

# WORLD TRADE ORGANIZATION

RESTRICTED

TN/S/O/CHL

16 July 2003

(03-3854)

---

**Council for Trade in Services  
Special Session**

Original: Spanish

## CHILE

### Initial offer

The following initial offer was received from the Delegation of Chile on 10 July 2003 with the request that it be circulated to Members of the Council for Trade in Services.

---

## INTRODUCTION

1. Pursuant to paragraph 6 of the Doha Ministerial Declaration concerning Members' commitment to submit a conditional initial offer for the negotiations provided for in Article XIX of the General Agreement on Trade in Services (GATS), Chile hereby submits its conditional initial offer of specific commitments in services.
2. By means of this offer, Chile reiterates its WTO commitment to achieving a progressively higher level of liberalization and delivering effective access to its services markets.
3. Given that Chile's offer takes the concepts set forth in Article I.3 of the GATS into account, the attached offer does not include services supplied in the exercise of governmental authority.
4. Furthermore, pursuant to Article VI of the GATS, Chile reserves the right to establish, maintain and fully exercise its national legislation in order to achieve legitimate policy objectives in areas such as consumer protection, health and the environment, *inter alia*. Likewise, Chile reserves the right to revise or amend this offer in the light of the outcome of the work of the subsidiary bodies of the Council for Trade in Services.
5. Chile reiterates that this offer is conditional and that it therefore reserves the right to withdraw, amend or supplement all or part of it at any time prior to the conclusion of the negotiations, in accordance with, *inter alia*, the course of the negotiations in other areas, such as agriculture, market access for non-agricultural products and rules. It also reserves the right to submit technical amendments or corrections.
6. In the event of the negotiations provided for in paragraphs 20-22 of the Doha Ministerial Declaration taking place and of their giving rise to an agreement on investment, Chile reserves the right to withdraw the mode 3 commitments from this offer and include them in the new agreement and to make the corresponding adjustments to its existing commitments.

## HORIZONTAL COMMITMENTS

7. Chile's initial offer contains no changes to its horizontal commitments. Nevertheless, Chile is striving to improve its mode 4 commitments which will be included in a forthcoming submission. In

this connection, it is worth noting that Chile is a co-sponsor of document TN/S/W/14 which refers to the importance of greater liberalization of mode 4 for trade in services and to the need to discuss on a multilateral basis the main barriers currently hindering this mode of supply. Furthermore, Chile reiterates the need to strive to improve the access of all Members to mutual recognition agreements under Article VII and to enhance related disciplines in the context of Article VI.4.

### **SPECIFIC COMMITMENTS**

8. This contribution by Chile includes offers in the sectors of professional services, taxation services, energy services, computer and related services, real-estate services, leasing services, management consulting services and maritime transport services. With regard to the latter, Chile, as indicated in the “Joint Statement on the Negotiations on Maritime Transport Services” (TN/S/W/11), urges all Members to participate actively in the current negotiations with a view to achieving significant liberalization in this sector.

9. Insofar as was possible, Chile drew up its Schedule of Commitments on the basis of the Services Sectoral Classification List (MTN.GNS/W/120) and in accordance with the definitions in the United Nations' Provisional Central Product Classification. However, in some sectors, such as energy services, Chile is following the “Proposed Guide for Scheduling Commitments on Energy Services in the WTO” (JOB(03)/89).

### **MFN EXCEPTIONS**

10. Chile is maintaining its exceptions to this principle at this stage of the negotiations, but is keeping them under constant review with a view to moving towards their elimination.

11. In conclusion, Chile hereby expresses its willingness to comment on or clarify any doubts concerning its conditional initial offer.

