

# ENGLISH

LAW OF INVESTMENTS

Law of Hydrocarbons

and

General Information



## PRESIDENT BANZER'S FIRM POLICIES CONCERNING PRIVATE ENTERPRISE PARTICIPATION ON BOLIVIA'S DEVELOPMENT

December 29, 1971  
At the Investiture of  
The 1st. Director of I.N.I.

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"Once for all, let Bolivia leap forward. May creativity and dynamics of Private Investment, be  
"the tools to attain a better future".

December 31, 1971  
New Year's Address  
to the Nation:

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"Bolivia as an underdeveloped country, needs the industrial dynamics to increase its national  
"gross product, and to generate activities of multiplying effects".

"It is known that investments and re-investments, require a climate of confidence, in order to  
"divert into new and daring industrial projections. In the midst of anarchy prevailing under the  
"ousted regime, the possibilities of generating productive activities in Bolivia, were gone. The  
"decrease of national savings, the flight of capital and the fall in the growth rate of 1.6% dur-  
"ing 1971 are just samples of such situation."

December 31, 1971  
New Year's Address  
to the Nation:

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"Bolivia can not overlook its Geopolitical position nor the forces guiding world development.  
"Neither can intend to build its progress on weak foundations. We are also aware of the historical  
"need of economic liberation, but this can only be achieved through strong political independence  
"and the sustained growth of our economy. . . . ."  
"In fact, it will rely upon the over-all national effort towards newly developed boundaries in  
"both, economic activity and social progress".

November 28, 1971  
Address to peasants unions  
in Cochabamba;

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"Every Bolivian must become, with a weapon under his arm, the guardian of our cultural heritage,  
"to prevent this country being overrun by communism..."  
"... This Government will eliminate demagoguery, deceit and falsehood I will not offer  
"anything that I will not be able to comply with...."

November 19, 1971  
Address to the people  
of Beni:

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"Our country, is at the turning point of its History. We have attained the miracle of political  
"unit and every day new forces join us, in the task of rebuilding the country".  
"We have inherited from the founders of our Republic, a large territory bestowed with almost  
"all of the natural resources known to men. But we have failed to take advantage of them, so  
"we face now very serious problems, difficult to overcome".

October 1971.  
From the Political Program  
of President Banzer.

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"It is the firm purpose of my Government, to maintain Economic stability, not only as a  
"guarantee for the development of the productive activities in the country, but also to offer  
"proper climate that will justify the full trust of the investor, either national or foreign".  
"We understand monetary stability, as a positive measure, only if it is the base for social promo-  
"tion and economical development. Monetary stability that must be attached to an accelerated  
"process of development and social transformation".  
"The law of Investments, recently approved, will keep an adequate equilibrium between the  
"interests of the nation and those of the investor, which will be protected not only by the strict  
"application of the Law, but also by the political stability and social peace prevailing today in  
"the country".  
"The Government has outlined policies, whereby the present generation will receive the benefits  
"of the creative effort of the entire national community".

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"The law of Investments, in accordance to the firm decision of my Government to create the best  
"possible conditions for our progress, will lead to a sustained development. We trust that a  
"positive response from the private sector, within a climate of social peace and institutional order,  
"and framed by an adequate global planning, will fulfill our expectations".

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"Within the clear context, of this law, with a realistic concept of our true requirements and  
"aspirations, this instrument for the development of the country is wide in its objectives, and  
"offers great possibilities for the participation of public and private activities to achieve the goals  
"pursued for the national benefit".

## TO THE INVESTOR

"Bolivia faces a new era, not only in terms of political order, but also in the economic field, under new dynamics and in open challenge to our backwardness. By strengthening our economy through the development of the natural wealth with which the Providence has blessed us, our country will finally find its path toward progress and welfare".

These words from His Excellency the President of the Republic, Cnl. Hugo Banzer Suárez, at the ceremony when the first Executive Director of the National Institute of Investment was sworn in, clearly define the meaning and the scope of the program outlined by the present Bolivian Government whose power and authority derive from the joint effort and struggle of a whole country, including its main political parties and the Armed Forces, against the tragic experiments of the extreme left in Bolivia practiced from 1969 to 1971.

The national and international significance of such political action, is that it was not just another coup to overthrow a Government, because aside from freeing the country from leftist extremists it contributed to reestablish political equilibrium in South America

It is also a new approach to satisfy the true aspirations of the people, to attain stability based upon the reorganization of public institutions, and to open the broad path towards democracy, so that everyone without distinctions may have equal rights and equal opportunities to create wealth and benefit from it.

This Law of Investments herewith presented, is a firm step towards the attainment of those goals because it sets the proper framework that enables Bolivians and friends from abroad to carry out their activities in the country and to produce at reasonable costs, and to use our natural resources under the protection and benefits of this Law.

We are aware that many countries have similar instruments to attract capitals but in the case of Bolivia it is rather peculiar and perhaps unique the participation of private enterprise and decision-making in the Board of Directors of I.N.I., the institution entrusted with the implementation of the Law This clearly shows the importance attached by the present Government to the role of private enterprise.

There is no doubt that very favourable conditions are given in Bolivia to protect and guarantee the interests of the investor. In spite of the political changes that have taken place in the country during the preceeding years, the Government has respected all the contracts entered into through the former Law to promote investments in Bolivia (INPIBOL), the predecessor of I.N.I., and the rights of 202 undertakings established from 1965 to this date, representing an investment of US\$ 73 415.000.— have been fully recognized and maintained.

On the other hand, it is quite encouraging to see how the present Government has regained the confidence of the investor, by the scores of new projects of the most varied nature, that in a period of few weeks since the creation of I.N.I. have been submitted. At the same time it is quite evident the reactivation of the building industry, which came to a standstill by the mistrust created to the investor by the leftist Governments of the immediate past.

However, this appropriate climate for investments and the confirmation that we are now beginning a new

era of progress in Bolivia, would have been impossible if the rights and just compensations claimed by investors whose activities were suspended, for one reason or another, would have not been recognized.

In the short time when order & stability have been attained under the Government of the Popular Nationalist Front of Colonel Banzer, the following negotiations have been successfully completed and satisfactory agreements have been reached with the interested parties:

— On September 23, 1971 a "Lender Trust Agreement" was signed between the Government of Bolivia and Gulf Oil Corporation which sets up the procedure for payment of US\$ 78.622.171,44 as compensation and in accordance with Decree No. 09381 of September 10, 1970.

— On December 27, 1971, by Decree No. 100056, the Government recognized to International Metal Processing Co. (I.M.P.C.) a compensation of US\$ 1.447.066 and authorized to continue operations in Bolivia through a joint venture with the Bolivian Mining Corporation (COMIBOL).

— At present negotiations are being carried out to find adequate compensatory solutions with the former owners of Matilde Corporation, whose main share-

holders are U.S. Steel Corporation and Engelhard Minerals.

Notwithstanding all these positive steps which have been taken to present a new image of Bolivia we are fully aware of our limitations, of the size of our problems and of the importance for the Government to show and maintain at any cost, such new image. We must now prove that there is a climate of peace, work and order in the country. These are the basic conditions so this Investment Law will be truly positive and real and may thus justify the efforts and expectations of the investors.

I wish to conclude by stating that the management of I.N.I. has been entrusted to an executive of international prestige, who shares our clear concept of the value of capital investments for the economic development of a nation. He is assisted by a group of highly experienced, qualified and honest professionals, on whom Bolivia has placed its trust and confidence.

Thus, the gates of our country are open for all investors who, with a sound judgment, are in a position to be conscious of the significance of the opportunities, the guarantees and the great possibilities of success that this generous land, in process of development, offers to all.

A handwritten signature in black ink, appearing to read "J. O. Masand". The signature is written in a cursive style and is underlined with a single horizontal line.

Col. DAEM HUGO BANZER SUAREZ  
President of the Republic

WHEREAS:

Economic and social development is essential to achieve the legitimate aspirations of the large majorities of the Bolivian population;

The Bolivian Government is aware of the importance of investments for the economic development of the country;

The development of the country is hampered by insufficient domestic saving and by the absence of an adequate and clear frame of reference for investments;

It is imperative to stimulate and promote the economic development of the country, through the adoption of legal instruments by which adequate conditions for investments are guaranteed;

The urgent need for development, requires clear legislation on the subject, with the stimulated and protected participation of investments;

There are economically depressed areas in the country which notwithstanding their great potential demand special treatment to stimulate their development;

Bolivia offers favourable conditions for the investment of capitals, on terms compatible with the national interest, because of the magnitude and variety of its natural resources, and because of the advantages granted by the terms agreed upon for its participation in the expanded Latin American markets;

The country must expand and diversify its exports to increase its sources of foreign exchange to support the process of national development;

THEREFORE:

The Council of Ministers, with the agreement of the National Development Council:

DÉCREES:

## TITLE I

# OF THE GENERAL PROVISIONS, OBJETIVES AND DEFINITIONS

### CHAPTER I. OF THE GENERAL PROVISIONS

ARTICLE 1st. — Under this Investment Law special treatment is established to be granted to new investments, national and/or foreign, as well as to re-investments in the following economic fields:

Industry  
Mining  
Agriculture  
Livestock  
Renewable Natural Resources  
Construction  
Tourism

Oil and natural gas will be subject to a special legislation  
Special rules will be applied to services in general

### CHAPTER II OF THE GENERAL OBJECTIVES

ARTICLE 2nd — This Investment Law must contribute to the national economic development to achieve the following objectives:-

- a. To increase production of goods and services to satisfy the economic and social needs of the country.
- b. To introduce modern technology, tending towards a continued rise in the level of national technology.
- c. To reduce costs of production.
- d. To increase and diversify exports.
- e. To selectively substitute imports
- f. To take advantage and make better use of the productive factors and their industrial transformation within the country.
- g. To generate domestic savings.
- h. To ensure coherent and effective participation in the process of Latin American integration.
- i. To promote a greater development of the less developed areas of Bolivia.

ARTICLE 3rd — Subject of the special treatment referred to in Article 1st. of this Law, are those companies - natural or juridical persons, public and/or private, national and/or foreign which make new investments and/or reinvestments in economic activities

with the purpose of complying with any of the objectives pursued in Article 2nd. of this Law.

ARTICLE 4th. — The new investments should be financed with direct capital participation and/or credits. The latter should be on at least two year terms.

ARTICLE 5th — Two types of new investments will be considered according to their application:

- a. Installation of new production units with modern technology.
- b. Modernization or modernized enlargement of existing installation to attain an effective increase of its capacity, volume and/or the diversification of its production.

ARTICLE 6th. — It is essential condition that all new investments, willing to take advantage of this Law, should have technologically modern machinery and equipment. The National Institute of Investments (I. N. I.) referred to in Title V of this Law, will qualify and ascertain at any time that these requirements are complied with.

### CHAPTER III: OF THE DEFINITIONS

ARTICLE 7th — For the implementation of this Law, it is understood as:

- a. Investment: The capital applied to increase the productive capacity of the country.
- b. New Investment: Any investment made after the issuance of this Law in national and/or freely convertible foreign currency, in capital goods and supplies subject to such investment, which have not obtained customs clearance prior to the request for the incentives. Locally produced capital goods will be considered as an effective contribution to national productive capacity only if they are new and are not in actual use.
- c. Reinvestment: Capital resultant from savings, extraordinary reserves, and/or accumulation of dividends of profit sharing, whatever the legal status of the company might be, as long as it is designed to increase the national



- productive capacity, in agreement with Paragraphs a) and b) of this Article.
- d. **Company:** The economic activity established for the production of goods and services. State Owned Corporation; The Economic activity where the entire capital belongs to the Government.  
**Private Enterprise:** The economic activity where the total capital, whether national, foreign or both, is owned by private individuals.  
**Joint Venture of State and Privately Owned Capitals,** The economic activity formed by a combination of public and private capitals, where the latter may be either national or foreign.
- e) **Industry:** The economic activity which, through transformation processes of organic or inorganic substances, produce semi-manufactured or finished goods.
- f. **Mining:** The economic activity engaged in the exploration, prospection, development, production or processing of mineral resources found on the surface or underground.
- g. **Agriculture: Livestock and Renewable Natural Resources:**  
**Agriculture,** The economic activity devoted to intensive and/or extensive use of land resources.  
**Livestock:** The economic activity devoted to the breeding, reproduction improvement of the stock and processing of their products, including the care of animal health  
**Use of Natural Renewable Resources:** The economic activity whereby natural resources are properly used.  
**Agriculture and Livestock Services; Silos,** packing plants and specialised means of transportation for the marketing of agricultural and livestock products.
- h. **Construction:** The economic activity engaged in the building of housing, hospitals, hotels, motels, buildings in general, industrial plants, roads, dams and other public infrastructure works.
- i. **Tourism:** The economic activity engaged in the promotion of incoming tourism, including construction, furnish and equip hotels, motels, lodge-cabins; hotel services and tourists transportation within the rules set forth by the Direction General of Tourism. (Dirección General de Turismo).
- j. **Raw Materials:** Organic and inorganic substances as well as semi-manufactured goods which are incorporated through a transformation process into an intermediate or finished product and that constitute an inseparable part of it.
- k. **Domestic Raw Materials:** Organic and inorganic substances produced from their inception in the country, whether they have been or not subject to transformation formation within Bolivia.
- l. **Supplies:** Those elements required for the exploration, development, production, transformation, processing and marketing of a product, which are not defined as raw materials, including supplies for constructions in general defined as raw materials, including supplies for constructions in general.
- m **Semi-manufactured Goods:** The resultant of an industrial process which will be subject to a further transformation process.

