

# New regulation for public private partnerships

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On December 22, the Regulation for Public Private Partnerships (39965-H-MP) came into effect. This regulation means that soon the Government and the Private Sector can work hand-in-hand to develop both infrastructure and other initiatives.

This Executive Decree regulates the Administrative Contracting Law's article No. 55 that authorizes the application of other types of contracts – not regulated by the Administrative Contracting Law – provided that the contracts contribute to satisfying the public interest.

The new regulation implies a paradigm shift as it allows a healthy and efficient alignment between public and private sectors' interests under a scheme of results' purchase (in which the government will purchase the completed works and others).

With this regulation, that contemplates a union of the State's financial capacity and private companies' technical capacity, the Government intends to encourage more private initiatives to collaborate with the public sector in matters of infrastructure, equipment, systems, products, and complex goods.

## Your Key Contacts



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