**CHILE – CONSOLIDATED SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>(3) The commitments in this Schedule extend only to service suppliers who operate in Chile through a commercial presence, are established as a foreign investment and governed by the rules and legal procedures in force on direct foreign investment. The commercial presence covered by this Schedule is that effected solely through the Foreign Investment Statute and financed by external capital.</p> <p>Authorization to deliver services through a commercial presence may take into account the following criteria:</p> <p>(a) The effect of the commercial presence on economic activity, including its effect on employment, on the use of parts, components and services produced in Chile and on exports of services;</p> <p>(b) The effect of the commercial presence on productivity, industrial efficiency, technological development and product innovation in Chile;</p> <p>(c) The effect of the commercial presence on competition in the sector in question and other sectors, on consumer protection, on the smooth functioning, integrity and stability of the market, and on the national interest;</p>	<p>(3) Foreign investors may transfer their capital abroad three years from the date of its entry.</p> <p>Real-estate acquisitions and the performance of other legal acts in border areas must comply with the provisions of the relevant legislation, which is unbound for the purposes of this Schedule. The border area is defined as land within a distance of 10 km from the border and 5 km. from the coast and province of Arica.</p> <p>With regard to services that fall under the heading "professional services", at least 85 per cent of the staff employed by a service supplier established in Chile must be Chilean.</p> <p>As regards all other services listed in this Schedule, at least 85 per cent of the staff employed by a service supplier established in Chile must be Chilean, except in the case of enterprises with fewer than 15 employees.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>(d) The contribution of the commercial presence to Chile's integration into world markets.</p> <p>This Schedule applies only to the following types of commercial presence for foreign investors: open and closed corporations, private-limited companies, and subsidiaries (which, under Chilean legislation, are the equivalent of corporation agencies).</p> <p>(4) Unbound, except for transfers of natural persons within a foreign enterprise established in Chile, in accordance with (3) commercial presence, senior and specialized personnel who have been in the employ of the organization for a period of at least two years immediately preceding the date of their application for admission performing the same type of duties as in the parent company of their country of origin. In any case, in accordance with (3) commercial presence, foreign natural persons may not make up more than 15 per cent of the total staff employed in Chile.</p> <p>The category of senior and specialized personnel does not include members of the board of directors of a company established in Chile.</p> <p>For all legal purposes, senior and specialized personnel must establish domicile or residence in Chile.</p>	<p>(4) Unbound, except for the categories of natural persons listed under market access.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>Senior personnel are executives who come under the direct supervision of the board of directors of the enterprise established in Chile and who, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>- direct the management of the organization or one of its departments or subdivisions;</li> <li>- supervise and control the work of other supervisory, professional or managerial employees;</li> <li>- are personally authorized to hire and dismiss, recommend hiring and dismissal and take other personnel actions.</li> </ul> <p>Specialized personnel are highly qualified persons who are indispensable to the supply of the service because of their professional knowledge or:</p> <ul style="list-style-type: none"> <li>- possession of qualifications for a particular type of work or activity requiring specialized technical expertise;</li> <li>- proprietary knowledge of the organization's services, research equipment, techniques or management; and</li> <li>- the non-availability of such specialized personnel in Chile.</li> </ul> <p>Service providers are admitted into Chile temporarily for a period of two years which can be extended for a further two years. Personnel admitted under these conditions will be subject to the labour and social security legislation in force.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<b>II. SECTOR-SPECIFIC COMMITMENTS</b>			
<p>1. BUSINESS SERVICES</p> <p>A. <u>Professional services</u></p> <p>International legal services<sup>1</sup></p> <p>Solely advisory services on matters of public international law and international commercial law (86190)</p>	<p>Without prejudice to what is established in Section I (Horizontal Commitments), suppliers of the professional services included in this Schedule may be subject to assessment by the competent authorities in connection with which they must show that they fulfil the requirements designed to ensure that they perform competently in the sector.</p> <p>If professional advisory services involve an appearance or formal procedures before a Chilean court of justice or administrative body then this appearance shall be made or this procedure executed by a professional recognized in Chile.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

<sup>1</sup> Refers solely and exclusively to matters relating to public international law. If an advisory service involves an appearance before a Chilean court of justice or administrative body, then this must be conducted by a lawyer authorized to practise in Chile who fulfils the requirement of being a Chilean national. The same requirement must be fulfilled whenever there is a need for a written instrument or formal procedure to be executed by a professional recognized in Chile. The provision of advisory services does not confer the right to use the title of Attorney and therefore does not include representation services in contentious or non-contentious matters.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Accounting and auditing <sup>2</sup>			
Financial auditing (86211)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Accounting review (86212)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
<b>Taxation services (863)</b>	<b>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</b>	<b>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.  (4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</b>	
Architectural services			
Advisory and pre-design architectural services (86711)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	

