

The government agency in charge of regulating this sector of the economy is the Ministry of Mines and Energy. Attached to the Ministry are several institutions specialized in exploration (Instituto de Investigaciones Geológicas y Mineras, INGEOMINAS), coal mining (Carbones de Colombia S.A., CARBOCOL) and mining of precious metals, emeralds and other ores (Minerales de Colombia S.A., MINERALCO).

For all mining activities, the government requires that exploration licenses, mining licenses or concession agreements be obtained from the Ministry of Mines and Energy. Any national or foreign individual with a legal capacity may apply for an exploration or development license or to a mining contract. Companies may also be eligible as long as mining exploration and development activities are included as part of their social purpose.

The applicants are obliged to register their licenses in the Mining Record of the Ministry of Mines and Energy which is the agency that has the authority to grant the right to explore and develop soil and subsoil resources.

The beneficiaries of medium-size and large-scale mining are obliged to submit progress reports and final exploration reports. Together with the final exploration report, the license-holder must submit to the Ministry of Mines and Energy the development work and investment program and a statement of the mining project's environmental impact, with a short list of the proposed corrective measures designed to eliminate or mitigate the negative effects of the mining operations. Having complied with these requirements, the exploration license-holder is granted the right to convert his license into a mining permit.

In exchange for the rights to explore or develop mineral resources, the government receives a lease rate based on the mining area, royalties over the gross developed product, shares in contracts with State companies, and specific taxes which are applicable to certain ores such as gold.

People developing mining activities must first meet the domestic demand for inputs required for industrial activities or meet the domestic demand for recourses for power generation.

2.4. Foreign Investment

Resolution No. 49 issued by the Economic and Social Policy Council on January 28, 1991 established special regulations for foreign investments in the hydrocarbon and mining sectors. Consistent with the policy designed to