## TITLE II

### OF THE INVESTMENTS IN BASIC AND STRATEGIC INDUSTRIES

ARTICLE 8th — Metal smelters, steel mills and petrochemical complexes in their basic stages are classified as strategic industries. These will be developed by the Government, through its State owned enterprises. However, national or foreign private capitals, if so would be in the national interest, can participate in these industries reserved to the State through associations with the Government under the following conditions:

- a With a majority of State owned capitals.
- b. With a minority of State owned capitals, in which case the terms and conditions will be determined for a progressive transfer of the national and/or foreign private capitals until the State reaches a majority participation. In no case will this transfer exceed a 25 year period.

ARTICLE 9th — The following are understood as basic stages:

- a. In metal smelters and steel mills. The primary processes of transformation of concentrates or minerals into metals by means of smelting and/or refining.
- b. In the petrochemical industry: The activities processes for the transformation of hydrocarbons into olefins and aromatics.

TITLE III  
OF THE INCENTIVES, BENEFITS AND  
GUARANTEES

ARTICLE 10th. — The companies applying for the special treatment granted by this Law will receive the following benefits and guarantees in accordance with their activities and lines of production.

CHAPTER IV: OF THE BENEFITS IN GENERAL

ARTICLE 11th — Exemption from import duties and the related additional tax, except charges for customs services rendered and consular fees, on machinery and equipment imported for productive purposes, spare parts imported together with the machinery and equipment, vehicles required and justified through the evaluation of the project and that will be exclusively used in the production process.

ARTICLE 12th. — Exemption from customs duties, including the related additional tax and the surcharge imposed by Supreme Decree 08400 of June 27, 1968, except charges for custom services rendered and consular fees, on all raw materials and supplies not produced in Bolivia.

ARTICLE 13th. — Refund of customs duties on those imported raw materials and supplies which are incorporated in products for export manufactured in Bolivia, if not already granted as stated in the preceding Article. This refund will be made through a Credit Note to be used exclusively for the payment of any taxes due by the beneficiary. The National Institute of Investment will extend the corresponding certificate based on a report from the Direction General of Commerce (Dirección General de Comercio) of the Ministry of Industry and Commerce (Ministerio de Industria y Comercio) which will be forwarded to the Ministry of Finance (Ministerio de Finanzas) for the issuance of the corresponding Credit Note. Each of these entities will have a maximum of 15 days to process such Credit Note.

ARTICLE 14th. — Exemption from taxes on transfers of capital and credits, domestic or foreign, to be invested in the approved project.

ARTICLE 15th. — The manufactured goods exported will be exempt from national taxes on production and sales, and departmental or municipal taxes, as well as university surcharges.

ARTICLE 16th. — Investors will have the option to adhere to the system of annual depreciation of fixed assets and amortization up to the following maximum limits:

Buildings and Constructions	— 10%
Machinery and Equipment	— 25%
Furniture and Office Equipment	— 20%
Vehicles and Transport Equipment	— 25%
Pre-investment Expenses and Deferred Payments	— 20%

Once the most convenient plan has been selected, this will become permanent and will only be applicable to projects approved by the Board of Directors of I.N.I.

ARTICLE 17th. — A 10 year exemption from national, departmental and municipal taxes on new constructions, except from municipal fees for public services, for companies established under the regulations of this Law. Exemption also, for one-time, only, of taxes on transfer and over value (plusvalia) on real estate which constitute part of the capital of the company, provided that the investment project has been approved by the Board of Directors of I.N.I.

ARTICLE 18th. — In the Departments of Beni, Pando and Tarija and other areas of lesser economic and social development, through prior specific legal provision, a 10 year tax exemption on profits and total income derived from an approved investment will be granted. Likewise there will be a one time only exemption from transfer and over value (plusvalia) taxes on estate which exclusively constitute part of the capital of the company.

ARTICLE 19th. — Proportional tax exemption on profits of Bolivian companies that invest such profits for the purchase of new share issues of companies on which there is foreign capital participation. Such exemption will be granted until national capital participation reaches 51%.

ARTICLE 20th. — Other incentives not related to taxes subject to special programs:

- a. Land for industrial areas will be supplied by the Government for the establishment of industries, even though these areas may not be a part of industrial complexes.
- b. Grant land concessions for agricultural and livestock purposes, will be supplied within legal limitations.

ARTICLE 21st. — At the request of the interested company or at its own initiative, I.N.I. may apply to the Ministry of Finance (Ministerio de Finanzas) for the revision of custom duties on imported products, similar to those produced in the country in order to provide adequate and temporary tariff protection to the national product, looking after the needs and interests of the consumers. A prior technical-economic study will be made, taking into consideration the market conditions the quality of the product, compar-

ative production costs, regional integration agreements and other factors.

ARTICLE 22nd. — Tariff protection will be granted temporarily on the basis of the technical-economical studies which will, in each case, be prepared by the Ministry of Industry and Commerce (Ministerio de Industria y Comercio) and the Ministry of Finance (Ministerio de Finanzas).

ARTICLE 23rd. — No imported product similar to those produced in Bolivia may be exempted from import duties if Bolivian production is sufficient to satisfy national demand in quantity, quality and price, whether the importer should be a public, private or joint venture entity or a contractor of public works.

ARTICLE 24th. — In all projects intended to comply with the terms of the Integration Agreements, the time limits set forth for the multinational tariff regulations and other harmonizing policy factors must be taken into account.

#### CHAPTER V. OF THE BENEFITS FOR INDUSTRY

ARTICLE 25th — All industrial projects willing to benefit by this Law will be evaluated and rated by I.N.I.

ARTICLE 26th — I.N.I. will rate industrial projects into 3 categories using the following evaluation criteria:

- Final destination of the product.
- Saving and/or generation of foreign currency.
- Level of technology
- Productions costs.
- Financial conditions of the investment.
- Size of the investment.
- Effects derived from the investment.
- Origin of the raw materials.

ARTICLE 27th — For the purpose of the application of this Law, in accordance with the preceeding Article, the following categories will be considered:

- a. First Category — Investments in the following activities will be considered belonging to first category:
  - Mining-Metallurgical Industrial Complexes
  - Petrochemical Complexes
  - Metal-Mechanics
  - Basic Chemistry
  - Pharmacochemistry
  - Motor Vehicle Industry
  - Electric Industry
  - Electronic Industry.

- b. Second Category: Investments in the following activities will be considered belonging to second category:

- Manufacturing of Component Parts to be Used in First Category (Paragraph a)
- Agro-Industry
- Consumer Goods
- Explosives and Related Products, Subject to Prior Authorization from the Ministry of Defense (Ministerio de Defensa).

- c. Third Category: All industrial activities not included in the First and Second Categories, will be considered belonging to the Third Category.

ARTICLE 28th. — Industrial activities rated in the First Category will be entitled to 100% of the benefits granted in Articles 11, 12, 13, 15 and 19 as well as those contemplated in Articles 14, 16 and 17.

ARTICLE 29th — Industrial activities rated in the Second Category will be entitled to: 100% of the benefits granted in Articles 11, 13, 15 and 19; 75% of the benefits granted in Article 12, plus those contemplated in Articles 14, 16 and 17.

ARTICLE 30th. — Industrial activities rated in the Third Category will be entitled to: 100% of the benefits granted by Articles 11, 13, 15 and 19; 50% of the benefits granted in Article 12, plus those contemplated in Articles 14, 16 and 17.

ARTICLE 31st. — The benefits mentioned in Article 11 will be granted for one-time only for all 3 categories. The benefit granted under Article 12 will have the following duration:

- a. First Category: 7 years from the date of approval by the Board of Directors of I.N.I. and will be gradually reduced by 20% annually over the following 5 years.
- b. Second Category: 7 years starting from the date of approval by the Board of Directors of I.N.I. and will be reduced by 30%, 30% and 40% annually over the following 3 years.
- c. Third Category: 7 years from the date of approval by the Board of Directors of I.N.I. and will be reduced gradually by 50% annually over the following 2 years.

#### CHAPTER VI: OF THE BENEFITS FOR EXISTING INDUSTRIES

ARTICLE 32nd. — Existing industries will be entitled to the export benefits according to Articles 13 and 15 of this Law as well as of an adequate tariff legislation.

## CHAPTER VII: OF THE BENEFITS FOR MINING

ARTICLE 33r — Investments in mining activities subject to prior evaluation and approval of the project by the Board of Directors of I.N.I. will be entitled to the following benefits: 100% of those mentioned in Article 19, and for one-time only those indicated in Article 11 as well as the benefits granted by Articles 14 and 17. Likewise, such investments will be entitled to discretionally set the rules of depreciation and amortization in accordance with Article 16, which should be properly notified to the Direction of Internal Revenue (Dirección General de la Renta) at the time of registration of the investment project. Such rules can not be subject to changes during the period set forth.

## CHAPTER VIII: OF THE BENEFITS FOR AGRICULTURE, LIVESTOCK AND RENEWABLE NATURAL RESOURCES

ARTICLE 34th. — The activities engaged in agriculture, livestock and rational use of renewable natural resources, subject to prior evaluation and approval of the project by the Board of Directors of I.N.I., will be entitled to the following benefits: 100% of those mentioned in Article 12, and for one-time only of those indicated in Article 11. The time limit for these benefits will be the same as that stipulated in Article 31 for First Category Industries, as well as the benefits granted by Articles 14, 16, 17 and 19.

## CHAPTER IX: OF THE BENEFITS FOR CONSTRUCTION

ARTICLE 35th. — The companies engaged in construction, subject to prior evaluation and approval by the Board of Directors of I.N.I., will be entitled to the following benefits: 100% of those set forth in Article 11 for one-time only, as well as those granted by Articles 14, 16 and 19.

## CHAPTER X: OF THE BENEFITS FOR TOURISM

ARTICLE 36th — Activities dedicated to the promotion of incoming tourism will, subject to prior evaluation approval by the Board of Directors of I.N.I. be entitled to the following incentives and benefits:

- a. 100% for one-time only of the benefits mentioned in Article 11 as well as those granted by Articles 14, 16, 17 and 19.
- b. 100% exemption from customs and related additional tax, except charges for custom services rendered and consular fees, on equipment imported to initially equip and furnish first class hotels, exclusively classified

as such by I.N.I. and the National Tourist Council (Concejo Nacional de Turismo) according to international standards.

## CHAPTER XI: OF THE BENEFITS FOR REINVESTMENT

ARTICLE 37th. — Reinvestment of company profits is exempt of total rent taxes (Impuesto a la Renta Total) in accordance with Articles 9 and 10 of Supreme Decree No. 08619 of January 8th., 1969. Likewise, subject to prior rating of the project, the investment will be entitled to the benefits pertaining to the category assigned to it.

## TITLE IV OF THE GUARANTEES

ARTICLE 38th. — The capitals invested in the country on any of the activities mentioned in Article 1st. of this Law and legally registered in the National Registry of Investments (Registro Nacional de Inversiones), in accordance with the rules set forth by this Law, will be entitled to the guarantee of free utilization and convertibility of funds in the currency in which the investment was made for the amortization of paid capital and payment of profits of dividends of the foreign investment. This also includes payment of principal and interests of foreign credits which were contracted with the knowledge of the Central Bank (Banco Central de Bolivia).

ARTICLE 39th. — The investor benefitting from the incentives of this Law will also be entitled to a seven-year guarantee of not being affected by changes in taxes and export duties in general, whether national, departmental, municipal and/or university surcharges effective as of the date when the Board of Directors of I.N.I. approves the project. However, the investor would be eligible for any reduction in such taxes and surcharges within the period previously stated.

ARTICLE 40th. — The companies that would not desire to benefit from this Law, or those whose projects would have been rejected as a result of the evaluation performed by the National Institute of Investment (I.N.I.) may, after prior registration with the corresponding Ministry, carry out their projects without benefitting from the incentives and guarantees granted by this Law except those mentioned in Article 32.

ARTICLE 41st. — Investments made under this Law, which may require guarantees, investment insurance or loans granted by any international organization carrying out assistance programs, by any foreign Government or by any agency of either of them, will be governed by existing provisions or future agreements between the Bolivian Government and foreign governments.

TITLE V  
OF THE NATIONAL INSTITUTE OF  
INVESTMENT IN BOLIVIA  
CHAPTER XII: OF ITS NATURE AND  
ORGANIZATION

ARTICLE 42nd. — The National Institute of Investments (I.N.I.) will be responsible for the administration and implementation of this Law. I.N.I. is a public, decentralized institution acting under the supervision of the Ministry of Industry and Commerce (Ministerio de Industria y Comercio).

ARTICLE 43rd. — The functions of the National Institute of Investments (I.N.I.) will be governed by a set of internal regulations duly approved by its Board of Directors.

ARTICLE 44th. — The Board of Directors of the National Institute of Investments (I.N.I.) will be constituted by the following Ministers or their duly appointed alternates, who will have the right of voice and vote:

- Minister of Industry and Commerce (Ministro de Industria y Comercio)
- Minister of Finance (Ministro de Finanzas)
- Minister of Planning and Coordination (Ministro de Planificación y Coordinación).

The private sector will be represented by the following members:

- Two representatives of the Confederation of Private Enterprises with the right of voice and vote.

Other Ministers or their alternates will also be members of the Board of Directors, without vote, whenever the investment projects will be related to their respective Ministries. This also applies to the representatives of the specific sector of private enterprise.

