects go through the phases of planning and programming, formulation, structuring, transaction, and performance, ensuring technical viability and economic sustainability.
- Initiatives may be public (public entities develop PPP projects on their own initiative) or private (private legal entities submit proposals). As a rule, if no third party expresses interest in a private initiative, the project may be directly awarded to the proponent.
- The governing body for PPPs is the Ministry of Economy and Finance (MEF), through the Private Investment Promotion Agency—PROINVERSIÓN, which plays a key role in promoting and developing these projects and often acts as the project promotion office (OPIP).
- PPPs may be implemented in a wide range of sectors, including (i) public infrastructure such as road networks, airports, ports, urban, prison, irrigation, health, and education infrastructure; (ii) public services such as telecommunications, energy, water, and sanitation; (iii) services linked to public infrastructure, such as toll and fee collection systems; and (iv) applied research and technological innovation projects.
- Arbitration is established as the dispute resolution mechanism. Parties may also submit disputes to a dispute resolution board, as provided in the contract. Its decisions are binding but do not preclude recourse to arbitration.

New features introduced by the New PPP Act include:

- PROINVERSIÓN may act as a project owner public entity and, additionally, carry out land acquisition or expropriation and

remove interferences for project award.

- Project-owning public entities may interpret the clauses of the contracts they have signed.
- PPP projects involving only operation and maintenance activities may proceed directly to the structuring phase.
- Contract amendments may include additional investments, inside or outside the concession area, even if such inclusion extends beyond the contract term.
- In sectoral emergencies declared by the project-owning public entity, where there is imminent danger to infrastructure not attributable to the investor, interventions may be authorized by agreement between the parties. Such interventions may take place outside the concession area if it is the only way to temporarily restore public service.



10.4. Works for taxes

The works-for-taxes mechanism involves the execution of agreements between private companies and public entities for the financing or implementation (or both) of investment projects, among other types of special investments, as well as related operation or maintenance activities.

The Oxl Law and its implementing regulations establish the requirements to participate in public procurement under this regime.

10.5. Government-to-government agreements (G2G)

G2G agreements allow for the acquisition of goods, procurement of services, works, and their maintenance or operation by another government, using its own agencies, departments, or public or private entities, whether domestic or foreign. These agreements are governed by international trade principles and international law.

The twentieth final supplementary provision of the LGCP establishes the general legal guidelines applicable to such agreements.

G2G agreements may be used in two specific situations: (i) high complexity, where the Peruvian state requires specialized technical assistance from another state; and (ii) national defense and internal order, for strategic goods and services declared as such by the relevant sectors.

To authorize a G2G agreement, a supreme decree endorsed by the minister of the relevant sector is required. Additionally, G2G agreements must include minimum clauses covering:

- **Obligations of the other government:** knowledge transfer plan, legacy plan, submission of execution documentation, and contract termination in cases of corruption.
- **Obligations of the ministry:** submission of documentation to the Office of the Comptroller General and OECE.
- **Project management structure:** the contracting entity must have a project management structure in accordance with Legislative Decree No. 1553, which establishes measures for public investment and procurement to support economic recovery.

Our experience shows that potential contractors of infrastructure projects under G2G agreements have extensive technical experience in infrastructure works and a solid economic-financial base.





11

Environment

Environmental legislation in Peru is relatively recent.

The first legislative effort dates back to 1990, with the enactment of the now-repealed Environmental and Natural Resources Code. Since then, a set of general and sector-specific regulations have been issued, along with specific rules and sectoral regulations for environmental protection, which govern the management of the impacts that each economic activity may have on the environment.

In recent years, there has been a clear governmental trend toward centralizing environmental competencies within a single authority. Thus, the creation of the Ministry of the Environment (MINAM) consolidated Peru's environmental governance under a single regulatory body. Similarly, the establishment of the Environmental Assessment and Enforcement Agency (OEFA), along with its decentralized offices, aimed to unify environmental oversight, supervision, and enforcement. The process of transferring competencies to OEFA is currently underway, with the goal of bringing more sectors under its jurisdiction.

Additionally, the National Service of Environmental Certification for Sustainable Investments (SENACE) has recently gained prominence as a specialized agency responsible for conducting environmental impact assessments for investment projects across various economic sectors. Like OEFA, SENACE is undergoing a process of functional transfer from sectoral authorities, with the aim of centralizing environmental evaluation under a single entity. These transfer processes are currently underway and have yet to be completed.

11.1. Legal framework

The cornerstone of environmental legislation in Peru is General Environmental Act No. 28611. It establishes a continuous and permanent process of environmental management, incorporating various tools—principles, instruments, regulations, and procedures—designed to ensure improved quality of life, sustainable development, and the conservation of the country's environmental and natural heritage.

