



FERRERE

Investing in
BOLIVIA
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INVESTING IN BOLIVIA

This document has been prepared to provide an overview of the law covering the aspects that most frequently interest foreign investors. This document is not intended to be an in-depth analysis of the laws, decrees, or regulations considered and, therefore, does not constitute a sufficient basis for making investment decisions.

1. Business Entities

Investors intending to establish a business in Bolivia generally use these three types of companies: Sociedad de Responsabilidad Limitada (Limited Liability Company), Sociedad Anónima (Corporation), and Sucursal de Sociedad Constituida en el Extranjero (Branch of Company Incorporated Abroad), among other types of corporate vehicles available under Bolivian law.

1.1. Organization

In Bolivia can be organized directly by foreign investors or through local representatives appointed in a notarized power of attorney. It is common practice to grant powers of attorney to local practitioners who arrange and execute the founding documents. For validity in Bolivia these documents must be duly legalized and apostilled.

The fastest incorporation process is for the Sociedad de Responsabilidad Limitada, which takes approximately 10 business days from arrival in Bolivia of the apostilled documents.

The process involves:

- choosing a company name and verifying its availability with Bolivia's Registry of Commerce (SEPREC);
- execution of the incorporation documents and power of attorney representation issued by the partners or their agents; and
- notarization of these documents and subsequent filing with SEPREC.

In the case of a Sociedad Anónima, the process can take approximately 20 business days once the legalized documents are received in Bolivia. This type of company also requires preparation of bylaws and appointment of a board of directors and a statutory auditor.

In turn, the process for organizing a Branch of a Company Incorporated Abroad also takes approximately 20 business days. The process requires filing a resolution issued by the competent body of the parent company authorizing the opening of the branch in Bolivia, and specifying the capital assigned in local currency and appointing a legal representative.

It is also necessary to attach documentation accrediting the parent's organization and existence, issued by the foreign registry of commerce or similar authority, including organization papers, bylaws and other relevant documents. This documentation must also be filed with SEPREC to obtain the pertinent commercial registration.

Note that regardless of the type of company, it must be registered with SEPREC in order to obtain a commercial registration (Matrícula de Comercio), authorizing it to do business in Bolivia. Once the company is registered, it must be filed with the National Tax Service (SIN), in order to obtain a taxpayer identification number (NIT), which will allow it to obtain operating licenses and to open bank accounts to receive contributions of capital.

1.2. Capital

For Sociedades de Responsabilidad Limitada, the capital must be fully paid in upon organization and will consist of partnership interests that are not represented by negotiable securities. Partners can be either Bolivian or foreign individuals or legal entities, and are liable up to the amount of their subscribed contributions. There must be at least two and not more than twenty-five partners, and the partnership capital will be divided into equal partnership interests of 100 bolivianos or multiples of thereof.

For Sociedades Anónimas, the capital is represented by shares, and shareholder liability is limited to the amount of their subscribed shares. Shareholders may be Bolivian or foreign individuals or legal entities. This type of company must have at least three shareholders. The corporate capital is divided into shares of like value, with a nominal value of 100 bolivianos or multiples thereof.

Branches of Companies Organized Abroad are organized in the same way as their parent in terms of legal form and existence. If the parent company operates under a structure not recognized by Bolivian law, the branch will adopt the structure that most closely resembles it.

1.3. Restrictions on Foreign Ownership and Control

There are no restrictions on the citizenship of partners or shareholders. Directors can be nationals or foreigners; however, relatives up to the fourth degree of consanguinity and second degree of affinity cannot sit on the same board of directors. Statutory auditors must be domiciled in Bolivia. All Bolivian business companies must have a legal representative, who must be domiciled in Bolivia and be a Bolivian resident.

1.4. Partners and Shareholders Meetings

For a Sociedad de Responsabilidad Limitada, the partners meeting is the company's highest deliberative body. Partners can hold both regular and extraordinary meetings. The regular meeting must be held at least once a year, at the company domicile, within three months following the end of the fiscal year. Extraordinary meetings can be convened whenever the members request, per the proper notice procedure.

In a Sociedad Anónima, the general shareholders meeting is the highest deliberative body. Shareholders can hold regular and extraordinary meetings. The regular meeting must take place at least once a year, within three months following the end of the fiscal year. Extraordinary meetings can be convened to address any matters outside the scope of the regular meeting.

1.5. Board of Directors

Administration of a Sociedad Anónima rests with a board of directors, consisting of at least three members who may be shareholders or not, and may be either nationals or foreigners. The directors are appointed by the Regular Shareholders Meeting and are not required to be domiciled in Bolivia. The board can delegate management functions to managers, but the position of director cannot be delegated. The company's bylaws may stipulate a minimum of three and a maximum of twelve board members.

As regards the appointment of directors, minority shareholders representing at least a 20% stake in the company are entitled to elect one third of the directors or statutory auditors.

Administration of Sociedades de Responsabilidad Limitada shall rest with managers or administrators, who may be partners or not. Although it is not usual, such companies, in an Extraordinary Meeting of

Partners, may also appoint a board of directors and/or a statutory auditor, who shall assume all obligations established by law for those positions.

Branches are governed by the parent's rules regarding legal form and existence, but are subject to Bolivian law in their operations. They are considered local companies and must keep separate accounting records from their parent. The legal representative must be domiciled in Bolivia. Foreign legal representatives are required to have a temporary residence visa.

1.6. Control

The financial statements of all companies mentioned above must be approved by their partners or shareholders meetings and be filed annually with the National Tax Service and the Registry of Commerce.

The Corporate Oversight Authority (Autoridad de Fiscalización de Empresas, AEMP) oversees, supervises and controls companies, and can sanction accounting violations.

2. Exchange Market

Since 2011, Bolivia has maintained a fixed exchange rate for its national currency, the boliviano (BOB) relative to the US dollar. The exchange rate has been pegged at BOB 6.96 per USD 1 for sale and BOB 6.86 per USD 1 for purchase. A Central Bank of Bolivia Board Resolution mandates that all foreign currency exchanges must be conducted within a range of one-tenth above or below the official exchange rate. However, due to a shortage of dollars in the formal financial system at the outset of 2023, a parallel exchange rate emerged, exceeding the Central Bank's established limits and more than doubling the official exchange rate.

With a view to palliating the foreign currency liquidity crisis, the government has adopted diverse measures geared to improving the availability of dollars in the market. Important among them is the flexibilization of requirements for entry and exit of foreign currency in cash from the country, as well as lifting of the prohibition on transactions involving virtual assets.

¹ The entry of amounts between USD 10,000 and 50,000 and exit of amounts between USD 10,000 and 20,000 only require declaration on regular Customs form number 250. Entry of amounts exceeding USD 50,000 and exit of amounts exceeding USD 20,000 must be conducted through banking entities or remittance companies holding an ASFL license.

Since June 2024, transactions involving virtual assets ceased to be prohibited upon the repeal of resolution 144/2020 by the Board of Directors of the Central Bank of Bolivia. This generated a scenario where, while there was no express prohibition, there likewise were no clear specific regulations, which permitted proliferation of P2P transactions in cryptocurrencies - primarily stablecoins such as Tether (USDT) and USD Coin (USDC) - through diverse applications and platforms.

The importance of this market was such that the Central Bank of Bolivia's website now officially publishes reference quotations for three virtual assets: i) Bitcoin (BTC), ii) Tether (USDT) and iii) Ethereum (ETH). In turn, the P2P market for USD has consolidated informally as a reference indicator for the exchange rate in the parallel market for dollars.