ARTICLE 45th — The Chairman of the National Institute of Investment (I.N.I.) is the Minister of Industry and Commerce (Ministro de Industria y Comercio). In his absence the Chairman will be the Minister of Finance (Ministro de Finanzas) or the Minister of Planning and Coordination (Ministro de Planificación y Coordinación). The Chairman's vote will be cast only in cases of tie.

ARTICLE 46th. — The Board of Directors is the highest authority of the National Institute of Investments (I.N.I.) and will decide on important matters within the context of this Law. General resolutions of the Board of Directors will be passed by a simple majority vote.

ARTICLE 47th. — The Minister of Industry and Commerce (Ministro de Industria y Comercio) and Chairman of the Board of I.N.I. will choose the Executive Director of the Institute from a three name list proposed by the Board of Directors.

ARTICLE 48th. — The executive Director will participate in the Board meetings without vote and must submit to the Board all applications for registration in the National Registry of Investments together with the relevant reports and studies. Moreover, he must regularly present proposals for necessary changes to improve the purposes of the Law and those of general nature related to the operation of the Institute.

ARTICLE 49th. — The technical personnel of the Institute will be appointed according to its internal regulations.

CHAPTER XIII: OF ITS FUNCTIONS AND  
ATRIBUTIONS

ARTICLE 50th. — The National Institute of Investments (I.N.I.) will have the following functions:

- a. Promotion, assistance to the investors and research.
- b. Administration.

ARTICLE 51st. — The National Institute of Investments (I.N.I.) will be the competent body to authorize, register and control investments under the terms of this Law.

ARTICLE 52nd. — The functions of promotion, assistance and research are as follows:

- a. To provide specialized information to investors.
- b. To cooperate in solving problems affecting the investors, in cases of conflict with public or private organizations
- c. To suggest to public authorities the need to revise existing laws and other legal provisions related to the investors.
- d. To carry out periodic in-plant inspections and evaluations of the registered projects.
- e. To disseminate all pertinent information to arouse the interest of the investors.

ARTICLE 53rd. — The administrative functions are:

- a. To evaluate projects presented by the investors in order to determine their feasibility and rating.
- b. To process applications submitted by the interested parties for their registration in the National Registry of Investments.
- c. To receive and to take care of claims submit-

- ted by the investors related with the implementation of this Law.
- d. To apply and carry out the penalties established by this Law.
  - e. To ensure that companies registered in the National Registry of Investments comply with the stipulations of this Law and also with the resolutions set forth by the Board of Directors.
  - f. To advise private investors on matters connected with the processing of their investment projects.
  - g. To keep the National Registry of Investments which will contain the Board's resolution authorizing the registration of the firm, including name, category, nationality, benefits granted and the expiration date of same.
  - h. To control and register tax exemptions extended and ensure that these properly apply to the approved and registered project.
  - i. Register and control, in coordination with other competent institutions, the signing of credit contracts which the investors wish to obtain in foreign countries.
  - j. To ensure that production activities are started within the time limit indicated in the Board's resolution.

ARTICLE 54th. — Before any action is taken, all requests for registration of projects submitted to I.N.I. must be considered by its Board of Directors.

ARTICLE 55th. — I.N.I. must submit all projects to the Ministries of Planning and Finance (Ministerios de Planificación y Finanzas) so they may inform on their impact on the national development plans. There is a maximum time limit of 15 days for this purpose. If the reports are not received within this period it will be assumed that the report is affirmative.

ARTICLE 56th. — All projects presented to I.N.I. are considered to be the private property of their applicants, they will be treated as strictly confidential documents and must not be made known to person or institution outside the I.N.I., except with the written authorization of the interested parties.

Any employee or employees infringing the confidential nature described before will be dismissed and criminally prosecuted.

## TITLE VI

### OF THE PROCEDURES

#### CHAPTER XIV

ARTICLE 57th. — All applications submitted to I.N.I. in order to be entitled to and have right to the benefits

and guarantees as established on this Law as well as those ratified by the Supreme Decree No. 09798 of June 30, 1971 related with the common treatment (*Régimen Común*) to foreign investments, should be presented to I.N.I. in five copies including a study on the technical and economic feasibility of the project.

ARTICLE 58th. — The applications for registration will be studied and evaluated by the technical departments of I.N.I.

ARTICLE 59th. — Any application that is not described in Article 1st. of this Law could be rejected.

ARTICLE 60th. — After the project has been studied by the technical departments, the Executive Director will submit the application and technical reports for the consideration of the Board of Directors of I.N.I.

ARTICLE 61st. — Once approved, the project will be rated by the Board of Directors of the National Institute of Investments (I.N.I.) setting time limits for the installation of the plant and the starting of production. If justifiable reason would exist the Executive Director may extend those limits at the request of the interested parties.

ARTICLE 62nd. — Once the investment project has been approved and rated, the Board of Directors of I.N.I. will issue the corresponding Resolution for its registration in the National Registry of Investments.

ARTICLE 63rd. — The following procedure will be adopted for the exemption of custom duties on machinery, equipment, raw materials and supplies.

- a. Submittal of the application to I.N.I. using the appropriate Form (formulario) which must be processed in a maximum time of 10 days.
- b. The Ministry of Finance (Ministerio de Finanzas) must issue the pertinent Resolution in a maximum time of 15 days from the date I.N.I. presents the approved application.

ARTICLE 64th. — If a resolution adopted by I.N.I. would infringe the provisions of the spirit of this Law, the investors or Government officials, if such is the case, may appeal to the Ministerial Cabinet (Gabinete Ministerial).

ARTICLE 65th. — The rights to benefits and guarantees, as well as the fulfillment of the obligations, will be computed from the date when the respective resolutions is passed.

ARTICLE 66th. — The applications for expansion and/or diversification of the activity should follow the same steps as stated in the preceding articles.

ARTICLE 67th. — In those cases in which complements or modifications of the approved projects are required,

I.N.I., based on its technical reports and subject to prior justification from the interested party, will approve or reject them through a Resolution of the Board.

ARTICLE 68th — No official or authority, whichever the rank, may limit, refuse or object to comply with the rights, benefits and guarantees granted to the investors by the corresponding Resolution from the Board of Directors. Any infringement to this Article will entitle the investor to the legal resource of Constitutional protection.

#### CHAPTER XV: OF THE PROVISIONAL REGISTRATION

ARTICLE 69th. — The parties interested in promoting an investment project may apply to I.N.I. for a provisional registration, for a period no longer than 6 months; such registration could be granted subject to prior submittal and consideration of all documents, as requested in Chapter XIV, Title VI, with the exception of those related with the source of financing or other complementary requisites.

ARTICLE 70th — Provisional registration will not entitle to preferential rights nor to tax exemptions of any kind.

ARTICLE 71st. — The Board of Directors of I.N.I. will rate the project and authorize the extension of a certificate indicating what further steps are necessary for a permanent registration in the National Registry of Investments, within the time limit stipulated in Article 69.

#### TITLE VII

#### OF THE RESPONSABILITIES OF THE COMPANIES

#### CHAPTER XVI

ARTICLE 72nd. — The Companies registered in the National Registry of Investments will have the following responsibilities:

- a. To keep a cost accounting system and a register to verify inventory control, fixed provisions requesting fixed assets and depreciation in accordance with legal provisions requesting this matter.
- b. To submit to I.N.I. copies of their annual financial statements, production costs and all necessary documents for the purpose of control and statistics.

- c. To fully cooperate at all times for the better implementation of this Law.
- d. To allow inspections in their own plants or offices, making available all relevant documents.
- e. To report on their policies for the export of products.
- f. To allow quality controls of their production by the Direction of Standards and Technology (Dirección de Normas y Tecnología) of the Ministry of Industry and Commerce (Ministerio de Industria y Comercio).

ARTICLE 73th. — The companies registered in the National Registry of Investment which would not start their operations within the prescribed time limits, or which would not develop the activities specified therein, will have their registration and the corresponding benefits cancelled, unless justifiable reasons would be presented for judgment to the Board of Directors of I.N.I.

ARTICLE 74th — Any registered company that might misuse the machinery, equipment, vehicles, raw materials, semi-manufactured goods and any other goods and supplies in general specified in the project, which were exempted totally or partially from custom duties, will be punished with the withdrawal of their registration and the loss of all incentives granted by this Law.

ARTICLE 75th — In all cases of misuse of the benefits granted by this Law, it will be assumed to be damaging and detrimental to the interests of the country. In addition to the penalties described in the preceding Article, the pertinent proceedings will be remitted to the National Customs (Dirección General de Aduanas) or the Internal Revenue (Dirección General de la Renta) notifying at the same time the Comptroller General's Office (Contraloría General de la República) so that the necessary legal coercive action is taken so as to obtain the corresponding indemnification and to establish ensuing responsibilities.

#### TITLE VIII

#### OF THE TRANSITORY PROVISIONS

ARTICLE 76th. — Those applications submitted to the former INPIBOL which may be pending of decision or provisionally registered, will be entitled to the benefits of this Law, provided that they are within the scope of this provision, for which purpose a time-limit of 120 days is given in order to bring the application up to date. After this period all rights for their registration will become void.

ARTICLE 77th. — Investments registered in the National Registry of Investments, created by Law No. 07366 of the 20th. of October, 1965, will continue to benefit from the incentives granted by that Law for the time stipulated in it. Such benefits carrying no time limit will have 3 years as a maximum term to be computed from the date of issuance of the present Law.

ARTICLE 78th. — The Decree — Law No. 07366 of October 20th, 1965 is hereby derogated as well as all other provisions contrary to the present Law. The Ministers of State in their respective offices are in charge of the implementation and compliance of the present Law.

Signed in the Palace of Government, in the City of La Paz on this tenth day of December nineteen seventy-one.



BENEFITS AND INCENTIVES	NEW INDUSTRY			Existing Industry	Mining	Agriculture Natural Livestock Renewable Resources	Construc- tions	Tourism
	First Category	Second Category	Third Category					
1—Exception from import duties and related additional taxes, except charges for customs warehousing services and consular fees, on machinery and equipment imports; parts imported therewith and vehicles to be used in the process of production (one time—only).	100 %	100 %	100 %	—	100 %	100 %	100 %	100 % Lakewise exemp- tions on all im- ports to furnish and equip first- class hotels.
2—Exemption of custom duties and related additional taxes and surcharge imposed by Decree No. 08400 of Jun. 27/68 on imports of raw material and supplies not produced in the country, except customs warehousing services and consular fees	100 % 7 Years (20% annual reduction during the following 5 years)	75 % 7 Years (Reduction of 30; 30 and 40% the 3 follow- ing years)	50 % 7 Years (50 % annual reduction during the 2 following).	—	—	100 % 7 Years (20% annual reduction during the following 5 years).	—	—
3—Refund of customs duties on raw materials and supplies imported and incorporated to the products exported, if this benefit has not been already granted.	100 %	100 %	100 %	100 %	—	—	—	—
4—Tax exemption on transfers of capital and credits either domestic or foreign which have been entirely invested in the approved project.	Yes	Yes	Yes	—	Yes	Yes	Yes	Yes
5—Exemption of national departmental and municipal taxes and university surcharges on production and sales of manufactured goods exported.	100 %	100 %	100 %	100 %	—	—	—	—
6—Option to adhere to the annual depreciation granted to fixed assets.	Yes	Yes	Yes	—	Yes	Yes	Yes	Yes
7—40 years national, departmental and municipal tax exemption on new constructions of the companies except charges on municipal public service. Exemption for one—time only of taxes on real estate incorporated as capital of the Company	Yes	Yes	Yes	—	Yes	Yes	Yes	Yes
8—Proportional tax exemption on profits, of Bolivian companies that invest such profits for the purchase of new shares issued by companies on which there is foreign capital participation. Such exemption will be granted until national capital participation reaches 51 %.	100 %	100 %	100 %	—	100 %	100 %	100 %	100 %

— In the Departments of Beni, Pando and Tarija and other areas of lesser economic and social development, a 10 years tax exemption on profits and total income derived from an approved investment will be granted.

— The re-investment of profits will be exempt from the total income tax, according with Articles 9th and 10th of Decree No. 8619 of January 8.1969. Furthermore it will be entitled to the benefits corresponding to the category under which they are rated. Tariff protection will be granted temporarily on the basis of technical-economic studies made by the Ministry of Industry and Commerce

#### OTHER BENEFITS NOT RELATED TO TAXATION

— Land for the establishment of industries will be supplied by the Government, even though they may not be a part of industrial complexes. State owned land concessions for livestock and agricultural development, within legal limitations.

(\*) Subject to special legal provisions

## RESUME OF THE LEGAL PROVISIONS MENTIONED IN THE LAW OF INVESTMENTS

1. Decree No. 08619 of January 8th., 1969  
Referred to in Article 57th. of the Law

The following losses and expenditures should be deducted from the Total Gross Income for the payment of taxes at the Internal Revenue Department (Dirección General de la Renta):

- a. Yearly loss or deficit resulting from the operations of any business or unipersonal undertaking and non-stock corporations, in proportion to the participation of the owner or partners of the capital invested.
- b. Income taxes on personal services, profits, capital assets and lease rentals.
- c. The 2.5% tax established for unipersonal and non-stock undertakings, prorated according to the participation of each member in the capital invested.
- d. The amounts invested during the Fiscal Year in the purchase of:
  - 1) Bonds or original issue from the Central Government, the Governor's Office of any State within the country, or Municipalities;
  - 2) Bonds or shares of original issue from State and/or joint enterprises;
  - 3) Nominative shares of original issue from new stock corporation, engaged in industrial, agricultural, livestock, mining and Development Banks connected with these activities;
  - 4) New shares issued to expand the production capacity of the existing stock corporations, engaged industrial, agricultural, livestock, mining and Development Banks connected with the above activities by persons not connected with the company;
  - 5) New shares issued to expand the production capacity of the company, when such company is engaged in industrial, agricultural, livestock, mining and Development Banks connected with these activities, by the shareholders of the same company.
  - 6) For reinvestments, as defined in the preceding paragraphs, a 15% of the total reinvestment will be allowed to be utilized as working capital.