Other key environmental legislation includes:

- **Environmental Impact Assessment Act No. 27446.** It governs the national environmental impact assessment system, applicable to all human activities, public policies, plans and programs with potentially significant environmental impacts. Investment projects must obtain a state environmental certification following evaluation of an environmental management plan submitted by the project owner.

Environmental certification of a project is obtained through the approval of the Environmental Management Instrument

- **Environmental Assessment and Enforcement Act No. 29325.** It establishes and regulates the environmental assessment and enforcement system which encompasses all activities related to supervision, enforcement, and sanctioning of environmental violations. Its purpose is to ensure that all individuals and legal entities comply with environmental legislation, and to supervise and guarantee that the state's authority to impose sanctions in environmental matters is exercised independently, impartially, efficiently, and promptly. The governing body of this system is OEFA.
- **Protected Natural Areas Act No. 26834.** Protected Natural Areas (PNAs) in Peru are continental or marine regions (or both) designated by the state as essential for biodiversity conservation and other cultural, scenic, and scientific values. PNAs belong to the public domain. The use of non-renewable natural resources, such as minerals, within PNAs is restricted and may only be authorized if such activities are included in the area's master plan and align with its objectives, zoning, and classification. All activities within PNAs must be authorized by the National Service of Natural Areas Protected by the State (SERNANP).

11.2. Environmental certification

Under the Environmental Impact Assessment Act, investment projects that may cause significant environmental impacts must obtain an environmental certification, in accordance with the list of projects subject to environmental impact assessment published by the MINAM. The environmental viability of a project is determined following the evaluation of the environmental management plan (IGA) submitted by the project owner and prepared by an environmental consulting firm duly registered with MINAM's Registry of Environmental Consultants.

The IGA may fall into one of the following categories:

- Category I - Environmental impact statement (DIA):** for projects with potentially minor adverse environmental impacts.
- Category II - Semi-detailed environmental impact assessment (EIA-sd):** for projects with potentially moderate adverse environmental impacts.
- Category III - Detailed environmental impact assessment (EIA-d):** for projects with potentially significant adverse environmental impacts.

Once approved, the project owner must commence project execution within five years, failing which the environmental certification will expire. Following the start of project execution, the IGA must be updated in the fifth year and periodically thereafter while the project remains in operation.

If the project undergoes modifications or expansions, the project owner must submit (i) a modification to the IGA, if the change generates significant environmental impacts; or (ii) a technical supporting report (ITS), if the change involves non-significant impacts. The ITS process is simpler and faster than the IGA modification procedure, which is more complex and resource-intensive.

In principle, IGAs are approved by sectoral environmental authorities (depending on the economic activity) and by SENACE, a public technical agency attached to MINAM. SENACE is responsible for evaluating EIA-d and ITS submissions, while sectoral authorities approve IGAs for projects with minor environmental impacts (DIA and EIA-sd).

Environmental oversight and enforcement are carried out by OEFA and other national, regional, or local environmental oversight entities. OEFA supervises and sanctions environmental violations in sectors under its jurisdiction, including mining, electricity, hydrocarbons, fisheries, industry, agriculture, and solid waste.

On the other hand, national, regional, or local environmental oversight entities are those expressly authorized to operate independently from OEFA and exercise their powers in areas expressly assigned by law, typically involving smaller-scale economic activities. Non-compliance with environmental obligations may result in administrative sanctions, including fines, corrective measures, and other restoration, rehabilitation, compensation, or recovery actions. Importantly, administrative liability for environmental violations is strict (i.e., objective).