Subsequently, supreme decree number 5384 of May 7, 2025, regulated by Resolution ASFI/540/2025, was the first initiative for regulating fintechs, or financial technology companies. This established a regulatory framework introducing definitions of concepts like "tokens," "virtual assets" and "tokenization," and includes the concept of fintechs, authorizing them to operate services such as solutions based on blockchains, asset tokenization, collective financing platforms, electronic payments and payment processing, among others.

These regulations mean that companies in line with the new framework or within its scope of application are now part of the universe of entities subject to supervision and control by the Financial System Supervision Authority (ASFI).

3. Foreign trade

3.1. Overview

The general system provides for free exportation and importation of goods and services, except for entry to Bolivia of controlled substances, pharmaceutical products whose formulas are not registered in the country, munitions, explosives and similar products, and radiobroadcasting equipment.

Imported goods (depending on type) can be subject to customs tariffs ranging from 0% to approximately 10% of the CIF value at the border.

Imports are subject to VAT at a rate of 14.94%, and certain products such as tobacco, liquor and other luxury goods are subject to Excise Tax (Impuesto al Consumo Específico).

Legislation provides for “tax neutrality,” consisting of reimbursement of amounts collected for VAT and tariffs on exported goods and services. Taxes are reimbursed via negotiable and transferable tax credit instruments (CEDEIM). These certificates may be used for payment of taxes or tariffs.

3.2. Temporary admission of goods

There are three systems for temporarily bringing merchandise into Bolivia: Temporary Admission for Reexport in the Same Condition, Temporary Import for Exporting Value Added Goods (RITEX), and Temporary Import under Financial Leasing.

a. Temporary Admission

For certain merchandise Customs authorizes temporary admission for a term of ninety (90) days, extendable for a like period when justified. A bank guarantee or bond for one hundred percent (100%) of the suspended custom duties must be provided to this effect.

For temporary admissions authorized by Customs, the Ministry of Finance may grant an additional term of up to one year, except for temporary admission of merchandise such as machinery, devices and equipment for projects consigned to YPFB, which may be for the term stipulated in the pertinent agreements.

For temporary admission of merchandise for scientific, cultural or recreational events, the co-guarantee of a customs broker is required when declaring the merchandise.

b. RITEX

RITEX is a system that permits bringing certain types of goods into national customs territory (industrial free trade zone) for export after being transformed, processed or repaired. The system permits suspending payment of customs duties.

To benefit from RITEX, companies must be filed with and authorized by the Vice Ministry of Internal Trade and Logistics of the Ministry of Productive Development and Plural Economy, and furnish a guarantee in favor of the National Customs Office covering possible payment of suspended customs

duties, for the term granted for these transactions under joint and several liability of the customs broker and the exporter or consignee.

Merchandise brought into the country to be processed and later exported may come in under the benefit of temporary admission. This means it is not necessary to pay import taxes (VAT, customs duties, or Excise Tax) upon import. Merchandise brought into the country under this system must be exported within three hundred and sixty calendar days following temporary admission. Under the RITEX system it is not possible to request temporary admission of certain merchandise, such as machinery, equipment and related spare parts, tools, fuels, lubricants, and other capital goods.

c. Temporary import under financial leasing

Temporary admission is possible for machinery and equipment under financial or operating leasing intended for domestic goods and services sectors. For such purposes, a guarantee must be provided for the total amount of import taxes. A percentage based on the stay of machinery and equipment in national customs territory must be paid periodically.

Lessees of goods may choose to switch from the above system to the system for importing for consumption or reexporting the machinery or equipment in the same condition in which it was imported, prior to lapsing of the term granted for temporary admission. In this case, the system change will require payment in full of import taxes.

3.3. Free trade agreements and customs unions

Bolivia is a member of the Andean Community (CAN, per its acronym in Spanish), which is a customs union with Peru, Ecuador, Colombia and Venezuela. It provides for duty-free circulation of goods (with the exception of specific merchandise). Additionally, Bolivia has been a full member of MERCOSUR since 2025. It has entered into agreements with Mexico, Chile and Cuba. Subject to the issuance of a certificate of origin, imports of goods originating in these countries will be free of customs duties.

3.4. Filing of companies as importers

Any local or foreign individual or legal entity may engage in foreign trade activities in national territory, including branches and foreign investment companies.

For a company or branch to engage in import activities it must file with the Foreign Trade Transactions Listing (Padrón de Operaciones de Comercio Exterior) of the Customs SUMA system as Routine Importer and meet the following requirements:

- Commercial Registration issued by the Registry of Commerce (SEPREC) accrediting legal standing in the country.
- In the case of individuals, a Certificate of Biometric Filing with the National Tax Service.
- Legal Representative must make the filing of the branch or company, accrediting legal representative status and identification document.

Once the branch or subsidiary is registered as an importer, the Customs system will authorize it to process declarations of goods for dispatch and other import formalities in coordination with the customs broker.

4. Labor Legislation

4.1. Minimum Wage Requirements

In Bolivia, the minimum wage is established annually by a supreme decree issued by the national government. This minimum wage is set on a monthly salary basis and applies to all employees in public and private sector activities. Typically, the national government issues this decree on May 1 of each year.

As of the current decree, the minimum wage is BOB 2,750.00 (approximately USD 395) per month, equivalent to approximately BOB 91 (USD 13.16) per day and BOB 11.45 (USD 1.645) per hour.

4.2. Working Hours

The General Labor Law in Bolivia sets a limit of eight working hours per day for the day shift (between 6 am and 8 pm) and seven working hours per day for the night shift (between 8 pm and 6 am). Additionally, the law limits total working hours per week to 48 hours for men and 40 hours for women. There are exceptions to these limitations in two cases: (i) when the nature of the job requires a different schedule (e.g., security guards, truck drivers, industries, etc.), and (ii) for managerial staff (e.g., CEO, manager, etc.).

If an employer needs employees to work overtime, prior authorization from the Ministry of Labor, Employment and Social Security of Bolivia is necessary. Overtime is limited to a maximum of 2 hours per day.

4.3. Vacation

All employees are entitled to paid annual vacation. The number of vacation days depends on the length of service with the employer, as outlined below:

Years of service	Vacation days (business days)
1 to 4 years	15
5 to 9 years	20
10 or more years	30

The employee can carry over unused vacation days to the next year unless the employer provides a vacation schedule each year with the employee's written consent. Accrued vacation can be fractioned into a maximum of three periods.

Years of service are counted from when the employee began working for the employer, regardless of any changes in job position or salary increases.

4.4. Seniority Bonus

All employees are entitled to a seniority bonus as of their second year of service. The exact bonus amount is determined based on three factors: years of service, type of activity of employer, and the minimum wage established for the pertinent year. These factors are calculated on a case-by-case basis. The seniority bonus is a percentage set by law of three national monthly minimum wages.

4.5. Annual Bonuses

Under Bolivian labor law, employees are entitled to three annual bonuses: the profit bonus, the first Christmas bonus, and the second Christmas bonus.

Profit Bonus: This bonus is paid to employees only if the company has earned profits at the end of the fiscal year. The company must allocate 25% of its profits to pay the bonus. However, this bonus is capped at one month's salary per year. If profits are not sufficient to pay a full month's salary, they will be divided on a pro rata basis among all employees.