<sup>2</sup> Financial statements must be endorsed by a professional legally authorized to practise in Chile.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Architectural design (86712)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Engineering services			
Engineering design services for industrial processes and production (86725)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Engineering design services relating to sanitary works (86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Mechanical engineering design services (86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Electrical engineering design services (86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Chemical and process engineering design services (86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Environmental engineering design services (86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
<b>Integrated engineering services for energy services (86733)</b>	(1) <b>None</b> (2) <b>None</b> (3) <b>None</b>  (4) <b>Unbound, except as indicated in the horizontal section.</b>	<b>(1), (2) and (3) Unbound for anthropological, archaeological and palaeontological studies, research or any other activity conducted in the 200-nautical-mile maritime zone under national jurisdiction and studies in border areas.</b>  <b>Chile may grant preferential subsidies to Chilean nationals.</b>  (4) <b>Unbound, except as indicated in the horizontal section, in which case the restrictions for Modes 1, 2 and 3 apply.</b>  <b>Chile may grant preferential subsidies to Chilean nationals.</b>	



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><b><u>Real-estate services on a fee or contract basis (822)</u></b></p> <p>MANAGEMENT CONSULTING SERVICES</p> <p>General management consulting services (86501)</p> <p>Financial management consulting services (86502)</p> <p>Marketing management consulting services (86503)</p>	<p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.</p> <p>(4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Production management consulting services (86505)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
Human resources management consulting services (86505)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
<b>Management consulting services for energy services (865)</b>	(1) <b>None</b> (2) <b>None</b> (3) <b>None</b> (4) <b>Unbound, except as indicated in the horizontal section.</b>	<b>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.</b>  <b>(4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</b>	
<b>Services related to management consulting for energy services (86601)</b>	(1) <b>None</b> (2) <b>None</b> (3) <b>None</b> (4) <b>Unbound, except as indicated in the horizontal section.</b>	<b>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.</b>  <b>(4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</b>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><b>LEASING SERVICES (WITHOUT OPERATOR)</b></p> <p>Leasing or rental services concerning private cars (without operator) (83101)</p> <p>Leasing or rental services concerning aircraft (without operator) (83104)</p> <p>Leasing or rental services concerning agricultural machinery and equipment (without operator) (83106)</p> <p>Leasing or rental services concerning construction machinery and equipment (without operator) (83107)</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) <del>None Only legal persons established in Chile as open corporations.</del></p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) <del>None Only legal persons established in Chile as open corporations.</del></p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) <del>None Only legal persons established in Chile as open corporations.</del></p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) <del>None Only legal persons established in Chile as open corporations.</del></p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply:

(1) Cross-border supply

(2) Consumption abroad

(3) Commercial presence

(4) Presence of natural persons

<b>Sector or subsector</b>	<b>Limitations on market access</b>	<b>Limitations on national treatment</b>	<b>Additional commitments</b>
<p data-bbox="136 256 383 320">COMMUNICATIONS SERVICES</p> <p data-bbox="136 336 360 392"><u>Telecommunications services</u></p>  <p data-bbox="136 644 432 732">BASIC TELECOMMUNICATION SERVICES</p> <p data-bbox="136 748 432 959">Telecommunications services consist of the transport of electromagnetic signals (sound, data, image and any combination thereof), regardless of the type of technology used.</p>	<p data-bbox="517 333 1021 544">In the case of private services the purpose of which is to meet the specific telecommunications needs of particular enterprises, entities or persons by prior agreement, the supply of these services does not give access to traffic from or to public telecommunications network users.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>This definition does not cover the economic activity consisting of the provision of a service the content of which requires the use of telecommunications services for its transport. The provision of a service the content of which is transported via telecommunications services is subject to the terms and conditions established for that sector, subsector or activity in Chile's Schedule of Specific Commitments.</p> <p>Chile's Schedule of Commitments excludes basic local telecommunications services, one-way satellite transmissions of Direct-to-Home and Direct-Broadcast-Satellite television services and digital audio services. It also excludes free reception broadcasting services.</p> <p>It includes only international and domestic long-distance basic telecommunications services:</p>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
(a) Voice telephone services (CPC 7521)	(1) None (2) None	(1) None (2) None	
(b) Packet-switched data transmission services (CPC 7523**)	(3) Subject to a concession, licence or permit from the Undersecretariat for Telecommunications (SUBTEL).	(3) None	
(c) Circuit-switched data transmission services (CPC 7523**)	A supplier providing a (domestic and international) long-distance telephone service must be an open corporation.		
(d) Telex services (CPC 7523**)	To promote free competition, for a period of four years from 27 August 1994, participation in the market by suppliers of domestic long-distance services shall be limited to a maximum percentage of the total taxable minutes for domestic long-distance telephone services established by law.		Additional commitments concerning regulatory aspects (see attached note)
(e) Telegraph services (CPC 7522)			
(f) Facsimile services (CPC 7521** + 7529**)	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.	
(g) Private leased circuit services (CPC 7522** + 7523**)			
Other: Domestic and international satellite services and satellite links/capacity.			