Furthermore, the following exemptions will be allowed:

- a. The amount of the "dividends exchanged into shares", to nominative shareholders, as a result of reinvestments stated in preceding paragraphs, from the superavit of stock corporations engaged in industry, agriculture, livestock, mining or Development Banks connected with these activities.
- b. The amount of profits from any business, unipersonal concerns or companies, to such juridical persons engaged in industry, agriculture, livestock, mining or Development Banks connected with these activities, who have reinvested or increased their capital in the same enterprise or business.
- c. 50% of the capital profits and/or occasional possible earnings on the income or exchange of stocks.

2. Decree No. 08400 of June 27, 1968  
Referred to in Article 12 of the Law

An additional surcharge of 10% on the CIF value of commodities imported.

This surcharge substitutes the US\$ 10.— stamp, formerly affixed on Consular Invoices.

The following goods are exempted from this surcharge:

- All foodstuffs, considered "Articles of Prime Necessity".
- Pharmaceutical products, printing paper for newspaper enterprises, spare parts for motor vehicles and aircraft in general.
- Likewise, all capital goods corresponding to new investments or those imports covered by

special laws, covenants, or agreements, such as the National Institute of Investments, the Petroleum and Mining Laws.

3 Decree No. 09798 of June 30, 1971  
Referred to in Article 57 of the Law

The Common Treatment to foreign capitals, trademarks, licenses, patents and royalties is approved as established under Decision No. 24 of the Andean Pact, including the revisions and adjustments introduced by Resolution No. 37 of the member countries.

## RESUME OF THE INVESTOR'S MANUAL

Applications for investment as well as the related documents, must be submitted to the National Institute of Investments (I.N.I.) in five copies each, in a sealed envelope and attaching the following information:

### I.— Application and related legal documents.

1. Name of the Company, place of incorporation, type of enterprise, origin of the capital, legal domicile, location of the project.
2. Objectives and main activities of the Company.
3. A brief description and economic justification of the project.
4. Amount of the investment, origin and method of financing.
5. Benefits requested under the Law of Investments.
6. Name of the promoters and/or main shareholders, their nationality, amount of capital contribution of each one and origin of same.
7. Any other information that the investor might deem pertinent.
8. Power of attorney or any other document showing the legal authority of the representative or promoter.
9. Documents of the Company:

a) If it is a Joint Venture:

To submit all legal documents showing the constitution of the firm, certificate of registration at the Internal Revenue Office

b) Limited Liability:

Documents showing its legal constitution, any increase of capital, transformation or changes and/or other public deeds entered into at later dates should be submitted.

c) Stock Corporation:

Minutes of its foundation, statutes, application for its recognition as a juridical person.

d) Unipersonal Enterprises:

Registry at the Internal Revenue Office, Industrial Registry and any other documents showing the type of its activity.

### II — Technical and Economic Feasibility Study of the Project.

1. Motivation of the project, its conception and organization.
2. Information relative to the product and/or service in the domestic or foreign markets.
3. Definition of the proposed line of industry or service.
4. Legal constitution of the Company and responsible personnel.
5. Summary of the project.
6. Market Analysis:

a) Description of the product or service.  
Geographical distribution of the market.

b) Study of the estimated offer and demand.

c) Projection of the demand. Rate of substitution of imports and proposed policy for exports.

d) Analysis of prices at different market levels.  
Comparative prices.

e) Marketing of the product or service.

— Market demand analysis should be attached to projects intended for export to regional and sub-regional integration and/or third countries.

7. Size and location of the project.

a) Factors which determine the size and location of the plant.

b) Justification for having selected the site: source of raw material; supply of electric power, labor, infra-structure, environment conditions, etc.

c) Capacity of the plant.

8. Engineering of the Project.
  - a) Type and nature of the product to be manufactured.
  - b) Output per hour, per day, per month per year.
  - c) Program of production, description of the process of manufacturing.
  - d) Inventory of supplies. Quantity and value of locally or imported raw material.
  - e) Description of the machinery, equipment and vehicles to be used in the Project. Country of origin, wear and tear of the equipment.
  - f) Incorporation of technology, use of trademarks, patents, licenses and other systems of foreign technology to be used in the Project.
  - g) Location of the plant. Description of the building and/or other constructions required by the project.
  - h) National or foreign personnel required.
  - i) Time schedule for production and deadline for initiation of operation.
  - j) Public services: water, electric power, transportation, etc.
  
9. Investments required and financial aspects of the project.
  - a) Fixed assets:
    - Itemized justification and detail of the investment.
    - Feasibility study and organization costs.
  - b) Capital assets:
    - Operational capital.
      - 1st. Requirements and normal supply of funds for the initial period of operations.
      - 2nd. Rotation cycle of inventories of supplies. Cash Flow.
  - c) Financing of the Project.
    - Origin and sources of the fixed and capital assets;
    - Financial structure before the initiation phase (Opening Balance Sheet).
  
10. Economic Aspects of the Project.
  - a) Cost of manufacturing.
  - b) Cost of Administration.
  - c) Cost of selling.
  - d) Cost of financing.
  
11. Annual Budget of Operational Expenditures.
  
12. Annual Estimated Income.
  - a) Forecast of income from sales and other items.
  - b) Comparative prices at different levels of marketing.
  - c) Competitive analysis of the prices.
  - d) Analysis of break-even point.
  
13. Estimated profits:
  - a) Profits before taxation.
  - b) Profits after taxation.
  
14. Financial aspects of the Project.
  - a) Financial projection for an adequate period.
  - b) Projection of monetary sources and use of same.
  - c) Determination of the Project rentability.
  - d) Determination of capital return.
  - e) Determination of the payment capacity of financial fixed costs.
  
15. Mining projects:
  - a) Market:
    - Analysis considering the type of mineral ores to be produced.
    - Main producing countries and consumers.
    - Prices in the world market, marketing procedures, analysis of transportation costs.
    - Mining bank (Banco Minero de Bolivia), National Smelting Corporation (Empresa Nacional de Fundiciones ENAF), direct exports.
  - b) Geological and Engineering Studies of the Project:
    - Area and Regional Geological studies, including a detailed study of the deposits of Minerals, which will determine the sources of mineral ores.
    - Geological maps, stratigraphic columns, structural profiles and other Geological data.
  - c) Quantification of reserves, laboratory tests, systems and methods of mining methods of concentrating, production charts and description of the mining equipment.

16. Agricultural and Livestock Projects.

- a) Market:  
Analysis of the type of the agricultural and livestock activities.  
National and regional markets.  
Agronomical Study of the Project:  
This study should contain information concerning soils tests, meteorological study, inventory of resources, experiments carried out.
- c) In-put  
Labor force, seed, stock or breed, fertilizers, insecticides, animal health. Description of the machinery and equipment to be used.

III.— Enclosures:

Documents such as charts, maps, prospects, organizational charts, laboratory tests, pro-forma invoices, certificates, etc. should be attached to the application.

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NOTE: The complete text of the Investor's Manual can be obtained from the National Institute Of Investments at the following address:  
Casilla Postal No. 4393.  
La Paz, Bolivia.

DECREE LAW No. 10170.

CNL. HUGO BANZER SUAREZ  
President of the Republic

WHEREAS:

It is the duty of the Supreme Government to abide by the people's will channeling it within the framework of a truly nationalistic policy to guarantee to the Nation the control of the exploration and utilization of its hydrocarbons through Yacimientos Petrolíferos Fiscales Bolivianos as the state owned enterprise specialized in this sector;

The natural resources of the country must generate the financial wherewithal necessary to achieve effective economic and social development of the country, thereby permitting it to participate with authentic sovereignty in the international community;

Within the range of natural resources, hydrocarbons constitute a powerful factor for a potential expansion which should be carried out through rational exploitation in order to satisfy the growing demands of the domestic market and the indispensable process of industrialization in which the country is engaged

Therefore it is necessary to foster a policy of exportation that will work toward improving the country's balance of payments;

The discovery of new reserves of hydrocarbons is imperative and the investment of substantial amounts is necessary to achieve continuity and strengthening of the national petroleum industry. This investment, due to the magnitude as well as the speculative nature of the project, is not within the capacity of wholly internal financing;

For this purpose it is necessary to encourage and guarantee investment of risk capital that contributes to the great task of economic development of Bolivia, within contractual conditions adequate to national interests;

Subsequent to the derogation of the Petroleum Law (Código del Petróleo), the lack of regulatory norms in the subject created a legislative vacuum which must be overcome in order to obtain a dynamic development of the national hydrocarbons industry;

It is necessary to provide the nation with the legal instrument reflecting new economic and legal trends in the exploitation of hydrocarbons that will promote the creation of wealth through a rational and suitable utilization of these natural resources as fuel and power;

WITH THE AGREEMENT OF THE NATIONAL COUNCIL OF MINISTERS

DECREES:

# THE GENERAL LAW OF HYDROCARBONS

## TITLE I

### GENERAL PROVISIONS

#### CHAPTER I

##### Legal ownership of hydrocarbons

Article 1st.- In accordance with the provisions of the Political Constitution of the State, hydrocarbon deposits, regardless of the physical state in which they may exist or appear, are of the direct, inalienable and imprescriptible domain of the State.

Article 2nd.- The utilization of the hydrocarbons must serve the State's policy in accordance with the highest national interests, promoting the integral development of the country.

Article 3rd.— The Government will determine the policy of the State regarding hydrocarbons within the context of plans for national development framed within the general policy of the country for fuel and power. The basic principles and general rules that govern this policy shall be set forth through the Ministry of Energy and Hydrocarbons, which will watch over to assure that the petroleum industry develops its operations within that policy so that the national goals may be fulfilled.

#### CHAPTER II

##### Public utility

Article 4th.- Due to the fact that the hydrocarbons industry is basic and strategic to the development of the country, all its activities including the phases of exploration, exploitation, refining, industrialization, transport, marketing and other phases, shall be invested with the character of public utility.

#### CHAPTER III

##### Execution of the hydrocarbons policy

Article 5th.- The concessions system for hydrocarbon is hereby abolished. Exploration in all national territory and the subsequent exploitation and benefits from petroleum areas are assigned to Yacimientos Petrolíferos Fiscales Bolivianos in accordance with specific plans.

Article 6th.- The execution of development plans for the hydrocarbon sector, prepared in accordance with the policy for this sector laid down by the Government,

shall be the responsibility of Yacimientos Petrolíferos Fiscales Bolivianos. Toward that end, Yacimientos Petrolíferos Fiscales Bolivianos shall carry out its operations under effective administrative norms in seeking the greatest benefits for the nation.

Article 7th. The conduction and management of the country's hydrocarbon industry, including studies, planning, construction, operation and administration in the phases of exploration, exploitation, refining, industrialization, transport and marketing of petroleum, natural gas or any other hydrocarbons, their products and by-products, are within the exclusive purview of Yacimientos Petrolíferos Fiscales Bolivianos, which may carry out such operations by itself and in any of the phases indicated above, through joint ventures of state and privately owned capitals or through third parties, in accordance with the provisions of this Decree Law, its by-laws and other applicable laws for each case.

## TITLE II

### EXPLORATION, EXPLOITATION, REFINING, INDUSTRIALIZATION, TRANSPORT AND MARKETING OF HYDROCARBONS

#### CHAPTER I

##### Definitions

Article 8th.- For the purposes of this law, the following definitions are hereby adopted:

- a) Exploration: The geological reconnaissance of the surface, aerophotogrammetric surveying, topographic surveying, gravimetric, magnetometric, seismological and geochemical work, drilling of wells and any other work done to determine the hydrocarbons possibilities of a region.
- b) Exploitation: The drilling of oil wells, laying of pipelines, construction of storage depot areas, of plants and facilities for separation, for secondary recovery and, in general, any activity on or below the surface for the production, transportation, separation and storage of hydrocarbons in order to obtain their benefits.
- c) Refining: The industrial processes which convert hydrocarbons from their natural state into products generically named carburants, liquid or gaseous fuels, lubricants, greases, paraffins, asphalts, solvents and the by-products which are produced by such processes.
- d) Industrialization: All those processes of transforming the products resulting from the refining of hydrocarbons, including petrochemical processes. Petrochemistry, by its very nature, may also make use of hydrocarbons in their natural state.



e) Transport: All the diverse means and auxiliary facilities used to store and move hydrocarbons or conduct them or their derivatives in an uninterrupted manner through pipelines from one place to another.

f) Marketing: All activities related to the sale, exchange or any form of transfer of hydrocarbons in their natural state, refined products or derivatives of hydrocarbons, industrial and petrochemical products, including storage and distribution appropriate to this phase.

g) Hydrocarbons: The carbon and hydrogen compounds found in nature either on or below the surface, whatever their physical state.

h) Petroleum: Hydrocarbons that are found in a liquid state under normal conditions of temperature and pressure. This nomenclature covers the mixture of liquid hydrocarbons which are obtained from the separation processes of associated gas or condensate.

i) Natural gas: Those hydrocarbons found in a gaseous state under normal conditions of temperature and pressure.

j) Associated gas: The gaseous fraction of hydrocarbons that results from separation processes for liquids and gases in the processing of hydrocarbons.