First Christmas Bonus: This mandatory bonus equivalent to one month's salary is paid annually to all employees by December 20 of each year.

Second Christmas Bonus: This bonus is an extraordinary payment contingent upon Bolivian gross domestic product (GDP) growth's exceeding 4.5% in the previous year. The amount of this bonus is also one month's salary per year if conditions are met.

4.6. Termination of Employment

Under Bolivia's constitutional and legal framework, termination of a labor relationship can occur by two means:

- Voluntary resignation: when an employee voluntarily chooses to resign.
- Dismissal: when an employer terminates an employee based on one or more of the causes specified in Article 16 of the General Labor Law.

If the termination of a labor relationship is not based on causes expressly established in Article 16 of the General Labor Law, the employee can file for reinstatement with the Ministry of Labor, with a high likelihood of success. Alternatively, if the employee chooses not to claim reinstatement, the employer must provide severance pay equivalent to three months' salary, along with any other applicable benefits depending on the circumstances.

4.7. Foreign Personnel

The Bolivian General Labor Law limits foreign personnel hired by a company to 15% of the entire payroll.

In addition, all foreign personnel must be hired under a written contract. The contract must be submitted to and approved by the Ministry of Labor within 30 calendar days following the contract date.

4.8. Union Activity

Under Article 51 of the Bolivian Constitution, every employee in Bolivia has the right to unionize. The Constitution also grants "union immunity" to union representatives, providing them legal protection against dismissal, salary reduction, relocation, or any other adverse change in their job conditions. This immunity extends from the date of designation as union representative until one year following the

end of their term. If an employer seeks to dismiss a union member or a former union member protected by union immunity, an extraordinary judicial procedure will be required.

4.9. Employment Contracts

Bolivian law imposes specific requirements for all labor contracts to ensure their legal validity and enforceability in any future disputes.

Two common types of employment contracts used in Bolivia include:

- Indefinite Term Contract: This contract is used for ongoing employment relationships without a specified end date.
- Fixed Term Contract: This contract is an exceptional arrangement for specific cases where there is an extraordinary demand for staff for one year or less (e.g., seasonal sales force during the Christmas season). The fixed-term contract is the most common type in Bolivia and applies to employees engaged in the employer's main and ongoing activities.

Finally, while outsourcing and independent contractor agreements are permitted under civil and commercial law in Bolivia, labor regulations prohibit outsourcing and all forms of civil contracts for conducting a company or individual's principal and ongoing activities. This prohibition aims to prevent attempts to disguise employment relationships and to ensure all pertinent obligations are met. Consequently, these agreements or contracts must be drafted with particular attention to labor provisions.

4.10. Social Security

The Bolivian Social Security System is divided into two main categories: the short-term social security system (SSCP) and the long-term social security system (SSLP). Both systems impose obligations on employers and employees.

4.10.1. Short-Term Social Security (SSCP)

SSCP is a healthcare system for employees, their spouses and children. Employers are required to affiliate all their employees with an SSCP-approved entity known as "Cajas de Salud" for the duration of the employment relationship. Additionally, employers must contribute an amount equivalent to 10%

of the employee's total remuneration. This employer contribution cannot be deducted from the employee's salary.

4.10.2. Long-Term Social Security (SSLP)

SSLP is the pension fund system for employees. Both employees and employers must contribute to this system. The employee contribution is approximately 12.71% of their total remuneration, which is withheld and paid in by the employer. The employer contribution is approximately 6.71% of the employee's total remuneration. As with the SSCP, the employer contribution cannot be deducted from the employee's salary.

The percentage of contributions may vary depending on the employee's remuneration; higher remuneration means higher SSLP contributions.

5. Insurance

Insurance Law No. 1883 was enacted in 1998. It applies to all activities involving assumption of third-party risks and provision of coverage, contracting of insurance in general, prepayment of services similar to insurance, and intermediary and auxiliary services related to these activities. These services must be provided by corporations expressly organized and authorized for such purposes by the Pension and Insurance Supervisory and Control Authority (APS).

The law permits three types of insurance: personal insurance, general insurance, and bond insurance. Personal insurance business is conducted on an exclusive basis, separate from general insurance and bond insurance. Insurance companies in the general insurance category may provide health and accident insurance.

Legal entities or individuals domiciled in Bolivia who require insurance services must contract with an insurance company incorporated and authorized to operate in Bolivia. Alternatively, they can contract with foreign insurance companies that have established a branch in Bolivia.

Bolivian insurers are permitted to contract reinsurance with foreign companies registered with the APS without the need for such companies to open a branch in Bolivia.

6. Financial Activities

Financial activities in Bolivia are regulated by Financial Services Law No. 393 and the Compilation of Rules governing financial intermediation and complementary services. Companies intending to engage in financial activities must be incorporated in Bolivia and be authorized by the Financial System Supervisory Authority (ASFI).

Financial intermediation services are provided by various entities including:

- banks
- auxiliary financial services companies
- private financial funds
- savings and loan cooperatives
- mutual savings and loan companies

Complementary services may be offered by companies with a single line of business in the following areas:

- financial leasing
- factoring
- warehousing services in general deposit warehouses
- administration of clearing and settlement chambers
- administration of information bureaus
- transportation of money and securities
- administration of electronic cards
- currency exchange operations
- mobile payment services
- drafts and remittances

7. Investment Funds

7.1. Overview

The Bolivian Securities Market Law establishes that investment funds consist of autonomous common assets, formed by contributions from individual investors. These funds are invested in publicly offered securities, goods, and other assets, at the investors' risk. Investment funds can be of various types, including open, closed, financial, and nonfinancial, and can be established for fixed terms or without a fixed duration.

Investment Fund Administrators

In Bolivia, investment funds are managed by Investment Fund Management Companies (SAFIs), which are governed by the Regulations for Investment Fund Administrator Companies. To operate in Bolivia, SAFIs must comply with the following requirements:

- be organized as corporations not engaging in other financial activities;
- have minimum capital, fully subscribed and paid in, equivalent to DEG 150,000 (one hundred fifty thousand Special Drawing Rights);
- have the exclusive corporate purpose of providing investment fund management services;
- be registered with the Securities Market Registry.
- obtain operating authorization from the Financial System Supervisory Authority (ASFI).

7.2. Investment Limits

Under the regulations, each SAFI must establish an Investment Committee, consisting of three members, which must operate on an ongoing basis. One of the key responsibilities of these committees is to set investment limits. The Financial System Supervisory Authority (ASFI) is responsible for ensuring compliance with these limits. On the last day of each month, ASFI calculates a monthly average of all limits and notifies the SAFIs of any excesses in the funds they are managing.

8. Consumer Protection

Section 10 of the Bolivian Constitution provides a framework for the rights of users and consumers in Bolivia. It establishes their rights to the provision of food, medicine and other products in safe condition

and in sufficient quality and quantity, along with an efficient supply service. Additionally, it ensures the right to reliable information regarding the characteristics and contents of products and services.

Since 2013, Law No. 453 has broadly defined the rights of users and consumers. This law applies to individuals and legal entities involved in production, importation, and/or marketing of goods and services to consumers or users. It prohibits any form of misleading and/or abusive advertising, as well as any information or omission as to the characteristics of a product or service that is misleading or may give rise to economic damage, and it imposes sanctions in case of violations.

The law also mandates that adhesion contracts in regulated sectors must be approved by the competent authority prior to signature, and explicitly prohibits abusive clauses.