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Mobile/cellular services: personal communications services, paging services, mobile data transmission services.			
<b>VALUE-ADDED SERVICES</b>			
On-line information retrieval	(1) None Subject to a correspondent agreement with an international services concessionaire.	(1) None	
Electronic mail	(2) Unbound	(2) Unbound	
Facsimile	(3) Subject to obtaining a permit. Contract with a public service concessionaire. Complementary service authorization from the Undersecretariat for Telecommunications (SUBTEL).	(3) None	
Data processing	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.	
<b>PRIVATE LEASED CIRCUITS</b>			
Voice telephone service	(1) Unbound*	(1) Unbound*	
Data transmission	(2) Unbound	(2) Unbound	
Electronic mail	(3) Subject to the granting of limited service.	(3) None	
	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.	

\* Unbound because not technically feasible.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Financial services sector:</p> <p>1. The Chilean financial services sector is partially compartmentalized, that is to say, domestic and foreign institutions authorized to operate as banks may not encroach directly on the insurance or securities business and vice versa. However, subject to authorization from the Banking and Financial Institutions Supervision Department (SPIF), domestic and foreign banks operating in Chile may set up subsidiaries, with their own capital, to supply other financial services in addition to their main line of business. The main business of banks is accepting or receiving money from the public on a regular basis and granting money credits represented by securities or negotiable instruments or any other credit instrument.</p> <p>2. The subsectors and services in this Schedule are defined in accordance with the relevant Chilean legislation.</p>			
<p>FINANCIAL SERVICES</p>	<p>(1), (2), (3) and (4) Unbound in respect of measures adopted or to be adopted by the Central Bank of Chile under its constitutive law (Law No. 18,840) and other legislation in order to ensure currency stability and normal domestic and foreign payment operations. For this purpose, the Bank is empowered to regulate the supply of money and credit and international credit and exchange operations and to issue regulations governing money, credit, finance and international exchange.</p> <p>Such measures include, <i>inter alia</i>, the establishment of restrictions or limitations on payments and transfers to or from Chile, as well as related transactions, such as the requirement that deposits, investments or credits from or intended for a foreign country be subject to a reserve requirement.</p> <p>(3) In addition to the horizontal measures in Section I of Chile's Schedule of Commitments which affect all sectors, a supplier of financial services operating through a commercial presence may be subject to an economic needs test. That is to say, prior authorization to start up, suspend or terminate operations is required from the Banking and Financial Institutions Supervision Department (SBIF), for banking services, or from the Securities and Insurance Supervision Department (SVS), for securities and insurance services.</p>	<p>(3) Foreign investors who participate in the financial services sector may transfer their capital abroad two (2) years from the date of its entry.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>(a) <u>Banking services:</u></p> <p>a.(1) Core banking services: Acceptance of deposits (includes only current bank accounts, sight acceptances, term acceptances, savings accounts, financial instruments with repurchase undertaking and deposits for the issue of bank guarantee vouchers)</p>	<p>Authorization to supply financial services through a commercial presence will be granted in so far as the applicant undertakes to ensure the proper functioning, integrity and stability of the market, fulfils the legal requirements and serves the national interest.</p> <p>In addition, there may be non-discriminatory restrictions or provisions regarding the type of commercial presence that must be adopted by firms operating in the securities or insurance sectors in Chile.</p> <p>(1) Unbound (2) Unbound (3) Foreign banking institutions must be companies legally constituted in their country of origin and must put up the capital required by Chilean law.</p>	<p>(1) Unbound (2) Unbound (3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Lending (includes only current loans, loans in letters of credit, endorsable mortgage loans, the purchase of financial instruments with resale undertaking, credit for the issue of bank guarantee vouchers or other types of financing, the issue and negotiation of letters of credit for imports and exports, and the issue and confirmation of stand-by letters of credit)</p> <p>Purchase of publicly offered securities (includes only the purchase of bonds and letters of credit and the underwriting thereof)</p>	<p>Foreign banking institutions may only operate:</p> <ul style="list-style-type: none"> <li>(i) Through shareholdings in Chilean banks established as corporations;</li> <li>(ii) by becoming established as a corporation in Chile;</li> <li>(iii) as branches of foreign corporations, in which case the legal personality in the country of origin is recognized. The capital considered for the purposes of foreign bank branch operations in Chile is that effectively invested in Chile, not that of the parent company.</li> </ul> <p>Prior authorization from the SBIF is required for the modification or transformation of the type of commercial presence of a foreign bank operating in Chile.</p> <p>No national or foreign natural or legal person may acquire directly or through third parties shares in a bank which, alone or added to the shares such a person already possesses, represent more than 10 per cent of the bank's capital without having first obtained the authorization of the SBIF. Likewise, the partners or shareholders of a financial institution may not transfer a percentage of rights or shares in the company in excess of 10 per cent without having obtained authorization from the SBIF.</p>		