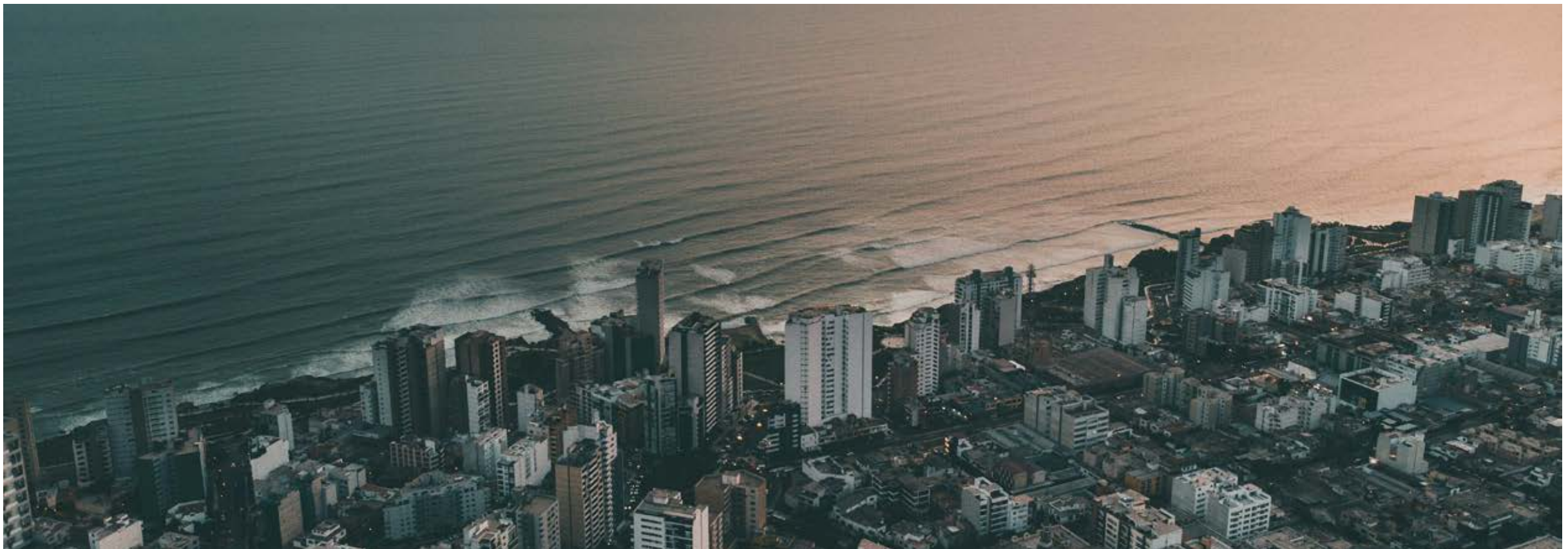


11.3. Climate change

Peru is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC). In line with its international commitments, Peru has developed and strengthened its legal and institutional framework for climate change.

Climate Change Framework Act No. 30754, enacted in 2018, sets out the principles, approaches, and general provisions for coordinating and implementing public policies to ensure comprehensive, participatory, and transparent management of climate change adaptation and mitigation measures. Among its objectives are reducing Peru's vulnerability to climate change, leveraging low-carbon growth opportunities, and fulfilling international commitments. The Climate Change Framework Act establishes the MINAM as the governing body responsible for leading and coordinating climate change management in collaboration with sectoral authorities, regional and local governments, and non-state actors, including Indigenous peoples. One of its key instruments is the adoption of adaptation and mitigation targets.

Adaptation measures are planned interventions to reduce or prevent serious disruptions, losses, and damage caused by climate change. Mitigation measures aim to reduce greenhouse gas emissions and enhance their removal. Both types of measures must be technically feasible, culturally appropriate, and contribute to sustainable development. The legal framework also provides mechanisms for integrating adaptation and mitigation measures into public and private investment projects. However, the current legislation does not impose specific climate change obligations subject to state monitoring or sanctions.



12

A concession grants its holder the right to exploit natural resources

Natural Resources

In Peru, all natural resources are the property of the nation, represented by the state. The state has the authority to grant individuals the right to extract and use these resources through concessions, provided that the beneficiaries comply with all obligations applicable to their activities.

12.1. Mining

The General Mining Act of 1992, enacted by Supreme Decree No. 014-92-EM, is the main legal instrument governing mining activities in Peru. These include exploration, exploitation, processing, and marketing of metallic and non-metallic mineral resources, excluding oil and gas.

Both natural and legal persons may engage in the exploitation of mineral resources under a concession-based system. Concessions are required for exploration, exploitation, and processing activities. By contrast, prospecting, staking, storage, and marketing activities do not require a concession and may be carried out freely.

Mining concessions in Peru are distinct and independent from surface land ownership. Therefore, concession holders must also obtain the right to use the surface land from its owner—whether private, communal¹⁷ or public.

Before starting operations, concession holders must obtain various permits, authorizations, and licenses from competent authorities depending on the components and activities of each project. These requirements are governed by specific regulations related to technical and safety standards, environmental protection, use of explosives, electricity supply, hydrocarbons, and others.

¹⁷ In Peru, peasant and native communities have their own legal personality. Therefore, the decision to grant surface land rights to an external third parties must be subject to deliberation by a communal assembly. In such cases, at least two-thirds of the attendees must vote in favor.

12.1.1. Key features of mining in Peru

Types of concessions

There are four types of mining concessions, each regulating a distinct activity:

Mining concession (<i>concesión minera</i>)	Grants the exclusive right to explore and exploit metallic or non-metallic mineral resources within the concession area. Granted by INGEMMET.
Beneficiation concession (<i>concesión de beneficio</i>)	Grants the right to process, purify, smelt, and refine minerals. Granted by MINEM's General Mining Directorate.
General works concession (<i>concesión de labor general</i>)	Grants the right to provide auxiliary services (e.g., ventilation, drainage, hoisting, or underground access) to two or more mining concessions held by different concessionaires. Granted by MINEM's General Mining Directorate.
Mineral transport concesión (<i>concesión de transporte de minerales</i>)	Grants the right to transport minerals on a large scale using non-conventional systems (e.g., conveyor belts, pipelines, or aerial cables). Granted by MINEM's General Mining Directorate.