## CHAPTER II

### Operations executed directly by Yacimientos Petrolíferos Fiscales Bolivianos

Article 9th.- In accordance with the provisions of Article 7th of this Decree Law, Yacimientos Petrolíferos Fiscales Bolivianos may execute by itself all the activities of the hydrocarbon industry

Article 10th.- To comply with the requirements established in the preceding article, Yacimientos Petrolíferos Fiscales Bolivianos is generally but not exclusively empowered to:

- a) Carry out all kinds of research and exploratory tests for the discovery of hydrocarbons in any part of the national territory.
- b) Exploit hydrocarbons and accompanying substances found within national territory, whatever their physical state.
- c) Refine, process and industrialize hydrocarbons.
- d) Transport, through multi purpose, oil and gas pipelines or other means, hydrocarbons in their natural state, semi-processed or processed and their products and by-products.
- e) Construct roads, paths, cableways, port installations,

bridges and any other type of access to work centers, as well as any project necessary for its operations.

f) Storage and marketing of hydrocarbons and their by products.

g) Import equipment, tools and all kinds of materials necessary for its operations, as well as products or by-products of petroleum and gas that because of the nature of the national hydrocarbons cannot be produced in the country.

h) Through direct negotiations, sell and export crude, semiprocessed and processed hydrocarbons and all products or by-products of hydrocarbons without exceptions, taking into consideration the requirements of the domestic market.

i) Install and operate its own systems of maritime, inland waterway, land, or air transportation, as well as radio, telephone and other communications systems that it deems necessary.

Article 11th.- Within the national territory, the transportation of hydrocarbons and their derivatives through oil, gas and multi-purpose pipelines, as well as refining for the domestic market, corresponds exclusively to Yacimientos Petrolíferos Fiscales Bolivianos.

## CHAPTER III

### Execution of work through third parties

Article 12th.- Yacimientos Petrolíferos Fiscales Bolivianos may carry out one or several phases of petroleum operations through third parties, or it may contract for specialized petroleum services for certain specific project, or parts of them, in both cases with natural or juridical persons, national or foreign public or private, when it is in the national interest, in compliance with the hydrocarbons policy of the Government. The execution of said phases may be carried out through Operation Contracts and Petroleum Services Contracts.

Article 13th.- When in the national interest, Yacimientos Petrolíferos Fiscales Bolivianos may form joint ventures of State and privately owned capitals for the execution of industrial projects and the refining of products for exportation. Such joint ventures will necessarily require the express authorization of the Executive Power to be valid.

Article 14th.- Whatever the form and purpose of the contract, the contractor shall in no case acquire rights in discovered hydrocarbons reserves and Yacimientos Petrolíferos Fiscales Bolivianos may not, under penalty of nullity, transfer or alter the original rights that by constitutional precept belong to the Nation.

TITLE III  
THE JURIDICAL CONDITION OF CONTRACTS  
FOR OPERATION AND SERVICES IN  
OIL INDUSTRY

CHAPTER I

Conditions common to contracts of Operation and  
Services

Article 15th- Any person, natural or legally constituted, that contracts with Yacimientos Petrolíferos Fiscales Bolivianos in accordance with article 12th, is required to:

- a) Establish domicile in the country or designate a legal representative.
- b) Give sufficient guarantees for the compliance of the contract.
- c) Provide Yacimientos Petrolíferos Fiscales Bolivianos with all the technical and economic information gathered as a result of execution of the contract, especially with reference to the phases of exploration and exploitation.
- d) Not to make any information or document available to third parties nor divulge industrial secrets regarding Yacimientos Petrolíferos Fiscales Bolivianos and its activities, without the express and specific authorization of Yacimientos Petrolíferos Fiscales Bolivianos.
- e) Renounce to any claims via diplomatic channels
- f) Permit training of Yacimientos Petrolíferos Fiscales Bolivianos personnel during the execution of the contract.
- g) Employ Bolivian personnel in conformity with the provisions established by the General Labor Law.
- h) Utilize goods and materials made by national industries and services offered by national enterprises in accordance with the legal dispositions that govern Yacimientos Petrolíferos Fiscales Bolivianos.
- i) Observe industrial security measures in the performance of its works in compliance with internationally accepted standards.
- j) Adopt adequate measures for the preservation of forestry and wild life and any other natural resource.
- k) Provide the Ministry of Energy and Hydrocarbons with all information concerning the existence of mineralogical, hydrological and other sources of wealth obtained as a result of their operations.
- l) In cases not included in article 48th, grant to Yacimientos Petrolíferos Fiscales Bolivianos the option of acquiring materials, equipment and machinery that it may decide to reexport or sell and which are of commercial value.

Article 16th.- The contractor may not subrogate or assign its rights and obligation under the contract,

either totally or partially, without the express written consent of Yacimientos Petrolíferos Fiscales Bolivianos.

Article 17th.- All the contractual relationships arising from the hydrocarbon industry are subject to Bolivian laws, requiring the contractor to comply all legal provisions the existing in the country.

Article 18th- Every contract entered into under the provisions of this Decree Law shall necessarily incorporate, under penalty of nullity, security clauses which establish the causes for contractual termination as well as rules of compensatory damages for noncompliance with contracted obligations.

Article 19th.- Those persons employed in the Ministry of Energy and Hydrocarbons, Yacimientos Petrolíferos Fiscales Bolivianos or in its subsidiaries or associated companies, their spouses, brothers and sisters, parents and children or relatives within the first degree of consanguinity may not be partners or directors of Petroleum Services Companies or of firms that enter into Operation Contracts with Yacimientos Petrolíferos Fiscales Bolivianos.

CHAPTER II

Operation Contracts

Article 20th.- An Operation Contract is one by which, according to the terms of the agreements, the contractor shall execute by his own means, and on his exclusive account and risk, but in the name and representation of Yacimientos Petrolíferos Fiscales Bolivianos, those operations in the phases of exploration and exploitation within the area that is the subject of such contract, under the system of retribution to which this law refers in case of entering into the exploitation phase.

Article 21st.- Yacimientos Petrolíferos Fiscales Bolivianos shall not be liable to any investment and shall not assume any risk or responsibility for the investments or results of the contract; the contractor shall be exclusively responsible for all capital contributions, installations, equipment, materials, personnel, technology and other elements required for the faithful and strict fulfillment of the contract.

Article 22nd- Yacimientos Petrolíferos Fiscales Bolivianos shall enter into Operation Contracts with interested firms that it judges to be financially solvent, technically sufficient and of proven experience, in accordance with the terms and conditions that result from negotiations which it is authorized to carry out for such purpose. Such companies shall be required to obtain recognition of legal status in Bolivia. The aforementioned contracts shall require for their validity approval by Supreme Decree.

Article 23rd.- These contracts may be subrogated only with the express authorization of the Supreme Governments, and must also meet the requirements established in article 16th.

Article 24th.- The subject area of the contract within which the contractor shall have exclusive exploration rights in the name and representations of Yacimientos Petrolíferos Fiscales Bolivianos, shall consist of a continuous surface area, to be determined by Yacimientos Petrolíferos Fiscales Bolivianos in each case, and divided into lots that shall not exceed 20,000 hectares each.

Article 25th - At the end of the exploratory period or within a shorter time, at the option of the contractor, he may select an area for exploitation which under no circumstances may exceed 50 percent of the exploration area, the remainder of the land to be at the disposition of Yacimientos Petrolíferos Fiscales Bolivianos.

Article 26th.- In no event may the same company, directly or indirectly, hold more than four areas during the exploitation phase.

Article 27th.- The maximum period of time for any Operation Contract shall be 30 years and may not be extended. The term will be computed from the date of signing of the pertinent public deed (escritura pública).

Article 28th.- During the first four years in which the Contract is in force, the contractor shall undertake to carry out an uninterrupted program of exploration which shall include a minimum amount of specific work and investment within the subject area of the contract and which will be agreed upon in the contract, taking into account the natural conditions of the place, its location and the extension of the area.

Article 29th.- Exploratory work must be initiated within six months after the contract goes into effect.

Article 30th - If the exploratory period should expire before the contractor has fulfilled all or part of the obligations described in article 28th, he shall pay Yacimientos Petrolíferos Fiscales Bolivianos for the amount of the work programmed but not executed, in accordance with the provisions of the contract, less any expenses actually incurred in the country in connection with said obligations that Yacimientos Petrolíferos Fiscales Bolivianos may consider useful for its purposes.

Article 31st - If, before having fulfilled wholly or partially the obligations contained in article 28th, the contractor should decide not to continue with the contract, he shall pay Yacimientos Petrolíferos Fiscales Bolivianos the value of the work that was programmed and not carried out.

Article 32nd.- Yacimientos Petrolíferos Fiscales Bolivianos shall determine the special guarantees re-

quired for the fulfillment of these obligations, suitable to the investments plans offered by the contractor, and Yacimientos Petrolíferos Fiscales Bolivianos is empowered to offset any amount that the contractor may owe as a result of his noncompliance against those guarantees.

Article 33rd.- If the contractor has fulfilled all the requirements that are mentioned in article 28th within the period of time established therein and has still not found hydrocarbons in volumes that he deems commercial, and if he wishes to continue his exploratory work, he may enter into an agreement with Yacimientos Petrolíferos Fiscales Bolivianos to continue such exploration for an additional maximum period of three years, within which he shall undertake to carry out an additional exploratory program to be incorporated into the contract.

Article 34th.- The contractor who has complied with all his contractual obligations for exploration may, within the terms set forth, terminate the contract at any time prior to the date set for beginning exploitation, without penalties of further responsibilities.

Article 35th.- If the contractor should decide to commence the phase of exploitation of discovered hydrocarbons, he shall proceed, within the period of time specified in the contract, to select the lots necessary to make up the exploitation area. The lots thus selected within each area of exploration must be connected each other by their sides or corners.

Article 36th - Once the exploitation area has been agreed upon, the contractor shall undertake to begin and carry out in an efficient way, within the time limit specified in the contract, which shall not be longer than six months from the date of termination of the exploratory period, a program of work based upon concepts of rational operation and conservation of deposits, in order to achieve optimum recovery.

Article 37th - The execution of all programmed operations by the contractor shall be supervised by a Control Board made up of representatives of Yacimientos Petrolíferos Fiscales Bolivianos and the contractor.

Article 38th.- The Control Board shall begin to operate as soon as the contract has been signed and in accordance with its stipulations.

Article 39th.- The basic powers of the Control Board shall be as follows:

- a) To approve all budget and work schedules supplementing those contained in the operational plan described in article 36th, and its subsequent modifications.
- b) To agree upon the methods and procedures which the contractor must employ for the effective execution of his operation.
- c) To formulate recommendations that it considers appropriate related to the economic and financial management of operations.

d) To obtain from the contractor all the reports and documents deemed necessary for the fulfillment of its commitments.

e) To arrange for audits in order to ascertain the state of the contractor's operations.

Article 40th.- Once the production is underway, the contractor is obligated to deliver all of the hydrocarbons produced to Yacimientos Petrolíferos Fiscales Bolivianos, with the single exception of the volumes effectively utilized for the production of such hydrocarbons. Said delivery shall be made in the place and under the storage conditions stipulated in the contract.

Article 41st.- From the total amount of production received, Yacimientos Petrolíferos Fiscales Bolivianos shall withhold, at wellhead price, the volumes necessary for payment of the national and departmental taxes, according to the provisions of articles 57th and 58th.

Article 42nd.- In addition to the provisions of the preceding article, Yacimientos Petrolíferos Fiscales Bolivianos shall retain for itself without making any payment, the volumes agreed upon contractually and shall deliver to the contractor those corresponding to the payment stipulated in the contract, as the sole payment for the operations performed by the contractor.

Article 43rd.- The contractor may freely export the volumes of hydrocarbons which correspond to him in accordance with the contract, with the sole exception, when so required by the Ministry of Energy and Hydrocarbons, of supplying the domestic market in the amounts and at the prices and the place of delivery established by it in accordance with article 67th.

Article 44th.- The contractor is empowered to construct and operate for his own account and at his own risk, within the subject area of the contract, all types of installations that he deems necessary for the exploration and exploitation of hydrocarbons.

Article 45th.- Yacimientos Petrolíferos Fiscales Bolivianos shall exclusively own and operate all oil, gas and multi-purpose pipelines needed for transporting the hydrocarbons produced, according to the provisions of article 11th.

The Operation Contracts may include, whenever necessary, provisions for the Contractor to finance and construct gas and oil pipelines for Yacimientos Petrolíferos Fiscales Bolivianos. The Contractor shall have priority for transport of the volumes corresponding to his retribution.

Article 46th.- The contractors shall pay for use of the transport lines of Yacimientos Petrolíferos Fiscales Bolivianos at the rates established by the Ministry of Energy and Hydrocarbons.

Article 47th.- By virtue of this Decree Law, the State shall guarantee to the firms that enter into Oper-

ation Contracts with Yacimientos Petrolíferos Fiscales Bolivianos, the free disposition of foreign currencies resulting from its export incomes as well as the free convertibility of exchange of incomes resulting from sales to Yacimientos Petrolíferos Fiscales Bolivianos. The foreign currencies that the contractor brings into the country for his expenses in national currency must be converted into Bolivian Pesos through the Central Bank of Bolivia.

Article 48th.- Once the Operation Contract has been terminated by expiration of the agreed upon time period or because of the contractor's default, all buildings, fixed installations, machinery, equipment and all other goods owned by the contractor as part of the operation shall be transferred to, and become the property of Yacimientos Petrolíferos Fiscales Bolivianos at no cost whatsoever.

