

Free Trade Agreement between the Republic of Chile and the Federative Republic of Brazil

The Government of the Republic of Chile and the Government of the Federative Republic of Brazil (hereinafter referred to as the "Parties"), decided to:

DEEPEN the special bonds of friendship and cooperation;

EXPAND trade, promote greater international cooperation and strengthen economic relations among their peoples for mutual benefit, in light of the Treaty of Montevideo of 1980 and of Resolution No. 2 of LAFTA;

REAFFIRM your commitment to democratic principles, the rule of law, human rights and fundamental freedoms;

CREATE a more open, safe and predictable market for reciprocal trade, in order to facilitate the planning of business activities;

AVOID distortions and non-tariff trade barriers and other restrictive measures in reciprocal trade;

PUTTING INTO PRACTICE THEIR RIGHTS AND OBLIGATIONS ARISING FROM THE AGREEMENT ON WTO, as well as other multilateral and bilateral cooperation instruments;

STIMULATE and support bilateral investments, opening new integration initiatives between both countries;

KEEP their respective financial systems solid and stable;

ESTABLISH a common framework of principles and rules for their bilateral trade in matters of public contracting, with a view to its expansion under conditions of transparency and as a means of promote economic growth;

PROMOTE the incorporation of the gender perspective in international trade, encouraging equality of rights, treatment and opportunities between men and women in business, industry and the world of work, favoring inclusive economic growth for societies of both countries;

FACILITATE the contacts between the companies and the private sectors of the Parties;

STRENGTHEN the competitiveness of their companies in global markets; and seek a greater insertion in global and regional value chains;

PROTECT and enforce labor rights, improve the living standards of the workers, and promote the cooperation and capacity of the Parties in labor matters, and

PROMOTE the protection and preservation of the environment and the contribution of trade to sustainable development,

HAVE AGREED to conclude this Free Trade Agreement between the Republic of Chile and the Federative Republic of Brazil, in accordance with the following:

Chapter 1. Initial Provisions and General Definitions

Article 1.1. Initial Provisions

1. The Parties, in accordance with the Treaty of Montevideo of 1980, Resolution No. 2 of LAFTA and Article V of the GATS, decide to deepen and extend the bilateral legal framework of the expanded economic space established by ACE No. 35, in accordance with the provisions of this agreement.

2. Each Party confirms its rights and obligations with respect to the other Party in relation to with the existing international agreements in which both Parties are parties, including the Agreement on the WTO. In this regard, each Party:

(a) Grant the tariff preferences contained in Article 2 of Title II (Commercial Release Program) of ACE No. 35, and

(b) Apply the regime of origin provided by Article 13, paragraph 1, of Title III (Régime of Origin), and contained in Annex 13 and Appendices of ACE No. 35, as its modifications.

3. If a Party considers that a provision of this Agreement is incompatible with a provision of another agreement to which both Parties are parties, upon request, the Parties shall consult in order to reach a mutually satisfactory solution. This paragraph applies without prejudice to the rights and obligations of the Parties under Chapter 22 (Settlement of Disputes).

Article 1.2. General Definitions

For purposes of this Agreement, unless otherwise specified in this Agreement:

ACE No. 35 means Mercosur Economic Complementation Agreement - Chile No. 35;

Agreement means the Free Trade Agreement between the Republic of Chile and the Republic Federative of Brazil;

Agreement on the WTO means the Marrakesh Agreement which establishes the World Trade Organization;

Agreement on TRIPS means the Agreement on Trade-Related Aspects of Intellectual Property Rights, contained in Annex 1 C of the Agreement that establishes the World Trade Organization;

GATS means the General Agreement on Trade in Services contained in Annex 1B of the WTO Agreement;

LAIA means the Latin American Integration Association;

LAFTA stands for Latin American Free Trade Association;

Goods means a commodity or product;

Administrative Commission means the Administrative Commission of the Agreement established in accordance with Article 21.1 (Administrative Commission);

Days means calendar days, including weekends and holidays;

GATT 1994 means the General Agreement on Tariffs and Trade 1994 contained in Annex 1A of the WTO Agreement;

Measure includes any law, regulation, procedure, requirement or practice;

MSMEs means micro, small and medium enterprises;

National means a natural person who has the nationality of a Party:

(a) In the case of the Federative Republic of Brazil, as defined in Article 12 of the Constitution of the Federative Republic of Brazil, and

(b) In the case of the Republic of Chile, a Chilean as defined in Article 10 of the Political Constitution of the Republic of Chile;

OECD means Organization for Economic Cooperation and Development;

WTO means the World Trade Organization;

Person means a natural person or a company;

Person of a Party means a national or a company of a Party;

Harmonized System (HS) means the Harmonized System of Designation and Coding of Merchandise, including its General Interpretation Rules, Section Notes and Notes Chapter, in the form in which the Parties have adopted and applied it in their respective legislations, and territory means:

(a) In the case of the Federative Republic of Brazil, the territory, including its terrestrial and aerial spaces, the exclusive economic zone, the territorial sea, the continental shelf, the soil and the subsoil, within which Brazil exercises its sovereign or jurisdictional rights, in accordance with international law and with its internal legislation, and

(b) In the case of the Republic of Chile, the terrestrial, maritime and air space under its sovereignty, and the exclusive economic zone and the continental shelf over the which exercises sovereign rights and jurisdiction under international law and its internal legislation.

Chapter 2. TRADE FACILITATION

Article 2.1. Objectives

The objectives of this Chapter are to contribute to the efforts of the Parties to expedite and simplify the simplify the procedures associated with import, export, and transit operations of goods, through the development and of goods, through the development and implementation of measures aimed at facilitating the free cross-border movement and cross-border movement and free circulation of goods, promoting legitimate and secure trade; together with and secure trade, as well as stimulating cooperation and dialogue between the Parties in matters related to trade facilitation. related to trade facilitation.

Article 2.2. Procedures Related to Import, Export and Transit

Each Party shall ensure that its procedures relating to the importation, exportation, and transit of goods are and transit of goods are applied in a predictable, uniform, and transparent manner, and shall employ information technology to make its controls more efficient and facilitate legitimate trade.

Article 2.3. Transparency

Each Party shall publish, in a non-discriminatory and easily accessible manner and, to the extent practicable, by electronic means, information on its possible, by electronic means, general legislation and procedures relating to the import, export, and transit of goods and trade facilitation, as well as changes in such legislation and procedures, on a non-discriminatory and changes in such legislation and procedures, in a manner consistent with the domestic legislation of the Parties. the Parties. This includes information on:

- (a) import, export, and transit procedures, including procedures at ports, airports and other (a) import, export and transit procedures, including procedures at ports, airports and other points of entry; the working hours of the competent (a) import, export and transit procedures, including procedures at ports, airports and other points of entry; the working hours of the competent authorities; and forms and documents required;
- (b) the rates of duties applied and taxes of any kind levied on the importation or exportation, or on the (b) the rates of duties and taxes of any kind levied on or in connection with importation or exportation;
- (c) duties and charges levied by or on behalf of governmental bodies on the importation, exportation or exportation of goods, or in connection therewith; and on or in connection with importation, exportation or transit;
- (d) rules for the classification or valuation of goods for customs purposes;
- (e) laws, regulations and administrative provisions of general application relating to rules of origin; (f) rules for the classification or valuation of goods for customs purposes; and (e) laws, regulations and administrative provisions of general application relating to rules of origin;
- (f) restrictions or prohibitions on importation, exportation or transit;
- (g) provisions on penalties for infringement of import, export or transit formalities;
- (h) appeal or review procedures;
- (i) agreements or parts of agreements with any country or countries relating to the importation, exportation or transit; (j) the provisions of the Agreement not yet in force (i) agreements or parts of agreements with any country or countries relating to import, export or transit
- (j) procedures relating to the administration of tariff quotas;
- (k) contact points for information inquiries; and
- (l) other relevant information of an administrative nature related to the preceding subparagraphs. preceding subparagraphs.

2. Each Party shall, to the extent possible, provide opportunities and an appropriate time period for interested persons involved in foreign trade to comment on proposals for the introduction or modification of rulings. proposals for the introduction or modification of rulings of general application relating to import, export and transit procedures. import,

export and transit procedures, prior to their entry into force. entry into force of the same. In no case shall these comments be binding.

3. Each Party shall ensure, to the extent practicable and in a manner consistent with its legal system, the system, that new or modified legislation, procedures, duties, fees or charges relating to the importation or or modified legislation, procedures, duties, fees or charges relating to import, export and transit, or otherwise information on them is made available to the public as soon as practicable before their entry into force. entry into force.

4. Excluded from paragraphs 2 and 3 are changes in the rates of duty or tariff rates, changes in the rates of duty or tariffs, changes in the rates of duty or tariffs, changes in the rates of duty, changes in the rates of tariff rates, measures having the effect of relief, measures the effectiveness of which would be impaired as a result of their measures whose effectiveness would be impaired as a result of compliance with paragraphs 2 and 3, measures that are applied in urgent measures applied in urgent circumstances, or minor changes to its legal system.

5. Each Party shall, to the extent possible and as appropriate, make available and update through the the Internet the following:

(a) a description of its import, export and transit procedures, (a) a description of its import, export and transit procedures, including appeal or review procedures, including the practical (a) a description of its import, export and transit procedures, including appeal or review procedures, including practical arrangements for import, export and transit;

(b) the forms and documents required for import, export, and transit; and (b) the forms and documents required for import, export and transit; and

(c) the contact details of its enquiry point(s).

6. Each Party shall establish or maintain enquiry points to respond to reasonable requests for information on customs matters. reasonable requests for information on customs and other matters relating to trade in goods, which may be trade in goods, which may be contacted, to the extent possible in Spanish or Portuguese, via the Internet. Responses to inquiries shall, to the extent possible, be in the same language as the language of the inquiry. The Parties shall not require the payment of fees to respond to requests for information.

7. Each Party shall establish or maintain mechanisms for consultation with business operators and other interested parties on the development and implementation of trade facilitation measures, paying particular attention to the needs of MSMEs.

Article 2.4. Advance Rulings

1. Each Party shall, prior to the importation of goods into its territory, issue an advance ruling upon the written request of an importer in its territory or an exporter or producer in the territory of the other Party containing all necessary information.

2. In the case of an exporter or producer in the territory of the other Party, such exporter or producer shall request the advance ruling in accordance with the internal administrative rules and procedures of the territory of the Party to whom the advance ruling of the territory of the Party to whom the request is addressed.

3. Advance rulings shall be issued with respect to:

(a) the tariff classification of the good;

(b) the application of customs valuation criteria for a particular case, in accordance with the provisions contained in the Party to whom the request is addressed. (b) the application of customs valuation criteria for a particular case, in accordance with the provisions contained in the Agreement on the Application of Article VII of the General Agreement on Tariffs and Trade. Application of Article VII of the General Agreement on Tariffs and Trade of 1994; (b) the application of customs valuation Trade 1994;

(c) the application of drawbacks, deferrals, or other exemptions from the payment of customs duties (c) the application of drawbacks, deferrals or other exemptions from the payment of customs duties;

(d) the originating status of a good; and

(e) such other matters as the Parties may agree.

4. Each Party shall issue an advance ruling within a reasonable and specified period of time, provided that the applicant has submitted all information that the Party requires, including, if the Party so requires, a sample of the good for which an advance ruling is being requested. advance ruling is being requested.

5. The advance ruling shall be valid as of the date of its issuance or such later date specified therein, and shall be valid as of the date of issuance of the advance ruling. specified therein, and shall remain in effect as long as the facts or circumstances on which it is based have not changed. circumstances on which it is based have not changed.

6. The Party issuing the advance ruling may modify or revoke it, ex officio or at the request of the requesting Party, as the case may be. The Party issuing the advance ruling may modify or revoke it, ex officio or at the request of the party that requested it, as appropriate, in the following cases:

(a) when the advance ruling was based on any error;

(b) when the circumstances or facts on which it was based have changed; or

(c) to comply with an administrative or judicial decision, or to conform to a change in the law of the Party. (c) to comply with an administrative or judicial decision, or to conform to a change in the law of the Party that issued the ruling.

7. Neither Party shall retroactively apply a revocation or modification to the detriment of the applicant, unless the determination was based on incomplete, inaccurate or false information provided by the applicant.

8. Subject to confidentiality requirements under its law, each Party shall make its advance rulings available to the public, including on the Internet.

9. The Party issuing the advance ruling may apply appropriate sanctions or measures, including civil, criminal and including civil, criminal and administrative actions, if the requester provided false information or omitted facts or false information or omitted relevant facts or circumstances relating to the advance ruling, or failed to act or failed to act in accordance with the terms and conditions of such advance ruling.

Article 2.5. Appeal or Review Procedures

Each Party shall ensure, with respect to its administrative acts in customs matters, that any person subject to its person subject to such acts in its territory has access to:

(a) an administrative review before an administrative authority independent or (a) administrative review before an administrative authority independent of or superior to the official or office that issued such administrative act, and/or

(b) judicial review of administrative acts.

Article 2.6. Clearance of Goods

1. Each Party shall adopt or maintain simplified customs procedures for the efficient clearance of goods, with the Each Party shall adopt or maintain simplified customs procedures for the efficient clearance of goods in order to facilitate legitimate trade between the Parties.

2. Pursuant to paragraph 1, each Party shall adopt or maintain procedures that:

(a) provide for clearance to be made within a period no longer than that required to ensure compliance with its customs regulations. Each Party shall continue to work to reduce clearance times;

(b) allow, to the extent permitted by its legislation and provided that all regulatory requirements have been met, goods to be cleared at the point of arrival, without temporary transfer to warehouses or other premises.

3. Each Party shall ensure, to the extent practicable, that its competent authorities in the control of import and export control of import and export operations of the goods coordinate, inter alia, requirements for information and documents, establishing a single time for physical verification, without prejudice to the physical verification, without prejudice to the controls that may apply in the case of post-clearance audits.

4. The Parties undertake, as far as possible, to calculate and publish the average time required for the clearance of goods. periodically and in a uniform manner, using tools such as the Guide for Measuring the Time Required for Clearance of Goods adopted by the Standing Technical Committee of the World Customs Organization (hereinafter referred to as "WCO").

Article 2.7. Temporary Admission

1. Each Party shall permit the temporary admission of goods as provided for in its laws and regulations.

2. For purposes of this Article, temporary admission shall be understood to mean the regime under which goods are which

goods are brought into the territory of a Party for a specified purpose and for a specified period of time, with the obligation to be re-exported in the same state, except for depreciation due to normal use, without payment of the customs duties, taxes and other charges that would be levied on the taxes and other charges that would be levied on its definitive importation.

3. Each Party, in accordance with the commitments and obligations assumed in the Istanbul Convention on Temporary Importation of Goods, for the temporary admission referred to in paragraph 2 and regardless of the origin of the goods, shall accept ATA Carnets issued in the other Party, endorsed there and guaranteed by an association belonging to the international guarantee chain, certified by the competent authorities and valid in the customs territory of the importing Party.

Article 2.8. Automation

Each Party shall endeavor to use information technology to expedite import, export, and transit procedures. procedures for the import, export, and transit of goods. To this end, the Parties shall:

(a) endeavor to use international standards;

(b) endeavor to make electronic systems accessible to users;

(c) provide for the electronic transmission and processing of information and data prior to the arrival of the shipment, in order to (c) provide for the electronic transmission and processing of information and data prior to the arrival of the shipment, in order to allow for the clearance of goods upon arrival once all (c) provide for the electronic transmission and processing of information and data prior to the arrival of the consignment to enable the clearance of goods upon arrival once all regulatory requirements have been met;

(d) adopt procedures that allow for the option of electronic payment of duties, taxes, fees and charges as (d) adopt procedures that allow for the option of electronic payment of duties, taxes, fees and charges determined by the Customs administration (d) adopt procedures that allow for the option of electronic payment of duties, taxes, fees and charges as determined by the customs administration that are due at the time of importation and exportation;

(e) employ, to the extent possible, electronic or automated systems for risk analysis and targeting. (e) employ, to the extent possible, electronic or automated systems for risk analysis and targeting

(f) advance the implementation of the Standard for the Computerization of the International Cargo Manifest/Declaration (f) make progress in the implementation of the Standard for the Computerization of the International Cargo Manifest/Customs Transit Declaration and in the Transit Goods Transit Operation between both countries under the Agreement on International under the Agreement on International Land Transport 1990 (hereinafter referred to as "ATIT"). hereinafter referred to as "ATIT");

(g) endeavor to ensure that the entities responsible for the issuance of the permits for international (g) ensure that the entities responsible for the issuance of international cargo transport permits issued under the ATIT make progress in the integration, in order to facilitate the exchange of the respective permits; (g) endeavor to ensure that the entities permits;

(h) provide for the processing of customs import and export operations through electronic documents and the possibility of digitalization of documents supporting customs declarations, as well as the use of validation mechanisms, previously agreed upon by the customs administration of both Parties, for the electronic exchange of information in a secure manner;

(i) implement cooperation and information exchange, data consultation and mutual assistance between the customs administrations of the Parties, in accordance with the Sixty-second Additional Protocol to ACE No. 35 and its subsequent amendments;

(j) work to develop a set of common data elements, in accordance with the WCO Customs Data Model and its related recommendations and guidelines, to facilitate the electronic exchange of data between customs authorities; and

(k) work towards the interoperability of the electronic systems of the Parties' customs administrations in order to facilitate the exchange of international trade data, ensuring the same levels of confidentiality and data protection as those provided for in each Party's legal system.

Article 2.9. Authorized Economic Operator

1. The customs administrations of the Parties shall promote the implementation and strengthening of Authorized Economic Operator (hereinafter referred to as "AEO") programs, in accordance with the WCO Framework of Standards to Secure and

Facilitate Global Trade (hereinafter referred to as the "SAFE Framework of Standards").

2. The customs administrations of the Parties undertake to seek mutual recognition of their AEO programs, with the objective of strengthening the security of the international trade supply chain and contributing significantly to the facilitation and control of trade operations of goods moving between the two Parties. To this end, the Parties shall exchange information on the current status of their respective AEO programs, in order to evaluate the development of an action plan with a view to reaching a mutual recognition agreement.

Article 2.10. Use and Exchange of Documents In Electronic Format

1. The Parties shall endeavor to:

(a) use documents in electronic format for exports and imports;

(b) adopt relevant international standards, where they exist, for the form, issuance and receipt of documents in electronic form; and

(c) promote the mutual recognition of documents in electronic format required for imports or exports issued by for imports or exports issued by the authorities of the other Party.

2. The Parties undertake to implement digital certification of origin under the terms of the provisions of LAIA Resolution No. 386 of 2011, or under such terms as the Parties may agree, and to promote the replacement of paper certificates of origin by certificates of origin in electronic format.

3. The Parties shall promote, based on international standards, the exchange of electronic phytosanitary certificates in bilateral trade transactions.

Article 2.11. Acceptance of Copies

1. Each Party shall endeavor, where appropriate, to accept copies of supporting documents required for import formalities. required for import, export or transit formalities.

2. Where a government agency of a Party already possesses the original of a supporting document, any other agency of that Party may accept copies. any other agency of that Party shall accept, where appropriate, in lieu of the original document, a copy provided by that 2. Where a government agency of a Party already holds the original of a supporting document, any other agency of that Party shall accept, where appropriate, in lieu of the original document, a copy provided by the agency holding the original.

Article 2.12. Foreign Trade Single Window

1. The Parties shall promote the development of their respective Single Windows for Foreign Trade (hereinafter referred to as "Single Windows"). The Parties shall promote the development of their respective Foreign Trade Single Windows (hereinafter referred to as "SWs") for the expediting and facilitation of trade, the authorities and commercial operators involved in foreign trade to use documentation or information for the import and export documentation or information for the import, export and transit of goods through a single point of entry. through a single point of entry, and through which applicants will be notified in a timely manner of the results. the results will be notified to the applicants in a timely manner.

2. The Parties shall promote interoperability between the SWs, in order to exchange information that will information that expedites trade and allows the Parties, inter alia, to verify information on foreign trade operations carried out. foreign trade operations carried out.

3. The implementation and operation of interoperability, where possible, shall be guided by. the following guidelines:

(a) the SWs shall ensure interoperability for the documents and information (a) the SWs shall ensure interoperability for documents and information determined by the Parties;

(b) the interoperability of the SWs shall ensure compliance with the legal requirements of the Parties regarding confidentiality. (b) the interoperability of the SWs shall ensure compliance with the legal requirements of the Parties regarding the confidentiality and protection of the information exchanged exchanged;

(c) the interoperability of the SWs shall ensure the availability of the information in the documents (c) the interoperability of the SWs shall ensure the availability of the information of the documents in accordance with the operating conditions set by the Parties. the Parties may establish;

(d) the SWs shall have computerized schemes that allow the transfer of information electronically of information electronically between the Parties;

(e) the SWs shall be based on the WCO data model, and other international standards as appropriate; and

(f) the interoperability of the SWs shall be implemented gradually.

4. The Parties shall promote the exchange of experiences and cooperation for the implementation and improvement of their systems, making use of international cooperation networks in this area.

Article 2.13. Risk Management

1. Each Party shall adopt or maintain risk management or risk management systems that enable its customs authority to concentrate its inspection activities on higher-risk operations, and which simplify risk operations, and that simplify clearance and movement in low-risk operations, respecting the confidentiality of information obtained through these activities.

2. The customs administrations of each Party shall apply a selective control for the clearance of goods, based on release of goods, based on risk analysis criteria, using, among others, non-intrusive means of inspection and tools incorporating modern technologies, with the aim of reducing physical the purpose of reducing the physical inspection of goods entering its territory.

3. The Parties shall adopt cooperation programs to strengthen their respective risk management or administration management systems based on best practices established between their customs authorities. customs authorities.

4. This Article shall apply, to the extent possible, to procedures administered by other border agencies. This Article shall apply, to the extent possible, to procedures administered by other border agencies.

Article 2.14. Perishable Goods

1. In order to prevent avoidable loss or deterioration of perishable goods, and provided that all regulatory requirements have been complied with, each Party shall provide that the release of perishable goods shall be carried out:

(a) in the shortest time possible under normal circumstances, and.

(b) outside the working hours of the customs authority and other competent authorities in exceptional circumstances where this is appropriate.

2. Each Party shall give appropriate priority to perishable goods in scheduling and conducting the required examinations.

3. Each Party shall provide adequate facilities for the storage of perishable goods pending clearance or allow an importer to arrange for such storage.

4. Each Party may require that the storage facilities provided by the importer have been approved or designated by its competent authorities.

5. The movement of goods to such storage facilities, including authorizations for the operator to move the goods, may, where required, be subject to the approval of the competent authorities.

6. Where feasible and consistent with its legislation, and at the request of the importer, each Party shall provide for the necessary procedures for clearance to take place at such storage facilities.

Article 2.15. Cooperation

1. The Parties shall, in accordance with their laws and available resources, cooperate on customs and other trade-related matters.

2. Cooperation may include, in particular:

(a) the exchange of information on customs and other trade-related legislation, their application, and customs and administrative procedures, especially in the following areas:

(i) simplification and modernization of customs and administrative procedures;

(ii) international instruments and standards applicable in the customs and trade area;

- (iii) free movement of goods and regional integration;
 - (iv) facilitation of transit and transshipment movements;
 - (v) inter-institutional coordination at borders;
 - (vi) relations with traders and other stakeholders;
 - (vii) supply chain security and risk management; and
 - (viii) use of information technology, data and documentation requirements, and single window systems, including work towards their future interoperability;
- (b) working together on customs-related aspects of securing and facilitating the international trade supply chain in accordance with the SAFE Framework of Standards;
- (c) the development of joint initiatives related to import and export procedures, including technical assistance, capacity building and measures aimed at providing effective service to trade operators and other stakeholders;
- (d) the exchange of best practices in customs valuation; and
- (e) the promotion of cooperation between customs authorities and other government authorities or agencies in connection with AEO programs.
3. For purposes of cooperation on the subjects of this Chapter, the Parties shall encourage direct dialogue between their respective competent authorities and, where appropriate, between their National Trade Facilitation Committees.

Article 2.16. Contact Points

1. The Parties designate Contact Points responsible for following up on matters relating to the implementation of this Chapter. Each Party shall promptly notify the other Party of any changes to its Points of Contact, as well as the details of the officials of the other Party.
2. For purposes of this Article, the Contact Points are:
- (a) in the case of Brazil, the Divisão de Acesso a Mercados of the Ministério de Relações Exteriores, or its successor, and
 - (b) in the case of Chile, the Dirección de Asuntos Económicos Bilaterales de la Dirección General de Relaciones Económicas Internacionales, or its successor.
3. The responsibilities of the Contact Points shall include:
- (a) facilitating discussions, requests and the timely exchange of information;
 - (b) consulting and, as appropriate, coordinating with the competent governmental authorities in their territory on matters related to this Chapter; and
 - (c) carry out such additional responsibilities as the Parties may agree.

Chapter 3. GOOD REGULATORY PRACTICES

Article 3.1. Definitions

For the purposes of this Chapter:

regulatory impact analysis is the systematic process of analyzing and determining the impact of regulatory measures, based on the definition of a problem. This analysis is a fundamental public policy tool for evidence-based decision making, allowing the presentation of alternatives so that the regulatory authority can choose the option it deems appropriate to solve the problem and maximize social welfare;

good regulatory practices refers to the use of tools in the process of planning, drafting, adoption, implementation, review and follow-up of regulatory measures;

public consultation is the participatory mechanism, of a consultative and non-binding nature, by means of which the State, during a reasonable period of time, collects data and opinions from society in relation to a regulatory measure project; and

regulatory measures refer to measures of general application determined in accordance with Article 3.3, related to any matter covered by this Agreement, adopted by the regulatory authorities, and whose observance is mandatory.

Article 3.2. General Objective

The general objective of this Chapter is to strengthen and encourage the adoption of good regulatory practices, in order to promote the establishment of a regulatory environment that is transparent and with predictable procedures and steps for both citizens and economic operators.

Article 3.3. Scope of Application

Each Party shall, in accordance with its law and no later than one year after the entry into force of this Agreement, determine and make publicly available the regulatory measures to which the provisions of this Chapter shall apply. In making such determination, each Party shall consider achieving meaningful coverage.

Article 3.4. General Provisions

1. The Parties reaffirm their commitment to the adoption of good regulatory practices in order to facilitate trade in goods and services, as well as the flow of investment between them.

2. The provisions of this Chapter shall not affect the right of the Parties to:

(a) adopt, maintain or establish such regulatory measures as they deem appropriate, in accordance with their respective regulatory and administrative procedures and other internationally agreed commitments, with a view to achieving legitimate public policy objectives; or

(b) identify their regulatory priorities in the area and at the levels of government they consider appropriate.

Article 3.5. Establishment of Coordination Processes or Mechanisms

1. The Parties recognize that good regulatory practices can be fostered through effective interagency coordination, such that each Party:

(a) promote the creation and strengthening of domestic mechanisms that facilitate effective interagency coordination;

(b) shall seek to develop internal processes within each competent body for the development and review of regulatory measures aimed at promoting good regulatory practices; and

(c) may establish or maintain coordination processes at the national or central level.

2. The Parties recognize that the processes referred to in paragraph 1 may vary according to their respective circumstances, including differences in political and institutional structures. Nevertheless, the Parties should seek to:

(a) encourage that, at the stage of developing draft and proposed regulatory measures, international regulatory best practices, including those set out in Article 3.6, be taken into consideration;

(b) strengthen coordination and intensify consultations among national governmental institutions to identify possible duplications and avoid the creation of inconsistent regulatory measures;

(c) promote good regulatory practice policies on a systematic basis; and

(d) publicly report any proposals for systemic regulatory improvement actions.

Article 3.6. Implementation of Good Regulatory Practices

1. Each Party shall encourage its respective competent regulatory authorities to submit drafts and proposed amendments to regulatory measures for public consultation, for a reasonable period of time, to allow interested parties to comment.

2. Each Party should encourage its competent regulatory authorities to conduct, in accordance with its national legislation, a regulatory impact analysis (RIA) prior to the adoption and proposed modification of regulatory measures that have a

significant economic impact, or, where appropriate, another criterion established by that Party.