Certain actions are classified as "abusive commercial practices," including:

- charging in a currency that is not legal tender;
- exploiting individuals' economic needs;
- charging for unsolicited or unprovided products and services;
- charging for services that have been interrupted or suspended, except as established in the pertinent contracts;
- engaging in discriminatory acts that restrict access to products or services using collection methods that affect the reputation, privacy, work activity, or image of users and consumers.

9. Taxes

9.1. Source or territoriality principle

As a capital importer, and unlike other countries that apply a world income system, Bolivia's tax system is based on the source or territoriality principle, so that it only levies taxes on activities producing Bolivian source income, i.e., generated in its jurisdiction, regardless of the nationality or domicile of those generating it, with a few exceptions.

In general, the following constitute Bolivian source income, and hence are subject to taxes:

- income from assets located or used economically in Bolivia;
- income from activities conducted in national territory capable of producing income;
- income generated by events taking place within national territory.

The foregoing does not take into account the nationality, domicile or residence of the owner or the parties involved in the transactions, or the place of execution of contracts.

Bolivian source income also includes remuneration or salaries received by members of boards of directors, councils or directing bodies for activities carried out abroad for companies domiciled in Bolivia, or fees and remuneration for technical, financial, commercial or other advice, provided from abroad.

9.2. Tax obligations of business companies or branches

This chapter explores the main taxes applicable in Bolivia to companies, including branches, engaging in any type of commercial activity in general, apart from special activities subject to other types of taxes.

Companies doing business in Bolivia are subject to the following taxes:

Spanish-language acronym	Tax
IVA	Value Added Tax
IT	Tax on Transactions
IUE	Corporate Income Tax
ITF	Tax on Financial Transactions

They are required to act as withholding agent for the following taxes:

Spanish-language acronym	Tax	Purpose
RC-IVA	Supplement on Value Added Tax	Withholding of part of employee salaries and for noninvoiced services
IUE-BE	Corporate Income Tax – Foreign Beneficiaries	Remittances of Bolivian source profits to foreign beneficiaries.

9.3. Value Added Tax

VAT is levied on total income obtained by individuals or legal entities performing any of the following:

- regular sale of movable property located in national territory;
- contracts for works performed in national territory;
- services of any nature rendered in national territory;
- lease of movable or immovable property.
- financial lease of movable property;
- final imports.

The nominal VAT rate is 13% of the net price. Since the tax is part of the net sales price, the effective tax rate is 14.94%.

VAT paid upon purchasing goods or services, contracting, or making final imports can be deducted as a tax credit against VAT payable on sales of goods, services, or other provisions.

Exports of goods are not taxed. Imports, instead, are subject to VAT and Customs Duties and, depending on the imported product, can also be subject to Excise Tax. In the case of exports, VAT accrued on local purchases generates a computable tax credit that is refundable provided it relates to export activities and exceeds the tax charge for local sales.

9.4. Transactions Tax (IT)

This tax is levied on all for-profit and non-profit commercial, industrial, professional, trade or business activities, as well as on all leaseings of assets, works, services, or any other activity performed in Bolivian territory.

All individuals, legal entities, public and private enterprises, companies with or without legal standing, and sole proprietorships performing taxed acts are liable for tax payment regardless of nature.

The general rate is 3% on accrued gross income.

Tax is computed and paid monthly.

Corporate Income Tax (IUE) paid up to the filing deadline is considered payment on the IT account as of the month following the one in which it is declared and paid.

9.5. Corporate Income Tax (IUE)

All companies, regardless of legal type, are subject to this tax on earnings. Companies are all business units, including sole proprietorships.

The tax rate is 25% and is applied to taxable net earnings (after deducting expenses necessary to obtain and preserve the source of income).

When Bolivian source income is paid to foreign beneficiaries, it is presumed that the net taxable income is equivalent to 50% of the total amount paid or credited. Payments to foreign beneficiaries are subject to a withholding of 25% of the presumed net taxable income (i.e., 12.5% of the income remitted abroad).

9.6. Tax on Financial Transactions (ITF)

This tax is in effect until December 31, 2028, and is levied on the following financial transactions:

- withdrawals or deposits in checking or savings accounts;
- payments or transfers of fund;
- acquisition of checks or other financial instrument;
- delivery or receipt of money;
- transfer or remittance of money domestically or abroad through financial institutions;
- delivery or receipt of own or third-party funds through other payment systems

Payers of this tax include all individuals or legal entities holding or owning individual, joint or two signature current and savings accounts.

Payments and transfers of funds to financial intermediaries are also taxed.

Taxpayers also include individuals or legal entities acquiring cashier's checks, travelers checks or similar financial instruments, beneficiaries of collections, issuers of instructions for money transfers or remittances, and those operating in the payment system, notwithstanding the joint and several liability of the person ordering payment or receiving funds in transactions made through the operator.

The Financial Transactions Tax rate is 0.30% on the gross amount of the transaction.

Some of the most relevant exceptions are as follows:

- credits or debits to accounts of the Judiciary, Legislature, Central Government, Departmental Governments, Municipal Governments and Public Institutions. This exception does not cover government corporations;
- credits and debits to bank accounts of diplomatic and consular missions and diplomatic personnel accredited in Bolivia under the condition of reciprocity;

- credits to accounts for collection of contributions and premiums, created by law, to Social Security and Housing Promotion, as well as credits to accounts for payment of benefits for retirement, disability, survivorship, funeral expenses, and benefits deriving from the Collective Capitalization Fund;
- payments of remittances from abroad.

9.7. Supplementary Value Added Tax Regime (RC IVA)

This tax is levied on the income of individuals and undivided estates who engage in the following activities:

- rentals and any other form of commercial transaction involving urban or rural real estate, chattels, rights, and concessions located or used economically in Bolivia;
- capital investments in the country, including interest, yields, and all other types of income deriving from such investment;
- wages, salaries, overtime, bonuses, and any other type of remuneration for work performed in the country;
- director and controller fees of companies domiciled in the country.

Employee taxpayers are subject to this quarterly tax at 13% on their net payable salary after the deductions permitted by law.

Taxpayers may offset 13% of their total purchases of goods and services, service agreements and all other provisions as payment on account of this tax.

Companies with employees are required to act as withholding agents for this tax and also in cases of purchases of noninvoiced services.

9.8. Tax on High Net Worth individuals

In 2020, the Government created the Tax on High Net Worth Individuals (IGF). This tax applies only to individuals, including both Bolivian residents and nonresidents. For Bolivian residents, the tax is levied on wealth in Bolivia and abroad, while for nonresidents, the tax is levied only on wealth located in Bolivian territory.

This tax is levied on all those individuals with assets over BOB 30,000,000.00 (approximately USD 4.3MM). For the purposes of this tax, net worth includes real estate, vehicles, capital investments, cash, jewelry, works of art, intellectual property rights, and assets in general. The tax rate is progressive, depending on the taxpayer's wealth.

Tax rates and deductibles are as follows:

Net worth	Rate	Deductible
BOB 30.000.001 a BOB 40.000.000	1,4%	BOB 150.000,00
BOB 40.000.001 a BOB 50.000.000	1,9%	BOB 350.000,00
BOB 50.000.001 o más	2,4%	BOB 600.000,00

This tax is paid annually. Bolivian residents must pay this tax by the last business day of March of the following year. Nonresidents must pay this tax by the last business day of April of the following year.

