

Brazil presidential decree next week to overhaul mining rules: sources

BRASILIA (Reuters) - Brazil's President Michel Temer plans to issue a decree next week to overhaul the rules for mining permits, bypassing Congress after it failed to approve similar changes last year, two people with direct knowledge of the matter told Reuters.

FILE PHOTO: Brazil's President Michel Temer attends a ceremony to approve the goal of the National Biofuels Policy RenovaBio at the Planalto Palace in Brasilia, Brazil, June 5, 2018. REUTERS/Adriano Machado

The sources, who asked not to be named because the decree had not been made public, said it aims to cut red tape and attract international investment to the mining sector, where permits to open new mines can sometimes take a decade or more to obtain.

The decree, which is set to be signed at a June 12 ceremony, would open up roughly 20,000 exploration areas where permit applications have stalled or been abandoned, one source said. Those blocks, which account for about a tenth of areas in Brazil with permits pending, would be subject to new auctions.

Media representatives at the president's office did not immediately respond to requests for comment.

"With this (decree), we will ensure our attractiveness to foreign capital," the second source said. "There will be the legal security necessary for people to invest in Brazil."

Legal classifications for mining resources, which still use terms from a 1967 mining code, will come into line with global standards, and filings for permits will be more focused on economic feasibility, the two sources said.

Both changes are aimed at luring foreign investment and financing, they said.

Miners will also be allowed to keep surveying areas while the regulator considers permit applications, one of the sources said.

Brazil's Congress passed measures late last year to create a new mining regulator and raise royalties on a variety of metals and minerals, but failed to approve a separate measure overhauling the mining code.

The executive order will technically be a reinterpretation of the 1967 mining code, rather than a new law, allowing it to bypass Congress, the sources noted.

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