3. Recognizing that institutional, social, cultural and legal differences may result in specific regulatory approaches, regulatory impact assessments conducted should, inter alia:

(a) identify the problem to be solved, the actors or groups affected, the legal basis for the proposed action, existing international references, and the objectives to be achieved;

(b) describe the feasible alternatives to address the identified problem, including the no action option, and state their possible impacts;

(c) compare the alternatives proposed, indicating, with justification, the solution or combination of solutions considered most appropriate to achieve the objectives pursued;

(d) be based on the best available scientific, technical, economic or other relevant information available to the respective regulatory authorities within the framework of their competencies, mandate, capacity and resources; and

(e) describe the strategy for the implementation of the suggested solution, including forms of monitoring and enforcement where appropriate, as well as the need for modification or repeal of existing regulatory measures.

4. Each Party should encourage its competent regulatory authorities, when developing regulatory measures, to take into consideration international and foreign references, to the extent appropriate and consistent with domestic law.

5. Each Party should ensure that new regulatory measures are clearly written, concise, organized and easily understood, recognizing the possibility of involving technical issues that require specialized knowledge for their correct understanding and application.

6. Each Party shall endeavor to ensure that its competent regulatory authorities, in accordance with its national legislation, facilitate public access to information on draft and proposed regulatory measures and make such information available on the Internet.

7. Each Party shall seek to maintain or establish domestic procedures for the review of existing regulatory measures, as often as it considers appropriate, to determine whether they should be modified, expanded, simplified, or repealed, with the objective of making its regulatory regime more effective.

Article 3.7. Cooperation

1. The Parties shall cooperate in order to properly implement this Chapter and to maximize the benefits derived from it. Cooperative activities shall take into account the needs of each Party and may include:

(a) information exchange, dialogues, bilateral meetings or meetings between the Parties and stakeholders, including MSMEs;

(b) training programs, seminars and other technical assistance initiatives;

(c) strengthening cooperation and other relevant activities between regulatory authorities;

(d) exchange of data, information and practices related to the development of new regulatory measures, including the conduct of public consultations;

(e) exchange of data, information, methodologies and practices of regulatory impact analysis, with estimation of potential costs and benefits of the regulatory measure, as well as of the implementation plan of the project or proposal;

(f) exchange of methodologies and practices related to the ex post review of regulatory measures; and

(g) exchange of experiences on the management of existing regulatory measures.

2. The Parties recognize that regulatory cooperation depends on a commitment that national regulatory measures are developed and made available in a transparent manner.

Article 3.8. Administration of the Chapter

1. The Parties shall establish focal points, who shall be responsible for following up on matters relating to the implementation of this Chapter.

2. The focal points may meet semi-annually, in person or by any other agreed technological means, and shall prepare

annual reports of their activities, unless otherwise agreed by the Parties.

3. The Parties shall, every three (3) years from the entry into force of this Agreement, consider the need for a review of this Chapter, in light of milestones in the area of good regulatory practices at the international level and the experiences accumulated by the Parties.

Article 3.9. Implementation Reports

1. Each Party shall, for purposes of transparency and cooperation, two (2) years after the entry into force of this Agreement and, successively, every three (3) years, send a report on the implementation of the Chapter, through its focal point.

2. In its first report, each Party shall describe the actions implemented and those planned, including those to:

(a) establish internal processes and mechanisms to facilitate interagency coordination, in accordance with Article 3.5;

(b) encourage their competent regulatory authorities to conduct regulatory impact assessments, in accordance with Articles 3.6.2 and 3.6.3;

(c) ensure that draft or proposed regulatory measures are accessible, in accordance with Articles 3.6.5 and 3.6.6; and

(d) review regulatory measures, in accordance with Article 3.6.7.

3. In successive reports, each Party shall describe the actions taken since the previous report, as well as those it plans to take, to implement this Chapter.

4. For the implementation of this Chapter, the Parties shall review the implementation reports referred to in this Article. During this review, the Parties may discuss and ask questions about specific aspects of such reports.

Article 3.10. Relationship with other Chapters

In the event of any inconsistency between this Chapter and another Chapter of this Agreement, the other Chapter shall prevail to the extent of the inconsistency.

Article 3.11. Settlement of Disputes

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 4. SANITARY AND PHYTOSANITARY MEASURES

Article 4.1. Incorporation of the SPS Agreement

1. The Agreement on the Application of Sanitary and Phytosanitary Measures of the World Trade Organization (hereinafter referred to as the "SPS Agreement") is incorporated into and made part of this Chapter, *mutatis mutandis*.

2. The Parties stress the importance of implementing the Decisions adopted by consensus within the framework of the WTO Committee on Sanitary and Phytosanitary Measures (hereinafter referred to as the "WTO SPS Committee").

Article 4.2. Objectives

The objectives of this Chapter are:

(a) to protect human, animal and plant health and life in the territory of each Party, while facilitating trade between the Parties;

(b) to ensure that the Parties' sanitary and phytosanitary measures do not create unjustified barriers to trade;

(c) to promote the implementation of the SPS Agreement and the standards, guidelines and recommendations developed by the international reference organizations identified by the SPS Agreement: the Codex Alimentarius Commission (CODEX), the World Organization for Animal Health ("OIE") and the International Plant Protection Convention (IPPC); and

(d) provide the means to improve communication, cooperation and resolve any SPS difficulties arising from the implementation of this Chapter.

Article 4.3. Scope of Application

This Chapter shall apply to all sanitary and phytosanitary measures of the Parties, pursuant to the SPS Agreement, that may, directly or indirectly, affect trade in goods between the Parties.

Article 4.4. Establishment of Import Requirements

The importing Party undertakes to establish and report, without undue delay, the sanitary and phytosanitary requirements for the products identified by the exporting Party.

Article 4.5. Risk Analysis

1. Where risk analysis is necessary, it shall be conducted taking into account the risk analysis techniques adopted within the framework of the international reference organizations of the SPS Agreement.
2. The exporting Party shall provide the importing Party with all information necessary to conduct a risk analysis in accordance with the provisions of the SPS Agreement and its international reference organizations.
3. Any reassessment of risk, in situations where there is regular and fluid trade in goods between the Parties, shall not be a reason to interrupt trade in such goods, except when a sanitary or phytosanitary emergency situation is in progress.
4. The Parties may establish, by mutual agreement in the SPS Committee referred to in Article 4.14, specific procedures and deadlines for carrying out the risk analysis based on the standards, guidelines and recommendations approved by the international reference organizations of the SPS Agreement.
5. The results of the risk analysis that may affect trade between the Parties shall be reported in writing, with the scientific and technical reasons for the decision.

Article 4.6. Equivalence and Qualification

1. Equivalence arrangements between the Parties shall be established in accordance with the Decisions adopted by the SPS Committee of the WTO and the standards, guidelines and recommendations adopted by the international reference organizations of the SPS Agreement.
2. A Party may request an equivalence determination from the other Party for any sanitary or phytosanitary measure or group of sanitary or phytosanitary measures for a product or group of products.
3. The Parties shall initiate steps towards the process of recognition of equivalence of their sanitary and phytosanitary measures and their respective control and approval procedures.
4. The exporting Party shall provide appropriate scientifically based and technical information, with a view to objectively demonstrate that its sanitary and phytosanitary measure achieves the appropriate level of protection defined by the importing Party.
5. If the evaluation does not result in the recognition of equivalence, the importing Party shall inform in writing the scientific and technical reasons for its determination.
6. At the request of the exporting Party, in the event that a sanitary or phytosanitary measure applied by the importing Party may affect trade, the importing Party shall examine whether, exceptionally, an alternative sanitary or phytosanitary measure ensures its appropriate level of protection.
7. At the request of the exporting Party, the importing Party shall approve the list of exporting plants, without prior individual inspection of such plants, upon delivery of guarantees demonstrating compliance with the sanitary and safety requirements established by the importing Party. This procedure is conditioned to the process of recognition of equivalence of their sanitary measures, with a view to facilitate trade between the Parties based on the knowledge of their sanitary control and verification systems. The above, without prejudice to Article 4.8.
8. In the event of refusals to authorize establishments for export, the importing Party shall inform the exporting Party of the reasons that justified its decision in accordance with the SPS Agreement. If such justification is not received or is considered unsatisfactory, the exporting Party may request consultations within the framework of the SPS Committee, through the Competent Authorities mentioned in Annex I.

Article 4.7. Control, Inspection and Approval Procedures

1. The application of control, inspection and approval procedures shall not become disguised restrictions on trade between the Parties and shall be carried out in accordance with the SPS Agreement and the international standards, guidelines and recommendations set by the SPS Agreement reference bodies.

2. The Parties shall agree, where possible, on the simplification of controls and verifications, as well as the frequency of inspections based on the risks involved and the international standards, guidelines and recommendations adopted by the SPS Agreement reference bodies.

Article 4.8. Audit Systems

1. The importing Party may conduct on-site audits of the exporting Party's inspection systems.

2. If an audit is conducted to verify compliance with sanitary and phytosanitary requirements, it shall comply with the requirements set forth in the SPS Agreement and, in particular, Annex C thereof. Specifically, the audit shall be limited exclusively to the verification of what is technically necessary, without causing undue delay and unnecessary costs.

3. Each Party, within the framework of this Chapter, has the right to receive information on the control system of the other Party and the results of the controls carried out under such system.

4. The deadlines for the submission of reports on the audit by the importing Party, the submission of comments by the exporting Party, and the publication of the final report by the importing Party shall be agreed by the SPS Committee as set out in Article 4.14.4(c).

Article 4.9. Recognition of Sanitary and Phytosanitary Status

1. The exporting Party shall be responsible for objectively demonstrating to the importing Party the country, area or zone's pest or disease free or low pest prevalence status.

2. In such cases, the pest or disease free or low pest prevalence area or zone shall be subject to effective surveillance, disease or pest control or eradication measures and other requirements, in accordance with relevant international standards.

3. The Parties may establish, by mutual agreement in the SPS Committee, the procedures and deadlines for the recognition of a pest or disease free or low prevalence area or zone, based on the standards, guidelines and recommendations adopted by the international reference organizations of the SPS Agreement.

4. The Parties undertake to recognize their respective disease free areas or zones recognized by the OIE, expeditiously and without undue delay.

5. If an on-site visit by the importing Party to the exporting Party is necessary for the verification of compliance with sanitary and phytosanitary requirements or for the recognition of free areas or zones or areas of low prevalence, the visit shall comply with the rules provided for in the SPS Agreement and, in particular, Annex C thereof. In particular, the visit shall be limited exclusively to verifying in situ what is necessary from a technical point of view, without extending beyond what is necessary or generating unnecessary costs.

Article 4.10. Import Control at the Border

1. The importing Party shall take steps to ensure that products originating from the exporting Party are subject to import verification procedures as expeditiously as possible.

2. The importing Party shall inform the exporting Party, as expeditiously as possible, of the results of import verification procedures in the case of products that are rejected or do not meet the requirements established for importation.

3. The Parties shall endeavor to reduce the frequency of verification procedures for physical sanitary and phytosanitary controls applied by the importing Party to the products of the exporting Party, in accordance with the results obtained taking into account the risks involved and the results of the verifications.

Article 4.11. Exchange of Information

1. The Parties shall exchange information on matters related to the development and application of sanitary and phytosanitary measures that may affect trade between them, as well as on scientific developments or new scientific information available that is relevant to this Chapter.
2. The Parties shall inform, within forty-eight (48) hours following the confirmation of a problem, the changes that occur in animal health matters, such as the appearance of diseases or sanitary alerts on food products that fall within the criteria for immediate notification defined in international standards.
3. Changes in phytosanitary matters, such as the appearance of quarantine pests or the spread of pests under official control, shall be reported within seventy-two (72) hours of their verification.

Article 4.12. Transparency

1. The Parties recognize the importance of observing the rules on notification provided for in the SPS Agreement and, in this regard, shall consider compliance with these obligations sufficient to strengthen transparency in bilateral trade.
2. At the request of the other Party, the Party notifying a sanitary or phytosanitary measure that may involve restrictions on bilateral trade shall provide a scientific justification, based on the disciplines of the SPS Agreement, within as expeditious a period as possible.
3. In all cases of adoption of an emergency sanitary or phytosanitary measure affecting the exchange of goods between the Parties, the Party adopting the measure shall, without undue delay, notify the other Party of the measure and its justification. This obligation shall be considered fulfilled if the Party adopting the measure has submitted its notification to the SPS Committee of the WTO.

Emergency sanitary or phytosanitary measures shall be maintained only as long as the threats or causes that gave rise to them persist.

4. The Parties shall strengthen the reciprocal transparency of their sanitary and phytosanitary measures by publishing the measures adopted on free and publicly accessible official websites.

Article 4.13. Technical Cooperation

1. The Parties agree to give special importance to technical cooperation to facilitate the implementation of this Chapter.
2. The Competent Authorities of the Parties, mentioned in Annex I, may enter into agreements for cooperation and coordination of activities.
3. The Parties shall seek, where possible, to coordinate positions in regional or multilateral fora where international sanitary and phytosanitary standards, guidelines or recommendations are developed or aspects related thereto are negotiated.

Article 4.14. Committee on Sanitary and Phytosanitary Measures

1. The Parties establish the Committee on Sanitary and Phytosanitary Measures (hereinafter referred to as the "SPS Committee") for the purpose of monitoring the implementation of this Chapter.

The SPS Committee shall be composed of the Competent Authorities and Contact Points designated by each Party, as indicated in Annex I.

2. The SPS Committee shall meet on an ordinary basis at least once a year, unless the Parties agree otherwise, in person, and at least once a year, unless the Parties agree otherwise, on a regular basis.

The SPS Committee shall meet in person, by teleconference, videoconference or other means that ensure an adequate level of functioning, and extraordinarily, whenever the Parties deem it appropriate.

3. When the meetings are face-to-face, they shall be held alternately in the territory of each Party and it shall be the responsibility of the host Party to organize the meeting.

4. The functions of the SPS Committee shall be:

(a) to exchange information on the Competent Authorities and Contact Points of each Party, detailing their areas of competence. The corresponding information included in Annex I may be updated in the event of modifications;

(b) promote cooperation and technical assistance, including cooperation in the development, application and enforcement

of sanitary or phytosanitary measures;

(c) exchange information and propose procedures and deadlines for the bilateral implementation of the disciplines provided for in the Chapter;

(d) to entertain, upon written request of a Party, consultations on any matter arising under this Chapter;

(e) establish technical working groups in the fields of animal and plant health and such others as they deem appropriate;

(f) keep the Administrative Commission informed of the work carried out by the SPS Committee; and

(g) develop all those actions that the Parties consider pertinent for the fulfillment of this Chapter.

5. In order to order its functioning, the SPS Committee shall establish its own rules of procedure, if possible during its first meeting. The SPS Committee may revise these rules when it deems appropriate.

Article 4.15. Consultation Mechanism

1. The Parties may hold consultations to discuss and suggest any procedures for resolving difficulties arising from the application of this Chapter. Consultations may be held by electronic mail, teleconference, or other means. The Party requesting the consultations shall prepare minutes, which shall be approved by the Parties.

2. If the Parties do not reach a satisfactory solution after the consultations, the case shall be submitted to the SPS Committee which shall

2. If the Parties do not reach a satisfactory solution after consultations, the case shall be submitted to the SPS Committee, which shall meet in extraordinary session.

Chapter 5. TECHNICAL BARRIERS TO TRADE

Article 5.1. Objective

The objective of this Chapter is to facilitate trade in goods between the Parties by identifying, preventing and eliminating unnecessary technical barriers to trade, improving transparency and promoting cooperation between the Parties on matters dealt with under this Chapter.

Article 5.2. Relationship to the WTO TBT Agreement

The Parties reaffirm their rights and obligations under the WTO Agreement on Technical Barriers to Trade (hereinafter referred to as the "TBT Agreement") which is incorporated into and made part of this Chapter, *mutatis mutandis*.

Article 5.3. Scope of Application

1. This Chapter shall apply to the development, adoption and application of standards, technical regulations and conformity assessment procedures of the Parties, as defined in Annex I of the TBT Agreement, including those of central level of government and local governmental bodies that may directly or indirectly affect trade in goods between the Parties.

2. The provisions of this Chapter shall not apply to the Parties' sanitary and phytosanitary measures, which shall be governed by Chapter 4 (Sanitary and Phytosanitary Measures).

3. Government procurement specifications prepared by governmental agencies for the production or consumption needs of such agencies are not subject to the provisions of this Chapter, which shall be governed by Chapter 12 (Government Procurement).

4. The application of Article 50 of the Treaty of Montevideo of 1980, with respect to technical barriers to trade, shall be governed by the provisions of this Chapter.

Article 5.4. Trade Facilitating Initiatives

1. The Parties recognize the importance of intensifying their collaboration in order to increase mutual understanding of their respective systems and to identify trade facilitation initiatives that contribute to the elimination and reduction of technical barriers to trade.

2. The Parties shall negotiate, whenever possible, trade facilitation initiatives in the areas of technical standards, technical regulations, conformity assessment procedures, including accreditation and metrology, in accordance with the provisions of the TBT Agreement.
3. A Party may propose to the other Party a joint analysis on sectors, products or group of products or potential regulatory issues, in which they may negotiate trade facilitation initiatives in order to increase the flow of bilateral trade. In the event that one of the Parties considers that this is not possible, the provisions of paragraph 6 shall apply.
4. The Parties shall exchange information related to the subject matter of the analysis referred to in paragraph 3 and shall encourage the participation of representatives of their productive sector, under the modality they agree upon, and of their competent regulatory and governmental authorities.
5. The Parties, through their competent regulatory and governmental authorities, shall select, on a case-by-case basis, the appropriate tools to address the issue that has given rise to the request. For each sector, product or group of products identified, the Parties shall determine, by mutual agreement, trade facilitation initiatives, which may include, among others:
 - (a) exchange of information on regulatory practices and approaches;
 - (b) initiatives for further harmonization of technical regulations and conformity assessment procedures with relevant international standards;
 - (c) regulatory convergence actions;
 - (d) use of accreditation to qualify conformity assessment bodies; and
 - (e) mutual or unilateral recognition of conformity assessment procedures and their results conducted in the other Party.
6. When a Party does not accept the request to analyze a sector or a set of sectors, products, groups of products or the suggestion of a proposed trade facilitation initiative, it shall promptly present the reasons for such decision and offer, if possible, alternatives.
7. Trade facilitation initiatives shall be defined on a case-by-case basis by the Parties. To this end, the Parties shall establish ad hoc sectoral or thematic working groups, with the actors they deem appropriate, and shall seek to develop a work schedule, as well as other aspects that the Parties may mutually agree upon.
8. The Parties shall implement the results of the understandings reached under this Article, through the appropriate instrument and as mutually agreed.

Article 5.5. Technical Regulations

1. The Parties agree to make best use of good regulatory practices with respect to the development, adoption, and application of technical regulations, as provided for in the TBT Agreement.
2. The Parties reaffirm the commitment to use relevant international standards as the basis for their technical regulations, except where such international standards would be an ineffective or inappropriate means for the achievement of the legitimate objectives pursued.
3. Where international standards have not been used as a basis for a technical regulation that may have a significant effect on trade, a Party shall explain, at the request of the other Party, the reasons why such standards have been considered inappropriate or ineffective for the objective pursued.
4. The Parties shall encourage their competent regulatory authorities to conduct regulatory impact assessments in accordance with their respective rules and procedures.
5. In developing technical regulations, which have an impact on MSMEs, the Parties should consider the potential impact on MSMEs.

Article 5.6. Standards

1. The Parties reaffirm the commitment set out in paragraph 1 of Article 4 of the TBT Agreement to take all reasonable measures to ensure that all governmental or non-governmental standardizing bodies and other private entities that develop and apply standards in their trade relations accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards, Annex 3 of the TBT Agreement, and shall also take into account, to the extent possible, the principles set out in the Decision of the Committee on Principles for the Development of International Standards, Guides

and Recommendations in relation to Articles 2, 5 and Annex 3 of the Agreement, adopted by the WTO Committee on Technical Barriers to Trade on 13 November 2000, and its subsequent revisions.

2. In determining whether an international standard, guidance or recommendation within the meaning of Articles 2 and 5 of the TBT Agreement and Annex 3 thereto exists, each Party shall consider the Decisions and Recommendations adopted by the WTO Committee on Technical Barriers to Trade since 1 January 1995, Annexes to Part I.2 (G/TBT/1/Rev.13) and subsequent revisions thereto.

Article 5.7. Conformity Assessment

1. The Parties recognize that the choice of appropriate conformity assessment procedures depends on the institutional structure and legal provisions in force in each Party, within the framework of the obligations under the TBT Agreement.

2. The Parties recognize the existence of differences in conformity assessment procedures in their respective territories, and agree that such procedures shall not be more stringent or applied more strictly than necessary to give the importing Party adequate confidence that products comply with technical regulations or standards, taking into account the risks that non-compliance would create.

3. The Parties recognize that there is a wide range of mechanisms that facilitate the acceptance of conformity assessment results conducted in the territory of the other Party, including, but not limited to:

- (a) voluntary agreements between conformity assessment bodies in the territory of the Parties;
- (b) agreements on mutual acceptance of the results of conformity assessment procedures with respect to specific technical regulations conducted by bodies located in the territory of the other Party;
- (c) accreditation procedures for qualifying conformity assessment bodies;
- (d) government approval or designation of conformity assessment bodies;
- (e) the recognition of the results of conformity assessments carried out in the territory of the other Party; and
- (f) the importing Party's acceptance of the supplier's declaration of conformity.

4. The Parties undertake to:

- (a) exchange information on different mechanisms with a view to facilitating the acceptance of conformity assessment results;
- (b) encourage testing, inspection and certification bodies to exchange experiences on the procedures used to assess conformity; and
- (c) promote the exchange of information on accreditation systems and encourage accreditation bodies to participate actively in international cooperative arrangements in the field of accreditation, such as the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF).

5. For purposes of transparency and mutual confidence, if a Party does not accept the results of conformity assessment procedures carried out in the territory of the other Party, it shall, at the request of that other Party, explain the reasons for its decision.

6. Each Party shall accord to the subsidiaries of the other Party's conformity assessment bodies located in its territory, treatment no less favorable than that accorded to its own bodies.

7. With the objective of increasing mutual confidence in the results of conformity assessment, a Party may request information from the other Party on the technical competence of the conformity assessment bodies involved, among others. Additionally, the Parties should consider facilitating access of technicians to their territories to demonstrate their conformity assessment schemes and systems.

Article 5.8. Transparency

1. The Parties shall ensure transparency with respect to information on technical regulations, standards, and conformity assessment procedures.

2. The Parties shall notify each other electronically, through the contact point established by each Party, and in accordance

with Article 10 of the TBT Agreement, regarding drafts and amendments of technical regulations and conformity assessment procedures, as well as those adopted to address urgent problems under the terms of the TBT Agreement, at the same time that they send the notification to the WTO Central Registry of Notifications. Such notification shall include an electronic link to the notified document or a copy thereof.

3. The Parties shall notify even those draft technical regulations and conformity assessment procedures that are consistent with the technical content of relevant international standards.

4. Each Party shall publish adopted technical regulations and conformity assessment procedures on official and publicly accessible websites.

5. Each Party shall, in accordance with its domestic procedures, allow interested persons of the other Party to participate in the development of its standards, technical regulations and conformity assessment procedures on terms no less favorable than those accorded to its nationals.

6. For each Party to prepare written comments on the drafts and amendments of technical regulations and conformity assessment procedures, a period of at least sixty (60) days shall be granted, from the publication in the Official Gazette in the case of Brazil, or from the notification referred to in paragraph 2 in the case of Chile. The foregoing is excepted in cases in which urgent problems arise or threaten to arise for the Parties. Each Party shall consider positively the well-founded requests of the other Party to extend the comment period.

7. Subject to the conditions specified in Article 2.12 of the TBT Agreement on the reasonable period of time between the publication of technical regulations and their entry into force, the Parties understand that the term "reasonable period of time" normally means a period of not less than six (6) months, except where this would not be practicable to achieve the legitimate objectives pursued.

Article 5.9. Consultations on Specific Commercial Concerns

1. Each Party shall give prompt and positive consideration to any request by the other Party for consultations on specific trade concerns relating to the application of this Chapter.

2. A Party that considers itself affected by a technical regulation, standard, or conformity assessment procedure that may be considered a technical barrier to trade shall submit in writing its concern to the other Party, including the following information:

- (a) identification of the institution responsible for the application of the measure;
- (b) description of the problem and, if possible, identification of the measure;
- (c) description of the product(s) affected;
- (d) objective or justification for the consultation; and
- (e) proposals for possible solutions.

3. The other Party shall respond to the concern submitted in writing within sixty (60) days, including the following information:

- (a) the reasons for the choice of the measure or for the decision not to accept results of a conformity assessment procedure, including the technical-scientific justification if the measure does not coincide with relevant international standards, guidelines or recommendations or if these do not exist;
- (b) the explanation of the legitimate objectives and how the technical regulation or conformity assessment procedure achieves them, as appropriate.

4. If the concern of the Party considered to be affected is not eliminated by the response of the other Party, the issue may be addressed as soon as possible, considering the different mechanisms established in this Chapter.

5. Each Party shall ensure the participation, as appropriate, of representatives of its competent governmental regulatory authorities within the scope of this Chapter.

Article 5.10. Cooperation

1. The Parties agree to cooperate to:

- (a) strengthen their respective metrology, standardization, technical regulation, and conformity assessment bodies, as well as their information and notification systems within the structure of the TBT Agreement;
- (b) strengthen technical confidence among such bodies, primarily for the purpose of achieving the implementation of the tools referred to in Article 5.4;
- (c) increase and improve participation and, whenever possible, seek coordination of common positions in international organizations on matters related to standardization and conformity assessment procedures;
- (d) whenever possible, support the development and implementation of relevant international standards;
- (e) promote training necessary for the purposes of this Chapter;
- (f) promote technical assistance through competent regional or international organizations; and
- (g) develop joint activities among the technical bodies involved in the activities covered by this Chapter.

2. The Parties shall cooperate with each other in the exchange of information on private standards that may affect trade. The Parties shall also encourage private bodies to develop them so that, inter alia, they are truthful, do not mislead the consumer and take into account scientific and technical information; are based on relevant international standards, guides or recommendations and best practices, if applicable and available; do not treat a product less favorably on the basis of its origin; and do not constitute unnecessary barriers to trade.

Article 5.11. Committee on Technical Barriers to Trade

1. The Parties hereby establish a Committee on Technical Barriers to Trade (hereinafter referred to as the "Committee"), which shall be composed of:

- (a) in the case of Brazil, by representatives of the Divisão de Acesso a Mercados del Ministério de Relações Exteriores, or its successor, and.
- (b) in the case of Chile, the Dirección de Asuntos Económicos Bilaterales of the Dirección General de Relaciones Económicas Internacionales, or its successor.

2. With the objective of facilitating communication of activities under this Chapter, each Party shall designate and notify a contact point to the Committee. In addition, each Party shall promptly notify the other Party of any changes to its contact point or details of relevant officials.

3. The responsibilities of the contact points referred to in paragraph 2 shall include:

- (a) providing information or explanation at the request of the other Party, which shall be submitted in hard copy or electronic form within sixty (60) days of the submission of the request. The requested Party shall endeavor to respond to each request within thirty (30) days of the submission of the request;
- (b) coordinate the participation of relevant governmental authorities, including regulatory authorities, and, as appropriate, other interested parties, on matters related to this Chapter; and
- (c) carrying out additional responsibilities specified by the Committee.

