

Chilean Congress Approves Statute Granting Tax Incentives for Conservation

Roberto Peralta, a Chilean tax lawyer and a longtime friend of the ILCN, shared exciting news last week that may have enormous implications for voluntary private land conservation in Chile:

"After 22 years of continuous and enduring work, [on Wednesday, January 26th, 2022] both houses of the Chilean congress unanimously approved a new statute granting tax incentives for a variety of public interest matters, including conservation and environmental protection."

As Roberto notes, the approval of this statute is the result of more than two decades of efforts by conservationists in Chile to strengthen the country's institutional framework for conservation on private lands. Private donations - whether of cash, property, or intangible assets such as conservation easements – up to a value of approximately \$1,300,000 million per year will now be tax deductible.

The new legislation is a critical counterpart and follow-on to the passage, in 2016, of Chile's breakthrough private lands conservation law, the Derecho Real de Conservación (DRC) or "real right of conservation." The law, the first of its kind established in a civil code country in Latin America, enables landowners to enter into long-term legal agreements to protect and conserve their lands – like a conservation easement or conservation covenant used in many common law countries.

Financial incentives such as tax incentives are key to enabling and motivating landowners to conserve their lands using the DRC, and will be central to building greater interest and support for conservation on private lands throughout Chile. While the new legislation is still pending several steps – including validation by the constitutional court, execution by the President, publication in the Official Gazette, the issuance of a regulation by the Ministry of Finance, and the implementation of an online nonprofit registry – the approval of the statute is a major milestone. As Roberto noted, "the statute has been enacted and the government is legally obligated to implement it."

Congratulations to all of our partners and colleagues in Chile for their tireless work and for this remarkable achievement!