9.9. Double Taxation Agreements (DTAs)

Bolivia has double taxation agreements with Argentina, Germany, Spain, France, Great Britain and Sweden, all of which have been approved by law. It also applies Decision 578 on the Regime to Avoid Double Taxation and Prevent Tax Evasion (which includes Peru, Colombia, and Ecuador). Most of the DTAs follow the 1992 OECD model treaty and the DTAs with Argentina and decision 578 follow the Andean treaty.

Bolivia is not part of the OECD or of the OECD Inclusive Framework, has not signed the Multilateral Instrument (MLI), and does not have mutual administrative assistance agreements on tax matters.

9.10. Transfer pricing

Bolivia has adopted transfer pricing legislation based on OECD guidelines. That is, in commercial and/or financial transactions between related parties the net transaction value must be the same as if the transaction had been conducted by independent parties in comparable transactions in the market.

The law describes situations in which two or more individuals or legal entities are considered related: “parties are related when an individual or legal entity participates in the direction, control or administration or holds capital in another company, or when a third party directly or indirectly participates in the direction, control or administration, or holds capital in two or more companies.”

Certain formal obligations are established for companies performing related party transactions, including submission of a transfer pricing study of the transactions, to be filed annually together with the company's financial statements and sworn income tax declaration.

The tax administration has the authority to verify transaction values, and if they are not in line with market values or the economic reality or give rise to a lesser tax contribution in the country, it can require the pertinent adjustments and revaluations.

Bolivian rules recognize the following transfer pricing valuation methods:

- CUP method.
- Resale price method.
- Cost plus method.
- Profit split method.
- Transactional net margin method.
- Transparent market price.

9.11. Thin cap rules

The tax reform law (No. 843) permits deduction of interest provided the following conditions are met:

- the debt has been incurred to produce taxable income or maintain the company's production source; and
- interest is within the legal maximums of 3% per month and 6% per year; it is presumed that if the interest rate has not been agreed to on local loans, it will not exceed the average bank lending rate for the respective period published by the Central Bank of Bolivia, and in the case of loans from abroad it shall not exceed LIBOR plus 3%.
- Interest paid to corporate shareholders is deductible up to the limit of LIBOR plus 3% on transactions abroad and up to the value of the bank lending rate published by the Central Bank of Bolivia.
- Interest paid to corporate shareholders is deductible up to 30% of the total interest paid by the company to third parties in the same period.

9.12. Tax Incentives

Tax rules establish exemptions from payment of VAT, IT, and IUE in the following cases:

- Life insurance payments.
- Exemption from VAT and IUE: earnings deriving from purchase/sale of securities not subject to Value Added Tax (VAT) or Corporate Income Tax (IUE).
- Capital gains and returns on investments in securities issued by the NAFIBO SAM financing fund under FERE, a special economic reactivation fund.
- Goods imported by members of diplomatic corps.
- Securities market activities in general.
- Transfer of financial intermediation portfolios.
- Industrialization projects, gas pipeline networks, household connections, and energy matrix changes.
- Trusts.
- Purchase/sale of partnership interests in limited liability companies are exempt from IT.

9.13. Tax incentive regime for importation and commercialization of capital goods and industrial plants

Under this regime and subject to certain conditions, the importation and commercialization of capital goods and industrial plants for agricultural, industrial, construction and mining sectors are exempt from VAT.

This regime will be in effect until December 31, 2025.

Among the assets covered by this regime are:

- Machines for cleaning, classifying, or screening seeds, grains, or vegetables.
- Machines, equipment and material for preparing or manufacturing plates, cylinders and other printing elements.
- Machines for preparing textile material.
- Machines and equipment for preparing, tanning or working hides, skins or leather, or for manufacturing or repairing footwear or other hide or leather items.

10. Investment Law

10.1. Overview

Investment Promotion Law No. 516 establishes differentiated treatment for domestic and foreign investments, prioritizing Bolivian investment as a mechanism to strengthen the national production system.

The law provides two types of incentives:

- General incentives for investments.
- Specific incentives for investments.

These incentives are applied temporarily, for from one to twenty years, depending on the economic activity and the investment's payback time.

10.2. Covered Investments

Incentives can be applied to all investments made in the country, provided they meet the conditions established by law.

10.3. General Incentives

General incentives are typically applied by sectors, for activities included in the country's economic and social development planning. These incentives are proposed by the pertinent ministers to the Ministry of Development Planning and approved by law or supreme decree.

10.4. Specific Incentives

Specific incentives are granted to investment projects deemed preferential per the parameters established by law. The sector ministries propose these projects to the Ministry of Development Planning. If a project is qualified as a "preferential investment," the Ministry will recommend application of specific incentives to the Council of Ministers for approval by law or supreme decree.

10.5. Preferential Investments

Investments in development of production chains for strategic natural resources and economic activities that contribute to changing the production matrix, within the framework of the country's

economic and social development planning, will be considered preferential when allocated to the following activities:

- Activities within the production chain for strategic natural resources, such as hydrocarbons, mining, energy and transportation, that contribute to adding value.
- Economic activities in sectors like tourism, agroindustry and textiles, among others, which generate added value.
- Economic activities that create development hubs in areas of national interest, aimed at reducing economic and social inequalities across the country's regions.

10.6. Mergers and Demergers

Sales or transfers resulting from company reorganizations or capital contributions are exempt from Value Added Tax (VAT), Corporate Income Tax (IUE), and Transaction Tax (IT).

Company reorganization is defined as:

Merger: combining existing companies for organization of a new entity or absorption of one company by another.

Demerger: dividing one company into others, which may or may not continue the original company's operations.

Transformation: changing the legal form of an existing company into another form.

11. Capital Markets

In Bolivia, the securities market is governed by Law No. 1834 on the Securities Market and the Compilation of Securities Market Rules (RNMV) issued by the Financial System Supervisory Authority (ASFI). Under this regulatory framework, ASFI oversees the activities of entities directly or indirectly involved in the Bolivian securities market. Key institutions in this market include the Bolivian Stock Exchange, the Securities Depository Entity, brokerage firms, investment fund managers, securitization companies, risk raters, and issuers, all operating under ASFI regulations.

11.1. Public Offering of Securities

A public offering of securities involves a proposal to the public or specific sectors, by any means of communication, to facilitate legal transactions involving securities in the securities market. Such

offerings must adhere to specific requirements set by ASFI, primarily concerning the registration of securities and issuers in the Securities Market Registry.

11.2. Private Offering of Securities

Alternatively, placements may take place by private offering, that is, by sale directed only to certain persons or institutions and not accessible to the rest of the public. In this case, securities are not required to be registered with the Securities Market Registry.

11.3. International Primary Public Offering

An international primary public offering involves an issuer incorporated in Bolivia issuing securities offered simultaneously in Bolivia and abroad. In such cases, the issuer can apply to ASFI for exemptions from certain local requirements, provided the exemptions align with the practices of the foreign markets where the securities will be offered. This arrangement should benefit all parties involved without compromising investor protection or creating unequal conditions for local investors.

11.4. Transparency of Stock Market Information

All participants in the Bolivian Securities Market must adhere to regulations outlined in the Compilation of Securities Market Rules (RNMV). These regulations aim to ensure a secure, transparent and competitive market by mandating the disclosure of real, sufficient, timely and verifiable information.

11.5. Key Aspects:

Advertising and promotion: regulations govern the advertising and promotion of products and services in the Securities Market to ensure the accuracy and integrity of shared information.

