



Business
and Investment
Guide 2024:
Peru, a gateway to
investment opportunities

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PERU

Ministry
of Foreign Affairs

inPERU

EY



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investment opportunities





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Foreword



Peru is one of the most important countries in Latin America. Its diverse characteristics include a variety of climates, a vast territorial expanse, significant natural resources, people with great skills and high academic standards, and a solid economic and industrial background. Today, Peru is considered a leading emerging market, with a solid recent history of economic stability based on an average annual GDP growth rate of 4.2%, measured from 2000 to 2023.

In response to the impact of the COVID-19 pandemic, Peru was one of the countries in the Latin American region, and indeed, in the world, to implement such a forceful response through economic stimulus packages equivalent to 20% of the GDP. Thus, Peru had a rapid recovery of economic growth of 13.6% in 2021, and a continued average growth of 3.0% is expected from 2024 to 2027.

This Business and Investment Guide is a tool for foreign and national investors, providing key information on the country's current economic situation and the main tax, legal, and labor issues, as well as on how to incorporate businesses in Peru, and general information on how to invest and do business in the country. It also contains a complete directory of Peruvian embassies and consulates abroad, as well as contacts of interest to investors.

A Word from the Peruvian Minister of Foreign Affairs

Ministry of Foreign Affairs

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**Javier González-Olaechea
Franco**
Minister of Foreign Affairs



It is with great enthusiasm that I present the Business and Investment Guide: Peru, a gateway to investment opportunities, produced within the framework of the successful Interinstitutional Cooperation Agreement between the Ministry of Foreign Affairs (MRE) and EY Peru.

This Guide represents a concerted effort to provide investors and entrepreneurs with a valuable tool for understanding and capitalizing on the opportunities presented by the Peruvian market and its investment ecosystem. With the backing of the Ministry of Foreign Affairs (MRE) and the well-known expertise of EY Peru, this Guide offers detailed insights into the business and investment landscape in our country.

Amidst a global landscape fraught with polarization and challenges, it is important to note Peru's adaptability and resilience. Despite the array of global growth challenges we face, from the aftermath of the pandemic to trade logistics, rising fuel, energy and food prices, as well as governance issues, our economy remains unwavering and strong. This stability and resilience should inspire a sense of security and confidence in potential investors, assuring them that Peru is primed to seize new opportunities.

Peru social market economy fosters economic policies that are underpinned by the Central Reserve Bank's (BCRP) autonomy. This ensures stability in exchange rates, responsible management of inflation, and robust regulations against unfair market practices. It fosters business competition, allows unrestricted investment, and facilitates free capital flow for both domestic and foreign investors.

Peru's steadfast commitment to free trade extends beyond market access. It is a promise to pave the way for productive development, boost business competitiveness, and spur employment. Our 24 free trade agreements, which secure preferential access for Peruvian products in over 58 markets, currently cover 92% of Peruvian exports. These agreements serve as a testament to our dedication to fostering a vibrant and competitive business environment that promotes the inclusion of women and micro, small, and medium-sized enterprises in the economy.

According to the 2024-2027 Macroeconomic Projections Update Report by the Ministry of Economy and Finance (MEF), the Peruvian economy is expected to achieve an annual growth rate of 3.1% in 2024, surpassing the previous year's figure of -0.6%. The impetus from private investment and the recovery of private consumption are key factors driving this rebound.

Additionally, inflation is projected to decrease to 2.2% by the end of 2024, reflecting a reduction from the expected 2.3% in December. This revision is influenced by the lower impact of climatic phenomena on food prices observed in recent months. For 2025, inflation is expected to be 2%.

Private investment will benefit from increased execution of mining projects such as the expansion of Toromocho, the expansion of Antamina, and the beginning of construction at Tía María, as well as investments in transportation infrastructure, including Jorge Chávez International Airport, the Multipurpose Port Terminal of Chancay, and Line 2 of the Lima Metro.

Peru focuses its efforts on invigorating the economy, promoting infrastructure projects, and implementing reforms for OECD membership, which will drive long-term economic growth. The current balance of payments deficit is expected to average 0.1% of GDP between 2024 and 2027, primarily offset by a trade surplus due to an increased mineral supply and the recovery of terms of trade.

Furthermore, this year, Peru is to preside over the Asia-Pacific Economic Cooperation (APEC) forum for the third time, after eight years, becoming the economy that has returned to lead the forum in the shortest period.

Peru's presidency of APEC is focused on the theme "Empower. Include. Grow," which encompasses three priorities: trade and investment for inclusive and interconnected growth, innovation, and digitalization to promote the transition to a formal and global economy, and sustainable growth for resilient development.

These priorities aim to enhance trade, investment, and innovation opportunities to improve well-being and strengthen Peru's international image and economic influence on the global stage. Peru will present the roadmap for transitioning from an informal to a formal economy, a legacy to the inclusive growth agenda of this region, considering that APEC has not addressed this issue in its 35 years.

In this context, Peru is demonstrating a favorable environment for investment and business development, presenting an excellent opportunity for those seeking to expand their operations here.

Finally, I would like to express my most sincere gratitude to all those involved in preparing this Guide, whose commitment and dedication have been fundamental to its accomplishment. I hope this tool proves helpful to all those exploring business and investment opportunities in Peru.

Without any hesitation, the Ministry of Foreign Affairs (MRE) invites you to discover and fully utilize all that our Guide has to offer.

A Word from the Director General of Economic Promotion

Ministry of Foreign Affairs

Photograph by Daniel Silva / © PROMPERU



Augusto Morelli Salgado

Director General of Economic Promotion



From the Executive Office for Economic Promotion, we are pleased to present the Business and Investment Guide: Peru, a gateway to investment opportunities. This Guide is the result of a productive collaboration between the Ministry of Foreign Affairs (MRE) and EY Peru, underscoring the importance of coordinated efforts between the public and private sectors to highlight business and investment opportunities in Peru.

Over the years, the Peruvian economy has grown and emerged as a significant benchmark in the region. This success is the result of our continuous economic growth and the implementation of responsible macroeconomic policies. Peru's stability in the face of principal risk indicators is a testament to our belief in the principles of a free market with social responsibility as the path to our country's growth and development.

The national economy features several characteristics that are attractive to international investors. Since 2001, the country has maintained one of the lowest inflation rates in Latin America, stability supported by solid regulation, efficient resource management, and comparative advantages.



Photograph by Daniel Silva / © PROMPERU

Peru's commitment to enhancing its competitiveness is unwavering, as demonstrated by the relaunch of the National Competitiveness and Productivity Plan (PNCP). This comprehensive plan is a vision and a reality, fostering inclusive, sustainable, diversified economic growth and creating an environment conducive to entrepreneurship and productive businesses nationally and globally.

The current National Competitiveness and Productivity Plan (PNCP) 2019-2030 encompasses 84 measures (with 434 milestones) in nine areas to be coordinated by the public and private sectors. The priority objective of infrastructure has progressed the most since 2019, with 62.3% of the planned advances achieved. Considering Peru's strategic geographic position, developing our internal and external connectivity is a state priority.

Peru is not just a country but a strategically positioned gateway to South America, a crucial link for trade between the region and the Asia-Pacific basin. The country is actively developing its logistics ecosystem, which, combined with its extensive network of free trade agreements, positions Peru as a critical player in the global organization sector and a potential coordinator of new shipping routes.

The concretion of the multimodal logistics hub on the central coast of Peru is a significant investment project that includes the expansion of Jorge Chávez International Airport and the Callao Port Terminal, as well as the creation of the Multipurpose Port Terminal of Chancay and the future Industrial Park of Ancón. This project will create significant jobs and position Peru as a promising destination for sustainable and resilient investments, fostering ample business opportunities and establishing us as a key player in international geopolitics.



Photograph by Leslie Searles / © PROMPERU

This emblematic initiative represents a milestone on our path towards development. Its implementation lays the foundation to boost trade with the participation of national and foreign investors, aiming to create jobs and stimulate the local economy, all from a perspective of sustainable territorial development.

Peru's approach is to focus on sustainability, considering the importance of ESG (environmental, social, and governance) criteria in the current corporate and investment scenario. A Roadmap Towards a Circular Economy in the Industrial Sector is being adopted, an initiative developed by the Ministry of Industry and Fisheries (PRODUCE) and the Ministry of Environment (MINAM) to promote inclusive and sustainable economic growth and industrial development.

The circular economy, a key part of Peru's sustainability approach, ensures the sustainability of the planet's ecosystem by reducing deforestation and depletion of natural resources, and minimizing carbon emissions. The creation of green industries also increases employment using circular business models. Environmental sustainability is profitable in the long term, and Peru seeks to position itself as a significant participant in this field for future generations.

Thus, Peru's solid macroeconomic system, its integrative and sustainable policies, and favorable geographic location—which promotes commercial connections between the Asian region and South America and among countries in the area—are positioning the country as an important regional commercial development hub. This is characterized by more efficient processes, reduced operating costs and transportation schedules, greater flexibility and adaptability, and significant development in sustainable infrastructure and multimodal capacity.

Words from the Chairman of inPERU

Photograph by Daniel Silva / © PROMPERÚ



Fernando Romero Tapia
Chairman



On behalf of the inPERU association, we are delighted to present our Business and Investment Guide 2024: Peru, a gateway to investment opportunities, thoughtfully prepared by EY. This guide serves as a strategic resource for foreign investors, offering crucial insights into Peru's current economic landscape, along with essential information on tax, legal, and labor considerations for establishing companies in the country. Furthermore, it provides a comprehensive overview of investment opportunities and business prospects in Peru, complemented by detailed sector analyses.

Peru currently presents a diverse array of investment opportunities. We lead in mining production and reserves, boast a robust portfolio of infrastructure and connectivity projects, and feature a dynamic agribusiness sector. Our globally renowned tourism destinations, including Machu Picchu recently recognized as South America's top tourist attraction for 2024, further enhance our appeal.



Photograph by Daniel Silva / © PROMPERÚ

Our consistent financial stability over the past 25 years, coupled with over four decades of uninterrupted democracy, underscores Peru's reliability and attractiveness as a destination for foreign investment. These factors solidify our position as one of Latin America's most promising and secure markets, maintaining strong interest and confidence among global investors.

Business confidence, a critical indicator for private investment, remains high. At inPERU, we are committed to fostering dialogues that promote the development of Peru's financial markets, positioning our country as a premier destination for international investment and bolstering business confidence.

To enhance the long-term prospects of our investments, it is crucial to develop our capital market. Foreign investors bring fresh capital into the Peruvian economy through direct investments in local companies, participation in the stock market, and the acquisition of bonds and other financial instruments. This capital is vital for financing infrastructure

projects, business expansion, and the development of strategic sectors. In this context, the regional holding Nuam Exchange, comprising the stock exchanges of Colombia, Santiago, and Lima, represents significant potential.

It is essential for the private and public sectors to collaborate closely to promote and attract long-term capital. For this reason, inPERU has partnered for over a decade with the Central Reserve Bank of Peru, the Ministry of Economy and Finance, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and Tourism, the Superintendency of the Securities Market, the Superintendency of Banking and Insurance, ProlInversión, PromPerú, among other entities, with the goal of driving sustained growth.

We trust that you will find this guide valuable and encourage you to share it with your colleagues and anyone who may benefit from its insights.



EY Peru: Challenges to achieve sustained growth

Photograph by Leslie Searles / © PROMPERÚ



**Paulo Pantigoso
Velloso da Silveira**

Country Managing Partner
EY Peru

Editor

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Peru is one of the countries in Latin America that stands out for its macroeconomic stability, which is one of the nation's most important pillars of competitiveness. Almost uninterrupted economic growth over the past 24 years has consistently contributed to improvement of infrastructure, development of human capital, the adoption of new technologies and the standard of living of all Peruvian citizens. Additionally, a policy of being open to the international market through multiple commercial agreements complements legislation that is favorable to private domestic and foreign investment.

The recognition of Peru's solid economy is based on low inflation (at the close of 2023, there were 26 consecutive years of single-digit inflation), international reserves equivalent to 26.6% of GDP, a controlled fiscal deficit (an average of 2.4% of GDP over the past ten years, and 2.8% at the close of 2023), and public debt that does not exceed 32.9% of GDP at the end of 2023, well below the average of the rest of emerging countries in the world (67.0%) and in the region (68.1%). Additionally, 2023 closes with a trade surplus record of USD17.7 billion; and an estimated GDP growth of 3.1% for 2024, according to the Central Reserve Bank of Peru (BCRP).



Photograph by Leslie Searles / © PROMPERÚ

Thanks to Peru's macroeconomic solidity, it was able to mount the most robust response to COVID-19 in the region, with fiscal measures equivalent to 20% of its GDP. These steps allowed it to achieve a rapid GDP recovery of 13.6% in 2021 and nowadays, it is expected a GDP growth of 3.0%, in average, for the period 2024-2027.

We firmly believe that Peru offers great opportunities for favorable investment, as well as an ideal business climate for investment. Peru's economy is showing indicators of evident recovery within a challenging and constantly changing environment.

This new edition of the Peru's Business and Investment Guide, in conjunction with the Ministry of Foreign Affairs and inPERU, provides the investor with current key information on Peru's economic, legal, tax, labor and financial issues, as well as other information that can be used as a consultation tool for developing activities and making business decisions.

Through this guide, we commit to supporting Peru in its growth by helping businesses get started, grow, and thrive. If you are a foreign investor interested in investing in Peru, you are also welcome to approach the Peruvian diplomatic or consular mission nearest you, listed at the end of this Guide.

At EY we reaffirm our commitment to Peru's development, as well as to the building of a better world for business. We invite you to read this Guide in the hope that it will be of use to discover new initiatives, and we are at your disposal for any assistance you may require.



APEC PERU 2024



APEC

The Asia-Pacific Economic Cooperation (APEC) forum, established in November 1989, is an economic forum composed of 21 Asia-Pacific economies considered the most dynamic region in the world.

The objective of APEC is to promote greater prosperity in the Asia-Pacific region through the implementation of the so-called "APEC Putrajaya Vision 2020-2040" which identifies three pillars: trade and investment; innovation and digitalization; strong, balanced, secure, sustainable, and inclusive growth.

APEC fosters quality economic growth among its members, through economic and technical cooperation, human security, trade, investment, the digital economy, economic inclusion, and support for initiatives to improve sectoral public policies, among other initiatives.

Mission

The main objective of APEC is to support economic growth and prosperity in the Asia-Pacific region to build a dynamic and harmonious community, promoting free trade and investment, accelerating regional economic integration, fostering economic and technical cooperation, enhancing human security, and facilitating a favorable and sustainable business environment.

Vision

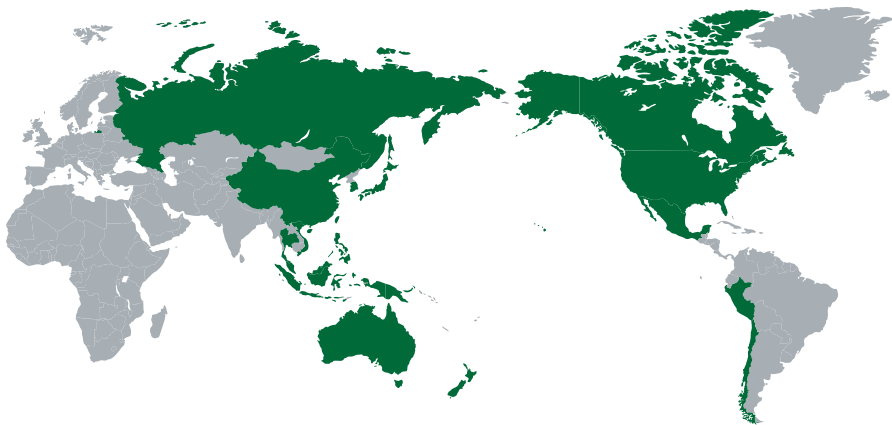
"To become an open, dynamic, resilient, and peaceful Asia-Pacific community by 2040, promoting prosperity for people and future generations."

Principles

APEC's basic principles are equality among its members and consensus decision-making. It is a cooperative space that makes progress based on the agreement and without its members entering into legally binding obligations.

Members

- Australia
- Brunei Darussalam
- Canada
- Chile
- People's Republic of China
- Hong Kong, China
- Indonesia
- Japan
- Republic of Korea
- Malaysia
- Mexico
- New Zealand
- Papua New Guinea
- Peru
- The Philippines
- Russia
- Singapore
- Chinese Taipei
- Thailand
- The United States
- Vietnam



The importance of APEC

APEC is a valuable space to strengthen ties with member economies as it allows Peruvian authorities, especially the President of the Republic and Ministers of State, to interact on equal terms with their counterparts from the other 20 economies.

It should be noted that for the global economy and for the region, the 21 APEC economies together accounted for 62% of the world GDP, 48% of global trade, and 38% of the planet's population in 2022.

This forum promotes regional economic integration and competitiveness among its members as it serves as a catalyst for initiatives and an incubator of good practices for the improvement of public policies through cooperation projects.

APEC is constantly interacting with different regional economic integration processes such as the Association of Southeast Asian Nations (ASEAN); the World Trade Organization (WTO); the Regional Comprehensive Economic Partnership (RCEP); the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP); among others.

Operation of the APEC year

Each year, the economy that holds the APEC presidency organizes its meetings based on four large blocks of events, called SOM-Senior Officials' Meetings. At the end of the year prior to its APEC presidency, the economy hosts an informal kick-off meeting of the year called the Informal Senior Officials (ISOM). The ISOM officially represents the launch of the APEC year and is the moment in which the motto and priorities defined by the host economy are revealed.

In addition to the SOM, it should be noted that during an APEC year, more than 160 events of different levels are held, culminating with the Meeting of Economic Leaders that brings together the heads of state and/or government of the 21 member economies of the forum.

Other related APEC events include sectoral ministerial meetings; committees and subcommittees; working groups and experts; meetings of the APEC Business Advisory Council (ABAC) and the APEC Business Summit, as well as national and international seminars, symposiums, and workshops for institutional capacity building.

APEC for Peru

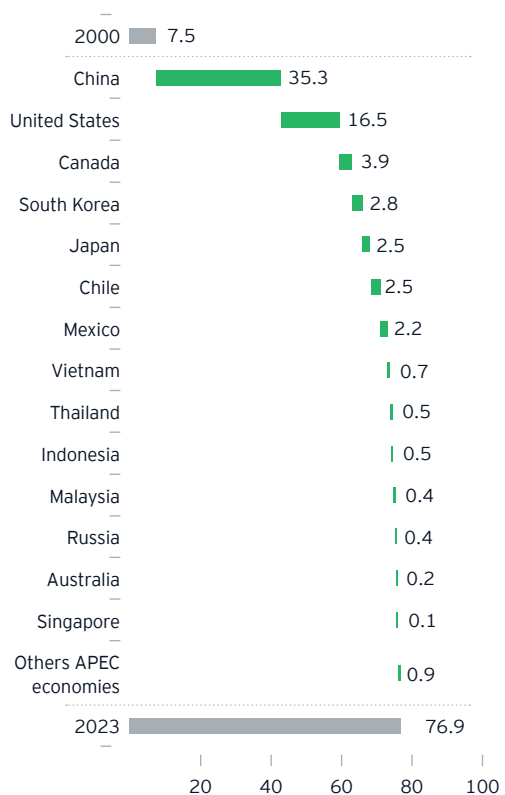
Peru has been part of APEC since 1998. Membership of this forum represents a relevant milestone for Peruvian foreign policy as it has allowed the economy to consolidate its international projection in the Asia-Pacific region, the most innovative, dynamic, and fastest growing in the world.

The more than 160 events planned for APEC 2024 will contribute to the post-pandemic economic reactivation and encourage income opportunities for sectors related to accommodation, transportation, food, and tourism, among others.

This forum has further opened the doors of the world to us, connecting us with the largest markets and fostering opportunities for more inclusive and sustainable development. In addition, it has contributed to inserting Peruvian companies in regional and global value chains and to the internationalization of SMEs.

In short, the APEC 2024 presidency represents the opportunity to favor the development of social diplomacy to face the great economic-social challenges of Peru, through economic and technical cooperation.

Peruvian terms of trade by APEC economies, 2000 - 2023 variation (in USD billion)



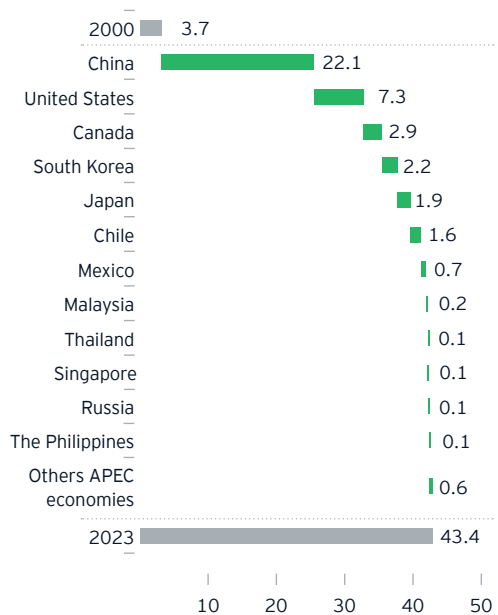
Source: National Superintendency of Customs and Tax Administration (SUNAT).

Results and impact of APEC

- ▶ According to ComexPerú, since we joined APEC in 1998, Peru's trade with member economies has grown, on average, 12% per year. 66% of Peru's trade in goods occurs with APEC economies.
- ▶ In 2022 around 5,200 Peruvian companies exported goods to the APEC zone for a total amount of USD42.5 billion, while imports from APEC reached USD40.0 billion.
- ▶ Likewise, bilateral free trade agreements have been negotiated with important APEC economies such as China, Singapore, Thailand, the United States, Canada, South Korea, Chile, Mexico, Japan and Australia. Based on FTAs with these economies, approximately 1,500 SMEs and 2,200 MSMEs trade more efficiently with the Asia Pacific.
- ▶ APEC has also been a platform to promote the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), to which Peru has been a State Party since September 18, 2021.
- ▶ In addition, the realization of events in different regions of Peru, leads to improvements in infrastructure for international meetings.

- ▶ The APEC PERU 2016 presidency fostered the visit of more than 1,200 entrepreneurs from Asia-Pacific, which in turn generated investment opportunities for approximately USD9.4 billion.

Peruvian exports by APEC economies, 2000 - 2023 variation (in USD billion)



Source: National Superintendency of Customs and Tax Administration (SUNAT).

APEC's Impact on Citizens

During the APEC PERU 2024 presidency, the “APEC Citizen Peru 2024” initiative will be implemented, which will aim to bring the forum closer to civil society through the realization of technological, and cultural events, presentations in schools/universities or seminars with experts, officials, artists, and academics of APEC member economies.

Between 2016 and 2021, Peru received USD2.8 million as APEC funds allocated to finance 36 projects. In 2023, the APEC funds were USD4 million, financing 35 projects.

The funds earmarked for Peru were mainly directed to finance projects presented to the Committee on Trade and Investment, as well as to the following Working Groups of the Committee on Economic and Technical Cooperation: Small and Medium-sized Enterprises; Science, Technology, and Innovation; Food safety; Public Health; Oceans and Fisheries; Transport; Group of Experts on Illegal Logging and Associated Trade; and Women and the Economy. This data reveals the importance of the economic and technical cooperation offered by APEC to Peru.

Special Highlight

Peruvian - Chinese Business Council

On 28th June 2024, a Memorandum of Understanding (MOU) established the Peruvian - Chinese Business Council to promote bilateral trade and investment.

The founding member institutions of the Peruvian - Chinese Business Council are:

- ▶ Peruvian Association of Exporters (Asociación Peruana de Exportadores - ADEX)
- ▶ Lima Chamber of Commerce (Cámara de Comercio de Lima - CCL)
- ▶ Foreign Trade Society of Peru (Sociedad de Comercio Exterior Del Perú - ComexPerú)
- ▶ Peruvian-Chinese Chamber of Commerce (Cámara de Comercio Peruano China - CAPECHI)
- ▶ National Association of Industries (Sociedad Nacional de Industria - SNI)
- ▶ Chinese Council for the Promotion of International Trade (Consejo Chino para la Promoción del Comercio Internacional - CCPIT).

APEC Agenda 2024

During the APEC Peru 2024 presidency, Peru will promote an agenda that has a positive impact on its domestic policy, seeking to empower people, especially those in vulnerable situations such as women and youth, SMEs, and informal enterprises, among others; that is, to give them the tools to participate in the benefits of the global economy in conditions of competitiveness and promoting their economic and social inclusion.

Within this framework, the exchange of successful cases and good practices in the application of public policies on issues such as inclusive trade and investment will be encouraged; innovation to promote the transition to the formal and global economy; food security; the internationalization of SMEs; women's economic empowerment; the digital economy and financial inclusion; the use of renewable energies and green hydrogen.

Agenda 2024

| Date | Event | City |
|--------------------------------|---|--------------------|
| December 4-6, 2023 | Symposium on APEC Peru 2024 Priorities and Informal Senior Officials Meeting (ISOM) | Lima |
| February 21-24, 2024 | Finance and Central Bank Deputies Meeting (FCBDM) | Arequipa |
| February 24 - March 8, 2024 | Senior Officials' Meeting 1 (SOM1) | Lima |
| May 4-16, 2024 | Second Senior Officials' Meeting and Related Meetings (SOM2) | Arequipa |
| May 16, 2024 | High-Level Policy Dialogue on Women and the Economy (HLPDWE) | Arequipa |
| May 17, 2024 | Joint Meeting of Ministers Responsible for Trade and Ministers for Women | Arequipa |
| May 17-18, 2024 | Ministers Responsible for Trade (MRT) Meeting | Arequipa |
| May 27-30, 2024 | Senior Finance Officials' Meeting (SFOM) and Related Meetings | Urubamba (Cusco) |
| June 5-9, 2024 | Tourism Ministerial Meeting (TMM) and Related Meetings | Urubamba (Cusco) |
| June 24-25, 2024 | AELW First Pre-Advance visit | Lima |
| August 12-18, 2024 | Food Security Ministerial Meeting (FSMM) and Related Meetings | Trujillo |
| August 16, 2024 | Energy Ministerial Meeting (EMM) | Lima |
| August 18, 2024 | 13 High-Level Meeting on Health and the Economy (HLMHE) | Lima |
| August 12-25, 2024 | Senior Officials' Meeting 3 (SOM3) | Lima |
| August 22-23, 2024 | Peru APEC Study Centers Consortium Conference 2024 | Lima |
| September 9-13, 2024 | Small and Medium Enterprises Ministerial Meeting (SMEEM) | Pucallpa (Ucayali) |
| September 10, 2024 | APEC High-Level Dialogue on Mining - visit to Cerro Verde mining complex | Arequipa |
| September 11, 2024 | APEC High-Level Dialogue on Mining and participation in Expomina Peru 2024 | Lima |
| October 1-2, 2024 | AELW Second Pre-Advance visit | Lima |
| October 18-21, 2024 | Finance Ministers Meeting (FMM) | Lima |
| November 10-16, 2024 | APEC Economic Leaders Week (AELW) | Lima |

Source: APEC Citizen Peru 2024.

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1

Background information



①

Government

Peru is a constitutional democratic republic with a multi-party system. Under the current Constitution of 1993, the President is the Head of State and Government, elected for a five-year period, without the possibility of running for immediate re-election. The President designates the Prime Minister and the rest of the Cabinet. There is a 130-member unicameral Congress elected for a five-year term. Bills may be proposed either by the Executive or by the Legislative Branches, and they become law after being passed through Congress and enacted by the President of the Republic of Peru. The Judiciary and the National Electoral Board are independent institutions.

The Peruvian Government is directly elected and voting is compulsory for all citizens between the ages of 18 and 70.

Country overview

- **Type of Government**
Constitutional Republic
- **Legal System**
Constitutional State of Law based on laws and codes
- **Executive Branch**
 - President of the Republic: Dina Boluarte Zegarra, Head of State and Government
 - Elections: Every five years by popular vote (consecutive re-election is not permitted).
 - Cabinet: The Cabinet is appointed by the President of the Republic
- **Legislative Branch**
 - Unicameral Congress
 - 130 seats
 - Members are elected by popular vote for a period of five years



- **Judiciary Branch**

- ▶ Judges are appointed by the National Judge Selection

- **Main Autonomous Entities**

- ▶ Constitutional Court
- ▶ National Electoral Board
- ▶ Controller General's Office
- ▶ Central Reserve Bank of Peru (BCRP)
- ▶ Superintendency of Banking and Insurance and Private Pension Fund Management Companies (SBS)

- **Regional Governments**

25 Regional Governments (including the Constitutional Province of Callao)

- **Local Governments**

- ▶ 196 Provincial Municipalities
- ▶ 1,695 District Municipalities

- **International Relations**

- ▶ Member of the United Nations since 1945 and a member of the Security Council in 2006 and 2007.
- ▶ Member of the World Trade Organization (WTO) since 1995.
- ▶ Member of the Pacific Alliance since its creation in 2011; assuming currently the pro-tempore Presidency (2023-2024)
- ▶ In 1998, it became a member of the Asia Pacific Economic Cooperation (APEC)
- ▶ Peru hosted the APEC and EU-LAC summits in 2008 and the Arab-South American Summit (ASPA) in 2012. In 2013, Peru hosted the World Economic Forum on Latin America. Furthermore, it was the site of the COP 20 (Climate Summit organized by the UN) in 2014. It hosted the World Bank (WB) and International Monetary Fund (IMF) Annual Assembly in 2015. It also hosted the Asia Pacific Economic Cooperation (APEC) Summit in 2016. Likewise, it hosted the Summit of the Americas in 2018.
- ▶ Peru has entered into several economic cooperation and Free Trade Agreements (FTAs) with many countries.
- ▶ In 2024, it is the host of the Asia Pacific Economic Cooperation Forum (APEC) for the third time.

Source: Peruvian Constitution, National Institute of Statistics and Information (INEI), United Nations (UN), Ministry of Foreign Affairs (MRE).

2

Geography

Peru is located on the west central coast of South America. It is bordered by the Pacific Ocean to the west, by Chile to the south, by Brazil and Bolivia to the east, and by Colombia and Ecuador to the north. With a total land area of 1,285,215.60 km², Peru is the third largest country in South America after Argentina and Brazil, and can be divided geographically into three natural regions:

- ▶ The Coast, a narrow strip measuring approximately 3,080 km long. Although it accounts for only 11.7% of Peru's territory, it is home to approximately 19.9 million inhabitants. Lima, the political and financial capital of the country, is located in this Region.
- ▶ The Highlands, or Sierra, is the site of the Andean Mountain Range, covering 27.9% of the national territory and serving as home to approximately 9.0 million inhabitants. This Region contains the country's major mineral deposits.
- ▶ The Amazon Rainforest or Selva is the largest region and occupies 60.4% of the country's territory, rich in petroleum and forest resources. There are approximately 4.8 million inhabitants in this area.

Overview

• Population

33.7 million (2023)

- ▶ Urban: 82.6%%
- ▶ Rural: 17.4%%

• Area1,285,215.60 km²**• Main Languages**

Spanish, Quechua and Aymara

• Climate

Ranges from tropical in the Amazon Region to dry along the Coast, and temperate to very cold in the Highlands

• Religion

Freedom of Religion, mainly Roman Catholic

• Time Zone

GMT - 5 (Greenwich Mean Time minus five hours). There is no daylight saving time, and there is only one time zone throughout the entire country

• Natural Resources

Gold, copper, silver, zinc, lead, hydrocarbons, fisheries, phosphates and agricultural products such as grapes, avocado, coffee, potato, rice, cotton, asparagus, cocoa and organic banana, artichokes, sugar, quinoa, blueberries and corn

Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI).

3

Population, occupation and human development

The projected population of Peru for 2023 is approximately 33.7 million of which approximately 12.3 million reside in Lima (including the population of the Constitutional Province of Callao). The national workforce (total Economically Active Population - EAP) is estimated at around 18.2 million people.

The main religion is Roman Catholicism, and the principal official languages are Spanish and Quechua. The Aymara language is also spoken, mostly in the Southern Highland Region, along with various other native languages, particularly in the Amazon Jungle Region. The literacy rate is 94.9% in the population over 15 years of age.

Population summary (projection for 2023)

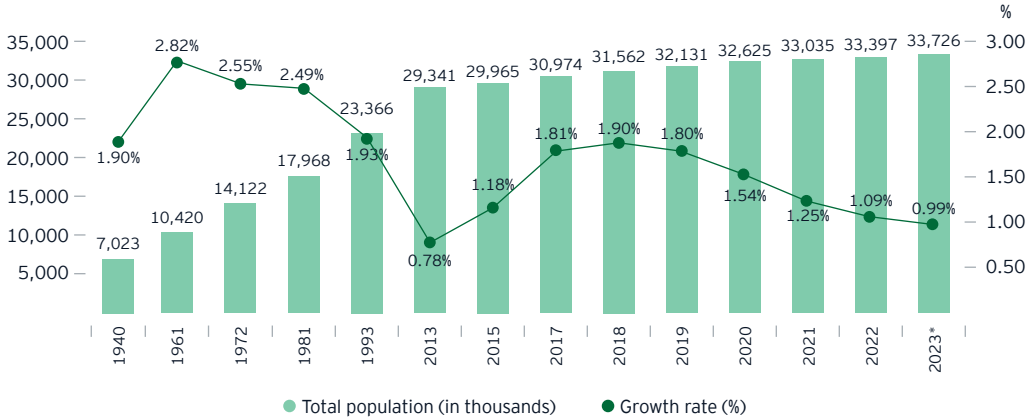
- **Population**
 - 33.7 million
 - 82.6% live in urban areas
- **Age Range**
 - 0 - 14 years old: 24.1%
 - 15 - 59 years old: 62.3%
 - 60 years or older: 13.6%
- **Growth Rate**
 - 0.99%
- **Birth Rate**
 - 15.5 births / 1,000 people
- **Mortality Rate**
 - 5.2 deaths / 1,000 people
- **Gender Ratio**
 - 1.02 female / male
- **Life Expectancy at Birth**
 - 77.2 years

Source: National Institute of Statistics and Information (INEI).



1. Background Information

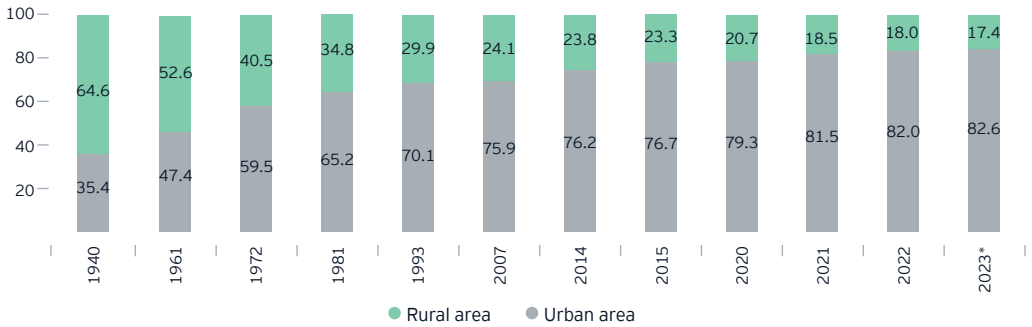
Total population and average annual growth rate



*Projection.

Source: National Institute of Statistics and Information (INEI).

Population census by area of residence (%)



*Projection.

Source: National Institute of Statistics and Information (INEI).

Likewise, by 2023, the female population is 2% higher than the male population. The population on the Coast accounted for 59.0% of the total population, while the population of the Highlands was 26.8%, and that of the Jungle was 14.2%.

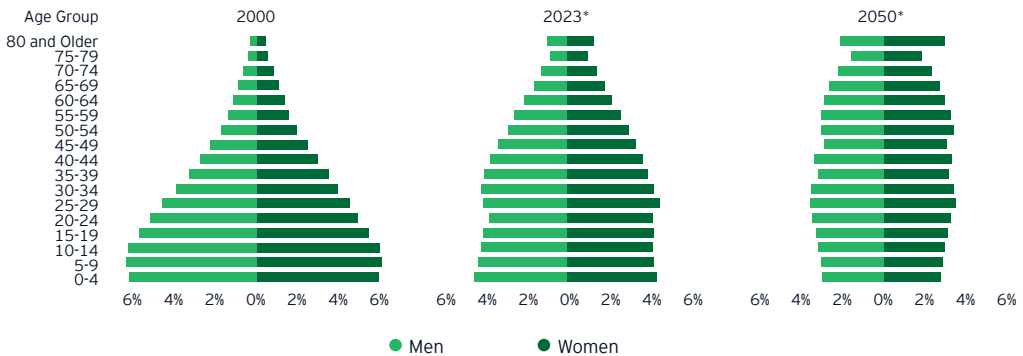
Population by natural region according to the census (%)



*Projection.

Source: National Institute of Statistics and Information (INEI).

Evolution of the population pyramid



*Projection.

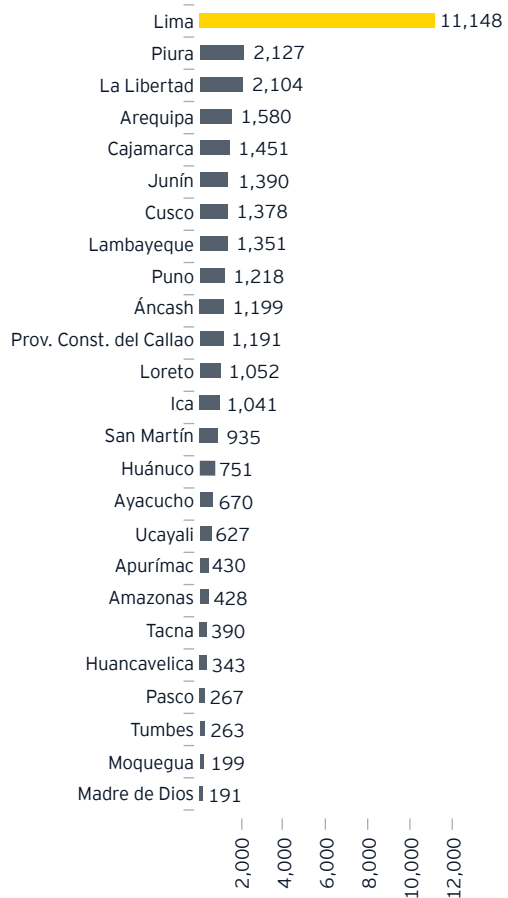
Source: National Institute of Statistics and Information (INEI).

1. Background Information

Of the total Peruvian population, 62.3% is between the ages of 15-59, while the Economically Active Population (EAP) as of 2023 was 53.6% of the total, giving Peru a “demographic bonus” effect, which may be simply explained as the structural benefit of its population being of an age to produce and consume. It is estimated that this high percentage of workforce will extend its maximum registration period for up to two and a half more decades, and the power of this “demographic bonus” is that of fostering greater production, consumption, savings, and investment. Perhaps the most important issue of this demographic overview is that it will provide the country with the conditions to make the necessary public and private investments in order to cover the demands and opportunities that arise from the consumption of its “demographic bonus” period. According to the information provided by the National Institute of Statistics and Information (INEI) and the Peruvian Association of Market Research Companies (APEIM) the distribution by levels of social structure of Peru has undergone significant changes, if its behavior in recent years is taken into account.

Coinciding with the population percentages by Region, the three most populous regions of Peru belong to the Coast Region: Lima, Piura, and La Libertad, followed by Arequipa, Cajamarca, Cusco, and Junín.

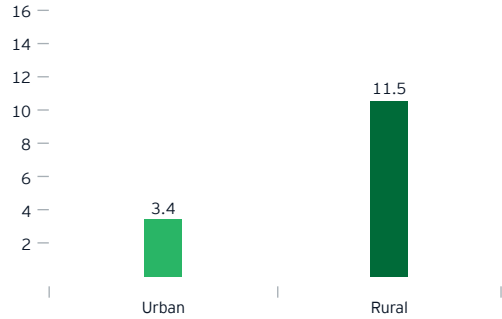
Projected population by regions in thousands (2023)



Source: National Institute of Statistics and Information (INEI).

In 2023, the national illiteracy rate totaled 4.8% of the population aged 15 and over. Thus, considering the total national population aged 15 and over, the illiterate rural population represented 11.5%, while the percentage in urban areas came to 3.4%. These percentages keep decreasing year by year.

Illiteracy rate of the population aged 15 and over by area of residence in 2023 (%)



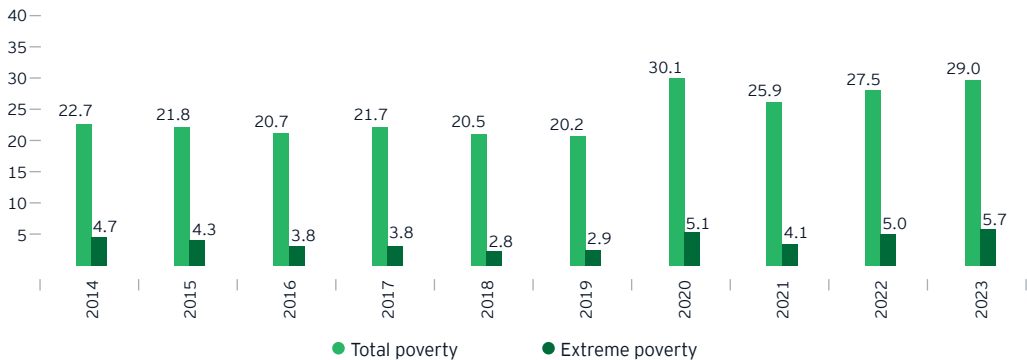
Source: National Institute of Statistics and Information (INEI).

Poverty and Employment

The boost of economic growth together with the coverage of social programs have contributed to the relief and reduction of poverty.

According to the National Institute of Statistics and Information (INEI), in 2023, the poverty rate was 29.0% of the population, with 5.7% living in extreme poverty.

Total incidence of poverty (%)

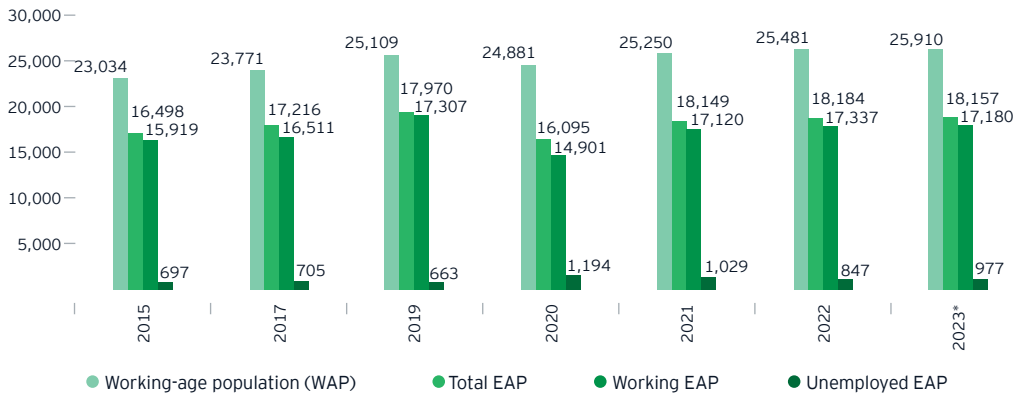


Source: National Institute of Statistics and Information (INEI), United Nations International Children's Emergency Fund (UNICEF).

1. Background Information

In 2023, the country's Economically Active Population (EAP) increased to 18.2 million people, and the employed EAP totaled 17.2 million.

Evolution of the economically active population (in thousands)



*Projection.

Source: National Institute of Statistics and Information (INEI).

Working-age population by activity

| Activity | 2015 | 2017 | 2019 | 2020 | 2021 | 2022 | 2023* |
|--|--------|--------|--------|--------|--------|--------|--------|
| Working-Age Population (WAP) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| In Thousands | 23,034 | 23,771 | 25,109 | 24,881 | 25,250 | 25,481 | 25,910 |
| Economically Active Population (EAP) (as % of the WAP) | 71.6 | 72.4 | 71.6 | 63.3 | 71.8 | 71.4 | 70.1 |
| - Employed EAP (as % of the EAP) | 96.5 | 96.3 | 96.3 | 90.4 | 94.3 | 95.3 | 94.6 |
| - Unemployed EAP (as % of the EAP) | 4.2 | 3.7 | 3.7 | 9.6 | 5.7 | 4.7 | 5.4 |
| Economically Inactive Population (EIP) (as % of the WAP) | 28.6 | 27.6 | 28.4 | 36.7 | 28.2 | 28.6 | 29.9 |

*Projection.

Source: National Institute of Statistics and Information (INEI).

Gini Index

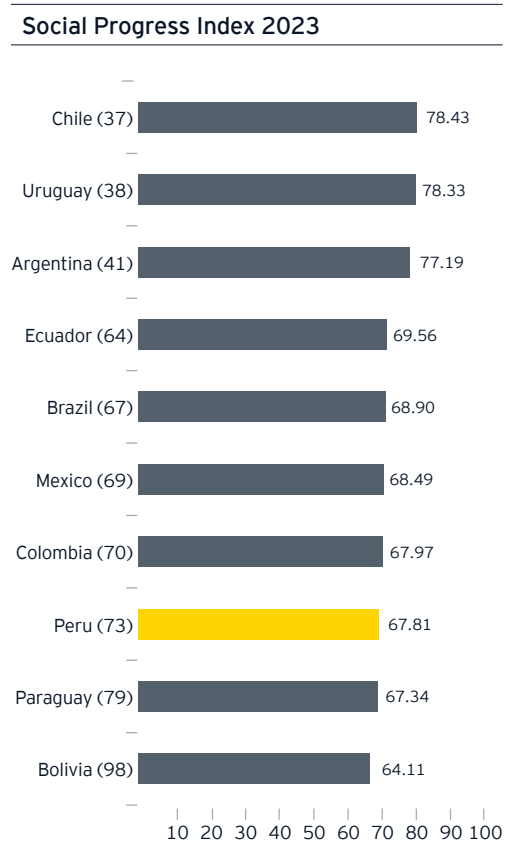
The Gini Index measures income inequality. This indicator is a number ranging from zero to one, where zero implies perfect equality in the distribution of income and one implies perfect inequality (in other words, as if there were a single person or household that concentrated all the income). This coefficient is calculated for Latin America as follows:

| Latin America | Gini 2022 |
|--------------------|--------------|
| Argentina | 0.378 |
| Bolivia (2021) | 0.418 |
| Brazil | 0.514 |
| Chile | 0.445 |
| Colombia | 0.563 |
| Costa Rica | 0.484 |
| Ecuador | 0.447 |
| El Salvador | 0.402 |
| Guatemala (2014) | 0.535 |
| Honduras (2021) | 0.535 |
| Mexico | 0.441 |
| Nicaragua (2014) | 0.495 |
| Panama | 0.496 |
| Paraguay | 0.471 |
| Peru | 0.414 |
| Dominican Republic | 0.381 |
| Uruguay | 0.401 |
| Venezuela (2014) | 0.378 |

Source: Social Outlook of Latin America 2023. Economic Commission for Latin American and the Caribbean (ECLAC).

Social Progress Index

The Social Progress Index, developed by Social Progress Imperative, integrates social and environmental indicators into three large groups: Basic Human Needs, Wellbeing and Opportunity. Peru is considered to be in the Upper Middle Social Progress tier, with a score of 67.81 points, ranking 73 out of the 169 countries analyzed.



Source: Social Progress Imperative 2023.

1. Background Information



Human Development

The Human Development Index (HDI) is a compound index that measures the average advances in three basic groups of human development: a long and healthy life; knowledge; decent standards of living, via the combination of indicators for life expectancy, educational achievements, and income. The HDI defines a minimum and maximum value for each group (called “objectives”) and then

shows the position of each country with regard to these objective values, expressed in the form of a value between 0 and 1. According to the 2022 Human Development Report issued by the United Nations Development Program (UNDP) the ranking and evolution of the six principal countries in Latin America are as follows:

| Ranking | Classification by Country | 2000 | 2011 | 2015 | 2020 | 2021 | 2022 | Growth Rate 2022/2000 |
|------------------------------------|---------------------------------|-------|-------|-------|-------|-------|-------|-----------------------|
| | World Total | 0.639 | 0.692 | 0.717 | 0.737 | 0.732 | 0.739 | 16% |
| | Latin America and The Caribbean | 0.683 | 0.739 | 0.751 | 0.766 | 0.754 | 0.763 | 12% |
| Very High Human Development | | | | | | | | |
| 44 | ▶ Chile | 0.759 | 0.817 | 0.847 | 0.851 | 0.855 | 0.860 | 13% |
| 48 | ▶ Argentina | 0.755 | 0.81 | 0.827 | 0.845 | 0.842 | 0.849 | 12% |
| High Human Development | | | | | | | | |
| 77 | ▶ Mexico | 0.723 | 0.773 | 0.762 | 0.779 | 0.758 | 0.781 | 8% |
| 87 | ▶ Peru | 0.679 | 0.738 | 0.74 | 0.777 | 0.762 | 0.762 | 12% |
| 89 | ▶ Brazil | 0.669 | 0.728 | 0.754 | 0.765 | 0.754 | 0.760 | 14% |
| 91 | ▶ Colombia | 0.658 | 0.717 | 0.727 | 0.767 | 0.752 | 0.758 | 15% |

Note: The ranking refers to each country's position in the world classification for 2022.