Article 49th.- During the contract period, the contractor may not transfer, encumber, or remove the properties described in the preceding article, save with the express consent of Yacimientos Petrolíferos Fiscales Bolivianos and the authorization of the Ministry of Energy and Hydrocarbons.

Article 50th.- The utilization of surface asphalt deposits and bituminous schists discovered in operations is not included in the Operation Contracts.

Article 51st.- Whenever Yacimientos Petrolíferos Fiscales Bolivianos deems it necessary, it may enter into contracts with the approval of the Supreme Government and at the sole risk of the contractor, for the exploration phase only. The terms and conditions of such contracts shall be governed by the provisions agreed upon in the respective contract.

### CHAPTER III

#### Petroleum Services Contracts

Article 52nd.- A Petroleum Services Contract is one by which Yacimientos Petrolíferos Fiscales Bolivianos or the contractor under an Operation Contract may contract with a third party for a specific service or for a specific job of a specialized technical nature, primarily for the purpose of cooperating with the petroleum industry, with an agreed upon remuneration commensurate with the value of the service rendered or the work executed.

Article 53rd.- A Petroleum Services Contract may be made for the purpose of assisting during any of the phases of exploration, exploitation, refining, industrialization, transport and marketing of hydrocarbons and may cover only specific tasks of these operations.

Article 54th.- The petroleum services contractor, in order to be able to operate within the country and

also in order to fulfill the requirements established in article 15th, must:

- a) Prove his qualifications to render specialized petroleum services;
- b) Register with the Ministry of Energy and Hydrocarbons, for which purpose he shall present the documents which prove his legal constitution in the country, if he is so established, or his legal representation, through a national petroleum services firm
- c) If a foreign company, present a guarantee set by the Dirección General de Hidrocarburos.
- d) Facilitate the control of its activities by the Ministry of Energy and Hydrocarbons.

Article 55th.- Neither Yacimientos Petrolíferos Fiscales Bolivianos nor its operation contractors may use foreign petroleum services companies if, in accordance with the registries of the Dirección General de Hidrocarburos, existing national firms are qualified to carry out such jobs competitively as to quality and price.

Article 56th: All Petroleum Services Contracts must be registered with the Dirección General de Hidrocarburos.

#### TITLE IV

#### TAXATION

Article 57th- Operations under the direct execution of Yacimientos Petrolíferos Fiscales Bolivianos shall be subject to the following taxes in lieu of the taxes on profits and total income.

- a) A departmental tax, termed as a royalty, equal to 11% of the gross production at wellhead, payable for the benefit of the Department in which the production originates; and
- b) A national tax equal to 19% of the gross production at wellhead

In determining the gross production of hydrocarbons, the volumes effectively utilized in the operations of exploitation and the flaring and venting of gas, duly authorized by the Ministry of Energy and Hydrocarbons, shall be excluded.

Article 58th- Yacimientos Petrolíferos Fiscales Bolivianos with respect to its participation in the gross production of hydrocarbons, and all natural or legally constituted persons, with respect to their retribution established under the terms of an Operation Contract conforming to articles 7th and 12th of this Decree Law, shall be subject to the payment of the taxes established in the preceding article, in lieu of all taxes on profits and total income.

Article 59th.- The State and the producing Department shall receive the national and departmental tax or royalty, respectively in cash, taxes that shall be calculated upon the basis of the price at wellhead established by the Ministry of Energy and Hydrocarbons, in accordance with in the provisions of article 67th.

Article 60th.- The taxes described in article 58th are applicable to all the operations of Yacimientos Petrolíferos Fiscales Bolivianos, except those related to industrialization for its own account or through joint ventures, which shall be governed by the provisions of the Law of Investments (Ley de Inversiones).

Article 61- Petroleum services contractors shall be subject to payment of the tax on profits, according to law, with the exception of payments made outside of the country and the system of depreciation, to which shall be applied respectively the provisions of Supreme Decree No 06425 of April 19th, 1963 and the following scale of depreciation:

Buildings:	10%
Machinery and Equipment.	20%
Furniture and Office Equipment:	20%
Vehicles:	20%

Articles 62nd.- The importation of all materials, equipment and work vehicles for the ordinary operations of Yacimientos Petrolíferos Fiscales Bolivianos and of the contractors, whether these be operation or petroleum services contractors, as well as the importation of raw materials or intermediate goods destined for finished products to be marketed by Yacimientos Petrolíferos Fiscales Bolivianos, are exempt from all import duties and sales taxes with exception of payment of the 2 percent charge for services rendered, which charge, in all cases, shall be for only one commercial month. The Customs Service shall clear the respective shipments with no further requirement other than the presentation of the proper authorization issued by the Dirección General de Hidrocarburos. The exemption to which this article refers shall be limited to the list contained in a special legal provision.

Article 63rd- Sales for export of crude oil, natural gas and their derivatives and by-products are exempt from all taxes.

Article 64th.- The obligations of the Central Government, the State Owned Enterprises or the decentralized State Institutions to Yacimientos Petrolíferos Fiscales Bolivianos for the provision of fuel and other products, resources or services, shall be compensated by monies owed by Yacimientos Petrolíferos Fiscales Bolivianos to the General Treasury of the Nation for taxes or other charges.

Article 65th.- Yacimientos Petrolíferos Fiscales Bolivianos and the operation contractor firms shall be

question, subject to indemnification. When unimproved government land is involved, there shall be no indemnification.

Article 69 th.- The expropriation of public or private property and the establishment of easements thereon are hereby declared to be for the public utility, and, when the nature of the petroleum industry's work makes it necessary, Yacimientos Petrolíferos Fiscales Bolivianos may take immediate possession of the properties affected or to be expropriated and must follow the procedure established in the following articles only with regard to indemnification, when appropriate.

Article 70th.- The rules of expropriation of property and constitution of easements, established in the preceding article, do not apply to urban and rural housing and their immediate dependencies, cemeteries, roads, railways, airports and all other public or private construction or buildings of a stable and permanent nature.

Article 71st.- When necessary for its petroleum activities, Yacimientos Petrolíferos Fiscales Bolivianos, acting for itself or through third parties who act in its name and representation, shall have the right to:

- a) Expropriate lands of private parties and freely occupy state owned land; if on any such land there should exist improvements made by private parties, appropriate indemnification will be forthcoming. In dealing with urban lands of private parties, indemnification for expropriation shall always be made even though no improvements exist.
- b) Utilize all materials and elements found in the area where the work is being done, indemnifying those private parties who suffer verified economic loss
- c) Occupy a maximum width of 25 meters along oil, gas and multi-purpose pipelines and be empowered to distribute this right-of-way on both sides of the lines or to locate it on one side, as needed.

Article 72nd.- Indemnifications which may result from the expropriation of property or the constitution of easements shall be fixed by agreement of the parties, if possible. Failing such agreement, the respective procedures shall be followed before the Sub Prefecturas in the provinces and before the Prefecturas in the capitals of the Departments, following the same procedures in either case.

Article 73rd.- In determining the amount of total or partial indemnification for the expropriation of property or the constitution of an easement, the benefits received by the owner affected as a result of the petroleum work and the increased value of the property resulting therefrom shall be considered.

Article 74th.- In cases in which the parties cannot agree upon the indemnification payment, either of them may resort to the authorities indicated in article 72nd requesting that a date and time be fixed for a

hearing at which the other party shall attend upon notice.

Article 75th.- In the hearing referred to in the preceding article, the parties shall present their arguments, and the Prefecto or Sub Prefecto, whichever is the case, shall be empowered to order an on site inspection and to require the parties to name expert appraisers and to take any measure which he deems necessary for the resolution of the matter.

Article 76th.- Once the facts considered necessary have been compiled, the Prefecto or Sub Prefecto shall declare the expropriation of the property or the constitution of an easement, if such is necessary, and then, if it should not be possible for the parties' experts to arrive at an agreement, he shall name a tie-breaking expert to determine the provisional amount of indemnification.

Article 77th.- The parties may appeal to the Dirección General de Hidrocarburos within a period of three days after being notified of the decision of the Prefecto or Sub Prefecto.

Article 78th.- The Director General de Hidrocarburos, after processing the appeal forwarding arguments to the appellee, which the other party must answer within the term of 15 days after notification, shall render a final decision in the matter.

Article 79th.- If none of the parties appeal, the case shall be reviewed by the Dirección General de Hidrocarburos, which shall issue within a period of 15 days a definitive resolution, confirming, modifying or revoking the judgement below.

Article 80th.- The periods indicated in articles 77th and 78th are final and cannot be extended.

Article 81st.- Yacimientos Petrolíferos Fiscales Bolivianos shall pay the indemnity fixed within a period of 90 days after decision by the Dirección General de Hidrocarburos, and must charge that amount to the contractor, if appropriate.

## CHAPTER II

### Final provisions

Article 82nd.- The provisions of this Law shall be applicable to any company in which Yacimientos Petrolíferos Fiscales Bolivianos holds a majority interest.

Article 83rd.- All dispositions contrary to the present Decree Law are hereby declared derogated.

The Ministers of State in charge of the Ministry of Energy and Hydrocarbons and Ministry of Finance are responsible for the execution and fulfillment of the present Decree Law.

Signed in the house of Government in the city of La Paz on the twenty eighth day of March, nineteen seventy two.

exempt from all present and future direct national, departmental, municipal and university taxes, with the exception of those indicated in articles 57th and 58th and of the rates or contributions to Social Security. This exemption does not extend to the obligation which the firms have of constituting themselves as withholding agents or agents responsible for taxes on personal services and income taxes of their employees or dependents.

## TITLE V

### ON THE CONTROL AND REGULATION OF THE HYDROCARBON SECTOR

Article 66th.- The Ministry of Energy and Hydrocarbons shall control and regulate the activities of the hydrocarbon sector through the Dirección General de Hidrocarburos

Article 67th.- For the purposes of the preceding article, the Ministry of Energy and Hydrocarbons is empowered to:

- a) Watch over the execution and fulfillment of the hydrocarbons policy established by the Supreme Government.
- b) See that the exploitation operations are carried out under established norms and standards for the rational preservation of the hydrocarbon reserves of the country. Seeing that the relationship between reserves and production established by the Government policy on power and fuel is maintained.
- c) Watch that petroleum operations are carried out in accordance with high technical and efficiency standards to obtain optimum recovery and processing of hydrocarbons
- d) Control the volumes and production regimes as well as the types and qualities of the hydrocarbons to be produced, both for purposes of domestic consumption and for export.
- e) Approve the specific plans of execution of the hydrocarbons policy of the country that Yacimientos Petrolíferos Fiscales Bolivianos shall submit for its consideration, watching that the anticipated objectives are attained
- f) Verify the fulfillment of the Operation Contracts in all matters related with the basic principles and general standards of the national energy policy.
- g) Maintain the registry of the operation contractors of Yacimientos Petrolíferos Fiscales Bolivianos and of the petroleum service firms in the country as well as the corresponding contracts.
- h) Penalize the failure of contractors to fulfill legal provisions and standards in hydrocarbon matters.
- i) Regulate the prices of hydrocarbons and their derivatives destined for domestic consumption, including

those corresponding to the volumes transferred to Yacimientos Petrolíferos Fiscales Bolivianos which come from the retribution to the operation contractors and which are earmarked for domestic consumption. These prices will be approved by Supreme Resolution

j) Determine hydrocarbon prices at wellhead as well as the reference prices which may be necessary, taking into consideration real prices, transport and conditioning costs, market conditions, quality specifications, and other factors which should intervene in the composition of these prices. Such prices will be approved by Supreme Resolution.

k) Establish transport rates applicable to the operation contractors for the use of oil, gas and multi-purpose pipelines.

l) Authorize the contractors' imports, reexports and transfers of equipment, materials and work vehicles for the petroleum industry.

m) Review and approve transactions arising from the exploitation of hydrocarbons for purposes of payment of the national and departmental taxes and other charges

n) Carry out economic and technical studies with reference to matters under its control, obtaining for this purpose all pertinent information and maintaining statistics of development and growth of the hydrocarbon sector.

o) Pass final judgement in appeals and review in case of disputes which may arise between private parties and Yacimientos Petrolíferos Fiscales Bolivianos over indemnification for expropriations and the constitution of easements.

p) Establish standards in all matters of determination of boundaries of areas, common structures, access roads, landing fields and other common facilities and decide without appeal disputes which may arise in these matters

q) Establish all technical standards necessary for the proper execution of the Operation Contracts and the Petroleum Service Contracts, watching over their fulfillment.

## TITLE VI

### MISCELLANEOUS PROVISIONS

#### CHAPTER I

Distinction between surface and subsurface and regulations on expropriations and easements

Article 68th.- The petroleum concessions essentially referred to subsurface work, shall not affect the rights of the surface property owners. Nevertheless, in situations in which the use of the surface land is necessary due to the needs of the petroleum industry, the industry will take precedence over any preexisting rights of third parties in the surface in

## GENERAL INFORMATION ON BOLIVIA

### Geographical Position:

Bolivia borders to the North and the East with Brazil, at the South with Argentina, at the West with Peru, at the Southeast with Paraguay and at the Southwest with Chile

### Territory:

The country has an extension of 421 155 — sq miles, of which 25% are in the Andean Mountainous area with peaks ranging from 13 000 feet to 20 000 feet above sea level, 13% are valleys with an average of 6 000 feet altitude with mild climate. The remaining 59% are zones of tropical climate with altitudes ranging between 900 to 1.200 feet above sea level

### Microecological Conditions:

The country has a diversity of climate from the hot tropical areas with temperatures over 100° Fh to the cold high plateaus and mountains with temperatures below 0.