Main permits for starting mining operations

Before starting exploration or exploitation activities, concessionaires must obtain the following key permits and authorizations:

- **Authorization to commence activities:** This authorization permits mining titleholders to begin physical operations and serves as the final step before starting exploration or exploitation (as applicable). It distinguishes formal mining operators, who possess all required permits, from illegal or informal miners who have not obtained the necessary prior authorizations.
- **Surface rights:** Concessionaires must either own the land or have an agreement with landowners or possessors, as the concession does not automatically grant surface rights.
- **Environmental certification:** Depending on the project's scope, this may include an environmental impact statement (DIA) for exploration, a semi-detailed environmental impact assessment (EIA-sd) for exploration and exploitation, or a detailed environmental impact assessment (EIA-d) for exploitation.
- **Water rights:** Permits, authorizations, or licenses must be obtained prior to using water resources for economic purposes, construction, or studies.
- **Discharge authorization:** Granted for a fixed, renewable period based on the main activity's duration. All wastewater discharges into natural water sources require prior authorization and treatment.

- **Archaeological permits:** A certificate of non-existence of surface archaeological remains (CIRAS) must be obtained, along with an archaeological monitoring plan (PMA) to ensure protection of any potential archaeological findings.
- **Prior consultation (when applicable):** If mining activities affect the collective rights of Indigenous or native peoples, a prior, free, and informed consultation process must be carried out in accordance with national and international standards.

Main obligations of concession holders

The main obligations established for concession holders include the following:

- **Validity fee:** Concessionaires must pay an annual fee of USD 3 per hectare.
- **Minimum production:** Concessionaires must actively work their concessions, meeting the following minimum production thresholds set out in the General Mining Act:
 - 1 UIT per year per hectare for metallic mining concessions.
 - 10% of 1 UIT per year per hectare for non-metallic mining concessions.
- **Mining penalties:** If minimum production is not met, the following penalties apply:
 - After 10 years: 2% of the minimum required annual production per effective hectare.
 - After 15 years: 5% of the minimum required annual production per effective hectare.
 - After 20 years: 10% of the minimum required annual production per effective hectare.

Penalties may be waived if the concessionaire demonstrates investment of at least 10 times the applicable penalty amount per hectare per year.

- **Annual consolidated statement (DAC):** Operating concessions must submit this annual report to MINEM, detailing activities from the previous year.
- **Ownership in border zones:** Under article 71 of the Peruvian Constitution, foreign individuals or entities must obtain prior authorization, issued by the President of the Republic and the Council of Ministers in the form of a Supreme Decree, to own property (including mining concessions) located within 50 kilometers of any of Peru's national borders. Failure to obtain this authorization may result in the loss of the acquired rights in favor of the state.

Grounds for termination of concessions

Concessions are granted for an indefinite term and are irrevocable, except in the following case:

- Non-payment of the validity fee for two consecutive years.
- Non-payment of applicable mining penalties for two consecutive years.
- Lack of production within 30 years from the date of granting.

Environmental liability

Concessionaires are liable for emissions, effluents, discharges, or other negative impacts on the environment, public health, or natural resources resulting from their activities. The Regulation for Environmental Protection in the Mining Sector (applicable to exploitation, beneficiation, general work, transport, and storage¹⁸) and the Environmental Regulation for Exploration Activities¹⁹ set forth the main environmental obligations, in addition to those established in the applicable environmental management plan.

Mining royalties

Concessionaires must pay royalties to the Peruvian state for the exploitation of metallic and non-metallic minerals. Royalties are paid quarterly and calculated based on the concessionaire's quarterly operating profit, applying a rate of up to 12%. Operating profit is determined by deducting, from the income generated by sales of metallic and non-metallic mineral resources during each quarter (in their current state), the cost of sales and operating expenses, including sales and administrative expenses incurred to generate such income. Royalties are deductible for income tax purposes in the financial year in which they are paid.

¹⁸ Approved by Supreme Decree No. 040-2014-EM.

¹⁹ Approved by Supreme Decree No. 042-2017-EM.

Special mining tax

In addition to mining royalties, concessionaires must pay a special mining tax on the sale of metallic minerals, regardless of their state at the time of sale. It is also paid quarterly and is calculated on the operating profit derived exclusively from the sale of metallic minerals. Rates range between 2% and 8.4%, depending on the profit margin. The applicable rate ranges from 2% to 8.4%, and is determined according to the company's quarterly operating profit margin, and this rate is applied to the operating profit from the sale of metallic resources. These payments are also deductible for income tax purposes in the financial year in which they are paid.

Regulatory contributions

Medium- and large-scale mining operators must contribute to OSINERGMIN and OEFA to fund regulatory oversight. Combined contributions may not exceed 1% of the company's annual revenue, net of VAT and municipal promotion tax.