4. The functions of the Committee shall include:

- (a) monitoring the implementation and administration of this Chapter, addressing any problems raised by either Party relating to its provisions;
- (b) fostering and enhancing cooperation in the development and improvement of standards, technical regulations, or conformity assessment procedures, in accordance with Article 5.10;
- (c) facilitate cooperation in accordance with Article 5.10, as well as support Trade Facilitation Initiatives and technical discussions as appropriate, in accordance with Article 5.4;
- (d) exchange information on work being undertaken in non-governmental, regional, multilateral fora and cooperative programs involved in activities related to standards, technical regulations, and conformity assessment procedures;
- (e) review this Chapter in light of developments within the WTO Committee on Technical Barriers to Trade and develop recommendations to modify this Chapter, if necessary;

- (f) report to the Administrative Commission on the implementation of this Chapter;
- (g) to establish, if necessary, for particular matters or sectors, working groups to deal with specific matters related to this Chapter and the TBT Agreement;
- (h) to address, at the request of a Party, consultations on specific trade concerns arising under Article 5.9 and other relevant provisions of this Chapter; and
- (i) take any other action that the Parties consider will assist them in the implementation of this Chapter and the TBT Agreement, with a view to facilitating trade in goods between the Parties.

3. The Committee shall meet as often as necessary, at the request of the Parties. The meetings shall be held in person, by teleconference, videoconference or by any other means, as agreed by the Parties.

Chapter 6. Cross-border Trade In Services

Article 6.1. Definitions

For purposes of this Chapter:

Cross-border trade in services or **cross-border supply of services** means the supply of a service:

- (a) From the territory of one Party to the territory of the other Party;
- (b) In the territory of a Party, to a person of the other Party, or
- (c) By a national of a Party in the territory of the other Party;

But does not include the provision of a service in the territory of a Party for an investment, such as defined in Article 8.1 (Definitions);

Measures adopted or maintained by a Party means measures adopted or maintained by:

- (a) Governments or authorities at the central, federal, regional or local level of a Party, or
- (b) Non-governmental organizations in the exercise of powers delegated by governments or authorities at the central, federal, regional or local level of a Party;

Natural person of a Party means a national of a Party according to its legislation and who reside in the territory of that Party;

Service provider of a Party means a person of a Party that intends to supply or provide a service;

Computer reservation system services means services provided by systems computerized information that contains information about the schedules of air carriers, the available places, rates and charging rules, through which they can be made reservations or issuing tickets;

Services provided in the exercise of governmental authority means, for each Party, any service that is not provided under commercial or competitive conditions with one or more service providers, and

Sale and marketing of air transportation services means the opportunities for air carrier interested in selling and freely marketing their air transport services, including all aspects of marketing, such as market research, advertising and distribution. These activities do not include the pricing of the services of Air transport or applicable conditions.

Article 6.2. Scope of Application

1. This Chapter shall apply to measures adopted or maintained by a Party that affect to cross-border trade in services provided by service providers of the other Part. Such measures include measures that affect:

- (a) The production, distribution, marketing, sale or supply of a service;
- (b) The purchase or use of, or payment for, a service;
- (c) Access to services that are offered to the general public by prescription of a Party, and the use thereof, for the provision of a service;

(d) The presence in the territory of the Party, of one service provider of the other Part, and

(e) The granting of a bond or other form of financial guarantee, as a condition for the supply of a service.

2. In addition to paragraph 1, Articles 6.5, 6.8 and 6.11 will also apply to measures adopted or maintained by a Party that affect the supply of a service in its territory, through commercial presence.

3. This Chapter will not apply to:

(a) Financial services, as defined in Article XII of the Fifty-fifth Third Additional Protocol to ACE No. 35;

(b) Public contracting, which shall be governed by Chapter 12 (Public Procurement);

(c) Services provided in the exercise of governmental authority, and

(d) Subsidies or donations granted by a Party or a State enterprise, including loans, guarantees and insurance supported by the government;

4. This Chapter will not apply to air services, including transport services national and international air traffic, whether regular or non-scheduled, as well as related services of support to air services, except for the following:

(a) Sale and marketing of air transportation services, and

(b) Computer reservation system services.

5. The Parties recognize the importance of air services to facilitate the expansion of trade, strengthen economic growth and benefit consumers. In consequence, and without prejudice to the provisions of paragraph 4, the Parties will work bilaterally, in order to liberalize air transport, as well as in appropriate forums, such as the Organization of-International Civil Aviation, to reach a multilateral agreement on aerial services of liberal character.

6. In case of any incompatibility between this Chapter and a bilateral, plurilateral or multilateral airline service agreement in which both Parties are parties, the airline services agreement shall prevail to determine the rights and obligations of the Parties.

7. If the Annex on Air Transport Services of the GATS is amended, the Parties jointly review any of the new definitions, in order to align the definitions of this Agreement with those definitions, when appropriate.

8. This Chapter does not impose any obligation on one Party with respect to one national of the other Party that intends to enter its labor market or has permanent employment in its territory, nor does it confer any right to that national with respect to such access or employment.

Article 6.3. National Treatment

1. Each Party shall accord to the services and service suppliers of the other Party a treatment not less favorable than that granted, in similar circumstances, to its own services and Service providers.

2. For greater certainty, that the treatment be granted in similar circumstances, according to the Paragraph 1 depends on the totality of the circumstances, including whether the corresponding treatment distinguishes between services and service providers based on legitimate objectives of public welfare.

3. For greater certainty, the treatment to be granted by a Party in accordance with paragraph 1 means, in relation to the regional level of government, a treatment no less favorable than the most favorable treatment granted, in similar circumstances, by that regional level of government to the suppliers of services of the Party of which it is a part.

Article 6.4. Most Favored Nation Treatment

1. Each Party shall accord to the services and service suppliers of the other Party a treatment not less favorable than the one that it grants, in similar circumstances, to the services and suppliers of Services of any non-Party.

2. For greater certainty, that the treatment be granted in similar circumstances, according to the Paragraph 1, depends on the totality of the circumstances, including whether the corresponding treatment distinguishes between services and service providers based on legitimate objectives of public welfare.

Article 6.5. Market Access

None of the Parties will adopt or maintain, either on the basis of a regional subdivision or of the totality of its territory, measures that:

(a) Impose limitations on:

(i) Number of service providers, whether in the form of contingents numerical, monopolies, exclusive service providers or through the requirement of an economic needs test;

(ii) Total value of the transactions of services or assets in the form of numerical quotas or by requiring a proof of economic needs;

(iii) Total number of service operations or the total amount of production of services, expressed in terms of numerical units designated in form of quotas or by requiring a proof of economic needs. This numeral does not apply to the measures of a Party that limit inputs for the supply of services;

(iv) Total number of natural persons that can be employed in a certain service sector or that a service provider may employ and that are necessary for, and are directly related to, the provision of a specific service in the form of numerical quotas or through the requirement of an economic needs test, or

(b) Restrict or prescribe the specific types of legal or business person jointly, by means of which a service provider can supply a service.

Article 6.6. Local Presence

Neither Party shall require a service provider of the other Party, establish or maintain a representative office or any form of company, or that is resident in your territory, as a condition for the cross-border supply of a service.

Article 6.7. Non-conforming Measures

1. Articles 6.3, 6.4, 6.5 and 6.6 shall not apply to:

(a) Any existing non-conforming measure that is maintained by a Party:

(i) At the central, federal, or regional level of government, as stipulated by that Part in its Schedule of Annex I;

(ii) At the regional level, or

(iii) At the local level of government;

(b) The continuation or prompt renewal of any non-conforming measure referred to in the subparagraph (a), or (c) the modification of any non-conforming measure referred to in subparagraph (a), in the extent that such modification does not diminish the conformity of the measure with the Articles 6.3, 6.4, 6.5 and 6.6.

2. Articles 6.3, 6.4, 6.5 and 6.6 shall not apply to any measure that a Party adopts or maintain respect to the sectors, sub-sectors or activities, as stipulated by that Party in its List of Annex II.

3. In addition to paragraphs 1 and 2, Article 6.5 will apply to the measures adopted or maintained by a Party that affect the supply of a service in its territory, through commercial presence, which should be listed in accordance with the provisions of this Article.

Article 6.8. National Regulation

1. Each Party shall ensure all measures of general application that affect the trade of services are administered in a reasonable, objective and impartial manner.

2. Each Party shall ensure that the measures relating to the requirements and procedures in subject of aptitude titles, technical standards and licensing requirements constitute a disguised restriction on trade in services, while recognizing the right to regulate and introduce new regulations in the provision of services to satisfy their public policy objectives, including ensuring that such measures, inter alia:

(a) Are based on objective and transparent criteria, such as competence and ability to provide the service;

(b) Do not constitute arbitrary or unjustifiable discrimination between providers of services, and

(c) In the case of licensing procedures, do not constitute s' a restriction on the supply of the service.

3. When a Party maintains measures relating to the requirements and procedures in subject matter of aptitude titles, technical standards and licensing requirements, the Party should:

(a) Make available to the public:

(i) Information about prescriptions and procedures to obtain, renew or retain any license or title of aptitude for professionals, and

(ii) Information on technical standards;

(b) When some form of authorization is required to provide the service, ensure that:

(i) Within a reasonable period of time from the filing of an application that is considered complete in accordance with the internal legal order, consider the request and make a decision about whether or not to grant relevant authorization;

(ii) The applicant is informed without delay of the decision on whether or not relevant authorization;

(iii) To the extent practicable, establish indicative deadlines for the processing of an application;

(iv) At the request of such applicant, be provided, without undue delay, information regarding the status of the request;

(v) In accordance with the internal legal order of that Party in the case of an incomplete application, at the request of the applicant, identify the additional information that is required to complete the application and provide the opportunity to correct minor errors or omissions in the same;

(vi) If a request is denied, inform the applicant, as far as practicable, on the reasons for the denial, either directly or through petition of the applicant, and

(vii) In accordance with its legislation, accept copies of documents that they are authenticated, instead of original documents.

(c) In each sector in which it is required to pass an exam as a prerequisite for provide a service in the territory of the Party:

(i) In the event that the examination process is administered by authorities government, take reasonable steps to schedule examinations at reasonable intervals, or

(ii) In the case that the examination process is administered only by non-governmental organizations or professional associations, use the best efforts to encourage such organizations or associations Schedule exams at reasonable intervals, and

(iii) In each case, the Party shall ensure that such exemptions are open to applicants of the other Party. The possibility of using electronic means to perform exams or perform them orally and to grant the opportunity to take such examinations in the territory of the other part.

4. Each Party shall ensure that any fee charged by the competent authority to authorize the supply of a service is reasonable, transparent and does not restrict the supply by itself of such service. For purposes of this paragraph, "fee" does not include payments for the use of resources natural resources, payments for auctions, tenders or other non-discriminatory means of granting concessions, or mandatory contributions for the provision of a universal service.

5. Paragraphs 1 to 3 will not apply to non-conforming aspects of measures that are not subject to obligations in accordance with Article 6.3 or Article 6.5 on the grounds of a entry in the List of a Party in Annex I, or measures that are not subject to obligations in accordance with Article 6.3 or Article 6.5 on the basis of an entry in the List of a Part in Annex II.

6. If the results of the negotiations related to Article VI: 4 of the GATS enter In force, the Parties will jointly review such results with a view to incorporating them within this Agreement, if both Parties consider it appropriate.

Article 6.9. Mutual Recognition

1. For purposes of compliance, in whole or in part, with its standards or criteria for the authorization, licensing or certification of the service providers of a Party, and subject to the requirements of paragraph 4, a Party may recognize the education or obtained experience, the requirements met, or licenses or certifications granted in the territory of the other Party or of a non-Party. This recognition, which could be done through the harmonization or otherwise, may be based on an agreement or agreement with the Party or non-Party in question or it could be granted autonomously.

2. If a Party recognizes, either autonomously or through an agreement or agreement, the education or experience obtained, requirements met, or licenses or certifications granted in the territory of a non-Party, nothing of the provisions of Article 6.4 shall be interpreted the sense of requiring that the Party grant such recognition to education or experience obtained, the requirements met or the licenses or certifications granted in the territory of the other part.

3. A Party that is a party to an agreement or agreement of the type referred to in paragraph 1, whether existing or future, will provide an adequate opportunity for the other Party, at its request, to negotiate your adherence to such agreement or agreement or to negotiate a comparable agreement or agreement. Yes one Party grants recognition autonomously, will provide the other Party with adequate opportunities to demonstrate that the education, experience, licenses or certifications obtained or requirements fulfilled in the territory of that other Party must be recognized.

4. A Party shall not grant recognition in a manner that constitutes a means of discrimination between countries in the application of their standards or criteria for authorization, licensing or certification of service providers, or a disguised restriction to trade in services.

Article 6.10. Denial of Benefits

Subject to prior notice and consultation, a Party may deny the benefits of this Chapter to a service provider of the other Party, if the service provider is a company:

(a) Owned or controlled by persons of a non-Party or of the Denying Party, and

(b) Has no substantial commercial operations in the territory of the other Party.

Article 6.11. Transparency

1. Each Party shall publish, as soon as possible and no later than the date of its entry into force, all relevant measures of general application that refer to this Chapter or affect its operation. Likewise, each Party shall publish the international agreements that subscribe to any country and that refer or affect trade in services.

2. Each Party shall respond, as soon as possible, to all requests for information specified by the other Party regarding any of its measures of general application to referred to in paragraph 1. Likewise, and in accordance with its internal legislation, each Party, in through its competent authorities, will provide, as far as possible, information on the issues that are subject to notification under paragraph 2, to the service providers of the another Party that requests it.

3. Paragraph 2 shall not be construed as obligating any of the Parties to disclose confidential information, the disclosure of which could hinder the application of the law or other way is contrary to public interest or could harm privacy or legitimate interests commercials.

4. In the event that a Party makes an amendment to any non-conforming measure existing, as stipulated in its Schedule to Annex I in accordance with Article 6.7.1 (c), the Party shall notify the other Party, as soon as possible, of such modification.

Article 6.12. Professional Services

Processing of applications for the granting of licenses and certificates

1. The Parties shall urge their competent authorities, within a reasonable period of time from the filing of an application for licenses or certificates by a natural person of the other Part:

(a) Resolve the request and notify the applicant of its resolution, or

(b) If the application is incomplete, inform the applicant, without delay unjustified, on the situation of the application and the additional information that is required according to its legal system.

Elaboration of professional standards

2. The Parties shall encourage the Professional Councils in their respective territories to elaborate standards and mutually acceptable criteria for the granting of licenses and certificates to providers of professional services, as well as to present their recommendations and results, which may be considered by the Administrative Commission.

3. The norms and criteria referred to in paragraph 2 may be elaborated in relation to:

(a) Education: accreditation of schools or academic programs;

- (b) Exams: qualification examinations for obtaining licenses, including alternative methods of evaluation;
- (c) Experience: duration and nature of the experience required to obtain a license;
- (d) Conduct and ethics: standards of professional conduct and the nature of the measures disciplines in the event that professional service providers contravene;
- (e) Professional development and renewal of certification: continuing education and corresponding requirements to keep the professional certificate;
- (f) Scope of action: extension and limits of authorized activities;
- (g) Local knowledge: requirements on knowledge of aspects such as laws and regulations, the local language, geography or climate, and
- (h) Consumer protection: alternative requirements to residence, such as bail, professional liability insurance and customer reimbursement funds to ensure the protection of consumers and public safety.

4. Each Party shall encourage its respective competent authorities to implement all recommendation accepted by the Administrative Commission, in accordance with the provisions of the paragraph 2, within a mutually agreed period.

Granting temporary licenses

5. When the Parties agree, each of them shall encourage the relevant agencies in their respective territories to:

- (a) Develop procedures for the issuance of temporary licenses to providers of professional services of the other Party;
- (b) Incorporate the system of specific agreements for each Professional College of according to the specialty, and
- (c) Formulate the unified professional heritage for each professional requesting the temporary exercise.

Review

6. The Administrative Commission will monitor the application of the provisions of this Article.

Chapter 7. Temporary Entry of Business People

Article 7.1. Definitions

For the purposes of this Chapter:

Spouse means:

- (i) In the case of Brazil, a person who meets the requirements for a conjugal relationship, without any discrimination, under the Brazilian legal system, and
- (ii) In the case of Chile, a person who meets the requirements for a conjugal relationship under the Chilean legal system;

Dependent means:

- (i) In the case of Brazil, partner, without any discrimination; immigrant children beneficiary of the residence permit, or the immigrant who have a son or daughter or an immigrant who is a beneficiary of a residence permit; the ascendant, descendant until the second degree or the brothers of Brazilian or Brazilian or immigrant beneficiary of residence authorization; or the immigrant who has a Brazilian or Brazilian under their guardianship or custody, and
- (ii) In the case of Chile, a family member who lives with the business person, including parents, children and the concubine or concubine;

Executive means a national who, above all, directs the management of a company, exercising wide powers in decision making and receiving only general supervision or direction of executives of higher level, the board of directors, or shareholders of the company. An executive does not would directly perform tasks related to the current supply of the service or the operation of the company;

Temporary entry means the entry of a business person of a Party into the territory of the another Party, without the intention of establishing permanent residence;

Immigration formality means a visa, work pass or other document or authorization electronic system, which grants a national of a Party the right to:

- (i) In the case of business visitors, enter and visit the granting Party;
- (ii) In the case of executives and their accompanying spouses, personnel transferred within of a company and its accompanying spouses, and low service providers contract and their accompanying spouses, enter and reside in the granting Party, or
- (iii) In the case of executive employees, personnel transferred within a company and service providers under contract, enter and reside in the territory of the granting Party;

Immigration measure means a measure that affects the entry and stay of foreigners;

Granting Party means the Party receiving the request for temporary entry of a national of the another Party that is covered by Article 7.2;

Business person means the national of a Party that participates in the trade of goods or provision of services or investment activities;

Personnel transferred within a company means an employee of a company of a Party established in the territory of the other Party through a branch, subsidiary or affiliate, that is legally and actively operative in that Party, and that has been transferred by the company to occupy a position in the branch, subsidiary or affiliate of the company in the granting Party, and who it is:

- (i) a manager, which means a national who will be responsible for all or a part substantial portion of the company's operations in the granting Party, receiving general supervision or direction mainly of executives of higher level, the Board of Directors or shareholders of the company; including the address of the company or of a department or subdivision thereof; the supervision and control of the work of other supervisory, professional or managerial employees; and that has the authority to set goals and policies of the department or subdivision of the company, or
- (ii) A specialist, which means a national with advanced skills in matters of trade, technical or professional. The person chasing the entrance must be qualified as having the necessary qualifications or credentials Accepted alternatives that meet the domestic standards of the Party grantor for the respective occupation.

To qualify as a specialist, a national who seeks temporary entry under this category must present:

- (A) Evidence proving the nationality of a Party;
- (B) Documentation proving that the business person will undertake such activities and indicate the purpose of their entry, and
- (C) Relevant documentation that demonstrates the achievement of minimum requirements educational or alternative credentials, respectively.

In addition to the requirements established in (A) through (C), the temporary entry will only be granted to business people who also comply with the immigration measures of a Party;

Contracted service provider means a national:

- (i) That has a high technical level or personal qualifications, skills and experience, and
- (A) That is an employee of a company of a Party that has completed a contract for the supply of a service in the other Party and that does not have commercial presence within that Party, or
- (B) who has been hired by a company that operates legally and actively in the another Party, for the purpose of providing a service under a contract in that Part.

Nothing included in (A) or (B) shall prevent a Party from failing to require a work contract between the national and the company operating in the Party grantor, and

- (ii) That has been qualified as the holder of the suitability, skills and experience accepted labor requirements to achieve the domestic standard of their occupation respective within the granting Party, and

Business visitor means the national of a Party that intends to transfer to the other Party by business reasons, including investment motives, and whose remuneration and financial support for the duration of their visit they are derived from

external sources to the granting Party and that does not participate in it making direct sales to the general public or in the supply of goods or services. With the purpose of qualifying as a business visitor, a national who seeks temporary entry must present:

(i) Evidence proving the nationality of one of the Parties;

(ii) Documentation proving that the business person will undertake such activities and indicate the purpose of their entry, and

(iii) Evidence of the international character of the proposed business activity perform and that the business person does not intend to enter the labor market local. Each Party shall provide that a business person may comply with the requirements indicated in this subparagraph when it demonstrates that:

(A) The source of remuneration corresponding to that business activity is located outside the territory of the Party that authorizes temporary entry, and

(B) The principal place of business of that person and the current place of accrual of their earnings, at least predominantly, they remain outside of such territory.

In addition to the requirements established in numerals (i) to (iii), the temporary entry will only be granted to business people who also comply with the measures of immigration of a Party.

Article 7.2. Scope of Application

1. This Chapter shall apply to measures affecting the movement of nationals of a Party to the territory of the other Party, where these people are:

(a) Business visitors;

(b) Service providers under contract;

(c) Executives of a business whose headquarters are in a Party, which is establishing a subsidiary branch of that business in the other Party, or

(d) Personnel transferred to a company.

2. This Chapter shall not apply to measures that affect nationals who seek to obtain access to the labor market of a Party, nor should it apply to measures relating to citizenship, nationality, permanent residence or permanent employment.

Article 7.3. General Obligations

1. Each Party shall apply its measures relating to the provisions of this Chapter of expeditious manner, to avoid undue delays or impairments in the trade of goods or services, or in carrying out investment activities, in accordance with this Agreement.

2. Nothing in this Agreement shall prevent a Party from applying measures to regulate the entry of nationals of the other Party, or the temporary stay of them in their territory, including those measures necessary to protect the integrity of its borders and guarantee the orderly movement of nationals through them, provided that those measures are not applied in a manner that would nullify or impair the benefits granted to the other Part under the terms of this Chapter and Chapter 6 (Cross-Border Trade in Services).

3. The mere fact of requiring nationals to meet the eligibility requirements with prior to entry to a Party, shall not be considered as nullification or impairment of the benefits granted to the other Party, under the terms of this Chapter and Chapter 6 (Cross-Border Services Trade).

4. Any measure relating to the temporary entry of business persons adopted and maintained by a Party on its own initiative, or as a result of an agreement between the Parties, that provides more liberal access or treatment for business persons covered by This Chapter must be granted to business persons covered by it. Without However, with respect to such measures adopted or maintained by a Party under its own initiative, any more liberal access or treatment granted under those initiatives will only be granted for the time in which such measures are in force.

Article 7.4. Temporary Entry Authorization

1. Each Party shall authorize the temporary entry of business persons, including spouses and dependent on personnel transferred to a company, who are also qualified to enter, in accordance with applicable measures related to health and safety public, as well as those relating to national security, in accordance with this Chapter, including the provisions of Annexes I and II.
2. Each Party shall ensure that the duties imposed by its competent authorities, applicable to applications for an immigration formality, do not constitute an impediment unjustifiable for the movement of nationals under this Chapter.
3. Temporary entry granted under this Chapter shall not replace the requirements necessary to perform a profession or activity in accordance with laws and regulations specific in the territory of the Party granting the temporary entry.

Article 7.5. Delivery of Information

Each Party shall:

- (a) Make explanatory material of all measures available to the general public relevant issues that pertain to or affect the operation of this Chapter, including any new or modified measure;
- (b) No later than six (6) months after the date of entry into force of this Agreement, make available to the other Party a consolidated document with material that explains the requirements for temporary entry under this Chapter, of such that the business persons of the other Party can know them, and
- (c) Maintain appropriate mechanisms to respond to inquiries from the other Party, and of the interested persons of the same, regarding measures that affect the entry temporary and the temporary stay of nationals of the other Party.

Article 7.6. Consultations

1. The Parties agree to consult on any question raised by one of them related to this Chapter. Such consultations may include:
 - (a) Consideration of suggestions to further facilitate the temporary entry of business people;
 - (b) Consideration of the development of common criteria and interpretations for the implementation of this Chapter, and
 - (c) Any concern regarding the refusal to grant temporary entry of according to the provisions of this Chapter.
2. The procedures indicated in the previous paragraph must include officials of the immigration agencies of the Parties.

Article 7.7. Relationship with other Chapters

1. Except as provided in this Chapter, nothing in this Agreement shall impose obligation to the Parties regarding their immigration measures.
2. Nothing in this Chapter shall be construed to impose obligations or commitments with respect to other chapters of this Agreement.

Article 7.8. Application of Regulations

1. In the case where a migratory formality is required by a Party, that Party shall process expeditiously the complete applications for migratory formalities received from the nationals of the other Party covered by Article 7.2, including requests for additional migratory formalities.
2. Each Party shall, in consultation with the applicant, and within a reasonable time after that the complete request for temporary entry made by a national covered by the Article 7.2 has been filed, notify the applicant of:
 - (a) The status of the request, and
 - (b) The decision regarding the application including, if approved, the period of stay and other conditions; or, in case of being denied, the reasons for the denial and the means to request a review of the decision.

Article 7.9. Settlement of Disputes

1. Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement)

regarding a refusal of entry authorization temporarily in accordance with this Chapter, or in respect of a particular case that arises pursuant to Article 7.3, unless:

(a) The matter relates to a recurring practice;

(b) The affected business person has exhausted administrative resources national authorities at your disposal on that particular issue, and

(c) The Parties have undertaken consultations in accordance with Article 7.6.

2. The resources referred to in paragraph 1 (b) shall be considered exhausted when there is undue delay in the reparation process and this is imputable to the Party where the process is being driven.

1. Business persons entering Chile pursuant to Article 7.2.1, including spouses and dependents of personnel transferred to a company, will be considered as involved in activities that are of interest to the country.

2. Business persons who enter Chile pursuant to Article 7.2, and to whom they are has issued a temporary visa, may receive the extension of such temporary visa for periods subsequent, provided that the conditions on which its granting has been based remain current, without it being necessary for such person to apply for permanent residence.

3. When a national:

(i) Has been favored with the granting of the right to temporary entry as provided in Article 7.4 for a period greater than twelve (12) months, and

(ii) Has a dependent or spouse,

Chile must, in the case of an application filed by a dependent or accompanying spouse of a Brazilian national who meets the requirements established in Chile for granting of a migratory formality, grant the dependent or accompanying spouse the right to entry, stay and temporary movement, for the same period as the national in question.

4. Business persons who enter Chile may also obtain a certificate of identity for foreigners.

1. The requirements, conditions, deadlines and procedures for granting and renewal of temporary visas for business persons entering Brazil in accordance with the Article 7.2, as well as authorizations for temporary residence for work or investment purposes, are defined by resolution of the National Immigration Council and may vary according to the purpose of entry of the foreigner into Brazilian territory, under the terms of the Law of Migration (Law No. 13.445, of May 24, 2017).

2. The foreigner who has been granted temporary residence authorization in Brazil may request temporary visa and temporary residence authorization for family reunion purposes in favor of their dependents, for the same terms and conditions of their entry into national territory. The granting of the residence authorization to the dependent will be conditional on the concession prior to the residence authorization to the applicant alien.

3. The dependent to whom a temporary visa has been granted for family reunion purposes may exercise any activity in Brazil, including remuneration, on equal terms with the Brazilian national, in terms of the country's legislation.

4. The foreigner who has been granted a temporary residence permit in Brazil must apply to the Federal Police for registration in the National Immigration Registry, within a up to ninety (90) days from the date of entry into national territory. To the immigrant registered will be provided with the National Migratory Registration Card, which will include the unique registration number.

Annex I. Chile

1. Business persons entering Chile under Article 7.2.1, including spouses and dependents of intra-corporate transferees, shall be considered to be engaged in activities that are in the country's interest.

2. Business persons who enter Chile pursuant to Article 7.2, and who have been issued a temporary visa, may be granted an extension of such temporary visa for subsequent periods, provided that the conditions on which it was granted remain in effect, without it being necessary for such person to apply for permanent residence.

3. When a national:

(i) has been granted the right to temporary entry as provided in Article 7.4 for a period longer than twelve (12) months, and

(ii) has a dependent or spouse,

Chile shall, in the case of an application filed by a dependent or accompanying spouse of a national of Brazil who meets the requirements established in Chile for the granting of a migratory formality, grant the dependent or accompanying spouse the right to temporary entry, stay and movement, for the same period as the national in question.

4. Business people entering Chile may also obtain an identity card for foreigners.

Annex II. Brazil

1. The requirements, conditions, deadlines and procedures for the granting and renewal of temporary visas for business persons entering Brazil pursuant to Article 7.2, as well as temporary residence authorizations for work or investment purposes, are defined by resolution of the National Immigration Council and may vary according to the purpose of the foreigner's entry into Brazilian territory, under the terms of the Migration Law (Law No. 13,445, of May 24, 2017).