Source: United Nations Development Program (UNDP).

4

Currency and exchange rate

The official currency of Peru is the Sol (PEN - S/). The country has a free-floating exchange rate regime, with the government occasionally intervening for purposes of stabilization.

The Sol is one of the least volatile currencies in the world, exhibiting firmness in the face of international market and currency fluctuations. The Central Reserve Bank of Peru (BCRP) implements fiscal stimulus and liquidity control measures. There are no restrictions or limitations on the number of bank accounts in foreign currency or the remittance of funds abroad that an individual or legal entity may make.

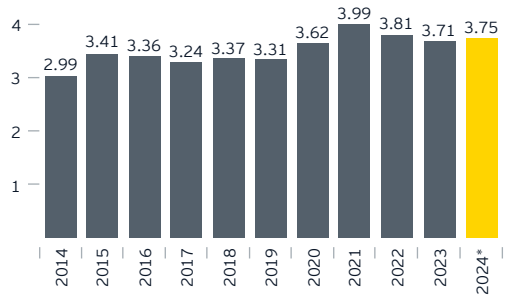
Appreciation / Depreciation and inflation

The annual depreciation rate of the Sol against the US Dollar for 2023 was 2.5%. As at May 31, 2023, banks were buying US Dollars at PEN3.744 and selling them at PEN3.753. The parallel market has very similar exchange rates.

Likewise, annual appreciation is expected to be 0.3% until the end of the year.

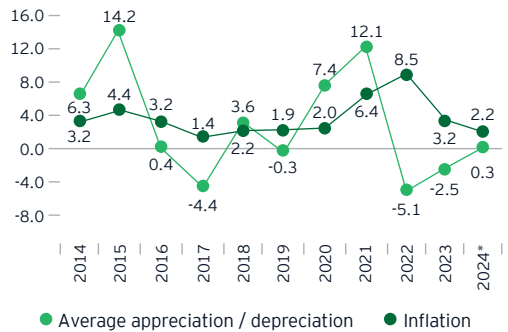
As of the end of 2023, the inflation rate in Peru was 3.2%. It is estimated that, for the end of 2024, inflation rate will be 2.2%, which will be below the target range proposed by the Central Reserve Bank of Peru (BCRP).

Exchange rate evolution: soles per USD1 (end of each year)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Average appreciation / depreciation and inflation



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

5

Economy

- **Gross Domestic Product**
 - ▶ USD268 billion (Current price, 2023²)
 - ▶ USD152 billion (Constant price, 2023¹)
- **GDP per Capita**
 - ▶ USD7,209 (Current price, 2023²)
- **GDP per Capita (Purchasing Power Parity - PPP)**
 - ▶ USD13,082 (Current price, 2023²)
- **Net International Reserves**
 - ▶ USD71.0 billion (as at December 31, 2023)
- **Foreign Debt**
 - ▶ USD46.0 billion (as at December 31, 2023)
- **Total Public Debt**
 - ▶ 32.9% of the GDP (2023¹)
- **Fixed Gross Investment**
 - ▶ 22.9% of the GDP (2023¹)
- **Unemployment Rate**
 - ▶ 5.4% (as of December 31, 2023)
- **Principal Destinations of Peruvian Exports**
 - ▶ China, United States, Canada, India, South Korea, Japan, The Netherlands, Spain, Chile and Brazil.
- **Principal Exports**
 - ▶ Gold, copper, silver, zinc, lead, crude oil and byproducts, coffee, potatoes, asparagus, paprika, organic bananas, quinoa, artichoke, berries, mango, cacao, textiles, fishmeal, and urea.

¹ June 2024 Inflation Report. Central Reserve Bank of Peru (BCRP).

² World Economic Outlook for April 2024. International Monetary Fund (IMF).

Sources: Central Reserve Bank of Peru (BCRP), Ministry of Economy and Finance (MEF), National Institute of Statistics and Information (INEI), International Monetary Fund (IMF).



- **Principal Countries of Origin of Imports to Peru**

- ▶ China, United States, Brazil, Argentina, Mexico, Chile, Colombia, Canada, Ecuador and Germany.

- **Principal Imports**

- ▶ Petroleum and byproducts, electronic items, plastics, machinery, vehicles, iron and steel, wheat and paper.

Peru has rich deposits of copper, silver, gold, lead, zinc, natural gas, and petroleum. Due to climate variations in its regions, as well as its natural and cultural resources, it is internationally classified as a mega-diverse country.

Peru's economy reflects its varied geography. The abundance of resources is found mainly in mineral deposits in the mountainous regions, while its extensive maritime territory has always traditionally yielded excellent fishing resources. Despite the fluctuations of the world economy, the administration has used the savings generated by the high prices of commodities between 2006 and 2008 and 2011 and 2012 to invest in infrastructure and in social aid programs.

The Peruvian economy has strong macroeconomic indicators thanks to the implementation of a countercyclical macroeconomic policy and a favorable external environment. Accordingly, following a drop in GDP of 11.0% in 2020, Peruvian economy had a rapid recovery of 13.6% in 2021. Additionally, the Peruvian economy would grow 3.0% annually on average between 2024 and 2027, according to estimates by the Ministry of Economy and Finance.

Sources: Central Reserve Bank of Peru (BCRP), Ministry of Economy and Finance (MEF), National Institute of Statistics and Information (INEI), International Monetary Fund (IMF).

1. Background Information



Peru also stands out for its controlled inflation, with anchored expectations with the target range set by the Central Reserve Bank of Peru (BCRP) (between 1% and 3%), thus reporting the lowest rates out of all the countries that follow this same system in Latin America. In fact, 2024 will mark 27 years of single-digit annual inflation rates.

The Peruvian economy is likewise notable for its gross public debt ratio, which is 32.9% of the GDP in 2023, significantly lower than that of emerging economies (67.0% of GDP) and Latin America (68.1% of GDP).

Peru is estimated to maintain a comfortable level of international reserves. As at December 31, 2023, these reserves total USD71.0 billion, equivalent to 26.6% of the GDP.

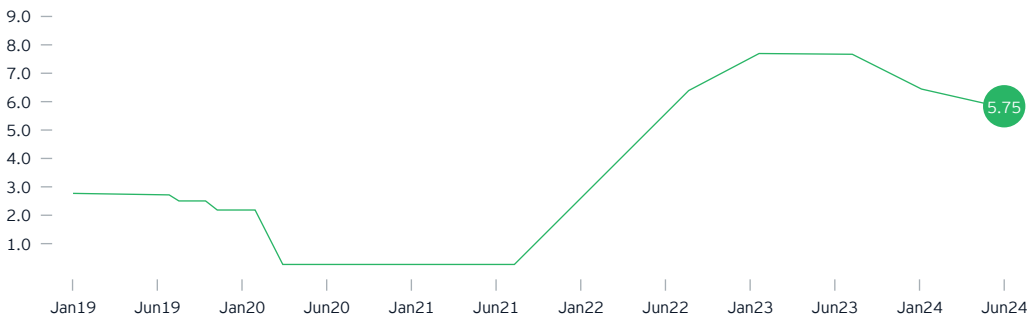
As a result of the estimated evolution over the coming years of its public finances and its economy in general, Peruvian long term debt has maintained its credit S&P: BBB- / Fitch Rating: BBB / Moody's: Baa1), with a stable outlook.

It should be noted that Peru is a member country of the Pacific Alliance, an entity that seeks to free up the commercial exchange of goods and services, the free circulation of people and capital, and promote cooperation mechanisms between the member countries, i.e. Chile, Mexico, and Colombia. Peru is also following a Country Program executed with the Organization for Economic Cooperation and Development (OECD) to strengthen its public policies.

Peru's response to the economic impact of COVID-19 has been one of the most notable in the world, especially in its efforts to counteract the effects of the economic emergency. The macroeconomic soundness achieved through years of tax prudence and a well thought out monetary policy have allowed Peru to maintain stability and provided it with sufficient resources to tackle the crisis.

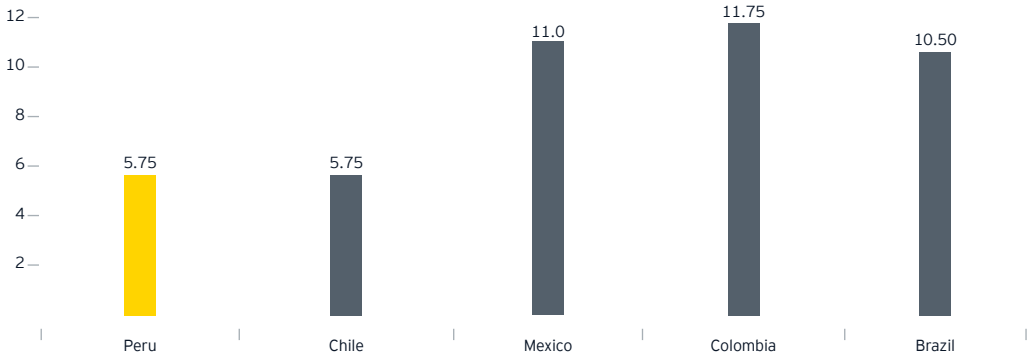
Monetary policy has been expansive, with an interbank interest rate among the lowest in the region with a view to ensuring the liquidity of the economy.

Monetary policy interest rate (%)



Source: Central Bank of Peru (BCRP).

Monetary policy interest rates in emerging economies - June 2024 (%)

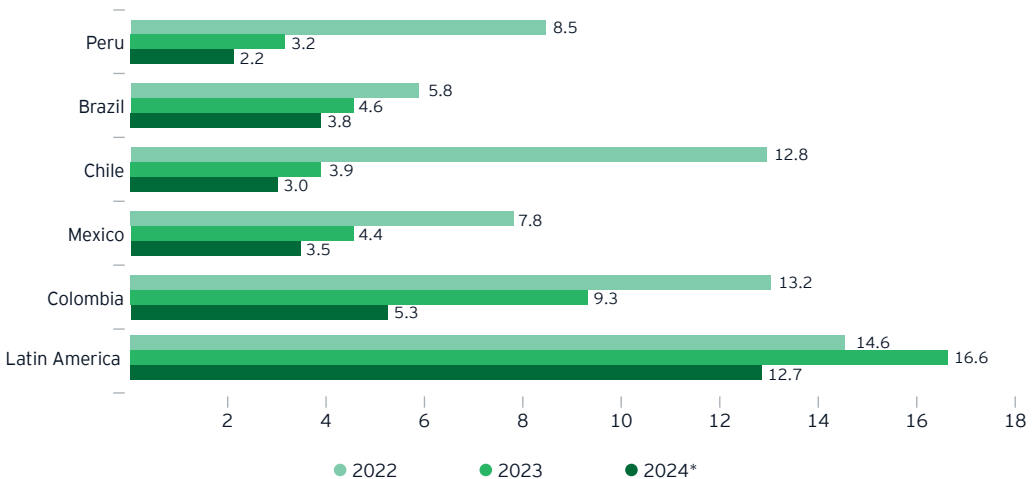


Source: Central Banks of each country.

With the referred measures Peru was able to attain one of the highest growth and recovery rates in 2021 (13.6%) well above those of the emerging economies (6.7%) and the remaining countries of Latin America and the Caribbean

(6.8%) according of the International Monetary Fund (IMF). Thus, Peru has resumed the positive growth path in 2022 (2.7%) and is projected to maintain it in 2024 (3.1%).

Inflation rates in Latin America (%)

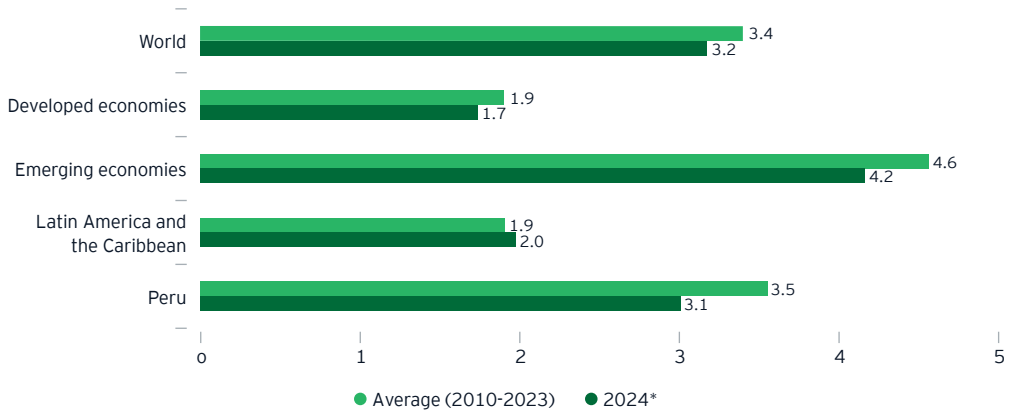


*World Economic Outlook Database, April 2024. For Peru, forecasts are based in the June 2024 Inflation Report.
Source: International Monetary Found (IMF), Central Reserve Bank of Peru (BCRP).



1. Background Information

GDP growth in major economies (percentage change)



*World Economic Outlook Database, April 2024. For Peru, forecasts are based in the June 2024 Inflation Report.
Source: International Monetary Found (IMF), Central Reserve Bank of Peru (BCRP).

GDP growth of the main economies in Latin America (percentage change)



*World Economic Outlook Database, April 2024. For Peru, forecasts are based in the June 2024 Inflation Report.
Source: International Monetary Found (IMF), Central Reserve Bank of Peru (BCRP).

Main economic activities in the regions of Peru

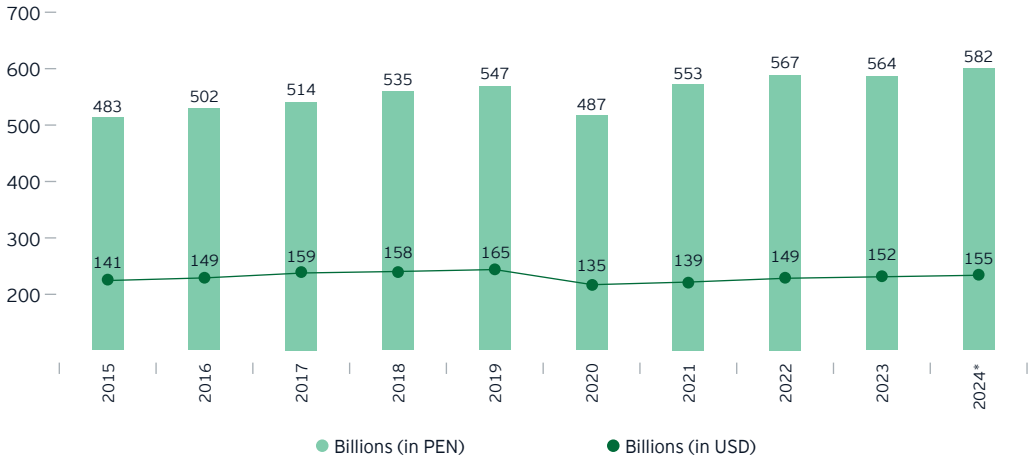


Source: University of Texas - Perry Castaneda Library Map Collection.



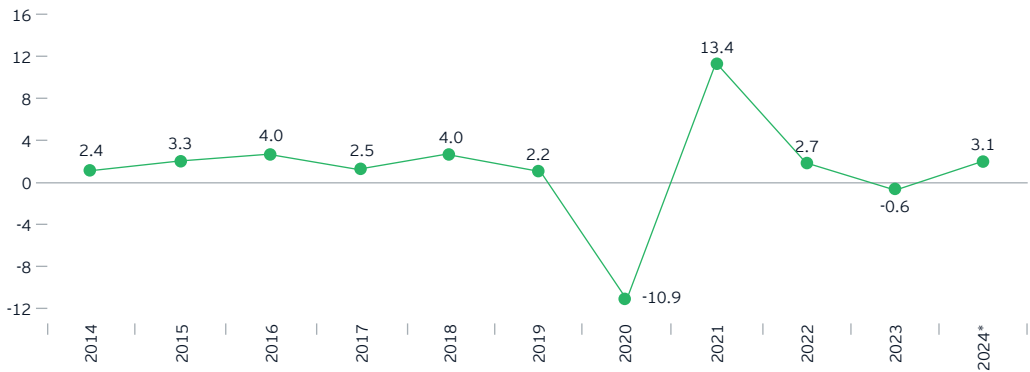
1. Background Information

Gross domestic product (Constant GDP)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Gross domestic product (Constant GDP) (percentage change)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

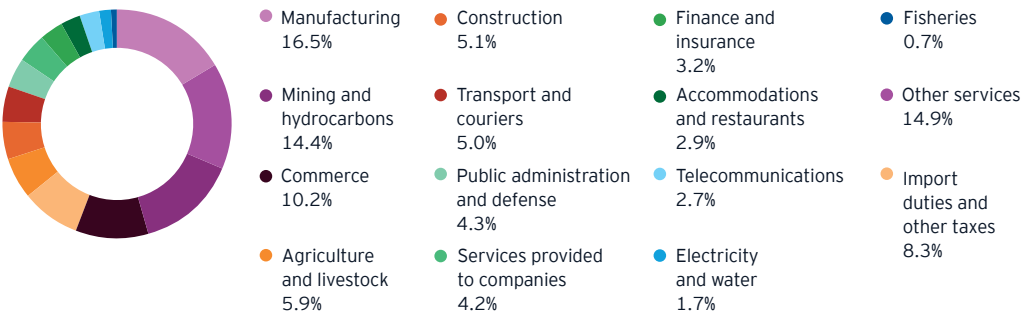
Gross domestic product (Constant GDP) by industry (percentage change)

| Industry | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* |
|---------------------------|------------|------------|------------|------------|------------|------------|--------------|-------------|------------|-------------|------------|
| Agriculture and Livestock | 1.6 | 3.5 | 2.7 | 2.9 | 7.7 | 3.5 | 1.0 | 4.6 | 4.5 | -2.4 | 3.5 |
| Fisheries | -27.9 | 15.9 | -10.1 | 4.7 | 47.7 | -17.2 | 4.2 | 9.9 | -11.4 | -19.7 | 20.2 |
| Mining | -2.2 | 15.7 | 21.2 | 4.5 | -1.7 | -0.8 | -13.8 | 10.5 | 0.0 | 9.5 | 2.0 |
| Hydrocarbons | 4.0 | -11.5 | -5.1 | -2.4 | 0.0 | 4.6 | -11.0 | -4.6 | 4.0 | 0.7 | 1.5 |
| Manufacturing | -3.6 | -1.5 | -1.4 | -0.2 | 5.9 | -1.7 | -12.5 | 18.6 | 1.0 | -6.6 | 3.9 |
| Electricity and Water | 4.9 | 5.9 | 7.3 | 1.1 | 4.4 | 3.9 | -6.1 | 8.5 | 3.9 | 3.7 | 3.3 |
| Construction | 2.2 | -5.9 | -3.2 | 2.2 | 5.3 | 1.4 | -13.3 | 34.9 | 3.1 | -7.9 | 3.2 |
| Commerce | 4.4 | 3.9 | 1.8 | 1.0 | 2.6 | 3.0 | -16.0 | 17.8 | 3.3 | 2.4 | 3.2 |
| Services | 5.9 | 5.0 | 4.2 | 3.3 | 4.5 | 4.2 | -9.6 | 10.0 | 3.2 | -0.4 | 3.1 |
| GDP | 2.4 | 3.3 | 4.0 | 2.5 | 4.0 | 2.2 | -10.9 | 13.4 | 2.7 | -0.6 | 3.1 |

*Projection. June 2024 Inflation Report.

Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI).

Peru's gross domestic product (Constant GDP) by economic sector in percentages, based on the economic structure of the year 2007

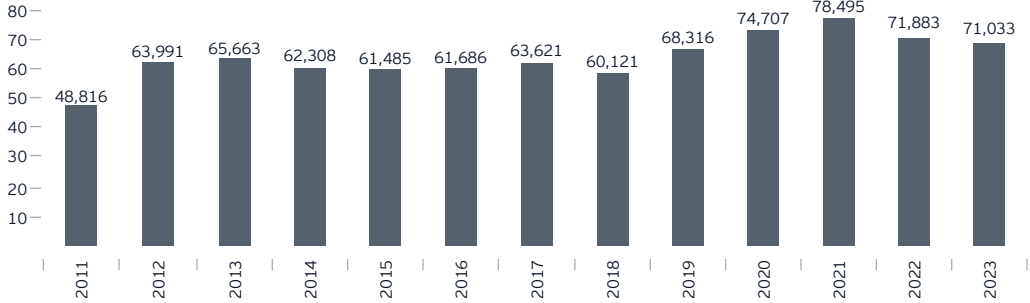


Source: National Institute of Statistics and Information (INEI).

1. Background Information



Net international reserves (in USD millions)



Source: Central Reserve Bank of Peru (BCRP).

Gross domestic product (Constant GDP) by type of expenditure (percentage change)

| Variables | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* |
|------------------------|------------|------------|------------|------------|------------|------------|--------------|-------------|------------|-------------|------------|
| Domestic Demand | 2.4 | 2.9 | 1.3 | 1.6 | 4.1 | 2.2 | -9.7 | 14.5 | 2.3 | -2.1 | 3.5 |
| a. Private Consumption | 3.9 | 4.0 | 3.7 | 2.6 | 3.8 | 3.2 | -9.9 | 12.4 | 3.6 | 0.1 | 2.8 |
| b. Public Consumption | 6.0 | 9.8 | -0.6 | 0.7 | 0.4 | 2.2 | 7.5 | 10.9 | -3.4 | 4.6 | 2.0 |
| c. Private Investment | -2.0 | -4.3 | -5.0 | 0.0 | 4.1 | 4.5 | -16.5 | 36.9 | -0.4 | -7.3 | 2.3 |
| d. Public Investments | -2.9 | -6.9 | 0.3 | -1.8 | 5.5 | -1.5 | -15.1 | 24.8 | 7.7 | 2.8 | 12.0 |
| Exports | -1.4 | 3.1 | 9.0 | 7.8 | 2.1 | 1.1 | -19.7 | 13.2 | 6.1 | 4.9 | 2.9 |
| Imports | -1.1 | 1.6 | -1.6 | 4.5 | 2.4 | 1.0 | -15.8 | 18.0 | 4.4 | -1.4 | 4.6 |
| GDP | 2.4 | 3.3 | 4.0 | 2.5 | 4.0 | 2.2 | -10.9 | 13.4 | 2.7 | -0.6 | 3.1 |

*Projection. June 2024 Inflation Report.

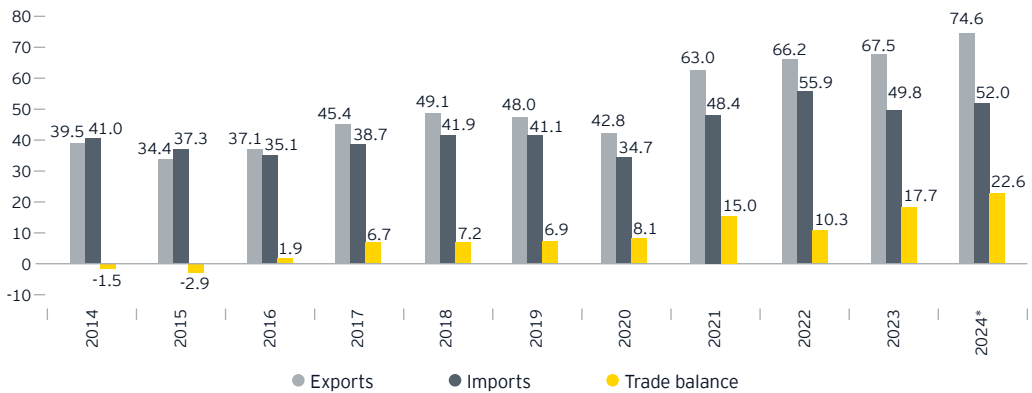
Source: Central Reserve Bank of Peru (BCRP).

At the end of 2023, total exports amounted USD67.5 billion, while imports totaled USD49.8 billion. The main exports stemmed from the mining, hydrocarbons, agricultural and livestock, and fisheries industries.

According to the estimates, Peruvian exports would reach USD74.6 billion in 2024, while imports would account for an approximate amount of USD52.0 billion.

In 2023, traditional exports totaled USD48.9 billion, 73% of total exports abroad. In addition, nontraditional exports were USD18.4 billion in 2023, an increase of 1.6% over the previous year. Likewise, 91% of shipments in 2023 were to countries with which we have free trade agreements.

Trade balance (in USD billions)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

1. Background Information

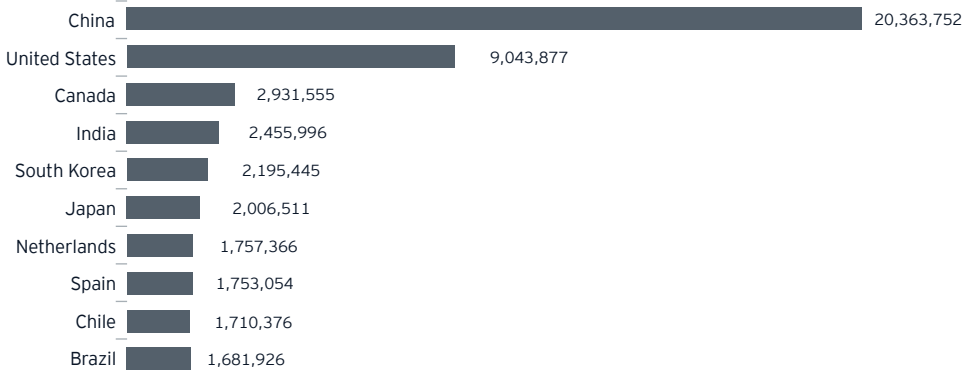


Traditional and non-traditional exports (in USD billions)



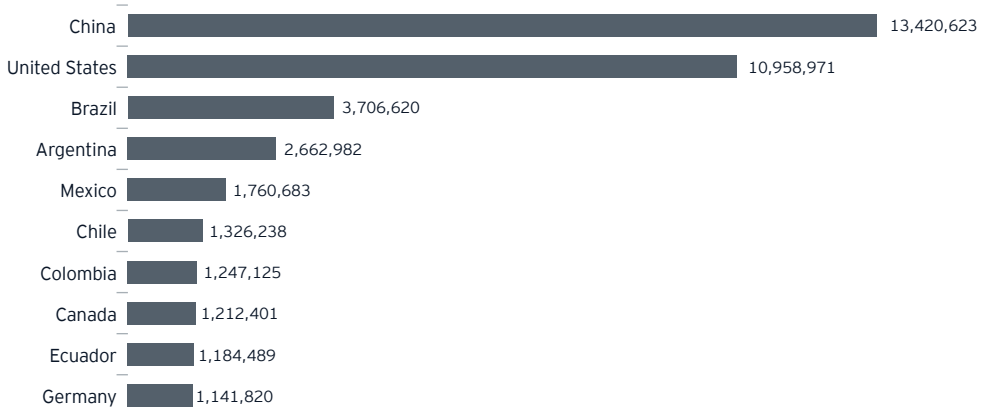
*Projection. June 2024 Inflation Report.
 Source: Central Reserve Bank of Peru (BCRP).

Exports by trading partner, top ten partners 2023 (in USD thousands)



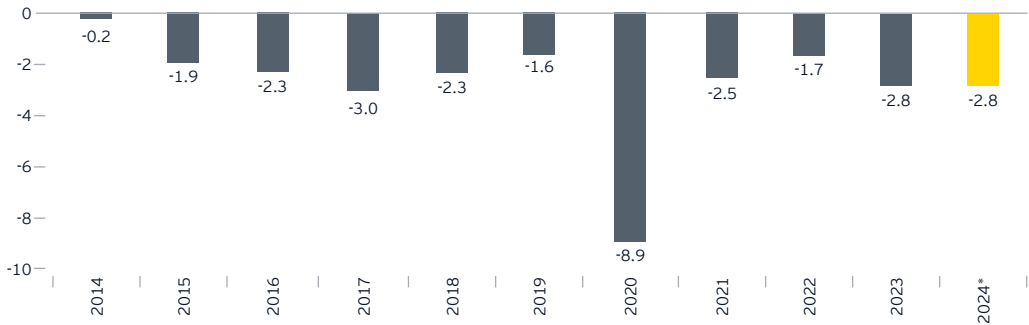
Source: National Superintendency of Customs and Tax Administration (SUNAT).

Imports by trading partner, top ten partners 2023 (in USD thousands)



Source: National Superintendency of Customs and Tax Administration (SUNAT).

Economic results (tax surplus / deficit) of the non-financial public sector (as a percentage of the GDP)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

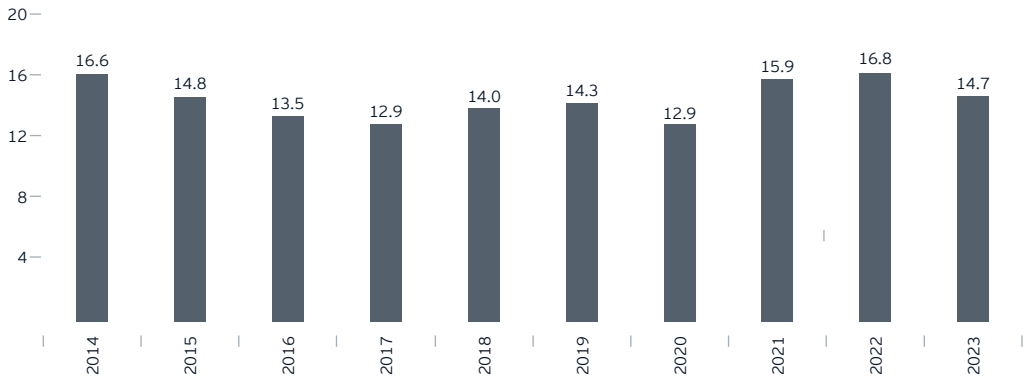


1. Background Information

In 2023, the central government's tax revenues totaled PEN147.247 billion, 6.7% lower compared to revenue for 2022.

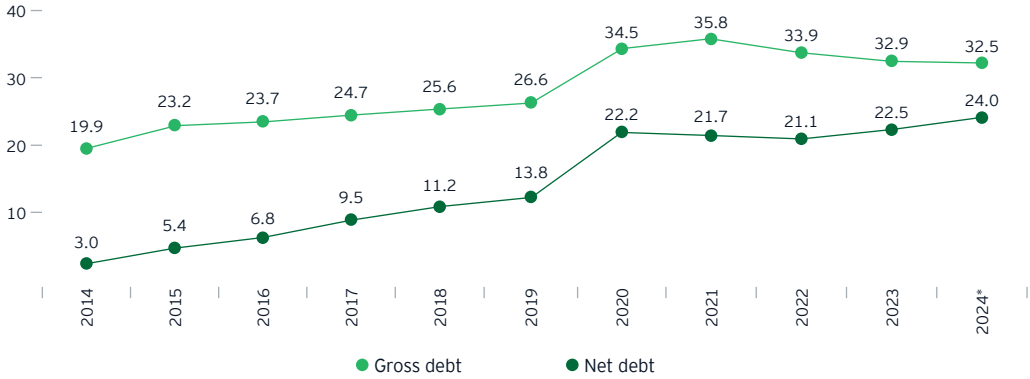
In 2024, general government revenues are projected to recover (3.3%) led by tax collection (3.1%). The strength of the economy and the growth of FOB imports would drive the recovery of General Sales Tax collection (2.7%), Income tax (2.3%) and Selective Consumption Tax (3.5%).

Tax burden (as a percentage of the GDP)



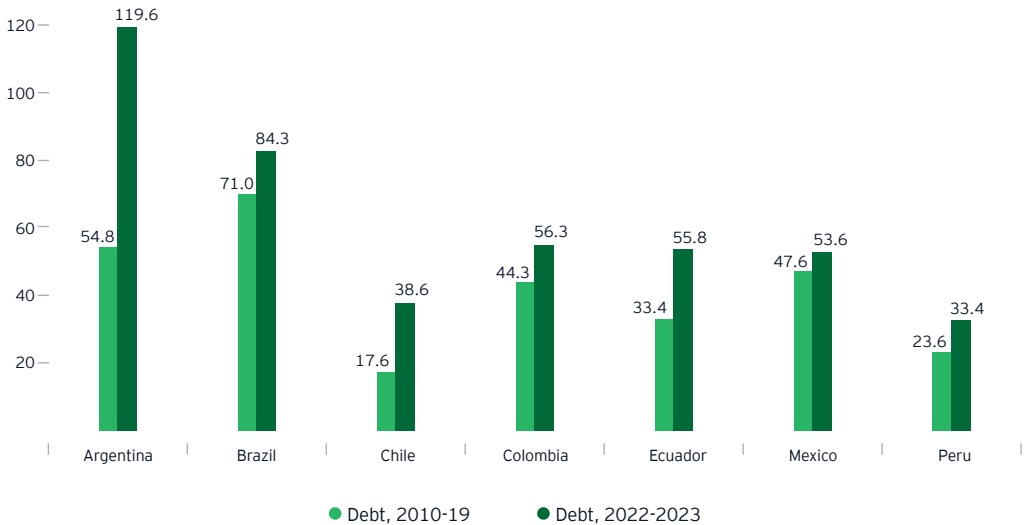
Source: Central Reserve Bank of Peru (BCRP), National Superintendency of Customs and Tax Administration (SUNAT).

Debt of non-financial public sector (as a percentage of the GDP)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Government gross debt in Latin America (as a percentage of the GDP)



Source: International Monetary Fund (IMF), Central Reserve Bank of Peru (BCRP).

6

Country risk and investment grade

Peru has one of the highest investment grade ratings in the region. The factor that support this rating is the solid economic prospect reflected in growth projections of 3.1% and 3.0% of the Gross Domestic Product (GDP) for the years 2024 and 2025. These economic forecast are backed by the drop in tax and external vulnerabilities, thus attaining growth with low inflation rates and strong macroeconomic policies. As a result Peru has obtained the investment grade and attracted international attention.

Recently, an increasing number of multinational corporations have been looking at Peru with greater interest. The subsequent increase in jobs and decrease in poverty will predictably help improve social welfare.

The progress made in watching out for the tax results, the promotion of investment in important job creation sources (such as infrastructure, mining, hydrocarbons and telecommunications) the implementation of tenders as a specific “countercyclical” measure in response to the economic slowdown, as well as the measures taken to modify the tax system included in Sections 5 and 6 of this Guide (Taxes and Labor and Employment Law, respectively) allow us to observe how Peru channels its development towards improving its investment grade.

Peru's investment grade ratings (long-term debt in foreign currency)

| Country | S&P | Fitch | Moody's |
|-------------|-------------|------------|-------------|
| Chile | A | A- | A2 |
| Peru | BBB- | BBB | Baa1 |
| Mexico | BBB | BBB- | Baa2 |
| Colombia | BB+ | BB+ | Baa2 |
| Uruguay | BBB+ | BBB- | Baa2 |
| Paraguay | BB+ | BB+ | Ba1 |
| Brazil | BB- | BB- | Ba2 |
| Bolivia | CCC+ | B- | Caa1 |
| Ecuador | B- | B- | Caa3 |
| Argentina | CCC+ | CCC- | Ca |
| Venezuela | N/A | RD | C |

As of June 2024.

Source: Standard & Poor's, Fitch Ratings, Moody's.

| S&P / Fitch | Moody's | Feature |
|---------------------|------------------|-------------------------------------|
| AAA | Aaa | Risk Free |
| AA+, AA, AA- | Aa1, Aa2, Aa3 | High Grade |
| A+, A, A- | A1, A2, A3 | High Repayment Capacity |
| BBB+, BBB, BBB- | Baa1, Baa2, Baa3 | Moderate Repayment Capacity |
| BB+, BB, BB- | Ba1, Ba2, Ba3 | Some Repayment Capacity |
| B+, B, B- | B1, B2, B3 | Highly Uncertain Repayment Capacity |
| CCC+, CCC, CCC-, CC | Caa1, Caa2, Caa3 | Extremely Vulnerable to Default |
| SD/RD | C | Default |

Source: Bloomberg.

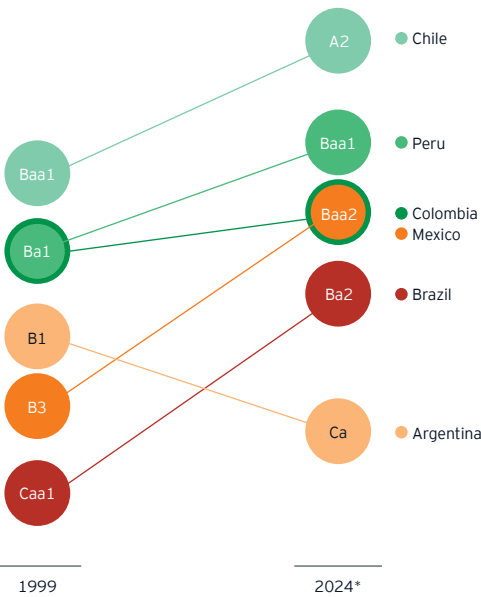
Evolution of the long-term debt rating in foreign currency

| Agency | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* |
|---------|------|------|------|------|------|------|------|------|------|------|-------|
| Fitch | BBB+ | BBB+ | BBB+ | BBB+ | BBB+ | BBB+ | BBB | BBB | BBB | BBB | BBB |
| S&P | BBB+ | BBB+ | BBB+ | BBB+ | BBB+ | BBB+ | BBB+ | BBB | BBB | BBB | BBB- |
| Moody's | A3 | A3 | A3 | A3 | A3 | A3 | Baa1 | Baa1 | Baa1 | Baa1 | Baa1 |

*As of June 2024.

Source: Standard & Poor's, Fitch Ratings, Moody's.

Risk rating of the region according to Moody's



*As of June 2024.

Source: Moody's.

Country risk (EMBIG)

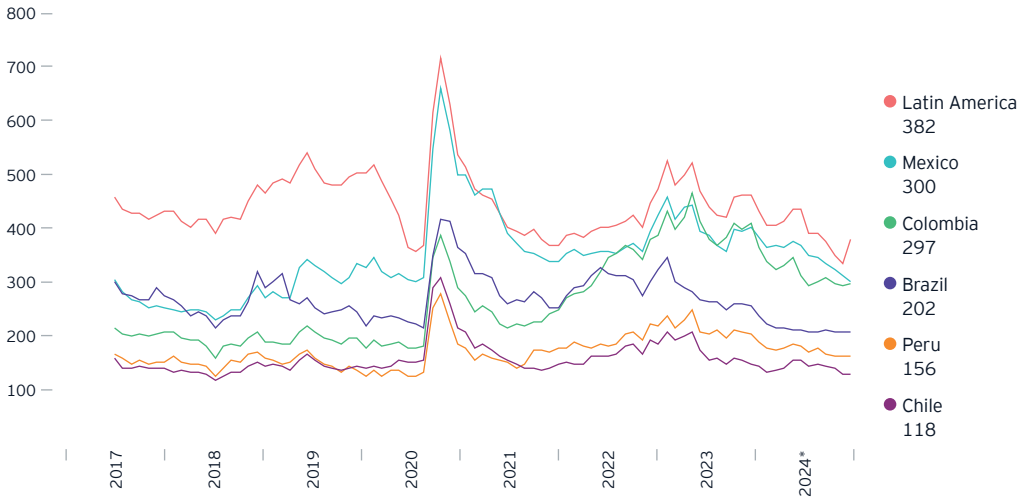
As of May 31, 2024, Peru had a country risk of 156 base points, positioning itself as one of the countries with the lowest risk in Latin America. This score is less than half of the regional average (382 points).

As may be seen in the following charts, Peru's level of inflation is one of the lowest in Latin America, with a rate of 3.2% in 2023, well below the regional average (16.6%). In addition, over the past decade, the Peruvian economy had the lowest average annual inflation rate among the largest economies in Latin America, at 3.6%, below that of Chile (4.5%) Colombia (4.9%) and Brazil (6.0%).

1. Background Information



Country risk (EMBIG) indicator (in base points)



*As of May 2024.

Source: Reuters, Central Reserve Bank of Peru (BCRP).



2

Business environment



1

Investment promotion conditions

Legislation and trends in foreign investment in Peru

Peru seeks to attract both domestic and foreign investment in all sectors of the economy. To achieve this, it has taken the necessary steps to establish a consistent investment policy that eliminates any barriers that foreign investors may face. As a result, Peru is considered a country with one of the most open investment systems in the world.

Peru has adopted a legal framework for investments that requires no previous authorization for foreign investment. In this regard, foreign investments are allowed without restrictions in the large majority of economic activities. Activities with restrictions are very specific, such as air transportation, sea transportation, private safety and surveillance and the manufacture of war weaponry.

Additionally, Peru has a legal framework to protect the economic stability of investors and to reduce government interference in economic activities. The Peruvian Government may guarantee legal stability to national and foreign investors with regard to the legislation governing income tax and specifically, distribution of dividends. Foreign investors with the right to request the execution of a legal stability agreement are those willing to invest in Peru for a period of no less than two years and for a minimum amount of USD10 million in the Mining and/or Hydrocarbons sectors, or USD5 million in any other economic activity.

Peru's legal provisions, regulations, and practices do not discriminate between domestic and foreign corporations. There are no restrictions on repatriation of profits, international transfers of capital, or foreign exchange practices. The remittance of interest and royalties is also not restricted in any way. Foreign currency may be allocated to acquire goods or cover financial obligations, provided the operator complies with Peruvian tax laws.



Favorable legal framework for foreign investors

Peru offers a legal framework¹ that protects foreign investors' interests by offering them:

- ▶ An equal and non-discriminatory treatment
- ▶ Unrestricted access to the majority of economic sectors
- ▶ Free capital transfer

Additionally, Peruvian and foreign investors are provided with:

- ▶ Right to free competition
- ▶ Guarantee of private property (no expropriations or nationalizations)
- ▶ Freedom to acquire shares in Peruvian corporations
- ▶ Freedom to access internal and external credit

- ▶ Freedom to transfer royalties and profits from their investment
- ▶ Simplicity for most operations, whether in local currency (Sol) or U.S. Dollars, without foreign exchange controls.
- ▶ A country with a vast network of investment agreements and membership in the Investment Committee of the Organization for Economic Co-operation and Development (OECD)

Direct foreign investments must be registered with the Private Investment Promotion Agency (ProInversión).

Foreign investors may remit abroad the net profits (without any restriction whatsoever) from their registered investments, as well as transferring their shares, ownership interests, or participatory rights, perform capital reductions, and dissolve or wind-up their companies.

¹ Constitutional provisions; "Foreign Investment Act," Legislative Order (Decreto Legislativo) 662; "Framework Law for the Growth of Private Investment," Legislative Order 757; as amended, and Regulations thereof. Taken from ProInversión.



Business Climate Index of Latin America

The Business Climate Index (BCI) is the result of the Latin American Business Survey, carried out by the IFO Institute of Germany and the Getúlio Vargas Foundation of Brazil. This survey is prepared every three months and serves for the monitoring and anticipation of the financial trends of the countries and financial blocs.

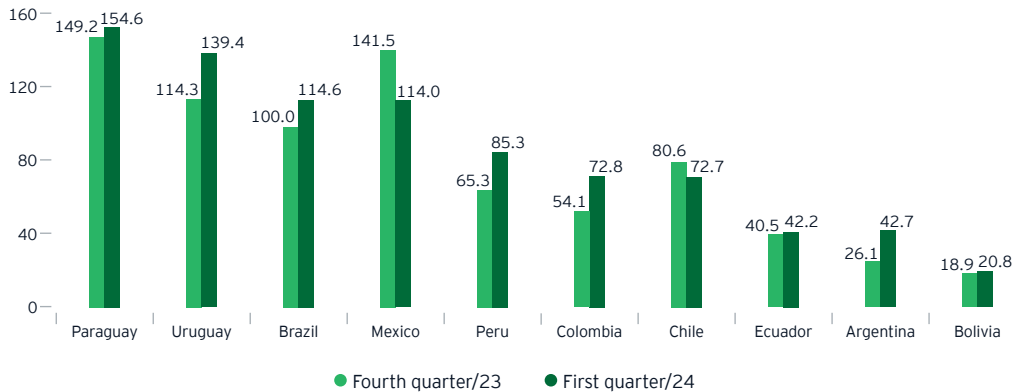
As of the first quarter of 2024, Peru reached 85.3 points, ranking fifth.

Business Climate Index (BCI) in the following country (Q1, 2024)

| Position | Country | ICE |
|---------------|-----------|-------|
| 1 | Paraguay | 154.6 |
| 2 | Uruguay | 139.4 |
| 3 | Brazil | 114.6 |
| 4 | Mexico | 114.0 |
| 5 | Peru | 85.3 |
| 6 | Colombia | 72.8 |
| 7 | Chile | 72.7 |
| 8 | Ecuador | 42.2 |
| 9 | Argentina | 42.7 |
| 10 | Bolivia | 20.8 |
| Latin America | | 105.7 |

Source: Latin American Business Survey - IFO Institute, Getulio Vargas Foundation, First Quarter of 2024.

Business Climate Index in Latin America



Source: Latin American Business Survey - IFO Institute, Getúlio Vargas Foundation, First Quarter of 2024.

Index of Economic Freedom

According to the Index of Economic Freedom prepared by The Heritage Foundation, which includes an analysis of the environment and economic freedom of each country based on ten indicators covering issues such as compliance with the law, the level of government intervention, market openness, and efficient State regulations, the overall results obtained confirm that promoting economic freedom in terms of the rule of law, government, regulations, and open markets generates a broad economic dynamism. Thus, boosting these levels will prove significant in order to sustain the wealth of nations, as well as being the most effective way to eradicate poverty in a progressive manner.

Index of Economic Freedom 2024

| Economy | Worldwide Ranking | South America Ranking | Score |
|-------------|-------------------|-----------------------|-------------|
| Singapore | 1 | - | 83.5 |
| Switzerland | 2 | - | 83.0 |
| Ireland | 3 | - | 82.6 |
| Canada | 16 | - | 72.4 |
| Chile | 21 | 1 | 71.4 |
| Uruguay | 27 | 2 | 69.8 |
| Peru | 49 | 3 | 64.8 |
| Mexico | 68 | - | 62.0 |
| Paraguay | 81 | 4 | 60.1 |
| Colombia | 84 | 5 | 59.2 |
| Ecuador | 114 | 6 | 55.0 |
| Brazil | 124 | 7 | 53.2 |
| Argentina | 144 | 8 | 49.9 |
| Bolivia | 165 | 9 | 43.5 |
| Venezuela | 174 | 10 | 28.1 |

Source: The Heritage Foundation.

②

Promotion mechanisms for investment in infrastructure and utilities

1. Promotion for Private Investment

Since 1993, the Peruvian Government has been striving to promote national and foreign private investment. This journey begins with the Peruvian Constitution (1993), the backbone to incentivize and guarantee private investment through one of the most attractive legal frameworks in the region.

One of the fundamental principles of investment promotion under Peruvian law is the principle of non-discrimination of foreign and local (Peruvian) investors.

Peru seeks to attract both domestic and foreign investment in all sectors of the economy. To achieve this, it has taken the necessary steps to establish a consistent investment policy that eliminates any barriers that foreign investors may face. As a result, Peru is considered a country with one of the most open investment systems in the world.

Peru has adopted a legal framework that requires no previous authorization for foreign investment. In this regard, foreign investments are allowed with certain restrictions in most economic activities. Those activities subject to restrictions are very specific. Furthermore,

For further details, EY, the Ministry of Foreign Affairs (MRE) and ProInversion have compiled the Guide to Investing in Infrastructure Projects in Peru.

You can download this Guide for free in: <https://www.gob.pe/institucion/rree/informes-publicaciones/3601727-peru-guide-to-investing-in-infrastructure-projects-in-peru-2022-2023>



Peru has a legal framework designed to protect the economic stability of investors and to reduce government interference in economic activities.

a. The Peruvian Constitution

The Peruvian Constitution establishes the principles to incentivize private investment through the following key provisions:

- Peruvian and foreign investments are subject to the same conditions. As a result of this constitutional provision, none of the laws, regulations, and practices in force in Peru discriminate between Peruvian and foreign corporations.
- Property rights are guaranteed by the Peruvian Government. No one may be deprived of their property, except for reasons of national security or public necessity established by law, and with a prior cash payment to the owner of the property in accordance with the appraised value, which shall include compensation for potential damages.