The average rainfall in the 3 geographical zones varies in its duration and intensity under the influence of the winds from the south and the Atlantic Ocean.

In the mountains the rainfall is not as heavy as in the valleys and the tropical areas, but in the "Yungas" rain is permanent and reaches an average of 150 inches per annum, which permits the existence of rainforests.

### Political and Administrative Situation:

Bolivia is a Republic with 3 powers: the Executive, Legislative, and Judicial. It is divided in Administrative units called Departments. These are sub-divided in smaller units known as Provinces and these again in Counties.

### Capital City:

Constitutionally the capital city is Sucre, so named after Field Marshall Antonio José de Sucre, one of the Liberators and founders of the Republic. However, the site of Government is La Paz, which is also the most important political, administrative and economic center of the country.

### Language and Religion:

The official language is Spanish, but three other languages are spoken: Quechua in the valleys, Aymara in

the high plateau and Guarani in the Eastern plains. The religion is Roman Catholic, but there are other faiths and ample religious freedom.

### Population:

The estimated population for 1971 was 5.068.000 inhabitants and the density is of about 11.93 per sq. mile. The growth rate is estimated at 2.4%.

### Export-Import Trade:

The index of unitary value for export in 1970 was 113.6 based on information for 1967.

The quantum of exports for 1972 onwards is of 119.4 and the purchase power of exports is of 125.5, taking as reference data from 1967.

### Transports:

The railway system servicing the main cities and mining districts of Bolivia has a total length of 2.190 miles and the roads have a total extension of 15.933 miles, of which 590 are asphalted.

The number of motor vehicles for 1970 was 55.000. There are also 9.322 miles of navigable rivers and the Titicaca Lake which serves to the commercial interchange with Peru and the Pacific Coast.

### Communications:

There are 42 000 telephone lines in Bolivia, 72 broadcasting stations and the National T.V. System in La Paz.

### Currency:

The official currency is the "Peso Boliviano" (\$b.) and the rate of exchange is of \$b. 12.112 per one (1) american dollar.

### Power:

The installed capacity of electric power in the country is of 267.930 KW and the generated power reaches 792 millions of K.W.H.

### Social Situation:

In 1970 there were 9.556 educational establishments in the country, employing 33.322 teachers and counting with 876.297 students, not including academic and university levels.



# 投資法



法 令 № 10045

Cul Daem Hugo Bauzer Suarez

共和国大統領

国民大多数の願望を満たすためには国家の経済的社会的発展が不可欠である。

国の経済的発展とは資本投資が重要である事をボリヴィア政府は確認する。

国の発展は内部資財の不足のため制限されて居り、また資本投資の枠が適確あるいは明確とされていなかった。

資本誘致・投資のための適切なる条件を保証する法的方法策を構じて国家の経済的発展を刺戟、助成することは義務である。

これ以上遅らせる事の出来ない発展のためには資本投資への刺戟と保護のためかかる明確なる立法を必要としている。

当国には大きな可能性があるにも拘らず経済的に未開発な地域がある。かかる地域にはその発展を刺戟する目的で適当なる制度を与えるべきである。

ボリヴィアは、国家資源の大きさと多様性と、既に承認せるラテン・アメリカ共同市場への参加に依り与えられる利益及び国益と共存し得る限界において、資本投下に対し優利な条件を整え、国内発展の過程で役立つ外資の蓄積のために輸出の増大と多様化を要求している。

各大臣の助言及び国家開発委員会の意見に基づき下記法令を公布する。

## 第 一 部

### 総則、目的及び定義

## 第 一 章

### 総 則

第1条 本法の庇護のもとに下記経済活動に充てられるへくなされる内国資本または外国資本の新規投資及び再投資に対し特別措置制度を設定する。

工 業

鉱 業

農 業

牧畜業

再生可能天然資源開発業

建設業

石油・ガス業は特別法に従うものとする。

サービス業は特別規制に従うものとする。

## 第二章

### 一般目的

第2条 投資法は下記目的を達成するための国家経済発展に貢献せねばならないものとする。

- a) 本邦の経済及び社会必需を充たすための財及び役務の生産の増大。
- b) 国内技術レベルの恒常的向上に資する近代技術の導入。
- c) 生産コストの低減。
- d) 輸出の増進及び多様化。
- e) 選択的輸入代替。
- f) 生産要素の利用、活用及び当国内でのその製造。
- g) 国内貯蓄の創造。
- h) ラテン・アメリカ統合過程への統一的且つ有効な参加。
- i) 国内低開発地域の最大限の経済開発。

第3条 本法第2条に示されたる目的のいずれかを達成するための経済活動に新規投資または再投資をなす企業、自然人または法人は内国人または外国人を問わず、また公私を問わず、本法第1条に述べられた特別措置制度の対象と見做される。

第4条 新規投資は資本の出資またはクレジットをもって資金調達されねばならないものとする。  
クレジットは2年以上の期間とする。

第5条 新規投資はその用途に従い下記の2つと考えられる。

- a) 近代的技術による新たな生産設備の設置。
- b) 生産能力、生産量の有効増進及び生産の多様化を達成するための近代化または近代化された設備の増設。

第6条 新規投資が特典を享受するためには技術的に近代的な機械及び設備をもってなされる事が必須条件となるものとする。本法第五部に述べられる投資促進院（INI）は何時にても上記要件の充足を評価し確認するものとする。

## 第三章

### 定義

第7条 本法の効果のためには下記定義される。

- a) 投資：本邦の生産能力の増大にあてられた資本
- b) 新規投資：本法の発布日以降に邦貨または交換性外貨でなされる出資及び投資対象資本財及び機械の形でなされる出資で当該財及び機械が特典付与申請に先立って通関手続を経て内国貨物化されて居ないもの。域内産の資本財は新品で未使用である限り国内生産能力に対する有効な出資と見做されるものとする。
- c) 再投資：企業形態の如何を問わず特別準備金または累積配当または利益参加より形成された

蓄積による資本金出資で本条 a) 及び b) 項に従って国内生産能力の増大に充てられるもの。

- d) 企業：財及び役務の生産にあてられる経済体  
国営企業：全資本金が国家に属する経済体  
私企業：全資本金が私人に属する経済体  
本企業は国内資本、外資又はこれら混合資本を有し得る。  
混合企業：公資本と私資本の混合より成る経済体  
私的資本は国内資本／外国資本いずれもなり得る。
- e) 工業：有機及び無機物質の変成工程を通じて半製品及び完成品を取得する経済活動。
- f) 鉱業：地表または地下にある鉱資源の開拓、試掘、採掘及び採鉱にあてられた経済活動。
- g) 農業・牧畜業及び再生可能天然資源開拓業  
農業：土地の使用及び活用による資源の集約的または租放的開発にあてられる経済活動。  
牧畜業：家畜の飼育、再生産、改良及び牧畜製品の加工にあてられる経済活動、動物の衛生措置も含む。  
再生産可能天然資源開拓業：自然界に与えられる資源を合理的に利用する経済活動。  
農牧サービス業：農牧業の産品の商品化のためのサイロ冷蔵庫及び特殊運送手段。
- h) 建設業・住宅、病院、ホテル、モーテル、一般建造物、工業設備、道路、ダムその他全ての具体的地下工事の建設にあてられた活動。
- i) 観光業：当該性格をもって観光奨励に充てられた経済活動、観光局の定める規制の範囲内でのホテル、モーテル避難所、野小舎の建設及び設備設置、ホテル役務及び観光運送の供与も含む。
- j) 原料：変成工程を通じて中間品または完成品に体化される有機又は無機物質及び半成品で中間品又は最終品にとり不可欠なもの。
- k) 国産原料：本邦に於て原産より生産された有機及び無機物質で本邦領土内で変成対象となかったか否かは問わない。
- l) 材料：生産品の開拓、開発、採鉱、変成、加工及び流通に必要な要素で原料として定義されて居ないもの及び一般建設に向けられる要素。
- m) 半成品：新たに変成工程にあてられる製品。

## 第 二 部

### 基幹及び戦略工業への投資

第 8 条 基礎段階に於ける冶金業、製鉄業及び石油化学業は戦略工業に指定し、国営企業を通じ国家により行われるものとする。

但し、国益にそう場合は、国家は下記条件のもとに私資本との結合をなしうるものとする。

- a) 全資本金のうち、公資本が過半数と超える場合。  
b) 公資本が過半数に至らぬ場合は公資本が最大数を有する迄、国内私的資本または外資に投資部

分を譲渡させる条件，期限を設定することが出来るが，如何なる場合も期限は 20 年を超えてはならない。

第 9 条 基礎段階とは下記と云う。

- a) 冶金業及び製鉄業に於ては，溶解または精錬工程に依る濃縮品または鉍石の金属への第一次変成
- b) 石油化学工業に於てはオレフィン及び芳香族生産に至る迄の炭化水素の変成活動及び工程。

### 第 三 部

#### 特典及び保障

第 10 条 本法の制度に依り庇護される企業はその生産ライン及び生産項目に応じ下記の特典及び保障を享受するものとする。

### 第 四 章

#### 一 般 特 典

第 11 条 直接に生産にあてられた機械及び設備，機械設備と共に輸入された部品，その必要性か然るべく正当化され，且つ，専ら生産工程にあてられた車輛の輸入に於ける関税及び付加税の免除。但し，供与されたる役務に対する役務料及び領事査証料は除く。

第 12 条 本邦産のよい原料及び材料の輸入に於ける関税，付加税及び 1968 年 6 月 27 日付最高令第 08400 号に依り創設された課徴金の免除。但し，供与されたる役務に対する役務料及び領事査証料は除く。

第 13 条 前条に示されたる特典か付与されなかつた輸入原料及び材料で輸出されたる製品に化体された部分に係わる関税等の払戻し，本払い戻しはクレジットノートの形でなされるものとし，当該クレジットノートは受益企業の支払うべき租税の支払いにのみ利用てきるものとする。I N I は商工省商務局の事前報告をもって当該証明書を発行し，これを大蔵省に送付するものとし，大蔵省は当該クレジットノートを下付するものとする。各機関は関連手続の為最高 15 日の期間を有する。

第 14 条 承認されたプロジェクトに投資される国内または外国クレジットに係る可動資本税（Capital Movible）の免除。

第 15 条 製造された生産量のうち，輸出された部分については，国税，生産販売税並びに地方税，市税及び一般課徴金の免除を受ける。

第 16 条 投資家は下記に示される最高限定までの年次固定資産減価償却及び償却制度を選定し得るものとする。

建物及び建造物	10 %
機械及び設備	25 %
什器及び備品	20 %

創業費繰延費用償却 20%

一旦選定された制度は確定的なものとし、且つ I N I 理事会により承認された投資計画に対してのみ適用し得るものとする。

第 17 条 本法による受益企業の新規建設に対する国税、地方税及び市税の 10 年間の免除。但し、供与されたる市当局の役務に対する役務料は除く。同様に I N I 理事会に依り承認された計画で企業への資本金として出資される不動産に対する譲渡税及び再評価税の免除。但し一回に限る。

第 18 条 パンド、ベニ及びタリハ並びに予め明白に法に規定された其の他の経済的社会的低開発地域に於ては更に投資に由来する利益税及び総所得税の 10 カ年の免除。同様に専ら企業の資本金に出資された不動産の譲渡税及び再評価税の免除。但し一回に限る。

第 19 条 外資の参加している企業の新株購入に自己の利益をあさる国内資本企業に対する利益税の応分免除。本免除は国内資本参加が 51 % に達する迄付与される。

第 20 条 特別プログラムに従った其の他の非財政的特典。

a) 国家に依り提供される工業用地、所謂、工業団地のない場合も含む。

b) 法定限度内での農牧業開発用に国有地使用権の付与。

第 21 条 関係企業又は I N I の職権に依る提案に従い、大蔵省に対し国産品に対する適切なる一時的関税保護を付与するために、本邦で生産されるものと同類の輸入品に対する関税の改訂手続をし得るものとする。但し、予め技術的、経済的検討をなし、市場状況、生産品の品質、比較生産コスト、地域統合条約及びその他の要素を考慮するものとする。

第 22 条 関税保護は、各ケースに於て商工省、大蔵省が行う技術的、経済的検討に基き一時的に付与されるものとする。

第 23 条 本邦に於て競争し得る品質及び価格で国内需要を充すに足る数量の生産のある製品と同類の製品の輸入については、輸入者が公共体であれ、私人であれ、混合体であれ、或いは公共事業の請負者であれ関税支払いを免除され得ないものとする。

第 24 条 統合協定にあてられる全ての計画に於ては、多国間関税規定及びその他の政策調和のためのメカニズム採用のために定められたる期間を考慮に入れねばならないものとする。

## 第五章

### 工業に対する特典

第 25 条 本法に定められたる制度の底護をうけんとする全ての工業プロジェクトは I N I に依り評価分類されるものとする。

第 26 条 I N I は下記の評価基準を考慮に入れて工業プロジェクト三つの分類に指定するものとする。

生産品の用途

外貨の節約または取得

技術水準

生産コスト

投資の資金条件

投資規模

投資の派生效果

原料の生産

第 27 条 前条に基く本法の適用のためには、下記の分類が考慮されるものとする。

a) 第一類：下記の活動にあてられた投資は第一類として考えられるものとする。

鋳冶金工業

石油化学工業

金属機械工業

基礎化学工業

自動車工業

電気工業

電子工業

b) 第二類：下記の活動に充てられた投資は第二類として考慮される。

第一類の活動用消費財の製造工業

農工業

消費財製造工業

火薬及び類似品製造工業（国防省の事前許可費）

c) 第三類 第一類及び第二類に示されて居ない工業活動にあてられた投資は第三類として考慮される。

第 28 条 第一類に分類される工業活動は第 14 条、16 条及び 17 条に依り付与された特典の他第 11 条、12 条、13 条、15 条及び 19 条により付与される特典 100% を享受する。