2. The foreigner who has been granted temporary residence authorization in Brazil may apply for a temporary visa and temporary residence authorization for family reunification purposes in favor of his/her dependents, for the same terms and conditions of his/her entry into the national territory. The granting of the residence authorization to the dependent will be conditioned to the previous granting of the residence authorization to the applicant foreigner.

3. The dependent who has been granted a temporary visa for the purpose of family reunion may exercise any activity in Brazil, including remunerated, under the same conditions as the Brazilian national, under the terms of the Brazilian legislation.

4. The foreigner who has been granted authorization for temporary residence in Brazil must apply to the Federal Police for registration in the National Migratory Registry, within ninety (90) days from the date of entry into the national territory. The registered immigrant will be provided with the National Migratory Registration Card, which will contain his/her unique registration number.

Chapter 8. Cooperation and Facilitation of Investments

Section A. Definitions and Scope of Application

Article 8.1. Definitions

For the purposes of this Chapter:

Company means any entity constituted or organized according to the applicable legislation, whether or not for profit and whether it is privately or governmentally owned, including any company, foundation, sole proprietorship, joint venture, and entities without legal personality;

Company of a Party means a company incorporated or organized according to the legislation of a Party, which carries out substantial business activities in the territory of the same Party;

State enterprise means a company owned or controlled, in full or majority, on the one hand, for the purposes of exercising business activities;

Host State means the Party in whose territory the investment is located;

Investment means a direct investment, that is, all assets owned or controlled, direct or indirectly, by an investor of a Party, established or acquired in accordance with the legal order of the other Party, in the territory of that other Party, which allows the exercise of ownership, control or a significant degree of influence on the management of the production of goods or the provision of services in the territory of the Host State, including in particular, but not exclusively:

(a) A company;

(b) Shares, capital or other forms of participation in the equity or capital stock of a company;

(c) Bonds, debentures, loans or other debt instruments of a company, regardless of the original expiration date, but does not include, in the case of Brazil, a debt instrument or a loan to a company from the State that does not develop economic activities in market conditions and, in the case of Chile, a debt instrument issued by a State company, or a loan to a state company;

(d) Contractual rights, including turnkey contracts, construction contracts, management, production, concession, participation in income and other similar contracts;

(e) Licenses, authorizations, permits and similar rights granted in accordance with with the domestic legislation of the Host State;

(f) Intellectual property rights as defined or referenced in the TRIPS Agreement;

(g) Property rights, tangible or intangible, movable or immovable, and any other real rights, such as mortgage, pledge, usufruct and similar rights.

For greater certainty, "investment" does not include:

(a) Public debt operations;

(b) An order or sentence filed in a judicial or administrative action;

(c) Portfolio investments, and

(d) Pecuniary claims arising exclusively from commercial contracts for the sale of goods or services by an investor in the territory of a Party to a national or a company in the territory of the other Party, or the granting of credit in relation to a commercial transaction;

Investor means a national, permanent resident, or company of a Party, which has made an investment in the territory of the other Party;

Free use currency means the currency of free use, as determined in accordance with the Agreement Establishing the International Monetary Fund;

Returns means the values obtained by an investment and, in particular, although not exclusively, it includes royalties, profits, interests, capital gains and dividends, and

Territory means:

(a) With respect to Brazil, the territory, including its land and air spaces, the exclusive economic zone, the territorial sea, continental shelf, land and subsoil, within which it exercises its sovereign or jurisdictional rights, conformity with international law and with its domestic legislation, and

(b) With respect to Chile, the terrestrial, maritime and air space under its sovereignty, and the exclusive economic zone and the continental shelf on which it exercises sovereign rights and jurisdiction according to international law and its internal legislation.

Article 8.2. Objective

The objective of this Chapter is to facilitate and promote mutual investment through the establishment of a treatment framework for investors and their investments, and institutional governance of cooperation, as well as mechanisms for prevention and resolution of controversies.

Article 8.3. Scope of Application

1. This Chapter applies to investors and investments made before or after of the entry into force of this Agreement.

2. For greater certainty,

(a) The requirement of a Party that a service provider of the other Party deposits a bond or other form of financial guarantee as a condition for providing a service in its territory, does not itself apply this Chapter to the cross-border provision of this service. This Chapter applies to the treatment that grant that Party to the deposit or financial guarantee deposited, to the extent that bail or financial guarantee is an investment;

(b) This Chapter will not limit in any way the rights and benefits that the legislation in force in the territory of a Party or international law, including the Agreement on Trade Related Investment Measures (TRIMS) of the World Trade Organization, confer a investor of the other Party, and

(c) The provisions of this Chapter do not prevent the adoption and application of new requirements or restrictions on investors and their investments, as long as do not be dissatisfied with this Chapter.

3. This Chapter does not apply to subsidies or donations granted by a Party, including loans, guarantees and insurance, with State guarantee, notwithstanding that the matter may be dealt with in the Joint Committee provided for in Article 8.18.

Section B. Treatment Granted to Investors and Their Investments

Article 8.4. Admission

Each Party shall admit in its territory the investments of investors of the other Party that are carried out in accordance with its legal system.

Article 8.5. National Treatment

1. Subject to its laws and regulations in force at the time the investment is made, each Party shall accord to investors of the other Party, treatment no less favorable than that which grant, in similar circumstances, to its own investors, in relation to the expansion, administration, conduct, operation and sale or other form of disposal of investments in his territory.

2. Subject to its laws and regulations in force at the time the investment is made, each Party shall grant investments of investors of the other Party, a treatment no less favorable than the one that grants, in similar circumstances, to the investments of its own investors, in relation to the expansion, administration, conduct, operation and sale of another form of disposition of the investments in its territory.

4. For greater certainty, that the treatment be agreed upon in "similar circumstances", depends on the totality of the circumstances, even if the relevant treatment distinguishes between investors or investments based on legitimate public interest objectives.

4. For greater certainty, this Article shall not be construed as obligating the Parties to compensate for intrinsic competitive disadvantages resulting from the foreign character of the investors and their investments.

Article 8.6. Most Favored Nation Treatment

1. Subject to its laws and regulations in force at the time the investment is made, each Party shall accord to investors of the other Party treatment no less favorable than that which grant, in similar circumstances, to investors of a non-Party State in relation to, expansion, administration, management, operation and sale or other form of disposal of investments in its territory.

2. Subject to its laws and regulations in force at the time the investment is made, each Party shall accord to investments of investors of the other Party a treatment not less than favorable to the one that grants him, in similar circumstances, to the investments in his territory of a investor of a State that is not a Party in relation to expansion, administration, conduction, operation and sale or another form of disposition of investments in its territory.

3. This Article shall not be construed as:

(a) An obligation of a Party to give an investor of the other Party or its investments the benefit of any treatment, preference or privilege that arises of:

(i) Provisions related to the settlement of disputes regarding investments contained in an international investment agreement, including an agreement that contains an investment chapter, or

(ii) Any international trade agreement, including those that create a regional economic integration organization, free zone trade, customs union or common market of which a Party is a member before the entry into force of this Agreement.

(b) The possibility of invoking, in any dispute resolution mechanism standards of treatment contained in an international investment agreement or in a agreement containing an investment chapter of which one of the Parties is party before the entry into force of this Agreement.

4. For greater certainty, this Chapter does not apply to the disciplines relating to trade in services contained in any international agreement in force or signed prior to entry into force of this Agreement on: aviation; fishing; maritime affairs, including salvage; and any customs union, economic union, monetary union and agreement resulting from said unions or similar institutions.

Article 8.7. Expropriation

1. No Party shall expropriate or nationalize the investments of one investor of the other Party, unless it is:

(a) For reasons of public utility or public interest;

- (b) In a non-discriminatory manner;
- (c) By payment of compensation, in accordance with paragraphs 2 to 3, and
- (d) In accordance with the principle of due process of law.

2. The compensation must:

- (a) Be paid without delay;
- (b) Be equivalent to the fair market value of the investment expropriated in the date immediately prior to the expropriatory measure has been taken;
- (c) Not reflect a change in value because the intention to expropriate was known in advance of the date indicated in subparagraph (b), and
- (d) Be freely payable and transferable, in accordance with Article 8.11.

3. The compensation referred to in paragraph 1 (c) shall not be less than the fair market value in the date indicated in paragraph 2 (b), plus interest fixed according to market criteria, accumulated from the date indicated in paragraph 2 (b) until the date of payment.

4. This Article does not apply to the issuance of compulsory licenses granted in relation to rights of intellectual property, or the revocation, limitation or creation of said rights in the extent that said issuance, revocation, limitation or creation is compatible with the Agreement on TRIPS. For greater certainty, the term "revocation" of property rights referred to in this paragraph includes the cancellation or nullity of said rights, and the term "limitation" of intellectual property rights also includes exceptions to said rights.

5. For greater certainty, this Article only provides for direct expropriation, where a investment is nationalized or otherwise expropriated directly through the formal transfer of title or of property rights.

Article 8.8. Treatment In the Event of a Dispute

1. With respect to measures such as restitution, compensation, compensation and other settlement, each Party shall grant to investors of the other Party who have suffered losses in their investments in the territory of that Party, due to armed conflicts or civil strife, such as war, revolution, insurrection or civil unrest, a treatment no less favorable than that granted to its own investors or investors of any country that is not a Party, according to what is most favorable to the affected investor.

2. Notwithstanding the provisions of paragraph 1, each Party shall provide the investor with the another Party the restitution, compensation or both, as appropriate, pursuant to Article 8.7.2 to Article 8.7.3, in the event that the investments of the investors of the other Party suffer losses in its territory, in any situation contemplated in paragraph 1, resulting from:

- (a) The requisition of your investment or part of it by the forces or authorities of the Host State, or
- (b) The destruction of your investment or part of it by the forces or authorities of the Host State.

Article 8.9. Transparency

1. Each Party shall ensure that its laws and regulations relating to any matter included in this Chapter are published without delay and, where possible, electronically.

2. To the extent possible, each Party shall:

- (a) Publicize in advance the measures referred to in paragraph 1 that are propose to adopt, and
- (b) Provide interested persons and the other Party reasonable opportunity to comment on the proposed measures.

3. Each Party shall establish or maintain adequate mechanisms to respond to queries of interested persons regarding their regulations regarding the subject matter of this Chapter, in accordance with its laws and regulations on transparency. The implementation of the obligation to establish adequate mechanisms will take into account the limitations budget and resources in the case of small administrative agencies.

Article 8.10. National Regulation

Each Party shall ensure that all measures that affect the investment are administered in a reasonable, objective and impartial manner, in accordance with its legal system.

Article 8.11. Transfers

1. Each Party shall allow the following transfers related to the investment of a investor of the other Party, freely and without delay, from and to its territory:

- (a) The initial contribution to capital or any addition thereof in relation to the maintenance or expansion of that investment;
- (b) The returns directly related to the investment;
- (c) The proceeds of the sale or total or partial liquidation of the investment;
- (d) Payments made pursuant to a contract to which the investor or the investment, including payments made under a loan agreement;
- (e) Payments on any loan, including interest on it, directly related to the investment, and
- (f) Payments made in accordance with Article 8.7 and with Article 8.8. When compensation is paid in bonds of the public debt, the investor may transfer the value of the proceeds from the sale of said bonds in the market, in agreement with this Chapter.

2. Each Party shall allow transfers related to an investment to be made in a freely usable currency, at the exchange rate prevailing in the market on the date of transfer.

3. Notwithstanding the provisions of paragraph 1, a Party may prevent a transfer through the fair, non-discriminatory and good faith application of its laws relating to:

- (a) Bankruptcy proceedings, bankruptcy, insolvency or protection of the rights of the creditors;
- (b) Compliance with resolutions, judgments or awards issued in proceedings judicial, administrative or arbitration. For greater certainty, this subparagraph includes compliance with resolutions, judgments or awards issued in proceedings judicial, administrative or arbitration of a tax or labor nature;
- (c) Criminal offenses, or
- (d) Financial reports or conservation of transfer records when necessary to assist in compliance with the law or financial regulatory authorities.

4. Each Party may adopt or maintain measures that are not consistent with the obligations acquired in this Article, provided they are non-discriminatory and in accordance with with the Agreement Establishing the International Monetary Fund:

- (a) In the event of serious imbalances in the balance of payments or difficulties financial risks or the threat thereof, or
- (b) In cases where, due to special circumstances, capital movements generate or threaten to generate serious complications for the management macroeconomic policy, in particular for monetary or exchange rate policies.

Article 8.12. Taxation

1. Nothing in this Chapter shall apply to tax measures.

2. For greater certainty, no provision of this Chapter;

- (a) Affect the rights and obligations of the Parties arising from any current tax treaty between the Parties, or
- (b) Shall be interpreted in a manner that avoids the adoption or execution of any measure aimed at guaranteeing the equitable or effective imposition or collection of taxes in accordance with the provisions of the legislation of the Parties.

Article 8.13. Prudential Measures

1. Nothing in this Chapter shall be construed to prevent any Party from adopt or maintain prudential measures, such as:

- (a) The protection of investors, depositors, market participants financial institution, policyholder, policy beneficiaries, or persons with whom any financial institution has a fiduciary obligation;

(b) The maintenance of security, soundness, solvency, integrity or responsibility of financial institutions, and

(c) To guarantee the integrity and stability of a Party's financial system.

2. When these measures do not conform to the provisions of this Chapter, they are not shall be used as a means of circumventing the commitments or obligations assumed by the Party in the framework of this Chapter.

Article 8.14. Security Exceptions

Nothing in this Chapter shall be construed as:

(a) Require a Party to provide any information whose disclosure consider contrary to their essential security interests;

(b) Prevent a Party from adopting the measures deemed necessary for the protection of their essential security interests, such as relative to:

(i) Fissionable or fusionable materials or those used in their manufacture;

(ii) Trafficking in arms, ammunition, and supplies of war, and other property and materials of this type or relating to the provision of services, intended for directly or indirectly with the object of supply or provisioning of military establishments;

(iii) Those adopted in times of war or other emergencies in relationships international or

(c) Prevent a Party from taking measures in compliance with its obligations by it under the Charter of the United Nations for the maintenance of peace and international security.

Article 8.15. Social Responsibility Policies

1. The Parties recognize the importance of promoting that the companies that operate in their territory or that are subject to its jurisdiction apply sustainability policies and social responsibility and that drive the development of the country that receives the investment.

2. Investors and their investments should develop their best efforts to comply with the OECD Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development, in particular:

(a) Contribute to economic, social and environmental progress, with a view to achieving sustainable development;

(b) Respect the internationally recognized human rights of people involved in the activities of the companies;

(c) Stimulate the generation of local capacities through close collaboration with the local community;

(d) Promote the formation of human capital, especially through the creation of employment opportunities, and offering training to employees;

(e) Refrain from seeking or accepting exemptions not contemplated in the legal framework or regulatory framework related to human rights, the environment, health, security, work, tax system, financial incentives, or other questions;

(f) Support and defend the principles of good corporate governance, and develop and implement good corporate governance practices;

(g) Develop and implement self-discipline practices and management systems effective ways of promoting a relationship of mutual trust between companies and societies in which they carry out their activity;

(h) Promote knowledge and compliance, by employees, of the company policies through proper dissemination of them, including through of training programs;

(i) Refrain from taking discriminatory or disciplinary measures against workers who prepare, in good faith, reports to the management or, where appropriate, for the competent public authorities about practices contrary to the law or the policies of the company;

(j) Encourage, as far as possible, that its business partners, including suppliers and contractors, apply the principles of business conduct compatible with the principles set forth in this Article, and

(k) Refrain from undue interference in local political activities.

Article 8.16. Measures on Investment and Fight Against Corruption and Illegality

1. Each Party shall adopt or maintain measures and efforts to prevent and combat corruption, money laundering and terrorist financing in relation to commodities covered by this Chapter.
2. Nothing in this Chapter shall bind any of the Parties to protect investments made with capital or assets of illicit origin or investments in which the establishment or operation were verified illegal acts that have been sanctioned with the loss of assets or acts of corruption.

Article 8.17. Investment and Measures on Health, Environment, Labor Issues and Others Regulatory Objectives

1. A Party may adopt, maintain or enforce any measure it considers appropriate to ensure that the investment activities in its territory are carried out taking into account the labor, environmental or health legislation of that Party, in a manner consistent with arranged in this Chapter.
2. The Parties recognize that it is not appropriate to encourage investment by lowering standards of their labor, environmental or health legislation. Accordingly, the Parties shall not renounce to apply or in any other way derogate, flexibilize or offer to resign, relax or repeal said measures, as a means to encourage the establishment, maintenance or expansion of an investment in its territory.

Section C. Institutional Governance and Prevention of Differences

Article 8.18. Joint Committee for the Administration of the Chapter

1. The Parties establish a Joint Committee for the management of this Chapter (hereinafter referred to as called the "Joint Committee").
2. The Joint Committee shall be composed of representatives of the Governments of both Parties.
3. The Joint Committee will meet at times, places and through the means that the Parties agree. Meetings shall be held at least once a year, alternating the chair of each meeting between the Parties.
4. The Joint Committee shall have the following functions and responsibilities:
 - (a) Supervise the administration and implementation of this Chapter;
 - (b) Share and discuss investment opportunities in the territories of the Parties;
 - (c) Coordinate the implementation of an Agenda for Cooperation and Facilitation of Investments;
 - (d) Invite the private sector and civil society, where appropriate, to present their views on specific issues related to the work of the Joint Committee,
 - (e) Attempt to resolve issues or controversies relating to investments in a manner friendly, in accordance with the procedures established in Article 8.24.
5. The Parties may establish "ad hoc" working groups, which shall meet jointly with the Joint Committee or separately.
6. The private sector may be invited to participate in the "ad hoc" working groups, always that is authorized by the Joint Committee.
7. The Joint Committee may establish its own internal regulations.

Article 8.19. National Focal Points or Ombudsmen

1. Each Party shall designate a single National Focal Point, which shall have as its main responsibility to support the investors of the other Party in its territory.
2. In the Federative Republic of Brazil, the National Focal Point, also called Ombudsman, will be in the Chamber of Foreign Trade (CAMEX), which is a Council of Government of the Presidency of the Federative Republic of Brazil, of inter-ministerial nature.

3. In the Republic of Chile, the National Focal Point will be in the Agency for the Promotion of Foreign investment.

4. The National Focal Point, among other responsibilities, shall:

(a) Seek to address the recommendations of the Joint Committee and interact with the National Focal Point of the other Party;

(b) Manage the inquiries of the other Party or of the investors of the other Party, with competent entities and inform interested parties about the results of their managements;

(c) Evaluate, in dialogue with the competent government authorities, suggestions and claims received from the other Party or from investors of the other Party and recommend, when appropriate, actions to improve the environment of investments;

(d) Seek to prevent investment differences in collaboration with the government authorities and the competent private entities;

(e) Provide timely and useful information on investment regulation issues, in general, or in specific projects, when requested, and;

(f) Inform the Joint Committee of its activities and actions, when appropriate.

5. Each Party shall ensure that the functions of its National Focal Point are executed with speed and in coordination with each other and with the Joint Committee.

6. Each Party shall establish rules and deadlines for the execution of functions and responsibilities of the National Focal Point, which will be communicated to the other Party.

7. The National Focal Point must provide precise and timely responses to the requests of the Government and the investors of the other Party.

Article 8.20. Exchange of Information between the Parties

1. The Parties shall exchange information, whenever possible and relevant to the reciprocal investments, in relation to business opportunities, and procedures and requirements for investment, in particular through the Joint Committee and its Nationals Focal Points.

2. The Parties shall provide, when requested, with speed, information, among others, on the following points:

(a) The legal framework that regulates investment in its territory;

(b) Government investment programs and eventual specific incentives;

(c) Public policies and regulations relevant to the investment;

(d) Relevant international treaties, including investment agreements;

(e) Customs procedures and tax regimes;

(f) Statistics on the market for goods and services;

(g) The available infrastructure and relevant public services;

(h) Public procurement regime and concessions;

(i) Labor and social security legislation;

(j) Immigration legislation;

(k) Exchange legislation;

(l) The legislation of specific economic sectors, and

(m) Public information on Public-Private Partnerships.

Article 8.21. Treatment of Protected Information

1. The Parties shall respect the level of protection of information established by the Party that has submitted it, according to its applicable laws.
2. Nothing established in this Chapter shall be interpreted as requiring any of the Parties disclose protected information, the disclosure of which may make it difficult for application of the law or, otherwise, would be contrary to the public interest, or could prejudice the privacy or legitimate business interests. For the purposes of this paragraph, the information protected information includes confidential business information or privileged or protected information of be disclosed under the applicable laws of a Party.

Article 8.22. Interaction with the Private Sector

1. Recognizing the fundamental role played by the private sector, each Party will disseminate between the relevant business sectors of the other Party, general information on the investment, regulatory frameworks and business opportunities in its territory.
2. Whenever possible, each Party shall give publicity on this Chapter to their respective public and private financial agents, responsible for the technical evaluation of risks and the approval of loans, credits, guarantees and insurance related to the investment in the territory of the other Party.

Article 8.23. Cooperation between Organizations In Charge of Investment Promotion

The Parties shall promote cooperation among their bodies responsible for promoting investments, in order to facilitate investment in their territories.

Article 8.24. Direct Consultations and Negotiations for the Prevention of Controversies

1. Before initiating an arbitration proceeding under Article 8.25, the Parties shall seek to resolve disputes through direct consultations and negotiations between them, and they must submit them to the Joint Committee for examination, according to the following procedure.
2. A Party may refuse to discuss in the Joint Committee an issue concerning a investment made by a national of that Party in the territory of that Party.
3. A Party may submit to the Joint Committee a specific issue affecting a investor, according to the following rules:
 - (a) To initiate the procedure, the interested Party must submit in writing its request to the other Party, specifying the name of the affected investor, the specific measure in question, and the factual and legal grounds that motivate application. The Joint Committee shall meet within sixty (60) days to from the date of the request;
 - (b) In order to achieve a resolution of the matter, the Parties shall exchange the information that is necessary;
 - (c) In order to facilitate the search for a solution between the Parties and provided that possible, they can participate in the meetings of the Joint Committee:
 - (i) Representatives of the affected investors; and
 - (ii) Representatives of governmental and non-governmental entities related to the measure;
 - (d) The Joint Committee should, whenever possible, convene special meetings to review the matters that are submitted to him;
 - (e) The Joint Committee shall have sixty (60) days, counted as of the date of their first meeting, renewable for the same period of time, by mutual agreement and prior justification, to evaluate the relevant information on the case that has been presented and prepare a report;
 - (f) The Joint Committee will present its report at a meeting that will be held, at the latest, thirty (30) days after the expiration of the term indicated in the literal (e).
 - (g) The report of the Joint Committee should include:
 - (i) Identification of the Party that adopted the measure;
 - (ii) The affected investor identified in accordance with paragraph 3 (a);

(iii) Description of the measure being consulted;

(iv) List of the steps taken, and

(v) Position of the Parties in relation to the measure;

(h) In the event that one of the Parties does not appear at the meeting of the Joint Committee at referred to in subparagraph (a), the dispute may be submitted to arbitration by the other Party, in accordance with Article 8.25, and

(i) The Joint Committee will make every effort to arrive at a solution satisfactory for both Parties.

Article 8.25. Arbitration between the Parties

1. Upon completion of the procedure provided in Article 8.24 without the controversy has been resolved, either Party may request in writing to the other Party the establishment of an arbitral tribunal to decide on the same subject matter of the consultations referred to in Article 8.24, in accordance with the provisions of Annex I.

2. Neither Party may resort to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) regarding any matter arising from this Chapter.

Section D. Agenda for Cooperation and Facilitation of Investments

Article 8.26. Agenda for Cooperation and Investment Facilitation

1. The Joint Committee will develop and discuss an Agenda for Cooperation and Facilitation of Investments in relevant issues for the promotion of bilateral investment. The Topics that will be addressed initially will be determined at their first meeting.

2. The results that may arise from the discussions within the framework of the Agenda may be establish additional protocols to this Agreement or specific legal instruments, depending on the case.

3. The Joint Committee will establish activity schedules to advance cooperation and investment facilitation.

4. The Parties shall submit to the Joint Committee the names of the governing bodies and their official representatives involved in these activities.

5. For greater certainty, the term "cooperation" will be understood in a broad sense and not in the sense of technical assistance or similar.

Section E. General Provisions

Article 8.27. General Provisions

1. Neither the Joint Committee nor the National Focal Points will replace the channels existing diplomats between the Parties.

2. The Parties have not made commitments regarding investors and their investments in financial services, understood as financial services, as defined in paragraph 5 (a) of the Annex on Financial Services of the GATS.

3. Without prejudice to its ordinary meetings, after ten (10) years of having entered into this Agreement, or earlier, if deemed necessary, the Joint Committee will conduct a review of the implementation of this Chapter and will make additional recommendations if necessary.

Annex I. ARBITRATION BETWEEN THE PARTIES

Article 1. Scope of Application

1. Disputes arising between the Parties in relation to the interpretation or application of the provisions contained in this Chapter, may be submitted to the procedure of arbitration established in this Annex.

2. The measures adopted in application of the Articles may not be subject to arbitration. 8.14, 8.16, 8.17 and the commitments established in Article 8.15.

3. A Party may refuse the submission to arbitration of a question relating to a investment made by a national of that Party in

the territory of that Party.

4. This Annex will not apply to any act or event that took place or any situation that ceased to exist, before the date of entry into force of this Agreement.

5. This Annex will not apply to any dispute if more than five (5) years have elapsed from the date on which the Party became aware or should have known about the facts that gave rise to the controversy.

Article 2. Establishment of Arbitral Tribunals

1. Upon completion of the procedure provided in Article 8.24 without the controversy has been resolved, either Party may request in writing to the other Party the establishment of an ad hoc arbitral tribunal to decide on the same subject-matter of the consultations referred to in the aforementioned Article 8.24. Alternatively, the Parties may opt, by mutual agreement, for submitting the dispute to a permanent arbitration institution for the dispute resolution regarding investments.

2. The arbitral tribunal shall be established and shall perform its functions in accordance with the provisions of this Annex. If the Parties had opted, by mutual agreement, to submit the controversy to a permanent arbitration institution for the settlement of disputes regarding investments, such institution shall be governed by the provisions of this Annex, unless the Parties decide another thing.

3. The request for the establishment of an arbitral tribunal shall identify the specific measure in issue and the basis of fact and law of the claim.

4. The date of establishment of the arbitral tribunal shall be the date on which its chairman is designated.

Article 3. Terms of Reference of the Arbitral Tribunals

Unless the Parties agree otherwise within twenty (20) days of the date of the request for the establishment of the arbitral tribunal, the terms of reference of the court arbitral will be:

"Examine, objectively and in light of the relevant provisions of Chapter 8 (Cooperation and Facilitation of Investments) of the Free Trade Agreement between Chile and Brazil, the matter indicated in the request for the establishment of an arbitral tribunal, and formulate conclusions of fact and of law, determining in a well-founded manner if the measure in question is or is not in accordance with the Agreement. "

Article 4. Composition of the Arbitral Tribunals and Selection of the Arbitrators

1. The arbitral tribunal shall consist of three arbitrators.

2. Each Party shall designate, within sixty (60) days following the date of the request for the establishment of the arbitral tribunal, an arbitrator who may be of any nationality.

3. The two appointed arbitrators, within a term of sixty (60) days counted from the designation of the last of them, shall designate the national of a third State, with whom both Parties maintain diplomatic relations, and that they may not have their habitual residence in any of the Parties, nor be dependent on any of the Parties, or have participated in any way in the dispute, and who upon approval by both Parties, within thirty (30) days counted from the date of his nomination, he will be appointed president of the arbitral tribunal.

4. If, within the periods indicated in paragraphs 2 and 3, the Necessary designations, any of the Parties may request the Secretary General of the Court Permanent Court of Arbitration of The Hague, make the necessary appointments. If the Secretary General of the Permanent Court of Arbitration of The Hague is a national of one of the Parties or is unable to exercise this function, the member of the Permanent Court of Arbitration of The Hague that has the longest standing and is not a national of one of the Parties, will be invited to do the necessary designations.