Tax stability agreements

In addition to the legal stability agreements described in [section 2.3](#), the mining legal framework (specifically the General Mining Act) provides for agreements related to mining investment: Mining companies that begin or

operate projects with a capacity producing between 350 and 5,000 metric tons per day, or with investment programs equivalent to at least USD 20,000,000 in local currency, may sign 10-year tax stability agreements. Benefits guaranteed by these stability agreements include free disposal of foreign currency, non-discrimination in exchange rates, free commercialization of mineral products, and protection against unilateral modification of the guarantees included in the contract.

Tax stability is also available for mining projects with an initial capacity of at least 5,000 metric tons per day (or expansions reaching at least that capacity), or for holders who submit investment programs of at least USD 100 million in local currency for the start of any mining activity, in which case the contract is extended to 12 years. For investments in existing mining companies, the investment program must be at least USD 250 million in local currency.

Holders of mining projects with an initial capacity of at least 15,000 metric tons per day (or expansions reaching at least 20,000 metric tons per day) or those who submit investment programs of at least USD 500 million in local currency qualify for 15-year agreements. In this case, holders may also increase the annual depreciation rate for machinery, industrial equipment, and other fixed assets.



12.1.2. Competent authorities

The main mining authorities in Peru are:

- **MINEM (Ministry of Energy and Mines):** Oversees the development and promotion of mining activities. Through its General Mining Directorate and General Directorate for Mining Environmental Affairs, it issues mining and environmental permits.
- **INGEMMET:** Grants mining concessions, declares their expiry, and manages payments for validity fees and penalties.
- **SENACE:** Approves detailed environmental impact assessments (EIA-d) for mining projects.
- **OSINERGMIN:** Supervises, monitors and sanctions non-compliance with technical and safety standards in the mining sector. It also manages the Hydrocarbons Registry for large-scale consumers.
- **OEFA:** Supervises, monitors and sanctions non-compliance with environmental obligations by mining concessionaires.
- **Mining council:** Acts as the final administrative authority for appeals in mining and mining-environmental matters.
- **Regional Directorates for Energy and Mines:** Exercise delegated powers, especially in small-scale and artisanal mining.

Other authorities may also intervene depending on the project's characteristics: National Water Authority (for water rights); National Forestry and Wildlife Service (for deforestation permits); SERNANP (in

The market
is segmented
into three main
activities: power
generation,
transmission,
and distribution



cases of overlap with protected natural areas or buffer zones); Ministry of Culture (for archaeological heritage matters), among others.

12.2. Energy

The 1992 Electricity Concessions Act lifted the restrictions on private investment and eliminated government reservations. This Act was aimed at (i) promoting an investment process that could increase generation capacity, including better access and extending national coverage; and (ii) creating a tariff scheme to enhance technical and economic efficiency.

The Peruvian energy sector has become more competitive as a result of (i) a market liberalization and privatization process involving various public companies; (ii) the second-generation reforms implemented in 2006; and (iii) numerous public tenders for increasing power generation and transmission capacity.

12.2.1. Main aspects

The market is segmented into three main activities other than commercialization: (i) power generation; (ii) transmission; and (iii) distribution, which can be provided by natural and legal persons, whether national or foreign. Other main aspects include that:

- There is a technical system operator, the National Interconnected System ("SEIN"), which also operates and manages the spot market;
- The Peruvian Government has actively promoted private investment;
- The open access principle became well-established; and
- Companies are (a) free to set generation prices (electric power and energy) for the supply of electricity to free customers; and (b) subject to feed-in schemes for public customers.

In Peru, any of the following activities require a final concession granted by the Ministry of Energy and Mining or the competent regional government, as appropriate:

- Generation using water resources for an installed capacity greater than 500 kW.
- Transmission, only if the facilities affect government-owned assets or require easements.
- Electricity distribution, when it qualifies as a public service if demand exceeds 500 KW.
- Generation using renewable energy resources ("RER") for an installed capacity greater than 500 KW.

Also, thermoelectric generation activities require authorization if the installed capacity exceeds 500 kW. These authorizations are granted for an indefinite term.

12.2.2. Market agents

Aside from generation, transmission and distribution companies, there are two types of electricity users:

- **Regulated users:** their demand is below 200 kW, and they are subject to feed-in tariffs regulated by the electricity regulatory agency OSINERGMIN.
- **Free users:** their energy consumption is not subject to regulated prices, and they are free to choose electricity deals by entering into contracts with generators and distributors. Consumers with a demand over 2.5 MW will qualify as free users, and those with a demand larger than 200 kW but not exceeding 2.5 MW can choose to become free users.

