

The Legal Industry Reviews
China & Hong Kong -
International Desks

Our team:



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Recognitions:



On November 8th, 2023, Bofill Mir Abogados proudly received the prestigious title of “Energy & Natural Resources: Mining, Firm of the Year” at The Legal 500 (UK) Chile Awards.



For over 14 years, Chambers and Partners has consistently recognized our Mining and Natural Resources practices, awarding our teams with the prestigious **Band 1** recognition.

*‘Frontrunning partner **Pablo Mir** is widely regarded as a leading practitioner within the Chilean mining market [...].’* He is ranked **Band 1** and has been listed individually for over 16 years.

Partner **Alina Bendersky** has been included as “Up-and-Coming”.



About our practice, recognized in **Tier 1**, a client states: *‘Exceptionally commercial, very client oriented, and great at achieving results.’*

Another client adds: *‘**Pablo Mir** is a mining great and a true leader in his field’, regarding our head of department, who holds a special “Hall of Fame” accolade for his leadership in Mining and Natural Resources.*

Partner **Alina Bendersky** is one out of only six lawyers distinguished as “Next Generation Partner” in this area.





2024: The Year of Lithium in Chile

In Chile, lithium is a non-grantable mineral substance. This is established in the Chilean Constitution of 1980. Such provision means that the Chilean State has the exclusive right to explore, develop and exploit lithium, either directly or through state owned enterprises (SOE). The only two exceptions being: Special Operating Contracts (CEOL by its Spanish acronym) and administrative concessions, such as those granted to SQM and Albemarle. Given that the two attempts to change the current Constitution through a referendum were not successful, and there is a consensus in Chile not to pursue a third one, the aforementioned legal status for lithium remains firm in Chile.

With the constitutional uncertainty resolved, 2024 will be a crucial year to initiate the expansion of the lithium business in Chile. The two currently operating entities in the country, SQM and Albemarle, will be joined by additional players.

The reason is simple: there is an urgency on the part of the government and the private sector that Chile (one of the largest lithium reserves in the world, with the lowest operating cost for its extraction given that the mineral is found in brines in Chile – *vis a vis* rocks mining- and the ports are near the deposits) does not miss the opportunity to take full economic advantage of the boom in the technological revolution of electromobility. Therefore, the Chilean Government has no impediments to implement the general outlines of the National Lithium Strategy announced preliminarily in April 2023.

Opportunities

Specifically, the market is eagerly anticipating the Chilean government's publication in early 2024 of the list of salt flats under observation -protected for environmental reasons- in which the State will grant neither administrative concessions nor CEOLs, along with those that will be designated as strategic and non-strategic salt flats.

Regarding the strategic salt flats, we expect that the State, through its SOE's, and in exchange for granting mainly CEOL's for exploitation, will be able to establish joint ventures with private companies, maintaining equity control, but not necessarily the control of the operation (since we may consider that the State companies do not have the financial and technological capacity for the development of the lithium projects). As for the non-strategic salt flats, we expect that the State, through these same companies, is expected to maintain minority shares. The abovementioned inquiries will be clarified once further details of the National Lithium Strategy are unveiled by the Government.

Therefore, although the exploitation of lithium in Chile will be far from being a free market, the list of salt flats along with the potential clarification of the conditions under which the State will grant CEOL's, and the privileged and protected access of Chile to the Chinese, US, and EU markets through its wide network of FTA's, makes foreseeable that 2024 will inaugurate a new chapter for lithium-related businesses in Chile.



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Codelco and SQM Reached a Framework Agreement to Develop a Public-Private Partnership to Exploit Lithium in the Salar de Atacama. The potential joint venture between Codelco and SQM will see, in its first phase, Codelco taking a majority stake in the new partnership and SQM would retain operational control.

BYD and Tsingshan were Awarded a Tender by CORFO (Economic Development Agency of Chile) to Promote Investment and Support the Production of Added-Value Lithium Products in Chile, as well as Incentivizing Technological Development and the Use of Non-Metallic Minerals. Each company was awarded a contract to supply approximately 11,000 tons of lithium carbonate per year until 2030. Both projects aim to promote investment and support the production of added-value lithium products in Chile, through the construction of lithium cathode plants. Between the two companies, the investment amounts to approximately US\$ 600 million.

Chilean Government Announces National Lithium Strategy to Encourage Investment in the Area. The Chilean government in April 2023 gave a general signal to allow the private sector, in association with Chilean state-owned companies, to participate in the exploitation of lithium in Chile. The details of this policy should be announced in early 2024.



• Former Economic and Commercial Counselor of Chile in China Appointed as Of Counsel.

In 2023, Bofill Mir Abogados announced the incorporation of Andreas Pierotic, who has a 20-year career related to China, as Of Counsel specializing in commercial and legal matters for Asia. His profile highlights his negotiating experience with Asian governments and companies, as well as his fluency and command of Mandarin Chinese.

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