Issuer obligations: issuers are required to periodically publish their financial information with the Stock Exchange. This includes audited financial statements, annual reports by the board of directors and control board, and updated risk ratings. These disclosures are crucial for maintaining transparency regarding the financial health of issuers.

11.6. Tax Incentives

To foster development and expansion of the Bolivian Securities Market, several tax incentives have been established by law:

Exemption from VAT: profits deriving from trading securities on the stock exchange are exempt from **Value Added Tax (VAT)**. **Exemption from IT:** income from investments in securities, as well as interest on deposits in savings accounts, checking accounts, and time deposits, are exempt from IT.

12. Industrial and intellectual property

Bolivia has extensive and long-standing legislation on industrial and intellectual property. The bulk of legislation on this matter is the result of ratification of the most important international conventions, including Bern, Paris, WTO and TRIPS, all ratified without observations. Bolivia is also a WIPO member.

12.1. Competent Authority

The National Intellectual Property Service (SENAPI) is a decentralized administrative agency of the Ministry of Productive Development and Plural Economy. It has competence to administer all components of the intellectual property system, to grant industrial property rights, and to protect industrial property, copyrights and related rights by issuing decisions on the subject. It is the competent national body with respect to international treaties and regional agreements signed and adhered to by Bolivia, as well as the common intellectual property regimes and rules adopted in the framework of the Andean integration process.

12.2. Copyrights

Copyrights are protected under the Bolivian Copyright Act (Law No. 1322 of April 13, 1992), the Copyrights Act Regulations (Supreme Decree No. 23907 of December 7, 1994), and the Software Regulations (Supreme Decree No. 24582 of April 25, 1997). These provisions protect the rights of authors, artists, performers, phonogram and software producers, editors, and broadcasters.

Copyrights belong to their authors from the moment they create an original work. No registration is required to be recognized as a copyright owner. Bolivian regulations make a distinction between moral rights and economic rights. Moral rights recognize authors' interests in controlling the use of their

creative works, and protect their integrity and paternity rights. Economic rights, on the other hand, grant the author the exclusive right to commercially exploit the work.

Copyrights are recognized for the entire life of the author(s) and up to fifty years following their death. Transfer of intellectual property rights is permitted, with certain limitations. Economic copyrights can be freely assigned or transferred, provided this is done in writing. Moral rights, such as paternity, integrity and disclosure, cannot be assigned or waived.

Bolivian Copyright Law grants authors the right to oppose any unauthorized modification of their works. It also provides authors with exclusive rights to reproduce, distribute, make copies, publicly perform, or broadcast their works. Violation of copyrights is considered a felony, punishable by up to two years of imprisonment. Bolivian regulations also establish provisional remedies, such as confiscation of unauthorized copies.

Software and databases are protected by copyright law in Bolivia as literary works.

Copyrights and related rights permit registration of:

- Literary works
- Musical works
- Cinematographic works
- Artistic works
- Projects
- Software
- Sculpture
- Painting, etc.

12.3. Industrial property

12.3.1. Trademarks or distinctive signs

Trademarks are protected under Decision 486 of the Andean Community and the Regulations on Industrial Property Proceedings, issued by SENAPI. These regulations establish the scope of protection of distinctive signs such as trademarks, tradenames, slogans, collective marks, certification marks, and renowned brands. They also include the requirements and processes for obtaining the right of exclusivity over these signs.

A trademark is any sign that can distinguish products or services in the market. Registration as trademarks applies to signs that can be represented graphically, including drawings, packaging, figures, graphic symbols, letters, three-dimensional forms, etc. Bolivia's national symbols or allusions to same cannot be registered.

Ownership of a trademark is obtained as of registration with SENAPI. Ongoing use of a trademark does not confer any rights. However, registered trademarks can be canceled if they are not effectively used in the market by their owner or an authorized third party for a term of three years preceding a claim for cancellation, provided a minimum of three years have elapsed since their registration.

Trademarks can be protected for up to ten years as of registration, and renewal is permitted for like periods. A trademark registration grants its owner the right of exclusive use of the mark and the right to prohibit others from using identical or similar marks to identify the same or similar products or services. Trademark rights can be assigned or transferred to third parties, and transfer must be filed with the public trademark registry in order to be brought to bear against third parties.

Trademark registration owners can file infringement actions administratively and before SENAPI, if third parties use similar trademarks in the market. They can request provisional remedies to confiscate infringing products. They can also request border measures.

Bolivian producers can identify the origin of their products with the inscription: Industria Boliviana.

12.3.2. Patents and industrial designs

Decision 486 of the Andean Community, the Paris Convention for the Protection of Industrial Property, the Trademark Law Treaty, and various other patent treaties are part of current international rules.

Patent legislation recognizes property rights to inventions, utility models, and industrial designs. Registration of an invention gives the owner the patent and the exclusive right to exploit the invention for a non-renewable term of twenty years. An annual fee must be paid to maintain patent effectiveness. The following cannot be registered by patent:

- discoveries,
- scientific theories,
- mathematical methods,
- the system of functioning of living beings as found in nature,
- natural biological processes, and

- biological material existing in nature or that can be isolated, including the genome of any living being.

Invention patents can be granted, whether for goods or processes, in all areas of technology, provided they are new, involve an inventive step and are applicable in industry. The content of the claims determines the scope of protection conferred by the patent.

An invention is considered new when it is not part of the state of the art (everything made available to the public at world level, by written or oral description, by use or marketing, or by any other means prior to the patent application filing date).

The first application for a patent validly filed in a Paris Convention member country grants the applicant a right of priority to apply in another member country for a patent registration in relation to the same subject matter for a period of 12 months.

Patent rights belong to the inventor(s). That right may be transferred by assignment agreement or by succession. An inventor who assigns its patent rights retains the right to be mentioned as such in the patent.

13. Trusts

Trusts were included in the 1977 Code of Commerce and involve transferring one or more assets to a bank so that it may manage and/or dispose of same to fulfill a specific purpose. The trust assets are considered an autonomous estate and cannot be alienated by the settler or the trustee. Local trusts can be either revocable or irrevocable.

Under Bolivian law the trustee must in all cases be a local bank.

The trust deed must be executed in a public instrument before a notary public.

The following trusts are prohibited:

1. secret trusts;
2. successive trusts, where the beneficiaries are substituted successively upon the death of the preceding one;
3. trusts with a duration of over thirty years, unless the beneficiary is a nonprofit organization or a scientific, cultural or technical institution.

While not regulated by law, in practice we find the following types of trusts:

1. Management trust. This trust involves transferring assets for their administration and fulfillment of specific purposes.
2. Investment trust. This trust consists of the transfer of assets to generate profits through investment.
3. Guarantee trust. This trust involves transferring assets to guarantee fulfillment of obligations contracted with third parties.
4. Testamentary trust. This trust consists of the transfer of assets as the settlor's will.

14. Antitrust

14.1. General

Bolivia systematized its competition policy in 1994, with passage of Law No. 1600 on the Sectorial Regulation System (SIRESE). This law regulates, inter alia, antitrust matters in the telecommunications, electricity, hydrocarbons, transportation, and water sectors.

Companies not engaging in those areas of activity are excluded from the law's scope.

The sectors not covered by Law No. 1600 (e.g., pharmaceutical, automobile, food, etc.) were first regulated regarding competition matters in 2008, with adoption of Supreme Decree No. 29519. The purpose of this decree is "to regulate competition and consumer protection from wrongful conducts negatively influencing the market," except in those industries already regulated by law.