The main entities and authorities in the Peruvian energy sector are the following:

- **MINEM** is the governing and rulemaking entity in the energy industry. It is responsible for general policymaking and rulemaking in the energy sector and for granting, monitoring, terminating and expiring authorizations and concessions for activities including electricity generation, transmission and distribution.
- The **System Economic Operation Committee** (“COES”) is a private non-profit organization with public legal personality comprising all agents of the National Interconnected System (“SEIN”), i.e., generators, distributors and free users and whose decisions are binding on its members. The main purpose of COES is to coordinate the interconnected system's short, medium and long-term operations to achieve the lowest possible operating costs while guaranteeing the system's security and optimizing the use of energy resources.
- **OSINERGMIN** is the regulatory and supervisory body responsible for monitoring energy companies' activities and for ensuring compliance with the applicable legislation and technical standards. OSINERGMIN is also responsible for setting tariffs on regulated activities.
- **OEFA** is a specialized technical body under the Ministry of the Environment responsible for environmental control and enforcement.
- **PROINVERSIÓN** is a public body responsible for implementing public tender procedures.
- **INDECOPI** ensures compliance with antitrust and unfair competition law and enforces Antitrust Merger Review Act No. 31112.

12.2.3. Power purchase mechanisms

There are various power purchase mechanisms, the most remarkable being:

- **Spot transactions at marginal cost:** generators are not forced to enter into these deals. They can choose to inject all their power into the spot market at the applicable market price.
- **Back-up contracts:** generators can enter into energy and power back-up contracts with each other to meet their contractual commitments.
- **Bilateral contracts with free users at unregulated prices:** generation prices (energy and electric power) are freely set.
- **Bilateral contracts with distributors at regulated prices:** entered into between generators and distributors. The energy is supplied to regulated users, so the maximum price (cap) is equal to the bus bar (regulated) price.
- **Bilateral contracts with distributors at fixed final prices resulting from bids under Act 28832:** these contracts stem from the bids conducted by distributors under OSINERGMIN's supervision.

12.2.4. PROINVERSIÓN bids

Act 28832, approved in 2006, provided a remuneration scheme for facilities included in the Guaranteed Transmission System (“SGT”) primarily aimed at creating stable and predictable revenues for the transmission concessionaires, allowing for SEIN's orderly growth. Remuneration of SGT facilities, tendered by PROINVERSIÓN, is made up of a tariff base determined by OSINERGMIN and must include three items:

- Return on investment, equal to the annual return for a 30-year period annualized at a 12% rate.
- The facilities' operation and maintenance costs (“O&M costs”).
- The relevant settlement between the previous year's authorized tariff base and the amounts actually collected.

The return on investment and the O&M costs included in the tariff base will be those of the winning bid in the public tender held for the construction of SGT facilities. The bidders thus propose the value of both tariff base items. These contracts are entered into under a build, own, operate and transfer (“BOOT”) scheme, and they are periodically awarded by PROINVERSIÓN in accordance with the Transmission Plan.



The legislative drive toward renewable energy resource (RER) projects has led to increased production

12.2.5. Renewable Energy

In line with its National Energy Policy and international emission reduction commitments, Peru's development framework for renewable energy resource plants ("RER") is aimed at increasing the share of renewable energy sources in the energy matrix, which is currently dominated by large hydroelectric and thermal plants (using natural gas from the Camisea field in Cusco). The plants qualifying as renewable energy facilities have (i) a right to priority dispatch, since they have no variable costs; (ii) priority access to the grid; and (iii) tax benefits including accelerated depreciation and early repayment of the general sales tax. Under this renewable energy promotion framework, there were four on-grid and one offgrid auctions, allowing for executing 65 projects, although not all of them ended up operating in the market.

However, the implementation of renewable energy projects in Peru currently does not depend on any promotion framework or auction because of the significant decrease in production and storage costs, the increasing role of corporate social responsibility encouraging companies to enter into renewable energy deals, the increase in marginal costs, the promotion of energy efficiency and distributed generation solutions, the social and environmental benefits and Peru's favorable weather conditions.

Thus, there has been a clear boost to the development of renewable energy resource (RER) projects driven by market competitiveness, with production increasing to nearly 10% of the energy generated in 2024. In January 2025, Act No. 32249 amended Act No. 28832 to expand contracting options for generation and distribution companies, thereby facilitating the financing of renewable energy projects. The new law enables the separation of energy and capacity sales, introducing the possibility for distribution companies to contract energy through hourly-block bidding. Additionally, the ancillary services market will come into effect as of 2026, with regulatory provisions expected in the coming months. This market should support the gradual integration of energy storage systems, which currently exist only in limited cases within the national electricity system.



13

Dispute resolution

The preferred mechanism of the private sector in recent decades has been arbitration

13.1. Arbitration

The preferred mechanism of the private sector in recent decades has been arbitration. The Legislative Decree regulating arbitration, Legislative Decree 1071 (Peruvian Arbitration Act), establishes that all the disputes on unrestricted matters, as well as those that the law, treaties or international agreements authorize can be submitted to arbitration.