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Advisory and other auxiliary financial services (8133) (includes only the services indicated in the banking section of this Schedule)</p>	<p>Financial leasing services are regarded as complementary banking services and, consequently, the SBIF is empowered to extend or restrict the operation of the financial leasing services which institutions may offer, and the latter may only offer the services expressly authorized by the SBIF.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) In addition to the conditions specified above, in Chile advisory and other auxiliary financial services are regarded as complementary to the services which can be provided by established banks. Consequently, domestic and foreign banks must set up subsidiaries with their own capital in order to be able to provide these services and must obtain the appropriate authorization from the SBIF. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>(b) <u>Insurance and reinsurance services</u></p> <ol style="list-style-type: none"> <li>1. In Chile, the insurance business is divided into two groups: the first group comprises companies that insure goods and property against the risk of loss or damage, while the second comprises those that provide personal insurance or that guarantee, within or at the end of a certain term, a capital sum, a paid-up policy or an income for the insured person or his or her beneficiaries. An insurance company may not be constituted in such a way as to cover both categories of risk.</li> <li>2. Credit insurance companies, even though classified in the first group, must be established as corporations with the sole purpose of covering this type of risk, i.e., loss of or damage to the property of the insured person as a result of the non-payment of a money debt or loan; coverage of guarantee and fidelity risks is also permitted.</li> <li>3. The Chilean insurance schedule does not include insurance related to the social security system.</li> </ol>			
<p>Insurance:</p> <p>Sale of direct life insurance (does not include insurance related to the social security system) (81211)</p> <p>Sale of direct general insurance (8129, except for 81299)</p>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>(Excludes social security institutions (ISAPRES), i.e., legal persons set up for the purpose of providing health benefits to persons who opt to become members and financed by the statutory contribution of a percentage of taxable income established by law or a higher amount, as the case may be. It also excludes the National Health Fund (FONASA), a public service financed by the government and the statutory contribution of a percentage of taxable income established by law, which is jointly responsible for paying benefits under the optional health scheme which persons who are not members of an ISAPRE may join.)</p>	<p>(1) Unbound            (2) Unbound            (3) Insurance services can be provided only by insurance corporations established in Chile for the exclusive purpose of developing this line of business, i.e., either direct life insurance or direct general insurance. In the case of general credit insurance (81296), companies must be established as insurance corporations with the exclusive purpose of covering this type of risk. Insurance corporations can be legally constituted only in accordance with the provisions of the Law on Corporations. Insurance may be taken out either directly or through insurance brokers who, in order to engage in such activities, must be enrolled in the Register maintained by the Securities and Insurance Supervision Department (SVS) and satisfy the legal requirements.            (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound            (2) Unbound            (3) None            (4) Unbound, except as indicated in the horizontal section.</p>	