All foreign persons and/or entities shall receive the same treatment as Peruvians. However, within a radius of fifty (50) kilometers from all national borders, foreigners may not acquire or possess, under any title, either directly or indirectly, mines, land, forests, water, fuel or energy sources, whether individually or as part of a partnership, under penalty of losing such possessions to the Peruvian Government. The sole exception to this provision are cases of public necessity, expressly established by Executive Order.

- ▶ The Peruvian Government guarantees the free possession and disposal of foreign currencies. As such, there are no restrictions on the remittance of profits, international capital transfers, or foreign exchange practices.
- ▶ Private economic initiative is free.
- ▶ Freedom of contract guarantees that the parties can negotiate in accordance with the rules in force at the time they enter into the contract. The terms and conditions of the contract cannot be amended by laws or any other provision.

b. Regulations and Standards that Incentivize Private Investment

The Peruvian Constitution is not the only body of law that incentivizes private investment. Peru offers a favorable and attractive legal framework that protects the interests of foreign investors by offering them:

- ▶ Equal, non-discriminatory treatment
- ▶ Unrestricted access to most economic sectors
- ▶ Free capital transfer

Additionally, Peruvian and foreign investors have:

- ▶ The right to free competition
- ▶ Guarantee of private property (as a rule, no expropriations or nationalizations)
- ▶ Freedom to acquire shares of stock in Peruvian corporations
- ▶ Freedom to gain access to internal and external credit
- ▶ Freedom to transfer profits from their investments in Peru abroad and to pay royalties to non-domiciled entities
- ▶ Simplicity of most transactions, whether in local currency (Sol) or United States dollars, without exchange controls.

2. Business Environment



The main laws and regulations regarding the promotion of foreign private investment are:

- ▶ Legislative Order (Decreto Legislativo) 662—the Legal Stability Regime for Foreign Investments:

Under this law, the Peruvian Government incentivizes and provides guarantees to foreign investors in all sectors of economic activity and any of the commercial or contractual forms permitted by national law.

- ▶ Legislative Order (Decreto Legislativo) 757—Legal Framework for the Growth of Private Investment:

This law seeks to guarantee free initiative and private investments, whether already made or to be made in the future, in all sectors of economic activity. It establishes rights, guarantees, and obligations applicable to all individuals or entities, whether Peruvian or foreign, who invest in Peru.

2. Public-Private Partnerships (PPP)

A Public-Private Partnership (PPP) is a form of participation in private investment that involves experience, knowledge, equipment, technology, and the distribution of risks and resources, preferably private, for the purpose of creating, developing, upgrading, operating, or maintaining public infrastructure; providing public utilities and/or providing services related to those required by the government, as well as developing applied research and/or technological innovation projects.

a. Legal Framework

Public-Private Partnerships (PPP) are mainly governed by the provisions of:

- (i) Legislative Order (*Decreto Legislativo*) 1362 (hereinafter, the "PPP Act")
- (ii) The Regulations on the PPP Act approved by Executive Order (*Decreto Supremo*) 240- 2018-EF (hereinafter, the "Regulations on the PPP Act").
- (iii) Legislative Order (*Decreto Legislativo*) 1543, which provides for measures to improve project management and private investment promotion processes and amends the Regulations on the PPP Act.
- (iv) Regulations on Legislative Order (*Decreto Legislativo*) 1543, as approved by Executive Order (*Decreto Supremo*) 211-2022-EF.

This legal framework is applicable to all entities in the non-financial public sector, at all levels of government.

PPPs allow the private sector to contribute experience, knowledge, equipment, and technology to the financing, construction, operation, and maintenance of public infrastructure and/or the provision of a service. For its part, the government retains the property rights over the project's infrastructure, including the new facilities built by the private investor. Generally, after the contract expires, the property is transferred to the government.

b. PPP Phases

PPPs are carried out in five phases, as described below:

1. Planning and Programming

Takes the form of the Multiannual PPP Investment Report (IMIAPP).

2. Drafting

Project design and/or evaluation.
Drafting of the Evaluation Report.

3. Structuring

Approval of the Promotion Plan, inquiries with institutions, and design of the PPP agreement.

4. Transaction

Public tender or comprehensive project bidding process or other competitive process. This phase concludes with the execution of the PPP agreement.

5. Contractual Performance

Project investment, operation, and maintenance phase. It includes monitoring and supervision of contractual obligations.

c. PPP Types

PPPs may be self-financed or co-financed.

- ▶ Self-financed: PPP project with the ability to generate its own revenue that does not require government co-financing.
- ▶ Co-financed: APP project that requires government co-financing or the granting or taking out of financial or non-financial guarantees with a significant likelihood of co-financing requirements, where:

| Guarantees | Self-Financed | Co-Financed |
|-------------------------|---|--|
| Financial Guarantee | Those guarantees that do not exceed 5% of the total capital expenditure or the total project cost (if there are no expenditure activities). | Those guarantees that exceed 5% of the total capital expenditure or the total project cost (if there are no expenditure activities). |
| Non-Financial Guarantee | The likelihood of a request for use of public resources is minimal or nonexistent, which means that the likelihood of using public resources does not exceed 10% for any of the first five years of the project guarantee period. | The referred likelihood exceeds the limit of 10% for any of the first five years of the project guarantee period. |

PPPs may also be categorized based on their basis in government initiatives and private initiatives (PIs).

2. Business Environment



- ▶ **Government initiatives:** The government (through one of its different levels) identifies, formulates and launches a project.
- ▶ **Private initiatives (unsolicited proposals):** The private sector identifies and proposes the project to the government.

In private initiatives, the government evaluates the proposal submitted by the private sector. First, the government checks whether the proposal has been drafted in accordance with the private initiative regulations. Then, if the private initiative is admitted by the government, it will issue an opinion on whether said private initiative is relevant and consistent with the agency's plans.

Lastly, the agency may declare the project submitted through a private initiative to be of interest. In such case, the agency gives other companies 90 days to participate in a tender process with the company that submitted the private initiative. If 90 days pass and no other investors submit their bids, the company that submitted the private initiative shall be awarded the project.

In addition to the competitive advantage that a private initiative gives to the company that submits a private initiative, there are other benefits granted under the PPP Act and its Regulations.

As such, if the promoter takes part in the selection process and complies with the requirements of the Bidding Rules and submit a valid technical and economic offer, it will have the right to match the offer that would have come in first place.

If this right is exercised, a final tiebreaker is held between the promoter and the bidder who came out on top, each submitting a new bid.

Likewise, the promoter will have the right to reimbursement of expenses, in the event that the project submitted is not awarded in its favor.

In these cases, if the promoter takes part in the selection process with a valid economic bid and the project is awarded to third party, the costs of the private initiative can be reimbursed to the promoter for up to 2% of the project's total cost or the total investment.

d. PPP Advantages

- ▶ The risks are assigned based on which party is in a better position to manage them.
- ▶ The provision of utilities to the public benefits from the experience of the private sector.
- ▶ By integrating the infrastructure operation and maintenance under a long-term agreement, the private sector will have sufficient incentives to design, and build said infrastructure efficiently.
- ▶ Public infrastructure can be provided without using government resources (in the case of self-financed PPPs), or, in the case of co-financed PPPs, the government's payments to the private sector for the construction of the infrastructure are distributed over the long-term, given that the private sector will finance the project thus providing financial relief to the State.

e. Role of the Authorities

Private Investment Promotion Body (OPIP)

The public agency responsible for the operation, management, and allocation of a PPP project is the Private Investment Promotion Body (OPIP). Depending on the scope, the OPIP may be:

| OPIP | Scope |
|--|--|
| ProInversión | <ul style="list-style-type: none"> ▶ Multisector PPP projects under national jurisdiction originated by government initiative. ▶ PPP projects under national jurisdiction originated by government initiative with a capital expenditure or a total project cost (in case of projects without an expenditure component) of more than forty thousand (40,000) Tax Units (UITs)¹ (PEN206 million). ▶ PPP projects under national jurisdiction originated by self-financed private initiative. ▶ PPP projects under the jurisdiction of public entities authorized by express law, originated by self-financed private initiative. ▶ Projects at any level of government and projects under the jurisdiction of public entities authorized by express law, originated by self-financed private initiative. ▶ Projects developed through the Competitive Dialogue mechanism. ▶ Projects assigned to ProInversión by express legal provision. |
| OPIP of the respective Ministry | Projects not assigned specifically to ProInversión. |
| OPIP of the respective regional government | Projects under its own jurisdiction involving more than one province. |
| OPIP of the respective local government | Projects under its own jurisdiction. |

Ministry of Economy and Finance (MEF)

The Ministry of Economy and Finance (MEF) is the governing body and highest technical and regulatory authority of the PPP system. It is responsible for safeguarding and coordinating compliance with the National Policy for the Promotion of Private Investment in PPPs.

Other Authorities

Ministries (for projects within their specific sectors), Regulatory Agencies, and the Comptroller General's Office of the Republic also have specific roles in the PPP system.

¹A Tax Unit (UIT) is equivalent to PEN5,150 for 2024.

3. Projects in Assets (PA)

This mechanism is used for the development of those cases in which the private investor seeks to perform a project on an asset property of the government, whether as owner, holder, lessor, or any other status permitted by law. However, these projects shall be carried out without any commitment of government resources.

Private investment in assets property of the Peruvian state are promoted through the respective OPIP (which may belong to ministries, regional or local governments), based on the following scenarios:

- ▶ Sale of assets, including total or partial transfer
- ▶ Use, lease, usufruct, or any other form permitted by Peruvian law

The Peruvian legal framework on PAs is the same as that applicable to PPPs.

The main difference between a PPP and PAs is that while in the former, the government may use its own resources and there is an assignment of risks between the private sector and the government, in the latter the private sector assumes all the risks tied to the project and state resources will not be used.

4. Works for taxes

The Works for taxes regime is an effective corporate social responsibility tool that allows for the application as a credit for the payment of any tax that constitute income from the Public Treasury and is administered by the Tax Authority (SUNAT) - including corporate

income tax - of the amount of any projects invested by private companies to the benefit of regional governments, local governments, public universities, and the national government in a range of sectors (such as education, health, safety, tourism, agriculture, irrigation, culture, sanitation, athletics, and the environment, defense, national security, fisheries, transportation, among others).

This regime is a win-win, since the government wins with the construction or performance of the projects, the public's quality of life improves, and private companies directly improve their brand image as socially responsible enterprises through their involvement therein.

Works for taxes regime consists of a private company's participation, together with a government entity, in the implementation and/or finance of (i) investment projects, or (ii) optimization, expansion, rehabilitation and replacement investments (IOARR), and, (iii) emergency IOARRs within the framework of the National Multiannual Investment Programming System (Invierte.pe).

With the execution of a public investment agreement, the private company undertakes to implement a public investment project in exchange for the recognition of its investment as an income tax credit. For such purpose, an investment certificate is issued, depending on whether the agreement is entered into with regional and local governments, public universities (Regional and Local Public Investment Certificate - CIPRL), or agreements with a national government entity (National Government Public Investment Certificate - CIPGN).

Usually, the private investor finances and/or performs the work. However, the applicable laws also permit the financing of its maintenance. In fact, the performance of investment projects in sanitation can include the operation of said projects for a maximum period of one (1) year.

Public Investment Agreement

This is an agreement signed by the private company and the government entity, by virtue of which the private company undertakes to perform or finance a given public investment project.

The private company can perform the project directly, or it can simply finance the performance thereof, in which case a construction agreement shall be signed with a construction company to perform the project.

a. Legal Framework

- ▶ Consolidated Text (TUO) of Law 29230 - Act on Regional and Local Public Investment with Private Sector Participation, as approved by Executive Order (Decreto Supremo) 081-2022-EF.
- ▶ Regulations on Law 29230 and Legislative Order (Decreto Legislativo) 1534, as approved by Executive Order (Decreto Supremo) 210-2022-EF.
- ▶ Legislative Order (Decreto Legislativo) 1292 permitting Petroperú, on an exceptional basis, to finance projects under Law 29230.
- ▶ Consolidated Text (TUO) of Law 30556 - Act approving extraordinary provisions for National Government interventions in the event of disasters, and authorizing and expanding the scope of Law 29230, as approved by Executive Order (Decreto Supremo) 094-2018-PCM.
- ▶ Regulations on Law 30556, as approved by Executive Order (Decreto Supremo) 003-2019-PCM.
- ▶ Law 30608-Act for the promotion of macro-regional microeconomic coordination via the potential participation of municipal savings and loan banks in the financing and/or performance of public investment projects, as part of an agreement with regional and local governments.
- ▶ Legislative Order (Decreto Legislativo) 1534, which amends Law 29230 with respect to the promotion of works for taxes.
- ▶ Legislative Order (Decreto Legislativo) 1250, which amends Law 29230 and Law 30264, Act establishing measures to promote economic growth.
- ▶ Law 31735, which amends Law 29230.
- ▶ Law 31912, which approves supplementary credits for the financing of greater expenses associated with economic reactivation, emergency response and the imminent danger due to the occurrence of the El Niño phenomenon for the year 2023 and dictates other measures, including including the modification of the Law 29230.
- ▶ SBS Resolution 1706-2018-Regulations on the participation of municipal savings and loan banks in the act promoting regional and local public investment with private sector participation.

2. Business Environment



b. Public Investment Project Types

- ▶ **Government Initiative:** Upon identifying a need, the government entity drafts a Public Investment Project to address the emerging need.
- ▶ **Private Initiative:** The private sector submits a proposal for a Public Investment Project, which shall be evaluated by the government entity.

c. Advantages of the Works for taxes Regime

This regime offers a number of benefits, such as the following:

- ▶ **From a private-sector perspective:** It strengthens the development of social responsibility programs, improving companies' reputation and thus their relationship with the community and different stakeholders in its areas of influence.
- ▶ **For the community:** This regime reduces the infrastructure gap and creates more jobs. It also increases the coverage of utilities and public services and satisfies priority needs for the population in a short period of time, generating well-being and a better quality of life.
- ▶ **From the government's perspective:** This regime contributes to the acceleration of project performance, boosting the efficiency of public spending.

d. Annual Capacity Limit

For 2023¹, regional governments have a joint annual capacity limit for investment in the Works for taxes regime equal to PEN7,094 million (approximately USD1,876,719,576.72). The annual capacity limit of each regional government can be found at the website: https://www.mef.gob.pe/contenidos/inv_privada/obras_impuestos/anexo_topes_maximos_capacidad_anual_2023_GR_GL_UP.pdf.

For 2023², local governments have a joint annual capacity limit for investment in the Works for taxes regime equal to PEN16,744 million (approximately USD4,429,629,629.63). The annual capacity of each local government can be found at the website: https://www.mef.gob.pe/contenidos/inv_privada/obras_impuestos/anexo_topes_maximos_capacidad_anual_2023_GR_GL_UP.pdf.

For 2023³, public universities have a joint annual capacity limit for investment in the Works for taxes regime equal to PEN1,775 million (approximately USD469,576,719.58). The annual capacity limit of each university can be found at the website: https://www.mef.gob.pe/contenidos/inv_privada/obras_impuestos/anexo_topes_maximos_capacidad_anual_2023_GR_GL_UP.pdf.

Usually, according to Legislative Order 1275, entities must meet certain mandatory tax provisions.

^{1, 2, 3} To date, the annual capacity limit to invest in the Tax-Deductible WorksWorks for taxes regime for 2024 has not been published.



e. Regional and Local Public Investment Certificate (CIPRL) and National Government Public Investment Certificate (CIPGN)

Issuance of Certificates (CIPRL and CIPGN)

Approval of reception and quality is required to issue a CIPRL or a CIPGN.

If the performance of the project takes more than five months, the private company may ask the public entity to issue quarterly certificates.

CIPRLs are financed from the following funding sources:

- ▶ Determined Resources from mining canon and/or surplus canon, royalties, customs revenue and shares and the Regional Compensation Fund (FONCOR) received by the respective regional and/or local government.
- ▶ Determined Resources from funds received by the respective local or regional government (Municipal Compensation Fund - FONCOMUN and Camisea Socioeconomic Development Fund - FOCAM, among others indicated in express legal norms).
- ▶ Determined Resources from taxes collected by the respective local government.
- ▶ Directly collected resources.
- ▶ Ordinary resources, only for the execution of investment projects and IOARR under the responsibility of the regional and local governments.

The financing of investments and activities for Public Universities is charged to the resources from mining canon and/or surplus canon and royalties.

The CIPGNs are subject to the provisions established for the CIPRL, as applicable.

The CIPGNs can be financed from:

- ▶ Ordinary Resources provided for in the institutional budget approved by the corresponding entity, without requiring additional resources from the Public Treasury.
- ▶ Determined Resources from the special fund for citizen security, and intended for the financing of investments, in accordance with the purposes established in said fund.
- ▶ Resources directly collected for investments projects in the areas of environment, culture, rural electrification, industry, fisheries, tourism, defense and national security and planning, management and contingency reserve, provided they are deposited in the single account of the Public Treasury.
- ▶ Determined resources from the Fund for the Armed Forces and the Peruvian Police Force for investments in public order and security matters.
- ▶ Determined Resources from funds authorized by express law, including resources for the financing of the National Rural Housing Program and for rural electrification projects.

2. Business Environment



The canon is the share of local and regional governments in the total revenues received by the Peruvian Government for the economic exploitation of natural resources. Currently, Peruvian law regulates the concepts of mining canon, hydropower canon, gas canon, fishing canon, forestry canon, and oil canon.

It should be noted that the canon is the basis for determining the annual capacity limit for investments under the Works for taxes regime for regional and local governments and public universities.

Certificate Characteristics (CIPRL and CIPGN)

These certificates have the following characteristics:

- ▶ CIPRLs and CIPGNs requested by government entities are issued electronically via the document security printing platform found at the following internet address: CIPRL-Ministry of Economy (mineco.gob.pe).
- ▶ CIPRLs and CIPGNs can be used against any tax that constitutes income from the Public Treasury and is administered by the Tax Authority (SUNAT) - including corporate annual income tax.
- ▶ CIPRLs and CIPGNs can be used with a limit of 80% of the corporate income tax determined in the previous fiscal year.

- ▶ If CIPRLs or CIPGNs are not used by the end of the year, the private company may request a new certificate that will include as an additional to such amount, the accumulated inflation rate of the last 12 months.

- ▶ If the certificate is not used within ten years, the private company may request a reimbursement from the Tax Administration

Certificates are negotiable, which means they can be transferred to third parties.

5. Government-to-Government (G2G) Agreements

Under G2G agreements, one government hires the supply of goods and services (including construction) through a direct agreement with another government. The latter government may perform the agreement through its own bodies or agencies, government-owned companies, national privately-owned companies, and/or foreign privately-owned companies.

The most representative of these agreements, in terms of investment and the closing of social gaps, was the Agreement for Reconstruction with Changes (RCC) entered into with the United Kingdom. Through this G2G, Peru is receiving technical assistance, supervision, and Project Managers Officer (PMO) services from the Government of the United Kingdom⁴, which will act through its "performance team": privately-owned companies from the United Kingdom with extensive experience in the field.

⁴ In 2017, there was a flood in northern Peru (a Coastal El Niño) that caused serious harm to the local population and infrastructure. The government created the Authority for Reconstruction with Changes (ARCC) to supervise and perform public works, which include important preventive measures.



Peru has also signed many agreements under the government-to-government (G2G) regime with countries with extensive, proven experience in the infrastructure sector such as (i) the Government-to-Government Agreement with France to obtain the necessary technical advice to carry out the Nueva Carretera Central; and, (ii) the Government-to-Government Agreement entered into with South Korea to provide technical assistance, through a Project Management Office (PMO), during the design, construction, and start-up stages of Chinchero International Airport in Cusco.

a. New Engineering Contract (NEC)

For the Lima 2019 Pan American and Parapan American Games, use was made of New Engineering Contracts (NECs), specifically NEC3s. NECs are highly flexible standard contracts created by the United Kingdom Institution of Civil Engineers (ICE) in England, similar to other standard contracts such as FIDICs, ICCs, and AIAs, among others.

In particular, NEC3s have been used for the provision of goods, services, and works, considering all phases in a project's cycle, from project planning, design, and management to facility construction, maintenance, and management.

Additionally, NEC3s promote the delivery of projects:

- (i) On time
- (ii) Within budget; and,
- (iii) With the highest standards⁵.

According to Peruvian experience with NEC3s, the main characteristics of this type of contract are its straightforward language, appropriate risk allocation, and collaborative work.

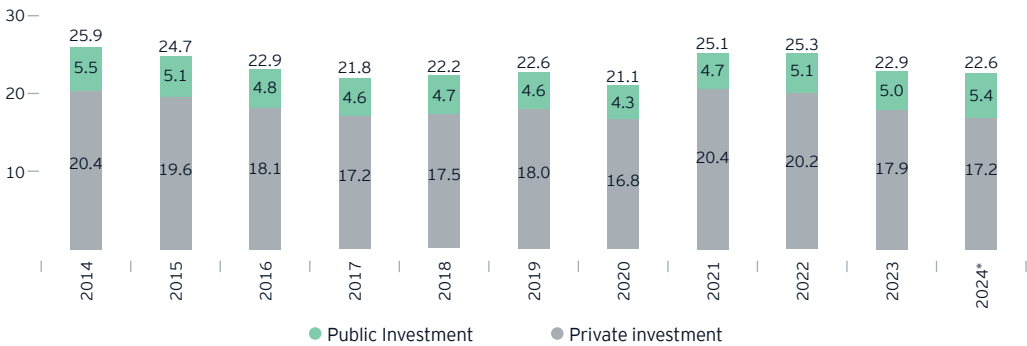
⁵ <https://www.neccontract.com/About-NEC/How-NEC-Contracts-Works>



3

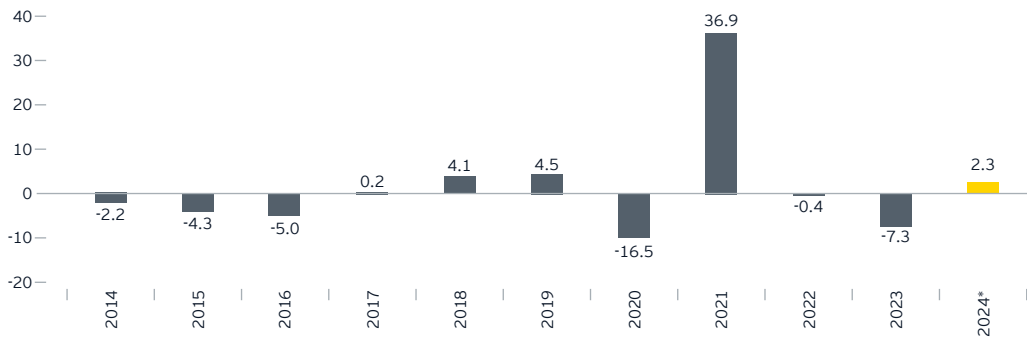
Investment indicators

Fixed gross investment (as a percentage of the GDP)



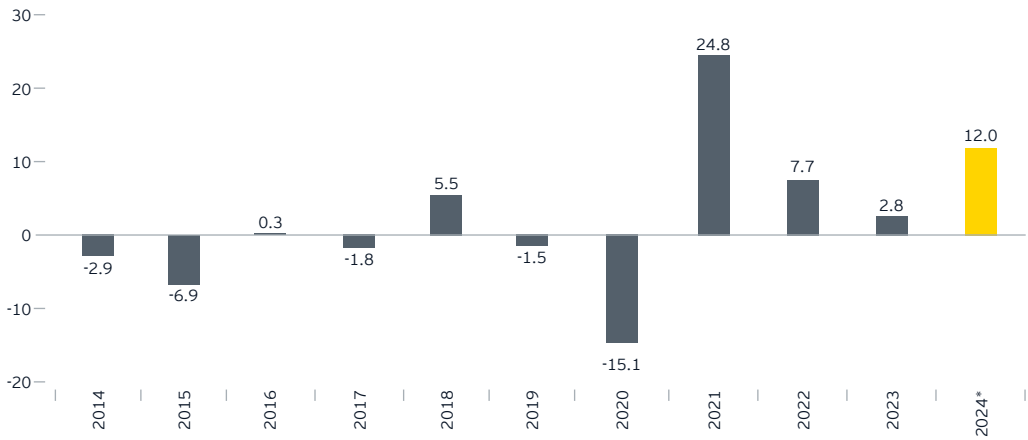
*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Private investment (percentage change)



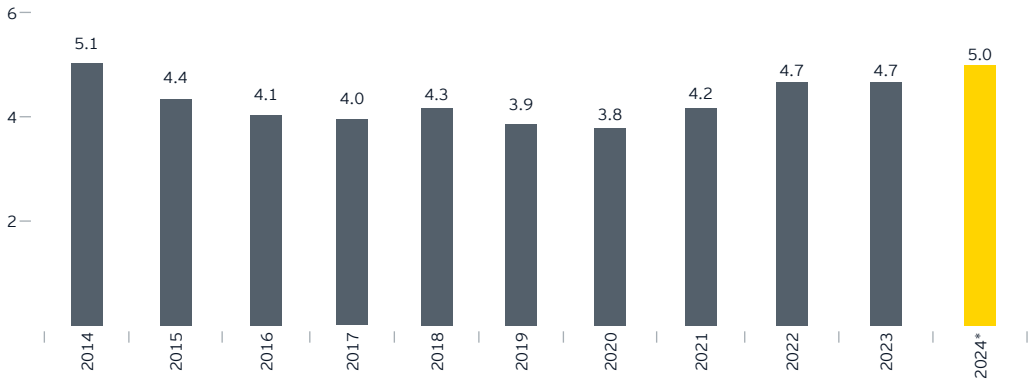
*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Public investment (percentage change)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Gross capital formation (as a percentage of the GDP)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).



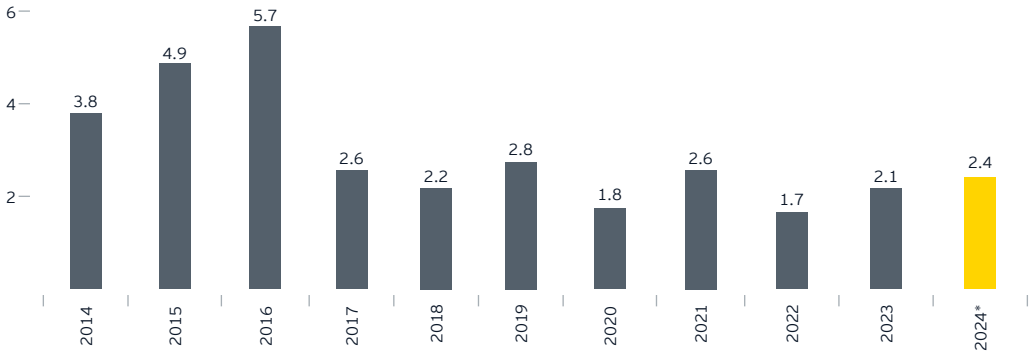
Short and long-term infrastructure gap (millions)

| Nº | Sector | Short-Term Gap | | Long-Term Gap | |
|--------------|--------------------|----------------|---------------|----------------|----------------|
| | | PEN | USD | PEN | USD |
| 1 | Water | 6,019 | 1,818 | 24,245 | 7,325 |
| 2 | Sanitation | 28,819 | 8,707 | 71,544 | 21,615 |
| 3 | Telecommunications | 12,151 | 3,671 | 20,377 | 6,156 |
| 4 | Transportation | 35,970 | 10,867 | 160,958 | 48,628 |
| 5 | Electricity | - | - | 7,059 | 2,133 |
| 6 | Education | - | - | 5,917 | 1,788 |
| 7 | Health | 27,545 | 8,322 | 58,727 | 17,742 |
| 8 | Hydraulic | 6,679 | 2,018 | 14,625 | 4,418 |
| Total | | 117,183 | 35,403 | 363,452 | 109,804 |

Source: 2019 National Infrastructure Plan for Competitiveness. Ministry of Economy and Finance (MEF).

Infrastructure investment will remain dynamic in 2024, as the execution of largescale infrastructure projects picks up speed.

Infrastructure investment (in USD billions)



*Projection. Multiannual Macroeconomic Framework 2024-2027.

Source: Ministry of Economy and Finance (MEF).

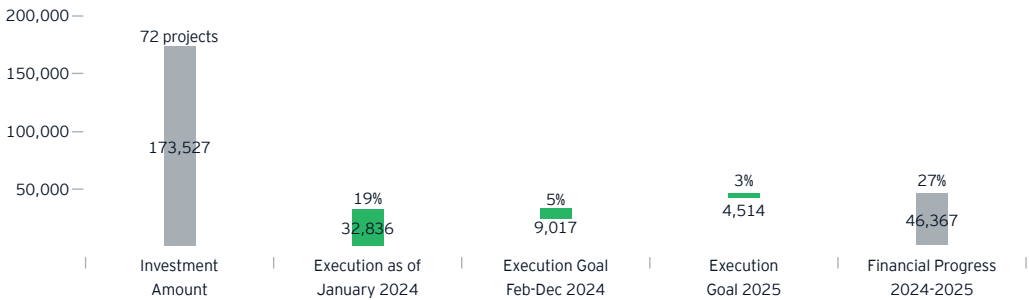
On July 20, 2023, the Government enacted the law that creates the National Authority of Infrastructure (ANIN), public body that will execute, in a decentralized manner, the big projects more efficiently and effectively, with the aim of reducing gaps in infrastructure, especially in vulnerable sectors of Peru. The creation of ANIN is part of the reactivation economic axes, and more infrastructure and services for a better quality of life, recorded in the General Government Policy.

The government continues to promote and prioritize the implementation of the National Sustainable Infrastructure Plan for Competitiveness (PNISC), with a view to closing basic infrastructure gaps and

leveraging the country's economic growth. In October 2022, the 2022-2025 PNISC was relaunched. This document updates the approach to the prioritization of infrastructure projects to drive economic growth, improve competitiveness, help close gaps, and reduce bottlenecks affecting long-term infrastructure projects.

The plan prioritizes a portfolio of 72 projects for an investment amount of PEN173.5 billion in health (22), transportation (18), water and sanitation (12), communications (9), and others. As of January 2024, the execution reaches PEN32.8 billion (19% of the goal) and progress is expected to reach PEN46.4 billion (27% of the goal) in 2025.

Projected progress of the Natural Sustainable Infrastructure Plan for Competitiveness 2024-2025 (PEN million, %)



Source: ProInversión, Ministry of Economy and Finance (MEF).

2. Business Environment

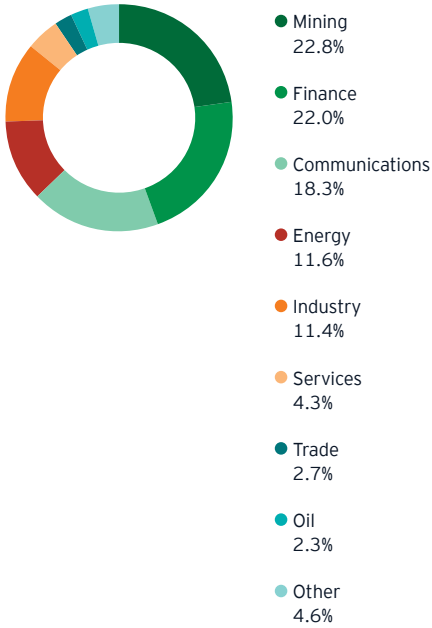


Target project portfolio 2024

| N° | Project | Industry | in USD Millions |
|--------------|---|----------------------------------|-----------------|
| 1 | Peripheral ring road | Transportation and Communication | 2,380 |
| 2 | Longitudinal de la Sierra - Tranche 4 | Transportation and Communication | 914 |
| 3 | Chimbote Port Terminal | Transportation and Communication | 172 |
| 4 - 21 | Electrical projects of the Transmission Plan | Electricity | 870 |
| 22 | Headworks | Water and Sanitation | 330 |
| 23 | Huancayo Wastewater treatment plant | Water and Sanitation | 172 |
| 24 | Chincha Wastewater treatment plant | Water and Sanitation | 70 |
| 25 | Cajamarca Wastewater treatment plant | Water and Sanitation | 56 |
| 26 | Cusco Wastewater treatment plant | Water and Sanitation | 44 |
| 27 | San Martín Wastewater treatment plant | Water and Sanitation | 105 |
| 28 | Trujillo Wastewater treatment plant | Water and Sanitation | 312 |
| 29 | Ilo Desalination plant | Water and Sanitation | 106 |
| 30 | Rural Sanitation Iquitos | Water and Sanitation | 26 |
| 31 | Villa El Salvador Hospital | Health | 85 |
| 32 | Comprehensive solid waste management in healthcare supplies | Health | 24 |
| 33 | Cajamarca Hospital | Health | 176 |
| 34 | At-risk schools: Lima Metropolitana | Education | 255 |
| 35 | At-risk schools: Villa María del Triunfo | Education | 69 |
| 36 | Lima Convention Center | Tourism | 78 |
| 37 | Cerro San Cristóbal | Tourism | 16 |
| 38 | Choquequirao project | Tourism | 190 |
| Total | | | 6,450 |

Source: Private Investment Promotion Agency (ProInversión).

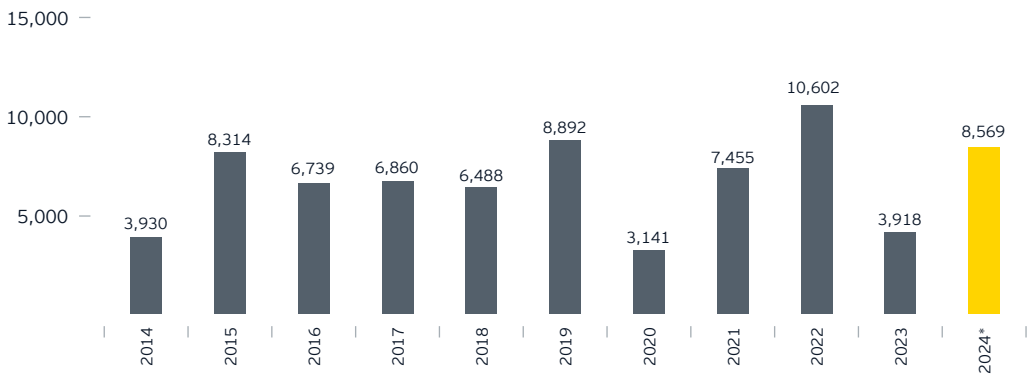
Balance of foreign direct investment by sector 2023



| Sector | USD Millions |
|----------------|---------------|
| Mining | 6,917 |
| Finance | 6,624 |
| Communications | 5,521 |
| Energy | 3,501 |
| Industry | 3,442 |
| Services | 1,300 |
| Trade | 812 |
| Oil | 680 |
| Others | 1,375 |
| Total | 30,172 |

Source: Private Investment Promotion Agency (ProInversión).

Foreign direct investment flow (in USD millions)

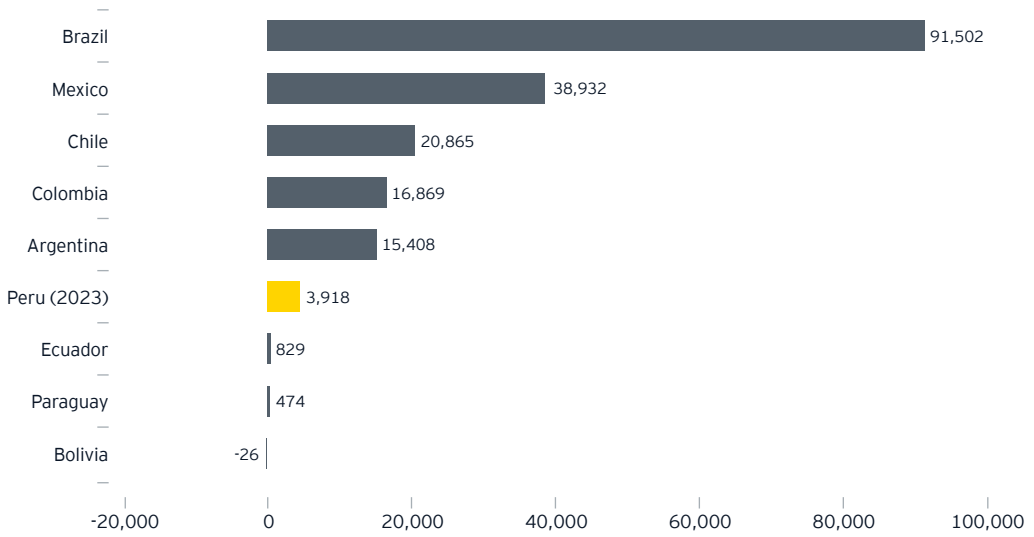


*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

2. Business Environment



Foreign direct investment flow received in Latin America 2022 (in USD millions)



Source: Economic Commission for Latin America and the Caribbean (CEPAL), Central Reserve Bank of Peru (BCRP).



4

Trade agreements

Peru's development strategy is based on an economy opened to the world and competitive in its export offer. It has been a successful strategy that has permitted the country to consolidate its foreign trade of goods and services as an economic development and poverty reduction pool.

International trade negotiations, which have benefited from rigorous macroeconomic management and its consequent stability, have allowed the Peruvian economy to gradually tackle and reduce its external vulnerability in times of crisis such as in the current international and local economic recovery context.

Trade agreements are a valuable tool to attract foreign direct investment and increase entrepreneurial productivity, as well as technology transfer thanks to the lower cost of importing capital goods and high-quality inputs, and employment generation. These agreements foster the compliance of international standards, thus enabling more Peruvian companies to improve their management and logistic practices.

Peru has been a member of the World Trade Organization (WTO) since 1995, and in 1998 it became a member of the Asia-Pacific Economic Cooperation Forum (APEC). In 2011, it formed the Pacific Alliance with Chile, Colombia, and Mexico. It is also a member country of the Latin American Integration Association (ALADI) and a member-state of the Southern Common Market (MERCOSUR). On January 25, 2022, Peru was invited by the Secretary General of the Organization for Economic Cooperation and Development (OECD) to begin the process of accession to the organization. This process will require a path of public management and policy reforms based on OECD standards and best practice. This will help forge a state with stronger, more efficient institutions that promotes inclusive, sustainable, and resilient development and provides quality services to its population. Adaptation to these standards and subsequent admission as an OECD member act as a "seal of quality" to attract more foreign direct investment, given that we share the organization's core values of democracy, an open economy, rule of law, the fight against corruption, and the protection of human rights and the environment.

2. Business Environment



Peru has signed 32 Bilateral Investment Treaties (BITs) with Argentina, Australia, Bolivia, Canada, Chile, China, Colombia, Cuba, the Czech Republic, Denmark, Ecuador, El Salvador, Finland, France, Germany, Italy, Japan, Malaysia, the Netherlands, Norway, Paraguay, Portugal, Romania, Singapore, South Korea, Spain, Sweden, Switzerland, Thailand, the Belgium-Luxembourg Economic Union, the United Kingdom, and Venezuela.

Additionally, Peru has a total of 22 free trade agreements and economic integration agreements (TLCs & EIAs) with the Andean Community (CAN), MERCOSUR, the Pacific Alliance, the European Free Trade Association (EFTA), Australia, Canada, Chile, China, South Korea, Costa Rica, Cuba, United States, Honduras, Japan, Mexico, Panama, United Kingdom, Singapore, Thailand, the European Union, Venezuela and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP has given Peru access to four countries with which it previously had no trade agreements: New Zealand, Vietnam, Brunei, and Malaysia.

Likewise, in 2012 Peru has executed a Framework Agreement for Economic, Commercial, Technical and Investment Cooperation with the Member States of the Gulf Cooperation Council, which groups Saudi Arabia, Bahrain, Kuwait, Qatar, Oman and United Arab Emirates. This is the first agreement signed with a South American country.

Peru is currently in the midst of negotiations with Turkey, India, El Salvador, and Nicaragua, and it is currently negotiating the optimization of its trade agreement with China.

Foreign investors are protected against inconvertibility, expropriation, political violence, and other non-business risks via access to multilateral and bilateral agreements. Peru has signed an agreement with the Overseas Private Investment Corporation (OPIC) and the Convention Establishing the Multilateral Investment Guarantee Agency (MIGA). Peru has also entered into the World Bank's International Convention on the Settlement of Investment Differences (ICSID) as an alternative for the settlement of any disputes that may arise between investors covered by the ICSID and the Peruvian Government.

Nine double taxation avoidance agreements have been signed with Chile, Canada, the Andean Community (CAN), Brazil, Mexico, South Korea, Switzerland, Portugal and Japan.

Additionally, an agreement was signed with Spain and is currently pending ratification. Likewise, the negotiation with the United Kingdom have been successfully concluded, and the agreement is expected to be signed in the next months. There are also negotiations underway with Qatar, the United Arab Emirates, The Netherlands, Italy, France and Sweden.



In Force

1. Peru - China Free Trade Agreement (FTA)

In economic terms, China has been the fastest growing economy worldwide over the past two decades (around 10% per year of sustained growth). The entry into force of this Agreement in March 2010 has opened up a market of 1.4 billion inhabitants, of which 350 million are consumers with high purchasing power.

Exports in 2023 totaled USD20.4 billion, with China being our main trading partner. Peru's principal exports to China are copper, fishmeal, and iron ore, lead and zinc. Among the main Peruvian products benefitting from the trade agreement are giant squid, cuttlefish and squid, fresh grapes, avocado, mango, barley, paprika, tara powder, and fine wool yarn, etc. In exchange, China ships machinery, mobile telephones, laptops, and high technology products to Peru.

The FTA establishes clear rules of the game, within a transparent and predictable framework through which it will not only contribute to increasing bilateral trade, but also boost Chinese investment in Peru, principally in the industries of mining, agriculture, electricity, wind power, oil and gas, and fisheries.

2. Peru - United States Trade Promotion Agreement

Peru had access to certain unilateral preferential customs duties with the United States starting in 1991, granted by the U.S. Congress to Andean Countries through the Andean Trade Preference Act (ATPA), which remained in force until 2001. These preferential duties were renewed in 2002 with the enactment of the Andean Trade Promotion and Drug Eradication Act (ATPDEA) under which they remained in force until 2010.

In 2004, Peru initiated negotiations for a Free Trade Agreement (FTA) with the United States, and in 2009 the Peru - United States Free Trade Act entered into force. Just two years after entering into force, 418 new products were exported, of which 96% were non-traditional products, most notably in the areas of Metal-Mechanical (32%), Chemicals (20%), and Textiles (11%).

The main products exported to the United States are minerals, metals, textiles, fish products, crude oil, coffee, cocoa, handcrafts, paprika, artichokes, grapes, mangoes, tangerines and asparagus. In 2023, exports reached USD9.0 billion, of which gold, asparagus, fresh grapes, and avocado were the most notable.

3. Peru - European Union (EU) Trade Agreement

The Trade Agreement with the European Union (EU) is part of a business strategy to expand and develop the export supply of Peru. It became effective on March 2013. The European Union constitutes a market of great opportunities with over 448 million inhabitants and per capita income levels, which are among the highest in the world.

The European Union is one of the main destinations for Peruvian exports, with a share of 12% of the total exports in 2023. Furthermore, this Region registered a direct foreign investment in Peru with a share of 38% of the capital stock from Spain and the United Kingdom.

With the entry into force of the Peru - European Union (EU) FTA, custom duties were removed in 99.3% of Peru's exports, benefiting 95% of custom duty lines for agricultural products, such as asparagus, avocados, coffee, fruits of the genus capsicum (for example, paprika and chili peppers), artichokes, among others.

The execution of the agreement between the Republic of Peru and the European Union on visa exemptions for short-term stays, signed on March 14, 2016 in the city of Brussels, in the Kingdom of Belgium, was a major achievement that will facilitate business investment contacts by Peruvian businesspeople in Europe. Under this agreement, Peruvian citizens can enter the following 30 countries without a short-term visa: Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Slovakia,

Slovenia, Spain, Estonia, Finland, France, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Liechtenstein, Luxemburg, Malta, Norway, The Netherlands, Poland, Portugal, Czech Republic, Romania, Sweden and Switzerland. This decision came about as a result of increased economic relations with the European Union, a decline in irregular migration flows, and the opportunities offered by the economic growth registered in Peru.

4. Peru - Japan Economic Partnership Agreement

The Economic Partnership Agreement between Peru and Japan was entered into on May 31, 2011. As from its entry into force in March 2012, Peruvian products such as coffee, asparagus, sacha inchi, giant squid, fish oil, copper, lead, zinc, purple corn, giant corn from Cusco, swordfish, among others, may enter the Japanese market with preferential access.

In 2023, Japan was the sixth largest destination for Peruvian exports, accounting for USD2.0 billion, consisting mainly of minerals and agricultural products.

5. Peru - South Korea Free Trade Agreement

The Free Trade Agreement between Peru and South Korea was signed on March 21, 2011, in Seoul, South Korea, and it became effective on August 1, 2011. With this trade agreement, Peru gains access to a market of 51.8 million inhabitants, with a GDP per capita of USD31,489. For Peruvian exports, this represents a significant number of potential consumers and a major opportunity for Peru's export supply.



Peruvian non-traditional exports reap the most benefit from this Agreement, since, according to the Peruvian Ministry of Foreign Trade and Tourism (MINCETUR), the Korean market has a preference for high quality fresh products, such as agricultural and fisheries products from Peru.

South Korea was the fifth largest destination for Peruvian exports during 2023, with a total of USD2.2 billion. Fisheries and agricultural products were the most benefited by this trade agreement.

6. Peru - Singapore Free Trade Agreement and the Peru - Thailand Protocol to Accelerate the Liberalization of the Trade of Goods and Facilitation of Commerce

In the context of the policy of rapprochement with the Asian market, Peru executed in Lima the Peru - Singapore Free Trade Agreement (FTA) on May 29, 2008. Unlike Thailand and most Asian countries, which import mainly minerals from Peru, Singapore is a very important non-traditional Peruvian exports destination. The main products exported to Singapore, which are already benefiting from this Agreement, which entered into force on August 1, 2009, are cocoa, grapes, t-shirts, shirts, asparagus, shellfish, and other marine products. Singapore is one of the main ports of entry into East Asia; thus, the Agreement will enable Peruvian products to be admitted under better conditions throughout the Region, boost greater investments, and consolidate the Peruvian strategy of becoming the center of Asian operations in South America.

In the case of Thailand, the Protocol to Accelerate the Liberalization of the Trade of Goods and Facilitation of Commerce was signed in the city of Busan, South Korea, on November 19, 2005, and entered into force on December 31, 2011. The main products exported to Thailand include zinc and copper ore; fishmeal, fish powder, and fish pellets; cuttlefish; and fresh grapes. The tariff liberalization agreed to with Thailand encompasses approximately 75% of both countries' tariff subheadings.

7. Peru - MERCOSUR Economic Complementation Agreement (ACE)

Economic Complementation Agreement 58 (ACE 58) was signed between Peru and the MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay) on November 30, 2005 and became effective on January 2006. Subsequently, in 2006 the Protocol for Venezuela's Accession to the MERCOSUR was signed, and there has been a trade agreement with this country since 2012.

The purpose of this Agreement was to establish a legal framework for integration, to facilitate business trade between member countries, through the elimination of tariff and non-tariff measures affecting trade in goods and services.

Therefore, since January 1, 2012, products exported to Argentina and Brazil enter these countries with a rate of 0% in customs duties.

The main products exported to MERCOSUR are minerals and copper products, zinc ores, silver, olives, varnishes, calcium phosphates, cotton shirts, tara and dyes. The Peru - MERCOSUR trade reached USD1.9 billion in 2023, which accounts for 3.2% of exports to the trading blocs.



8. Peru - Mexico Trade Integration Agreement

The Trade Integration Agreement was entered into by and between Peru and Mexico on April 6, 2011, and became effective on February 1, 2012. This Agreement opened up a 131.1 million people market, allowing our exports preferential access to over 12,000 products, such as canned fish, cookies, paprika, timber, shrimp, and other products. On the other hand, the importation from Mexico of consumer goods and household appliances and technological products will allow Peruvian consumers access to a wider variety and quality of products, at lower prices. Additionally, rules are being consolidated to promote the already strong Mexican investment existing in Peru, as well as the Peruvian investments in said country.

9. Andean Community of Nations (CAN)

Peru, together with other three South American countries (Bolivia, Colombia and Ecuador) is a member of the Andean Community of Nations (CAN) since 1997. Within this framework, there are agreements related to lower customs duties for goods, sub-regional liberalization of service markets, community regulations regarding intellectual property, land, air and water transport, telecommunications, etc.

