

NOTA INFORMATIVA

Bill for the Strengthening of the Strategic Mining and Energy Sectors

The President of the Republic, Daniel Noboa Azín, has submitted to the National Assembly an urgent economic bill proposing reforms to the regulatory framework governing the mining and energy sectors. The proposal includes amendments to environmental procedures, adjustments to the mining exploration phase, new provisions on artisanal mining, and the establishment of territorial and security mechanisms for mining activities.

Key Points of the Bill

- **Exploration regime:** Automatic transition between sub-phases without prior authorization, subject to compliance with technical and environmental parameters, reducing administrative friction.
- **Mining clusters and security:** New framework for shared infrastructure and the designation of areas under military protection, with implications for logistics costs and operational security.
- **Environmental regime and royalties:** Environmental authorizations—rather than licenses—granted by phases, application of administrative silence, and retention of the royalty scheme (3%–8%), with territorial redistribution oriented toward social investment.





The Mining Law Reform Bill, submitted to the National Assembly on January 28, 2026 as an urgent economic initiative, introduces adjustments primarily aimed at simplifying administrative procedures and reorganizing certain operational processes within the sector. However, from a substantive standpoint, the proposed changes do not significantly alter the existing regulatory structure.

From a technical perspective, the most noteworthy aspect is the automatic transition between exploration sub-phases, which may take place without prior authorization, provided that the applicable technical and environmental parameters are met. This amendment seeks to eliminate administrative bottlenecks and to ensure greater operational continuity for concessionaires during the exploration stage.

Overall, the proposed reforms are framed as an effort to streamline procedures, rather than as a structural transformation of the mining regulatory regime.

Environmental Authorization:

With respect to the environmental authorization issued by the environmental authority, in accordance with the applicable regime and phase, the term “environmental license” is replaced with “environmental authorization”, with the purpose of aligning the Mining Law with the authorizations contemplated under environmental legislation, based on the level of environmental impact associated with each phase of mining activity..

Structure and Term of the Mining Concession:

La Mining concessions are structured in two stages: exploration and exploitation, and cover both primary and secondary minerals.

The reform proposes extending the exploration stage by an additional year, establishing a maximum term of 15 years, divided into an initial exploration phase of up to four (4) years and an advanced exploration and economic evaluation phase of up to eleven (11) years.

The transition between sub-phases occurs by the mere passage of time, without the need for prior authorization. In other words, the reform provides for a longer exploration horizon, with automatic transitions between sub-phases, subject to compliance with the applicable technical and environmental parameters.

Mining Clusters:

The reform introduces “Title III – New Chapter: Mining Clusters and Strategic Security” (Articles 66.1–66.3).

It promotes the creation of Integrated Mining Clusters, defined as planned areas where shared infrastructure and services are concentrated for mining projects and their productive value chains. These include access to electrical interconnection, non-subsidized fuel supply, road infrastructure, logistics and explosives, under the stewardship of the relevant Sectoral Ministry and through inter-institutional coordination.

Mining areas may also be declared strategic mining areas, subject to military protection and support from the Armed Forces, with the aim of safeguarding personnel and infrastructure and combating illicit activities.

Environmental Management:

Prior to commencing activities, mining titleholders must prepare and submit environmental studies aimed at preventing, mitigating and remedying potential impacts, in order to obtain the corresponding environmental authorization (no longer a license). For this purpose, they must also provide financial guarantees.



Each phase of mining activity requires a specific authorization, which must be issued by the competent authority within a maximum period of six (6) months. In the absence of an express decision within such period, there is no impediment to the commencement of activities (administrative silence).

Royalties: Regime, Distribution and Procedure

The reform maintains and ratifies the mining royalty regime, set between 3% and 8% of sales.

It reorganizes the distribution of 60% of the royalties allocated to social investment and territorial development in mining areas of influence, through transfers by the Ministry of Economy and Finance within the relevant fiscal year, as follows: 45% to provincial decentralized autonomous governments (GADs), 35% to cantonal GADs, and 20% to rural parish GADs within the areas of influence. For this purpose, an Investment Plan approved by the Sectoral Ministry is required. This requirement does not constitute spending authorization, nor does it affect local autonomy, and the reform does not regulate the methods for calculating royalties.

The resources are intended for projects related to road infrastructure, drinking water, sanitation, environmental management, health, education, productive development and community strengthening.

In the Amazon region, royalties are allocated to the Amazon Common Fund, with priority given to indigenous communities.

Artisanal Mining Regime:

The Sectoral Ministry may grant permits to conduct artisanal mining for a maximum period of ten (10) years, which is non-renewable. Upon expiration of this term, the permit is extinguished and the holder is required to migrate to the small-scale mining regime (individual or associative/collective organization) if it wishes to continue mining activities.

Artisanal mining is limited to a maximum of four (4) hectares for underground operations and six (6) hectares for open-pit operations. In addition, a single person may not hold more than one permit nor conduct mining activities through third parties. Permit holders must submit an annual production report. Finally, artisanal mining is not subject to the payment of royalties or patents, although it must comply with the applicable tax regime..

Transitional Provisions:

The National Environmental Authority must update, within a maximum period of three (3) months from the entry into force of the Law, the catalogue of projects, works or activities related to the mining exploration phase and mining activity.

As an urgent economic bill, the National Assembly must approve, amend or reject the bill within a maximum period of thirty (30) days from the date of its receipt.

Following its submission, the Legislative Administration Council must decide on its qualification and subsequent referral to a legislative committee for analysis. However, if the statutory period expires without a decision, the bill enters into force by operation of law, in the version submitted by the Executive Branch.

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