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Insurance broking (81401)	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Must be enrolled in the SVS Register and fulfil the requirements laid down by this body. Only legal persons legally constituted in Chile for this specific line of business may provide this service.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Foreign reinsurance companies and foreign reinsurance brokers must be enrolled in the SVS Register of foreign reinsurers and fulfil the requirements laid down by this body.</p> <p>(2) Unbound</p> <p>(3) Reinsurance services are provided by reinsurance corporations established in Chile in accordance with the Law on Corporations and authorized by the SVS. Insurance corporations may also provide reinsurance services as a complement to their insurance business if their articles of association so allow.</p> <p>Reinsurance services may also be provided by foreign reinsurers and foreign reinsurance brokers enrolled in the Register maintained by the SVS.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Premiums ceded under this heading are subject to a tax of six per cent.</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>(c) <u>Securities services:</u></p> <ol style="list-style-type: none"> <li data-bbox="78 335 1975 454">1. Publicly offered securities may be traded by legal persons the specific line of business of which is securities brokerage, either as members of a stock exchange (stockbrokers) or outside the exchange (securities agents). These institutions must be registered with the Securities and Insurance Supervision Department (SVS). However, only stockbrokers may trade shares or derivatives (subscription options) on the stock exchange. Non-share securities may be traded by stockbrokers or securities agents registered with the SVS.</li> <li data-bbox="78 510 1975 566">2. The purpose of financial portfolio management is to diversify investments, on behalf of third parties, over a range of instruments. Such services may be provided by securities traders (stockbrokers and securities agents) for their clients as a complementary activity.</li> <li data-bbox="78 622 1975 710">3. Risk rating services for publicly offered securities are provided by rating agencies constituted for this sole purpose. Such agencies must be enrolled in the SVS Register of Risk Rating Agencies and are inspected and controlled by this body. Responsibility for inspecting rating agencies offering risk rating services for securities issued by banks and financial institutions, however, falls to the Banking and Financial Institutions Supervision Department (SBIF).</li> <li data-bbox="78 766 1975 853">4. Securities custody consists of the physical safe-keeping of stocks and shares and may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole line of business. The Chilean Schedule for the securities sector does not include services offered by firms which simultaneously undertake the custody, clearance and settlement of securities (centralized securities depositories).</li> <li data-bbox="78 909 1975 965">5. Financial advisory services, including financial advice on financing alternatives, investment appraisal, investment possibilities and debt rescheduling strategies, may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole line of business.</li> <li data-bbox="78 1021 1975 1077">6. Securities services that may be provided by banking institutions, either directly or through subsidiaries, are listed in the banking services section of this Schedule and excluded from the securities services section.</li> </ol>			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Broking of publicly offered securities, except shares (81321) (includes underwriting)</p>	<p>(1) Unbound (2) Unbound (3) Brokerage activities must be provided through a corporation established in Chile and require prior enrolment in the SVS Register of stockbrokers and securities agents. In addition to the legal requirement concerning assets, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the types of instrument negotiated and the category of intermediary to which they apply. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound (2) Unbound (3) None  (4) Unbound, except as indicated in the horizontal section.</p>	
<p>Broking of publicly offered shares in corporations (81321) (includes underwriting)</p>	<p>(1) Unbound (2) Unbound (3) In order to trade on the stock exchange, intermediaries (brokers) must be constituted as corporations in Chile. They must acquire a share in their respective stock exchange and be accepted as members of this exchange. Prior enrolment in the SVS Register of stockbrokers and securities agents is required for brokerage activities.  In addition to the legal requirement concerning assets, the SVS may impose more stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the types of instrument negotiated and the category of intermediary to which they apply.</p>	<p>(1) Unbound (2) Unbound (3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Securities risk rating (relates solely to rating or giving an opinion on publicly offered securities)</p>	<p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Companies must be established in Chile as a company of persons. One of the specific requirements is that not less than 60 per cent of the company's capital must be held by the principal partners (natural or legal persons in this line of business holding a minimum of five per cent of the membership rights in the rating agency). Such companies must be enrolled in the SVS Register of Risk Rating Agencies and their rating board must consist of professionals with a university degree or equivalent higher education qualification and an unblemished business record, and the majority of whom must have had at least three years' work experience in the economic and financial field.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Securities custody undertaken by securities intermediaries (81319) (does not include services offered by suppliers who combine custody with securities clearance and settlement (custodial accounts)).</p>	<p>(1) Unbound  (2) Unbound  (3) In order to provide securities custody services, the intermediaries (brokers) must be constituted as corporations in Chile. In addition to the legal requirement concerning assets, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the types of instrument negotiated, and the category of intermediary to which they apply.  (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound  (2) Unbound  (3) None  (4) Unbound, except as indicated in the horizontal section.</p>	
<p>Financial consultancy services provided by securities intermediaries (81332) (financial advisory services refer only to the securities services included in this Schedule)</p>	<p>(1) Unbound  (2) Unbound  (3) Financial advisory services provided by securities intermediaries established as corporations in Chile require prior enrolment in the SVS Register of stockbrokers and securities agents. In addition to the legal requirement concerning assets, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the types of instrument negotiated and the category of intermediary to which they apply.  (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound  (2) Unbound  (3) None  (4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Portfolio management by security intermediaries</p> <p>(This does not under any circumstances include the following: management of mutual funds, foreign capital investment funds, investment funds or pension funds.)</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Portfolio management services provided by security intermediaries established as corporations in Chile require prior enrolment in the SVS Register of stockbrokers and securities agents. In addition to the legal requirement concerning assets, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the types of instrument negotiated, and the category of intermediary to which they apply.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	
<p>General deposit warehouses (warrants)</p> <p>(Corresponds to merchandise warehousing services accompanied by the issue of a deposit certificate and a chattel mortgage receipt.)</p>	<p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) Only legal persons legally established in Chile with the provision of warrant services as their sole business.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><b>TOURISM AND TRAVEL-RELATED SERVICES</b></p> <p>Hotels and restaurants Hotel lodging (64110)</p> <p>Motel lodging (64120)</p> <p>Apartment-hotels (64193)</p>	<p>The purchase of foreign exchange by Chilean nationals wishing to procure tourism services under mode of supply (2) is subject to foreign exchange control measures laid down by the Council of the Central Bank of Chile in accordance with its statutory powers.</p> <p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Camping services (64195)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Meal serving services with full restaurant service (64210)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Meal serving services in self-service facilities (64220)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Caterer services (64230)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Bars without entertainment (64310)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	



Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Bars with entertainment (64320)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Travel agency and tour operator services	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Travel agencies and tour operators (74710)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
Tourist guide services (74720)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>TRANSPORT SERVICES</p> <p>A. <u>Maritime transport services (other than domestic cabotage and internal waterways transport)</u></p> <p>Passenger transportation (7211)</p>	<p>(1), (2) and (3) To fly the Chilean flag, a vessel must be registered by a Chilean natural or legal person, for which the Chilean legal person must be constituted with domicile and actual principal place of business in Chile, and its president, manager and most of the directors or administrators must be Chilean natural persons. Furthermore, over 50 per cent of its equity must belong to Chilean natural or legal persons. For these purposes, a legal person with an equity investment in another legal owner of a vessel must fulfil all of the above requirements.</p> <p>A vessel may be registered as jointly owned if most of the co-owners are Chilean with domicile and residence in Chile; the administrators must be Chilean and the majority of the co-ownership rights must belong to Chilean natural or legal persons. For these purposes, a legal co-owner of a vessel must fulfil all of the above requirements to be considered Chilean.</p>	<p>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><b>Freight transportation (7212)</b></p>	<p>Special vessels belonging to foreign natural or legal persons domiciled in Chile may, under certain conditions, be registered in the country.</p> <p>Chile maintains its MFN exceptions.</p> <p>(4) Unbound.</p> <p>(1), (2) and (3) To fly the Chilean flag, a vessel must be registered by a Chilean natural or legal person, for which the Chilean legal person must be constituted with domicile and actual principal place of business in Chile, and its president, manager and most of the directors or administrators must be Chilean natural persons. Furthermore, over 50 per cent of its equity must belong to Chilean natural or legal persons. For these purposes, a legal person with an equity investment in another legal owner of a vessel must fulfil all of the above requirements.</p> <p>A vessel may be registered as jointly owned if most of the co-owners are Chilean with domicile and residence in Chile; the administrators must be Chilean and the majority of the co-ownership rights must belong to Chilean natural or legal persons. For these purposes, a legal co-owner of a vessel must fulfil all of the above requirements to be considered Chilean.</p>	<p>(4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</p> <p>(1), (2) and (3) None/Chile may grant preferential subsidies to Chilean nationals.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p style="text-align: center;">AUXILIARY AIR TRANSPORT SERVICES</p> <p>1- Opening of offices</p> <p>2- Issue and sale of air-transport fares and tickets</p>	<p><b>Special vessels belonging to foreign natural or legal persons domiciled in Chile may, under certain conditions, be registered in the country.</b></p> <p><b>There are restrictions for vessels flying foreign flags on the routes to and from Chile and Ecuador (hydrocarbons), Mexico (vehicles, parts and components), Brazil, Bolivia and Paraguay.</b></p> <p><b>Chile maintains its MFN exceptions.</b></p> <p><b>(4) Unbound.</b></p> <p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p><b>(4) Unbound, except as indicated in the horizontal section/Chile may grant preferential subsidies to Chilean nationals.</b></p> <p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> <p>(1) Unbound*</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
3- Computer reservation systems	(1) None (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
4- Ground operation of support equipment	(1) Unbound* (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
5- Aircraft maintenance	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	