Some industries and sectors are not covered by Law No. 1600 or SD No. 29519, for example, banking and financial institutions, which are governed by special regulations..

The new Political Constitution of the State enacted in 2009, in line with the 1967 Constitution, specifically guarantees antitrust protection, prohibiting "private monopoly and oligopoly, as well as any other form of association or agreement of private individuals or entities, whether Bolivian or foreign, seeking control and exclusivity in the production and commercialization of goods and services."

14.2. Prohibited Conducts

Bolivian competition law divides anticompetitive conduct into two types: absolute and relative.

14.3. Absolute Anticompetitive Conduct

Absolute anticompetitive conduct is punishable regardless of the context and circumstances (per se rule). In this context, determination of the relevant market, existence of substantial market power, and damage to competition are not relevant for imposing a sanction. In Bolivia, there are four absolute anticompetitive conducts:

- horizontal price fixing;
- horizontal agreements to allocate customers or territories;
- agreements not to compete and arrange positions;
- horizontal boycotts.

14.4. Relative Anticompetitive Conduct

When analyzing such behavior, the regulator must apply the rule of reason. Thus, determining the legality of conduct will depend on the circumstances, characteristics, and effects. To penalize such conduct, the regulator must determine (i) the relevant market, (ii) the substantial power of the investigated economic agent in the relevant market, and (iii) the damage to the competitive process.

14.5. Predatory pricing

Predatory pricing is the systematic sale of goods and/or services at prices below their total average or occasional sale below average variable cost when there are grounds for believing that future price increases will permit recovery of the losses incurred.

14.6. Price discrimination

Price discrimination is the setting different prices, or sale or purchase conditions, for different purchasers and/or sellers in equivalent circumstances.”

14.7. Tying arrangements

Tying is the sale, purchase or transaction that is subject to a condition that a party must purchase, sell, commercialize or provide the goods and/or services produced, processed, distributed, or commercialized by third parties.

14.8. Bundling (including loyalty and market share discounts)

Bundling can be considered a price discrimination policy.

14.9. Exclusive dealing

This is defined as agreements between non-competitor economic agents, which govern commercialization or distribution of goods or services based on subject, geographic situation or for determined periods, including division, distribution or allocation of customers or suppliers, or imposing the obligation to not manufacture or distribute goods or render services for a fixed or determinable time. The regulations penalize subscription of exclusivity agreements.

14.10. Refusal to deal

This is defined as unilateral action consisting of refusing to sell, commercialize or provide specific persons with goods and/or services available and normally offered to third parties.

14.11. Information exchange

Exchange of information is prohibited if it is used to conduct horizontal price fixing. The law prohibits agreements “to set, increase, or manipulate the sale or purchase price of goods or services supplied or demanded in the market, or to exchange information for the same purpose”.

14.12. Prior oversight of economic concentration

Given that antitrust regulations are relatively new in Bolivia, with very technical content, specific antitrust issues, such as concentrations, are not expressly regulated. Nonetheless, Bolivian legislation includes disperse provisions that regulate mergers, prohibiting transactions that establish, promote or consolidate a dominant position in a specific market.

14.13. Enforcement agencies

The authority in charge of enforcement of antitrust law and regulations for industries outside the scope of Law No. 1600 and SD No. 29519 depends on the industry involved. Thus, each industry regulator will be the authority to enforce antitrust regulations. For example, in the case of telecommunications and transport, the authority is the ATT, and for industries regulated by SD No. 29519, it is the AEMP.

14.13.1. Antitrust enforcement

Antitrust enforcement in Bolivia is administrative.

Public enforcement is carried out by the competent supervision authority, or AEMP, when the violations refer to SD No. 29519 and the purpose is to impose deterrent sanctions and fines.

15. Natural resources

Bolivia is, historically, a country rich in natural resources. With great natural gas reserves, traditional mining, and one of the largest reserves of lithium in the world, Bolivia offers great investment opportunities.

This chapter reviews the legal framework regulating use of Bolivia's natural resources.

15.1. Oil and Gas

Natural gas and other hydrocarbons are valued as strategic resources, specifically aiding Bolivia's social and economic development objectives.

Hydrocarbons, as well as all other natural resources, are imprescriptibly and inalienably State-owned. This constitutional property right is exercised through Yacimientos Petrolíferos Fiscales Bolivianos (YPFB).

Hydrocarbon Law No. 3058, enacted May 17, 2005, is the main body of law regulating activities in the hydrocarbon production chain, YPFB, and interaction with private investors.

YPFB is an autarkic public law company under the tuition of the Ministry of Hydrocarbons. YPFB represents the Bolivian State, exercising property rights over hydrocarbons in Bolivian territory and their production chain activities.

Hydrocarbon production chain activities include exploration, exploitation, refining and industrializing, transportation, storage, commercialization, and distribution of natural gas.

YPFB is the only state-owned company authorized to enter into service contracts with companies—whether national or foreign, public, mixed or private— to undertake specific activities in the production chain on behalf of YPFB and receive compensation or payment for the services rendered.

YPFB also has the power to organize companies or public private associations to perform activities related to exploration, exploitation, refinancing, industrialization, transportation and commercialization of hydrocarbons, in all cases maintaining a share stake of not less than 51% of the total capital of these entities.

Contracts for exploration and exploitation of hydrocarbons must have prior authorization and express approval from the Bolivian legislature and may have a term of 40 years. They can be executed with private investors as holders of a specific area in traditional or nontraditional zones for the provision of services.

Bolivian hydrocarbon rules impose a total tax burden of 50% of the value of hydrocarbon production, which breaks down as 32% for the Direct Hydrocarbons Tax (IDH) and 18% for royalties and participations. YPFB must pay the royalties and taxes and remunerate the holder for the operating services with a percentage of production. This payment will cover all operating costs and profits.

All foreign companies operating in the hydrocarbons sector must submit to Bolivian rules. The National Hydrocarbons Agency (ANH) is the entity in charge of regulating, supervising, overseeing and controlling all hydrocarbon production chain activities.

The pipeline system is regulated by the Hydrocarbons Law, Supreme Decree 29018 of January 31, 2007, and Supreme Decree 5206 of August 28, 2024.

Concessions for pipeline transport of hydrocarbons are granted by ANH, upon fulfilling the legal, technical and economic requirements, either by direct request or public tender, as established in the regulations.

This activity is governed by the free access principle, which guarantees all persons the right to access a pipeline, with no discrimination whatsoever. For such purposes, availability is presumed to exist, unless otherwise accredited to ANH. Pipeline transportation consists of moving hydrocarbons from one geographic point to another by means of pipelines and associated facilities. In addition to exporting

Bolivian natural gas, the country's infrastructure currently allows YPFB to provide international gas transportation services, connecting with third countries.

This regulatory framework allows YPFB to act as transit gas aggregator and international transit gas carrier. In that capacity, YPFB is authorized to provide services of receiving, scheduling, international transport and delivery of transit natural gas, through its Comprehensive Transit Gas Transportation System. These services can be provided to international gas buyers and sellers, as provided by applicable regulations, under gas aggregation and international transport service contracts.