An important part of Peruvian trade regulations is governed by the commitments made under this forum. However, in its policy of trade liberalization with other countries

and blocs, Peru deepened the liberalization of trade and the opening of its market to much higher levels, and with commitments that are broader in scope than those arising from the CAN.

10. Peru - Canada Free Trade Agreement

The Free Trade Agreement between Peru and Canada was signed in Lima on May 29, 2008 and entered into full force and effect on August 1, 2009. This agreement is a major commercial treaty that incorporates chapters on the National Treatment and Access to Markets, the Facilitation of Trade, Investment, Trans Border Trading of Services, Telecommunications, Financial Services, Competition Policies, Public Contracting, E-Commerce, Labor and Environmental issues, among others. It must be noted that the main products exported to Canada are gold, silver, copper, lead, fish oil, fishmeal, handcrafts, and textiles.

11. Peru - Chile Free Trade Agreement (FTA)

This Agreement is effective as from March 1, 2009. It extends the Economic Complementation Agreement (ACE No. 38) signed by Peru and Chile in 1998, together with its annexes, protocols, and other regulatory tools.

In 2016, there was a total exemption in the trading of goods between the two countries. Exports to Chile totaled USD1.7 billion in 2023.

12. Asia Pacific Economic Cooperation (APEC) Forum

The Asia Pacific Economic Cooperation (APEC) is an informal consultation forum to promote economic cooperation, economic growth, and the expansion of trade among its members. Unlike the World Trade Organization (WTO) and other multilateral forums, APEC does not comprise a trade treaty or agreement involving binding obligations. On the contrary, it is based on non-binding individual action plans on trade and investment liberalization and facilitation; a collective action plan to closely coordinate the adoption of modern and efficient processes aimed at simplifying requirements and procedures for the various productive transactions; and the economic and technical cooperation among its members. Peru is active in the work of this forum, and it participates in the definition of the lines of action and its organization. As it was in 2008, 2016, and now in 2024, Peru is once again the host of the APEC forum, the ministerial meetings, and the summit of leaders of the 21 economies making up the forum.

APEC countries account for approximately 62% of the global Gross Domestic Product (GDP), 48% of world trade, and around 38% of the world population.

13. World Trade Organization (WTO)

The WTO is the world's largest forum on the administration of the multilateral legal framework that regulates world trade and certain other aspects, such as intellectual property, investment measures, or the environment in those areas related to trade. It is also a dispute resolution mechanism for differences on trade policies, as well as the most important negotiation forum in matters of world trade. It is made up of 164 members (as of March 2024). Peru has been a member of the WTO since its creation in 1995, and all commercial agreements reached at the WTO have been ratified by and incorporated into its domestic law.

14. Pacific Alliance

The Pacific Alliance is a trade bloc consisting of four Latin American countries: Chile, Colombia, Mexico, and Peru. This proposal was unveiled in Peru, on April 28, 2011, through the Declaration of Lima. The aim of this partnership is to encourage regional integration and further growth, development, and competitiveness of its member countries' economies, and to progressively move closer to the goal of achieving the free movement of goods, services, capital, and people. Among these agreements to form part of the Pacific Alliance, an essential requirement set forth is that all new members of the alliance must have in place the rule of law, democracy, and constitutional order in the country.

The countries members of the Pacific Alliance represent 41% of Latin America's Gross Domestic Product (GDP) and 2.7% of the global GDP. Together, they would be the

2. Business Environment



eighth largest economy in the world. Trade represents 41% of Latin America and the Caribbean. Additionally, they were able to obtain 38% of the Direct Foreign Investment (DFI) in Latin America.

The four member countries of the Pacific Alliance have agreed to the elimination of visas between them. Under this commitment, Mexico's Department of Foreign Affairs (SRE) announced - on November 9, 2012 - the abolition of visas for Peruvian citizens. Furthermore, the Integrated Latin American Stock Market known as MILA is currently in operation. This initiative aims at achieving the stock market integration of Colombia, Peru, Chile and Mexico, which were formally incorporated in June 2014. In addition, in February of 2014, Chile, Colombia, Mexico, and Peru signed an agreement that immediately liberalized 92% of trade from the payment of custom duty tariffs and a uniform customs system has been established, which entered into force on May 1, 2016. Finally, the standardization of the technical and health provisions, as well as the elimination of health barriers on exports shall be carried out after the entry into effect of the Agreement.

The Pacific Alliance has 61 Observer Members, and the Associated State figure was created in order to negotiate trade agreements with countries interested in having a more profound relationship with the Pacific Alliance.

15. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

On March 8, 2018, the ministers of foreign trade of 12 countries from the Asia-Pacific region signed the text of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In addition to Peru, the CPTPP was signed by Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Singapore, and Vietnam. Together, these countries constitute a market of 500 million people with a GDP of USD10.2 billion, accounting for over 13% of the global economy, and an average GDP per capita of approximately USD28,000.

The Agreement has entered the stage of internal improvement which, in many cases, implies prior approval of the respective Parliaments of each country that has signed it. Among the items included in the Agreement, there are issues related to regional integration, regulatory coherence, economic development, access of SMEs to the markets, competitiveness and transparency, as well as commitments to liberalize the trade of goods and services of the latest generation of Free Trade Agreements.

Peru has become one of the three nations in Latin America to be part of the largest free trade zone in the world, which includes countries on three continents (the Americas, Asia, and Oceania). It is the area with the greatest economic projection in the immediate future, due to the growth of its middle



class. For Peru, the CPTPP represents a major commercial platform to diversify the destinations of its exports in ten countries, improving the conditions of the free trade agreements currently in force with some of them.

It should be noted that the potential market for fruits and vegetables, Andean grains, fishery products, and cotton and alpaca textile products is valued at over USD2.5 billion. In this sense, growth opportunities for non-traditional exports will also increase within the CPTPP bloc. Furthermore, the CPTPP will contribute to convert Peru into a hub, attracting South American investment to export with preferences to the other countries of the CPTPP, and investment from the Asia-Pacific to export to the rest of South America through the trade agreements that Peru has signed with the countries of the region.

16. Peru-Australia Free Trade Agreement

The Peru-Australia Free Trade Agreement was signed on February 12, 2018, and entered into force on February 11, 2020. The FTA with Australia is one of the most ambitious bilateral trade agreements that Peru has entered into with any of its trading partners, containing commitments regarding tariffs, health measures, technical barriers to trade, customs matters, trade in services, investments, movement of individuals, e-commerce, and more. It is also the first bilateral trade agreement in which Peru has included a chapter on Small and Medium-

Sized Enterprises (SMEs), Development; and Facilitation of Business, in an effort to promote the use of benefits derived from the FTA. Thus, the broad scope of the FTA with Australia seeks to contribute to the country's economic growth and development.

This agreement will allow 96% of all Peruvian exports to Australia to enter the country without paying tariffs as soon as the FTA enters into force. Special note should be made of products with great potential as exports that will enter tariff-free, such as avocados, blueberries, mandarin oranges, frozen shrimp and prawns, cuttlefish, and preparations used for animal feed, cotton polo shirts and t-shirts, dress shirts, chemical inputs, construction equipment, iron and steel manufacture, zinc manufacture, and others. Additionally, the agreement establishes a framework intended to guarantee the transparency and efficiency of health and phytosanitary procedures, thus facilitating trade in agricultural products.

Likewise, the trade agreement seeks to eliminate or reduce any existing barriers to trade in services. In particular, it benefits all internet- and cloud-based services and guarantees that software, applications, games for cell phones and tablets, and digital products in general can all be sold without restrictions.

17. Peru's Upcoming Trade Agreements

As part of efforts deployed to expand and strengthen the market for Peruvian products worldwide, Peru and Turkey began negotiations for a Free Trade Agreement (FTA) between the two countries on January 20, 2014. An important fact is that it has been decided for the negotiations to include liberalization of trade in services, which is something that Turkey had never negotiated in earlier agreements from the start. The products enjoying a greater interest on the part of Turkey include mining, fisheries, livestock, leather, and fur.

Central America and the Caribbean are other regions where a significant business and investment potential for Peruvian companies has been identified. Likewise, negotiations have been initiated with El Salvador and Nicaragua, which are expected to be concluded in a short period.

Peru is also taking the initiative to promote the start of trade negotiations with India. One of the interests in future negotiations with India is to strengthen openness and trade preferences for Peru in a market that concentrates one sixth (1/6th) of the world's population. In an initial MINCETUR study, 61 Peruvian products have been identified (52 belonging to the Non-traditional Sector) in which Peru has significant comparative advantages and where India would have a relatively high purchasing power.

Additionally, on June 28, a series of agreements were signed to strengthen the comprehensive, strategic partnership between Peru and the People's Republic of China:

- ▶ Protocol defining the phytosanitary requirements for exporting fresh grapes from Peru to China.
- ▶ Protocol establishing the inspection, quarantine, and veterinary health requirements for donkey meat and its byproducts exported from Peru to China.
- ▶ Protocol determining the inspection, quarantine, and veterinary health requirements for donkey/horse hides destined for processing, which will be exported from Peru to China.
- ▶ Memorandum of Understanding to establish the Joint Action Plan 2024-2029.
- ▶ Memorandum establishing the mechanism for strategic dialogue on economic cooperation between both governments.
- ▶ Memorandum for strengthening digital economics between the National Office of Statistics of the People's Republic of China and the Office of the Prime Minister and the Ministry of industries and Fisheries of Peru.
- ▶ Memorandum of Understanding for the establishment of a cooperation mechanism in the field of commercial defense between the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPi) and the Ministry of Trade of the People's Republic of China.
- ▶ Memorandum of Understanding for cooperation in the field of consumer rights protection between INDECOPi and the State Administration for Market Regulation of the People's Republic of China.



- ▶ Memorandum of Understanding between the China Media Group of the People's Republic of China and the National Institute of Radio and Television of the Republic of Peru.
- ▶ First Addendum to the Memorandum of Understanding for cooperation in science, technology, and innovation between the National Council for Science, Technology and Technological Innovation of the Republic of Peru and the Ministry of Science and Technology of the People's Republic of China.
- ▶ Memorandum of Understanding establishing the China-Peru Business Council.

Finally, exploratory work will soon begin with a view to initiating negotiations for future Free Trade Agreements (FTA) of Peru with Indonesia and Hong Kong, China.

Peru's entry to the Schengen area

Until December 2024, Peruvians will not require a Schengen visa, thanks to notable improvements in the economic, social and political sphere, which have laid the foundations for the elimination of restrictions and have led to greater integration between Peru and European trading partners. Peruvians can travel to the 27 countries of the European Union, as well as Iceland, Liechtenstein, Norway and Switzerland, without a visa, for a period of up to 90 days of each 180-day period for tourism purposes.

With regard to the integration between the European continent and Peru, it must be noted that this approach has been operated at three levels: an initial macro level based on the cooperation and integration actions taken between the EU and the Community of American and Caribbean States (CELAC) an intermediate level within the context of the agreement between the EU and the Andean Community of Nations (CAN), and a third level that includes the bilateral relations between Peru and Europe.

Since 2025, the European Travel Information and Authorization System (ETIAS) will come into force, which allows, previous payment, the processing of an electronic identification document used to enter the countries of the Schengen area, as well as Bulgaria, Cyprus and Romania.

This system, designed to enhance security and better manage the flow of visa-exempt visitors, will identify and mitigate security risks, irregular migration and epidemics. The authorization will be valid for three years or until the expiration of the passport, allowing stays of up to 90 days in a 180 day period.

For further information on Peruvian trade agreements, visit <https://www.acuerdoscomerciales.gob.pe/>



5

Peru and the organization for economic co-operation and development (OECD)

Peru aspires to become a member country of the Organization for Economic Co-operation and Development (OECD). To date, it has made great strides towards the achievement of this goal, since the incorporation of Peru in July 2008 as a signatory of the Declaration on International Investment and Multinational Enterprises of the OECD. As a member, Peru, through ProInversión implemented the National Contact Point in order to diffuse the directives of the OECD for multinational enterprises, taking part in activities and meeting of the OECD Investment Committee. Its participation in the OECD Competence Committee and its entry to the Development Center in 2014 must also be mentioned.

The purpose of the OECD is to analyze, share and disseminate better practices of public policies among its more than 200 committees and work groups, located in countries that represent 80% of all global trade and investments. Similarly, the countries of the OECD and a growing number of emerging and developing economies, share and discuss their governance experiences to improve the services provided to their citizens.

At present, the OECD is comprised by 38 countries: Germany, Australia, Austria, Belgium, Canada, Chile, Colombia, South Korea, Costa Rica, Denmark, Spain, United States, Slovenia, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Norway, New Zealand, Netherlands, Poland, Portugal, United Kingdom, Czech Republic, Slovakia, Sweden, Switzerland and Turkey.

In view of Peru's great potential for economic consolidation, in December of 2014, Peru signed the "Country Program" agreement, aimed at working on strengthening the five required axes that would pave the way to form part of the OECD:

1. Identification of barriers to national growth and development
2. Public governance and improvement of institutional issues
3. Anti-corruption and transparency of the State
4. Improvements in human capital and productivity
5. Progress made in environmental matters



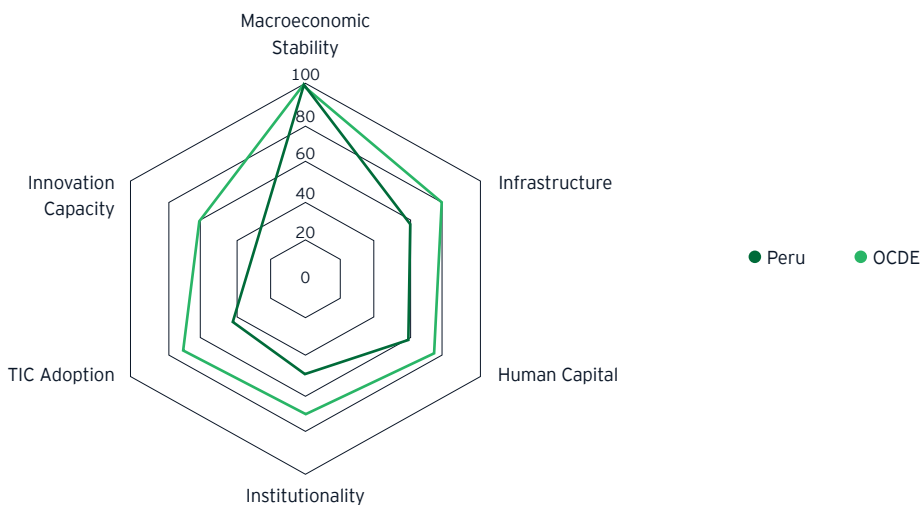
Peru has resorted to the experience, practices, and legal instruments of the OECD to support its reform program. For example, in 2018, Peru took a significant leap in fighting corruption and fostering transparency and the exchange of information by completing the necessary steps to become a Party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention) and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

Peru also passed 29 legislative orders (decretos legislativos) that implement the recommendations of the OECD and other political regulations in areas such as the environment, waste management, transparency, the exchange of information on tax matters, regulatory policy, cross-border bribery, integrity, and rural and urban development.

In January 2022, Peru was invited to become a member of the OECD. However, the accession process may take from three to five years, since the OECD will first conduct a rigorous, detailed evaluation of Peru and its compliance with international standards, as expressed in the decisions, recommendations, declarations, and international agreements promoted by the organization.

In 2023, Peru has created a permanent Multisectoral Commission in charge of following up on Peru's OECD accession actions, as well as incorporating the figure of Peru's High Representative in charge of coordinating with the Multisectoral Commission.

Gaps for Peru as a percentage of the OECD



Source: Multiannual Macroeconomic Framework 2024-2027. Ministry of Economy and Finance (MEF).

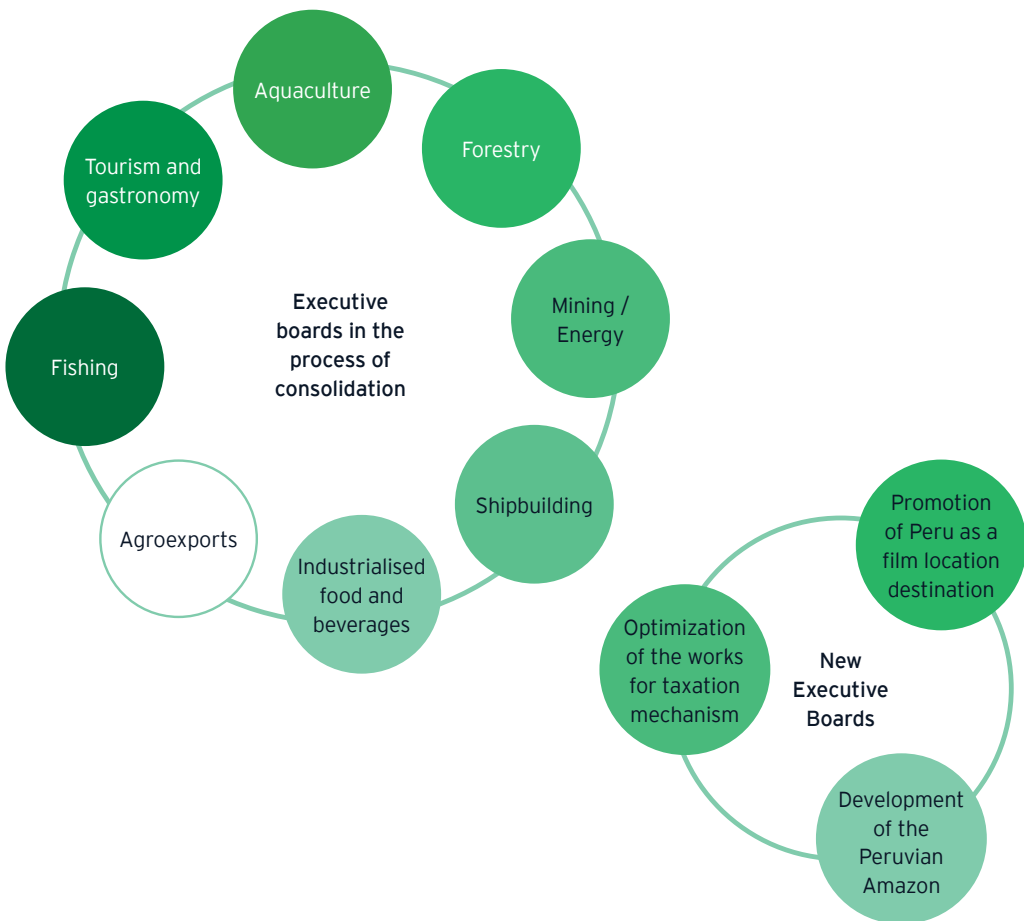
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In June 2023, Peru submitted the Initial Memorandum to the OECD, which is currently under assessment by the OECD's 24 committees, including the Economic and Development Review, Investment, Education Policy, Digital Economic Policy, Health, Public Governance, among others.

The assessment process includes information gathering, evaluations and delivery of recommendations, and can take between three and five years. Once all countries have agreed, Peru would be invited to become an official member of the OECD.

Executive boards



Source: Multiannual Macroeconomic Framework 2024-2027. Ministry of Economy and Finance (MEF).



3

Sector analysis



1

Mining

The Mining Sector has been and is of great importance to the Peruvian economy. The country's mining tradition has been around since pre-Inca times, ranking to this day as one of the main activities related to the development of Peru. Thus, over the years, mining has contributed approximately one half of the country's revenues, as a result of its exports.

In 2023, the mining and metals GDP grew 9.5%; in 2024, mining and metals sector is expected to grow by 2.0% thanks to higher production among mining companies, as well as the start-up of new projects.

As of 2023, mining exports reached USD35.4 billion.

Production of the fine contents minerals (thousands)

| Ore | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|---------|---------|---------|--------|--------|--------|---------|
| Copper (FMT) | 2,446 | 2,437 | 2,455 | 2,150 | 2,299 | 2,438 | 3,408 |
| Gold (Fine Gr) | 151,964 | 140,211 | 128,413 | 88,054 | 96,585 | 96,733 | 100,139 |
| Zinc (FMT) | 1,473 | 1,474 | 1,404 | 1,335 | 1,532 | 1,369 | 1,815 |
| Silver (Fine Kg) | 4,418 | 4,160 | 3,860 | 2,724 | 3,309 | 3,079 | 3,201 |
| Lead (FMT) | 307 | 289 | 308 | 242 | 264 | 255 | 273 |
| Iron (FMT) | 8,806 | 9,534 | 10,120 | 8,894 | 12,149 | 12,937 | 12,986 |
| Tin (FMT) | 18 | 19 | 20 | 21 | 27 | 28 | 52 |
| Molybdenum (FMT) | 28 | 28 | 30 | 32 | 34 | 32 | 33 |

Source: Ministry of Energy and Mines (MINEM).

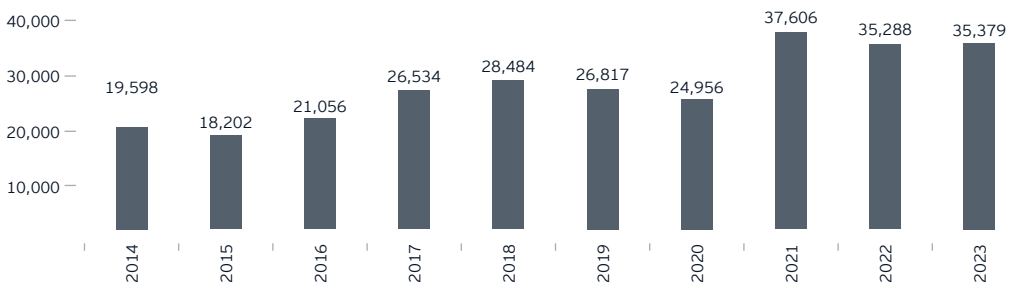
Peru's ranking in world metals production - 2023

| Ore | Latin American Ranking | Global Ranking |
|------------|------------------------|----------------|
| Zinc | 1 | 2 |
| Tin | 1 | 4 |
| Mercury | 1 | 4 |
| Selenium | 1 | 9 |
| Copper | 2 | 3 |
| Silver | 2 | 3 |
| Molybdenum | 2 | 3 |
| Lead | 2 | 5 |
| Cadmium | 2 | 8 |
| Gold | 2 | 11 |

Peru is one of the countries with the greatest variety of minerals in the world. It currently has some of the world's largest precious metal and base metal mines. Many of the most important mining companies around the world have operations in the country.

Source: US Geological Survey 2024, Reuters.

Evolution of traditional mining export (in USD millions)



Source: Central Reserve Bank of Peru (BCRP), National Superintendency of Customs and Tax Administration (SUNAT).

Non-metallic mining production

| Metal (TM) | 2022 | 2023 | Var. % |
|--------------------|------------|------------|--------|
| Limestone/Dolomite | 33,785,786 | 38,127,782 | 12.9% |
| Phosphates | 10,954,831 | 11,920,187 | 8.8% |
| Concrete | 5,510,374 | 5,477,433 | -0.6% |
| Calcite | 1,897,847 | 1,767,556 | -6.9% |
| Sand (coarse/fine) | 1,661,991 | 2,110,771 | 27.0% |
| Salt | 1,093,559 | 1,008,624 | -7.8% |
| Silica | 688,473 | 728,120 | 5.8% |
| Travertine | 483,505 | 631,434 | 30.6% |

Source: Ministry of Energy and Mines (MINEM).

3. Sector Analysis



This is how Peru finds itself among the six countries with the highest mineral wealth in the world. In 2023, Peru is the second largest producer of zinc, third in copper and silver, and fourth in tin worldwide. It is the biggest producer of zinc, tin, mercury and selenium in Latin America.

Although Peru has large deposits of various mineral resources, it is estimated that only a small percentage of Peru's mineral reserves are being exploited, since 20.4% of the territory is subject to mining concessions and only 1.52% of the territory is developed for formal mining exploration and exploitation. According to recent statistics, Peruvian production ranges are minimal considering the country's mineral potential. However, using modern techniques and equipment, it is developing the commercial potential of various minerals from regions previously considered inaccessible.

Peru has many regions engaged in mining, a wide variety of world-class mineral deposits, and a very dynamic mining community. It also boasts of an excellent geographical location in the center of South America, with easy access to the Asian and North American markets. Even within Latin America, Peru enjoys one of the largest potentials for mining exploration and production. Moreover, its clear and simple mining laws, and excellent geological potential, have contributed to Peru attracting one of the largest projects for mineral exploration and development in the world. Therefore, it is believed that Peru has the ability to double or triple production, especially in the area of basic metals.

Currently, there is a growing number of exploration projects in Peru, which come mainly from junior Canadian companies. However, medium and large companies in the United States, Australia, China, and Brazil

are also becoming important investors in exploration. Although there is a great variety in the scale of exploration programs of large, medium and junior companies, it is believed that most large and medium sized companies are concentrating on advanced projects that will lead to production; or in some cases, that will make them more attractive for acquisition, while the emphasis of junior companies remains at the early exploration stage. Simultaneously, total expenditure on mineral exploration has increased in recent years with some fluctuations, since producers see it as a more economical and less risky means to replace and add mineral reserves. Today, the level and the success of exploration have a direct influence on the future competitiveness of mineral production in Peru.

The following table shows a list of estimated reserves of major minerals in the country.

| Metal reserves | |
|---------------------------|-------------|
| Ore | Metric Tons |
| Copper (in thousands) | 120,000 |
| Gold | 2,300 |
| Zinc (in thousands) | 21,000 |
| Silver | 110,000 |
| Molybdenum (in thousands) | 1,500 |
| Tin | 130,000 |
| Lead (in thousands) | 5,000 |

Source: US Geological Survey 2024.

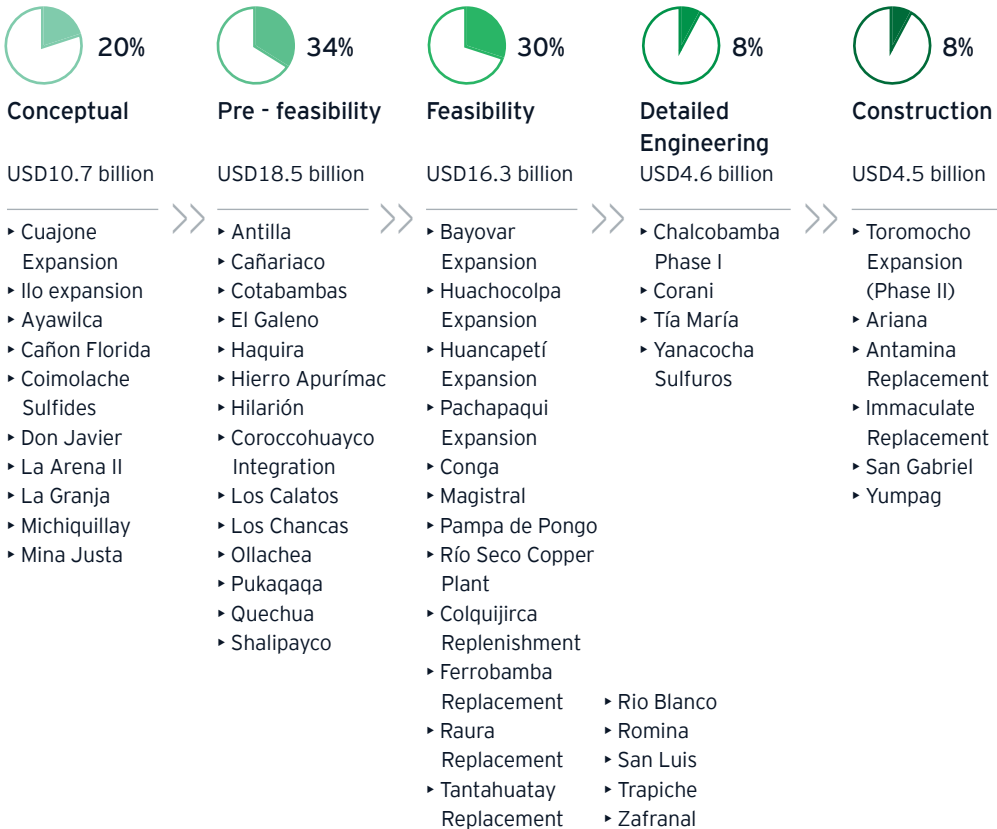
Mine construction project portfolio is shown herein below:

Portfolio of mining projects

According to the Ministry of Energy and Mines (MINEM), investment in mining construction projects during 2024-2027 is estimated to be equivalent to USD54.6 billion; 73% will be invested in copper projects and the majority of the remaining percentage shall be used in gold and iron projects.

The following graph and table show the 51 portfolio projects, which comprise those that involve the construction of new mines (greenfield), the expansion or restructuring of existing ones (brownfield) as well as those involving the reuse of tailings (greenfield).

Investment in mining construction projects according to their stage of progress



Estimated portfolio as of February, 2024. Projects are shown in random positions.

Source: Ministry of Energy and Mines (MINEM).

3. Sector Analysis



Out of the 51 projects, six are currently in the mining construction phase, with an investment of USD4.5 billion. Likewise, four projects are in the detailed engineering phase with an investment of USD4.6 billion; 17 projects are in the feasibility phase with an

investment of USD16.3 billion; 14 projects are in the pre-feasibility phase with an investment of USD18.5 billion and the remaining 10 projects are in conceptual phase with a USD10.7 billion investment.

Mining construction project portfolio

| Construction start date | Start-up | Project | Operator | Region | Main Ore | Current stage | Investment (in USD millions) |
|-------------------------|----------|--------------------------------|---------------------------------------|-----------|----------|--------------------|------------------------------|
| 2022 | 2025 | San Gabriel | Compañía de Minas Buenaventura S.A.A. | Moquegua | Gold | Construction | 470 |
| 2023 | 2024 | Toromocho Expansion (Phase II) | Minera Chinalco Perú S.A. | Junín | Copper | Construction | 815 |
| 2023 | 2024 | Yumpag | Compañía de Minas Buenaventura S.A.A. | Pasco | Silver | Construction | 110 |
| 2023 | 2024 | Inmaculada Replacement | Compañía Minera Ares S.A.C | Ayacucho | Gold | Construction | 1,319 |
| 2024 | 2024 | Antamina Replacement | Compañía Minera Antamina S.A. | Áncash | Copper | Construction | 1,604 |
| 2024 | 2027 | Corani | Bear Creek Mining S.A.C. | Puno | Silver | Detail engineering | 579 |
| 2024 | 2024 | Raura Replacement | Compañía Minera Raura S.A. | Huánuco | Zinc | Feasibility | 76 |
| 2024 | 2024 | Tantahuatay Replacement | Compañía Minera Coimolache S.A. | Cajamarca | Gold | Feasibility | 127 |
| 2024 | 2024 | Chalcobamba Phase I | Minera Las Bambas S.A. | Apurímac | Copper | Detail engineering | 130 |
| 2024 | 2029 | Huancapetí Expansion | Compañía Minera Lincuna S.A. | Ancash | Zinc | Feasibility | 345 |
| 2024 | 2026 | Romina | Compañía Minera Chungar S.A.C. | Lima | Zinc | Feasibility | 150 |

| Construction start date | Start-up | Project | Operator | Region | Main Ore | Current stage | Investment (in USD millions) |
|-------------------------|---------------|---------------------------|---|--------------|------------|-----------------|------------------------------|
| 2025 | 2028 | Zafranal | Compañía Minera Zafranal S.A.C. | Arequipa | Copper | Feasibility | 1,263 |
| 2025 | 2028 | Pampa de Pongo | Jinzhao Mining Perú S.A. | Arequipa | Iron | Feasibility | 1,781 |
| 2026 | 2028 | Trapiche | El Molle Verde S.A.C. | Apurímac | Copper | Feasibility | 1,038 |
| 2027 | 2028 | Integration Coroccohuayco | Compañía Minera Antapaccay S.A. | Cusco | Copper | Pre-feasibility | 1,500 |
| 2029 | 2032 | Coimolache Sulfides | Compañía Minera Coimolache S.A. | Cajamarca | Copper | Conceptual | 598 |
| To be defined | 2027 | Mina Justa | Marcobre S.A.C. | Ica | Copper | Conceptual | 500 |
| To be defined | 2029 | Ilo Expansion | Southern Peru Copper Corporation, Peru | Moquegua | Copper | Conceptual | 1,354 |
| To be defined | 2030 | Los Chancas | Southern Perú Copper Corporation, Peru | Apurimac | Copper | Pre-feasibility | 2,600 |
| To be defined | 2032 | Michiquillay | Southern Perú Copper Corporation, Peru | Cajamarca | Copper | Conceptual | 2,500 |
| To be defined | To be defined | Bayovar Expansion | Mining Company Miski Mayo S.R.L. | Piura | Phosphates | Feasibility | 450 |
| To be defined | To be defined | Cuajone Southern | Perú Copper Corporation Expansion, Peru | Moquegua | Copper | Conceptual | 871 |
| To be defined | To be defined | Huachocolpa Expansion | Compañía Minera Kolpa S.A. | Huancavelica | Silver | Feasibility | 167 |
| To be defined | To be defined | Pachapaqui Expansion | ICM Pachapaqui S.A.C. | Ancash | Zinc | Feasibility | 117 |
| To be defined | To be defined | Antilla | Antilla Copper S.A. | Apurimac | Copper | Pre-feasibility | 250 |
| To be defined | To be defined | Ariana | Ariana Mining Operations S.A.C. | Junin | Copper | Construction | 140 |

3. Sector Analysis



| Construction start date | Start-up | Project | Operator | Region | Main Ore | Current stage | Investment (in USD millions) |
|-------------------------|---------------|-----------------------|--------------------------------------|--------------|----------|-----------------|------------------------------|
| To be defined | To be defined | Ayawilca | Tinka Resources S.A.C. | Pasco | Zinc | Conceptual | 264 |
| To be defined | To be defined | Cañariaco | Cañariaco Copper Perú S.A. | Lambayeque | Copper | Pre-feasibility | 1,043 |
| To be defined | To be defined | Cañon Florida | Nexa Resources Peru. S.A.A. | Amazon | Zinc | Conceptual | 214 |
| To be defined | To be defined | Conga | Minera Yanacocha S.R.L. | Cajamarca | Gold | Feasibility | 4,800 |
| To be defined | To be defined | Cotabambas | Panoro Apurímac S.A. | Apurímac | Copper | Pre-feasibility | 1,486 |
| To be defined | To be defined | Don Javier | Junefield Group S.A. | Arequipa | Copper | Conceptual | 600 |
| To be defined | To be defined | El Galeno | Lumina Copper S.A.C. | Cajamarca | Copper | Pre-feasibility | 3,500 |
| To be defined | To be defined | Haquira | Minera Antares Perú S.A.C. | Apurímac | Copper | Pre-feasibility | 1,860 |
| To be defined | To be defined | Hierro Apurímac | Apurímac Ferrum S.A.C. | Apurímac | Iron | Pre-feasibility | 2,900 |
| To be defined | To be defined | Hilarión | Nexa Resources Peru. S.A.A. | Áncash | Zinc | Pre-feasibility | 585 |
| To be defined | To be defined | La Arena II | La Arena S.A. | La Libertad | Copper | Conceptual | 1,364 |
| To be defined | To be defined | Los Calatos | Minera Hampton Perú S.A.C | Moquegua | Copper | Pre-feasibility | 655 |
| To be defined | To be defined | La Granja | Minera La Granja S.A.C. | Cajamarca | Copper | Conceptual | 2,400 |
| To be defined | To be defined | Magistral | Nexa Resources Peru. S.A.A. | Ancash | Copper | Feasibility | 493 |
| To be defined | To be defined | Ollachea | Minera Kuri Kullu S.A. | Puno | Gold | Pre-feasibility | 126 |
| To be defined | To be defined | Río Seco Copper Plant | Procesadora Industrial Río Seco S.A. | Lima | Copper | Feasibility | 410 |
| To be defined | To be defined | Pukaqaqa | Nexa Resources Peru. S.A.A. | Huancavelica | Copper | Pre-feasibility | 655 |
| To be defined | To be defined | Quechua | Compañía Minera Quechua S.A. | Cusco | Copper | Pre-feasibility | 1,290 |

| Construction start date | Start-up | Project | Operator | Region | Main Ore | Current stage | Investment (in USD millions) |
|--------------------------|---------------|-------------------------|---|-----------|----------|--------------------|------------------------------|
| To be defined | To be defined | Colquijirca Replacement | Sociedad Minera El Brocal S.A.A. | Pasco | Copper | Feasibility | 431 |
| To be defined | To be defined | Ferrobamba Replacement | Minera Las Bambas S.A. | Apurimac | Copper | Feasibility | 1,753 |
| To be defined | To be defined | Río Blanco | Río Blanco Copper S.A. | Piura | Copper | Feasibility | 2,792 |
| To be defined | To be defined | San Luis | Reliant Ventures S.A.C. | Ancash | Silver | Feasibility | 90 |
| To be defined | To be defined | Shalipayco | Nexa Resources Peru. S.A.A. | Junin | Zinc | Pre-feasibility | 91 |
| To be defined | To be defined | Tía María | Southern Perú Copper Corporation, Sucursal del Perú | Arequipa | Copper | Detail engineering | 1,400 |
| To be defined | To be defined | Yanacocha Sulfides | Minera Yanacocha S.R.L. | Cajamarca | Copper | Detail engineering | 2,500 |
| Total 51 projects | | | | | | | 54,556 |

Estimated portfolio as of February, 2024. Projects are shown in random positions.
Source: Ministry of Energy and Mines (MINEM).

Beginning of construction of mining constructions projects



Estimated portfolio as of February, 2024. Projects are shown in random positions.
Source: Ministry of Energy and Mines (MINEM).

Construction of projects according to type of project



32 GREENFIELD Projects
USD38.5 billion



19 BROWNFIELD Projects
USD16.1 billion

New Projects

- ▶ Antilla
- ▶ Ariana
- ▶ Ayawilca
- ▶ Cañariaco
- ▶ Cañón Florida
- ▶ Conga
- ▶ Corani
- ▶ Cotabambas
- ▶ Don Javier
- ▶ El Galeno
- ▶ Haquira
- ▶ Hierro Apurímac
- ▶ Hilarión
- ▶ La Granja
- ▶ Los Calatos
- ▶ Los Chancas
- ▶ Magistral
- ▶ Michiquillay
- ▶ Ollachea
- ▶ Pampa de Pongo
- ▶ Planta de Cobre Río Seco
- ▶ Pukaqaqa
- ▶ Quechua
- ▶ Río Blanco
- ▶ Romina
- ▶ San Gabriel
- ▶ San Luis
- ▶ Shalipayco
- ▶ Tía María
- ▶ Trapiche
- ▶ Yumpag
- ▶ Zafranal

Expansion Projects

- ▶ Bayóvar Expansion
- ▶ Cuajone Expansion
- ▶ Huachocolpa Expansion
- ▶ Huancapetí Expansion
- ▶ Ilo expansion
- ▶ Pachapaqui Expansion
- ▶ Toromocho Expansion (Phase II)

Replacement Projects

- ▶ Chalcobamba Phase I
- ▶ Coroccohuayco Integration
- ▶ Mina Justa
- ▶ Antamina Replacement
- ▶ Colquijirca Replacement
- ▶ Ferrobamba Replacement
- ▶ Immaculate Replacement
- ▶ Raura Replacement
- ▶ Tantahuatay Replacement

New Projects

- ▶ Coimolache Sulfides
- ▶ Yanacocha Sulfides
- ▶ La Arena II

Estimated portfolio as of February, 2024. Projects are shown in random positions.
Source: Ministry of Energy and Mines (MINEM).

Origin of mining projects portfolio by country

| Country | No. of Projects | In USD Millions | % |
|----------------|-----------------|-----------------|-------------|
| China | 7 | 11,371 | 20.8% |
| Canada | 9 | 10,335 | 18.9% |
| Mexico | 7 | 9,450 | 17.3% |
| United States | 3 | 7,750 | 14.2% |
| Australia | 2 | 4,504 | 8.3% |
| Peru | 10 | 3,811 | 7.0% |
| United Kingdom | 4 | 2,240 | 4.1% |
| Brazil | 5 | 2,038 | 3.7% |
| Switzerland | 2 | 1,650 | 3.0% |
| Japan | 1 | 1,290 | 2.4% |
| South Korea | 1 | 117 | 0.2% |
| Total | 51 | 54,556 | 100% |

Estimated portfolio as of February, 2024.

Source: Ministry of Energy and Mines (MINEM).

Portfolio of mining projects, participation by predominant mineral

| Ore | No. of Projects | In USD Millions | % |
|--------------|-----------------|-----------------|-------------|
| Copper | 31 | 39,795 | 72.9% |
| Gold | 5 | 6,842 | 12.5% |
| Iron | 2 | 4,681 | 8.6% |
| Zinc | 8 | 1,842 | 3.4% |
| Silver | 4 | 946 | 1.7% |
| Phosphates | 1 | 450 | 0.8% |
| Total | 51 | 54,556 | 100% |

Estimated portfolio as of February, 2024.

Source: Ministry of Energy and Mines (MINEM).



Mining exploration project portfolio

In addition, Peru has a portfolio of 75 mining exploration projects, the total investment of which amounts to USD644 million.

The following investments correspond to new projects to be developed in the following years.

| Project | Operator | Region | Main Product | Investment (in USD millions) |
|---|---|-----------|--------------|------------------------------|
| Exploration projects underway or to be executed | | | | |
| Achatayhua | Achatayhua Metals Perú S.A.C. | Arequipa | Iron | 2.0 |
| Antamayo | Teck Perú S.A. | Áncash | Copper | 1.0 |
| Antarumi | Alpayana S.A. | Áncash | Copper | 2.1 |
| Carhuacayán | Compañía Minera Chungar S.A.C. | Junín | Zinc | 11.1 |
| Caylloma | Minera Bateas S.A.C. | Arequipa | Silver | 3.7 |
| Chacapampa | Anthony Mining S.A.C. | Apurímac | Copper | 1.8 |
| Colorado | Minera Yanacocha S.R.L. | Cajamarca | Gold | 5.6 |
| Coloso | Huarmy Colosal S.A.C. | Áncash | Gold | 12.5 |
| Colpayoc | Colpayoc S.A.C. | Cajamarca | Gold | 2.1 |
| Crespo II | Compañía Minera Crespo S.A.C. | Cusco | Silver | 1.7 |
| Curibaya | Magma Minerals S.A.C. | Tacna | Silver | 4.7 |
| El Carmen | Nexa Resources Perú S.A.A. | Ica | Copper | 1.6 |
| Gabán | Winshear de Perú S.A.C. | Puno | Gold | 1.6 |
| Jasperoide | C3 Metals Perú S.A.C. | Cusco | Copper | 12.7 |
| Lezard | Black Swan Minerals S.A.C. | Lima | Zinc | 3.0 |
| Los Chapitos | Camino Resources S.A.C. | Arequipa | Copper | 1.3 |
| Los Perdidos II | Nexa Resources Perú S.A.A. | Áncash | Zinc | 6.8 |
| María Cecilia Dos | Minera María Cecilia Ltd. - Sucursal Perú | Áncash | Copper | 5.0 |
| Nikolauz | Río Tinto Mining and Exploration S.A.C. | Huánuco | Nickel | 3.7 |
| Oasis | Minera Anaconda Perú S.A. | Arequipa | Copper | 8.5 |
| Pampa Esperanza | Pampa Esperanza Resources S.A.C. | Moquegua | Copper | 2.4 |
| Paraíso | Oz Minerals Perú S.A.C. | Arequipa | Copper | 3.9 |
| Picha | Kiwanda S.A.C. | Moquegua | Copper | 25.0 |
| Pucasalla | Nexa Resources Perú S.A.A. | Ica | Copper | 8.6 |
| Quicay II | Corporación Minera Centauro S.A.C. | Pasco | Copper | 28.5 |
| Quimsachata | Minsur S.A. | Arequipa | Copper | 2.2 |
| Sallahue Norte | Minera Las Bambas S.A. | Apurímac | Copper | 2.1 |
| Soledad | Chakana Resources S.A.C. | Áncash | Copper | 23.0 |
| Sumac Wayra | Minsur S.A. | Lima | Copper | 7.0 |
| Umami | Vale Exploration Perú S.A.C. | Áncash | Copper | 2.1 |
| Usicayos | Palamina S.A.C | Puno | Gold | 6.4 |
| Yumpag Carama | Compañía de Minas Buenaventura S.A.A. | Pasco | Silver | 48.9 |

| Project | Operator | Region | Main Product | Investment (in USD millions) |
|---|--|--------------|--------------|------------------------------|
| Exploration projects under assessment for authorization | | | | |
| Alpamarca | Nexa Resources Atacocha S.A.A. | Pasco | Lead | 3.6 |
| Atravesado | Candelaria Resources S.A.C. | Arequipa | Copper | 6.5 |
| Azulccacca | Minera Las Bambas S.A. | Apurímac | Copper | 3.6 |
| Azulmina | Nexa Resources Perú S.A.A. | Áncash | Zinc | 6.9 |
| Bordebamba | Minera Las Bambas S.A. | Apurímac | Copper | 3.6 |
| Chaska | Vale Exploration Perú S.A.C. | Moquegua | Copper | 3.9 |
| Condorillo | Compañía Minera Ares S.A.C. | Ayacucho | Silver | 2.5 |
| Corvinón | Compañía Minera Ares S.A.C. | Tacna | Copper | 2.3 |
| Dorita | Sociedad Minera Reliquias S.A.C. | Huancavelica | Silver | 5.2 |
| Esperanza | Amaru Resources S.A.C. | Arequipa | Copper | 1.0 |
| Huarangayoc | Nexa Resources Perú S.A.A. | Áncash | Copper | 4.4 |
| Huatana | BHP World Exploration Inc. Sucursal del Perú | Huancavelica | Copper | 1.0 |
| Huilacollo | Vale Exploration Perú S.A.C. | Tacna | Copper | 6.9 |
| La Zanja | Minera La Zanja S.R.L. | Cajamarca | Gold | 10.0 |
| Las Defensas | Compañía Minera Poderosa S.A. | La Libertad | Gold | 68.5 |
| Mara | Rio Tinto Mining and Exploration S.A.C. | Apurímac | Copper | 16.5 |
| Miscanthus | Sumitomo Metal Mining Perú S.A. | Ayacucho | Gold | 1.5 |
| Mónica Lourdes | Nexa Resources Perú S.A.A. | Ayacucho | Copper | 6.9 |
| Palca | Compañía Minera Poderosa S.A. | La Libertad | Gold | 51.0 |
| Patacancha | Nexa Resources Perú S.A.A. | Lima | Zinc | 6.8 |
| Quelcaya | Macusani Yellowcake S.A.C. | Puno | Lithium | 5.6 |
| San Martín | Hannan Metals Perú S.A.C. | San Martín | Copper | 4.2 |
| Sara | Nexa Resources El Porvenir S.A.C. | Pasco | Zinc | 4.5 |
| Silvia | Darwin Perú S.A.C. | Huánuco | Copper | 5.0 |
| Tambomayo | Compañía de Minas Buenaventura S.A.A. | Arequipa | Gold | 23.9 |
| Tassa | Teck Perú S.A. | Moquegua | Silver | 2.8 |
| Willay | Vale Exploration Perú S.A.C. | Arequipa | Copper | 4.7 |

3. Sector Analysis



| Project | Operator | Region | Main Product | Investment (in USD millions) |
|---|--|--------------|--------------|------------------------------|
| Projects with Environmental Management Instruments (EMI) under evaluation | | | | |
| Antapata | Rio Tinto Mining and Exploration S.A.C. | Apurímac | Copper | 11.3 |
| Atalaya | Compañía Minera Santa Luisa S.A. | Áncash | Zinc | 8.6 |
| Berenguela | Aftermath Silver Peru S.A.C. | Puno | Silver | 5.0 |
| C.P.S. N°1 | Shougang Hierro Perú S.A.A. | Ica | Iron | 10.7 |
| Candelaria | Candelaria Resources S.A.C. | Moquegua | Copper | 5.3 |
| El Padrino | Nexa Resources Perú S.A.A. | Áncash | Zinc | 7.8 |
| Falchani | Macusani Yellowcake S.A.C. | Puno | Lithium | 15.0 |
| Grace 10, Surapata y Amparo | Apumayo S.A.C. | Ayacucho | Gold | 1.1 |
| María Reyna | Hudbay Perú S.A.C. | Cusco | Copper | 13.3 |
| Pinaya | Kaizen Discovery Perú S.A.C. | Puno | Gold | 6.6 |
| Pucajirca | Minera Peñoles de Perú S.A. | Áncash | Copper | 2.5 |
| Qanqawa | Minera Peñoles de Perú S.A. | Apurímac | Copper | 1.2 |
| Qoya - Chullo | BHP World Exploration Inc. Sucursal del Perú | Arequipa | Copper | 1.3 |
| Quellopunta | Teck Perú S.A. | Huancavelica | Copper | 4.9 |
| Romina 2 | Compañía Minera Chungar S.A.C. | Lima | Zinc | 28.7 |
| Valiente | Hannan Resources Perú S.A.C. | Huánuco | Copper | 5.2 |
| Total 75 projects | | | | 644.2 |

Estimated portfolio as of February 2024. Projects are shown in random positions.