第 29 条 第二類に分類される工業活動は第 14 条、16 条及び 17 条に依り付与された特典の他第 11 条、13 条、15 条及び 19 条により付与された特典 100% と第 12 条により付与されたる特典の 75% を享受する。

第 30 条 第三類に分類されたる工業活動は第 14 条、16 条及び 17 条により付与された特典の外第 11 条、13 条、15 条及び 19 条により付与された特典 100% と第 12 条により付与されたる特典の 50% を享受する。

第 31 条 第 11 条に示された特典は三つの分類に対し一回に限り付与されるものとする。

第 12 条に示された特典は下記詳細に従った継続期間を有するものとする。

a) 第一類：I N I 理事会による承認日起算 7 年間及び年 20% づゝ逓減して爾後 5 年間。

b) 第二類：I N I 理事会による承認日起算 7 年間及び年 30%、30%、40% づゝ逓減して爾後 3 年間



c) 第三類：I N I 理事会による承認日起算7年間及び年50%づゝ逦減して爾後2年間。

## 第六章

### 既存工業に対する特典

第32条 既存工業は本法第13条及び15条に定められたる処に従った輸出に対する特典及び適切な関税法制を享受する。

## 第七章

### 鉱業に対する特典

第33条 I N I 理事会により事前に評価、承認された計画に基く鉱業活動へ充てられた投資については、次の特典が付与される。

即ち、第19条に示されて居るものゝ100%及び14条、17条にて与えられた特典以外に一回限り、11条に示された特典。同時に16条に従い任意に償却方式を決める事が出来る。この方式は投資計画に記載と同時に国税庁へ報告されねばならない。また、計画にある期間内は変更出来ない。

## 第八章

### 農業、牧畜業、天然資源開発に対する特典

第34条 農業、牧畜及び再生可能天然資源開発については、I N I 理事会の事前評価承認に基き次の特典が付与される。即ち、第12条に示されたものゝ100%及び11条に示された特典一回限り。これら特典の期間は第31条の工業に関する第一類と同じであり、同時に14条、16条、17条、19条の特典が与えられる。

## 第九章

### 建設業に与えられる特典

第35条 I N I 理事会により事前に評価承認された計画に基く建設業に従事する企業は次の特典を受ける。即ち、第11条にて付与された特典一回限り100%及び第14条、16条及び19条にて与えられた特典。

## 第十章

### 観光業に対する特典

第36条 観光客受入れを推進する事業に対してはI N I 理事会の事前評価承認が与えられ次の特典が付与される。

a) 第11条にて与えられた特典100%一回限り、及び第14条、16条、17条及び19条にて与えられた特典。

b) 第一級ホテル用に最初に輸入された備品に対する輸入税、付加税の免除。但し、役務に対する費用領事査証料は除く。特に I N I 及び観光局によって国際水準として認められたものに限る。

## 第 十 一 章

### 再投資に対する特典

第 37 条 企業利益の再投資は 1969 年 1 月 8 日付最高令第 08619 号第 9 条及び 10 条の定めに従って所得税の支払いを免除されている。更にプロジェクトの事前評価に従って各分類に基く相応の特典を享受するものとする。

## 第 四 部

### 保 証 制 度

第 38 条 本法の規定に従って本邦に於て第 1 条に列記されたる活動のいずれかに投資され、国家投資登録に登録された資本は、外資による払込・資本の償還及び利益または配当の支払いにつき、またボリヴィア中央銀行の事前審査を経て契約された外貨クレジットの役務につき投資されたる通貨への自由処分及び交換の保証を享受するものとする。

第 39 条 本法の特典に庇護される投資家は更に I N I 理事会の当該決議日起算 7 年間に、国税、地方税、市税、一般課徴金たるを問わず租税及び一般公課の変更に影響されず現行税率を保つ旨の保証を与えられる。

投資家は上述の期間に税率引下げがあった場合は、これの庇護も享受するものとする。

第 40 条 本特別制度の庇護を望まぬ企業または I N I によりなされた評価の後却下されたる企業は、本法に含まれる特典及び保証を享受する事なく、当該省への事前登録をもって自己のプロジェクトを実施し得るものとする。但し、第 32 条に定める処は妨げない。

第 41 条 本法の規定のもとになされた投資で何らかの国際機関・国政府又はその代理機関により運営された援助、プロジェクトにより供与された投資又は借款につき保証を必要とする企業は、ボリヴィア政府と外国政府との間の現行取決め、または将来取り決められるものに従うものとする。

## 第 五 部

### ボリヴィア投資促進院 ( I N I )

## 第 十 二 章

### 性格及び組織

第 42 条 本法の管理及び適用は投資促進院 ( I N I ) が、これを行う。

同院は独自の公共機関であり、商工省の監督下におかれる。

第 43 条 I N I の機能は理事会の承認する内部規則により律せられる。

第 44 条 I N I の理事は下記の大員又はその正当なる代理人によって構成される。

商工大臣

大蔵大臣

企画調整大臣

民間部門は下記の構成員よりなる。：私企業家連盟の代表2名。理事会は更に投資活動の所管大臣又はその代理人及び当該民間部門の代表により構成される。

理事会はその会合に適当と判断される諸機関の代表または一般人を発言権のみ与えて参加せしめることが出来る。

第45条 院の理事会は商工大臣、それが欠席の場合は大蔵大臣又は企画調整大臣が主宰する。議長は投票が同数になった場合のみ投票権を有する。

第46条 理事会はI N Iの最高機関であり、本法に規定せる範囲内で重要事項の決定を承認する。理事会の決定は単純多数投票で行われる。

第47条 商工大臣及び院理事は理事会の推薦する3名の中から執行理事を1名任命する。

第48条 執行理事は理事会の会合に投票権なしに参加し、且つ、理事会の審議のために国家投資台帳登録申請に関する報告、本法の諸目的を改善するために必要な措置案及び院の機能に関する事項を提出する。

第49条 院の専門職員は内部規則に従って任命される。

### 第 十 三 章

#### 機能と権限

第50条 投資促進院は次の機能を有する。

a) 促進、援助及び調査

b) 管理

第51条 院は本法の庇護する投資を認可、登録、規制するための正当権限を有する機関である。

第52条 促進、援助及び調査の機能とは

a) 投資家へ専門的情報を与えること。

b) 公的または私的部門との間に争いか生じた場合、投資家に関連した問題の解決に協力すること。

c) 公共力に対して法令の調整または投資に関連する他の処置を示す。

d) 活動計画に対し定期的調査と評価を与える。

e) 投資家の関心をひくため適確に衆知せしめる。

第53条 管理機能とは

a) 投資家より提出された計画案の妥当性と種別または部下を決定するためそれらを評価すること。

b) 国家投資台帳へ登録のため関係者が提出する申請に対し手続を行うこと。

c) 本法の適用に関連して投資家の行った異議を審理すること。

d) 本法の定める罰則を適用且つ有効たらしむること。

- e) 国家投資台帳に登録された企業に対し、本法に規定された義務及び理事会の決議を遵守させる。
- f) 民間投資家に対し、投資に関連した手続に関し助言を与える。
- g) 国家投資台帳を備えること。同台帳には、当該企業の登録を承認した理事会決議か、企業名、種別、国籍付与された特典及びそれらの失効期日と共に記載されて居らねばならない。
- h) 付与された免除をコントロール及び記録し、且つそれが承認され登録されたプロジェクトに合致しているか否かを調査する。
- i) 投資家が外国より導入せんとする投資につき他の機関と協同して、信用供与の契約の登録と規制。

第54条 I N I に対して提出された申請、計画案は全て其の手続前に理事会にはかる事を要す。

第55条 I N I は提出された計画を国家の開発計画に於て、其の効果を知らしめるため、企画調整省、大蔵省に送る。

その目的のために15日間の期間を与えられる。

もし、各大臣が同期間内に報告を出さない場合は当該計画は承認されたものと見做される。

第56条 I N I は提出された計画案は各提出者のものと見做され秘密書類扱いされ、当該提出者の文書に依る承認なき限り同院以外の個人、法人に示されることはない。

秘密を漏らした担当官は免職の上、刑法により罰せられる。

## 第 六 部

### 手 続 き

#### 第 十 四 章

第57条 本法で与えられる特典及び保証及び1971年6月30日大統領最高令第09798号に依り、批准された外資の取扱いに関する共通制度を享受せんがための登録申請については、全てI N I に申請請願書を技術的、経済的可能性調査書を5部同封し提出のこと。

第58条 登録申請はI N I の技術部門にて検討、評価される。

第59条 投資登録申請は本法第1条に示された活動に概当せざる場合は却下される。

第60条 技術部門より報告書が作成された後、執行理事は登録申請書をI N I の理事会の審議に付記する。

第61条 I N I 理事会が投資申請を承認した場合、同時にそのカテゴリーを決め工場設立生産活動開始のための期間を決定する。

執行理事は正当な理由が存在する場合、関係者の申し立てに依り当該期間を延長することが出来る。

第62条 一度投資計画が承認され、且つ、カテゴリーを与えられたら、I N I 理事会は決議を發し国家投資台帳への登録を命ずる。

第63条 機械設備、原材料に対する輸入税免除手続は下記の通りとする。

- a) 所定書式に依る申請書のI N I への提出。これは10日以内に発行される。

- b) 大蔵省は I N I に依り認承された申請書の提出日より 15 日以内に当該省令を出さねばならない。
- 第 64 条 もし I N I の決定が本法の規定または精神に触れる場合は、投資家又は政府代理人は閣議に対して苦情を申し立てる事が出来る。
- 第 65 条 特典と保証の享受及び義務の履行は其の許可令の発効日から効力を有する。
- 第 66 条 活動の拡大または多様化の申請は前述の各項に示されたものと同じ手続を要す。
- 第 67 条 認可済計画の補足または変更については当事者側の事前説明に基き、I N I は技術部の報告によりその許可又は却下を理事会決議によって決定する。
- 第 68 条 如何なる職員、幹部その地位の如何を問わず、何人も理事会決議が投資家に賦与したあらゆる権利、免除及び保証を制限したり、それらを行なうことを拒否または抵抗してはならない。本規定に違反した場合は憲法上の保護を裁判所に求める事が出来る。

## 第十五章

### 暫定登録

- 第 69 条 投資プロジェクトの促進に関心をもつものは、I N I に対して其の暫定登録を申請することが出来る。其の期間は 6 カ月を超えさせることとする。これらは資金源又はその他の非本質的要件を除き、第七部、第十六章にて要求される全ての書類を事前提出審議した後認められる。
- 第 70 条 暫定登録には、いかなる性質の特権及び免税措置も与えられない。
- 第 71 条 I N I 理事会はプロジェクトの種別を決定し、証明書を発行する。  
その証明書は 69 条に規定せる期間内に、国家投資台帳に登録するために満されねばならない付属要件を明記すること。

## 第七部

### 企業の義務

## 第十六章

- 第 72 条 国家投資台帳に登録された企業の義務は次の通り。
- a) 在庫、固定資産及び減価償却を法に従いチェック出来る記録と共に費用計算書を備えること。
  - b) 年度の貸借対照表、生産コスト及びコントロールと統計上必要な全ての書類のコピーを I N I に提出。
  - c) 本法の諸規定をよりよく遵守するため常に協力すること。
  - d) 作業場または事務所の検査を認め、且つ、必要書類を提出すること。
  - e) 製品の輸出に対する施策を報告すること。
  - f) 製品の品質管理を商工省規準工芸局に示すこと。
- 第 73 条 国家投資台帳に登録された企業で当該決議に定められた期間内に設立されないもの、またはそれに定められた特定の活動を行わないものは、I N I 理事会の判断で正当な理由があるとされた

場合を除いて、登録の取消し及び付与された特典の取消しをもって処罰される。

第74条 登録された企業で機械類、設備、自動車、原材料、半製品及び其の他の物につきその輸入時に関税の全部または一部を免除されたものが、プロジェクトに明記されたのと違った目的に使用した場合には登録及び本法により付与された優遇措置の全面取消をもって処罰される。

第75条 付与された特典の不当使用は、国家に対し経済的損失を与えたものと見做され、前条に定められた罰則を受ける他、それぞれの管轄に従い関税局または国税庁に、会計検査院の了解のもと廻され上記損害の補償の回収及び責任を明確とすべく裁判手続きが始められる。

## 第 八 部

### 暫 定 規 定

第76条 INPIBOLと称された機構に提出され決議未了となっている登記申請及び暫定登記されたものは、本法の範囲に含まれる限り、本法の制度に庇護され得るものとする。当該効果のため手続期間120日が付与されるものとし、期間終了後は登記に関する該権利は消滅するものとする。

第77条 1965年10月20日付法令第07366号に依り創設された国家投資登録に登録された投資は、当該法が定める制度を享受し続けるものとする。期間に拘束されていない特典は本日起算最高3カ年の継続期間を有するものとする。

第78条 1965年10月20日付法令第07366号及び本法に反するすべての規定は廃棄される。

1971年12月10日ラパス市在政庁に於て行われた。

署名 以下略。

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