The total competence and independence of the arbitrators when resolving the substance of a dispute is recognized, provided the parties to a specific legal relationship so decide by executing an arbitration agreement. However, the Peruvian Arbitration Act recognizes that ordinary judges can assist in examining evidence and adopting interim measures. Furthermore, it establishes that the ordinary courts have competence to enforce the award, hear the appeal for award annulment and recognize and enforce foreign awards.

13.1.1. Domestic and international arbitration

Peru recognizes both national and international arbitration. Under the Arbitration Act, the arbitration is international if it meets any of the following requirements::

- The parties have their registered offices in different states when entering into the arbitration agreement.
- The place of arbitration is outside the state where the parties have their registered offices.
- For parties with registered office in Peru, if the place of the fulfillment of a substantial part of the obligations under the legal relationship is outside the national territory.
- We highlight that Peru has signed and ratified the 1965 Convention on the Settlement of Investment Disputes (ICSID Convention); therefore, subject to certain conditions, ICSID arbitration can be applied for foreign investors.

13.1.2. *Ad hoc* and institutional arbitration

Arbitration can be institutional or *ad hoc*. It is institutional when it is organized and managed by an arbitration institution. In Peru, the main arbitration institutions are the Lima Chamber of Commerce's Arbitration Center, the Pontificia Universidad Católica del Perú's Conflict Resolution and Analysis Center, and the American Chamber of Commerce of Peru's Arbitration Center. Arbitration is *ad hoc* when it is led by the arbitration tribunal itself.

13.1.3. Arbitration proceedings in which the Peruvian state is a party

On January 23, 2020, Emergency Decree 020-2020 amending the Arbitration Act entered into force, establishing certain provisions applicable to arbitration proceedings in which the Peruvian state is a party. In these cases, the arbitration will be institutional, and it can be ad hoc when the amount of the dispute does not exceed ten UITs (tax units).

Likewise, Emergency Decree 020-2020 establishes that, when the Peruvian state is the party affected by an interim measure, an injunction bond will be required for a value that cannot be lower than the sum of the security on faithful compliance with the agreement from which the dispute arises. The injunction bond can be an unconditional bank bond or a joint and several financial bond automatically enforceable in favor of the affected public entity for the duration of the arbitration proceedings.

The arbitration proceedings may be declared abandoned if they are not pushed forward for four months. This declaration can be *ex officio* or requested by a party. If the arbitration is institutional, this declaration is made by the General Secretariat of the Arbitration Center. If the arbitration is *ad hoc*, the declaration is performed by the sole administrator or the chair of the arbitration tribunal.

The declaration of abandonment of the arbitration proceedings prevents initiating another arbitration with the same intention for six months. If the

abandonment is declared for the second time between the same parties and with the same intention, the right expires. This is relevant as, when the Public Procurement Act applies, the state will enforce the application of the limitation periods envisaged in its favor.

With regard to the confidentiality and disclosure of arbitration proceedings, Emergency Decree 020-2020 established that arbitration proceedings and the award will be public once the arbitration proceedings have ended. The reserve and confidentiality will only be maintained in the exceptions established in the transparency and access to public information rules. This only applies to domestic arbitration proceedings.

13.1.4. Ex post judicial control

There is no dual instance in Peru that allows the substance of an award to be reviewed. Although there is subsequent judicial control through the appeal for annulment, it can only be filed in the following cases:

- The arbitration agreement is non-existent, null, voidable or ineffective.
- One of the parties has not been duly notified of the appointment of an arbitrator or of the arbitration proceedings, or it has not been able to assert its rights for any other reason.
- The composition of the tribunal or the arbitration proceedings have not been aligned with the agreement between the parties or the applicable arbitration regulations.

- The arbitration tribunal has resolved on matters not submitted to its decision.
- The arbitration tribunal has resolved on matters not susceptible to arbitration, or the award is contrary to international public order (the latter in the case of international arbitration).
- The dispute has been decided outside the period agreed by the parties.

The appeal for annulment is resolved declaring the validity or invalidity of the award. Under the Arbitration Act, it is prohibited, under liability, to state a position on the substance of the dispute or the content of the decision and to describe the criteria, motivations or interpretations presented by the arbitration tribunal.

An amendment introduced by Emergency Decree 020-2020 in relation to the award annulment appeals is that, when the state is a party and the award is annulled by the Judiciary, any of the parties can discharge the arbitration tribunal or withdraw the appointment of the arbitrator it designated. After an award is annulled, any of the parties can be required to re-form the arbitration tribunal. Statistically, it is highly likely that the requesting party will be the State.

13.1.5. Recognition and enforcement of international arbitral awards in Peru

The Arbitration Act considers foreign awards those issued in a place outside Peruvian territory. The awards will be recognized and enforced in the country in accordance with the treaties on recognition and enforcement of arbitral awards to which Peru is party. Peru has signed and ratified the following instruments, among others:

- The Convention on the Recognition and Enforcement of Foreign Arbitral Awards, approved in New York on June 10, 1958.
- The Inter-American Convention on International Commercial Arbitration, approved in Panama on January 30, 1975.
- The Inter-American Convention on Extraterritorial Validity of Foreign Judgments and Arbitral Awards of 1979.