5. All arbitrators must:

(a) Have experience or specialized knowledge in International Law Public, International Investment Rules, or in the resolution of controversies that arise in relation to International Investment Agreements;

(b) Be chosen strictly according to their objectivity, reliability and good judgment;

(c) Be independent and not be linked to any of the Parties, or to the others arbitrators or potential witnesses, directly or indirectly, or receive instructions from Parties, and

(d) Comply *mutatis mutandis* with the Rules of Conduct for the application of the understanding regarding the rules and procedures governing the dispute settlement of the World Trade Organization (WTO / DSB / RC / 1, of December 11, 1996), or with any other standard of conduct established by the Joint Committee.

6. In the event of resignation, incapacity or death of any of the appointed arbitrators of In accordance with this Article, a successor will be appointed within a term of fifteen (15) days according to the provisions of paragraphs 2, 3, 4 and 5, which will be applied respectively *mutatis mutandis*. The successor will have all the authority and the same obligations as the referee original. The procedure of the arbitral tribunal shall be suspended from the date on which the original arbitrator resigns, becomes incapacitated or dies and resumes on the date on which the successor is designated.

Article 5. Proceedings of the Arbitral Tribunals

1. An arbitral tribunal, established in accordance with this Annex, shall follow the Rules of Procedure that the Parties will establish, unless they themselves agree otherwise. A arbitral tribunal may establish, in consultation with the Parties, rules of procedure supplementary rights that do not conflict with the provisions of this Article and the procedural Rules.

2. The rules of procedure will ensure that:

(a) Parties will have the opportunity to provide at least one written submission and witness any of the presentations, statements or replies during the process. All information or written presentation submitted by a Party before the arbitral tribunal and the answers to the questions of the arbitral tribunal, they will make available to the other Party;

(b) The arbitral tribunal shall consult with the Parties when appropriate and provide the right opportunities to reach a mutually satisfactory solution;

(c) Upon notification to the Parties, and subject to the terms and conditions that the Parties may agree within the ten (10) following days, the arbitral tribunal may look for information from any relevant source and consult experts to collect your opinion or advice on some aspects of the matter. The arbitral tribunal shall provide the Parties with a copy of any opinion or advice obtained, giving the opportunity to comment;

(d) The deliberations of the arbitral tribunal and the documents delivered shall be confidential, provided that the Party that delivered them has qualified them as such;

(e) Without prejudice to the provisions of subparagraph (d), any Party may carry out public statements about their views on the controversy, but will try as confidential the information and the written presentations delivered by the another Party to the arbitral tribunal and that it has qualified as confidential; and

(f) Each Party shall bear the cost of the arbitrators appointed by it, as well as its expenses. The cost of the president of the arbitral tribunal and other expenses associated with the development of the procedure will be assumed by the parties to the dispute in the same proportions.

Article 6. Suspension or Termination of the Procedure

1. The Parties may agree to suspend the arbitration procedure, at any time, for a period not exceeding twelve (12) months counted from the date of communication jointly with the president of the arbitral tribunal, interrupting the calculation of the terms by time that suspension lasts. If the arbitration proceedings were suspended for more than twelve (12) months, the procedure initiated will be considered finished, unless the Parties agree contrary.

2. The Parties may agree on the termination of the arbitration procedure by notification jointly with the president of the arbitral tribunal at any time prior to notification of the award to the Parties.

Article 7. Award

1. The arbitral tribunal shall render its award in writing within a period of six (6) months counted since its establishment, which may be extended for a maximum of thirty (30) days, prior notification to the Parties.

2. The award shall be adopted by majority, shall be substantiated and subscribed by the members of the arbitral tribunal.

3. Without prejudice to other elements that the arbitral tribunal deems pertinent, the award shall necessarily contain a summary of the presentations and arguments of the Parties; and the conclusions of fact and law, determining in a well-founded manner if the measure in question is or not in accordance with this Chapter.

4. The award shall be final, unappealable and binding on the Parties, which shall comply with it without delay.

5. The award shall be made available to the public within fifteen (15) days after the date of its issuance, subject to the requirement to protect confidential information.

Article 8. Clarification and Interpretation of the Award

1. Without prejudice to the provisions of Article 7, either Party may request the arbitral tribunal, within fifteen days (15) following the notification of the award, a clarification or an interpretation of it.

2. The arbitral tribunal shall pronounce itself within fifteen (15) days following said request.

3. If the arbitral tribunal considers that circumstances require it, it may suspend the compliance with the award until it decides on the application submitted.

Article 9. Compliance with the Award

Unless the Parties agree otherwise, the requested Party shall comply with the award immediately, or if this is not practicable, within a reasonable period of time determined by common agreement by the Parties. When the Parties do not reach an agreement regarding the reasonable term, Within ninety (90) days following the date of issuance of the award, the arbitral tribunal will determine that reasonable term.

Annex II. Chile DL 600

1. The obligations and commitments contained in this Chapter do not apply to the Decree Law 600, Statute of Foreign Investment, or the rules that replace it, (hereinafter referred to as called "DL 600"), and Law No. 18,657, which authorizes the creation of an investment fund Foreign Capital, with respect to:

(a) The right of the Foreign Investment Committee or its successor to accept or reject requests to invest through an investment contract under DL 600 and the right to regulate the terms and conditions of foreign investment under the DL 600 and Law No. 18,657. The authorization and execution of an investment contract under the DL 600 by a Brazilian investor or your investment does not create any right from the investor or from his investment to carry out particular activities in Chile.

(b) The right to maintain existing requirements on transfers from Chile from product of the total or partial sale of an investment of an investor of a Part or the total or partial liquidation of the investment, which may occur in a period that does not exceed:

(i) In the case of an investment made in accordance with DL 600, one (1) year from the date of the transfer to Chile; or

(ii) In the case of an investment made in accordance with Law 18,657, five years from the date of the transfer to Chile. Law 18,657 was repealed on May 1, 2014 by Law 20,712. The requirement of the transfer established in this section will only apply to investments made in accordance with Law 18,657 before May 1, 2014 and not to investments made in accordance with Law 20,712; and

(c) The right to adopt measures, compatible with this Annex, establishing in the future voluntary investment special programs, in addition to the general for foreign investment in Chile, except if such measures can be restrict transfers from Chile of the proceeds of the total or partial sale of an investment of an investor of another Party or of the total or partial liquidation of investment, for a period not to exceed five years from the date of the transfer to Chile.

2. For greater certainty, except to the extent that paragraph 1 (b) or (c) constitutes a exception to Article 8.11, the investment that enters through an investment contract under the DL 600, through Law 18,657 or through any special voluntary investment program, shall be subject to the obligations and commitments of this Chapter, insofar as it is investment pursuant to this Chapter.

Annex III. Chile Transfers

1. Chile reserves the right of the Central Bank of Chile to maintain or adopt measures of compliance with its Constitutional Organic Law (Law 18,840) or other legal regulations to ensure for the stability of the currency and the normal functioning of internal and external payments. For These effects are granted as attributions to the Central Bank of Chile, the regulation of amount of money and credit in circulation, the execution of credit operations and international changes. Likewise, it is granted the attributions to dictate norms in matter monetary, credit, financial and international exchange. They are part of these measures, between others, the establishment of requirements that restrict or limit current payments and transfers

(movements of capital) from or to Chile, as well as operations that are related to them, for example, establish that the deposits, investments or credits that come or are destined abroad are subject to the obligation to maintain a reserve.

2. When applying the measures under this Annex, Chile, as established in its legislation, may not discriminate between Brazil and any third country with respect to operations of the same nature.

3. For greater certainty, this Annex applies to transfers covered by Article 8.11.

Annex IV. Documentation Filing

Brazil

Notifications and other documents will be delivered to:

Undersecretary-General of Economic Assumptions and Financers,

Ministério das Relações Exteriores

Esplanada dos Ministérios - Bloco H - Annex I - Room 224

70,170-900 Brasília - DF Brazil

Chile

Notifications and other documents will be delivered to:

General Directorate of International Economic Relations of the Ministry of Foreign Affairs of the Republic of Chile

Teatinos 180

Santiago, Chile

Chapter 9. Investments In Financial Institutions

Article 9.1. Definitions

For the purposes of this Chapter:

Shell bank or screen (Shellbank) means a financial institution that has no presence physics (senior management and administration) in the country where it was established and where it obtained a license to operate; that is not part of a financial conglomerate or business group subject to a effective supervision; or whose information on the control structure, ownership or identification of the beneficial owner of the income attributed to non-residents is not available to the tax authorities;

Company means any entity constituted or organized according to the applicable legislation, whether or not for profit and whether it is privately or governmentally owned, including any company, foundation, sole proprietorship or joint venture;

Company of a Party means a company incorporated or organized according to the legislation of a Party, which carries out substantial business activities in the territory of the same Party. For greater certainty, a company of a Party does not include a branch of a company from a country that is not a Party;

Self-regulated entity means any non-governmental entity, body or association exercised by a regulatory or supervisory authority, own or delegated, over the suppliers of financial services or financial institutions established in the territory of the Party; public entity means a government, a central bank or a monetary authority of a Party; or any financial institution or entity, owned or controlled by a Party;

Financial institution means any financial intermediary, including financial institutions, insurance market, stock exchange or financial derivatives, or another company that is authorized to do business and that is regulated or supervised as a financial institution of conformity with the legal order of the Party in whose territory it is located;

Financial institution of the other Party means a financial institution, including a branch, located in the territory of a Party and controlled by persons of the other Party;

Offshore financial institution means any financial institution, established from conformity with the laws and regulations of a Party, which is owned or controlled by a non-resident and whose activities are mainly related to non-residents of the

Party, usually on a scale out of proportion to the size of that Party's economy in the one that is established;

Investment

(a) Means a direct investment in financial institutions, that is, all assets of owned or controlled, directly or indirectly, by an investor of a Party, established or acquired in accordance with the legal system of the other Party, in the territory of that other Party, which allows the exercise of ownership, control or a significant degree of influence on the management of a financial institution in the territory of a Party, including in particular, but not exclusively:

(i) A financial institution;

(ii) Shares, capital or other forms of participation in equity or capital social of a financial institution;

(iii) Bonds, debentures, loans or other debt instruments of a financial institution, regardless of the original date of expiration. With respect to "loans" and "debt instruments" mentioned in this section, a loan granted to an institution financial instrument or a debt instrument issued by a financial institution it is an investment only when it is treated as capital for purposes regulations by the Party in whose territory the financial institution;

(iv) Contractual rights, including turnkey contracts, management and other similar contracts;

(v) Licenses, authorizations, permits and similar rights granted from conformity with the domestic legislation of the Party; (vi) intellectual property rights as defined or referenced in the TRIPS Agreement;

(vii) Property rights, tangible or intangible, movable or immovable, and any other real rights, such as the mortgage, pledge, usufruct and similar rights.

(b) For greater certainty, "investment" does not include:

(i) Public debt operations such as a loan granted to a Party, or a debt instrument issued by a Party or company of the State. In the case of Brazil, a debt instrument or a loan to a State enterprise that does not develop economic activities in market conditions and, in the case of Chile, a debt instrument issued by a State company, or a loan to a company from the State;

(ii) An order or sentence filed in a judicial or administrative action;

(iii) Portfolio investments;

(iv) Pecuniary claims derived exclusively from contracts commercial activities for the sale of goods or the provision of services by an investor in the territory of a Party to a national or a company in the territory of the other Party, or the granting of credit in relation to a business transaction;

Investor means a national, permanent resident, or company of a Party, which has made an investment in financial institutions in the territory of the other Party;

Person means a natural person or a company;

Financial service means any service of a financial nature. Financial services they include all insurance and insurance-related services, and all services banking and other financial services (with the exception of insurance) as well as services incidental or auxiliary to a service of a financial nature.

Financial services include the following activities:

Insurance and insurance-related services

i. Direct insurance (including co-insurer):

a) Life insurance.

b) Insurance other than life insurance.

ii. Reinsurance and retrocession.

iii. Insurance intermediation activities, for example those of brokers and insurance agents.

iv. Auxiliary insurance services, for example those of consultants, actuaries, Risk assessment and compensation of claims.

Banking and other financial services (excluding insurance).

- v. Acceptance of deposits and other reimbursable funds from the public.
- vi. Loans of all kinds, including personal loans, loans Mortgages, factoring and financing of commercial transactions.
- vii. Financial leasing services.
- viii. All payment and money transfer services, including cards credit, payment and similar, traveler's checks and bank drafts.
- ix. Guarantees and commitments.
- x. Commercial exchange on their own or on behalf of clients, whether in a stock exchange, in an over-the-counter market or otherwise, of the following:
 - a) Money market instruments (including checks, bills and Deposit certificates);
 - b) Currencies;
 - c) Derivative products, including, but not limited to, future and options;
 - d) Instruments of the exchange and monetary markets, for example swaps and installment agreements on interest rates;
 - e) Transferable securities;
 - f) Other negotiable instruments and financial assets, including metal.
- xi. Participation in issues of all kinds of securities, including the subscription and placement as agents (publicly or privately) and the supply of services related to those emissions.
- xii. Brokerage of changes.
- xiii. Asset management; for example, cash management or of securities portfolios, management of collective investments in all their forms, administration of pension funds, deposit services and custody, and fiduciary services.
- xiv. Payment and compensation services for financial assets, including of securities, derivative products and other negotiable instruments.
- xv. Supply and transfer of financial information and data processing financial and related software, by other providers financial services.
- xvi. Advisory and intermediation services and other financial services auxiliary to any of the activities listed in the numerals (v) to (xv), including reports and credit analysis, studies and advice on investments and securities portfolios, advice on acquisitions and on corporate restructuring and strategy, and

LCP means Local Currency Payment system.

Article 9.2. Scope of Application

1. This Chapter applies to measures adopted or maintained by a Party relating to:

- (a) Financial institutions of the other Party, and
- (b) Investors of the other Party and the investments of those investors in financial institutions in the territory of the Party.

2. Chapter 8 (Investment Cooperation and Facilitation) will apply to the measures described in paragraph 1 only when the articles of Chapter 8 (Cooperation and Facilitation of Investments) are incorporated into this Chapter.

3. The following articles of the Constitution are incorporated into this Chapter and are an integral part thereof. Chapter 8 (Investment Cooperation and Facilitation):

- (a) Article 8.7 (Expropriation);
- (b) Article 8.8 (Treatment in Case of Dispute), only regarding losses in physical infrastructure in the financial institutions covered by this Chapter;
- (c) Article 8.11 (Transfers);
- (d) Article 8.12 (Taxation);

- (e) Article 8.14 (Security Exceptions);
- (f) Article 8.15 (Social Responsibility Policies);
- (g) Article 8.16 (Measures on Investment and Fight against Corruption and the Illegality);
- (h) Article 8.17 (Investment and Measures on Health, Environment, Matters Labor and other Regulatory Objectives);
- (i) Article 8.18 (Joint Committee for the Administration of the Agreement) as indicated in Article 9.15;
- (j) Article 8.19 (National Focal Points or Ombudsmen) as indicated in the Article 9.16;
- (k) Article 8.24 (Direct Consultations and Negotiations for the Prevention of Controversies), with the modifications established in Article 9.17, and
- (l) Article 8.25 (Arbitration between the Parties), with the modifications established in the Article 9.18.

4. The articles indicated in paragraph 3 are incorporated into this Chapter and are an integral part of it, *mutatis mutandis*. No other provision of Chapter 8 (Cooperation and Facilitation of Investments) will be applied to the measures described in paragraph 1. For greater certainty, in case of incompatibility between the provisions of this Chapter and any other provision of the Chapter 8 (Cooperation and Facilitation of Investments), the provisions of this Chapter shall prevail in the measure of incompatibility.

5. Chapter 8 (Cooperation and Facilitation of Investments) and this Chapter will not be applicable to measures adopted or maintained by a Party relating to:

- (a) Activities carried out by a central bank or a monetary authority or by any other public entity pursuing monetary or exchange policies;
- (b) Activities or services that are part of public retirement or retirement plans, or of social security systems established by law;
- (c) Activities or services performed by a public entity for account or with guarantee or using the financial resources of the Party, including its public entities, or
- (d) Subsidies or subsidies granted by the Parties, including loans backed by the government, guarantees and insurance.

6. This Chapter will not apply to public procurement of financial services.

7. For greater certainty, the services provided by this Chapter will not be covered by this Chapter. an offshore financial institution; and by shell or screen banks (Shellbanks).

Article 9.3. National Treatment

1. Subject to its laws and regulations in force at the time the investment is made, Each Party shall accord to investors of the other Party treatment no less favorable than that which grant, in similar circumstances, to its own investors, with respect to the expansion, administration, conduct, operation, and sale or other form of disposition of institutions financial institutions and investments in financial institutions in its territory.

2. Subject to its laws and regulations in force at the time the investment is made, Each Party shall grant to the financial institutions of the other Party and to the investments of the investors of the other Party in financial institutions of the Party, no less favorable treatment that he grants, in similar circumstances, to his own financial institutions and to investments of its own investors in financial institutions with respect to expansion, administration, conduction, operation and sale or another form of disposition of institutions financial and investments.

3. The treatment that a Party must grant in accordance with paragraphs 1 and 2 means, with Regarding measures adopted or maintained by a regional or state government, a treatment does not less favorable than the more favorable treatment accorded, in similar circumstances, by that regional or state government to financial institutions, to institutional investors financial statements and investments of investors in financial institutions of the Party of which they are part.

4. For greater certainty, the treatment granted in "similar circumstances" depends on the all of the circumstances, including that the relevant treatment distinguishes between investors, investments or financial institutions based on legitimate public interest objectives.

5. For greater certainty, this Article shall not be construed as obligating the Parties to compensate for intrinsic competitive

disadvantages resulting from the foreign character of the investors and their investments.

Article 9.4. Most Favored Nation Treatment

1. Each Party shall accord to investors and financial institutions of another Party a treatment no less favorable than that which, in similar circumstances, it accords to investors the financial institutions of a country that is not a Party in terms of expansion, administration, conduct, operation and sale or other form of disposal of suppliers of financial services and investments in its territory.

2. This Article shall not be construed as an obligation of a Party to give investors and the financial institutions of the other Party the benefit of any treatment, preference or privilege that arises from:

(a) Provisions related to the settlement of disputes regarding investments or trade in financial services contained in an agreement international, or

(b) Any international trade agreement, including agreements such as those create a regional economic integration organization, free trade zone, customs union or common market of which a Party is a party before entry into strength of this Agreement.

Article 9.5. Treatment of Certain Information

1. Nothing in this Chapter shall require a Party to disclose or allow access to:

(a) Information relating to the financial affairs and accounts of individual customers of financial institutions, or

(b) Any confidential information, the disclosure of which may prevent the application of its legislation or is contrary to the public interest or prejudice the interests legitimate commercials of certain people.

2. The Parties shall respect the level of protection of information established by the Party that has submitted it, according to its applicable laws.

Article 9.6. Prudential Measures

1. Notwithstanding any other provision of this Chapter and Chapter 8 (Cooperation and Facilitation of Investments), a Party shall not be prevented from adopting or maintaining measures prudential reasons, such as:

(a) The protection of investors, depositors, participants in the financial market, policyholders, policy beneficiaries, or people with whom a financial institution has contracted a fiduciary obligation;

(b) The maintenance of security, soundness, solvency, integrity or responsibility financing of individual financial institutions, as well as security and financial and operational integrity of the compensation and payment systems, or

(c) To guarantee the integrity and stability of a Party's financial system.

2. If the measures referred to in paragraph 1 are not in accordance with the provisions of this Chapter, these can not be used as a means to avoid commitments or obligations contracted by the Parties within the framework of this Chapter.

3. Nothing in this Chapter and in Chapter 8 (Cooperation and Facilitation of Investments) will apply to non-discriminatory measures of general application adopted by any public entity in compliance with related monetary and credit policies and exchange policies. This paragraph shall not affect the obligations of a Party under Article 8.11 (Transfers).

4. Notwithstanding Article 8.11 (Transfers), as incorporated in this Chapter, a Party may prevent or limit transfers from, or for the benefit of, a financial institution, a subsidiary of or person related to said institution, through the equitable application, not discriminatory and in good faith of measures relating to the maintenance of security, solvency, integrity or financial responsibility of financial institutions. This paragraph does not prejudices any other provision of this Chapter or Chapter 8 (Cooperation and Facilitation of Investments) that allows a Party to restrict transfers.

5. For greater certainty, nothing in this Chapter shall be construed as a impediment for a Party to adopt or apply the necessary measures to guarantee the compliance with laws or regulations that are not incompatible with this Chapter, including those related to the prevention of practices that lead to error, or fraudulent, or to make against the effects of a breach of financial services contracts, subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries in which similar conditions prevail, or a disguised restriction on investment in financial institutions covered by this Chapter.

Article 9.7. Regulatory Harmonization

As a way to ensure that the process of deepening financial integration between the Parties is given guaranteeing financial stability, each Party will make its best efforts in order to share international best practices related to the financial system and monetary.

Article 9.8. Administration of Certain Measures, Publication, Effective Regulations and Transparent for the Financial Services Sector

1. The Parties recognize that the transparent regulations and policies that govern the activities of financial institutions are important to facilitate institutions financial institutions, both the access to their respective markets and the operations in them. Every Party is committed to promoting regulatory transparency in financial services supplied by a financial institution.
2. Each Party shall ensure that all measures of general application to which this Chapter applies are administered in a reasonable, objective and impartial manner.
3. Each Party, insofar as practicable and in accordance with its legislation, shall:
 - (a) Publish in advance any regulations of general application relating to the matters of this Chapter, which it intends to adopt;
 - (b) Provide a reasonable opportunity to the interested persons and to the other Party to comment on the proposed general application regulation, and
 - (c) Provide a reasonable period of time between the publication of the final regulations of general application and its entry into force.
4. At the time a final regulation is adopted, each Party shall, to the extent practicable and in accordance with its legislation, attend in writing the substantive comments received from interested persons with respect to the proposed regulation. For greater certainty, each The party may address these comments collectively and publish them in a separate document the final regulation, on an official government website.
5. Each Party shall ensure that the rules of general application adopted or maintained by a self-regulated entity of that Party, are promptly published or otherwise placed disposition, in a way that allows interested persons to take cognizance of them and, When possible, it will publish them electronically.
6. Each Party shall maintain or establish, to the extent practicable, mechanisms appropriate to respond to inquiries of interested persons, as soon as possible practicable, with respect to the measures of general application covered by this Chapter, of compliance with its laws and regulations on transparency. The implementation of the obligation The establishment of appropriate mechanisms will take into account the budgetary and resources.
7. The relevant authorities of each Party shall make available to the public all information regarding the requirements, including any necessary documentation, for complete and submit applications related to the provision of financial services.
8. At the request of the applicant, the relevant authority of a Party shall inform it of the status of its request. When the authority requires additional information from the applicant, it will notify it without unjustified delay.
9. The relevant authority of each Party, within a reasonable time, will make a decision administration on a complete application from an investor in a financial institution or a financial institution of the other Party, relating to the provision of a financial service, and notify the applicant of the decision in a timely manner. An application will not be considered complete until that all the corresponding hearings have been held and all the necessary information has been received. At the request of the interested party, the relevant authority will inform him of the status of his request. When the authority requires additional information from the applicant, it will notify it without unjustified delay.

Article 9.9. Information Exchange

1. The Parties shall make their best efforts to establish an exchange process for information on financial services, especially in prudential regulations and consolidated supervisory regimes, subject to the secrecy laws of each Party and confidentiality of information.
2. The Parties shall make their best efforts to establish an exchange process for information among national regulatory or supervisory authorities, and will cooperate on matters of advice on prudential regulation, in order to:

(a) Agree on the best international practices related to the system financial and monetary;

(b) Establish work programs for the exchange of information on matters that be part of the recommendations of the Committee on Payments and Infrastructures of Market of the Bank of International Settlements and of the International Organization of Securities Commissions (IOSCO);

(c) Establish information exchange processes in line with the principles of the Basel Committee on Banking Supervision to prevent and investigate irregular transactions, including those related to money laundering and financing of terrorism and drug trafficking.

3. Each authority will only share the information that, to the same extent, is provided by the other authority, observing, in any case, the legislation to which they are subject

Article 9.10. Self-regulated Entities

1. Where a Party requires a financial institution to be a member of or participate in a self-regulatory entity or any other association for service providers financial services of the other Party to provide financial services on an equivalent basis to financial service providers of the Party, or where the Party directly or indirectly provides such entities, privileges or advantages in the supply of financial services the Party shall ensure that such entities accord national treatment to financial service providers of the other Party, established in the territory of the Party.

2. For greater certainty, nothing in this Article prevents entities of a Party to establish its non-discriminatory rules, which shall not be construed as an act of the Party.

Article 9.11. Payment and Clearing Systems

1. In accordance with the terms and conditions granting national treatment, each Party shall grant financial institutions of the other Party established in its territory access to the payment and clearing systems administered by public entities, as well as access to official means of financing and refinancing available in the course of operations normal commercials. This Article is not intended to grant access to the facilities of the the Party's lender of last resort.

2. For greater certainty, nothing in this Article prevents the Parties establish non-discriminatory regulatory requirements.

Article 9.12. Local Currency Payment System (lcp)

1. The Parties reaffirm the importance of removing barriers to trade and of strengthening and deepening regional integration, and leave it to their monetary authorities to analyse the desirability of establishing an LCP between Brazil and Chile.

2. In case they decide to be viable and of mutual interest, the Central Bank of Chile - in use of the attributions conferred by the Constitutional Organic Law that governs it - and the Central Bank of Brazil, are authorized to sign a bilateral agreement that establishes the parameters for its operation.

3. Nothing in this Chapter shall be construed to require central banks to establish an LCP.

Article 9.13. Data Processing

1. Subject to prior authorization from the regulator or relevant authority, when required, Each Party shall allow the financial institutions of the other Party to transfer information to the inside or outside the territory of the Party, using any of the means authorized in it, for its processing, when it is necessary to carry out the ordinary activities of business of those institutions.

2. For greater certainty, when the information referred to in paragraph 1 is composed of or contains personal data, the transfer of such information will be carried out in accordance with with the legislation on the protection of persons with respect to the transfer and processing of personal data of the Party in or from whose territory the information is transferred.

3. Nothing in this Chapter shall be construed as preventing the Parties from establishing specific requirements for the processing of data abroad, including guarantees of access to information.

Article 9.14. Special Formalities and Information Requirements

1. Nothing in Article 9.3 shall be construed as preventing a person from Party adopts or maintains any measure that prescribes special formalities in relation to an investment, such as the requirement that the investors be residents of the Party or that investments are constituted in accordance with the laws or regulations of the Party, provided that such formalities do not significantly impair the protection granted by a Party to investors of the other Party and investments in accordance with this Chapter.

2. Notwithstanding the provisions of Article 9.3, a Party may require an investor of the another Party or a financial institution of the other Party, which provides information regarding that investment, exclusively for informational or statistical purposes. The Party shall protect Any disclosure of information that is confidential and that could negatively affect the competitive situation of the investor or of the investment. Nothing in this paragraph shall be interpret as an impediment for a Party to obtain or disclose information regarding the fair and good faith application of its legislation.

Article 9.15. Joint Committee

1. For the purposes of this Chapter, the Joint Committee shall be that established in Article 8.18. (Joint Committee for the Administration of the Chapter), and shall have the functions indicated in the Article 8.18.4 (b), (c) and (d) (Joint Committee for the Administration of the Chapter).

2. The Joint Committee provided for in Article 8.18 (Joint Committee for Administration of the Chapter) will be directed by the officials of the authorities established in Annex IV and, where applicable, by other regulators or financial supervisors in the exercise of following functions and responsibilities:

(a) Supervise the administration and implementation of this Chapter, and

(b) Attempt to resolve issues or controversies relating to investments in a manner friendly, in accordance with the procedures established in Article 9.17.

3. For the exercise of the functions and responsibilities indicated in the previous paragraph, the Joint Committee may establish a specific internal regulation and will meet once a year, or as often as you remember.