Source: Ministry of Energy and Mines (MINEM).

Mine exploration projects according to progress stage



Evaluation of Environmental Impact Assessment USD128 million

- Antapata
- Atalaya
- Berenguela
- C.P.S. N°1
- Candelaria
- El Padrino
- Falchani
- Grace 10, Surapata y Amparo
- María Reyna
- Pinaya
- Pucajirca
- Qanqawa
- Qoya - Chullo
- Quellopunta
- Romina 2
- Valiente

Evaluation of Exploration Authorization USD263 million

- Alpamarca
- Atravesado
- Azulccacca
- Azulmina
- Bordebamba
- Chaska
- Condorillo
- Corvinón
- Dorita
- Esperanza
- Huarangayoc
- Huatana
- Huilacollo
- La Zanja
- Las Defensas
- Mara
- Miscanthus
- Mónica
- Lourdes
- Palca
- Patacancha
- Quelcaya
- San Martín
- Sara
- Silvia
- Tambomayo
- Tassa
- Willay

Exploration Running or to Run USD253 million

- Achatayhua
- Antamayo
- Antarumi
- Carhuacayán
- Caylloma
- Chacapampa
- Colorado
- Coloso
- Colpayoc
- Crespo II
- Curibaya
- El Carmen
- Gabán
- Jasperoide
- Lezard
- Los Chapitos
- Los Perdidos II
- María Cecilia Dos
- Nikolauz
- Oasis
- Pampa Esperanza
- Paraíso
- Picha
- Pucasalla
- Quicay II
- Quimsachata
- Sallahue Norte
- Soledad
- Sumac Wayra
- Umami
- Usicayos
- Yumpag Carama

Estimated portfolio as of February 2024. Projects are shown in random positions.
Source: Ministry of Energy and Mines (MINEM).

Mine exploration projects according to mineral to extract

| Ore | No. of Projects | In USD millions | % |
|--------------|-----------------|-----------------|---------------|
| Copper | 40 | 254.0 | 39.4% |
| Gold | 12 | 190.8 | 29.5% |
| Iron | 2 | 12.7 | 2.0% |
| Lead | 1 | 3.6 | 0.6% |
| Lithium | 2 | 20.6 | 3.2% |
| Nickel | 1 | 3.7 | 0.6% |
| Silver | 8 | 74.6 | 11.6% |
| Zinc | 9 | 84.2 | 13.1% |
| Total | 75 | 644.2 | 100.0% |

Estimated portfolio as of February 2024. Projects are shown in random positions.
Source: Ministry of Energy and Mines (MINEM).

3. Sector Analysis

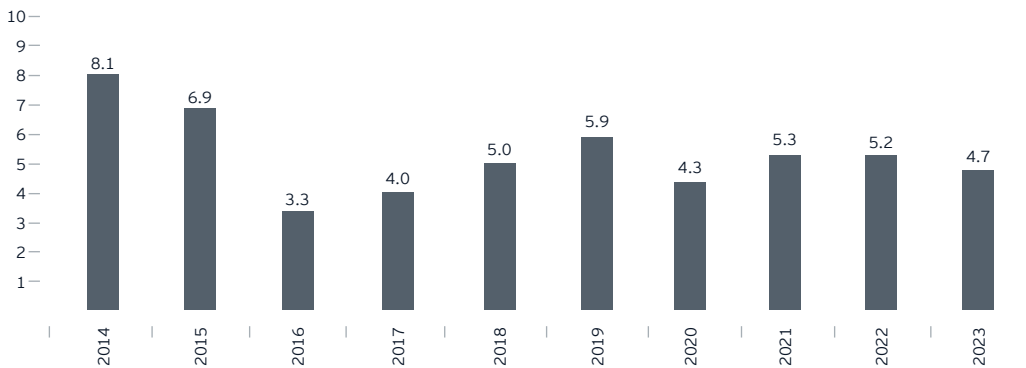


The role of government with respect to mining is that of a regulator, promoter, and observer. Currently, government has privatized much of its property and assets in the Mining Sector; thus, large mining operations are in the hands of private domestic and foreign mining companies. Mining companies are not obliged to satisfy the domestic market before exporting their products, and they are not conditioned to sell on official terms or prices. In addition, Peru offers significant

business advantages to the mining investors and abundant freedom to import the machinery and equipment needed to carry out their activities at a lower cost and with less bureaucratic requirements.

The measures introduced by Peru regarding the development of the Mining Sector are yielding favorable results. The major international mining companies perceive the country as an attractive area for investment.

Mining investment (in USD billions)



Source: Ministry of Energy and Mines (MINEM).

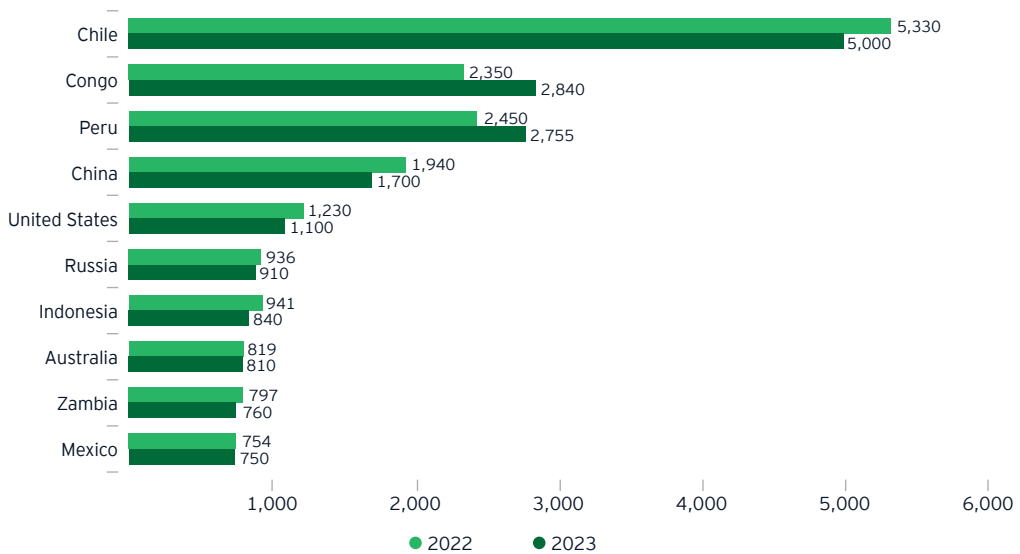
Investment in mining activities reached USD4.7 billion in 2023, where 48% of the investment was in smelting plant and infrastructure. Also, the growth of exports and global positioning are explained by a larger volume of production of the principal minerals.

Mining investments by production type (in USD millions)

| Type | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Smelting Plant | 451 | 238 | 289 | 1,425 | 1,338 | 1,441 | 1,410 | 1,335 | 1,231 |
| Mining Equipment | 669 | 388 | 495 | 661 | 1,041 | 744 | 751 | 683 | 821 |
| Exploration | 535 | 377 | 493 | 431 | 356 | 216 | 336 | 423 | 433 |
| Infrastructure | 1,233 | 1,079 | 1,588 | 1,081 | 1,337 | 859 | 1,402 | 1,252 | 1,034 |
| Development and Preparation | 383 | 350 | 390 | 755 | 1,118 | 390 | 597 | 931 | 904 |
| Others | 3,599 | 903 | 724 | 609 | 720 | 676 | 767 | 610 | 292 |
| Total | 6,870 | 3,335 | 3,978 | 4,962 | 5,908 | 4,325 | 5,263 | 5,235 | 4,715 |

Source: Ministry of Energy and Mines (MINEM).

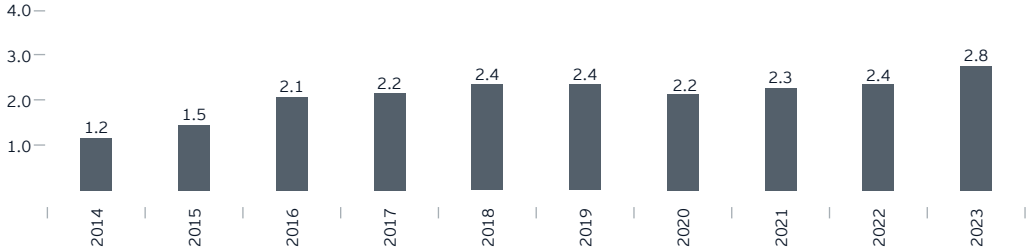
World's main copper producers (in millions of tons)



Source: US Geological Survey, Reuters.

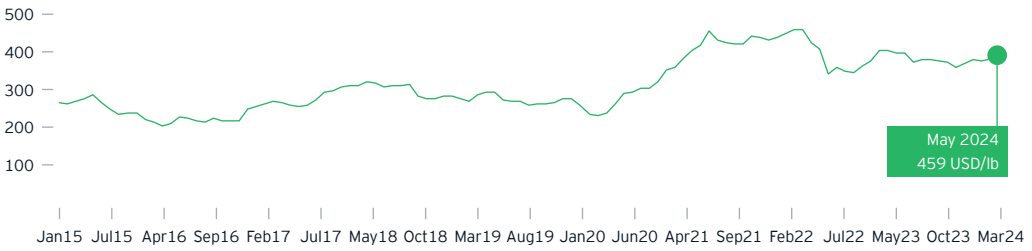
3. Sector Analysis

Copper production (in millions of tons)



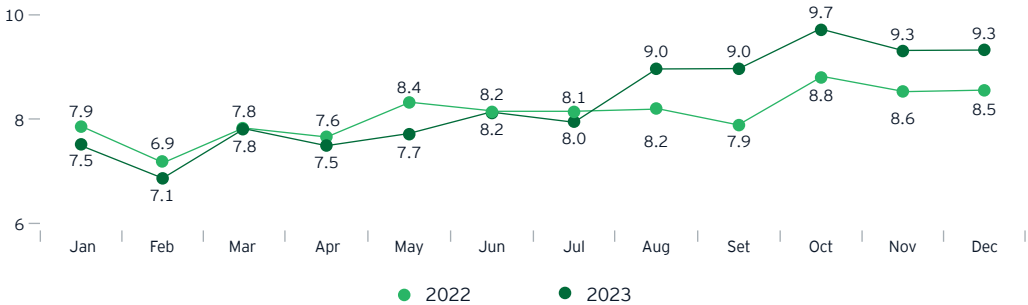
Source: Ministry of Energy and Mines (MINEM).

International monthly copper price (USD/lb)



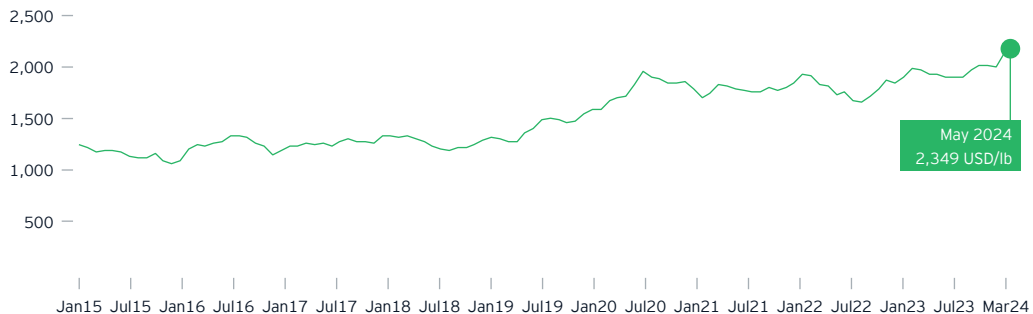
Source: Central Reserve Bank of Peru (BCRP).

Monthly gold production (TMF)



Source: Ministry of Energy and Mines (MINEM).

International monthly gold price (USD/lb)



Source: Central Reserve Bank of Peru (BCRP).

EY and the Ministry of Foreign Affairs (MRE) prepared a specialized Investment Guide to Mining. It can be downloaded for free in: <https://www.gob.pe/institucion/rree/informes-publicaciones/4768446-guia-de-inversion-en-mineria-y-metales-del-peru-2023-2024>



②

Financial system, securities market, and pension system

1. Financial System

As of December 31, 2023, the Peruvian Financial System consisted of a total of 51 companies, divided into six groups: Banking Institutions (17), Financial Institutions (9), Non-Banking Micro-Finance Institutions (23), Banco de la Nación (1) and Banco Agropecuario (1). In this structure, Banks had the highest share in terms of assets, with 82.1% of the total, followed by Banco de la Nación, with 7.4%, and Municipal Thrifts, with 6.7%.

It is worth pointing out that the default rate of the Peruvian Financial Sector has remained at a rate of 4.6% in December 2023. Furthermore, the Level of Access to Banking Services (Bancarization) (measured as gross loans on Gross Domestic Product - GDP) increased from 22.1% in 2007 to 73.7% in December 2023. This is largely explained by the greater number of branches across the country, which has tripled in the last five years, as well as loans granted as part of the measures aimed at mitigating the impact of the pandemic.

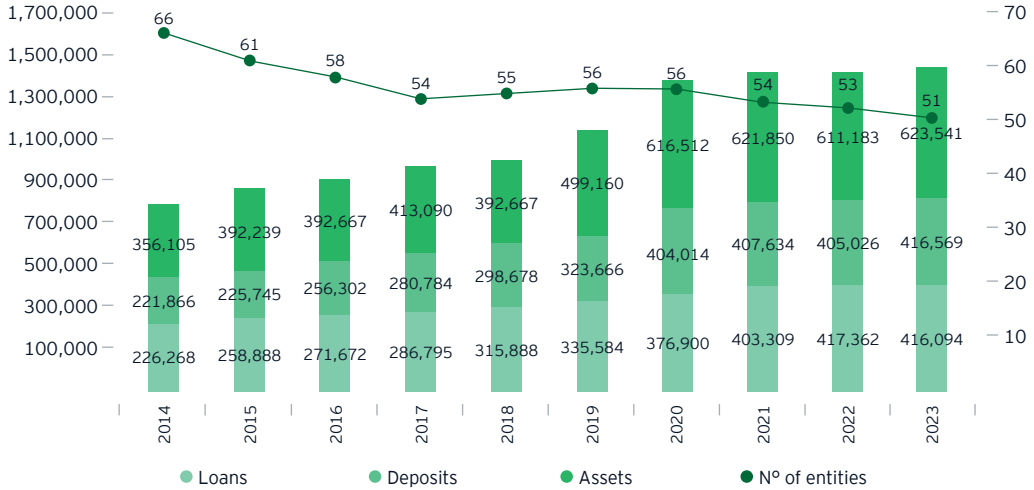
There is a Deposit Insurance Fund (FSD) that aims to protect depositors in the case that a financial institution member of FSD, where they keep deposits, should become bankrupt. This insurance covers all registered and insured deposits that depositors hold in the same financial entity for up to PEN121,500 (approximately USD32,400) for the period of June 2024 - August 2024.

Structure of the peruvian financial system (december 2023)

| | |
|---|-----------|
| Banking Institutions | 17 |
| Financial Institutions | 9 |
| Non-Banking Micro-Finance Institutions | 23 |
| ▸ Municipal Thrifts (CM) | 12 |
| ▸ Rural Savings and Loans Institutions (CRAC) | 5 |
| ▸ Credit companies | 6 |
| Banco de la Nación | 1 |
| Banco Agropecuario | 1 |
| Total | 51 |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Evolution of the financial system (in PEN thousands)



Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Evolution of total credits portfolio (in USD millions)

| | |
|------|---------|
| 2023 | 110,959 |
| 2022 | 109,228 |
| 2021 | 101,055 |
| 2020 | 104,087 |
| 2019 | 101,385 |
| 2018 | 93,735 |
| 2017 | 88,490 |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Level of access to banking services (gross loans/GDP)

| | |
|------|-------|
| 2023 | 73.8% |
| 2022 | 73.7% |
| 2021 | 73.2% |
| 2020 | 77.6% |
| 2019 | 61.3% |
| 2018 | 59.0% |
| 2017 | 55.7% |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Level of default

| | |
|------|------|
| 2023 | 4.3% |
| 2022 | 3.9% |
| 2021 | 3.7% |
| 2020 | 3.8% |
| 2019 | 3.0% |
| 2018 | 2.9% |
| 2017 | 3.0% |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Evolution of deposits (in USD millions)

| | |
|------|---------|
| 2023 | 111,085 |
| 2022 | 106,028 |
| 2021 | 102,138 |
| 2020 | 111,575 |
| 2019 | 97,784 |
| 2018 | 86,628 |
| 2017 | 86,395 |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

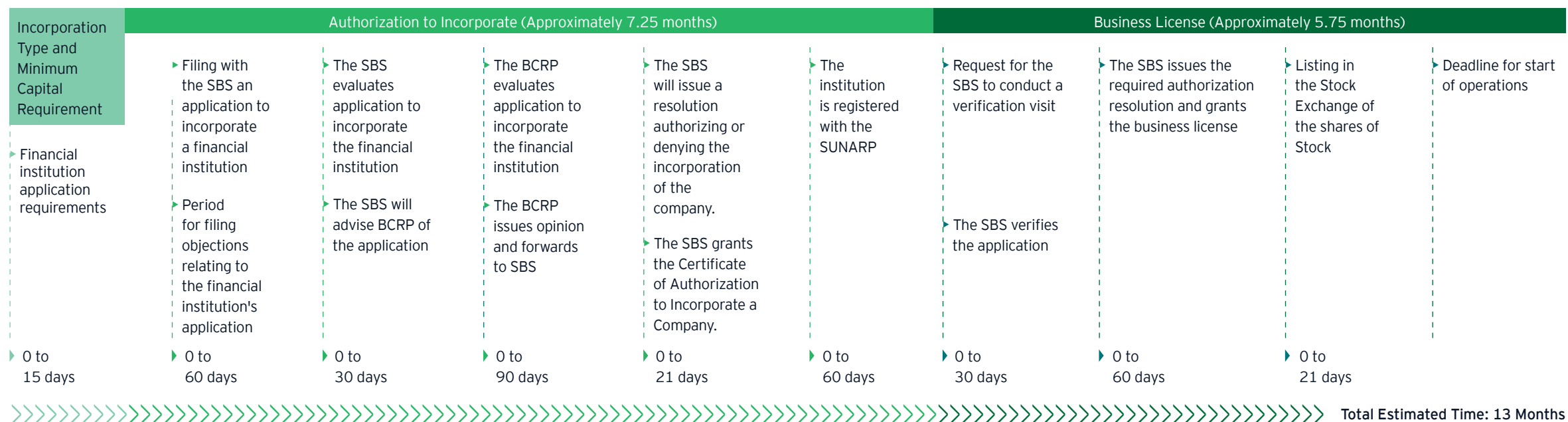


Credits in the financial system as of december 2023 (in USD millions)

| Structure | Corporate | Large Business | Medium Business | Small Business | Microenterprises | Consumer | Mortgage | Total |
|--|---------------|----------------|-----------------|----------------|------------------|---------------|---------------|----------------|
| Banking Institutions | 22,270 | 14,134 | 13,608 | 6,078 | 933 | 19,621 | 16,920 | 93,564 |
| Financial Institutions | 0 | 3 | 66 | 1,043 | 852 | 1,898 | 81 | 3,943 |
| Non-Banking Micro-Finance Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Municipal Thrifts (CM) | 50 | 15 | 505 | 4,772 | 1,848 | 1,985 | 418 | 9,593 |
| - Rural Savings and Loan Banks (CRAC) | 1 | 0 | 5 | 99 | 65 | 203 | 0 | 373 |
| - Credit companies | 7 | 41 | 164 | 132 | 46 | 290 | 60 | 742 |
| Banco de la Nación | 0 | 0 | 0 | 0 | 0 | 2,353 | 167 | 2,520 |
| Banco Agropecuario | 0 | 0 | 119 | 49 | 57 | 0 | 0 | 224 |
| Total | 22,329 | 14,194 | 14,467 | 12,172 | 3,801 | 26,349 | 17,646 | 110,959 |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Average time estimated for the incorporation of a financial institutions



Sources: Central Reserve Bank of Peru (BCRP), Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS), Superintendence of Public Records Offices (SUNARP), Lima Stock Exchange (BVL), Peruvian Securities and Exchange Superintendency (SMV), EY.

Microfinance Sector

The Global Microscope is a global microfinance study that assesses the environment for financial inclusion across five categories and 55 countries. In the 2020 edition, the Economist Intelligence Unit (EIU) examines how countries are promoting financial inclusion for both women and men.

The Microscope was originally developed for countries in the Latin America and Caribbean regions in 2007 and was expanded into a global study in 2009.

The five domains evaluated are as follows:

- Government and policy support
- Stability and integrity
- Products and outlets
- Consumer protection
- Infrastructure.

These five domains are assessed using eleven indicators:

1. Government collection of sex-disaggregated financial inclusion data
2. Inclusion of a gender approach in national financial inclusion strategies
3. Inclusion of a gender approach in financial literacy strategies and programs
4. Inclusion of a gender approach in digital literacy strategies and programs
5. Women's participation in decision-making at financial regulators

6. Non-discrimination in account opening
7. Diversity programs for non-banking or correspondent agents
8. Gender gap in access to national identification (ID)
9. Non-discrimination in access to national ID
10. Gender gap in internet access
11. Gender gap in access to a mobile telephone

Peru together with another country in the region rank first overall in the Global Microscope 2020. Compared to its scores in the previous edition of the Microscope, Peru demonstrated the greatest improvement in the domain of products and points of sale, specifically, for facilitating the use of financial inclusion services like basic accounts and electronic money. The Ministry of Development and Social Inclusion (MDS) has implemented a transfer program of emergency funds called Bono Familiar Universal. Payment can be made by direct deposit to a bank or mobile account at Banco de la Nación, or in cash at a designated agent.

Favorable environment for financial inclusion - Global microscope 2020

| Rank | Country | Points out of 100 |
|------|--------------|-------------------|
| 1 | Colombia | 82 |
| 2 | Peru | 82 |
| 3 | Uruguay | 78 |
| 4 | Argentina | 74 |
| 4 | Mexico | 74 |
| 6 | India | 73 |
| 6 | Tanzania | 73 |
| 8 | Brazil | 71 |
| 8 | Philippines | 71 |
| 10 | Indonesia | 68 |
| 10 | Rwanda | 68 |
| 12 | Chile | 66 |
| 13 | China | 64 |
| 13 | South Africa | 64 |
| 15 | Thailand | 63 |
| 16 | Costa Rica | 62 |
| 17 | El Salvador | 61 |
| 18 | Paraguay | 60 |
| 18 | Russia | 60 |
| 20 | Ghana | 59 |

Source: The Economist Intelligence Unit.

2. Securities Market

The Peruvian Securities Market consists of the primary market, in which public and private institutions issue fixed-income and equity instruments, and the secondary market, where financial intermediaries place such

instruments in the securities market through trading mechanisms and platforms, such as the Lima Stock Exchange (BVL). The Lima Stock Exchange General Index (S&P / BVL Peru General) consists of not less than 29 and not more than 41 most traded shares in the market.

During 2023, the market capitalization reached USD177.7 billion; additionally, the daily average total traded on the BVL was USD8.96 million.

The Lima Stock Exchange (BVL) is a member of the Latin American Integrated Market (MILA) an entity responsible for integrating the multi-national stock exchange through the use of technological tools and standardization of regulations on the capital market trading. Regarding authorized stock market brokers, there are 20 brokerage firms (SAB) in the country, responsible for marketing, custody, management, and advice with respect to securities trading.

Market capitalization in the BVL (in USD billion)

| Year | Total |
|------|-------|
| 2023 | 177.7 |
| 2022 | 141.7 |
| 2021 | 148.5 |
| 2020 | 165.5 |
| 2019 | 162.0 |
| 2018 | 142,4 |
| 2017 | 162.4 |
| 2016 | 124.0 |

Source: Lima Stock Exchange (BVL).

3. Sector Analysis



The Exchange Traded Fund (ETF) is an iShares stock that measures the stock exchange performance of a set of underlying securities of this investment fund. The ETF that measures the performance of securities of the economic performance of Peru (known as EPU) has shown the following evolution since April 2019:

ETF - EPU listing (USD)



Source: Bloomberg.

3. Private Pension System

The Private Pension System consists of four financial institutions responsible for the management of pension funds in the form of Individual Capitalization Accounts (CIC). The role of the Private Pension Fund Management Companies (AFPs) is to receive input from their affiliates, investing in a manner permitted by law, to provide benefits relating to retirement, disability, survivorship, and funeral expenses.

In mid-2012, the Superintendency of Banking, Insurance, and Private Pension Fund Management Companies (SBS) passed Law 29903 - Reform of the Private Pension System (SPP) whereby it seeks to increase the coverage of pension security, encourage competition between Private Pension Fund Management Companies (AFPs) and increase net returns of pension funds commissions to improve contributors' pensions.

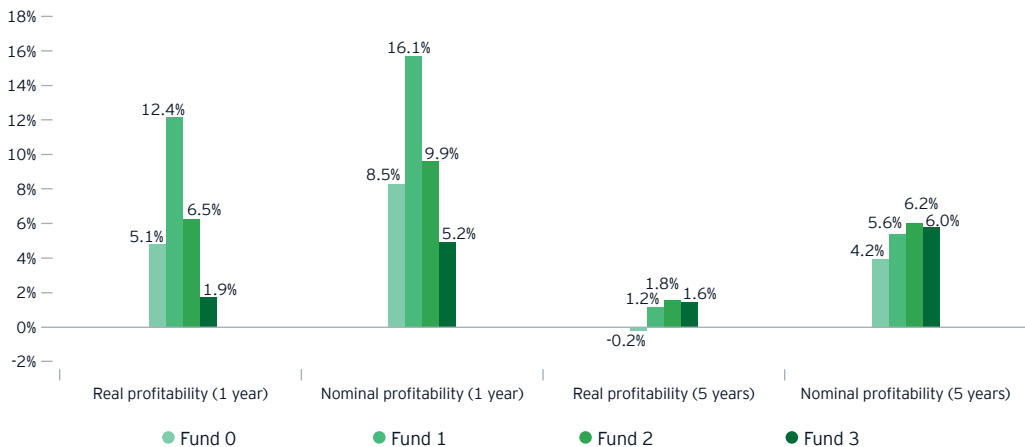
Pension system statistics as of december 2023

| | |
|---|-------------------|
| N° of Active AFP Affiliates | 9,285,783 |
| Portfolio administrated by the Private Pension Fund | USD33.160 billion |

Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

Peru has four types of funds to invest in: Fund 0 invests in instruments with very low volatility in order to protect the accumulated capital, and was launched in April 2016. Fund 1 represents investments of low volatility and thereby lower risk, basically fixed income investment. Fund 2 consists of investments of average volatility with a moderate risk, a mix between fixed and variable income. Fund 3 consists of highly volatile investments that imply greater risks.

Profitability as of december 2023



Source: Superintendence of Banking, Insurance, and Private Pension Fund Management Companies (SBS).

3

Energy

Energy demand is one of the main indicators of a growing economy. The benefits of investing in the energy sector increase growth potential and the population's wellbeing. Peru has projects involving a diverse range of energy sources, such as hydroelectric and thermal power plants, as well as a project for the mass use of natural gas for central and southern Peru, representing a capital expenditure of approximately USD900 million, with an influence in the zones of Ica, Arequipa, Ayacucho, Apurimac, Puno and Lima.

Additionally, according to the Renewable Energy Country Attractiveness Index (RECAI), Peru is the fifth most attractive country to invest in renewable energies in Latin America, positioning it among the main markets with potential for the development of projects in this sector.

Capacity for power generation with renewable energy to be exploited

As shown below, Peru is one of the countries in Latin America with one of the highest ratios of energy reserves measured as total power / capacity. This ensures relatively cheaper costs of power generation and sustainable reserves within the region.

| Energy Type | Total Power (MW) | Country's Installed Capacity (MW) | Country's Effective Potency (MW) | Total Power / Capacity (Times) |
|---------------|------------------|-----------------------------------|----------------------------------|--------------------------------|
| Hydraulic | 29,744 | 5,514 | 5,493 | 5 |
| Thermal Power | 27,216 | 9,420 | 8,659 | 3 |
| Wind | 821 | 287 | 285 | 3 |
| Solar | 1,932 | 539 | 539 | 4 |

Source: Ministry of Energy and Mines (MINEM).

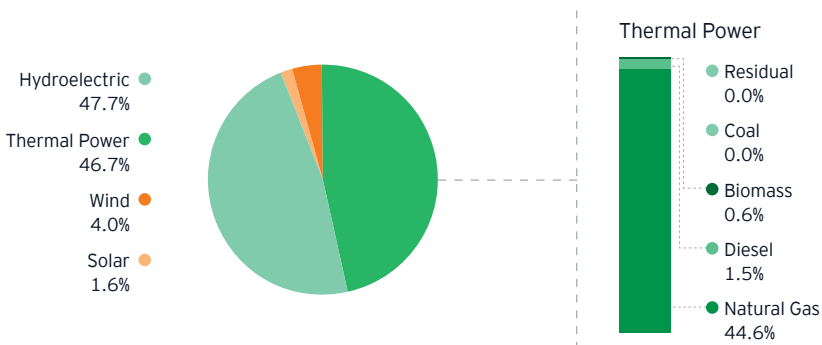
Generation dispatch

The table below shows the estimated annual generation dispatch which plans to cover the system demand, separating the power station generation by source: hydraulic, natural gas, wind energy, solar, biomass, coal, residual, and diesel.

| Source Type | 2020 | | 2021 | | 2022 | | 2023 | |
|--------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | GWh | % | GWh | % | GWh | % | GWh | % |
| Hydraulic | 29,318 | 60% | 30,664 | 57% | 28,486 | 51% | 27,864 | 48% |
| Natural Gas | 16,918 | 34% | 20,310 | 38% | 24,108 | 43% | 26,028 | 45% |
| Coal | 13 | 0% | 28 | 0% | 90 | 0% | 0 | 0% |
| Biomass | 304 | 1% | 356 | 1% | 354 | 1% | 341 | 1% |
| Wind | 1,803 | 4% | 1,801 | 3% | 1,930 | 3% | 2,353 | 3% |
| Solar | 778 | 2% | 802 | 1% | 821 | 1% | 956 | 2% |
| Residual | 9 | 0% | 8 | 0% | 10 | 0% | 0 | 0% |
| Diesel | 44 | 0% | 21 | 0% | 285 | 1% | 850 | 1% |
| Total | 49,187 | 100% | 53,990 | 100% | 56,084 | 100% | 58,394 | 100% |

Source: Economic Operation Committee for the National Interconnected System (COES SINAC).

Energy production by generation type - 2023



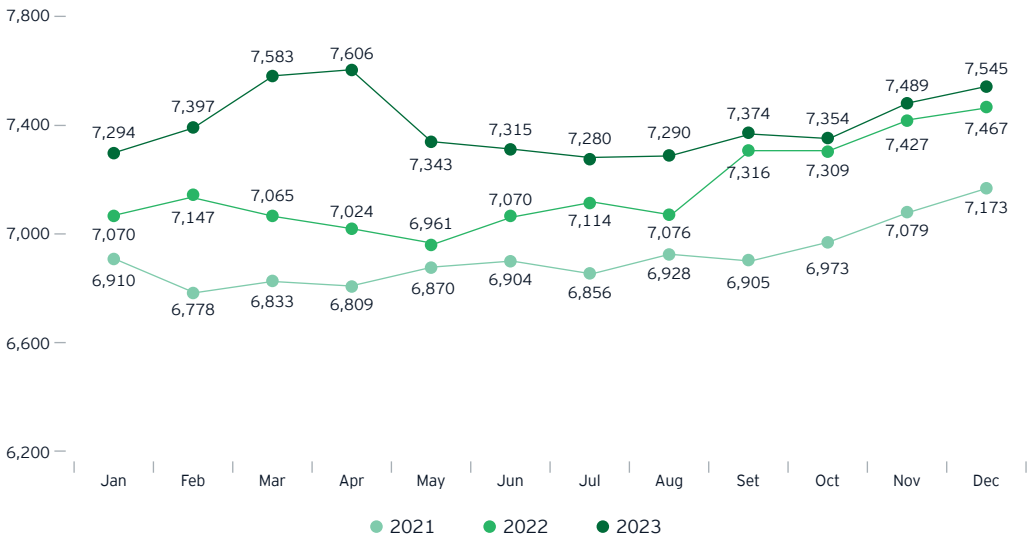
Source: Economic Operation Committee for the National Interconnected System (COES SINAC).

4

Electricity and water

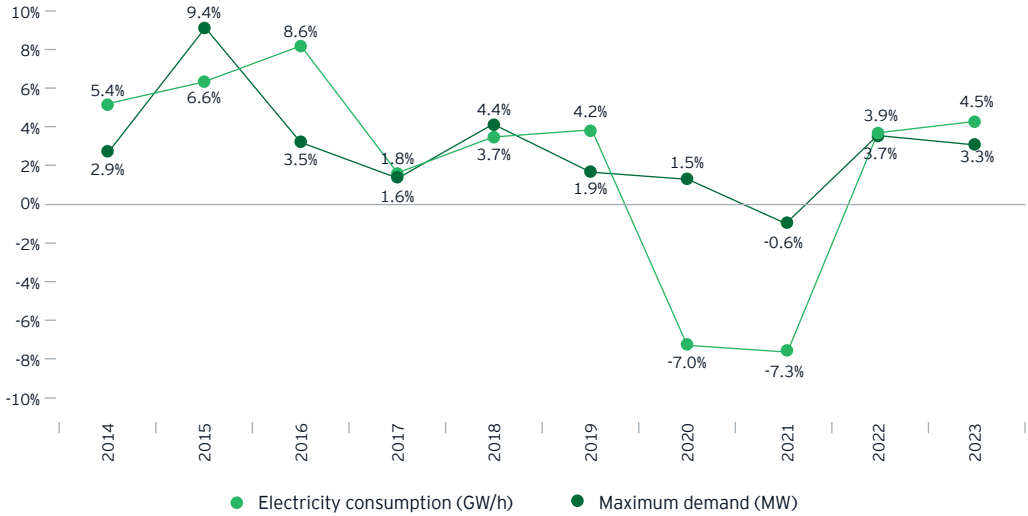
The electricity and water sectors grew by 3.7% in 2023 and is expected to grow 3.3% for 2024, driven by investment projects in the industry, as well as the strengthening of the reactivation of the other sectors of the economy.

Maximum domestic electricity demand (in MWh)



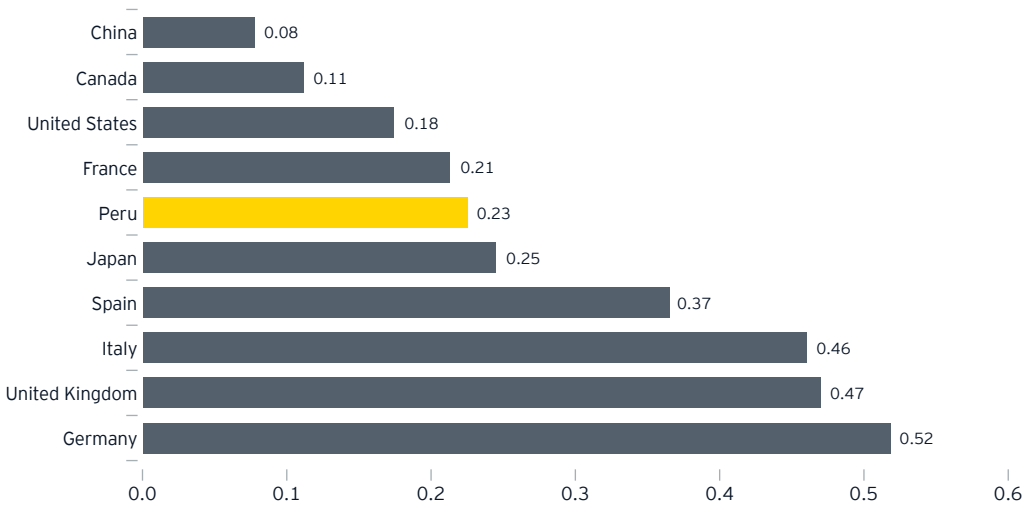
Source: Economic Operation Committee for the National Interconnected System (COES SINAC).

Annual growth of electricity consumption (percentage change)



Source: Economic Operation Committee for the National Interconnected System (COES SINAC).

Estimated cost of electricity in 2023 (in USD/kwh)



Source: World Population Review.

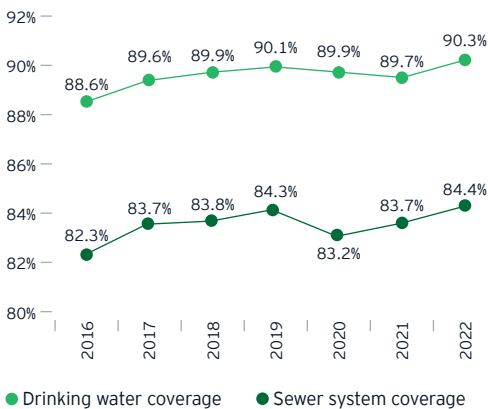


Electricity and water sector indicators

| Item | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| GVA Electricity and Water | | | | | | |
| ▶ Constant (in PEN Millions) | 9,633 | 10,012 | 9,397 | 10,200 | 10,598 | 10,989 |
| Annual Percentage Change | 4.5 | 3.9 | -6.1 | 8.6 | 3.9 | 3.7 |
| Electric Power Generation (GWh) | | | | | | |
| ▶ Hydraulic Power | 29,358 | 30,168 | 29,318 | 30,664 | 28,486 | 27,864 |
| ▶ Thermal Power | 19,220 | 20,313 | 17,288 | 20,723 | 24,847 | 27,221 |
| ▶ Wind Power | 745 | 762 | 778.0 | 802.0 | 821.0 | 956.2 |
| ▶ Solar Power | 1,494 | 1,646 | 1,803.0 | 1,801.0 | 1,930.0 | 2,353.4 |
| Total | 50,817 | 52,889 | 49,187 | 53,990 | 56,084 | 58,394 |
| National Electrification Ratio (%) | 95.5 | 95.8 | 96.3 | 95.9 | 96.2 | - |
| No. of Power Supply Customers (Thousands) | 7,424 | 7,686 | 7,896 | 8,461 | 8,745 | - |
| Production of Drinking Water (Thousands of m³) | | | | | | |
| ▶ Nacional Level | 1,457,969 | 1,485,462 | 1,512,414 | 1,512,992 | 1,557,199 | 1,588,343 |
| ▶ Lima | 729,326 | 748,492 | 757,011 | 754,057 | 780,544 | 796,155 |

Sources: National Institute of Statistics and Information (INEI), Economic Operation Committee for the National Interconnected System (COES SINAC).

Drinking water and sewer system coverage



Service coverage consists of the percentage of the population with access to drinking water or sewer system services. With the support of providers, sanitation service has experienced sustained growth in recent years.

In the case of drinking water, the average coverage nationwide went from 87% in 2014 to 90% in 2022, while sewer system services went from 81% to 84% during the same period.

Source: National Superintendency of Sanitation Services (SUNASS).

Electricity, water and sanitation target project portfolio 2024

| Project | Industry | In USD Millions |
|--|----------------------|-----------------|
| Electrical projects of the Transmission Plan | Electricity | 870 |
| Headworks | Water and Sanitation | 330 |
| Huancayo Wastewater treatment plant | Water and Sanitation | 172 |
| Chincha Wastewater treatment plant | Water and Sanitation | 70 |
| Cajamarca Wastewater treatment plant | Water and Sanitation | 56 |
| Cusco Wastewater treatment plant | Water and Sanitation | 44 |
| San Martín Wastewater treatment plant | Water and Sanitation | 105 |
| Trujillo Wastewater treatment plant | Water and Sanitation | 312 |
| Ilo Desalination plant | Water and Sanitation | 106 |
| Rural Sanitation Iquitos | Water and Sanitation | 26 |
| Total | | 2,091 |

Source: Private Investment Promotion Agency (ProInversión).



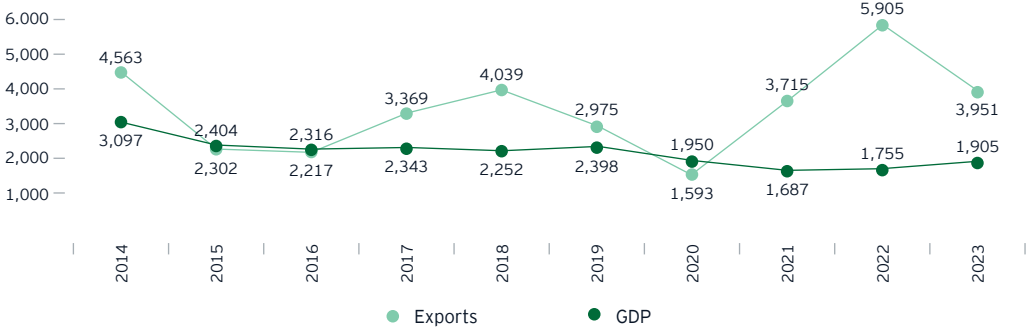
5

Hydrocarbons

The Hydrocarbons Sector grew by 0.7% in 2023 and is expected to grow by 1.5% in 2024. In 2023, oil and natural gas exploration and exploitation investments totaled USD270 million, USD268 million of which were invested in exploitation and USD2 million in exploration. Taking the official figures published by the Ministry of Energy and Mines (MINEM) in the Annual Book of Hydrocarbon Reserves

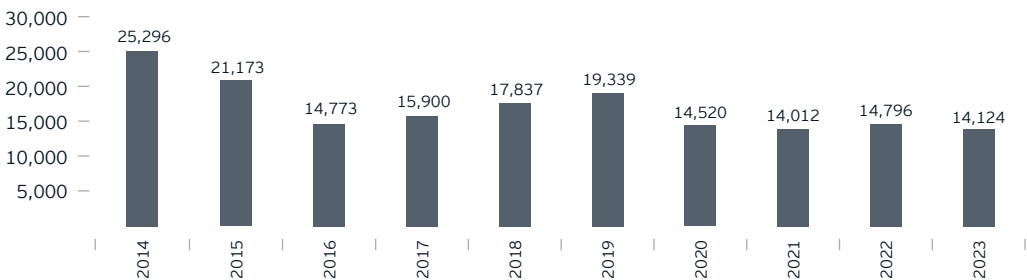
of December 2022, proven reserves are estimated in 242 million barrels of crude oil, 330 million barrels of natural gas liquids, and 8 trillion cubic feet of natural gas, which combined are equivalent to 2.1 billion barrels of oil. The same Annual Book informs that the hydrocarbon resources of the country are estimated in 12.4 billion barrels of crude oil, 972 million barrels of natural gas liquids, and 34 trillion cubic feet of natural gas. If we compare the estimated hydrocarbon resources with the estimated hydrocarbon reserves, there are major opportunities for exploration in Peru, to discover new proven hydrocarbon reserves.

Evolution of macroeconomic indicators of the hydrocarbons industry (in USD millions)



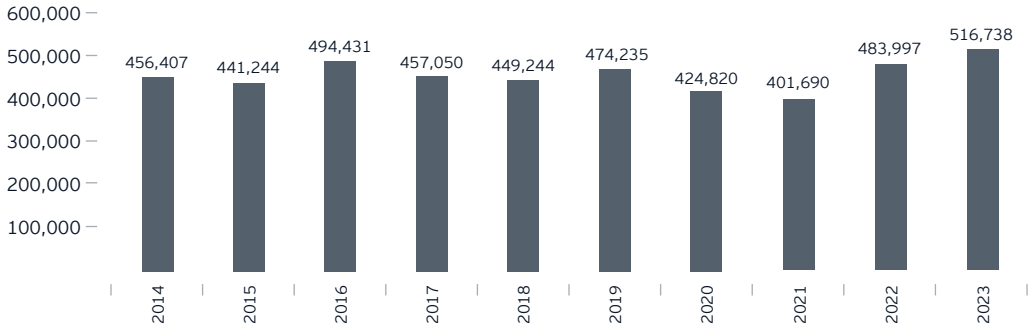
Source: Central Reserve Bank of Peru (BCRP), National Superintendency of Customs and Tax Administration (SUNAT).

Oil production (thousands of barrels per year)



Source: Perupetro.

Natural gas production (in million cubic feet per year)



Source: Perupetro.

Oil contracts

| Contract | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Exploration | 44 | 41 | 26 | 20 | 14 | 13 | 12 | 7 | 6 | 6 |
| Exploitation | 24 | 25 | 25 | 26 | 27 | 26 | 26 | 25 | 25 | 26 |
| Total | 68 | 66 | 51 | 46 | 41 | 39 | 38 | 32 | 31 | 32 |

Source: Ministry of Energy and Mines (MINEM).

Perforated wells

| Well | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|------------|-----------|-----------|------------|------------|------------|-----------|------------|-----------|-----------|
| Development | 101 | 81 | 46 | 135 | 170 | 187 | 38 | 109 | 91 | 41 |
| Confirmatory | 0 | 3 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 |
| Exploratory | 12 | 4 | 1 | 4 | 5 | 3 | 1 | 1 | 0 | 0 |
| Total | 113 | 88 | 47 | 139 | 175 | 193 | 39 | 110 | 91 | 41 |

Source: Ministry of Energy and Mines (MINEM).

EY and the Ministry of Foreign Affairs (MRE) have prepared a special Energy Investment Guide. It can be downloaded for free:
<https://www.gob.pe/institucion/rree/informes-publicaciones/1755224-peru-guide-to-investing-in-energy-projects-in-peru-2021-2022>





6

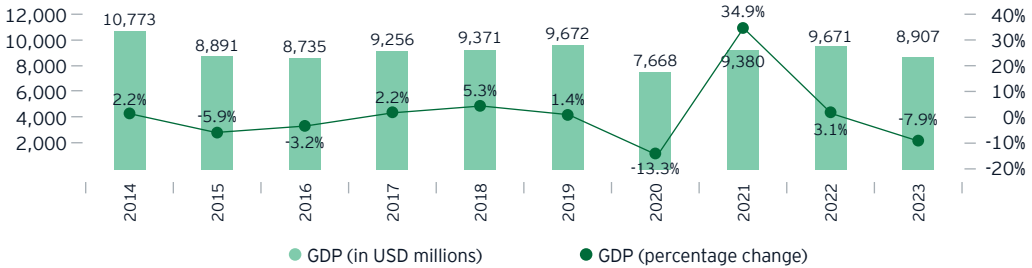
Construction

The construction sector is one of the most important and dynamic sectors of the Peruvian economy, as it directly contributes to the creation of basic infrastructure.

Growth in this sector has been driven by higher income being earned in households, public and private investments, and improved financing terms for housing acquisition.

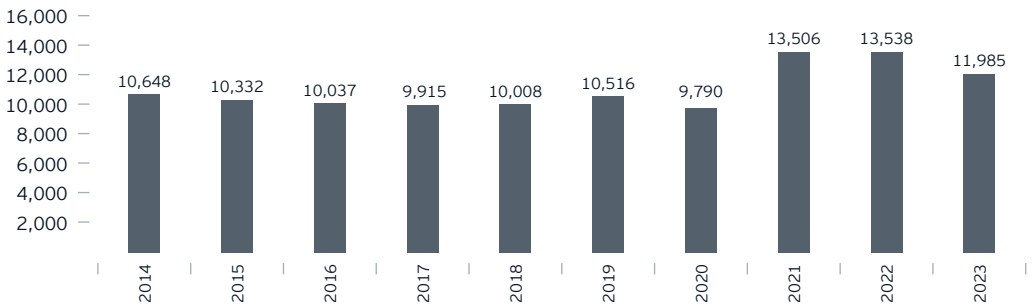
The construction sector had a decrease of 7.9% in 2023, however, an increase of 3.2% is estimated for 2024.

Evolution of the construction sector



Source: Central Reserve Bank of Peru (BCRP).