Unless the parties have agreed otherwise, the applicable treaty will be the most favorable to the party requesting the recognition and enforcement of a foreign award.

13.2. Other dispute resolution mechanisms

In the Peruvian business and investment context, the efficient handling of disputes is crucial for the continuity of operations and business activities. The most common alternative dispute resolution (ADR) mechanisms are negotiation, mediation, and conciliation. These methods allow parties to resolve their differences without resorting to judicial or arbitral proceedings, thereby reducing costs and time. Moreover, they help prevent project disruptions and reduce conflict between parties. Additionally, the dispute resolution board is a mechanism specifically designed for the construction sector, aimed at resolving disputes that may arise from the beginning of a project through to its completion.

13.2.1. Negotiation

Negotiation is a consensual dispute resolution mechanism whereby the parties themselves seek an agreement to resolve their differences. It is the most direct, flexible, and informal method, and is present throughout all stages of a contractual relationship.

Traditionally, negotiation culture in Peru is underdeveloped—often perceived as confrontational rather than as an opportunity for collaboration or agreement. Decision-making is typically centralized at higher hierarchical levels (e.g., executive management), which limits the autonomy and effectiveness of direct negotiators.



In the public sector, oversight by entities such as the Office of the Comptroller General creates reluctance among public officials to engage in negotiation processes, due to concerns over potential administrative or even criminal liability.

13.2.2. Mediation

Mediation is a procedure in which parties seek to resolve their differences with the assistance of an impartial third party (mediator). Unlike conciliation (see section 11.2.3), mediation is not regulated in Peru and therefore is not commonly used.

The mediator or mediators facilitate dialog and assist the parties in reaching an agreement.

As a result of mediation and negotiation, and through reciprocal concessions, the parties may enter into a settlement agreement—which, pursuant to article 1302 of the Civil Code, has the effect of *res judicata*.

13.2.3. Conciliation

Conciliation is a consensual dispute resolution mechanism in which an impartial third party facilitates dialog. The parties voluntarily decide whether to reach an agreement to resolve their dispute.



In Peru, conciliation may be in or out of court. Judicial (i.e., in court) conciliation occurs at any stage of the proceedings before an ordinary judge, in accordance with article 323 et seq. of the Code of Civil Procedure. Extrajudicial (i.e., out-of-court) conciliation takes place in authorized centers under the supervision of the Ministry of Justice and Human Rights (MINJUSDH).

Out-of-court conciliation is governed by the Conciliation Act No. 26872 and its regulation.²⁰ As a rule, conciliation is a mandatory prerequisite before filing a lawsuit in matters to be freely decided upon by the parties. If a claim is filed without fulfilling this requirement, the judge must declare it inadmissible for lack of standing.

Conciliation is not required prior to initiating judicial proceedings in the following cases:

- When the respondent's domicile is unknown.
- When the respondent resides abroad, unless their representative has express authority to attend a conciliation center.
- When the dispute involves rights or assets of legally incapacitated persons, as defined in articles 43 and 44 of the Civil Code.
- In precautionary proceedings.
- In constitutional rights proceedings.
- In proceedings for nullity, ineffectiveness, or annulment of legal acts, in the cases set forth in article 221(1), (3), and (4) of the Civil Code.
- In inheritance claims that include a request for declaration of heirship.
- In cases of domestic violence.
- In eviction proceedings under Legislative Decree No. 1177, establishing the Regime for the Promotion of Residential Leasing, and Act No. 28364, regulating the real estate capitalization contract and its amendments.
- In all other claims not to be freely decided upon by the parties.

²⁰ Approved by Supreme Decree No. 014-2008-JUS.

Although the mandatory nature of out-of-court conciliation was intended to reduce the judicial caseload in Peru, it has been subject to criticism, as it is often viewed as a mere procedural formality rather than a genuine dispute resolution mechanism.

It is noteworthy that the Conciliation Act and its Regulations establish that conciliation agreements—whether total or partial—have the same effect as an enforceable title. Therefore, if the agreement is not fulfilled, its enforcement may be requested through an expedited judicial process known as an enforcement proceeding. In other words, the conciliation agreement has the same effect as a final judgment.

The advantages of out-of-court conciliation are:

- The decision to reach or not reach an agreement is entirely voluntary for the parties.
- Conciliators must have specialized training (e.g., in family or health-related matters).
- All discussions during the conciliation hearing are confidential and may not be used as evidence in judicial proceedings.
- The procedure is fast, with short deadlines established by law.
- It is less costly than judicial proceedings, and free conciliation centers are available.
- Following the COVID-19 pandemic, virtual conciliation hearings were introduced, reducing logistical costs for the parties.



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