Article 9.16. National Focal Points or Ombudsmen

1. Each Party shall have a single National Focal Point or Ombudsman, whose principal responsibility will be the support to investors in financial services of the other Party in their territory.

2. The National Focal Points or Ombudsmen shall be the same as those designated in Article 8.19 (National Focal Points or Ombudsmen).

3. The National Focal Point, respecting the competences of regulators and supervisors financial, among other responsibilities, should:

(a) Meet the recommendations of the Joint Committee, when dealing with the subjects provided in Article 9.15.2;

(b) Manage the inquiries of the other Party or of investors in institutions of the other Party, and inform interested parties about the results of their managements

(c) Provide timely and useful information on investment regulation issues, in general or in specific projects, when requested, and

(d) Inform the Joint Committee about its activities and actions, whenever coming.

Article 9.17. Consultations and Direct Negotiations for the Prevention of Controversies

1. A Party may request in writing consultations with the other Party, with respect to any issue related to this Chapter that affects financial services. The other Party shall provide due consideration to the request. The Parties shall inform the Joint Committee of the results of the consultations.

2. The consultations shall be conducted by the officials of the authorities established in the Annex IV and shall be carried out in accordance with Article 8.24 (Consultations and Direct Negotiations for the Prevention of Controversies).

3. A Party may refuse to discuss a consultation regarding an investment in financial institutions if an investor from a non-Party or from the denying country is owner or controlling the financial institution established in the territory of the Party, or the has substantial activities in the territory of the Party.

4. Nothing in this Article shall be construed as obliging the regulatory authorities to participate in consultations under paragraph 1, to disclose information, or act in a manner that could interfere with specific regulatory matters, supervision, administration or application of measures.

5. Thing in this Article shall be construed as requiring a Party to repeal its relevant legislation in relation to the exchange of information between financial regulators, or the requirements of an agreement or agreement between the authorities of the Parties.

Article 9.18. Arbitration between the Parties

1. Upon completion of the procedure provided in Article 9.17 without the controversy has been resolved, either Party may request in writing to the other Party the establishment of an arbitral tribunal to decide on the same subject matter of the consultations referred to in Article 9.17, in accordance with the provisions of Annex I (Arbitration between the Parties) of Chapter 8 (Cooperation and Facilitation of Investments).

2. Annex I (Arbitration between the Parties) of Chapter 8 (Cooperation and Facilitation of Investments) is applied, in the terms modified by this Article, to the arbitrations that arise from the application of this Chapter, *mutatis mutandis*.

3. For the purposes of Article 2 of Annex I (Arbitration between the Parties) of Chapter 8 (Cooperation and Facilitation of Investments), consultations held under of this Article with respect to a measure or matter constitute the consultations that it makes Reference Article 8.24 (Direct Consultations and Negotiations for the Prevention of Controversies), unless the Parties agree otherwise.

4. For the purposes of Article 4.5 (a) of Annex I (Arbitration between the Parties) of Chapter 8 (Cooperation and Facilitation of Investments), the arbitrators of financial services must have specialized knowledge or experience in financial law or practice in services financial institutions, which may include the regulation of financial institutions, unless the Parties so Agree otherwise.

5. Neither Party may resort to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) regarding any matter arising from this Chapter.

Article 9.19. General Provisions

Notwithstanding its ordinary meetings, after ten (10) years of entering into strength of this Agreement, or earlier if deemed necessary, the Joint Committee will conduct a review of the implementation of this Chapter, and make additional recommendations if necessary.

Annex I . Brazil Financial Regulators

1. For greater certainty, the obligations and commitments contained in this Chapter do not replace or repeal the provisions of Law 4.131/1962 (foreign capital) and the Law 4,595/1964 (monetary, credit and exchange rate policy, legal mandate from the Central Bank of Brazil), or the rules that replace them.

2. In applying measures under this Annex, Brazil, as set out in its legislation, may not discriminate between Chile and any third country with respect to same nature.

Annex II. Chile DL 600

1. The obligations and commitments contained in this Chapter do not apply to the Decree Law 600, Foreign Investment Statute, or the rules replacing it, (hereinafter called "DL 600"), and to Law No. 18.657, which authorizes the creation of the Investment Fund of Foreign Capital, with respect to:

(a) The right of the Foreign Investment Committee or its successor to accept or reject applications to invest through an investment contract under the DL 600 and the right to regulate the terms and conditions of foreign investment under the DL 600 and Law No. 18.657. The authorization and execution of an investment contract under the DL 600 by an investor in Brazil or your investment does not create any rights on the part of the investor or his investment to carry out particular activities in Chile.

(b) The right to maintain existing requirements on transfers from Chile of proceeds from the sale of all or part of an investment by an investor in a Part or full or partial liquidation of the investment, which may occur in a period not to exceed:

- (i) In the case of an investment made in accordance with DL 600, one (1) year from the date of transfer to Chile; or
- (ii) In the case of an investment made pursuant to Law No. 18.657, five (5) years from the date of transfer to Chile. Law No. 18,657 was repealed on May 1, 2014 by Law No. 20,712. The transfer requirement set forth in this subparagraph shall only apply to investments made pursuant to Law No. 18,657 prior to May 1, 2014 and not to investments made pursuant to Law No. 20,712; and
- (c) The right to adopt measures, consistent with this Annex, establishing special voluntary investment programs in the future, in addition to the general regime for foreign investment in Chile, except that such measures may restrict transfers from Chile of the proceeds from the total or partial sale of an investment of an investor of another Party or from the total or partial liquidation of the investment, for a period not to exceed five (5) years from the date of transfer to Chile.
2. For greater certainty, except to the extent that paragraph 1(b) or (c) constitutes an exception to Article 8.11 (Transfers), an investment that enters into an investment contract under DL 600, through Law 18.657, or through any special voluntary investment program, shall be subject to the obligations and commitments of this Chapter to the extent that it is an investment under this Chapter.

Annex III. Chile Transfers

1. Chile reserves the right of the Central Bank of Chile to maintain or adopt measures in accordance with its Organic Constitutional Law (Law No. 18,840) or other legal norms to ensure the stability of the currency and the normal functioning of internal and external payments.

For these purposes, the Central Bank of Chile is empowered to regulate the amount of money and credit in circulation, the execution of credit operations and international changes. It is also empowered to issue rules on monetary, credit, financial and international exchange rates. These measures include, among others, the establishment of requirements restricting or limiting current payments and transfers (capital movements) to or from Chile, as well as the operations related to them, such as establishing that deposits, investments or credits coming from or destined to foreign countries are subject to the obligation of maintaining a legal reserve.

2. In applying measures under this Annex, Chile, as provided for in its legislation, may not discriminate between Brazil and any third country with respect to transactions of the same nature.

3. For greater certainty, this Annex applies to transfers covered by Article 8.11 (Transfers).

The authorities of each Party responsible for financial services are:

- (a) For Brazil, the Banco Central do Brasil, and
- (b) For Chile, the Ministry of Finance.

Chapter 10. ELECTRONIC COMMERCE

Article 10.1. Definitions

For the purposes of this Chapter:

personal data means any information about an identified or identifiable natural person;

trade administration documents means forms that a Party issues or controls, which have to be completed by or for an importer or exporter in connection with the importation or exportation of goods;

advanced electronic signature means data in electronic form attached to an electronic document that makes it possible to identify the signatory or signatory, in accordance with the legal system of each Party;

qualified electronic signature means an advanced electronic signature created by a cryptographic device with a high level of security for the creation of electronic signatures and based on a qualified signature certificate, issued through the physical presence of the natural person or legal representatives of the legal person.

computer facilities means computer servers and storage devices for processing or storing information for commercial use;

unsolicited commercial electronic message means an electronic message that is sent for commercial or advertising purposes without the consent of the recipients, or against the explicit will of the recipient, using an Internet service or, in accordance with the Party's legal system, by other telecommunications services, and

electronic transmission or electronically transmitted means a transmission made using any electromagnetic means, including transmissions by optical means.

Article 10.2. Scope of Application and General Provisions

1. This Chapter shall apply to measures adopted or maintained by a Party affecting trade by electronic means.
2. This Chapter shall not apply to:
 - (a) public procurement;
 - (b) subsidies or concessions provided by a Party, including loans, guarantees and insurance supported by States;
 - (c) information held or processed by or on behalf of a Party, or measures related to such information, including measures related to its compilation, or
 - (d) financial services, as defined in Article XII of the Fifty-third Additional Protocol to ACE No. 35.
3. For greater certainty, this Chapter is subject to the provisions, exceptions or non-conforming measures set forth in other chapters or annexes of this Agreement or in other relevant treaties entered into between the Parties.
4. The Parties recognize the economic potential and opportunities provided by electronic commerce.
5. Considering the potential of electronic commerce as a tool for social and economic development, the Parties recognize the importance of:
 - (a) the clarity, transparency and predictability of their national regulatory frameworks to facilitate, to the extent possible, the development of electronic commerce;
 - (b) encourage the adoption of initiatives that foster innovation and legal certainty, including through private sector self-regulatory measures, to promote confidence in electronic commerce, taking into account the interests and rights of users;
 - (c) interoperability and innovation to facilitate e-commerce;
 - (d) ensure that international and national e-commerce policies take into account the interests of all users, including businesses, consumers, non-governmental organizations and relevant public institutions;
 - (e) facilitate access to digital technologies in order to increase the participation of MSMEs in e-commerce;
 - (f) guaranteeing the security of users of electronic commerce, as well as their right to the protection of personal data, and
 - (g) extend protection with respect to subjects that encourage, intermediate the purchase or offer products or services for consumption.
6. Each Party shall endeavor to adopt measures to facilitate trade conducted by electronic means.
7. The Parties recognize the importance of avoiding barriers that constitute a disguised restriction on trade conducted by electronic means. Taking into account its domestic policy objectives, each Party shall endeavor to avoid measures that:
 - (a) hinder commerce conducted by electronic means, or
 - (b) have the effect of treating trade conducted by electronic means more restrictively than trade conducted by other means.

Article 10.3. Customs Duties

1. Neither Party shall impose customs duties on electronic transmissions between a person of one Party and a person of the other Party.
2. For greater certainty, paragraph 1 shall not prevent a Party from imposing internal taxes, fees or other charges on electronically transmitted content, provided that such taxes, fees or charges are imposed in a manner consistent with this Agreement.

Article 10.4. Principle of Non-Discrimination

The Parties recognize that there is an important debate in international fora, such as the WTO, on the application of non-

discriminatory treatment in trade conducted by electronic means. Accordingly, the Parties undertake to jointly evaluate the results of the discussions in these international fora in order to decide on the eventual incorporation into this Chapter of rules on non-discrimination of electronically transmitted content.

Article 10.5. Legal Framework for Electronic Transactions

1. Each Party shall maintain a legal framework governing electronic transactions that is compatible with internationally recognized instruments.
2. Each Party shall endeavor to:
 - (a) avoid regulatory burdens that constitute disguised restrictions on electronic transactions, and
 - (b) facilitate the opinions of interested parties in the development of its legal framework for electronic transactions.

Article 10.6. Advanced or Qualified Electronic Signatures

1. A Party shall not deny the legal validity of an advanced or qualified electronic signature, according to the legal system of each Party, solely on the basis that it is made by electronic means, unless otherwise expressly provided for in its respective legal system.
2. No Party shall adopt or maintain advanced or qualified electronic signature measures that:
 - (a) prohibit the parties to an electronic transaction from mutually determining the appropriate signature certification methods for that transaction, or
 - (b) prevent the parties to an electronic transaction from having the opportunity to prove, before judicial or administrative authorities, that their transaction complies with any legal requirements regarding the signature.
3. Notwithstanding the provisions of paragraph 2, a Party may require that, for a particular category of transactions, the firm meet certain standards of performance or
is certified by an accredited authority in accordance with its legal system.
4. The Parties shall encourage the use of interoperable electronic signatures.

Article 10.7. Online Consumer Protection

1. The Parties recognize the importance of adopting and maintaining transparent and effective measures to protect consumers from fraudulent and deceptive business practices when engaging in electronic commerce.
2. Each Party shall adopt or maintain consumer protection laws to prohibit fraudulent and deceptive business practices that cause harm or potential harm to consumers engaged in online commercial activities.
3. Each Party shall endeavor to adopt non-discriminatory practices in protecting users of electronic commerce from breaches of personal data protection occurring within its jurisdiction.
4. The Parties recognize the importance of cooperation between their respective consumer protection agencies or other competent bodies, in activities related to cross-border electronic commerce, in order to improve consumer welfare, including with a view to the progressive creation of online dispute resolution mechanisms for the protection of consumers and other aspects of consumer relations, to the extent that the legal, material and institutional feasibility exists for their development.
5. The Parties recognize the importance of adopting or maintaining measures to ensure that products marketed through electronic commerce are safe and do not pose a risk to the health and safety of consumers, including through adequate disclosure of precautionary measures for the safe use of these products by consumers.
6. Each Party shall adopt or maintain measures to ensure to customers, prior to the purchase of goods by electronic means, clear and timely information on:
 - (a) the conditions of delivery of the good or service, including the customs clearance process;
 - (b) the consequent possibility of delaying the delivery time;

- (c) total prices and fees payable, including possible subsequent payments associated with the import;
- (d) conditions of withdrawal, applicable legal warranty and conditions, and
- (e) the supplier's contact details.

Article 10.8. Protection of Personal Data

1. The Parties recognize the benefits of ensuring the protection of the personal data of users of electronic commerce and the contribution this makes to enhancing trust and confidence of the consumer in e-commerce.
2. The Parties shall adopt or maintain laws and regulations for the protection of personal data of users participating in electronic commerce.
3. Each Party shall make efforts to ensure that its legal framework for the protection of personal data of users of electronic commerce is applied in a non-discriminatory manner.
4. Each Party shall publish information on the protection of personal data it provides to users of electronic commerce.
5. The Parties shall exchange information and experiences regarding their personal data protection legislation.
6. The Parties shall encourage the use of security mechanisms for users' personal data, and their anonymization, in case such data is provided to third parties, in accordance with the applicable legislation.

Article 10.9. Paperless Trade Administration

Each Party shall endeavor to:

- (a) making trade administration documents available to the public in electronic form, and
- (b) accept electronically submitted trade administration documents as the legal equivalent of the paper version of those documents.

Article 10.10. Principles on Access to and Use of the Internet for Electronic Commerce

Subject to applicable policies, laws and regulations, the Parties recognize the benefits of consumers in their territories having the ability to:

- (a) access and use the services and applications of the consumer's choice available on the Internet, subject to reasonable administration of the network. For greater certainty, in the case of Brazil the term "reasonable" shall be interpreted as "transparent, non-discriminatory and proportional", in accordance with Law No. 12,965/2014;
- (b) connect end-user devices of the consumer's choice to the Internet, provided that such devices do not harm the network, and
- (c) to provide clear information on the network management practices of users by data transport providers, so that such users can make the consumption decision that best satisfies them.

Article 10.11. Cooperation on Cybersecurity Issues

The Parties recognize the importance of developing:

- (a) the capabilities of their national entities responsible for cybersecurity and cyber security incident response;
- (b) collaborative mechanisms to cooperate in identifying and mitigating malicious practices or the dissemination of malicious code affecting the Parties' electronic networks, users' personal data or protection against unauthorized access to private information or communications; and
- (c) collaboration mechanisms to cooperate in the identification and mitigation of criminal practices such as pedophilia, drug trafficking and apology for other crimes.

Article 10.12. Cross-Border Transfer of Information by Electronic Means

1. The Parties recognize that each Party may have its own regulatory requirements on the transfer of information by electronic means.
2. Each Party shall permit the cross-border transfer of information by electronic means, where such activity is for the conduct of the business of a person of a Party.
3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to pursue a legitimate public policy objective, provided that the measure is not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade.

Article 10.13. Location of Computer Facilities

1. The Parties recognize that each Party may have its own regulatory requirements relating to the use of computer facilities, including requirements that seek to ensure the security and confidentiality of communications.
2. A Party may not require a person of the other Party to use or locate computer facilities in the territory of that Party as a condition of doing business in that territory.
3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to pursue a legitimate public policy objective, provided that the measure is not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade.

Article 10.14. Unsolicited Electronic Commercial Communications

1. Each Party shall adopt or maintain measures regarding unsolicited commercial electronic communications that:
 - (a) require providers of unsolicited commercial electronic communications to facilitate the ability of recipients to prevent the continued receipt of such messages; or
 - (b) require the consent of the recipients, as specified in accordance with the laws and regulations of each Party, to receive commercial electronic communications.
2. Each Party shall provide tools against providers of unsolicited commercial electronic communications that do not comply with the measures adopted or maintained pursuant to paragraph 1.
3. The Parties shall endeavor to cooperate in appropriate cases of mutual interest relating to the regulation of unsolicited commercial electronic messages.

Article 10.15. Cooperation

Recognizing the global nature of electronic commerce, the Parties shall endeavor to:

- (a) working together to facilitate the use of e-commerce by MSMEs and the incorporation of women in e-commerce;
- (b) share information and experiences on laws, regulations and programs in the sphere of electronic commerce, including those related to personal data protection, consumer protection, security in electronic communications and electronic signatures, intellectual property rights, and e-government;
- (c) exchange information and share views on consumer access to products and services offered online between the Parties;
- (d) actively participate in regional and multilateral fora to promote the development of electronic commerce, and
- (e) Encourage the development by the private sector of additional methods of self-regulation to promote electronic commerce, including codes of conduct, model contracts, guidelines and compliance mechanisms for the protection of consumers' personal data.

Article 10.16. Relationship to other Chapters

In the event of any inconsistency between this Chapter and another chapter of this Agreement, the other chapter shall prevail to the extent of the inconsistency.

Chapter 11. TELECOMMUNICATIONS

Article 11.1. Definitions

For the purposes of this Chapter:

leased circuits means telecommunications facilities between two or more designated points that are intended for the dedicated use or availability to a particular customer or to other users chosen by that customer;

co-location means access to and use of physical space for the purpose of installing, maintaining or repairing equipment on premises owned or controlled and used by a major supplier for the provision of telecommunications services;

network element means a facility or equipment used in the provision of a telecommunications service, including the features, functions and capabilities that are provided through such facilities or equipment;

essential facilities means facilities of a public telecommunications network and service that:

(a) are supplied exclusively or predominantly by a single or limited number of suppliers, and

(b) it is not economically or technically feasible to replace them for the purpose of providing a service;

interconnection means the linking of providers supplying telecommunications services for the purpose of enabling users of one provider to communicate with users of another provider and to access services supplied by another provider;

non-discriminatory means treatment no less favorable than that accorded, in like circumstances, to any other user of similar telecommunications services;

reference interconnection offer means an interconnection offer offered by a major supplier and registered with or approved by the telecommunications regulatory body that is sufficiently detailed to enable telecommunications service providers who wish to accept such rates, terms and conditions to obtain interconnection without having to engage in negotiations with the supplier in question;

standard interconnection offer means an interconnection offer offered by a major supplier that is sufficiently detailed to enable public telecommunications service providers willing to accept such rates, terms and conditions to obtain interconnection without having to engage in negotiations with the supplier in question;

telecommunications regulatory body means the body or bodies of the other Party responsible for telecommunications regulation;

cost-oriented means cost-based, and may include reasonable profitability and involve different costing methodologies for different facilities or services;

major supplier means a supplier of telecommunications services that has the ability to significantly affect the conditions of participation (from a pricing and supply point of view) in a relevant market for telecommunications services, as a result of:

(a) the control of essential facilities, or

(b) utilization of its position in the market;

public telecommunications network means the telecommunications infrastructure used to provide telecommunications services;

international roaming means a commercial mobile service provided pursuant to a commercial agreement between telecommunications service providers that allows users to use their local cell phone or other device for voice, data or text messaging services while temporarily outside the territory in which the user's home network is located;

telecommunications service means any telecommunications service that a Party provides, explicitly or in fact, to be offered to the general public. Such services may include, but are not limited to, telephony, data transmission and intermediate services that typically incorporate customer-supplied information between two or more points without any end-to-end change in the form or content of such information;

Intermediate telecommunications services are those services provided by third parties, through facilities and networks, aimed at meeting the needs of those who hold an enabling title;

tariff means either tariff or price, according to the domestic legislation of each Party;

telecommunications means any transmission, emission or reception of signs, signals, writings, images, sounds and

information of any nature, by physical line, radio-electricity, optical means or other electromagnetic systems; and

user means an end consumer or a subscriber of a public telecommunications service, including a service provider, except a supplier of public telecommunications services.

Article 11.2. Scope of Application

1. This Chapter applies to:

- (a) measures related to access to and use of public networks and telecommunications services;
- (b) measures related to the obligations of telecommunications service providers, and
- (c) telecommunications otras medidas relacionadas con las redes públicas y los services.

2. This Chapter does not apply to measures relating to radio or television broadcasting and cable distribution of radio or television programming, except to ensure that enterprises providing such services have continued access to and use of public networks and telecommunications services in accordance with Article 11.3.

3. Nothing in this Chapter shall be construed to mean:

- (a) oblige a Party to require any enterprise to establish, construct, acquire, lease, operate or supply telecommunications networks or services, when such networks or services are not offered to the general public;
- (b) oblige a Party to require any enterprise, engaged exclusively in the broadcasting or cable distribution of radio or television programming, to make its cable distribution or broadcasting facilities available as a public telecommunications network, or
- (c) to allow persons operating private networks to use them to provide telecommunications services to third parties.

Article 11.3. Access to and Use of Telecommunication Networks and Services

1. Each Party shall ensure that the enterprises of the other Party have access to, and may make use of, any telecommunications service offered in its territory or on a cross-border basis, on reasonable and non-discriminatory terms and conditions. This obligation shall be applied, including, inter alia, as specified in paragraphs 2 through 6.

2. Each Party shall ensure that such enterprises are permitted:

- (a) purchase or lease and connect terminals or equipment that interface with public telecommunications networks;
- (b) to provide services to individual or multiple users through owned or leased circuits;
- (c) connect owned or leased circuits with public networks and telecommunication services or with circuits owned or leased by another company, and
- (d) perform switching, routing, signaling, addressing, processing and conversion functions.

3. Each Party shall ensure that enterprises of the other Party may use public telecommunications networks and services to transmit information in its territory or across its borders, and to access information stored or contained in databases in a machine-readable form in the territory of either Party.

4. Notwithstanding paragraph 3, the other Party may take such measures as are necessary to ensure the security and confidentiality of messages, or to protect the privacy of users' personal data, provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

5. Each Party shall ensure that no conditions are imposed on access to and use of public telecommunications networks and services other than those necessary to:

- (a) safeguarding the responsibilities of providers of public telecommunications networks and services, in particular their ability to make their networks or services available to the general public; or
- (b) protect the technical integrity of public networks or telecommunications services.

6. Provided that the criteria set forth in paragraph 5 are met, the conditions for access to and use of public

telecommunications networks and services may include:

- (a) requirements to use specific technical interfaces, including interface protocols, for interconnection with such networks and services;
- (b) requirements, when necessary, for the interoperability of such networks and services;
- (c) the homologation or approval of terminal equipment or other equipment interfacing with the network and technical requirements related to the connection of such equipment to such networks, and
- (d) notification, registration and granting of authorizations or licenses, as applicable.

Article 11.4. Use of Telecommunication Networks In Emergency Situations

1. Each Party shall endeavor to adopt the necessary measures to ensure that telecommunications companies transmit, at no cost to users, the alert messages defined by its competent authority in emergency situations.
2. Each Party shall encourage telecommunications service providers to protect their networks against serious failures caused by emergency situations, in order to ensure public access to telecommunications services in such situations.
3. The Parties shall endeavor to manage, in a joint and coordinated manner, actions in the field of telecommunications in emergency situations and the planning of resilient networks to mitigate the impact of natural disasters.
4. Each Party shall adopt the necessary measures for mobile telephone service providers to grant the possibility of making calls to the free emergency numbers of that Party to international roaming users of the other Party, in accordance with its national coverage.
5. For purposes of this Article, emergency situations shall be determined by the competent authority of each Party.

Article 11.5. Interconnection between Suppliers

General Terms and Conditions of Interconnection

1. Each Party shall ensure that suppliers of telecommunications services in its territory provide interconnection to suppliers of telecommunications services of the other Party:
 - (a) at any technically feasible point in your network;
 - (b) under non-discriminatory terms, conditions (including technical standards and specifications) and rates;
 - (c) of a quality no less favorable than that provided by such telecommunications service suppliers to their own like services, to like services of non-affiliated service suppliers, or to like services of their subsidiaries or other affiliates;
 - (d) in a timely manner, on terms, conditions (including technical standards and specifications) and cost-oriented tariffs that are transparent, reasonable, taking into account economic feasibility, and sufficiently unbundled so that providers need not pay for network components or facilities that they do not require for the service to be provided. For Brazil, cost orientation is one of the options empowered by its telecommunications regulations, without prejudice to other criteria, and
 - (e) upon request, and if accepted, at points in addition to the network termination points offered to most users, subject to charges reflecting the cost of constructing the necessary additional facilities.
2. In carrying out paragraph 1, each Party shall ensure that suppliers of telecommunications services in its territory take reasonable steps to protect the confidentiality of commercially sensitive information of, or relating to, suppliers and users of telecommunications services, and only use such information to supply those services.

Interconnection Options

3. Each Party shall ensure that telecommunications service suppliers of the other Party may interconnect their facilities and equipment with those of telecommunications service suppliers in its territory, in accordance with at least one of the following options:
 - (a) a reference interconnection offer containing rates, terms and conditions that telecommunications service providers offer each other;
 - (b) the terms and conditions of an existing interconnection agreement, or

(c) the negotiation of a new interconnection agreement.

Public Availability of Interconnection Negotiation Procedures

4. Each Party shall make publicly available the procedures applicable to interconnection negotiations with suppliers of telecommunications services in its territory.

Public Availability of Rates, Terms and Conditions Necessary for Interconnection

5. Each Party shall provide the means for telecommunications service suppliers of the other Party to obtain the necessary rates, terms and conditions for interconnection offered by a telecommunications service supplier, in accordance with each Party's legal system. Such means include, at a minimum, ensuring:

(a) the public availability of rates, terms and conditions for interconnection with a telecommunications service provider established by the telecommunications regulatory body or other competent body, or

(b) the public availability of the reference interconnection offer.

Article 11.6: Shared Internet Interconnection Charges

The Parties recognize that a provider seeking international Internet interconnection should be able to negotiate with the other Party's providers on a commercial basis. Such negotiations may include negotiations on compensation for the establishment, operation and maintenance of the respective providers' facilities.

Article 11.7. Portability

Each Party shall ensure that telecommunications service suppliers in its territory provide portability in those services provided for in its domestic law, in a timely manner, and on reasonable and non-discriminatory terms and conditions.

Article 11.8. Damaged, Stolen or Lost Mobile Terminal Equipment

1. Each Party shall establish procedures that allow telecommunications service providers established in its territory to exchange and block in their networks the IMEI (International Mobile Equipment Identity) codes or other similar codes of mobile terminal equipment reported in the territory of another Party as stolen, misplaced or lost, or to implement mechanisms that inhibit or prevent the use of mobile terminal equipment with cloned or adulterated IMEIs.

2. The procedures referred to in paragraph 1 shall include the use of such databases as the Parties may agree for that purpose.

Article 11.9. Internet Traffic

The Parties shall endeavor to:

(a) to promote the interconnection within the territory of each Party of all Internet Service Providers (ISPs), through new Internet Exchange Points (Internet Exchange Points or "ITPs"), as well as to promote interconnection between the ITPs of the Parties;

(b) adopt or maintain measures to ensure that public works projects include mechanisms to facilitate the deployment of fiber optic or other telecommunications networks. For purposes of this subparagraph, the term "public works" shall be understood in accordance with the legislation of each Party;

(c) encouraging the deployment of telecommunications networks that connect users to the main centers of Internet content generation worldwide, and

(d) adopt policies that encourage the installation of Internet content generation centers and distribution networks in their respective territories.