Total cement dispatch (thousands of MT)



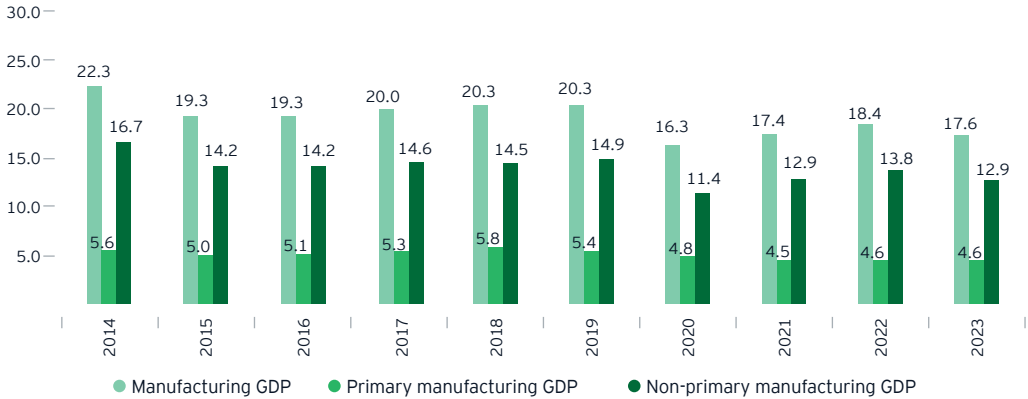
Source: Cement Manufacturers Association (ASOCEM).

7

Manufacturing

The manufacturing sector has been one of the hardest hit by the quarantine imposed in an attempt to halt the spread of COVID-19. In 2023, primary manufacturing decreased 1.8% and non-primary manufacturing in 8.2%. In 2024, a growth of 4.5% and 2.7% is estimated for primary and non-primary manufacturing.

Manufacturing sector GDP evolution (in USD billions)



Source: Central Reserve Bank of Peru (BCRP).

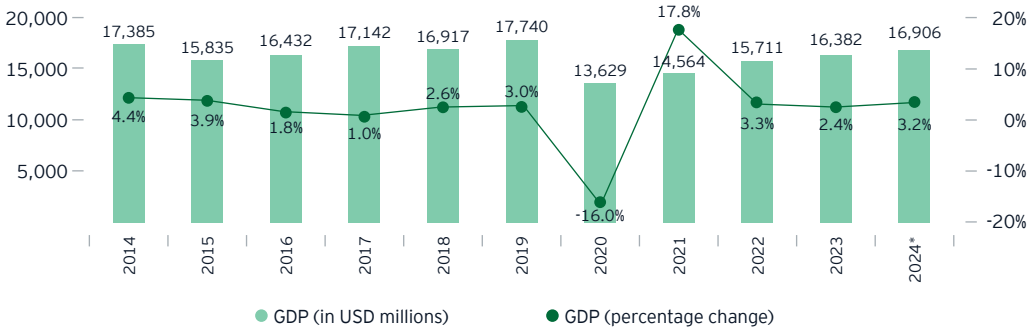


8

Trade and domestic consumption

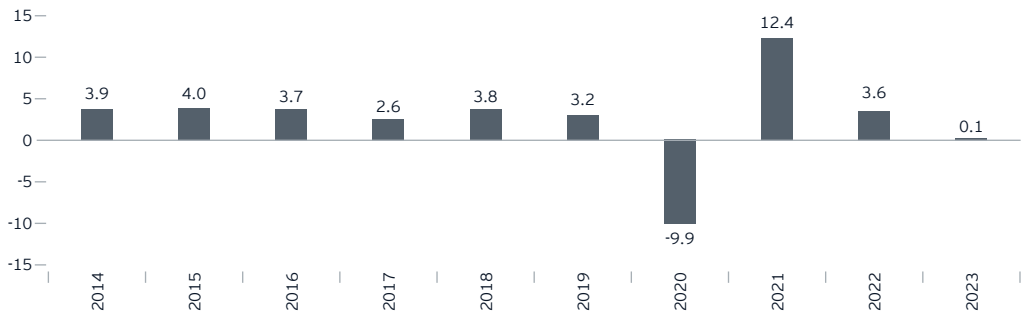
According to the Ministry of Economy and Finance (MEF) in recent years, the country's economic growth has developed largely due to private spending, which is in turn broken down into private consumption and private investment. The recovered dynamism of economic activity can be seen in the growth of the trade sector by 2.4% in 2023. This sector is expected to grow by 3.2% in 2024.

Evolution of trade industry



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

Evolution of private consumption (in percentage)



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

E-commerce growth (electronic commerce)

E-commerce has grown significantly over the last ten years. In 2009, Peru accounted for just 1.7% of all e-commerce in the region, while in 2023 it grew by 5.6%, reaching a total of USD6.6 billion in sales, ranking Peru sixth in online sales in Latin America. By 2028, e-commerce sales are projected to reach USD10.9 billion.

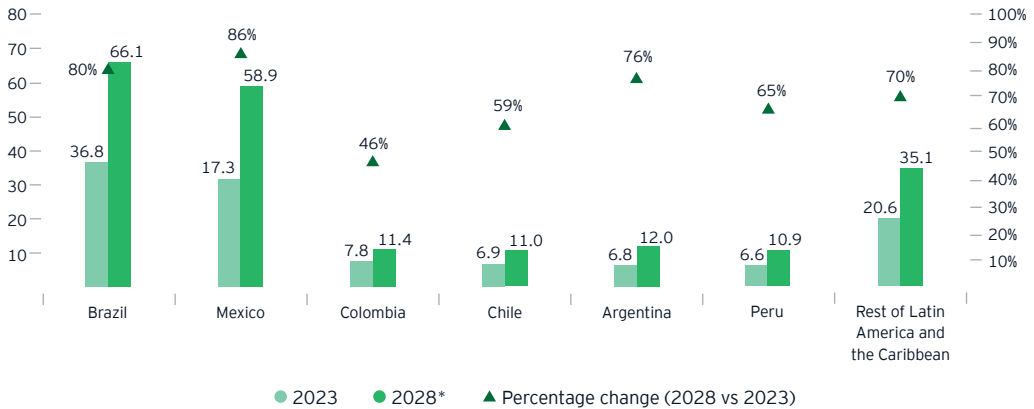
According to the Peruvian Association of Shopping Centers (ACCEP), sales reported by member shipping centers totaled PEN31 billion in 2023 (approximately USD8.2 billion), which is 2% higher than in 2022.

Inventory in shopping malls (S2, 2022)

| Category | Shops |
|----------------|--------------|
| Super Regional | 2,196 |
| Regional | 919 |
| Community | 338 |
| Lifestyle | 317 |
| Total | 3,770 |

Source: Colliers International Peru.

Biggest e-commerce markets in Latin America and the Caribbean 2023-2028 (USD billions)



*Projection online retail sales.

Source: Statista Digital Market Outlook.



9

Agriculture and Agribusiness

Agriculture and livestock

The agriculture and livestock sector grew by 4.5% in 2022, thanks to the higher supply of products aimed at both foreign and domestic markets. The agriculture sector is expected to grow 3.5% in 2024.

Gross value of agricultural and livestock production (in PEN millions)

| Activity | 2021 | 2022 | 2023 | 2024* |
|---------------------------|--------|--------|--------|--------|
| Agriculture | 23,318 | 24,566 | 23,654 | 24,482 |
| Livestock | 9,632 | 9,878 | 9,789 | 10,132 |
| Agriculture and Livestock | 32,950 | 34,444 | 33,443 | 34,614 |
| % Change | 4.6% | 4.5% | -2.4% | 3.5% |

*Projection. June 2024 Inflation Report.

Source: Ministry of Agricultural Development and Irrigation (MIDAGRI), Central Reserve Bank of Peru (BCRP).

Agriculture and livestock production by sub-sector (in thousands of tons)

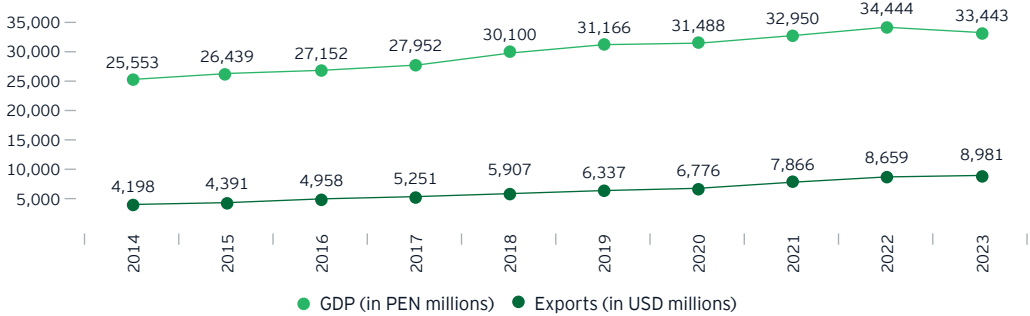
| Major Products | 2023 | % |
|--------------------------------|---------------|---------------|
| Agricultural Sub-Sector | | |
| Sugar cane | 10,088 | 26.5% |
| Alfalfa | 7,139 | 18.8% |
| Potato | 5,430 | 14.3% |
| Rice | 3,367 | 8.8% |
| Banana | 2,414 | 6.3% |
| Yucca | 1,508 | 4.0% |
| Oil Palm | 1,450 | 3.8% |
| Yellow corn | 1,331 | 3.5% |
| Grape | 1,022 | 2.7% |
| Mandarin | 665 | 1.7% |
| Oranges | 583 | 1.5% |
| Onion | 537 | 1.4% |
| Mango | 388 | 1.0% |
| Coffee | 369 | 1.0% |
| Asparagus | 356 | 0.9% |
| Lemon | 327 | 0.9% |
| Maize | 317 | 0.8% |
| Tomato | 225 | 0.6% |
| Olive | 207 | 0.5% |
| Cacao | 167 | 0.4% |
| Garlic | 97 | 0.3% |
| Quinoa | 70 | 0.2% |
| Total | 38,055 | 100.0% |

Livestock Sub-Sector

| | | |
|--------------------------|--------------|---------------|
| Milk | 2,192 | 38.9% |
| Poultry | 2,166 | 38.4% |
| Eggs | 503 | 8.9% |
| Bovine | 385 | 6.8% |
| Pork | 249 | 4.4% |
| Other livestock products | 147 | 2.6% |
| Total | 5,642 | 100.0% |

Source: Ministry of Agricultural Development and Irrigation (MIDAGRI).

Macroeconomic evolution of the agricultural and livestock sector



Source: Ministry of Agricultural Development and Irrigation (MIDAGRI), Central Reserve Bank of Peru (BCRP).

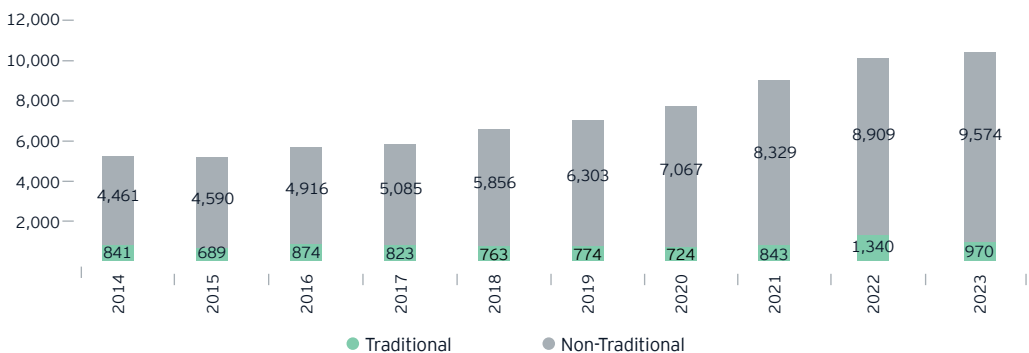
Agribusiness

Peru's immense biodiversity allows for the farming of many interesting endemic agricultural crops for the international market, many of which have already succeeded in positioning themselves, offering niches for potential investments.

Peru, and especially its Andean territory, produces a variety of grains, such as kiwicha, quinoa, tarwi, and cañihua, among others,

which are highly desirable due to their high protein content and their nutritional qualities. There is also a potential market for legumes such as fava beans and different kinds of corn, not to mention potatoes, which are grown in over 2,000 varieties in Peru, the vast majority of which are unknown outside Peru. The Amazon jungle, for its part, is home to exotic fruits such as cocona, guanabana or soursop, aguaje, and camu camu, all of which are increasingly consumed in Asian countries.

Traditional and non-traditional agricultural exports (in USD millions)



Source: Ministry of Agricultural Development and Irrigation (MIDAGRI).



Main agricultural export 2023

| Descriptions | Net weight (t) | FOB (in USD millions) |
|--|----------------|-----------------------|
| Fresh Grapes | 648,621 | 1,745.5 |
| Fresh Cranberries, blueberries and other fruits of the vaccinium genus. | 206,610 | 1,676.0 |
| Avocados, Fresh or Dried | 599,209 | 963.4 |
| Unroasted Coffe, Non-decaffeinated, others | 205,023 | 827.3 |
| Asparagus, Fresh or Chilled | 97,907 | 391.2 |
| Mangos and Mangosteens, Fresh or Dried | 197,085 | 254.7 |
| Animal Feed Preparations and others | 196,887 | 227.6 |
| Cocoa beans, whole or broken, raw | 70,216 | 219.5 |
| Other Citruses | 144,012 | 171.3 |
| Other Dried Paprika | 32,306 | 136.9 |
| Mango, non-cooked or cooked in water or steam, frozen | 76,182 | 133.0 |
| Ginger without Crushing or Powdering | 73,196 | 119.1 |
| Artichokes prepared or preserved, not frozen | 41,070 | 115.2 |
| Non-denatured Ethyl Alcohol with an Alcoholic Content by Volume Greater than or equal to 80% | 114,366 | 111.1 |

Source: Ministry of Agricultural Development and Irrigation (MIDAGRI).

Peruvian fruits and vegetables are gaining ground in international markets, with exports growing at a solid pace. Peru is now the number one producer of blueberries, quinoa, fresh asparagus, and fresh grapes worldwide. For the eighth consecutive year, Peru is the world's leading exporter of quinoa. These exports mainly go to the United States and Canadian markets.

Likewise, the export of cranberries went from zero in 2007 to USD16.9 million in 2013, and then took off steadily and reached USD1.676 billion in 2023. This product ranked first in the world export ranking for the fifth consecutive year in a row in 2023, displacing major competitors such as Spain, The Netherlands, Chile and Mexico.

Peru in the world ranking of agroexports 2023

| Product | Nº |
|------------------|----|
| Blueberries | 1 |
| Fresh Grapes | 1 |
| Fresh Asparagus | 1 |
| Quinoa | 1 |
| Fresh Avocado | 2 |
| Ginger | 2 |
| Sea Urchins | 2 |
| Amazon Nuts | 2 |
| Frozen Jurel | 3 |
| Fresh Mango | 4 |
| Cocoa Beans | 4 |
| Canned Anchovies | 4 |
| Fresh Peas | 5 |
| Seaweed | 5 |

Source: Ministry of Foreign Trade and Tourism (MINCETUR).

EY has developed together with the Ministry of Foreign Affairs (MRE) and AGAP, the Business and Investment Guide in Agriculture and Agribusiness 2022-2023. It can be downloaded for free here: <https://www.gob.pe/institucion/rree/informes-publicaciones/3639663-guia-de-negocios-e-inversion-en-agricultura-y-agribusiness-en-el-peru-2022-2023>



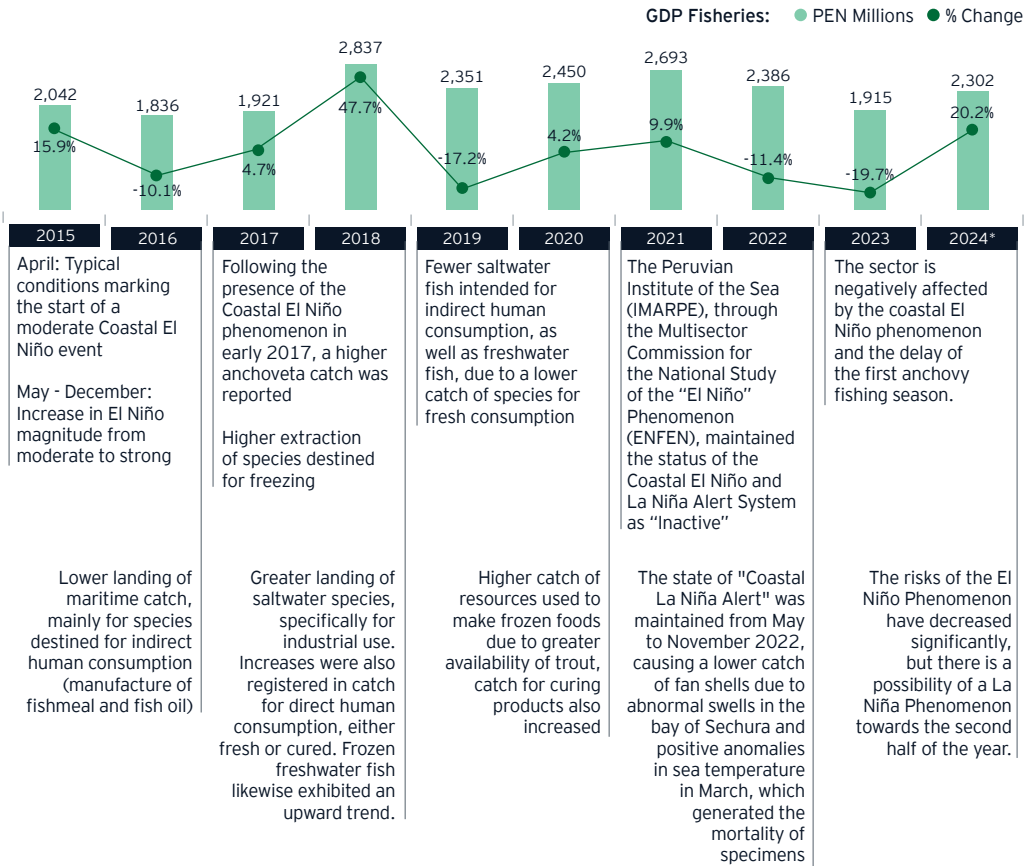
10

Fisheries

Peru has a wide range of hydrobiological resources and is the world's top producer of fishmeal and fish oil.

In 2023, the fishing sector decreased by 19.7%. Activity in the sector is expected to increase 20.2% in 2024 as a result of a normalization in sea temperature towards the second quarter of the year, which will allow the opening of a first anchovy season.

Evolution of fisheries industry



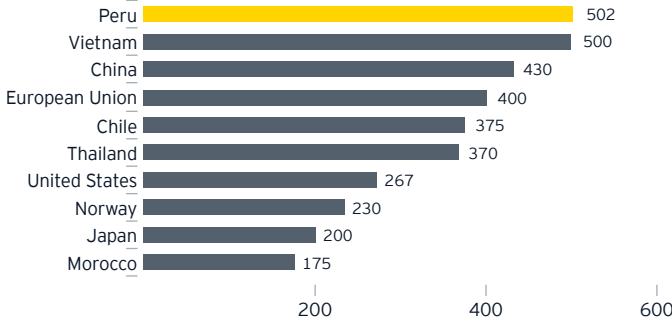
*Projection. June 2024 Inflation Report.

Source: Central Reserve Bank of Peru (BCRP), National Institute of Statistics and Information (INEI).

3. Sector Analysis



Ranking of world production of fishmeal - estimate for 2023 (in thousands of metric tonnes)



It should be noted that in July 2023, Peru became the first Latin American country to formally accept the Agreement on Fisheries Subsidies of the World Trade Organization (WTO), which represents an important advance for the sustainability of the oceans to the extent in which it prohibits harmful fishing subsidies, which are a key factor in the general depletion of populations of fish in the world.

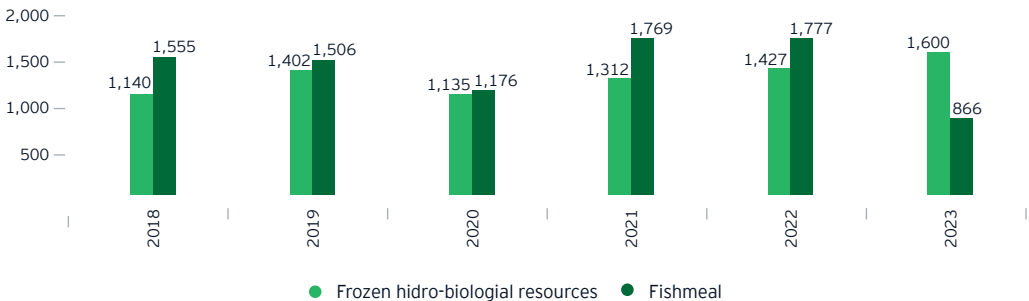
Source: Indexmundi, US Department of Agriculture, Ministry of Industries and Fisheries (PRODUCE).

Processing of hydro-biological and maritime resources by type of use (in thousands of metric tons)

| Type of Use | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Direct Human Consumption | 457 | 380 | 364 | 342 | 418 | 568 | 587 | 615 | 578 | 714 |
| ▶ Canned | 57 | 50 | 58 | 47 | 65 | 86 | 100 | 94 | 95 | 18 |
| ▶ Frozen | 392 | 309 | 285 | 295 | 323 | 470 | 460 | 494 | 462 | 652 |
| ▶ Cured | 25 | 28 | 21 | 0 | 30 | 12 | 27 | 27 | 20 | 44 |
| Indirect Human Consumption | 621 | 940 | 742 | 839 | 1,700 | 920 | 1,218 | 1,411 | 1,069 | 528 |
| ▶ Fishmeal | 525 | 840 | 650 | 750 | 1,432 | 811 | 1,049 | 1,251 | 978 | 502 |
| ▶ Crude Oil | 97 | 100 | 92 | 89 | 268 | 109 | 169 | 160 | 90 | 26 |
| Total | 1,078 | 1,320 | 1,106 | 1,181 | 2,118 | 1,488 | 1,805 | 2,026 | 1,646 | 1,242 |

Source: Ministry of Industries and Fisheries (PRODUCE).

Exports of fishmeal and frozen hydro-biological resources (in USD millions)



Source: Ministry of Industries and Fisheries (PRODUCE).

11

Transportation and communications

It is estimated that Peru's economic growth is closely linked to the progressive reduction of its shortcomings in terms of infrastructure. Peru has recently begun to take the necessary steps to improve this sector, focusing mainly on transport, electricity, water, and communications infrastructure, with the intention of promoting new investments. Therefore, the development of transportation and communications will impact positively and directly on the development of other sectors such as mining. In addition, investment in infrastructure reduces the effect of the distance between regions, resulting in the full integration of the domestic market, connecting at a lower cost with markets in other countries and regions.

Together with the Ministry of Foreign Affairs (MRE) and ProInversión, EY has developed the Guide to Investing in Infrastructure Projects in Peru, with details on the projects scheduled for the coming years. It can be downloaded for free here:

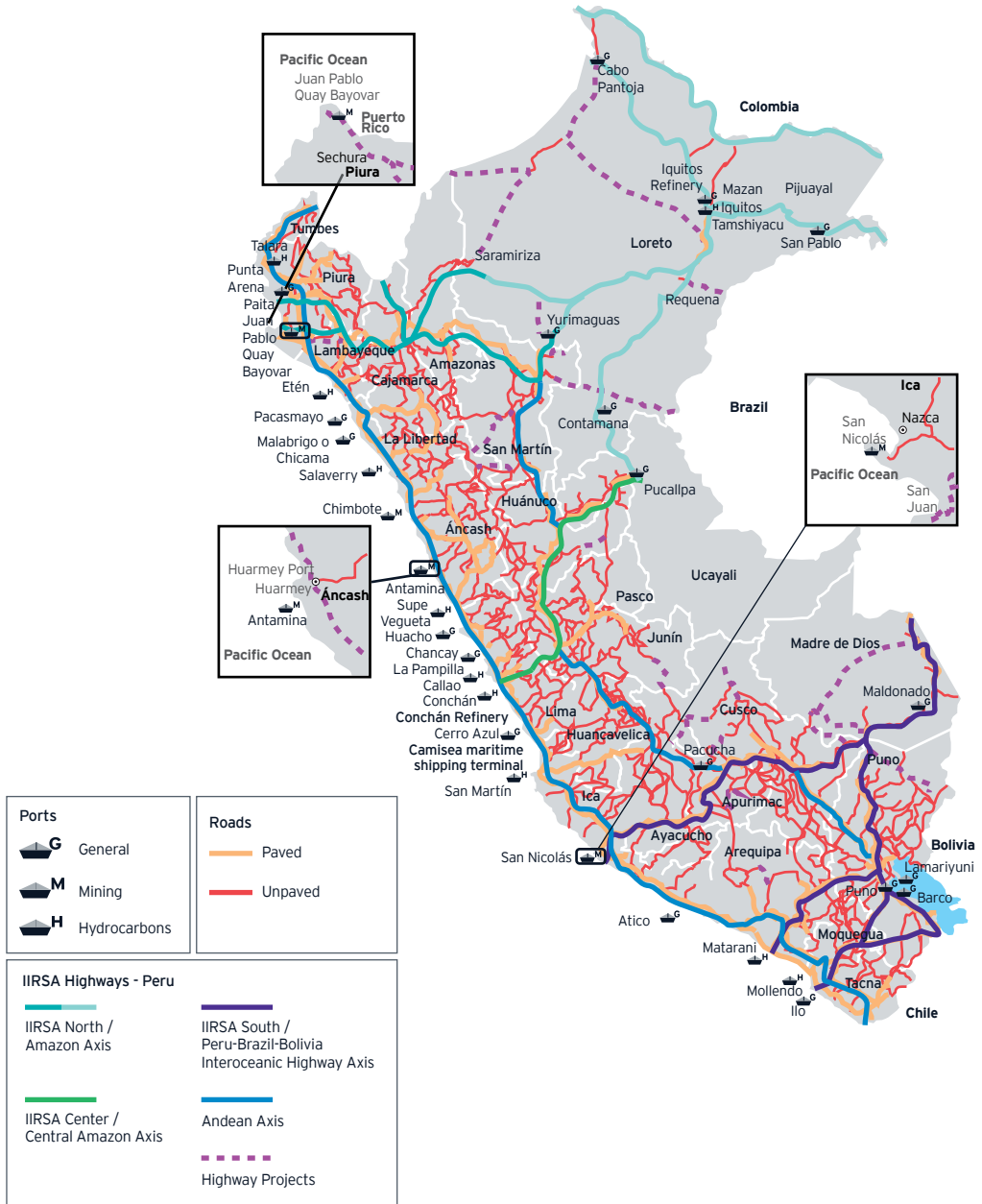
<https://www.gob.pe/institucion/rree/informes-publicaciones/3601727-peru-guide-to-investing-in-infrastructure-projects-in-peru-2022-2023>



3. Sector Analysis



Ports and roads



Source: Ministry of Transportation and Communications (MTC).

Industry Infrastructure

| Item | U.M | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|
| Infrastructure | | | | | | | |
| - Road Network | Km | 166,765 | 168,473 | 168,954 | 168,878 | 173,058 | 173,785 |
| - Railway Network | Km | 1,940 | 1,940 | 1,940 | 1,940 | 1,953 | 1,953 |
| - Airports | Unit | 125 | 125 | 142 | 144 | 146 | 146 |
| - Ports | Unit | 49 | 49 | 108 | 96 | 101 | 108 |
| Vehicular Fleet | | | | | | | |
| - Automotive | Unit | 2,786,101 | 2,894,327 | 3,004,308 | 3,070,704 | 3,162,825 | 3,303,476 |
| - Locomotives | Unit | 107 | 111 | 115 | 115 | 111 | 154 |
| - Aircraft | Unit | 355 | 360 | 381 | 277 | 300 | 315 |
| - Ships | Unit | 719 | 810 | 848 | 866 | 923 | 931 |

Source: Ministry of Transportation and Communications (MTC).

Peru has given priority to the development of transport infrastructure (road, railway, port, and airport) to increase competitiveness and set a logistics hub that will integrate Latin America with the Asia-Pacific Economic Region. These investments aim to modernize the country's infrastructure, reducing logistics costs and enhancing the use of Free Trade Agreements (FTAs) signed by the country to increase Peru's integration with world markets.

In July 2024, Proinversion plans to award the modernization of the Huancayo - Huancavelica Railroad for USD394 million. The project will benefit 1.2 million inhabitants of Junín and Huancavelica.

Transport target project portfolio 2024

| Project | in USD Millions |
|---------------------------------------|-----------------|
| Peripheral ring road | 2,380 |
| Longitudinal de la Sierra - Tranche 4 | 914 |
| Chimbote Port Terminal | 172 |
| Total | 3,466 |

Source: Private Investment Promotion Agency (ProInversión).

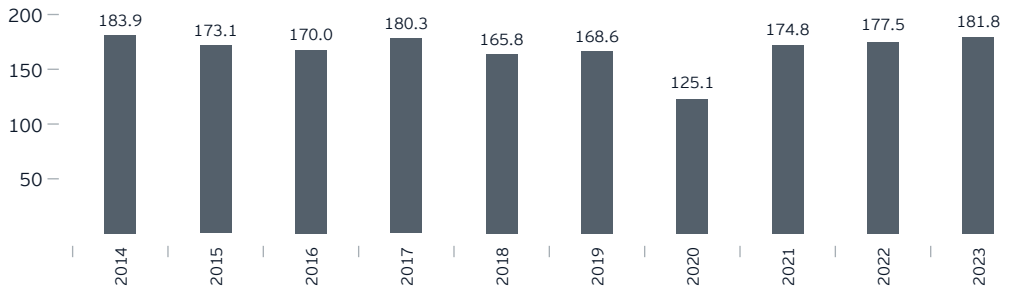


Automotive

The Peruvian car parc as of 2023 is 3.3 million vehicles. In the last five years, annual sales of new vehicles have exceeded

125,000 units. In 2023, annual sales added 181,812 new units, which were registered in the Peruvian automotive fleet.

Total vehicle sales (thousands of units)



Source: Peruvian Automotive Association (AAP).

Communications sector

In recent years, through the investments performed, the density of landlines and mobile telephone lines has increased significantly:

| Year | Landline | | Mobile Telephone | |
|------|--------------------|----------------------------------|--------------------|----------------------------------|
| | Lines in Operation | Density (Line x 100 Inhabitants) | Lines in Operation | Density (Line x 100 Inhabitants) |
| 2014 | 3.0 | 10.2 | 31.9 | 107.4 |
| 2015 | 3.0 | 9.9 | 34.2 | 114.2 |
| 2016 | 2.9 | 9.7 | 37.7 | 124.6 |
| 2017 | 3.0 | 9.7 | 38.9 | 127.3 |
| 2018 | 2.8 | 8.9 | 42.2 | 136.5 |
| 2019 | 2.5 | 8.1 | 39.8 | 127.8 |
| 2020 | 2.3 | 7.0 | 39.4 | 119.9 |
| 2021 | 2.2 | 6.6 | 43.1 | 129.9 |
| 2022 | 1.9 | 5.6 | 41.6 | 123.9 |
| 2023 | 1.5 | 4.5 | 41.4 | 122.6 |

Source: Supervisory Agency for Private Investment in Telecommunications (OSIPTEL).



Through the Telecommunications Investment Fund (FITEL), actions are being developed aimed at bridging the digital gap in essential public telecommunications services in rural communities and preferential places of social interest.

July 2012 saw the enactment of Law 29904 - Act for the Promotion of Broadband and Construction of Optical Fiber Backbone. The National Optical Fiber Backbone includes the installation, operation, and maintenance of approximately 13,400 km of optical fiber, to connect 180 provincial capitals in the country.

12

Tourism, cuisine, and hotel management

Tourism

Peru is a privileged tourist destination worldwide, ranked among the top preferred places in the world for its authenticity, art and culture, history and natural beauty, in addition to the famous tourist attractions of Machu Picchu and the Amazon Jungle, declared World Heritage Sites. Tourism is extremely important to the country's development, given that it focuses on a range of economic sectors, such as passenger transportation, lodging, food and beverage services, production, travel agencies, trade, and more.

While the quarantine imposed to stop the spread of COVID-19 brought the sector to a halt, tourism activities restarted in October 2021 while complying with the health protocols defined for the sector. With the goal of boosting the recommencement of activities, the government has created a Business Support Fund (FAE) with PEN7.5 billion (approximately USD2.14 billion) which was in force during 2021 and 2022. These efforts reversed the decline in inbound tourism and the inflow of foreign currency. From 2022 onwards, the growth path of both indicators will resume.

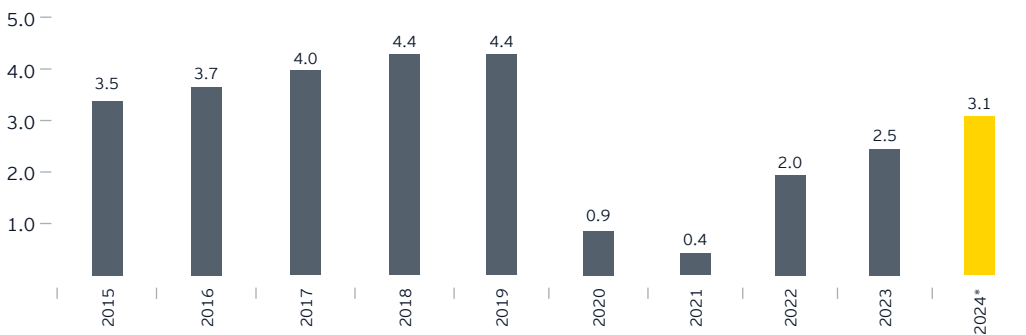
3. Sector Analysis



In 2023, Peru won two categories at the World Travel Awards. It was named World's Leading Culinary Destination for the eleventh time and World's Leading Cultural Destination for the second time. Likewise, in 2024, Peru won four additional categories: South America's Leading Cultural Destination, South America's Leading Culinary Destination and South America's Leading Destination, while Machu Picchu was chosen as South America's main tourist attraction.

Regarding visits to the main tourist sites, in 2023, the Machu Picchu Historic Sanctuary received more than 0.9 million visitors, more than double the figure recorded in 2021. However, the figure achieved is 39.7% below the figures reported in 2019. Visits to the Moray Archaeological Complex and the Paracas National Reserve also stood out, totaling 460,156 and 434,935 visitors, respectively.

Arrival of international tourist (in millions)



*Projection.

Source: Ministry of Foreign Trade and Tourism (MINCETUR).

According to the Ministry of Foreign Trade and Tourism (MINCETUR) a total of 2.5 million international tourists visited Peru in 2023.

Among international tourists visiting Peru, the main issuing countries were: Chile with a 23.5% share, followed by The United States (19.4%), Ecuador (9.5%), Colombia (5.8%), Bolivia (5.3%), Brazil (5.2%), Spain (4.0%) and Argentina (3.9%).

Main origin of tourist visiting Peru 2023 (in thousands of arrivals)



Source: Ministry of Foreign Trade and Tourism (MINCETUR).

Cuisine

Peruvian cuisine is considered one of the most important worldwide. Over the years, it has become a “flagship product” due to its quality and increasing international competitiveness, in addition to being a cuisine that is rich in tradition and history. Peru is currently experiencing a gastronomic boom, and 42% of tourists visiting Peru say that the food is one of the aspects that influence their decision for choosing Peru as a tourist destination. The expansion of the Peruvian cuisine reflects on the possibility of doing business, whether exporting the supplies, know-how, and skills in its preparation, or representing Peruvian food franchises in a growing number of countries.

In 2023, Peru was recognized as the World's Leading Culinary Destination, according to the World Travel Awards (WTA).

In 2023, a Peruvian restaurant was recognized as the best restaurant in Latin America according to the ranking of Latin America's 50 Best Restaurants. It should be noted that two Peruvian restaurants rank among the Top 10 Restaurants. It should also be noted that Peru offers the most affordable prices in comparison to other restaurants included in said ranking.



Throughout the year, Peru has a wide range of different activities to promote cuisine, such as Pachamanca Day, National Potato Day, Ceviche Day, Peruvian Pork Chicharron Day, Charcoal-Fired Rotisserie Chicken Day, International Chocolate Day, Peruvian Cooking and Cuisine Day, Peruvian Cacao and Chocolate Day, National Cuy Day, Picarón Day, Anticucho Day, Salchipapa Day, and Peruvian Barbecue Day.

Hotels

In 2023, the hotel and hospitality sector began to recover after the lockdown imposed due to COVID-19. Last year, the number of available lodging establishments rose by 6%, and the number of rooms grew by 2%.

Accommodation establishments (in thousands)



Source: Ministry of Foreign Trade and Tourism (MINCETUR).



4 Incorporating a company in Peru



1

Joint Stock Companies

A minimum of 2 shareholders is required to incorporate a joint stock company. The number of shareholders shall not exceed 750. Non-domiciled shareholders must appoint an attorney-in-fact in Peru to sign the Deed of Incorporation on their behalf. Funds for the initial capital contribution must be deposited in a local bank. There is no minimum amount required by the Business Corporations Act (LGS), but financial institutions generally require a minimum initial capital of PEN1,000 (approximately USD270). The capital stock is represented by shares, which are in turn represented by certificates or book entries.

- **Features:**

- ▶ **Name:** Trade Name must include the indication "Sociedad Anónima" or the abbreviation "S.A."
- ▶ **Limited liability:** Shareholders' liability is limited to the par value of the shares they hold. Shareholders are not personally liable for corporate debts. The guarantee given to the company's creditors consists of the assets themselves. If these are insufficient, the partners are not liable for such fact.
- ▶ **Management:** Shareholders' Meetings, Board of Directors, and General Manager. The company's bodies may hold remote meetings provided this possibility is allowed for in the bylaws.
- ▶ **Legal Reserve:** Minimum of 10% of the distributable profit for each fiscal year, after income tax, until reaching an amount equal to one-fifth of the capital stock.
- ▶ **Stock transfer:** The shares are freely transferable, unless otherwise established in the bylaws.
- ▶ **Existence:** Death, illness, bankruptcy, retirement or resignation of any shareholder does not cause the winding up or dissolution of the corporation.

2

Closely Held Corporations

Closely held corporations (*sociedades anónimas cerradas*) resemble limited liability companies and must have a minimum of 2 and a maximum of 20 shareholders. Shares cannot be listed on the Public Stock Exchange Registry (RPMV) of the Peruvian Securities and Exchange Superintendency (SMV).

- **Features:**

- ▶ **Name:** Must include the indication “Sociedad Anónima Cerrada” or the abbreviation S.A.C.
- ▶ **Limited liability:** Shareholders' liability is limited to the par value of the shares they hold. Shareholders are not personally liable for corporate debts. The guarantee given to the company's creditors consists of the assets themselves. If these are insufficient, the partners are not liable for such fact.
- ▶ **Management:** Shareholders' Meeting and the General Manager. A Board of Directors is optional.
- ▶ **Legal Reserve:** Minimum of 10% of the distributable profit for each fiscal year, after income tax, until reaching an amount equal to one-fifth of the capital stock.
- ▶ **Stock transfer:** Limitation on the free transfer of shares. Shareholders have the right of first refusal in the event that shares are proposed for transfer to another shareholder or to a third party. This right may be eliminated in the bylaws. A right of first refusal may be established in favor of the corporation itself in the bylaws.

3

Publicly Held Corporations

Publicly-held corporations (*sociedades anónimas abiertas*) are a kind of joint stock companies. Publicly held corporations are basically intended for companies with a large number of shareholders (more than 750) or for which an Initial Public Offering of its shares or of obligations convertible into its shares has been made, or in which more than 35% of the capital stock belongs to 175 or more shareholders or if it is incorporated as such or its shareholders unanimously decide to adapt its bylaws to that corporate structure. The shares must be listed on the Public Stock Exchange Registry (RPMV) of the Peruvian Securities and Exchange Superintendency (SMV).

- **Features:**

- ▶ **Name:** Must include the indication “Sociedad Anónima Abierta” or the abbreviation S.A.A.
- ▶ **Limited liability:** Shareholders' liability is limited to the par value of the shares they hold. Shareholders are not personally liable for corporate debts. The guarantee given to the company's creditors consists of the assets themselves. If these are insufficient, the partners are not liable for such fact.
- ▶ **Management:** Shareholders' Meetings, Board of Directors, and General Manager. The company's bodies may hold remote meetings provided this possibility is allowed for in the bylaws.
- ▶ **Legal Reserve:** Minimum of 10% of the distributable profit for each fiscal year, after income tax, until reaching an amount equal to one-fifth of the capital stock.
- ▶ **Supervision:** Publicly held corporations are subject to the supervision of the Peruvian Securities and Exchange Superintendency (SMV).
- ▶ **Stock transfer:** Shares are freely transferable. No restrictions or limitations are permitted. It is prohibited to incorporate clauses into the bylaws that impose restrictions on the transfer of shares.

4

Limited Liability Companies

Limited liability companies may be established with a minimum of two (2) and a maximum of twenty (20) members. The incorporation requirements are the same as those for all other types of corporations. Its capital stock is divided into ownership interests, which are accumulative and indivisible.

• **Features:**

- ▶ **Name:** Must include the indication “Sociedad Comercial de Responsabilidad Limitada” or the abbreviation “S.R.L.”
- ▶ **Limited Liability:** Members are not personally liable for corporate obligations.
- ▶ **Management:** Members’ Meeting and the General Manager.
- ▶ **Legal Reserve:** There is no obligation to make the legal reserve.
- ▶ **Transfer of Ownership Interests:** Transfer of interests in favor of third parties is subject to a right of first refusal, it is carried out by means of a notarially recorded instrument and must be registered with the Public Records Office. Unless otherwise established in the corporate bylaws, if the thirty (30)-day term established by the Business Corporations Act (LGS) expires and none of the members has exercised their right of first refusal, the corporation itself may acquire the ownership interests that have been offered. If the Members’ Meeting decides not to buy, the offering member shall be free to transfer its interests to third parties.

5

Branches

Branches are secondary establishments via which a corporation, either national or foreign, carries out activities in a location other than its principal place of business. Branches lack their own independent legal standing. The parent company is liable for the branch's obligations.

Branches must have a permanent legal representative who shall have sufficient powers to perform the necessary legal dealings for the performance of its activities.

In the case of branches established by foreign corporations, the agreement for the establishment of a branch adopted by the parent company shall be notarized by the Peruvian consulate and certified by the Ministry of Foreign Affairs (MRE) in Peru, or, failing that, apostilled in its country of origin, so that it can be put into the form of a notarially recorded instrument and registered in the Public Records Office. The registration of the branch requires, among other things, a certificate of good standing of the parent company, duly notarized or apostilled, as applicable. According to the LGS, branches of foreign companies may be transformed so as to be incorporated in Peru under any corporation type regulated by the LGS.



5 Taxes

Tax System

The Tax System in Peru is governed by the principles of legal confidentiality and those of equality and respect for the basic rights of the person. The Constitution enshrines the principle of the non-confiscatory nature of taxes, as well as guaranteeing the right to tax confidentiality.

In Peru, the main taxes are levied on income, production and consumption, the circulation of money and equity. There are also other contributions to the Public Healthcare Service and the National Pension System.

The management and collection of taxes is the responsibility of the National Superintendency of Customs and Tax Administration (SUNAT) and, in some cases, the Municipalities or regulatory institutions.

SUNAT has the power to use all the methods of interpretation permitted by law, as well as to object to the economic purpose of taxpayers' acts, prioritizing content over the form of the acts. Analogy in tax matters is prohibited.

Starting on July 19, 2012, anti-evasion rules were established in the Tax Code regarding SUNAT's powers in situations considered to be tax evasion or simulated transactions.

In effect, in case of situations of tax evasion, SUNAT shall have the faculty to request the enforced payment of the tax debt, reduction of tax credits, tax losses, or the elimination of tax benefits (including the restitution of taxes unduly refunded). In order to implement this power, the Tax Administration shall prove that the taxpayer meets the following conditions:

- a) The taxpayer—whether individually or jointly and severally with other taxpayers—has engaged in illegal or deceptive acts to obtain a specific tax result; and
- b) The use of said deceptive or illegal act causes legal or economic effects other than tax savings or advantages equal or similar to those that would have been obtained through usual or legal acts.

However, as from July 12, 2014, the application of the general anti-evasion clause was suspended until the Executive Branch, by an Executive Order (*Decreto Supremo*) endorsed by the Minister of Economy and Finance, establishes the parameters of form and substance for application thereon.



Legislative Order (*Decreto Legislativo*) 1422 was published on September 13, 2018, to regulate the procedure for the application of the General Tax Evasion Act. In particular, this order requires the application of this act by a review committee consisting of tax administration officials. The order also expressly incorporates sanctions in application of the General Tax Evasion Act equal to those that apply to miscalculations of tax obligations. Likewise, it states that legal representatives shall be jointly and severally liable if it is found, based on the anti-evasion clause, that the taxpayer has been involved in acts of tax evasion.

Likewise, on May 6, 2019, Executive Order (*Decreto Supremo*) 145-2019-EF was published, approving the parameters of form and content for the application of the General Anti-Evasion Law and regulating the primary scope for its application to the definitive auditing procedure. The order also establishes a non-exhaustive list of situations in which the General Anti-Evasion Law could be deemed applicable.

Furthermore, Legislative Order (*Decreto Legislativo*) 1372 created a new obligation for companies, requiring them to have an internal procedure for identifying their final beneficiary, as well as to provide specific information on said beneficiary to the tax administration. The order also includes sanctions in case of failure to comply with said obligations, and the possibility of attributing joint and several liability for such failures to the company's legal representatives.

The following table shows the list of the main taxes in force according to their nature (direct, indirect, and municipal). Each one of these taxes is summarized below.

| Direct Taxes | Indirect Taxes | Municipal Taxes |
|-------------------------------------|---------------------------------|-----------------------|
| Income Tax (IR) | Value Added Tax (VAT) | Property Tax |
| Temporary Net Assets Tax (ITAN) | Selective Consumption Tax (ISC) | Property Transfer Tax |
| Tax on Financial Transactions (ITF) | | Vehicle Property Tax |

1

Direct Taxes

1. Income Tax (IR)

Income tax is levied on net income and is determined annually. The tax year begins on January 1 of each year and ends on December 31, with no exceptions. Income tax returns for corporations, branches, and individuals must generally be filed by March 31 of the following year.

Companies domiciled in Peru recognize their inflows and outflows based on the accrual criterion. Starting on January 1, 2019, the Income Tax Act includes a definition of accrual for purposes of determining income tax, which is not based on the provisions of the IFRS (except for any express remissions under the Income Tax Act).

Domiciled Legal Entities

Corporations established in Peru are subject to third income tax bracket on a worldwide income basis. Non-domiciled corporations, branches established in Peru, and permanent establishments of non-domiciled legal entities that are located in Peru are only taxed on Peruvian-source income.

The corporate income tax rate for domiciled companies is 29.5% and is applied over the net income, which is determined after the deduction of expenses incurred in the generation of income or maintenance of the source.

Dividends received from other domiciled legal entities are not taxed. Dividends received from non-domiciled legal entities are subject to a tax rate of 29.5%.

In general, subject to certain requisites and conditions, the deduction of interest, insurance, non-recurring losses, collection, depreciation, and pre-operating expenses, authorized reserves, write-offs and loan loss provision, provision for fringe benefits, retirement pensions, and employee bonuses, etc., is permitted.

On December 29, 2022, Law 31652 was published, establishing an exceptional, temporary regimen of accelerated depreciation for buildings and structures whose construction began on or after January 1, 2023, and which meet certain conditions.

Expenses incurred abroad are deductible provided they are necessary for generating income and have been accredited with the respective payment vouchers issued abroad.

Expenses that are not accepted as deductions include, among others, personal expenses, assumed income tax (except in the case of interests from loans granted by non-resident lenders), tax and administrative fines, donations and reserves, or allowances not permitted by law, etc.

It should be noted that starting in fiscal year 2019, costs or expenses for services received from non-domiciled companies (whether related or not) must be paid prior to the submission of the tax return to be considered deductible.

Domiciled companies can select between the following two systems to carry forward their losses:

a) Losses can be carried forward for four consecutive years, beginning with the first subsequent year in which the losses arise.

On an exceptional basis, those companies that have chosen this loss carryforward system may offset the net loss incurred in 2020 for up to five fiscal years.

b) Losses can be carried forward indefinitely, but with a deduction limit equivalent to 50% of the taxpayer's income for each fiscal year.

Losses may not be carried forward to years prior to the year in which they were generated, nor may net losses from abroad be calculated.

It should be noted that domiciled companies are obligated to make prepayments on income tax, for an amount determined by comparing the monthly installments resulting from the application of one of the following methods, whichever is higher:

- ▶ Percentage method: Apply 1.5% to the total net income for the month.
- ▶ Coefficient method: Divide the tax calculated for the previous fiscal year by the total net income for the same fiscal year and such result shall be named coefficient. The resulting coefficient shall be applied to the net income for the month. For the months of January and February, use the coefficient determined based on the calculated tax and net income of the fiscal year prior to the previous one.