## REFERENCE PAPER

### Scope

The following are definitions and principles relating to the regulatory framework for basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that:

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### 1. Competitive safeguards

#### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which is necessary for them to provide services.

### 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

#### 2.2 Interconnection to be ensured

Interconnection with a major supplier shall be ensured at any technically feasible point in the network. Such interconnection shall be provided:

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier shall be made publicly available.

### 2.4 Transparency of interconnection arrangements

A major supplier shall make either its interconnection agreements or a reference interconnection offer publicly available.

### 2.5 Interconnection: Dispute settlement

A service supplier requesting interconnection with a major supplier shall have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

## 3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations shall not be regarded as anti-competitive *per se*, provided that they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

## 4. Public availability of licensing criteria

Where a licence is required, the following shall be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence, and

- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence shall be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, shall be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands shall be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



**CHILE - FINAL LIST OF ARTICLE II (MFN) EXEMPTIONS**

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All	Measures establishing dispute-settlement procedures contained in existing or future bilateral investment protection treaties.	All. Chile currently has agreements with Germany, Switzerland and Spain.	Subject to the duration of the treaty concerned	Promotion of investment
International maritime freight transportation	Reciprocal measures concerning access to freight by Chilean vessels.	All	Indefinite	Need to ensure market access
International maritime freight transportation	Pursuant to the 1974 bilateral convention, all freight between the two countries must be carried on vessels flying the Chilean or Brazilian flags.	Brazil	Subject to the term of the agreement	Promotion of reciprocal trade
Maritime transport	<p>Rates, commissions or shares relating to maritime freight to or from Chilean ports and other revenue from services to vessels and cargo in national or foreign ports necessary for the purposes of such transportation are subject to a tax on the total amount of revenue derived from these operations.</p> <p>This tax is not imposed on revenue generated by foreign vessels provided that, in their countries of registration, there is no similar tax or equivalent or similar exemptions are granted to Chilean shipping enterprises.</p>	All	Indefinite	Need to ensure market access
	If a vessel is operated by or belongs to a shipping enterprise domiciled in a country that is not the country of registration, the requirement of reciprocity applies to each country.			

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Maritime transport. Coastal waters (cabotage)	Only for freight exceeding 900 metric tonnes. Specified foreign suppliers may be excluded from tendering.	All	Indefinite	Need to ensure market access
International land transport (freight and passengers)	National treatment is granted to suppliers from countries which have signed the 1977 International Land Transport Convention.	Argentina, Bolivia, Brazil, Paraguay, Peru and Uruguay	Subject to the term of the agreement	Promotion of regional integration
Audiovisual	National treatment is granted for co-produced cinematographic works in accordance with existing or future cinematographic co-production agreements.	All. Only one agreement, with France, exists at present.	Subject to the term of the agreement.	Promotion of artistic and technical works.