Article 11.10. Universal Service

Each Party has the right to define the type of universal service obligations it wishes to adopt or maintain and shall administer such obligations in a transparent, non-discriminatory, and competitively neutral manner, and shall ensure that universal service obligations are no more burdensome than necessary for the type of universal service that has been defined.

Article 11.11. Network Neutrality

In order to guarantee a free and competitive market for Internet content, the Parties undertake to study mechanisms to give effect to the principle of net neutrality in their domestic legislation, so as to prevent certain content or applications from being discriminated against in favor of others.

Article 11.12. Competitive Safeguards

1. Each Party shall maintain appropriate measures with the objective of preventing suppliers, individually or jointly, from employing or continuing to employ anti-competitive practices.

2. The anticompetitive practices referred to in paragraph 1 include, in particular:

(a) employ anti-competitive cross-subsidies;

(b) using information obtained from competitors with anticompetitive results, and

(c) failure to make available in a timely manner to other suppliers of public telecommunications services, technical information on essential facilities and commercially relevant information needed by them to supply public telecommunications services.

Article 11.13. Treatment of Significant Suppliers

Each Party shall ensure that major suppliers in its territory accord to telecommunications service suppliers of the other Party treatment no less favorable than that accorded by such major suppliers, in like circumstances, to their subsidiaries, their affiliates or non-affiliated service suppliers, with respect to:

(a) the availability, supply, rates or quality of similar telecommunications services; and

(b) the availability of technical interfaces necessary for interconnection.

Article 11.14. Resale

1. Each Party, in accordance with its domestic legislation, shall ensure that major suppliers in its territory:

(a) offer for resale, at reasonable rates, to telecommunications service suppliers of the other Party, telecommunications services that such major suppliers supply at retail to end-users, and

(b) do not impose discriminatory or unjustified conditions or limitations on the resale of such services.

2. A Party may determine reasonable rates through any methodology it deems appropriate.

3. A Party may prohibit a reseller that obtains, at wholesale rates, a public telecommunications service that is available at the retail level only to a limited category of users from offering such service to a different category of user.

Article 11.15. Disaggregation of Network Elements

1. Each Party shall give its telecommunications regulatory body the authority to require that major suppliers in its territory provide to telecommunications service suppliers of the other Party access to network elements on an unbundled basis on terms, conditions and rates that are cost-oriented, reasonable, non-discriminatory and transparent. For Brazil, cost orientation is one of the options allowed by its telecommunications regulations, without prejudice to other criteria.

2. Each Party may determine the network elements required to be available in its territory and the providers that may obtain such elements, in accordance with its legal system.

Article 11.16. Supply and Pricing of Leased Circuits

1. Each Party shall ensure that major suppliers in its territory supply leased circuits to enterprises of the other Party on terms, conditions and rates that are reasonable and non-discriminatory.

2. For purposes of paragraph 1, each Party shall give its telecommunications regulatory body the authority to require major suppliers in its territory to offer leased circuits to the other Party's companies at capacity-based, cost-oriented prices. For

Brazil, cost orientation is one of the options allowed by its telecommunications regulations, without prejudice to other criteria.

Article 11.17. Co-location

1. Each Party shall ensure that major suppliers in its territory provide to telecommunications service suppliers of the other Party the physical co-location of equipment necessary to interconnect or access unbundled network elements on terms, conditions and rates that are cost-oriented, reasonable, non-discriminatory and based on generally available supply. For Brazil, cost orientation is one of the options allowed by its telecommunications regulations, without prejudice to other criteria.

2. Where physical co-location is not practicable for technical reasons or due to space limitations, each Party shall ensure that major suppliers in its territory provide an alternative solution, such as facilitating virtual co-location, on terms, conditions and cost-oriented tariffs that are reasonable, non-discriminatory and based on a generally available offer. For Brazil, cost orientation is one of the options allowed by its telecommunications regulations, without prejudice to other criteria.

3. Each Party may determine, in accordance with its legal system, the facilities subject to paragraphs 1 and 2.

Article 11.18. Access to Poles, Ducts, Pipelines and Rights-of-Way

Each Party shall ensure that major suppliers in its territory provide access to its owned or controlled poles, ducts, conduits and rights-of-way by such major suppliers to suppliers of public telecommunications services of the other Party on terms, conditions and rates that are reasonable and non-discriminatory.

Article 11.19. Independent Regulatory Bodies

1. Each Party shall ensure that its telecommunications regulatory body is independent and separate from, and not accountable to, any supplier of public telecommunications services. For these purposes, each Party shall ensure that its telecommunications regulatory body has no financial interest in, and no operational role in, any supplier of telecommunications services.

2. Each Party shall ensure that the decisions and procedures of its telecommunications regulatory body are impartial with respect to all market participants. For these purposes, each Party shall ensure that any financial interest it has in a telecommunications service supplier does not influence the decisions and procedures of its telecommunications regulatory body.

3. Neither Party shall accord to a supplier of telecommunications services treatment more favorable than that accorded to a like supplier of the other Party on the ground that the supplier receiving the more favorable treatment is owned in whole or in part by the national government of either Party.

Article 11.20. Mutual and Technical Cooperation

The regulatory agencies of the Parties shall cooperate in:

- (a) the exchange of experiences and information on telecommunications policy, regulation and standards;
- (b) the promotion of training opportunities by the competent telecommunication authorities for the development of specialized skills;
- (c) coordinating and seeking common positions, to the extent possible, in the various international organizations in which they participate, and
- (d) the exchange of information on strategies to enable access to telecommunications services in rural areas and priority attention zones established by each Party.

Article 11.21. Authorizations or Licenses

1. Where a Party requires an authorization or license, as appropriate, from a telecommunications service supplier, it shall make such authorization or license publicly available:

- (a) the criteria and procedures applicable to the granting thereof;

(b) the period of time normally required to make a decision on such a request, and

(c) the terms and conditions of any authorization it has issued.

2. Each Party shall ensure that, upon request, an applicant receives the reasons for the denial of a qualification.

Article 11.22. Allocation, Allocation and Use of Scarce Resources

1. Each Party shall administer its procedures for the allocation, assignment and use of scarce telecommunications resources including frequencies, numbers and rights-of-way in an objective, timely, transparent and non-discriminatory manner, except those related to governmental uses.

2. Each Party shall make available to the public the current status of allocated frequency bands, but shall not be required to provide detailed identification of frequencies allocated for specific governmental uses.

3. Measures of the other Party relating to spectrum allocation and assignment and frequency management do not per se constitute measures inconsistent with Article 6.5 (Market Access), which applies to cross-border trade in services under Article 11.2. Accordingly, each Party retains the right to establish and apply its spectrum and frequency management policies, which may have the effect of limiting the number of suppliers of telecommunications services, provided that this is done in a manner consistent with this Agreement. Each Party also retains the right to allocate and assign frequency bands taking into account present and future needs and spectrum availability.

4. When assigning spectrum for non-government telecommunications services, each Party shall endeavor to rely on an open and transparent public process that considers the public interest. Each Party shall endeavor to rely, in general, on market-based approaches in assigning spectrum for terrestrial non-government telecommunications services.

Article 11.23. Transparency

Each Party shall ensure that:

(a) the regulation of the telecommunications regulatory body, including the considerations for such regulation, be promptly published or made available to the public;

(b) interested persons are afforded, to the extent possible, by public notice, with adequate advance notice, the opportunity to comment on any regulation proposed by the telecommunications regulatory body;

(c) user fees are made available to the public, and

(d) measures relating to public telecommunications networks and services are made available to the public, including measures relating to:

(i) rates and other terms and conditions of service;

(ii) specifications of the technical interfaces;

(iii) the conditions for the connection of terminal equipment or any other equipment to the public telecommunications network;

(iv) notification requirements or authorizations, if any;

(v) standardization or standards affecting access and use, and

(vi) the procedures related to the resolution of telecommunication disputes referred to in Article 11.28.

Article 11.24. Quality of Service

1. Each Party shall establish measures to regulate, monitor and control the quality of telecommunications services with the indicators, parameters and procedures established by its telecommunications regulatory body.

2. Each Party shall ensure that, to the extent information is available, users have access to telecommunications service quality indicators.

3. Each Party shall provide, at the request of another Party, the methodology used for the calculation or measurement of the quality of service indicators, as well as the goals that have been defined for their compliance, in accordance with its

domestic legislation.

Article 11.25. International Roaming

1. Within one (1) year from the entry into force of this Agreement, the international roaming service between service suppliers providing mobile telephony telecommunications and mobile data transmission services under this Chapter shall be governed by the following provisions.

2. The suppliers referred to in paragraph 1 shall apply to their users who use international roaming services in the territory of the other Party, the same rates or prices that they charge for mobile services in their own country, according to the modality contracted by each user.

3. Therefore, such rates or prices shall be applied to the following cases:

(a) when a user of a provider in Brazil is in Chile and originates voice and messaging communications to Brazil or Chile and receives voice and messaging communications from Chile or Brazil;

(b) when a user of a provider in Chile is located in Brazil and originates voice and messaging communications to Chile or Brazil and receives voice and messaging communications from Chile or Brazil;

(c) when a user of a provider of one Party accesses data services (Internet access) while roaming internationally in the territory of the other Party.

4. Each Party shall adopt or maintain measures to:

(a) ensure that the information on tariffs or retail prices referred to in paragraph 2 is easily accessible to the public;

(b) minimize impediments or barriers to the use of technological alternatives to international roaming, allowing users of the other Party, visiting its territory, to access telecommunications services using the devices of their choice, and

(c) implement mechanisms whereby telecommunications service providers allow international roaming users to control their data, voice and text message (Short Message Service, or "SMS") consumption.

5. Each Party shall ensure that its providers offer international roaming users regulated by this Article the same quality of service as its domestic users.

6. The Parties shall monitor compliance with the provisions of this Article, in accordance with their domestic legislation.

7. The Undersecretariat of Telecommunications, or its successor, for the Republic of Chile and the Agência Nacional de Telecomunicações (ANATEL), or its successor, for the Federative Republic of Brazil, shall coordinate the simultaneous implementation of this Article.

Article 11.26. Flexibility In the Choice of Technologies

1. No Party may prevent telecommunications service suppliers from having the flexibility to choose the technologies they wish to use for the supply of their services, subject to the requirements necessary to satisfy legitimate public policy interests.

2. When a Party finances the development of advanced networks, it may condition its financing on the use of technologies that meet its specific public policy interests.

Article 11.27. Protection of Users of Telecommunication Services

The Parties shall guarantee the following rights to users of telecommunications services:

(a) to obtain the supply of telecommunication services in accordance with the quality parameters contracted or established by the competent authority, and

(b) in the case of persons with disabilities, to obtain information on the rights they enjoy. The Parties shall use the means available for this purpose.

Article 11.28. Telecommunication Dispute Resolution

Each Party shall ensure that:

Resources

(a) the enterprises of the other Party may have recourse to the telecommunications regulatory body or other competent body to resolve disputes relating to domestic measures relating to the matters dealt with in this Chapter;

(b) suppliers of telecommunications services of another Party that have requested interconnection from a supplier in the territory of the Party may apply to the telecommunications regulatory body or other competent body, within a specific reasonable and public time period following the supplier's request for interconnection, to resolve disputes regarding the terms, conditions and rates for interconnection with such supplier;

Reconsideration

(c) any enterprise that is aggrieved or whose interests are adversely affected by a determination or decision of the national telecommunications regulatory body may petition such body to reconsider such determination or decision. No Party shall allow such a request to be a basis for non-compliance with the determination or decision of the telecommunications regulatory body, unless a competent authority suspends such determination or decision. A Party may limit the circumstances in which reconsideration is available, in accordance with its legal system;

Judicial Review

(d) any enterprise that is aggrieved or whose interests have been adversely affected by a resolution or decision of the national telecommunications regulatory body may obtain a judicial review of such resolution or decision by an independent judicial authority. An application for judicial review shall not constitute grounds for non-compliance with such resolution or decision, unless stayed by the competent judicial body.

Article 11.29. Relationship to other Chapters

In the event of any inconsistency between this Chapter and another chapter of this Agreement, this Chapter shall prevail to the extent of the inconsistency.

Chapter 12. Public Procurement

Article 12.1. Definitions

For the purposes of this Chapter:

common goods and services means goods and services of simple and objective specification whose performance and quality standards, for example, can be defined in the bidding documents by means of the usual market specifications, which leads to less effort in the preparation of bids;

special compensatory conditions means any conditions or commitments that promote local development or improve the balance of payments accounts of a Party, such as local content requirements, technology licensing, investment requirements, compensatory trade or similar measures or requirements;

direct contracting means a method of procurement in which the procuring entity contacts directly a supplier or suppliers of its choice;

contracting entity means an entity of a Party listed in Annex I;

written or in writing means any expression in words or numbers that can be read, reproduced and subsequently communicated. It may include information transmitted and stored electronically;

technical specification means a bidding requirement that:

(a) establish the characteristics of:

(i) the goods to be acquired, including quality, performance, safety and dimensions, or the processes and methods for their production, or

(ii) services to be contracted or the processes or methods for their provision, including any applicable administrative provisions, or

(b) understands the terminology, symbols, packaging, marking and labeling requirements as they apply to the good or service, or

(c) establishes conformity assessment procedures prescribed by a contracting entity;

open bidding means a procurement method in which all interested suppliers may submit a bid;

selective bidding means a method of procurement in which only suppliers that satisfy the conditions for participation are invited by the procuring entity to submit proposals;

multiple-use list means the list of suppliers that the procuring entity has determined satisfy the conditions for participation in that list and that the procuring entity intends to use more than once;

measure means any law, regulation, guideline, administrative procedure or act, requirement or practice relating to covered procurement;

person means a natural person or a legal entity;

natural person of the other Party means a natural person who is a national of the other Party or who, under the law of the other Party, has the right of permanent residence in that other Party;

legal entity means any legal entity duly organized or otherwise organized under applicable law, whether or not for profit and whether privately or publicly owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

legal person of the other Party means a legal person that is constituted or otherwise organized under the law of the other Party and that, in the case of the supply of a service, is engaged in substantive business operations in the territory of that Party;

supplier means a person who provides or could provide goods or services to a procuring entity;

services include construction services, unless otherwise specified;

construction service means a service the purpose of which is the performance, by whatever means, of a civil engineering or construction work, on the basis of division 51 of the United Nations Provisional Central Product Classification;

Article 12.2. Scope and Coverage

Scope of Application

1. This Chapter applies to any measure adopted by the Parties relating to covered procurement.

2. For purposes of this Chapter, covered procurement is defined as the procurement of goods, services, or any combination thereof, as specified by each Party in Annex I:

(a) that is not intended for commercial sale or resale, or as an input in the production or supply of goods or services for the same purpose;

(b) The Company's financial statements are prepared in accordance with the provisions of the Mexican Securities Market Law and are presented in accordance with the provisions of the Mexican Securities Market Law and the Mexican Securities Market Law;

(c) whose value is equal to or greater than the relevant threshold value specified for each Party in Annex I;

(d) by a contracting entity listed in Annex I, and

(e) that is not otherwise excluded from the scope of this Chapter.

Exclusions

3. Except as otherwise provided, this Chapter does not apply to:

(a) the acquisition or lease of land, existing buildings or other real estate or rights to such property;

(b) non-contractual arrangements, or any form of assistance provided by a Party, including cooperation agreements, grants, loans, subsidies, equity contributions, guarantees, warranties, guarantees and tax incentives;

(c) the contracting or procurement of fiscal agency services or depository services, settlement and management services for regulated financial institutions, nor services related to the sale, redemption and distribution of public debt, including loans and bonds, notes, and other public securities. For greater certainty, this Chapter does not apply to government procurement of banking, financial or specialized services relating to public borrowing or public debt management activities;

(d) public employment contracts and related measures;

(e) procurement by a procuring entity or enterprise of a Party from another procuring entity or government enterprise of the same Party;

(f) financial services;

(g) the contracting performed:

(i) for the specific purpose of providing international assistance, including development aid;

(ii) in accordance with a particular procedure or condition of an international agreement relating to:

(A) the settlement of troops;

(B) the joint execution of a project of the signatory countries of such agreement, or

(C) in accordance with the particular procedures or conditions of an international organization, or financed by donations, loans or other forms of international assistance, when the applicable procedure or condition is incompatible with this Chapter.

Valuation

4. In calculating the value of a procurement with a view to determining whether it is a covered procurement, the procuring entity shall include the total estimated maximum value for the full term of the procurement taking into consideration:

(a) all forms of remuneration, including any bonus, fee, commission, interest or other source of income that may be established under the contract;

(b) the value of any option clause, and

(c) any contract awarded at the same time or during a given period to one or more suppliers under the same procurement.

5. If, due to the nature of the contract, its value cannot be calculated in advance in accordance with the preceding paragraph, the contracting entities shall make an estimate of such value based on objective criteria.

6. In calculating the value of a procurement, a procuring entity shall not break the procurement into separate procurements, nor shall it select or use a special valuation method to calculate the value of the procurement with the intent to exclude it in whole or in part from the application of this Chapter.

Article 12.3. General Exceptions

1. Nothing in this Chapter shall be construed to prevent a Party from taking measures or prohibit it from withholding information that it considers necessary to protect its essential security interests, such as procurement of arms, ammunition or war material, or any other procurement indispensable for national defense or security purposes.

2. Provided that they do not constitute disguised restrictions on international trade or means of arbitrary or unjustifiable discrimination between the Parties, nothing in this Chapter shall be construed to prevent a Party from adopting or applying measures:

(a) necessary to protect public morals, order or safety;

(b) necessary to protect human, animal or plant life or health, including the respective environmental measures;

(c) necessary to protect intellectual property, or

(d) related to the goods or services of handicapped persons, charitable institutions or prison labor.

Article 12.4. General Principles

National Treatment and Non-Discrimination

1. With respect to any measure relating to government procurement covered by this Chapter, each Party, including its procuring entities, shall accord, immediately and unconditionally, to goods and services of the other Party and to suppliers of the other Party offering goods or services of either Party, treatment no less favorable than the most favorable treatment that such Party accords to its own goods, services and suppliers offering such goods and services.

2. With respect to any measure relating to government procurement covered by this Chapter, no Party, including its procuring entities, may:

(a) treat a locally established supplier less favorably than another locally established supplier because of its degree of foreign affiliation or ownership, or

(b) discriminate against a locally established supplier on the basis that the goods or services offered by such supplier for procurement are goods or services of the other Party.

3. The treatment provided for in paragraphs 1 and 2 does not apply to:

(a) customs duties, including tariffs or other charges of any kind imposed on or in connection with importation; the method of collection of such duties and charges; or other import regulations, or

(b) measures affecting trade in services, other than measures specifically regulating government procurement covered by this Chapter.

Special Compensatory Conditions

4. With respect to a covered procurement, no Party, including its procuring entities, may consider, request or impose any special countervailing condition at any stage of a procurement.

Use of Electronic Media

5. The Parties shall endeavor to provide information regarding future procurement opportunities through electronic means.

6. The Parties shall, to the extent possible, encourage electronic bidding for the delivery of procurement documents and the receipt of bids.

7. In procedures carried out by electronic means, the public administration may determine, as a condition of validity and effectiveness, that suppliers execute their actions and attach all documentation, including their bids, in electronic format.

8. When covered procurement is carried out through electronic means, each Party:

(a) ensure that procurement is carried out using information technology systems and software, including those related to authentication and cryptographic encryption of information, that are accessible and interoperable with generally accessible information technology systems and software; and

(b) maintain mechanisms to ensure the security and integrity of requests for participation and bids, as well as the determination of the time of their receipt.

Public Policies

9. Nothing in this Chapter shall prevent a Party from developing new procurement policies, procedures or contractual means, provided that they are consistent with the Chapter.

Execution of the contract

10. Procuring entities shall conduct covered procurement in a transparent and impartial manner that avoids conflicts of interest and prevents corrupt practices.

Bidding Procedures

11. In tendering, procuring entities shall, as a general rule, use an open tendering procedure for covered procurement, except where Article 12.12 applies, provided that the other modalities are recognized by both Parties in accordance with their national legislation, in compliance with this Chapter.

Rules of Origin

12. For purposes of the treatment provided for in paragraphs 1 and 2, each Party shall apply to covered government procurement of goods the rules of origin that it applies in the normal course of trade in such goods. For clarity, rules of

origin that apply in the normal course of trade are understood to be non-preferential rules of origin, in accordance with Article 1.2 of the WTO Agreement on Rules of Origin.

Denial of Benefits

13. For purposes of the treatment provided for in paragraphs 1 and 2, either Party may deny benefits under this Chapter, after notification and consultations, to service suppliers of the other Party if the service supplier:

- (a) is not a person of the other Party as defined in this Chapter, or
- (b) supplies the service from or in the territory of a non-Party.

Article 12.5. Information on the Procurement System

Each Party shall:

- (a) publish, without delay, any information concerning measures of general application, which specifically regulate a procurement covered by this Chapter, and any modification of such measures, in the same manner as the original publication, in an electronic medium listed in Annex I;
- (b) provide information on judicial and administrative decisions of general application, and
- (c) provide clarifications to the other Party, when requested.

Article 12.6. Public Procurement Notices

1. For each procurement covered by this Chapter, procuring entities shall publish, in advance, a notice inviting interested suppliers to submit tenders in the procurement or, whenever appropriate, applications to participate in the procurement, except as provided in Article 12.4.

2. Each procurement notice shall include at least the following information:

- (a) the description of public procurement;
- (b) the method of procurement to be used;
- (c) any conditions that suppliers must satisfy in order to participate in the procurement, unless this information is included in the procurement documents made available to all interested suppliers at the same time as the notice of intended procurement;
- (d) the name of the contracting entity publishing the notice;
- (e) the address or point of contact where suppliers can obtain all relevant procurement documentation;
- (f) the address and final date for submission of bids;
- (g) the dates of delivery of the goods or services to be contracted or the duration of the contract, unless this information is included in the contracting documents, and
- (h) an indication that the procurement is covered by this Chapter.

3. Procuring entities shall publish procurement notices through means that provide the widest possible non-discriminatory access to interested suppliers of the Parties. Access to such notices shall be available through one of the electronic addresses specified in Annex I during the entire period established for the submission of tenders for the relevant procurement.

Notice of Hiring Plans

4. Each Party shall encourage its procuring entities to publish, in an electronic medium listed in Annex I, as early as practicable in each fiscal year, a notice regarding its future procurement plans. Such notices shall include the subject matter to be procured and the estimated period in which the procurement will be conducted.

Article 12.7. Conditions for Participation In the Bidding Process

1. When a procuring entity requires suppliers to comply with registration, qualification or any other condition for

participating in procurement proceedings, the procuring entity shall publish a notice inviting suppliers to apply. The procuring entity shall publish the notice sufficiently in advance to allow interested suppliers sufficient time to prepare and submit their applications, and for the procuring entity to evaluate and make its determinations on the basis of such applications.

2. Each procuring entity shall:

(a) limit the conditions for participation to those that are essential to ensure that the potential supplier has the legal, commercial, technical and financial capacity to comply with the requirements and technical requirements of public procurement, which will be evaluated on the basis of the supplier's overall business activities. For greater certainty, the contracting entities may require suppliers to prove strict compliance with their tax obligations;

(b) base its qualification decisions solely on the conditions for participation that it has specified in advance in the notices or bidding documents; and

(c) recognize as qualified all suppliers of the Parties that meet the conditions for participating in government procurement covered by this Chapter.

3. Procuring entities may establish publicly available standing lists of suppliers qualified to participate in procurement. Where a procuring entity requires suppliers to qualify on such a list in order to participate in procurement, and a supplier that has not yet qualified applies to be placed on the list, the Parties shall use their best efforts to ensure that the procedure for registration on the list is initiated without delay and to enable the supplier to participate in the procurement, provided that the registration procedures can be completed within the deadline for submission of tenders.

4. No procuring entity may impose as a condition for a supplier to participate in a procurement that the supplier has previously been awarded one or more contracts by a procuring entity of that Party or that the supplier has previous work experience in the territory of that Party.

5. A procuring entity shall promptly communicate to any supplier that has applied to qualify its decision as to whether the supplier is qualified. Where a procuring entity rejects an application for qualification or ceases to recognize a supplier as qualified, the procuring entity shall promptly notify any supplier that has applied to qualify of its decision as to whether the supplier is qualified.

If the procuring entity so decides, the procuring entity shall, upon request of the supplier, promptly provide the supplier with a written explanation of the reasons for its decision.

6. Nothing in this Article shall prevent a procuring entity from excluding a supplier from a procurement for reasons such as bankruptcy, liquidation or insolvency, misrepresentation in a procurement proceeding, or significant deficiencies in the performance of an obligation under a prior procurement contract.

Article 12.8. Supplier Qualification

Multiple Use List

1. Parties whose procuring entities use lists or permanent registers of qualified suppliers shall ensure that:

(a) suppliers of the other Party may apply for registration, qualification or qualification under the same conditions as domestic suppliers;

(b) all suppliers who so request are included in such lists or registers as soon as possible and without undue delay, and

(c) all suppliers included in the lists or registers are notified of the temporary suspension or cancellation of such lists or registers or of their removal from such lists or registers.

2. When inclusion in a list or registry of suppliers is required, the objective should be none other than the accreditation of suitability to contract with the State, without hindering the entry of interested parties from the other Party.

3. Registration in one of the Parties for bidders of the other Party shall be carried out through the presentation of equivalent documentation and in accordance with the national legislation of the contracting entity.

4. The Parties shall develop common qualification criteria for mutual recognition of certificates issued by their respective national supplier registries.

5. In accordance with their respective national legislation, the Parties may dispense with consular legalization of documents

in procedures relating to government procurement covered by this Chapter.

6. In accordance with their respective national legislation, the Parties may waive the requirement of a translation by a public translator in procedures relating to government procurement covered by this Chapter, when the original documents originate from such Parties.

7. The Parties may require a translation by a certified translator, when this is indispensable in the event of administrative or judicial litigation.

8. The Party that uses a list or registry of suppliers shall ensure that suppliers of the other Party have access to all information relating to the authorized registries and the requirements for access thereto, in order to participate in procurement processes. To this end, the Parties shall detail the current and necessary records used by the other Party, for access to its public procurements.

9. The Parties undertake to adapt their lists or registers of suppliers to ensure access to them by suppliers of the other Party.

Article 12.9. Technical Specifications and Documents

1. No contracting entity shall prepare, adopt or apply technical specifications or require any conformity assessment procedure with the purpose or effect of creating unnecessary obstacles to trade between the Parties.

2. In establishing the technical specifications for the goods or services to be procured, the procuring entity shall, as appropriate:

(a) specify them in terms of performance and functional requirements, rather than descriptive or design characteristics, and

(b) base them on international standards, when applicable, or otherwise on national technical regulations, recognized national standards, or building codes.

3. A procuring entity shall not prescribe technical specifications that require or refer to a trademark or trade name, patent, copyright, design or type, specific origin or producer or supplier, unless there is no sufficiently precise or intelligible way of otherwise describing the procurement requirements, and provided that expressions such as "or equivalent" are included in the procurement documentation.

4. A procuring entity shall not solicit or accept, in a manner that may have the effect of precluding competition, advice that could be used in the preparation or adoption of any technical specification for a specific procurement, from a person who may have a commercial interest in that procurement.

5. For greater certainty, this Article shall not prevent contracting entities from preparing, adopting or applying technical specifications to contribute to the conservation of natural resources or to protect the environment.

Article 12.10. Procurement Documents

1. Procuring entities shall provide suppliers with all necessary information to enable them to prepare and submit appropriate tenders.

2. Procurement documents shall include at a minimum a complete description of the following:

(a) the nature and quantity of goods or services to be contracted or, if the quantity is not known, the estimated quantity and any requirements to be met, including technical specifications, conformity assessment certificates, drawings, designs or instruction manuals;

(b) conditions for supplier participation, including information and documents to be submitted by suppliers in relation to those conditions;

(c) the evaluation criteria to be considered in the award of a contract and, unless price is the sole criterion, the relative importance of such criteria;

(d) the date, time and place of the bid opening;

(e) the date or period for the delivery of the goods or for the supply of the services or the duration of the contract, and

(f) any other terms or conditions, such as payment terms and the manner in which bids are to be submitted.