Finally, regarding fuel imports, the Hydrocarbons Law provides that this activity is to be performed by YPFB, either directly, under contracts with individuals or public or private legal entities, or in association with same. Currently, Supreme Decrees 8419, of October 21, 2005, 5218 of September 4, 2024, 5271 of November 13, 2024, and 5313 of January 15, 2025, regulate and permit fuel importation by private companies, upon authorization by ANH, for commercialization in the country.

15.2. Mining

Bolivian minerals, in any form occurring in nature, regardless of origin, existing in the soil or subsoil of Bolivian territory, are also considered strategic resources and are owned by the Plurinational State of Bolivia. No individual or legal entity may invoke ownership of Bolivia's mineral resources, even if they hold a property right to the pertinent land.

Law No. 535, dated May 28, 2014, is the legal framework regulating mineral and metallurgy activities, granting and extinguishing mining rights, and the institutional structures establishing obligations and rights between state entities and private mining actors.

A mainstay for sector development is the promotion of investment in mining chain production activities, including: prospecting, aerial prospecting, exploration, exploitation, concentration, smelting and refining, commercialization, and industrialization.

The Bolivian Mining Corporation (COMIBOL) leads the state-owned mining industry, along with other state-owned companies. The private sector includes both domestic and foreign private companies incorporated under any of the corporate forms established in Bolivia, which may also form mixed-economy companies with state-owned companies. These sectors of the industry, together with mining cooperatives, are considered mining actors under the law.

Mining actors are all regulated in their interactions by the Administrative Jurisdictional Mining Authority (AJAM), an autonomous entity under the supervision of the Ministry of Mining and Metallurgy, which is in charge of management, control and supervision of mining activity.

State Association Contracts are used by the State, through a state-owned mining company, to enter into agreements with local or foreign private sector producers for conducting mining activities in the full or partial production chain within the pertinent mining areas. In these agreements the state-owned company must have at least a 55% stake. State Association Contracts at the initiative of the state-owned mining company must be executed by means of a public tender process, and in cases where the contracts cover exploration activities as an initial stage, they can be signed upon direct invitation or upon request by the private mining producer.

On the other hand, the Mining Production Agreements is another type of mining association agreement, to be executed by COMIBOL with mining productive actors for the development of mining activities in COMIBOL's areas.

COMIBOL must determine an economic participation percentage in its favor when entering into agreements with private mining actors, which shall be calculated on the gross sales value.

For Mining Production Agreements, the requirements established for Administrative Mining Contracts must be met; however, the term of these agreements is fifteen (15) years..

Mining rights grant their holders the authority to carry out activities within the mining production chain, but they do not confer ownership or possessory rights over mining areas. Mining rights are non-transferable, non-seizable, and non-transmissible by hereditary succession.

15.3. Lithium

Lithium has a special legal system under mining sector regulations.

The 2009 Constitution of the Plurinational State of Bolivia provides for special treatment of lithium. It defines natural resources as strategic and in the public interest for developing the country's economy, establishing special provisions for “non-metallic natural resources present in salt flats, brines, evaporites, sulfurs, and others are of strategic importance for the country.”

This constitutional mandate establishes the Bolivian State as the sole administrator of natural resources and orders it to conduct the exploration, exploitation, industrialization, transportation, and commercialization in strategic sectors. To carry out natural resource production chain activities, the Bolivian State may contract with private companies and create joint ventures through state-owned public entities or community organizations.

In 2017, Yacimientos de Litio Bolivianos (YLB) was created under Law No. 928. YLB is now responsible for overseeing the entire production chain for developing lithium as a strategic natural resource of the country. This legislation also amended the Mining Law, designating lithium and potassium as strategic elements to be developed exclusively by YLB.

Lithium provisions are separate from the rest of mining regulations. Within that legal framework, YLB may execute association contracts with foreign private companies while maintaining the States' majority participation for semi-industrialization, industrialization, and waste processing.

15.4. Forestry law

Bolivia has a solid forestry regulatory framework, geared to sustainable use of natural resources, protection of water basins, and prevention of soil erosion and forest degradation. Forestry Law No. 1700, in effect since 1996, establishes the principles for comprehensive and sustainable forest management, balancing environmental conservation with rational use of resources. This law

recognizes the forests productive, protective and ecological role, and organizes the use of forestry land into five principal categories:

- a. Protected land: these are areas that, given their fragility or ecological function --such as water basin protection or social interest-- cannot be used for direct farming or forestry activities. They are reserved for purposes such as research, conservation, education or hydroelectric generation.
- b. Ongoing forest production land: Public or private land whose current or potential capacity is to be used prioritarily for forestry on an ongoing and planned basis.
- c. Land with forest coverage appropriate for diverse uses: these are areas that can legally be transformed for activities such as agriculture or livestock raising, provided they comply with the legal restrictions and sustainable management practices that ensure conservation of their long term production capacity.
- d. Rehabilitation land: areas degraded by processes such as deforestation or erosion, which can be recovered using appropriate restoration practices.
- e. Unusable land: zones temporarily declared unusable for reasons of national interest or due to lack of sufficient technical studies to permit a definitive classification, but with probable forestry potential.

As of 2024, Bolivia has made significant steps toward creation of a regulated carbon bond market, driven by the inclusion of article 18 in Law No. 1613, in the 2025 General State Budget. This provision allows the Ministry of Economy and Public Finance to act as sole representative of the State in transactions for issuance, negotiation, administration, transfer and future sale of carbon credits.

This progress was possible thanks to Plurinational Constitutional Decision No. 0040/2024, which declared unconstitutional the prohibition to trade in carbon credits established in Law No. 300 on the Rights of Mother Earth, insofar as it violates the country's international commitments on climate change mitigation. Since then the Bolivian State has recognized the need to have specific regulations--currently being drafted--to channel such transactions.

The development of a Bolivian carbon market represents a strategic opportunity for both public and private actors interested in aligning economic development with environmental sustainability. In particular, sustainable forestry activities--already included in current regulations--can become vectors for generating carbon credits, provided they are in line with the standards and mechanisms for international verification.

BOLIVIA

Santa Cruz

Edificio Manzana 40
Torre 2 - Of. 2003, Piso 20
Av. San Martín, 3er y 4to anillo
Tel.: + (591) 7762 6061

La Paz

Edificio Santiago de Compostela
N° 1319, Piso 4, Calle Gabriel
Rene Moreno.
San Miguel, Calacoto
La Paz, Bolivia
Tel.: + (591) 7876 7197

Cochabamba

Edificio Nucelo Design
Av. América Este esquina
Av. Melchor Urquidi,
Cochabamba, Bolivia
Tel.: + (591) 7011 7971

PARAGUAY

Asunción

Torres del Paseo
Santa Teresa N° 2106
Torre 1, Nivel 25
Asunción, Paraguay
Tel.: +(595 21) 318 3000

URUGUAY

Montevideo

Edificio Ferrere
Juncal 1392, CP 11000
Montevideo, Uruguay
Tel.: +(598) 2 900 1000

Aguada Park

Paraguay 2141
Oficina 1004
Montevideo, Uruguay
Tel.: +(598) 2 927 2360

Colonia

Baltasar Brum 571
CP 70000
Colonia, Uruguay
Tel.: +(598) 4 523 1517

Tacuarembó

25 de Agosto 234
Apto. 601. Edificio Litoral
CP 45000
Tacuarembó, Uruguay
Tel.: +(598) 4 633 1111

Punta del Este

Calle 18 (Baupres)
y calle 28 (Los Meros)
CP 20100
Maldonado, Uruguay
Tel.: +(598) 4244 1287