Notwithstanding the foregoing, it is possible to request the suspension of the obligation to make the referred payments, under certain circumstances.

Should the payments exceed the annual tax, the excess may be carried forward as credit against subsequent advance and regularization tax payments, or may be refunded to the taxpayer.

Domiciled Individuals

Under the Peruvian tax system, Peruvian citizens domiciled in Peru are subject to taxation on their worldwide income, regardless of the country from which it derives, from which payments are made, or the currency in which income is received. By contrast, non-domiciled individuals are only taxed in Peru on their Peruvian-source income.

In the case of domiciled individuals, fourth and fifth income tax bracket, i.e., the tax on income received for personal work (independent and dependent, respectively), as well as foreign-source income, is determined by applying a cumulative progressive rate, as follows:

| Up to the 2014 Fiscal Year | |
|---|------|
| Sum of Net Peruvian Source Income and Foreign-Source Income | Rate |
| Up to 27 Tax Units | 15% |
| More than 27 up to 54 Tax Units | 21% |
| More than 54 Tax Units | 30% |

| From the 2015 Fiscal Year | |
|---|------|
| Sum of Net Peruvian Source Income and Foreign-Source Income | Rate |
| Up to 5 Tax Units | 8% |
| More than 5 up to 20 Tax Units | 14% |
| More than 20 up to 35 Tax Units | 17% |
| More than 35 up to 45 Tax Units | 20% |
| More than 45 Tax Units | 30% |

For salaries, wages, and any other type of remuneration received for dependent or independent work (fourth- and fifth- income tax bracket) a non-taxable minimum of 7 Tax Units (PEN36,050 or approximately USD9,500) applies. Additionally, there is:

- ▶ A deduction of an additional three Tax Units, subject to certain conditions;
- ▶ A deduction of 20% on income received for independent work; and
- ▶ A deduction of donations and Tax on Financial Transactions (ITF).

The deduction of further expenses is not permitted.

Income obtained by domiciled individuals from the lease, sublease, or assignment of assets (first income bracket) as well as all other capital incomes (second income tax bracket) are subject to an effective rate of 5% of gross income.

Dividends distributed by companies incorporated or established in Peru, received by individuals, are subject to a 5% tax rate.

It should be noted that the retained earnings obtained as of December 31, 2014, which form part of the distribution of dividends or any other form of profit sharing, shall be subject to a rate of 4.1%, while those obtained between January 1, 2015 and December 31, 2016 shall be taxed at 6.8%.

Non-Domiciled Individuals

Individuals not domiciled in Peru must pay taxes only on Peruvian-source income.

In general, Peruvian-source income is considered to include:

- ▶ Income received for properties and the rights related thereto, including that coming from their disposal, when the properties are located within Peruvian territory.
 - ▶ Income received for assets or rights, including that coming from their disposal, when such assets are physically located or the rights are economically used in the country;
 - ▶ Royalties when the assets or rights are economically used in the country, or when they are paid by a taxpayer domiciled in the country.
 - ▶ Interest, when the capital is placed or economically used in the country; or when the payer is a taxpayer domiciled in the country.
 - ▶ Dividends distributed by entities domiciled in the country.
 - ▶ Civil, commercial, business, and personal work activities conducted in the country.
- ▶ The disposal or surrender of marketable/negotiable securities (shares¹, ownership interests, bonds, etc.), when they have been issued by entities incorporated or established in Peru.
 - ▶ Technical assistance and digital services economically used in Peru.
 - ▶ The income obtained by non-domiciled taxpayers from derivative financial instruments entered into with domiciled taxpayers whose underlying asset involves the exchange rate of Peruvian currency compared to a foreign currency, provided that the effective term thereof is less than 60 calendar days.
 - ▶ Income obtained from the indirect disposal of shares or ownership interests in the capital stock of legal entities domiciled in the country, provided that it meets certain requisites.
 - ▶ Those obtained from credit transfers (factoring, etc.) in which the acquirer assumes the debtor's credit risk, when the transferor of the credit or the debt assigned is a domiciled taxpayer. However, starting on January 1, 2019, all income obtained by acquirers of collection rights transfers derived from Public-Private Partnerships (PPP) shall be tax-free.

¹ Under the provisions of Law 31662 (in force until December 31, 2023) capital gains deriving from the disposal of assets or other securities representing shares of stock through the Lima Stock Exchange (BVL) are exempted from Income Tax, provided that they meet certain requirements.

5. Taxes



For non-domiciled individuals, the income tax on the dependent labor income is 30%, with no deductions.

Income received for independent work is subject to an effective tax rate of 24%.

Without prejudice to the foregoing, income earned in their country of origin by non-domiciled individuals entering Peru on a temporary basis in order to perform any of the activities listed below are not considered to be Peruvian-source income.

Such activities include:

- ▶ Acts executed before making any kind of foreign investments or doing business of any kind.
- ▶ Acts intended to supervise or control the investment or business (data or information collection, interviews with people from the public or private sectors, among others).
- ▶ Acts related to the hiring of local personnel.
- ▶ Acts related to the execution of similar contracts or documents.

For foreigners coming from countries with which Peru currently maintains agreements to avoid double taxation, such as Japan, Chile, Canada, Brazil, Portugal, South Korea, Mexico and Switzerland; or from countries that are part of the Andean Community of Nations (Ecuador, Colombia, Bolivia, and Peru), other tax provisions may apply.

Non-Domiciled Entities

Peruvian-source income obtained by non-domiciled entities is subject to income tax withholding or direct payment in case withholding is not applicable (e.g. when the payer is not resident in Peru), depending on the type of income, according to the table shown below:

| Withholding Tax Rate on Income of Non-Domiciled Companies | |
|--|---|
| Income | Rate |
| Dividends and other forms of profit distribution, as well as the remittance of profits from the branch | <ul style="list-style-type: none"> ▶ Regarding income obtained until December 31, 2014 considered part of the distribution of dividends or any other type of profit sharing, a rate of 4.1% will be applied. ▶ 2015-2016: 6.8% ▶ 2017 and beyond: 5% |
| Interest paid to non-domiciled companies, provided certain requirements are met | ▶ 4.99% |
| Interest paid to related companies abroad | ▶ 30% |
| Technical assistance services economically used in Peru | ▶ 15% |
| Digital services economically used in Peru | ▶ 30% |
| Royalties | ▶ 30% |
| Capital gains deriving from the disposal of marketable/negotiable securities through the Lima Stock Exchange (BVL) including: <ul style="list-style-type: none"> - Disposal, redemption, or surrender of shares, bonds, or other securities issued by companies incorporated in Peru - Indirect disposal of shares in Peruvian corporations | ▶ 5% |
| Capital gains deriving from the disposal of marketable/negotiable securities outside the Lima Stock Exchange (BVL), including: <ul style="list-style-type: none"> - Disposal, redemption, or surrender of shares, bonds, or other securities issued by companies incorporated in Peru - Indirect disposal of shares in Peruvian corporations | ▶ 30% |
| Credit transfers via factoring or other transactions wherein the acquirer assumes the debtor's credit risk, when the transferor of the credit or debt assigned is a domiciled taxpayer. | ▶ 30% |
| Other income deriving from business activities conducted in Peruvian territory | ▶ 30% |

5. Taxes



Income from activities performed partially in Peru and partially abroad by non-domiciled companies, including that obtained by their branches or permanent establishments are subject to the following effective income tax rates:

| Activities | Effective Income Tax Rate (%) |
|--|-------------------------------|
| Air Transport | 0.3% |
| Maritime Transport | 0.6% |
| Vessel Lease | 24.0% ¹ |
| Aircraft Lease | 18.0% ¹ |
| Supply of Transport Containers | 4.5% |
| Demurrage of Transport Containers | 24.0% |
| Insurance | 2.1% |
| International News Agencies | 3.0% |
| Motion Picture Distribution | 6.0% |
| Television Broadcasting Rights Assignment | 6.0% |
| Telecommunication Services | 1.5% |
| Sale of hydrobiological resources to companies domiciled in Peru | 2.7% |

¹ The withholding rate for these activities is 10%.

Thin Capitalization Rules

Starting in fiscal year 2021, only the deduction of interest on financing (whether from related or unrelated parties) shall only be allowed for an amount of up to 30% of the EBITDA for the previous fiscal year. This concept has a specific definition for the purposes of this law (net income after loss carryforwards plus net interest, depreciation, and amortization). Nondeductible interest may be carried forward for the next four taxable fiscal years with the net interests of the corresponding fiscal year.

The foregoing rules shall not apply to financial and insurance companies; taxpayers whose income does not exceed 2,500 Tax Units (approximately USD3.4 million); taxpayers developing infrastructure, public utility, and other projects through Public-Private Partnerships (PPP) or projects in assets; as well as debt from the issuing of nominative securities via initial public offering in Peru, provided they meet certain conditions (public offering, etc.).



Double-Taxation Treaties

Peru has currently signed and ratified treaties to avoid double taxation with the following countries: Brazil, Chile, Canada, Japan, Portugal, South Korea, Switzerland and Mexico.

Peru is also part of the Andean Community of Nations, along with Colombia, Ecuador, and Bolivia. As such, Decision 578 for the avoidance of double taxation between the countries referred to above applies. Unlike the OECD Model, Decision 578 prioritizes taxation at the source, using the exemption method.

Additionally, an agreement was signed with Spain and is currently pending ratification. Likewise, the negotiation with the United Kingdom have been successfully concluded, and the agreement is expected to be signed in the next months. There are also negotiations underway with Qatar, the United Arab Emirates, The Netherlands, Italy, France and Sweden.

Transfer Pricing

Transfer pricing rules are based on the arm's length principle as interpreted by the Organization for Economic Co-operation and Development (OECD) and should be considered solely for income tax purposes.

In Peru, these rules not only apply to transactions between related parties, but also to transactions with non-cooperative countries or territories or tax heavens and entities subject to a preferential tax system. Note, however, that the value agreed to by the parties must only be adjusted when a lower tax payment has been generated in the country. Adjustments shall be permitted

to reduce the taxable base of the tax in Peru solely for transactions with residents in countries with which Peru has an international double taxation avoidance treaty, provided such adjustment is permitted in accordance with said treaty and is accepted by the Peruvian Tax Administration.

The prices of the transactions subject to transfer pricing rules shall be determined in accordance with any of the internationally accepted methods, for which purpose the one found to best reflect the economic reality of the operation shall be taken into account. In the event that none of the referred methods is applicable, other methods may be used, on the condition that proper supporting information is provided.

Taxpayers subject to the scope of application of transfer pricing laws shall comply with submitting three annual informational tax returns, depending on the level of their turnover and the amount of the transactions: i) Local Report; ii) Master Report; and iii) Country-by-Country Report.

Taxpayers involved in international transactions involving two or more jurisdictions may enter into Advance Transfer Pricing Agreements (APAs) with the National Superintendency of Customs and Tax Administration (SUNAT), which may be unilateral or bilateral. Bilateral agreements may only be entered into with regard to operations with residents in countries with which Peru has entered into double taxation agreements.

APAs may also be entered into with regard to transactions carried out between related companies domiciled in Peru.



International Tax Transparency System

Starting on January 1, 2013, the “International Tax Transparency System” was incorporated, applicable to taxpayers domiciled in Peru who are owners of controlled non-domiciled entities (CNDEs) with regard to the passive income of the CNDEs, provided that they are subject to income tax in Peru for foreign-source income.

According to this system, the passive income obtained through subsidiaries incorporated in other jurisdictions must be included in the taxable income of individuals and companies domiciled in Peru, even when the effective distribution of the dividends associated with such passive income has not occurred.

The Law provides the following requisites that foreign corporations must meet in order to be considered a CNDE:

- ▶ It has a legal status apart from that of its partners, associates, shareholders or, in general, the people who integrate it.
- ▶ It is incorporated, established, domiciled in or is a resident of (i) a tax haven; or (ii) a country or territory where its passive income is not subject to income tax or such tax is at least 75% less than the income tax that would have been levied in Peru.

▶ It is the property of a taxpayer domiciled in Peru. For such purpose, this shall be understood to be the case when, at the close of the fiscal year, the domiciled taxpayer has—on its own or jointly with its related parties domiciled in the country—a direct or indirect share in over 50% of the capital stock, or the results, or voting rights of said entity.

Likewise, the presumption of a share in a CNDE is established when there is a direct or indirect call option in said entity.

For the application of the system, an exhaustive list of concepts that qualify as passive income (e.g., dividends, interest, royalties, capital gains deriving from the disposal of real property and marketable/negotiable securities, etc.) and a list of excluded concepts have been drawn up.

It has also been established that if the income qualifying as passive is equal to or greater than 80% of the total income of the CNDE, the total income thereof shall be considered passive income.

The passive income above shall be attributed to its owners domiciled in Peru who, as of the close of the fiscal year, have a direct or indirect share in over 50% of the results of the controlled entity.

Reduction in Capital Stock

Starting on June 30, 2012, the reduction of capital stock for up to the amount of profits, surplus from revaluation, adjustments due to restatement, freely-available premiums and/or reserves shall be considered a distribution of dividends if:

- ▶ The amount of the profits, revaluation surplus, adjustments due to restatement, or freely-available premiums and/or reserves (i) exist at the time the resolution is adopted for the reduction of the capital stock; (ii) have been previously capitalized, unless the reduction in capital stock is allocated to cover losses, in accordance with the Business Corporations Act (LGS).
- ▶ If, after the resolution adopted for the reduction, the profits, revaluation surplus, adjustments due to restatement, or freely-available premiums and/or reserves are:
 - i) Distributed: Such distribution shall not be considered as dividends or any other form of profit sharing.
 - ii) Capitalized: The subsequent reduction corresponding to the amount of the capitalization in question shall not be considered dividends or any other kind of profit sharing.

Corporate Reorganization System

With regard to income tax applicable to transfer of assets as a result of a corporate reorganization, there are three systems from which the taxpayer may choose:

- ▶ **Voluntary revaluation with tax effects:** The difference between the revaluated value and the historical cost is subject to income tax. The tax basis of the assets transferred shall be the revaluated value.

Starting on January 1, 2013, the difference subject to income tax may not be offset with the tax loss of the taxpayer performing the revaluation.

- ▶ **Voluntary revaluation without tax effects:** The difference between the revaluated value and the historical cost shall not be subject to income tax provided that the earnings are not distributed. In this case, the revaluated value of the assets transferred is not a tax basis.

Starting on January 1, 2013, it is presumed, without permitting evidence to the contrary, that earnings have been distributed:

- i) In the case of a spin-off, if the newly-issued shares are transferred or cancelled by a subsequent reorganization, provided that the shares represent over 50% of the capital stock or voting rights and the transfer or cancellation occurs before the close of the fiscal year following that in which the spin-off entered into force.
- ii) When the distribution of dividends is agreed to within the four fiscal years following the fiscal year in which the reorganization is performed.



- ▶ **Transfer at cost value:** The assets transferred shall have the same tax basis for the acquirer as they would have had for the transferor.

Starting on January 1, 2013, under certain circumstances, it shall be assumed, without allowing evidence to the contrary, that capital gains exist (difference between the market value and the tax basis of the assets transferred), in the case of spin-off or simple reorganization (i.e. contribution in exchange for shares), when the newly-issued shares or assets are transferred (applicable to spin-off) or cancelled (applicable to spin-off and simple reorganization) due to a subsequent reorganization, provided that the shares represent over 50% of the capital stock or voting rights and the transfer or cancellation occurs before the close of the fiscal year following that in which the spin-off or simple reorganization entered into force.

Indirect Stock Transfer

Starting on February 16, 2011, the Income Tax Act considers capital gains obtained from the indirect transfer of shares or ownership interests of capital stock in legal entities domiciled in Peru to be Peruvian-source income subject to tax.

In this regard, the indirect transfer of shares shall be considered to have taken place when shares or ownership interests in the capital stock of a company not domiciled in the country which is in turn the owner—whether directly or through another company or companies—of shares or ownership interests in the capital stock of legal entities domiciled in the country are disposed of, provided that:

- In any of the 12 months preceding the disposal, the market value of said shares or ownership interests is equivalent to 50% or more of the market value of the non-domiciled corporation.
- In any 12-month period, the transferor and its related parties dispose by one or more simultaneous or successive operations of shares or ownership interests that represent 10% or more of the capital stock of the non-domiciled legal entity.



Likewise, regulations have been established for specific cases involving the indirect disposal of shares, such as: i) when the total amount of the shares or ownership interests in legal entities domiciled in the country is equal to or greater than forty thousand (40,000) Tax Units (UITs) (PEN206 million or USD55.5 million approximately); ii) when a non-domiciled legal entity issues new shares or units of interest as a consequence of a capital increase, as a result of new contributions, capitalization of credits or reorganization and places them for a value lower than the market value, provided that in any of the 12 months prior to the issue the market value of the domiciled legal entities that are indirectly disposed of is equivalent to 50% or more of the market value of the non-domiciled legal entity; and, iii) if the shares or ownership interests being disposed of, or the new shares or ownership interests issued as a result of a capital stock increase, correspond to a legal person who resides in a non-cooperative jurisdiction or tax haven, among other cases.

The Regulations contain specific rules for establishing the market value of the shares or ownership interests in order to determine whether this is considered an indirect disposal of shares. For such purpose, the trading price method (applicable only to shares listed in a Stock Exchange), discounted cash flow method, and the shareholder value augmented method (accounting equity value) have been taken into account.

Under certain circumstances, the Peruvian issuer shall be held jointly liable, unless the non-domiciled seller has established a branch in the country.

Non-cooperative countries or territories or tax heavens

Companies domiciled in the country cannot deduct, for effects of determining their income tax, the expenses derived from operations performed with individuals or entities residing in countries or territories with little or no taxation, nor shall they have the right to offset losses generated by these operations with foreign-source income, except in the case of operations involving (i) loans; (ii) insurance and reinsurance; (iii) assignment for use of vessels or aircraft; (iv) transport performed from Peru abroad and from abroad to Peru; (v) fee for transit through the Panama Canal.

Likewise, those operations performed from, to or through non-cooperative countries or territories or tax heavens shall comply with transfer pricing rules.

Certain measures have also been taken to counteract the use of "preferential tax systems" which grants the same tax treatment to non-cooperative countries or territories or tax heavens.



Tax Credit due to Taxes Paid Abroad

Taxes effectively paid abroad may be offset against Peruvian income tax, even if there is no double taxation treaty, provided that the amount resulting from the application of the average taxpayer rate for income obtained abroad is not exceeded.

The credit not applied in a given fiscal year cannot be offset during subsequent or prior fiscal years, nor may it be refunded.

Starting on January 1, 2019, under certain conditions, credits may be deducted not only in the case of income tax paid abroad, as levied on the distribution of dividends (direct credit), but also the tax levied on the business activities of said subsidiary (first-tier indirect credit) and even that levied on the business activities of the latter's subsidiaries (second-tier indirect credit).

The indirect credit may only be claimed if certain requirements are met, such as an ownership interest of at least 10% in the respective subsidiary over the course of at least twelve (12) months. Additionally, the second-tier subsidiary must: (i) be a resident of or domiciled in a country with which Peru has entered into an information exchange agreement; or (ii) be a resident of or domiciled in the same country as the corporation that distributes dividends to the Peruvian corporation.

The application of the indirect credit shall not include the income tax paid abroad by corporations residing in non-cooperative countries or territories or tax heavens, or rent, income, or earnings subject to a preferential income system.

Any direct or indirect credits not applied during a given fiscal year may not be offset against subsequent or previous fiscal years, nor shall they qualify for refunds.

Other specific anti-avoidance rules

► Non-deductible capital losses for the disposal of securities:

Capital losses originated from the disposal of securities shall not be deductible when:

- a) At the time of the disposal or thereafter, within a term of no more than 30 calendar days, the acquisition of marketable/negotiable securities of the same type as those disposed of or call options thereon occurs.
- b) Prior to the disposal, within a term of no more than 30 calendar days, the acquisition of marketable/negotiable securities of the same type as those disposed of or of call options thereon occurs.

The tax basis of the marketable/negotiable securities whose acquisition would have given rise to the non-deductibility of the capital losses in question shall be increased by the amount of the non-deductible capital loss.



2. Temporary Net Assets Tax (ITAN)

The Temporary Net Assets Tax (ITAN) is equivalent to 0.4% of the total value of net assets in excess of PEN1 million determined as at December 31 of the previous year. Companies in the pre-operational stage are excluded. The ITAN payments can be used as an income tax credit. A refund may be requested for any balance not used in the current year.

To avoid double taxation issues, subsidiaries and branches of foreign corporations may elect to credit against the ITAN the credit for the income tax paid in Peru. As such, taxpayers might be able to claim the income tax paid in Peru as foreign tax credit in their country of origin, and not the ITAN.

3. Tax on Financial Transactions (ITF) and Means of Payment

A 0.005% tax is generally levied on deposits and withdrawals in Peruvian bank accounts.

Any payment in excess of PEN2,000 or USD500 must be made using the so-called "Means of Payment," which include bank deposits, drafts, wire transfers, transfer of funds, payment orders, credit and debit cards issued in Peru, and "non-negotiable checks."

On March 3, 2022, Legislative Order (Decreto Legislativo) 1529 was published, according to which the payment of obligations to non-domiciled the payment of obligations via payment systems can be channeled through financial system entities or non-domiciled banking or financial companies, provided they are not incorporated and do not reside in non-cooperative countries or territories or tax havens. For this purpose, non-cooperating or low or zero taxation countries or territories are considered to be those indicated in Annex 1 to the Income Tax Law Regulations, which do not have a Tax Information Exchange Agreement or a Double Taxation Avoidance Agreement in force with Peru that includes an information exchange clause.

The law additionally states that whenever payment systems must be used to pay obligations to a third party designated by the supplier, this fact must be reported to SUNAT before payment is made.

Not using these methods of payment would mean that the corresponding cost or expense of the payment cannot be recognized for income tax purposes. In addition, any Value Added Tax (VAT) in said transactions cannot be used as tax credit.

2

Indirect Taxes

1. Value Added Tax (VAT)

Taxable Base and Application

Value Added Tax (VAT) is levied on the sale of goods, the delivery and use of services and the import of goods in Peru with an 18% tax rate (includes 2% for Municipal Promotion Tax).

The Value Added Tax (VAT) Act uses the debit/credit system, under which the VAT paid on sales is offset against the VAT paid on purchases. Any VAT that is not used as credit in a particular month may be applied in the following months until it is used up. This credit is not subject to expiration or the running of statutes.

Corporate reorganizations are not subject to this tax.

Early VAT Recovery System

Individuals or legal entities making investments in any sector of the economic activity that generate a third income tax bracket and developing projects currently in a 2-year or longer pre-operational stage may resort to the Early VAT Recovery

System and request the early recovery of the VAT transferred or paid for the acquisition of new capital goods, new intermediate goods, as well as construction services and agreements, directly used in the execution of the corresponding project.

For such purpose, the publication of a Ministerial Resolution qualifying the applicant as a beneficiary of the system is required. Such resolution is approved by the Ministry of the corresponding sector and the Agency for the Promotion of Private Investment (ProInversión). The investment to be made under the project may not be less than USD2 million as of December 31, 2024; after that, the minimum investment commitment amount will be USD5 million, except for investments to be made in the agricultural sector, which is exempt from this requirement.

Finally, the new special system authorizing micro-enterprises engaged in production activities to enjoy the refund of the tax credit paid on imports and/or local purchases of new capital goods, not exhausted within the three consecutive months following the date of registration of the respective voucher in the Purchase Journal.



Final VAT Refund

A tax benefit consisting of the refund of all Value Added Taxes (VAT) and Municipal Promotion Taxes transferred or paid for having acquired certain goods and services directly tied to exploration activities during the exploration stage. Final VAT refunds apply to: (i) individuals and legal entities who are the holders of mining concessions; and (ii) investors who have entered into license agreements or service contracts according to the Organic Act on Hydrocarbons.

In both cases, the beneficiary must be in the exploration stage. In the case of holders of mining concessions, an exploration investment agreement involving a minimum investment of USD500,000 must also be adopted.

The tax refund is not conditional upon the beneficiary's commencement of production operations. This regimen is in force until December 31, 2027.

Export of Goods

The export of goods is not subject to the payment of VAT.

The Value Added Tax Act defines the export of goods as the sale of real property performed by a taxpayer domiciled in the country to a non-domiciled party, regardless of whether the transfer occurs abroad or in Peru, provided that said goods are subject to a customs process for definitive export.

If the transfer of ownership occurs in the country prior to loading, the classification as export of goods is conditional upon the goods being shipped within a term of no more than 60 calendar days after the date of issue of the respective payment voucher.

When the sale involves documents issued by a bonded warehouse referred to in the General Customs Act or a normal deposit warehouse regulated by the Superintendency of Banking, Insurance and Private Pension Fund Management Companies (SBS) that guarantee the purchaser's right to dispose of said goods, the classification shall be conditional upon the shipment being performed within a term of no more than 240 calendar days after the date on which the warehouse issues the document.

If the established terms expire without the goods having been shipped, it shall be understood that the operation has been performed in national territory, and shall be levied with or exempted from VAT, as applicable.

Export of Services

The export of services is not subject to the payment of VAT.

Operations considered to be export of services include those that meet the following requirements: (i) they are provided for valuable consideration, (ii) the exporter is domiciled, (iii) the user is non-domiciled, (iv) the use or exploitation of the services by the non-domiciled party occurs abroad; and (v) the exporter is previously registered in the Exporters' Registry kept by SUNAT.

2. Selective Consumption or Luxury Tax (ISC)

This tax applies to the consumption of specific goods, such as fuels, cigarettes, beers, liquors, soft drinks, gambles and bets, etc. It is applied under three systems:

- (i) specific, which involves a fixed amount in Soles per unit of measurement;
- (ii) at value, based on a percentage of the sale price; and
- (iii) sale price, based on a percentage of the suggested retail price.

Starting on January 1, 2019, casino games and slot machines are also subject to ISC.

3

Municipal Taxes

1. Property Tax

Property Tax is an annual municipal tax that is levied over the value of urban or rustic premises. For such purpose, premises are considered to include land, buildings, and fixed and permanent facilities.

The tax rate is a progressive cumulative scale varying between 0.2%, 0.6% and 1.0%, depending on the value of the property. This tax is charged to the individual or legal entity that, as at January 1 of every year, is the owner of the levied property.

2. Property Transfer Tax

Property Transfer Tax is levied on the transfer of urban or rural property, with or without valuable consideration, in any form or manner, including sales in which the ownership rights are not transferred to the buyer until the total price is paid.

The taxable base is the sale price of the property, which shall not be less than its self-assessed value. The tax rate is 3%, to be paid by the buyer. The first 10 Tax Units (UITs) (PEN51,500 or USD13,500) are tax-free.

3. Vehicle Property Tax

The Vehicle Property Tax is an annual tax levied on the ownership of automobiles, pickup trucks, and station wagons manufactured in the country or imported that are no more than three years old. The three years are calculated from the first filing of the automobile with the Vehicle Property Registry.

The taxable base is determined by the original value of acquisition, importation, or entry into ownership. The applicable tax rate is 1%.

4

Customs System

1. Customs Taxes

Imported goods are subject to import tariffs with currently ad valorem rates of 0%, 6% and 11%².

Likewise, the Value Added Tax (VAT) of 18% is applied to imported goods. Additionally, and depending on the type of goods and origin thereof, imports may be taxed with the Selective Consumption or Luxury Tax (ISC), Antidumping Duties, Compensation Duties, or others.

There are also specific duties to be applied as additional variable duties on imported agricultural and livestock products such as hard yellow corn, rice, milk and sugar.

Some imported goods can also be charged with anti-dumping or compensation duties. The former is applied to some imported goods when, according to the Indecopi assessment, the price discrimination could harm or threaten to harm a branch of national production. Compensation duties are applied to imported goods that are

² In addition, a tariff rate of 4% is charged in the case of Express Shipments (goods with a FOB value of USD200 or more, up to a maximum amount of USD2,000 per shipment).

5. Taxes



subsidized in their country of origin and can harm or threaten to harm national production branch via the importation thereof, according to the Indecopi assessment.

The customs taxes and duties applied are summarized as follows:

| Tax | Rate | Taxable Base |
|--|--------------|----------------------------|
| Customs Tariffs ^(a) | 0%, 6% y 11% | CIF Value ^(d) |
| Value Added Tax (VAT) ^{(b) (c)} | 18% | CIF Value + Customs Duties |

- (a) The customs tariff rates depend on the type of goods being imported.
- (b) The Value Added Tax (VAT) can be used as tax credit by the importer.
- (c) Certain goods are additionally subject to the Selective Consumption or Luxury Tax (ISC).
- (d) This value shall be determined according to the WTO Customs Valuation Agreement, as well as the standards of the Andean Community and national law.

The import of goods is subject to the Prepaid VAT System, wherein the tax is determined by applying a percentage to the CIF customs value plus all taxes levied on the import and other surcharges, where applicable. The applicable tax rate is 3.5%, 5%, or 10%, depending on the situation of the importer and/or the goods to be cleared through customs. Like VAT, the amount paid may be used by the importer as a tax credit. However, there are certain cases in which the prepaid VAT does not need to be paid; for example, when the import is performed by VAT withholding agents, or in the case of certain goods excluded from this system.

Additionally, payments related to imported goods must be made using payment methods such as account deposits, drafts, fund transfers, payment orders, among others established in Section 5 of the Consolidated Text of Law No. 28194, Act for the Fight against Tax Evasion and for the Formalization of the Economy, approved by Executive Order (Decreto Supremo) 150-2007-EF. No. 150-2007-EF. This is mandatory for payments from PEN2,000 or USD500. When importing consumer goods worth more than USD2,000, the services of a customs agent authorized by Peruvian Customs will be necessary, to undertake the documentary procedures for the imports. It is worth noting that the importer will be required to have the necessary documents that support the entry of goods, such as the commercial invoice, shipping documents, etc.

In addition to the formalities of customs clearance procedures, there are local regulations that establish additional requirements for the entry of goods that are considered restricted or prohibited. Further details are provided herein below.



2. Restricted or Prohibited Goods

Some goods that are imported into the country may be considered by legal mandate to be restricted or prohibited, for reasons of national security or public health, among other reasons.

Restricted goods are those that require special authorizations, licenses, permits, etc., from the pertinent institutions, depending on the goods to be imported, in order to be imported into the country. These goods must have the required documentation at the time of importation, prior compliance with the requirements established by the control units of the competent sector.

Some of the entities and types of restricted goods are as follows:

- ▶ National Superintendency of Customs and Tax Administration (SUNAT) through the National Intendancy of Chemical Supplies and Supervised Goods for controlled chemical inputs and audited goods given its probability to be used in illegal mining and in the preparation of illegal drugs, among others.
- ▶ Ministry of Health (MINSA), through the Medicines, Supplies and Drug Administration (DIGEMID), with respect to medicines; and through the General Bureau of Environmental Health (DIGESA) with regard to food and beverages, etc.
- ▶ Ministry of Energy and Mines (MINEM) in the case of goods (products, machinery and equipment) that use radioactive sources.
- ▶ Ministry of Internal Affairs (MININTER), through the National Superintendency for the Oversight of Security Services, Weapons, Munitions, and Explosives for Civilian Use (SUCAMEC) for goods such as fire arms, explosives, etc.
- ▶ Ministry of Agriculture (MINAGRI), through the National Agricultural Sanitation Service, such as the institution in charge of protecting agricultural health, etc.
- ▶ Ministry of Transportation and Communications (MTC) for goods using radio-electric transmitters in general and/or communications equipment.
- ▶ Ministry of Foreign Affairs for texts and/or publications that include geographical, cartographical and historical material.
- ▶ Ministry of Industry and Fisheries, through the National Fisheries Health Service (SANIPES) with respect to fishery, aquaculture and/or hydrobiological products.

Furthermore, the prohibited goods are not allowed to enter or leave the country.



3. Anti-Dumping Measures and Compensation Duties

When an import is performed, anti-dumping and/or compensation duties may be applied for the customs clearance of certain goods in order to prevent or to correct distortions in the market due to dumping or subsidies, as set forth by the Commission for Control of Dumping and Subsidies (CFD) of the National Institute for the Defense of Free Competition and the Protection of Intellectual Property (Indecopi).

Likewise, it is possible that during or after customs clearance, Indecopi may bring proceedings to establish anti-dumping or compensation duties, in those cases in which the declared prices may cause a threat or harm to a branch of national production.

It should be noted that the measures established by Indecopi Commission for Control of Dumping and Subsidies (CFD) may be temporary or permanent.

Currently, anti-dumping duties are charged on biodiesel originating from Argentina, taffeta weave fabrics from Pakistan; footwear, taffeta weave fabrics and zippers from China, as well as biodiesel from the United States of America, among others. Likewise, some final compensation duties are charged on biodiesel imports originating from Argentina and from the United States, among others.

4. Trademarks and Patents

For purposes of protecting copyrights and the like, as well as trademarks, country border measures have been established so that a request may be initiated ex parte by the interested party, or ex officio, through the Customs Administration.

This mechanism permits companies that own a protected right to register with the Customs Authority in order to request that an importation process be suspended (authorization for removal from bonded warehouses) in the case of goods that are presumed to bear fake or confusingly similar trademarks, or pirated goods that violate copyrights. Such requests are filed so that Indecopi may conduct an inspection of the goods to be imported into the country.



5. Customs Systems

The following are some of the customs systems established in the General Customs Act:

Drawback

The simplified system of returning customs duties, or “drawback,” allows producer-exporters to recover all or part of the customs duties paid on importing raw materials, inputs, intermediate goods, and parts and pieces incorporated or used in the production of goods to be exported, provided the CIF import value is not more than 50% of the FOB value of the exported product, and all the requisites established in order to be eligible for this benefit are met. The drawback rate applicable is equivalent to 3% of the FOB value of the exported product.

Duty-Free Replacement of Goods

This customs system allows for importation with automatic exemption from customs duties and other taxes levied on imports, goods equivalent to those which—after having been cleared through customs—have been processed, elaborated, or materially incorporated into products that are permanently exported. The beneficiaries of this system are those individuals or legal entities that have exported, directly or through third parties, products which use imported goods.

Temporary Admission for Re-Exportation in the Same State

This customs system allows for the reception of certain goods in national territory, with the suspension of customs duties and other taxes levied on the importation thereof (for a maximum period of 18 months) duly guaranteed, destined for a specific purpose in a specific place and which will be re-exported within the established term without having undergone any modification whatsoever, with the exception of the depreciation as a consequence of normal wear and tear.

In the case of hydrocarbon contractors, they may temporarily import, for a period of 2 years (extendable for 2 additional years), goods intended for their activities with import tax relief, pursuant to the provisions of the Consolidated Text of the Organic Hydrocarbons Act, as approved by Executive order (Decreto Supremo) 042-2005-EM.

Bonded Warehouses

This system allows for goods entering national territory to be stored in a bonded warehouse for such purpose, for a given period (maximum term of 12 months) under the control of a customs agency, without paying customs duties and other taxes applicable to import for consumption, provided that no specific customs system has been requested for them and they are not in a situation of abandonment.

6. Trade Agreements

Peru's development strategy is based on an open economy with a competitive export offer. This successful strategy has allowed the country to consolidate its foreign trade as an instrument for economic development and poverty reduction.

International trade negotiations have helped the Peruvian economy address and gradually reduce its external vulnerability in times of crisis such as the present international conjuncture. In recent years, Peru has negotiated Free Trade Agreements (FTAs) with large and medium-sized markets.

This allows foreign goods to enter Peru under preferential conditions, with a customs duty reduction of up to 100%, provided they comply with the rules of origin established in each one of the 22 Free Trade Agreements and Economic Integration Agreements (FTA and EIA) signed by Peru:

- ▶ Peru-Andean Community Free Trade Agreement.
- ▶ Economic Complementation Agreement 58 signed by between the governments of the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay, and the Oriental Republic of Uruguay, all of them states-parties of MERCOSUR; and the government of the Republic of Peru.
- ▶ Economic Complementation Agreement 50 between the Republic of Cuba and the Republic of Peru.
- ▶ Free Trade Agreement between the Government of the Republic of Peru and the Government of the Republic of Chile, amending and substituting ACE 38, its annexes, appendixes, protocols, and other instruments entered into thereunder.
- ▶ Trade Integration Agreement between the Republic of Peru and the United Mexican States.
- ▶ Peru-United States Trade Promotion Agreement.
- ▶ Free Trade Agreement between Canada and the Republic of Peru.
- ▶ Free Trade Agreement between the Government of the Republic of Peru and the Government of the Republic of Singapore.
- ▶ Free Trade Agreement between the Government of the Republic of Peru and the Government of People's Republic of China
- ▶ Free Trade Agreement between the Republic of Peru and the EFTA States (Switzerland, Liechtenstein, Norway, and Iceland).
- ▶ Free Trade Agreement between the Republic of Peru and the Republic of Korea.
- ▶ Framework Agreement on Closer Economic Partnership between the Government of the Republic of Peru and the Government of the Kingdom of Thailand and its additional protocols.
- ▶ Economic Partnership Agreement between the Republic of Peru and Japan.
- ▶ Free Trade Agreement between the Republic of Peru and the Republic of Panama.



- ▶ Trade Agreement between Peru, Colombia and Ecuador, of the one part, and the European Union and its member states, of the other part.
- ▶ Free Trade Agreement between the Government of the Republic of Costa Rica and the Government of the Republic of Peru.
- ▶ Partial Scope Trade Agreement between the Republic of Peru and the Bolivarian Republic of Venezuela.
- ▶ Framework Agreement of the Pacific Alliance and its additional protocol (Colombia, Chile, Mexico, and Peru).
- ▶ Free Trade Agreement between the Republic of Peru and the Republic of Honduras.
- ▶ Free Trade Agreement between the Republic of Peru and Australia.
- ▶ Trade Agreement between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Republic of Colombia, the Republic of Ecuador, and the Republic of Peru, of the other part.
- ▶ Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed by and between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

7. Free Trade Zones

Tacna Free Trade Zone

The Tacna Free Trade Zone was created in 2002 in order to promote investment in the south of the country through the incorporation of companies engaged in a series of industrial activities, agribusiness, in-bond processing and assembly, and storage, distribution, unpacking, and packaging services, etc. A tax exemption system was granted, which includes Income Tax, Value Added Tax (VAT), Selective Consumption or Luxury Tax (ISC) Municipal Promotion Tax, as well as any other tax, whether existing or to be created, provided the activities are developed within that Zone.

Products shipped from abroad that enter the Zone are not subject to import duties, since the Tacna Free Trade Zone has been granted the status of a special customs treatment area. In the case of goods transferred to the Tacna Commercial Area, only a special tariff is paid. However, if those goods are destined for the rest of the country, then they are subject to payment of the duties charged on imported goods.

The benefits system of tax exemptions is in effect until 2032.

It should be noted that persons from the rest of the national territory may acquire in the commercial zone, through electronic commerce, certain goods, in amounts, quantities or volumes determined by special regulations. These commercial operations are not taxed with the VAT until December 31, 2027.



Puno Special Economic Zone

Like the Tacna Free Trade Zone, the Puno Special Economic Zone is an area which enjoys the status of falling outside customs territory, where a special tax system is applied that not only exempts goods entering the area from import duties, but also provides an exemption to Income Tax, the Value Added Tax (VAT), Selective Consumption or Luxury Tax (ISC), Municipal Promotion Tax, as well as any other federal, regional or municipal tax currently in force or to be created, including those that require express exemption, provided that users carry out authorized activities such as industry, agribusiness, in-bond processing and assembly, and storage, distribution, unpacking, packaging services, etc., within the Zone.

The exemptions are valid through 2027, with the exception of the Income Tax, which concludes on December 31, 2028.

This zone is not yet operative.

Cajamarca Free Trade Zone

The Cajamarca Free Trade Zone was created in 2021 to foster the sustainable socioeconomic development of Peru's northeastern region by attracting companies engaged in production, commercialization, industrial, agribusiness, maquila, and service activities. For such purpose, they will be granted access to a tax exemption regime including income tax, value added tax, excise tax, municipal promotion tax, customs fees and duties, and all other taxes, whether central, regional, or municipal, currently existing or to be created in the future, including those requiring express exemption.

This zone is not yet operative.

Chimbote Free Trade Zone

The government declared its interest in creating the Chimbote Free Trade Zone in 2022 to contribute the sustainable socioeconomic development of Ancash by attracting companies engaged in industrial, agribusiness, assembly, maquila, and service activities.

This zone is not yet operative.



8. Other Special Treatment Zones

Special Development Zones (ZED) (previously known as CETICOS)

In addition to the special customs areas mentioned above, there are also Special Development Zones (ZED) in Ilo, Matarani, Paita, Tumbes, and Loreto.

ZEDs are limited geographical areas that are considered primary customs zones subject to special treatment, where industrial, maquila, logistics (merchandise storage, transportation, distribution, and sale, etc.), repair or refurbishment, telecommunications, information technology, and scientific and technological research and development activities may be performed.

Therefore, the entry of goods to these zones is except from import taxes; however, the entry of goods from ZEDs to the rest of the national territory is subject to the payment of customs duties and other import taxes.

With regard to all other duties and taxes, the development of activities in the country's ZEDs is exempt until December 31, 2042 from Income Tax, Value Added Tax, Selective Consumption or Luxury Tax (ISC), Municipal Promotion Tax, as well as all taxes in force or created in the future—including those that require express exemption by law—with the exception of contributions to ESSALUD and rates.

Likewise, transfers of goods and provisions of services between users established in ZEDs are exempt from the Income Tax, Value Added Tax (VAT), Selective Consumption or Luxury Tax (ISC) and any other tax in force or to be created, including those that require express exemption.

Finally, in the case of the Loreto ZED, it is important to note that the term for incorporating companies in that Zone, as well as their exemptions, is fifty (50) years, as from May 22, 1998.

At present, the Loreto and Tumbes ZEDs are not yet operative.

Amending Protocol to the Peruvian - Colombian Customs Cooperation Agreement of 1938

This Protocol grants preferential duties for the import of certain goods detailed in the Common External Duty Schedule that forms part of the Protocol.

This preferential treatment applies solely to those goods imported to Loreto, San Martín, and Ucayali.

Act for the Promotion of Investment in the Peruvian Amazon - Law 27037

This Act enables importers to bring certain goods into Peru for consumption in the Amazon region, corresponding to Chapters 84, 85, and 87 of the Customs Tariff Schedule, exempt from value added tax payment, through December 31, 2029 (with the exception of the department of Loreto, which will enjoy this benefit until December 31, 2028).

For purposes of this benefit, among other aspects, the Amazon region is considered to consist of the departments of Amazonas, Loreto, Madre de Dios and Ucayali, as well as certain provinces of the Departments of Ayacucho, Cajamarca, Cuzco, Huanuco, Junin, Pasco, Puno, Huancavelica, La Libertad, and Piura.

5

Legal Stability Agreements

The Agency for the Promotion of Private Investment (ProInversión), as representative of the Peruvian Government, can enter into legal stability agreements guaranteeing the investors and companies receiving these investments, as applicable. For such purpose, it is necessary to make capital contributions to a company currently established or to be incorporated in Peru for an amount of no less than USD10 million in the mining and hydrocarbons sector, and USD5 million in any other economic sector. This investment may be made within a period of no more than two years. The term of the agreement is ten years, except for those investors who have entered into a concession agreement as established in Executive Order (Decreto Supremo) 059-96-PCM. In this case, stability governs for the term of the concession.

Starting on December 31, 2021, all Legal Stability Agreements entered into will stabilize the income tax rate in force at the time of signing plus two percentage points.

6

Mining Law

Law 29789 - Special Mining Tax (IEM) / Executive Order (Decreto Supremo) 181-2011-EF- IEM Regulations on the IEM

The Special Mining Tax (IEM) in force since October 1, 2011, is levied on the operating profits of holders of mining concessions and assigns that undertake the exploitation of mineral resources, applicable to the sale of metallic mineral resources as well as resources for personal use or unjustified withdrawals of such assets.

The IEM is determined and paid quarterly based on a progressive cumulative scale of operating margins, with marginal rates ranging from 2% to 8.4%. Technically the IEM is based on the sum of each increase in the operating margin, multiplied by the rate of the progressive tax as per the following table and definitions:

- **Sales Revenue**

Income generated by sales of metallic mineral resources, with certain adjustments such as adjustments due to final determination of amounts due, discounts, return of goods, and other concepts of a similar nature that are common practice.

| Special Mining Tax (IEM) | | | |
|--------------------------|---------------------------|-------------|---------------|
| Scale N° | Scale of Operating Margin | | Marginal Rate |
| | Lower limit | Upper limit | |
| 1 | 0% | 10% | 2.0% |
| 2 | 10% | 15% | 2.4% |
| 3 | 15% | 20% | 2.8% |
| 4 | 20% | 25% | 3.2% |
| 5 | 25% | 30% | 3.6% |
| 6 | 30% | 35% | 4.0% |
| 7 | 35% | 40% | 4.4% |
| 8 | 40% | 45% | 4.8% |
| 9 | 45% | 50% | 5.2% |
| 10 | 50% | 55% | 5.6% |
| 11 | 55% | 60% | 6.0% |
| 12 | 60% | 65% | 6.4% |
| 13 | 65% | 70% | 6.8% |
| 14 | 70% | 75% | 7.2% |
| 15 | 75% | 80% | 7.6% |
| 16 | 80% | 85% | 8.0% |
| 17 | Over 85% | | 8.4% |

$$\text{Operating Margin} = \frac{\text{Operating Profit}}{\text{Sales Revenue}} \times 100$$

- **Operating Profit**

Income generated through the sale of mineral resources for each quarter, less: (i) the cost of goods sold; and (ii) operating expenses, including cost of sales and administrative expenses. Exploration expenses shall be distributed proportionally over the useful life of the mine. Costs and expenses incurred in on-site consumption or unjustified withdrawals of mineral resources are not deductible, nor are interest charges, regardless of whether they have been capitalized as part of the cost of sales or treated as operating expenses.

The amount effectively paid for IEM is considered a deductible expense for effects of determining income tax for the fiscal year in which it was paid.

Furthermore, those in the mining industry must file a statement and pay the IEM every quarter, within 12 business days of the second month after it was generated, under the terms and conditions established by the National Superintendency of Customs and Tax Administration (SUNAT).

Law 29790 - Special Mining Encumbrance (GEM) / Executive Order (Decreto Supremo) 173-2011-EF - Regulations on the GEM

The Special Mining Encumbrance (GEM), in force as of October 1, 2011, is a voluntary payment, applicable to holders of mining concessions and concessionaires engaged in the exploitation of metallic mineral resources with investment projects subject to Contracts for Guarantees and Promotional Measures for Investment established in the General Mining Act, which cannot be affected by changes in the legislation regarding the IEM and mining royalties. For such purpose, an agreement is entered into for the payment of the GEM.

Like the IEM and the Mining Royalties, the GEM is quarterly, and is established by applying a cumulative progressive rate of 4% to 13.12%, depending on the operating margin, to the quarterly operating profit.

The GEM is a deductible expense for the purposes of income tax, and is determined by deducting the amounts paid for Mining Royalties as tax credits.

Law 29788 - Mining Royalties Act / Executive Order (Decreto Supremo) 180-2022-EF

The mining royalty is applicable to holders of mining concessions and concessionaires that undertake the exploitation of metallic and non-metallic mineral resources.

Starting on October 1, 2011, Mining Royalties shall be paid quarterly, and are determined by applying a cumulative progressive rate of 1% to 12% to the operating profit, depending on the operating margin, provided the amount payable is not less than 1% of the income generated from the sales performed during the calendar quarter. If this latter condition is not met, the minimum amount payable for royalties shall be determined based on sales revenues.

Mining Royalties are deductible for the purpose of determining income tax.

Law 29741 - The Supplementary Mining, Metallurgy, and Steelworkers' Retirement Fund (FCJM) / Executive Order 006-2012-TR - FCJM Regulations

The Supplementary Mining, Metallurgy, and Steelworkers' Retirement Fund (FCJM), in force as from July 10, 2011, consists of (i) a contribution of 0.5% of the annual net revenues of mining, metallurgical, and steel companies, before taxes; and (ii) a contribution of 0.5% of the monthly gross salary of each mining, metallurgical, and steelworker.

The companies' contributions shall be paid to SUNAT within the first 12 business days of the month after the Annual Income Tax Return is filed. Withholdings of workers' contributions shall be paid to SUNAT by the deadlines established in the Tax Code for monthly obligations.

7

Agricultural Regime

On December 6, 2020, Law 31087 was published, repealing Law 27360—the Act for the Promotion of Investment in the Agricultural Sector. Subsequently, on December 31, 2020, Law 31110 was published, the Act on the Agricultural Labor Regime and Incentives for the Agriculture and Irrigation, Agro-export, and Agribusiness Sectors. The new regime has been in force since 2021. Scope of the new regime:

- ▶ Individuals or legal entities who farm crops and/or raise livestock.
- ▶ Individuals or legal entities engaged in agribusiness activities, provided they primarily use agricultural and livestock products, outside the province of Lima and the Constitutional Province of Callao. It does not include agribusiness activities related to wheat, tobacco, oil seeds, oils, and beer. The agribusiness activities included within the scope of this law has been determined by an executive order (*Decreto Supremo* No. 006-2023-MIDAGRI), approved by the favorable vote of the Cabinet of Ministers and countersigned by the Minister of Agricultural Development and Irrigation and the Minister of Economy and Finance (products prepared with meat, fruits and vegetables and related services).

5. Taxes



- ▶ Agricultural producers, excluding those organized in producers' associations, provided each individual association does not exceed 5 hectares of production.

This regime applies provided the net income from other non-benefited activities do not exceed 20% of total annual net income.

Applicable Tax Benefits

A reduced income tax rate of 15% has been established from 2021 to 2030 for individuals and legal entities in the sector whose income does not exceed 1,700 UITs (PEN8,755,000 or USD2,303,947), with a gradual reduction in the special lower rate for those companies who exceed 1,700 UITs, as follows:

| | |
|------------|---------------------------|
| 2021 -2022 | 15% |
| 2023 -2024 | 20% |
| 2025 -2027 | 25% |
| 2028 on | General regime (29.5%) |

For purposes of advance income tax payments, in the case of the "percentage system," the advance payment percentage shall be 0.8% of monthly net income when the corporate income tax rate of 15% applies; 1% for a 20% tax rate; 1.3% for a 25% tax rate; and 1.5% for the general regime rate.

Additionally, there is an accelerated depreciation benefit of 20% annually for investments in water and irrigation infrastructure, as well as a deduction of expenses for which receipts have been issued by taxpayers subject to the New Simplified Consolidated Regime, for up to 10% of the amounts proven with receipts granting the right to deduct costs or expenses (with a maximum limit of 200 UITs per fiscal year).

Finally, individuals or legal entities whose net income does not exceed 1,700 UITs in the fiscal year are entitled to a tax credit of 10% of reinvestment up to 70% of annual profits, after income tax, during the 2021-2030 period. Reinvestment must prioritize the enhancement of agriculture, to the extent possible, through the implementation of a technology-based irrigation system.



6 Labor and employment law



1

Hiring System

1. Peruvian Workers

Indefinite-term contracts are the general rule for hiring in Peru, although fixed-term and part-time contracts may also be signed as an exception. The principal features of each one of these contracts is detailed below:

- ▶ **Indefinite-term contracts:** Have no expressly defined duration. This form of employment contract grants workers all labor rights and benefits in force under Peruvian law.
- ▶ **Fixed-term contracts:** : For this form of contract, the legislation requires proof of an objective cause or ground that guarantees temporary hiring (for example, the start-up of a new business, specific projects or services, substitution, etc.) and the term thereof is subject to compliance with the requirements provided by law. Likewise, they provide all the rights and benefits granted to workers hired for an indefinite term.

- ▶ **Part-time contracts:** These contracts govern labor relations that cover work schedules with a weekly average of less than four hours per day. Part-time workers are eligible for all benefits under the law, except for i) indemnity for wrongful dismissal; ii) severance pay (CTS); and iii) vacation time of 30 days (they only have the right to six business days' vacation per year).

All of these contracts allow for a trial period, during which the workers have no right to indemnity in the event of wrongful dismissal. The trial period is counted from the start of the labor relationship and may have a maximum term of i) 3 months for all workers in general; ii) 6 months for qualified workers or those in positions of trust; and iii) 12 months for management staff. For its effectiveness, the extension of the trial period must be recorded in writing.



2. Expatriates

The labor relations governing foreign citizens entering Peru to render services for a domiciled company are governed by the Foreign Worker Hiring Act. These workers have the right to the same benefits provided to all workers in the private business workforce and are subject to the same taxes and contributions. The difference is that the approval of the employment contract by the Ministry of Labor and Employment Promotion (MTPE) is required to begin providing the services, as well as obtaining the pertinent migratory status. In the case of the income tax, the withholding rate shall depend on whether they are domiciled or non-domiciled.

As a general rule, expatriates must not exceed 20% of all personnel. Additionally, the total remuneration received by foreign workers must not exceed 30% of the total payroll. Exceptions to these limits may be made in the case of professionals and specialized technical staff, or for management staff for a new business activity or corporate restructuring or reorganization, etc.

None of the limits on number of personnel and salary amounts are applicable to foreign workers who render services in Peru on an immigrant visa, who are married to Peruvian citizens, or who have children of Peruvian nationality, parents or siblings, and foreign investors with a permanent investment in Peru of at least five Tax Units, or foreign workers who render services in the country by virtue of bilateral or multilateral conventions entered into by Peruvian Government.

Companies must follow the procedure to obtain the approval of the MTPE, filing the employment contract in a virtual system.

It is important to note that citizens of the Andean Community of Nations, Spanish citizens, and citizens of the Mercosur nations are subject to a special contracting procedure.

The migration procedure is detailed in Point 5.



2

Current Fringe Benefits

Workers have the right to the following fringe benefits, the cost of which is borne by the employer:

- **Vacation Leave**

The right to 30 calendar days of paid vacation per complete year of service, provided workers meet the vacation record, which is a minimum of days effectively worked as required by law. The vacation period must be taken within the calendar year following the year of services rendered and the related record. However, advances may be granted provided there is an agreement with the employer. If the worker does not take vacation time when due, the employer shall pay one additional month of remuneration as vacation indemnity.

- **Legal Bonuses**

Two bonuses per year, the first in July (Independence Day holidays) and the second in December (Christmas). Workers who leave their job before the months of July or December are entitled to receive the proportional payment of this benefit for the full months completed on the job, provided they have worked at least one full month.

| Benefit | Amount / Applicable Rate |
|-------------------------------|---|
| Vacation Leave | Equivalent to 30 calendar days of rest, with one month of paid remuneration |
| Legal Bonuses | Two months' remuneration per year |
| Mandatory Extraordinary Bonus | Two bonuses equivalent to 9% or 6.75% of the legal bonuses |
| Severance Pay (CTS) | 9.72% monthly remunerations per year |
| Profit Sharing | Between 5% and 10% of income before taxes |
| Family Allowance | 10% of the Minimum Wage |

- **Mandatory Extraordinary Bonus:**

This is an additional benefit whereby the worker receives two bonuses equivalent to 9% of the legal bonuses, or 6.75% if the worker is a member of a Healthcare Service Provider Company (EPS).

• **Severance Pay (CTS)**

This is a fringe benefit to cover contingencies arising from termination of employment and promotion of the workers and their families. The payment is deposited in the workers' bank account in the months of May and November, depositing said amount in the bank account chosen by the worker.

• **Profit Sharing**

Companies with more than 20 workers that engage in activities that generate business income are required to distribute a percentage of their annual income before taxes among their workers. The percentage of the share is fixed by law, and depends on the company's principal activity, as follows:

| Type of Company | Percentage |
|---|------------|
| Fisheries, telecommunications, and industrial companies | 10% |
| Mining companies, wholesale and retail businesses, and restaurants | 8% |
| Companies in the agricultural sector (As from 2024 to 2026 it will increase to 7.5%). | 5% |
| Companies engaged in other activities | 5% |

• **Family Allowance**

Workers who have one or more dependent children under the age of 18, or children over 18 enrolled in vocational or university education, or that provide evidence that they have a severe disability, are entitled to this benefit. The amount is equivalent to 10% of the Minimum Wage.

• **Comprehensive Annual Remuneration**

With workers who receive a monthly salary of at least two Tax Units, the employer can negotiate a comprehensive annual remuneration (RIA) to which all the benefits detailed above are added, with the exception of profit sharing, to be paid as provided by law, and which may be paid directly to the worker in 12 monthly installments.

3

Taxes and Contributions Levied on Remunerations

The employer shall assume the payment of the following taxes and contributions:

| Taxes / Contributions | Applicable rate |
|--|--|
| Public Health Insurance (EsSalud) | 9% |
| Mandatory Life Insurance | Depends on the type of policy |
| Occupational Life and Disability Insurance | Depends on the type of policy |
| Pension System | 13% for the Public System or 12.84% for the Private System (approximately) |

- **Income Tax:** The employer is responsible for withholding and paying income tax on earnings. A projection of the worker's annual earnings is made, to which the rates established as follows are applied. The approximate monthly deduction shall be one-twelfth (1/12th) of the determined annual tax amount, which may be established by following the procedures provided by law, in order to establish the exact amount to be withheld. For domiciled workers, an initial deduction of seven Tax

Units (UITs) is applied and further to this, the following rates are applied:

| Sum of the Net Work Income and of the Foreign Source Income | Rate |
|---|------|
| Up to 5 Tax Units (UITs) | 8% |
| More than 5 up to 20 Tax Units (UITs) | 14% |
| More than 20 up to 35 Tax Units (UITs) | 17% |
| More than 35 up to 45 Tax Units (UITs) | 20% |
| More than 45 Tax Units (UITs) | 30% |

For non-domiciled workers the rate is 30% without deductions.

Likewise, it is possible—in addition to the deduction of seven Tax Units applicable to tax revenues, to deduct tax units from the respective tax basis, by virtue of expenses incurred in the leasing of real properties, professional fees paid to independent contractors (such as doctors, dentists, attorneys, veterinarians, among others, provided they issue receipts for professional fees), social health insurance contributions (EsSalud) for household workers and amounts paid for consumption in restaurants, bars, and hotels, and amounts paid for tourism-related services.



- ▶ **Public Health Insurance (EsSalud):** This contribution is paid by the employer and is designed to finance the public health system (EsSalud) so that the system may provide healthcare services to workers and financial assistance in case of disability, through the payment of subsidies. The collection of this amount is undertaken by the National Superintendency of Customs and Tax Administration (SUNAT) to which employers make this payment. The amount contributed is equivalent to 9% of the worker's monthly remuneration. If the company provides health coverage to its workers using its own resources or through a Healthcare Service Provider Company (EPS) it may request a credit of up to 25% of the EsSalud contribution, provided it complies with the limits established by law.
- ▶ **Statutory Employer-Provided Life and Disability Insurance:** This is a collective insurance provided to workers from the first day of work. The premium depends on the number of insured workers, the work they carry out and, in general, the terms agreed to with the insurance company.
- ▶ **Pension System:** The workers may join the National Pension System (SNP) or the Private Pension System (SPP) which are mutually exclusive. This contribution is to be assumed fully by the worker, with the employer being responsible solely for its collection.
- ▶ **In the case of the SPP,** the contribution consists of the amount paid to the individual capitalization account (10%), plus a premium for disability, survival, and burial insurance, plus the commission paid to the AFP. This commission is calculated based on the salary received and the balance of the pension fund. The commission and premium amounts are determined by each AFP. New affiliates to the SPP system are required to register with the AFP that won the most recent tender process (AFP Prima) through May 31, 2021.
- ▶ **Other Contributions:** Other contributions depend on the activity performed by the companies, for example:
 - a) **Occupational Life and Disability Insurance:** A mandatory insurance to be paid by companies whose activities involve a high level of risk, and which grants additional coverage for health and pensions. The contract for health services may be entered into with EsSalud or with a Healthcare Service Provider Company (EPS); while pension-related services may be contracted with the Government Agency for Pension Fund Management (ONP) or with a private insurance company. The rates depend on the type of activity and/or the terms agreed on with the insurance company.
 - b) **Supplementary Retirement Fund for Miners:** Mining, metallurgical, and iron and steel companies must contribute 0.5% of their annual net earnings before taxes to this fund, as well as withholding 0.5% of the gross monthly remuneration of each mining, metallurgical, and iron and steel worker.

- c) Contribution to the National Industrial Vocational Training Service (SENATI): Training Service (SENATI): Companies engaged in industrial activities included in Category D of the Uniform International Industrial Classification (UIC) are under the obligation to make a contribution to the National Service for Training in Industrial Work (SENATI). The contribution amounts to 0.75% of the worker's remuneration, according to the conditions provided by law.
- d) Contribution to the Administrative Committee of the Fund for the Construction of Housing and Recreational Centers (CONAFOVICER): This is a contribution to be assumed in full by those workers who perform civil construction activities for a company engaged in construction. The amount of the contribution is equivalent to 2% of the worker's basic daily remuneration.
- e) Contribution to the National Training Service for the Construction Industry (SENCICO): This is a contribution to be paid by companies engaged in construction activities. The contribution amounts to 0.2% of the total company income for labor, general expenses, technical direction, profits, and any other concept billed to the client, regardless of the construction contract executed.

4

Termination of the Employment Contract

The employment contract is terminated under the following circumstances:

- ▶ Compliance with the condition subsequent or the termination of the period of fixed term contracts.
- ▶ By agreement between the worker and the employer, which should be put into writing.
- ▶ Resignation of the workers, who must provide 30 days' prior notice.
- ▶ Due to permanent absolute disability or death of the worker.
- ▶ Retirement of the worker.
- ▶ Justified dismissal, in which the cause must be related to the skill or conduct of the worker, according to conditions established under national legislation.
- ▶ In cases established for collective dismissal, pursuant to Peruvian law.

The dismissal shall be subject to the verification of an objective cause that justifies the action, pursuant to law. If the cause is found not to exist, the employer shall be penalized via the payment of an indemnity.



However, the Constitutional Court has established certain cases in which the workers may also request their reincorporation into their job position, as per the following chart:

- **Unfounded dismissal**

When the employer does not give a legal cause or ground

- ▶ Consequences: Reincorporation / indemnity at the discretion of the worker

- **Fraudulent dismissal**

When the employer falsely charges the worker of committing gross negligence.

- ▶ Consequences: Reincorporation / indemnity at the discretion of the worker.

- **Void dismissal**

When the measure violates the fundamental rights of the worker.

- ▶ Consequences: Reincorporation

- **Dismissal with reasonable charge of gross negligence**

When the gross negligence is not proven during the process, although due process was followed as required by law.

- ▶ Consequences: Indemnity

- **Indirect dismissal**

When the worker is subject to acts of hostility comparable to dismissal.

- ▶ Consequences: Indemnity

Indemnity shall only be granted once the trial period has been completed (first 3 months of a contract) and is limited to 12 monthly remunerations.

In the case of workers who are hired for an indefinite term, the amount to be paid is one and a half months' remuneration for each year of completed service. On the other hand, in the case of workers hired on a fixed-term contract, indemnity is one and a half months' remuneration for each month not worked up until the termination of the contract.

In both cases, indemnity is paid in fractions of 12ths and 30ths per year and is limited to 12 monthly remunerations.

Management staff or workers in positions of trust who are hired as such may not request reincorporation and are only entitled to receive an indemnity for dismissal, unless they have previously held an ordinary position, in which case they may also be entitled to reincorporation into such ordinary position.

5

Immigration

Foreigners may apply for one of the visas listed below, depending on the activity they wish to undertake in Peru:

- **Tourist Visa**

- ▶ **Type:** Temporary
- ▶ **Activities Permitted:** Limited to tourist visits, recreation, or similar activities. Paid or lucrative activities are not permitted.

- **Business Visa**

- ▶ **Type:** Temporary
- ▶ **Activities Permitted:** Allows those foreigners who do not intend to establish residence in Peru to perform business, legal, contractual specialized technical assistance, or similar activities. Granted by the Ministry of Foreign Affairs (MRE). In the case of countries with which Peru has an agreement, this visa may be granted by the customs officer at the airport. Permits multiple entries, with a cumulative stay time of up to 183 days within a 365-day period.

- **Work Visa**

- ▶ **Type:** Temporary / Resident
- ▶ **Activities Permitted:** This visa allows them to work in Peru on a contract previously approved by the Ministry of Labor.

- **Investor Visa**

- ▶ **Type:** Temporary / Resident
- ▶ **Activities Permitted:** They must provide proof of an investment equivalent to PEN500,000. Foreigner individuals may only hold the position of director or manager of their company, for which purpose they shall comply with the applicable labor and tax laws. Proof of this investment cannot consist of the transfer of shares.

- **Designated Work Visa**

- ▶ **Type:** Temporary
- ▶ **Activities Permitted:** Foreigners may perform labor activities when they are sent by their foreign employer for a limited and definite term to engage in a specific task or duty or a work that requires professional, commercial, technical, or highly-skilled knowledge of another kind. They may also execute contracts and perform transactions.

- **Freelance Work Visa**

- ▶ **Type:** Temporary / Resident
- ▶ **Activities Permitted:** They may exercise their profession independently. It requires the execution of a service agreement and the obtainment of a tax ID number (RUC).



- **Permanent Resident Visa**

- ▶ **Type:** Resident
- ▶ **Activities Permitted:** Provided they enter the country to take up residence, they can develop their activities on a permanent basis.

- **Student Visa**

- ▶ **Type:** Temporary / Resident
- ▶ **Activities Permitted:** Those entering the country for the purpose of studying at educational centers accredited by the State cannot receive Peruvian-source income, with the exception of that received for professional internships or work during vacations, prior authorization from the competent authority.

It should be noted that there are visas that are issued at the Peruvian consulates of the country of residence and others in Peru, granted by the National Superintendency of Immigration.

Foreigners coming from Mercosur countries (Brazil, Argentina, Chile, Uruguay, Colombia, Bolivia, Paraguay, and Ecuador); or from countries with specific migration agreements may be subject to other immigration provisions and/or facilities.

6

Supervisory Body

The National Superintendency for Labor Audits (SUNAFIL) is a specialized technical entity attached to the Ministry of Labor and Employment Promotion (MTPE). The SUNAFIL is responsible for promoting, supervising, and auditing the compliance with labor laws and laws on occupational health and safety. It designs and conducts nationwide all duties and competencies established in Law 28806—the General Labor Inspection Act and acts as the central authority and guiding entity of the Labor Inspection System, in accordance with national and sector policies and plans, as well as the institutional policies and technical guidelines of the Ministry of Labor and Employment Promotion (MTPE).

The Labor Inspection Court is a decision-making resolutive body that forms part of the National Superintendency for Labor Audits (SUNAFIL). The Court has the technical independence to decide, as final administrative instance, all cases submitted through an appeal for review when labor law provisions have not been applied or have been incorrectly applied and interpreted.

In addition to the Labor Inspection Court, there is a Labor Inspection System tasked with ensuring legal certainty and guaranteeing that rulings on similar situations are consistent with one another.

7

New rules and preventions about COVID-19 at work

On January 15, 2024, Administrative Directive 349-MINSA/DGIESP-2024 was approved, which establishes guidelines for the Prevention, Monitoring and Control of the health of workers at risk of exposure to SARS-CoV-2. Below we detail the key aspects of this regulation:

- ▶ Companies have the obligation to prepare the Covid-19 Prevention, Monitoring and Control Plan, which must be approved by the Occupational Health and Safety Committee or the supervisor, as appropriate.
- ▶ The use of a mask is not mandatory, except for health personnel and workers who present flu symptoms. Likewise, the use of a mask is suggested for workers with risk factors.
- ▶ Medical rest days for suspected, probable or confirmed cases of Covid-19 will be determined by the treating doctor.
- ▶ The obligation to provide trainings on Covid-19 and have a health professional is maintained depending on the number of workers.
- ▶ It is important to promote vaccination, have hand washing points and alcohol for disinfection and maintain ventilated environments.

8

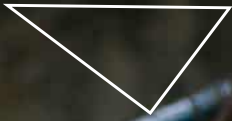
Prohibition of outsourcing of activities that are related to the employer's "core business"

Executive Order (*Decreto Supremo*) 001-2022-TR, published on February 23, 2022, amended the regulations on the labor outsourcing law for personnel continuously assigned to the main company (company hiring the service).

The main change involves the restricted use of outsourcing for specialized activities or works where personnel are continuously assigned to the main companies' work or operating centers.

Activities forming part of the core business—understood as those forming part of the company's corporate purpose—cannot be outsourced.

The performance of labor inspections to ensure compliance with this amendment has currently been suspended due to lawsuits and administrative complaints, which have yet to exhaust all available legal channels.



7

Accounting standards





1

Accounting Standards

The Peruvian Business Corporations Act (LGS) establishes that the financial statements of companies incorporated in Peru must follow the general accounting principles accepted in Peru and other applicable legal provisions.

The Peruvian Accounting Standards Board (CNC) has established that the general accounting principles are basically the standards issued by the International Financial Reporting Standards Board (IFRSB) including the International Financial Reporting Standards (IFRS), the IFRS Interpretation Committee (IFRIC), and the Standing Interpretations Committee (SIC), and the specific provisions approved for particular businesses (banks, insurance companies, etc.). Likewise, on a supplementary basis, the U.S. Generally Accepted Accounting Principles (GAAPs) are applied.



The Peruvian Accounting Standards Board (CNC) is responsible for issuing the General Chart of Accounts for companies and methodologies that apply to both private business and government entities.

The CNC adheres to the standards approved by the International Financial Reporting Standards Board (IFRSB), which are explicitly approved by the CNC and published in "El Peruano" Official Gazette, indicating their date of approval, which may differ from the internationally approved date.

Companies that issue debt or shares in the capital market are subject to the regulations of the Peruvian Securities and Exchange Superintendency (SMV). Companies supervised by the SMV are obliged to issue their financial statements in accordance with IFRS, as issued in accordance with the International Financial Reporting Standards Board.

According to the most recent regulations in force, companies that obtained an income in excess of 2,300 UITs (PEN11,845,000) are required to submit financial statements in accordance with the IFRS. Small and medium-sized enterprises that obtained an income higher than 150 UITs (PEN772,500) and lower than 2,300 UITs (PEN11,845,000) are required to issue their financial statements in accordance with the IFRS for SMEs. The IFRS for SMEs is a simplified set of rules designed specifically for small and medium-sized non-financial enterprises.

The annual financial information of companies supervised by the Peruvian Securities and Exchange Superintendency (SMV) must be audited and include the previous year for comparative purposes. Quarterly information does not need to be audited. This audit must be performed in accordance with the International Standards on Auditing issued by the International Federation of Accountants (IFAC).

7. Accounting Standards



Since 2016, companies not listed in the Public Stock Exchange Registry are not required to submit audited financial statements.

In June 2023, the International Sustainability Standards Board (ISSB) presented its first IFRS (ESG) standards, IFRS S1 and IFRS S2, marking a major milestone for the Peruvian capital market and opening doors to a new era of sustainability disclosure. These standards will help boost trust in companies when disclosing sustainability information, providing a solid foundation on which to base investment decisions.

Both IFRS S1 and IFRS S2 entered into force for annual periods starting on January 1, 2024. The compulsory application of the IFRS sustainability disclosure standards will depend on the regulatory or approval processes of each local jurisdiction. The application of the IFRS sustainability disclosure standards is not tied to the application of IFRS accounting standards. Thus, an entity that applies the IFRS accounting standards for financial reporting purposes is not currently also required to apply the IFRS sustainability disclosure standards, and vice versa.



Annexes



Main Regulatory and Investment Promotion Entities in Peru



Photograph by Alfonso Zavala / © PROMPERU

1

Central Reserve Bank of Peru - BCRP

(Banco Central de Reserva del Perú - BCRP)

Tel: +51 1 613 2000

www.bcrp.gob.pe 

The Central Reserve Bank of Peru (BCRP) is an autonomous constitutional institution of the Peruvian State. According to the Constitution, the faculties of the BCRP are to regulate the currency and the credit in the financial system, manage international reserves under its care, and other functions indicated in the law that created the institution. Likewise, the Constitution orders the BCRP to issue coins and paper money and to accurately inform the country from time to time on the state of national finances. It also has the responsibility of maintaining monetary stability, avoiding the pressures of inflation and depreciation on the economy.

2

Office of the Prime Minister - PCM

(Presidencia del Consejo de Ministros - PCM)

Tel: +51 1 219 7000

www.gob.pe/pcm 

The Office of the Prime Minister is the technical-administrative institution of the Executive Branch, whose maximum authority is the President of the Republic of Peru. It coordinates and follows up on multi-sector policies and programs of the Executive Branch. It also carries out coordinated actions with the Congress and different constitutional entities.

3

Ministry of Economy and Finance - MEF

(Ministerio de Economía y Finanzas -MEF)

Tel: +51 1 311 5930

www.gob.pe/mef 


The Ministry of Economy and Finance (MEF) is an entity of the Executive Branch responsible for planning, directing, and controlling matters related to the budget, treasury, debt, accounting, fiscal policy, public spending, and economic and social policies. It also designs, establishes, performs, and supervises national and sector policies under its jurisdiction, assuming a guiding role therein.

4

Ministry of Labor and Employment Promotion - MTPE

(Ministerio de Trabajo y Promoción del Empleo - MTPE)

Tel: +51 1 630 6000

www.gob.pe/mtpe 


The Ministry of Labor and Employment Promotion (MTPE) is the State institution responsible for designing, coordinating, and executing the policies and programs aimed at creating and improving dignified and productive work through the promotion of job market insertion opportunities and skills, as well as fostering a democratic system of labor relations through labor coordination, surveillance of compliance with laws, conflict prevention and resolution, and the improvement of working conditions.

5

National Institute for the Defense of Free Competition and the Protection of Intellectual Property - INDECOPI

(Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual - Indecopi)

Tel: +51 1 224 7777

www.indecopi.gob.pe/indecopi 

Indecopi promotes a culture of fair competition and protects all forms of intellectual property (trademarks, copyrights, patents, and biotechnology).

6

Supervisory Board for Investment in Energy and Mining - OSINERGMIN

(Organismo Supervisor de la Inversión en Energía y Minería - OSINERGMIN)

Tel: +51 1 219 3400

+51 1 219 3410

+51 1 427 4935

www.osinergmin.gob.pe 

OSINERGMIN is responsible for supervising and controlling compliance with legal and technical provisions of activities developed by companies in the electricity and hydrocarbons subsectors, as well as compliance with legal and technical regulations related to the conservation and environmental protection. It is also in charge of quality and quantity control of fuels and higher prerogatives as part of its power to impose sanctions.

7

Supervisory Board for Private Investment in Telecommunications - OSIPTEL

(Organismo Supervisor de Inversión Privada en Telecomunicaciones - OSIPTEL)

Tel: +51 1 225 1313

www.osiptel.gob.pe

OSIPTEL is in charge of regulating and supervising the public telecommunication services market, independently of the operating companies.

8

Supervisory Board for Investment in Public Transportation Infrastructure - OSITRAN

(Organismo Supervisor de la Inversión en Infraestructura de Transporte de Uso Público - OSITRAN)

Tel: +51 1 500 9330

www.ositran.gob.pe

The general purpose of OSITRAN is to regulate, govern, supervise, and audit the behavior of the markets under its jurisdiction, with regard to the actions of service providers, as well as the compliance with concession agreements, impartially and objectively holding harmless the interests of the State, investors, and users.

9

Private Investment Promotion Agency - PROINVERSIÓN

(Agencia de Promoción de la Inversión Privada - Perú - ProInversión)

Tel: +51 1 200 1200

www.proinversion.gob.pe

ProInversión promotes investment that does not depend on the Peruvian State, in charge of agents under the private system in order to improve the country's competitiveness and sustainable development and thus improve the population's welfare.

10

National Superintendency of Labor Audits - SUNAFIL

(Superintendencia Nacional de Fiscalización Laboral - SUNAFIL)

Tel: +51 1 390 2800

www.sunafil.gob.pe

SUNAFIL is a specialized technical entity that forms part of the Ministry of Labor and Employment Promotion (MTPE), and is responsible for promoting, supervising, and auditing the compliance with labor laws and those related to occupational health and safety.

11

Superintendency of Banking and Insurance and Private Pension Fund Management Companies - SBS

(Superintendencia de Banca, Seguros y Administradoras de Fondos de Pensiones SBS)

Tel: +51 1 630 9000

www.sbs.gob.pe 

SBS is in charge of regulating and supervising the financial, insurance, and private pension fund systems. Its main objective is to protect the interests of depositors, the insured, and pension fund affiliates.

12

National Superintendency of Public Records Offices - SUNARP

(Superintendencia Nacional de los Registros Públicos - SUNARP)

Tel: +51 1 208 3100

www.sunarp.gob.pe 

The mission of the SUNARP is to provide legal security and certainty on ownership of different rights registered with it, backed by modernization, simplification, integration and the specialization of registration nationwide.



Photograph by Juan Muñoz / © PROMPERÚ



Photograph by Walter Silveira / © PROMPERÚ

13

National Superintendency of Sanitation Services - SUNASS

(Superintendencia Nacional de Servicios de Saneamiento - SUNASS)

Tel: +51 1 614 3200

www.sunass.gob.pe

The SUNASS is a decentralized public institution that rules, regulates, supervises and controls water and sewage services provided, impartially and objectively protecting the interests of the State, investors, and users.

14

Peruvian Securities and Exchange Superintendency - SMV

(Superintendencia del Mercado de Valores - SMV)

Tel: +51 1 610 6300

www.smv.gob.pe

The SMV is a specialized technical institution attached to the Ministry of Economy and Finance (MEF) designed to oversee the protection of investors, the efficiency and transparency of the markets under its supervision, the correct setting of prices, and the dissemination of all information necessary to achieve these goals. It has legal status of domestic public law and has complete functional, administrative, economic, technical, and budgetary autonomy.

15

National Superintendency of Customs and Tax Administration - SUNAT

(Superintendencia Nacional de Administración Tributaria - SUNAT)

Tel: +51 1 315 0730

www.sunat.gob.pe

SUNAT also includes the National Customs Superintendency. It is in charge of managing, supervising, and collecting domestic taxes, with the exception of municipal taxes. It also manages and controls the international trafficking in goods within customs territory and collects the duties applicable by law, facilitates foreign trade economic activities, and inspects the international traffic in persons and the means of transportation. It also conducts the actions necessary to prevent and punish customs crimes.

16

General Bureau of Environmental Health - DIGESA

(Dirección General de Salud Ambiental - DIGESA)

Tel: +51 1 631 4430

www.digesa.minsa.gob.pe

DIGESA is the technical regulator on issues related to basic health, occupational health, food hygiene, zoonosis, and protection of the environment.

17

Environmental Assessment and Supervisory Board - OEFA

(Organismo de Evaluación y Fiscalización Ambiental - OEFA)

Tel: +51 1 204 9900

www.oefa.gob.pe

The OEFA is the guiding entity of the National Environmental Assessment and Supervisory System (SINEFA) and is responsible as such for the evaluation, supervision, and auditing of the compliance with environmental laws nationwide, integrating the efforts of the State and society in a coordinated and transparent manner to ensure the effective management and protection of the environment.

18

Ministry of Energy and Mines - MINEM

(Ministerio de Energía y Minas - MINEM)

Tel: +51 1 411 1100

www.minem.gob.pe

The Ministry of Energy and Mines (MINEM) is the entity responsible for promoting the development and use of energy resources on a rational, efficient, and competitive basis in a scenario of decentralization and regional development, prioritizing private investment, satisfaction of demand, and the use of renewable energies. It also promotes the development of the mining industry, safeguarding legal stability, rational exploitation, and the introduction of new technologies.

19

Ministry of Transportation and Communications - MTC

(Ministerio de Transportes y Comunicaciones - MTC)

Tel: +51 1 615 7800

www.gob.pe/mtc 

The Ministry of Transportation and Communications (MTC) is the Peruvian Government entity that seeks to ensure rational territorial order with respect to resources, production, markets, and population, through the regulation, promotion, implementation, and supervision of transportation and communications infrastructure.

20

Ministry of Foreign Trade and Tourism - MINCETUR

(Ministerio de Comercio Exterior y Turismo - MINCETUR)

Tel: +51 1 513 6100

www.gob.pe/mincetur 


The Ministry of Foreign Trade and Tourism (MINCETUR) is the Peruvian Government entity responsible for formulating, directing, coordinating, implementing, and supervising foreign trade policy, with the exception of tariff regulations; and tourism policy, in accordance with general government policy and in coordination with the sectors and institutions within its jurisdiction.

21

Ministry of Industry and Fisheries - PRODUCE

(Ministerio de la Producción - PRODUCE)

Tel: +51 1 616 2222

www.gob.pe/produce 

The Ministry of Industry and Fisheries is responsible for drafting, approving, implementing, and supervising national policies applicable to extractive, productive, and transformation activities in the industry and fishing sector, promoting their competitiveness and increasing their production, while guaranteeing the sustainable use of natural resources and environmental protection.

22

Ministry of Environment - MINAM

(Ministerio del Ambiente - MINAM)

Tel: +51 1 611 6000

www.gob.pe/minam 

The Ministry of Environment promotes the conservation and sustainable use of natural resources, the enhancement of biological diversity and environmental quality for the benefit of people and the environment in a decentralized and coordinated manner with public and private organizations and civil society, within the framework of green growth and environmental governance.

It also drafts, plans, conducts, executes, supervises and evaluates the National Environmental Policy, applicable to all levels of government, and is in charge of the National Environmental Management System and the National Environmental Impact Assessment System, assuming a guiding role in the Environmental Sector.

23

**Ministry of Agricultural
Development and Irrigation -
MIDAGRI**

(Ministerio de Desarrollo Agrario y Riego -
MIDAGRI)

Tel: +51 1 478 002

www.gob.pe/midagri 

MIDAGRI is the governing public agency in agrarian matters. It works in accordance with the National Agrarian Policy that defines the medium and long term guidelines for the sustainable development of agriculture, with the purpose of activating development and social inclusion for the benefit of the rural population. We also promote the sustainable use of water, forest and wildlife resources.



Photograph by Renzo Giraldo / © PROMPERÚ

Economic Promotion Institutions and Relevant Entities



Photograph by Fernando Criollo / © PROMPERU

1

inPERU


inPERU is a non-profit association founded by the main unions of the Peruvian market: the Peruvian Finance Association, the Peruvian Association of Insurance Companies, the Association of Banks of Peru, the AFP Association, the Lima Stock Exchange, CAVALI, the National Confederation of Private Business Institutions and the Association of Capital Market Business Promoters.

Likewise, it has the support of the Government, through the Ministry of Foreign Affairs, the Ministry of Economy and Finance, the Ministry of Foreign Trade and Tourism, the Central Reserve Bank, ProlInversión, the Superintendency of Securities Markets and the Superintendence of Banking, Insurance and AFP.

Its main objectives are:

- ▶ Articulate the efforts of the private sector around the promotion of Peru and its regions as a destination for financial and direct investment.
- ▶ Promote collaboration and public-private dialogue, for the development of financial and direct investment.
- ▶ Position private investment as a source of growth, economic development and job creation through investment promotion activities at the national level and abroad.

▶ Contact

- ▶ Fernando Romero Tapia
Chairman
- Address: Pasaje Acuña 106 - Lima
- Tel: +51 1 619 3333 Ext. 2169
- Website: <https://inperu.pe/landing> 

2

Ministry of Foreign Affairs: Executive Office for Economic Promotion – DPE

(Ministerio de Relaciones Exteriores: Dirección General de Promoción Económica – DPE)

The Executive Office for Economic Promotion (DPE) is the institution of the Ministry of Foreign Affairs (MRE) responsible for coordinating with Peruvian missions abroad in an effort to promote Peru as a country capable of providing goods and services in international markets, as well as positioning it as a world-renowned tourist destination, and a country with interesting business and investment opportunities in different economic sectors.

It should be noted that the DPE has a Quality Management System certified with ISO 9001:2008 International Standard, governed under the values of equality, social commitment, honesty, transparency, and teamwork, thus ensuring that the needs of its national and international users are met.

The DPE reaffirms its commitment to provide services with high standards of quality, excellence, and continuous improvement in the development of the certified processes, such as:

- ▶ Support for exporters, investors, and travel agents
- ▶ Support for trade, investment, and tourism missions
- ▶ Response to requests
- ▶ Training
- ▶ Dissemination of opportunities
- ▶ Organization of events
- ▶ Resolution of trade problems and impasses

Services Offered by the DPE Through its Three Departments

Trade Promotion Bureau – PCO (Dirección de Promoción del Comercio – PCO)

- ▶ Dissemination of business opportunities
- ▶ Dissemination of the export offer
- ▶ Support in the solution of trade problems between companies
- ▶ Identification of business opportunities
- ▶ Support to trade missions and their participation in fairs abroad
- ▶ Support to exporters in the resolution of trade impasses
- ▶ Organization of trade events

Investment Promotion Bureau – PIN (Dirección de Promoción de las Inversiones – PIN)

- ▶ Participation in the negotiation of Foreign Investment Promotion Agreements
- ▶ Dissemination of investment opportunities (federal, regional, and municipal governments)
- ▶ Coordination of international events for investment promotion (road shows, videoconferences, fairs, and seminars)
- ▶ Preparation and coordination of an agenda for foreign business missions
- ▶ Dissemination of specialized information on foreign investment
- ▶ Support in the identification of investment possibilities and strategic alliances
- ▶ Dissemination of tenders and international bidding processes called by public and private Peruvian entities

Tourism Promotion Bureau – PTU (Dirección de Promoción del Turismo – PTU)

- ▶ Dissemination of tourism offer
- ▶ Support for culinary events
- ▶ Dissemination of tourism materials
- ▶ Support for tourism promotion fairs abroad
- ▶ Support for agendas involved in the promotion of tourism
- ▶ Promotion and negotiation of tourism agreements
- ▶ Dissemination of tourism information obtained by our missions abroad

3

Ministry of Foreign Trade and Tourism (MINCETUR) and Peruvian Commission for the Promotion of Exports and Tourism (PromPerú)

(Ministerio de Comercio Exterior y Turismo, y PromPerú)

The Ministry of Foreign Trade and Tourism (MINCETUR) defines, directs, carries out, coordinates, and supervises foreign trade and tourism policies. In coordination with the Ministry of Foreign Affairs (MRE) and the Ministry of Economy and Finance (MEF) and the other Government sectors in their related areas, it is responsible for the promotion of exports and international trade negotiations. Likewise, it is in charge of regulating the Foreign Trade. The Minister leads international trade negotiations on behalf of the State and may sign related agreements, within its sphere of competence. With regard to tourism, the Ministry promotes, guides, and regulates tourism activities in order to encourage the sustainable development thereof, including the promotion, guidance, and regulation of handicrafts.

► Contact

► Augusto Morelli Salgado
Ambassador
Director General of Economic Promotion
- Tel: +51 1 204 3360 / +51 1 204 3361
- E-mail: amorelli@rree.gob.pe

► Julio Taquía Salcedo
Minister Counsellor
Director of Tourism Promotion
- Tel: +51 1 204 3384
- E-mail: jtaquia@rree.gob.pe

► Alfredo Fortes García
Minister
Director of Tourism Promotion
- Tel: +51 1 204 3391
- E-mail: afortes@rree.gob.pe

► Luz Betty Caballero Morales
Minister
Director of Trade Promotion
- Tel: +51 1 204 3368
- E-mail: lcaballero@rree.gob.pe

► Address: Jr. Lampa 545, Lima 1

► Tel: +51 1 204 3361
+51 1 204 3365 (DPE)
+51 1 204 3369 (PCO)
+51 1 204 3385 (PIN)
+51 1 204 3392 (PTU)

► E-mail: dpe@rree.gob.pe

► Website: www.gob.pe/rree 

► Contact

► Elizabeth Galdo Marín
Minister
- Address: Calle Uno Oeste 050 Urb.
Córpac, San Isidro
- Tel: +51 1 513 6100
- Website: www.mincetur.gob.pe 

PromPerú

PromPerú is the agency of the Ministry of Foreign Trade and Tourism (MINCETUR) that is in charge of developing strategies to produce an integrated and attractive image of Peru. This image will help develop domestic tourism and promote the country to the world as a privileged destination for inbound tourism and investment. It is also in charge of promoting Peruvian exports.

► Contact

- Claricia Tirado Díaz
Executive President
 - Address: Av. Jorge Basadre 610,
San Isidro - Lima, Peru
 - Tel: +51 1 616 7300
+51 1 616 7400
 - E-mail: postmaster@promperu.gob.pe
 - Website: www.promperu.gob.pe 

4

Private Investment Promotion Agency - ProlInversión

(Agencia de Promoción de la Inversión Privada - ProlInversión)

ProlInversión is a public entity attached to the Ministry of Economy and Finance (MEF) and is in charge of executing the national policy for promoting private investment.

Its mission is to promote investment via agents in the private sector, in order to boost Peru's competitiveness and sustainable development and thus improve the wellbeing of the population.

ProlInversión offers its services for investments in Peru free of charge, in three stages:

Pre-Incorporation

- General information service: macroeconomic data, legal framework, tax system, etc.
- Specific information service, at the request of the potential investor.
- Preparation of agendas with: potential partners, suppliers, clients, authorities, associations, unions, etc.

Incorporation

- Guidance on obtaining municipal permits and licenses for the establishment of an industrial or commercial business.
- Contact and accompaniment to the regions and potential production zones.
- Advice on migratory processes for entry and residence of business people.

Post-Incorporation

- Establishment of a network of contacts with public and private companies.
- Guidance for the expansion of the business.
- Identification of administrative barriers.

ProInversión provides information to potential investors regarding the incorporation of a business in Peru, identifying investment opportunities by sectors, learning about the processes of Public-Private Partnerships (PPP), among others.

► Contact

► José Antonio Salardi
Executive Director

- Address: Sede Principal (Lima): Av. Enrique Canaval Moreyra N° 150, piso 9, San Isidro - Lima 27
- Tel: +51 1 200 1200
- Fax: +51 1 221 2941
- E-mail: rugaz@proinversion.gob.pe
- Website: www.proinversion.gob.pe

► Decentralized Offices:

- Arequipa: Pasaje Belén N° 113 - Vallecito, Arequipa
 - Tel: +51 54 608 114
 - Fax: +51 54 608 115
- Piura: Calle Los Manzanos, Mz. Ñ, Lt. 23, Urbanización Santa María del Pinar, Piura
 - Telf / Fax: +51 73 309 148
 - +51 73 310 081

5

Foreign Trade Society of Peru - ComexPeru

(Sociedad de Comercio Exterior del Perú - ComexPeru)

ComexPeru is the private association that groups the leading companies involved in foreign trade in Peru. Its main purpose is to contribute to the improvement of competitive conditions within a free market environment that will make Peru an attractive destination for private investment.

► Objectives and Guidelines

- Promote the development of foreign trade
- Defend free market policies
- Encourage private investment

► Contact

- Alonso Rey Bustamante
President
 - Tel: +51 1 625 7700
 - Fax: +51 1 625 7701
 - Website: www.comexperu.org.pe

6

National Confederation of Private Business Institutions – CONFIEP

(Confederación Nacional de Instituciones Empresariales Privadas – CONFIEP)

The National Confederation of Private Business Institutions (CONFIEP) brings together and represents private business activities within Peru and abroad. Its principal objective is to contribute to the process of sustained economic growth, based on investment and job creation through individual effort and initiative, the promotion of entrepreneurship and private property.

► Objectives and Guidelines

- Business unity: Strengthen the union between Peruvian business entrepreneurs to build an order in which free enterprise and a market economy are the distinguishing features.
- Representation: Act as the principal spokesperson for entrepreneurs nationwide before the State, and in public and private forums.
- Services: Promote greater communication and coordination between business sectors, and support, back, and provide advice to the business community.

► Contact

- Alfonso Bustamante Canny
President
- Address: Av. Víctor Andrés Belaunde 147,
Edificio Real Tres, Of. 401 San Isidro,
Lima - Peru
- Tel: +51 1 415 2555
- Fax: +51 1 415 2566
- Website: www.confiep.org.pe 

7

Association of Capital Markets Business Promoters – Procapitales

(Asociación de Empresas Promotoras del Mercado de Capitales – Procapitales)

The Association of Capital Markets Business Promoters (Procapitales) brings together the principal actors in the market, channeling their concerns and proposals. It acts as a business guild to focus fundamentally on promoting investment and capital markets. It speaks on behalf of its associates to the public sectors with proposals to reduce legal costs and bureaucratic barriers that hinder easy market access. The institution's principal objective is to encourage an efficient legal framework and appropriate corporate governance practices.

► Objectives and Guidelines

- Promote the development of new investment instruments
- Encourage access by new issuers of fixed-income and equity securities
- Promote the mobilization of institutional investor resources through new intermediary vehicles
- Actively promote improvements in legislation and the regulation of the capital market
- Disseminate and encourage the implementation of good corporate governance practices
- Create a permanent, proactive, and organized space for dialogue and interaction between agents in the market, including the regulatory and supervisory institutions
- Contribute to the institutional strengthening of agents participating in the capital market

► Contact

- Andrés Kuan-Veng Cabrejo
President
- Address: Av. Canaval y Moreyra 230 of. 5A, San Isidro, Lima - Peru
- Tel: +51 1 440 1080
- Website: www.procapitales.org 

8

Lima Chamber of Commerce - CCL (Cámara de Comercio de Lima - CCL)

For the last 128 years, the Lima Chamber of Commerce (CCL) has represented and defended the interests of the business class before the country's authorities, as well as national and foreign entities. As part of its activities, it promotes free market policies and free competition with a sense of social responsibility, as well as fair and honest competition within a framework of values and ethical principles, fostering domestic and foreign trade and promoting good commercial practices.

The Lima Chamber of Commerce (CCL) is a strategic partner of the State, cooperating to ensure that the laws and other provisions foster national social and economic prosperity, taking the initiative in offering proposals and assuming responsibility in the activities entrusted to it by the State. It attempts to maintain close relations among all organizations representing business activities and cooperation for development, both Peruvian and international, especially supporting the decentralization of production. As a complementary activity, it conciliates interests and manages arbitration proceedings in an affordable and democratic manner between companies or business people, trying to ensure quick and friendly agreements.

The vision of the Lima Chamber of Commerce (CCL) is to be the country's leading business association, respected by society and a reference point for the opinion of the business class.



The Lima Chamber of Commerce (CCL) groups together over 14,000 member companies, including the Chamber of Commerce, Production, and Services (Perucamaras) which, in turn, groups together the country's 63 chambers and associations.

► **Contact**

- Roberto De la Tore Aguayo
President
- Address: Av. Giuseppe Garibaldi 396
Jesús María, Lima
- Tel: +51 1 463 3434
- Website: www.camaralima.org.pe 

9

**National Association of Industries
- SNI**

(Sociedad Nacional de Industrias - SNI)

The National Association of Industries (SNI) is the institution that groups together Peru's private industrial companies. It is a private-law, non-profit legal entity.

The members of the SNI currently include over 1,000 of the most representative companies of the country's industrial sector, accounting for 90% of the gross value of national production. It should be noted that 16% of Peru's Gross Domestic Product (GDP) is contributed by the industrial sector.

► **Contact**

- Jesús Salazar Nishi
President
- Address: Los Nogales 340, San Isidro,
Lima
- Tel: +51 1 616 4444
- Website: www.sni.org.pe 

10

National Institute of Statistics and Information - INEI


(Instituto Nacional de Estadística e Informática - INEI)

The INEI is the entity responsible for producing and disseminating the official statistical information that the country needs with the quality, timeliness, and coverage required, in order to contribute to the design, monitoring, and evaluation of public policies and the decision-making process of socioeconomic agents, the public sector, and the community in general.

Its main duties include:

- ▶ Formulating and evaluating the National Statistics Policy and Plan, as well as coordinating and guiding on the formulation and evaluation of sectorial, regional, local, and institutional plans.
 - ▶ Coordinating and/or carrying out the production of basic statistics through censuses, sample-based surveys, and administrative records on the public sector, as well as keeping census maps up-to-date.
 - ▶ Entering into agreements on technical assistance, specialized training, and the provision of statistic-related services.
 - ▶ Regulating, guiding, and evaluating the organization of the Statistic Offices of the National Statistics System, as well as promoting the creation of Statistic Offices.
- ▶ Coordinating, providing opinions, and supporting national and international projects for the provision of financial technical assistance required in matters of statistics by the entities of the National Statistics System at all levels.
 - ▶ Safeguarding the confidentiality of the information produced by the entities of the system.

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(Asociación de Exportadores del Perú - ADEX)

The Peruvian Association of Exporters (ADEX) is a business institution founded in 1973 to represent and provide services to its members: exporters, importers, and trade service providers. It is an association made up of large, medium, and small enterprises whose common denominator is their vision of achieving ambitious business objectives.

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Directory of Main Chambers of Commerce



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