3. Where a procuring entity does not publish all procurement documents electronically, the procuring entity shall ensure that they are available to any supplier upon request.

4. Where a procuring entity during the course of a procurement modifies the criteria referred to in paragraph 2, it shall transmit such modifications in writing, in accordance with the following:

(a) to all suppliers participating in the procurement at the time of the modification of the criteria, if the identities of such suppliers are known, and otherwise in the same manner as the original information was transmitted, and

(b) with sufficient time to allow such suppliers to modify and resubmit their bids, as appropriate.

5. Procuring entities shall respond promptly to any reasonable request by any supplier for relevant information, provided that the information does not give the supplier an advantage over other suppliers.

Article 12.11. Deadlines

1. Procuring entities shall establish the time limits for the bid submission process in such a way as to give suppliers sufficient time to prepare and submit adequate bids, taking into account the nature and complexity of the procurement.

2. Procuring entities shall allow a minimum period of twenty (20) days between the date on which the notice of intended procurement is published and the final date for the submission of bids.

3. Notwithstanding the provisions of paragraph 2, procuring entities may establish a shorter period, but in no case less than ten (10) days when:

(a) the contracting of common goods or services;

(b) it is a second publication, or

(c) for reasons of urgency duly justified by the procuring entity, it is unable to comply with the minimum time limit set forth in paragraph 2.

4. A Party may provide that a procuring entity may reduce by five (5) days the deadline for submitting tenders set forth in paragraph 2 for each of the following circumstances, when:

(a) the notice of future procurement is published electronically;

(b) all procurement documents that are made available to the public by electronic means are published from the date of publication of the procurement notice, or

(c) bids may be received through electronic means by the contracting entity.

5. The application of paragraphs 3 and 4 may not result in the reduction of the time limits set forth in paragraph 2 to less than ten (10) days from the date of publication of the procurement notice.

Article 12.12. Contracting Modalities

Open Bidding

1. Procuring entities shall award contracts through open bidding procedures as a general rule, through which any interested supplier of the Parties may submit a bid.

Selective Bidding

2. Where the law of a Party permits selective tendering, procuring entities shall, for each procurement:

(a) publish a notice inviting suppliers to submit applications to participate in procurement with sufficient advance notice for interested suppliers to prepare and submit applications and for the procuring entity to evaluate and make its determination based on such applications, and

(b) permit all domestic suppliers and all suppliers of the other Party that the procuring entity has determined to be in compliance with the conditions for participation to submit a tender, unless the procuring entity has established in the notice or in the publicly available procurement documents any limitation on the number of suppliers permitted to submit tenders and the criteria for such limitation.

3. Procuring entities that maintain publicly available standing lists of qualified suppliers may select suppliers included in such lists to be invited to submit tenders. Any selection shall provide an equitable opportunity to suppliers included in such lists.

Other Procurement Procedures

4. Provided that procuring entities do not use this provision to improperly avoid competition, to protect their domestic suppliers, or to discriminate against suppliers of the other Party, procuring entities may award procurement contracts by means other than open or selective tendering procedures in any of the following circumstances:

(a) provided that the requirements of the procurement documents are not substantially modified, when:

(i) no bid has been submitted or no supplier has requested to participate;

(ii) no bid that complied with the essential requirements of the bidding documents was submitted or the bids submitted were found to be ineligible;

(iii) no supplier has complied with the conditions of participation, or

(b) when the goods or services can be supplied only by one supplier and there is no reasonable alternative, or substitute goods or service due to any of the following reasons:

(i) the contract is for the realization of a work of art;

(ii) the procurement is related to the protection of patents, copyrights or other exclusive rights, or

(iii) due to the absence of competition for technical reasons;

(c) in the case of additional deliveries of goods or services by the original supplier that are intended to be used as spare parts, extensions or continuity of service of existing equipment, software, services or existing facilities, when the change of supplier would force the procuring entity to purchase goods or services that do not meet the requirements of compatibility with existing equipment, software, services or facilities;

(d) for purchases made in a commodity market;

(e) when a procuring entity procures a prototype or an initial good or service that has been developed at its request, in the course of, and for, a particular contract for research, experimentation, study or original development. When such contracts have been fulfilled, subsequent procurements of such goods or services shall be awarded through open or selective bidding procedures;

(f) when, in the case of public works, additional construction services are required in addition to those originally contracted, which respond to unforeseen circumstances and are strictly necessary for the fulfillment of the

objectives of the contract that originated them. However, the total value of contracts awarded for such additional construction services may not exceed 50% of the amount of the main contract;

(g) in the case of a contract for works, services or supplies corresponding to the performance or termination of a contract that should have been terminated or terminated in advance due to lack of performance by the contracting party or other causes;

(h) to the extent strictly necessary, when for reasons of extreme urgency or due to events unforeseen by the procuring entity, and only for goods required to meet the urgent situation and portions of works and services that can be completed within a period of time that justifies the urgency, the goods or services cannot be obtained in time through open or, as appropriate, selective bidding, and the use of such procedures could result in serious prejudice to the procuring entity;

(i) when the contract is awarded to the winner of a design competition, provided that:

(i) the competition has been organized in a manner that is consistent with the principles of this Chapter, in particular with respect to the publication of the notice of the procurement, and

(ii) the participants are graded or evaluated by independent juries or bodies;

(j) when any procuring entity needs to contract for consulting services involving matters of a confidential nature, the disclosure of which could reasonably be expected to compromise confidential government information, cause economic instability or otherwise be contrary to the public interest, or

(k) in contracts with professionals or entities considered, in their field of action, of notorious specialization, derived from the security and confidence derived from previous performance, studies, experience, publications, organization, equipment, technical personnel or other requirements related to their activities, which allow inferring that their work is essentially and indisputably the most adequate for the full satisfaction of the contract, provided that it is reasonably estimated that there are no other suppliers that provide such security and confidence.

5. Procuring entities shall prepare written reports, maintain records or issue administrative acts, all of a public nature, for each procurement contract awarded in accordance with paragraph 4. Such reports, records or administrative acts shall include the name of the procuring entity, the value and nature of the goods or services procured and an indication of the circumstances and conditions justifying the use of procedures other than open or selective tendering.

Article 12.13. Treatment of Bids and Award of Contracts

1. Procuring entities shall receive and open all bids under procedures that ensure equality and fairness among the Parties' suppliers in the procurement process.

The bidders shall be given confidential treatment, at least until the opening of the bids.

2. The contracting entities may, in accordance with their national legislation, declare deserted or reject all bids when appropriate and well-founded.

3. Procuring entities shall require that bids, in order to be considered for award, must:

(a) comply with the requirements of the bidding documents, and

(b) be submitted by a supplier that has satisfied the conditions for participation, which the procuring entity has provided to all participating suppliers.

4. Unless a procuring entity determines that awarding a procurement contract is against the public interest, it shall award the contract to the supplier that the procuring entity has determined to be fully capable of performing the contract and whose bid has been determined to be the most advantageous in terms of the requirements and evaluation criteria set forth in the bidding documents.

5. Procuring entities may not cancel a procurement procedure, nor terminate or modify awarded contracts, for the purpose of evading the obligations of this Chapter.

Article 12.14. Transparency of Procurement Information

1. The Parties shall ensure that their procuring entities provide effective disclosure of the results of public procurement processes.

2. Procuring entities shall make available to all suppliers all information relating to the procurement procedure and, in particular, the grounds for the award and the characteristics relating to the successful bid.

3. After awarding a contract covered by this Chapter, a procuring entity shall promptly publish at least the following information about the award:

(a) the name of the contracting entity;

(b) the description of the goods or services contracted;

(c) the date of the award;

(d) the name of the winning supplier, and

(e) the value of the awarded contract.

4. Procuring entities shall publish this information in the national official journal or other national official publication easily accessible to suppliers and the other Party. The Parties shall endeavor to make this information available to the public through electronic means.

5. Upon request, procuring entities shall provide suppliers whose bid was not selected for award with the reasons for not selecting their bid.

6. Procuring entities may withhold information on the award of the contract in accordance with the national legislation of

the respective procuring entity.

Article 12.15. Disclosure of Information

1. Upon request, a Party shall promptly provide any information necessary to determine whether a procurement was conducted fairly, impartially and in accordance with the rules of this Chapter, including information on the characteristics and relative advantages of the favored supplier. In cases where disclosure of the information may prejudice competition in ongoing or future tenders, the Party receiving the information shall not disclose it to any supplier, except with the consent of the other Party.
2. Except as otherwise provided in this Chapter, a Party, including its procuring entities, shall not provide any particular information to any supplier that may prejudice competition between suppliers.
3. Nothing in this Chapter shall be construed to require a Party to disseminate confidential information whose disclosure:
 - (a) prevent compliance with the law;
 - (b) competition among suppliers;
 - (c) prejudice the legitimate commercial interests of private persons, including the protection of intellectual property, or
 - (d) is contrary to the public interest.

Article 12.16. Internal Review Procedures

1. Each Party shall have a timely, effective, transparent and non-discriminatory administrative or judicial review procedure, in accordance with the principle of due process, through which a supplier may submit challenges related to a covered procurement in which the supplier has an interest, alleging a breach of this Chapter.
2. Each Party shall have at least one impartial administrative or judicial authority, independent of its contracting entities, to receive and review the challenges referred to in paragraph 1, and to make appropriate findings and recommendations.
3. Each Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority independent of the procuring entity that is the subject of the challenge when a supplier's challenge is initially reviewed by an authority other than those referred to in paragraph 2.
4. Each Party shall provide that the authority established or designated in accordance with paragraph 2 shall have the authority to take, without delay, provisional measures to preserve the opportunity for the supplier to participate in the procurement and to ensure that the Party complies with this Chapter. Such measures may have the effect of suspending the procurement proceedings.
5. Without prejudice to other challenge procedures provided or developed by each Party, each Party shall ensure that the authority established or designated pursuant to paragraph 2 provides at least the following:
 - (a) a sufficient time period for the supplier to prepare and submit written challenges, which in no case shall be less than ten (10) days from the time the act or omission giving rise to the challenge became known to the supplier or reasonably should have become known to the supplier, and
 - (b) the delivery, without delay and in writing, of the decisions related to the challenge, with an explanation of the grounds for each decision.

Article 12.17. Modifications and Rectifications of Coverage

1. Where a Party modifies its coverage of government procurement in accordance with this Chapter, that Party:
 - (a) notify the other Party in writing, and
 - (b) shall include in the notification a proposal for appropriate compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification.
2. Notwithstanding paragraph 1(b), a Party need not grant compensatory adjustments where:
 - (a) the modification in question is a minor modification or a rectification of a purely formal nature, or

(b) the proposed amendment covers a contracting entity over which the Party has effectively eliminated its control or influence.

3. If the other Party does not agree that:

(a) the adjustment proposed in paragraph 1(b) is adequate to maintain a level comparable to the mutually agreed coverage;

(b) the proposed amendment is a minor amendment or a correction pursuant to paragraph 2(a), or

(c) the proposed amendment covers a contracting entity over which the Party has effectively eliminated its control or influence in accordance with paragraph 2(b);

4 The other Party shall object in writing within thirty (30) days from the date of receipt of the notification referred to in paragraph 1, failing which it shall be deemed to have 4 objected.

reached agreement on the proposed adjustment or modification, including for purposes of the dispute settlement mechanism of Chapter 22 (Dispute Settlement).

5. When the Parties reach agreement on the proposed modification, rectification or amendment, including when a Party has not objected within thirty (30) days pursuant to paragraph 4, the Parties shall amend Annex I accordingly.

Article 12.18. Participation of MSMEs

1. The Parties recognize the important contribution that MSMEs can make to economic growth and employment, and the importance of facilitating their participation in public procurement.

2. The Parties also recognize the importance of business alliances between suppliers of the Parties and in particular MSMEs, including joint participation in procurement procedures.

3. Where a Party maintains measures offering preferential treatment for its MSMEs, it shall ensure that such measures, including eligibility criteria, are objective and transparent.

4. The Parties may:

(a) provide information regarding their measures used to assist, promote, encourage or facilitate the participation of MSMEs in public procurement, and

(b) cooperate in the development of mechanisms to provide information to MSMEs on the means to participate in public procurement covered by this Chapter.

5. To facilitate the participation of MSMEs in covered procurement, each Party shall, to the extent possible:

(a) provide information related to public procurement, including definition of MSMEs in an electronic portal;

(b) ensure that procurement documents are available free of charge;

(c) identify MSMEs interested in becoming business partners of other enterprises in the territory of the other Party;

(d) develop databases on MSMEs in its territory for use by contracting entities of the other Party; and

(e) carry out other activities aimed at facilitating the participation of MSMEs in public procurements covered by this Chapter.

Article 12.19. Cooperation

1. The Parties recognize the importance of cooperation as a way to achieve better understanding of their respective government procurement systems, as well as better access to their respective markets, particularly for micro, small and medium-sized suppliers.

2. The Parties shall make their best efforts to cooperate on issues such as:

(a) the exchange of experiences and information, such as regulatory frameworks, best practices and statistics;

(b) the development and use of electronic means of information in public procurement systems;

(c) training and technical assistance to suppliers on access to the public procurement market, and

(d) institutional strengthening for the implementation of the provisions of this Chapter, including the training or education of public officials.

Article 12.20. Joint Committee on Procurement

1. The Parties hereby establish the Joint Committee on Government Procurement (hereinafter referred to as the "Joint Committee"), composed of:

(a) in the case of Brazil, by the Secretary of International Affairs of the Ministry of Planning, Development and Management, or his successor, or the person designated by him, and by the Director of the Department of Regional Economic Integration of the Ministry of Foreign Affairs, or his successor, or the person designated by him, and

(b) in the case of Chile, by the Director General of International Economic Relations, or by his successor, or by the person designated by him.

2. The Joint Committee, without prejudice to Article 21.2 (Functions of the Commission):

(a) shall ensure compliance with and correct application of the provisions of this Chapter;

(b) supervise the implementation of this Chapter and evaluate the results achieved in its application, in aspects such as:

(i) the exchange of statistics and other information to assist the Parties in monitoring the implementation and operation of this Chapter;

(ii) the use of the opportunities offered by increased access to public procurement and recommend appropriate activities to the Parties; and

(iii) the efforts of the Parties to increase understanding of their respective government procurement systems, with a view to increasing to the maximum extent possible the use of their respective procurement systems.

access to government procurement opportunities for small business suppliers. To this end, either Party may request from the other Party technical assistance, including training of interested government employees or suppliers in specific elements of each Party's government procurement system.

(c) shall meet, at the request of a Party, to consider proposed measures that it considers may affect compliance with this Chapter or cause nullification or impairment within a period of no more than twenty (20) days from the date of the request, with a view to clarifying the matter. The requesting Party shall deliver the request in writing and shall state the reasons for the request, including identification of the measure at issue and an identification of the legal and factual basis for the request that will permit a proper assessment of the matter;

(d) shall conduct the technical consultations referred to in Article 12.21;

(e) evaluate and follow up on the cooperative activities carried out by the Parties in accordance with this Chapter;

(f) shall consider additional negotiations for the purpose of expanding the coverage of this Chapter at the request of either Party;

(g) monitor the further development of this Chapter; and

(h) consider any matter that may affect the operation of this Chapter.

3. The Joint Committee may:

(a) seek the advice of non-governmental individuals or groups, and

(b) if agreed by the Parties, take any other action in the exercise of its functions.

4. The Joint Committee may establish its own rules of procedure.

5. Communications between the Parties regarding this Chapter shall be carried out through the following focal points:

(a) in the case of Brazil, the Department of Regional Economic Integration of the Ministry of External Relations and the Secretariat of International Affairs of the Ministry of Planning, Development and Management or their successors, and

(b) in the case of Chile, the Directorate of Bilateral Economic Affairs of the Directorate General of International Economic Relations, or its successor.

6. Any changes in the focal points will be communicated through diplomatic channels.

7. The Joint Committee shall meet at least once during the first year of this Agreement and thereafter at the request of either Party at any time, unless the Parties agree otherwise. Sessions of the Joint Committee may be held in person if the Parties so agree in the territory of one of the Parties, or by use of any

technological means agreed upon by the Parties. The sessions of the Joint Committee shall be chaired alternately by each Party.

Article 12.21. Technical Consultation

1. The Joint Committee shall conduct technical consultations received from the other Party on the application or interpretation of this Chapter. For these purposes, it shall meet as provided in Article 12.20.7.

2. The requesting Party shall state in its request the reasons for the consultation, and identify the subject matter of the consultation.

3. The Joint Committee shall meet within thirty (30) days of receipt of the request for consultations, or such other period as the Parties may agree.

4. The technical consultations shall be confidential. The Parties shall provide sufficient information to allow a complete analysis of the subject matter of the consultation, and shall make every effort to ensure that, at the request of one of them, specialized personnel with competence in the subject matter participate in the technical consultations.

Article 12.22. Future Negotiations

At the request of either Party, the Parties shall enter into negotiations with a view to extending the coverage of this Chapter on a reciprocal basis, where the other Party grants suppliers of a non-Party, through an international treaty to be concluded after the entry into force of this Agreement, greater access to its government procurement market than that granted to suppliers of the other Party pursuant to this Chapter.

Chapter 13. Competition Policy

Article 13.1. Definitions

For the purposes of this Chapter:

enforcement proceedings means judicial or administrative proceedings following an investigation into an alleged violation of competition laws, and

competition advocacy means those actions, other than competition law enforcement actions, undertaken by the competition authority or authorities, to promote competition as defined under the Party's competition laws.

Article 13.2. Objectives

Recognizing that anti-competitive business practices have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalization, the Parties shall seek to adopt appropriate measures to prohibit such conduct, implement policies promoting competition and cooperate on matters covered by this Chapter to help secure the benefits of this Agreement.

Article 13.3. Competition Law and Authorities and Anticompetitive Business Practices

1. Each Party shall adopt or maintain competition laws that prohibit anticompetitive business practices, with the objective of fostering competition to promote economic efficiency and consumer welfare, and shall take appropriate action with respect to such practices.

2. Each Party shall ensure that the measures it adopts or maintains to prohibit anticompetitive business practices, and the enforcement actions it takes pursuant to those measures, are consistent with the principles of transparency, non-discrimination and due process.

3. Each Party shall endeavor to apply its competition laws to all commercial activities in its territory. This does not preclude a

Party from applying its competition laws to commercial activities outside its borders that have anticompetitive effects within its jurisdiction.

4. Each Party may provide for certain exemptions and exclusions from the application of its competition laws, provided that such exemptions and exclusions are transparent and based on public policy or public interest grounds.

5. Each Party shall maintain an authority or authorities responsible for the enforcement or promotion of its competition laws (hereinafter referred to as "competition authorities").

6. Each Party shall ensure that its competition authority or authorities apply or promote its competition laws in accordance with the objectives set out in this Chapter, and shall not discriminate on the basis of nationality.

7. Each Party shall ensure the independence in decision-making of its competition authority or authorities in relation to the application of its competition laws.

Article 13.4. Procedural Fairness In the Application of the Competition Law

1. Each Party shall adopt or maintain written procedures pursuant to which investigations relating to its competition laws shall be conducted. If such investigations are not time-bound, the competition authorities of each Party shall endeavor to conduct their investigations within a reasonable period of time.

2. Each Party shall ensure that, before imposing a sanction or remedial measures against a person for violating its competition laws, that person is given information about the competition concerns of the competition authority, including identification of the alleged violations of specific competition laws and the associated potential maximum sanctions, if not publicly available, and a reasonable opportunity to be represented by counsel.

3. Each Party shall ensure that, before imposing a sanction or remedial measures against a person for violating its competition laws, the person is given a reasonable opportunity to be heard and to present evidence, except that provision may be made for the person to be heard and to present evidence within a reasonable time after an interim sanction or remedial measure is imposed.

4. Each Party shall provide a person who is subject to the imposition of a sanction or remedial measure for violation of its competition laws with an opportunity to seek review of the sanction or remedial measure in a court or other independent tribunal established under that Party's legal system.

5. Each Party shall adopt or maintain rules of procedure and evidence that apply to enforcement proceedings regarding alleged violations of its competition laws and the determination of penalties and remedies thereunder. These rules shall include procedures for the presentation of evidence, including expert evidence if applicable, and shall apply equally to all persons in the proceeding.

6. If a Party's competition authority alleges a violation of its competition laws, that authority shall be responsible for establishing the legal and factual basis for the alleged violation in an enforcement proceeding. Nothing in this paragraph shall preclude a Party from requiring that a person against whom the allegation is made be responsible for establishing certain elements in defense of the allegation.

7. Each Party shall provide for the protection of confidential information obtained by its competition authorities during the investigation process. If a Party's competition authority uses or intends to use such information in an enforcement proceeding, that Party shall, if permissible under its legal system and as appropriate, allow the person subject to investigation timely access to the information necessary to prepare an adequate defense to the competition authority's allegations.

8. Each Party shall ensure that its competition authorities afford the person under investigation for the alleged violation of its competition laws a reasonable opportunity to consult with such competition authorities on legal, factual or procedural matters arising in the course of the investigation.

Article 13.5. Cooperation

1. The Parties recognize the importance of cooperation and coordination between their respective competition authorities to promote the effective enforcement of competition laws and the promotion of competition between the Parties.

2. The Parties agree to cooperate, as appropriate, on competition policy strategies, including through exchanges of joint actions.

3. The Parties agree to cooperate in a manner consistent with their respective legal systems and interests, including through consultation and exchange of information and in consideration of available resources.
4. The competition authorities of a Party may consider entering into a cooperation arrangement or agreement with the competition authorities of the other Party that sets forth mutually agreed terms of cooperation.

Article 13.6. Technical Cooperation

Recognizing that the Parties can benefit from sharing their diverse experiences in developing, promoting, implementing and enforcing competition law, the Parties will consider carrying out mutually agreed technical cooperation activities, subject to available resources.

Article 13.7. Transparency

1. The Parties recognise the value of developing their implementation policies in the field of competition and promotion of competition in a transparent manner.
2. Each Party shall ensure that its competition laws and public guidelines are publicly available, including on an official website. This excludes operating procedures unless disclosure is required by the Parties' legal systems.
3. At the request of a Party, the other Party shall make available to it the public information related to:
 - (a) Its policies and actions to promote competition;
 - (b) Its policies and practices for the enforcement of its competition laws; and
 - (c) Exemptions and exclusions from its competition laws, provided that the application specify the particular good or service and the market concerned and include information explaining how the exemption or exclusion may impede the trade or investment between the Parties.
4. Each Party shall ensure that the final determination of a violation of its competition law is made available in writing and provides, in non-criminal matters, for the determinations of fact and reasoning, including legal analysis and, if applicable, the economic, on which the decision is based.
5. Each Party shall further ensure that the final decision referred to in paragraph 4 and any order implementing that decision is publicly available, or if publication is not practicable, otherwise available to the public, in a manner that enables interested persons and the other Party to become acquainted with it. Each Party shall ensure that the published or publicly available version of the decision or order does not contain confidential information in a manner consistent with its respective legal system.

Article 13.8. Consultations

For the purpose of promoting understanding between the Parties, or addressing specific issues arising under this Chapter, consultations shall be held at the request of a Party. Such request shall indicate, if relevant, how the matter affects trade or investment between the Parties. The Party to which the request is addressed shall consider with understanding the concerns of the Party applicant.

Article 13.9. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 14. MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES AND ENTREPRENEURS

Article 14.1. General Principles

1. The Parties recognize that micro, small and medium-sized enterprises (hereinafter referred to as "MSMEs"), which include micro, small and medium-sized enterprises and entrepreneurs, contribute significantly to trade, economic growth, employment and innovation. The Parties shall endeavor to support the growth and development of MSMEs by enhancing their ability to participate in and benefit from the opportunities created by this Agreement.

2. The Parties recognize that non-tariff barriers represent a disproportionate burden on MSMEs. They also recognize that, in addition to the provisions of this Chapter, there are other provisions in the Agreement that seek to enhance cooperation between the Parties on matters related to MSMEs or that may otherwise be particularly beneficial to MSMEs.

Article 14.2. Exchange of Information

1. Each Party shall establish or maintain its own publicly accessible website containing information with respect to this Agreement, including:

- (a) the text of this Agreement, and its relationship with ACE N° 35;
- (b) a summary of this Agreement, and
- (c) information for MSMEs, containing:
 - (i) a description of the provisions of this Agreement that the Party considers relevant to MSMEs, and
 - (ii) any additional information that the Party considers useful for MSMEs interested in benefiting from the opportunities granted by this Agreement.

2. Each Party shall include, on the site referred to in paragraph 1, links to:

- (a) the equivalent websites of the other Party, and
- (b) the websites of its government agencies and other appropriate entities that provide information that the Party considers useful to any person interested in trading, investing or doing business in the territory of that Party.

3. The information described in paragraph 2(b) may include:

- (a) the rates of duties and taxes of any kind levied on or in connection with imports or exports, with special emphasis on the situation of MSMEs;
- (b) import, export and transit procedures, including procedures at ports, airports and other points of entry, and the forms and documents required, highlighting special benefits and obligations for MSMEs, where they exist;
- (c) the procedures and regulations applicable in the area of certification of origin, including digital certification, certification of multiple transactions and exceptions in certain circumstances;
- (d) regulations and procedures on intellectual property rights;
- (e) technical regulations, standards, and sanitary and phytosanitary measures related to import and export;
- (f) procurement, transparency and publication rules, as well as other relevant provisions contained in Chapter 12 (Procurement);
- (g) procedures for business registration, with emphasis on eventual differences in relation to MSMEs, and
- (h) any additional information that the Parties deem relevant.

4. Each Party shall regularly review the information and links on the website referred to in paragraphs 1 and 2 to ensure that such information and links are correct and up to date.

5. Each Party shall ensure that the information contained in this Article is presented in a clear and practical manner, with a focus on facilitating access and use by MSMEs. Whenever possible, each Party shall seek to provide the information referred to in this Article in Spanish and Portuguese.

6. No fee shall be charged for access to information provided pursuant to paragraphs 1 and 2.

Article 14.3. MSMEs Committee

1. The Parties establish a Committee on MSMEs (hereinafter referred to as the "Committee"), composed of government representatives of each Party. The Committee shall be composed of:

- (a) in the case of Brazil, by the Ministry of Industry, Foreign Trade and Services, through its Department of Support for Micro and Small Businesses and by the Ministry of Foreign Affairs, through its Investment Division, or its successors, and

(b) in the case of Chile, by the Ministry of Economy, Development and Tourism, through its Small Business Division, or its successor.

2. The Committee:

(a) identify ways to assist MSMEs of the Parties to take advantage of trade opportunities under this Agreement;

(b) exchange and discuss each Party's experiences and best practices in supporting and assisting exporting MSMEs with respect to, among other things, training programs, trade education, trade finance, identification of trading partners in other Parties, and the establishment of good business references;

(c) recommend additional information that a Party may include on the website referred to in Article 2;

(d) review and coordinate the work program of the Committee with other committees, working groups and any subsidiary bodies established under this Agreement, as well as those of other relevant international organizations, in order not to duplicate those work programs and to identify appropriate opportunities for cooperation to enhance the ability of MSMEs to engage in the trade and investment opportunities provided by this Agreement;

(e) collaborate with and encourage other committees, subcommittees, working groups and any other bodies established under this Agreement to integrate MSME-related commitments and activities into their work;

(f) exchange information to assist in monitoring the implementation of this Agreement as it relates to MSMEs;

(g) review the implementation and operation of this Chapter;

(h) report results and make recommendations to the Administrative Commission that can be included in future assistance programs and MSME programs, as appropriate;

(i) will discuss current issues related to MSMEs, and

(j) consider any other matters relating to MSMEs that the Committee may decide, including any issues raised by MSMEs regarding their ability to benefit from this Agreement.

3. The Committee may meet, when necessary, in person or by any other available technological means.

4. The Committee may, where appropriate, seek to collaborate with appropriate experts and international donor organizations to carry out its programs and activities.

Article 14.4. Consultations

The Parties shall make every effort to reach, through dialogue, consultation and cooperation, an understanding on any matter that may arise regarding the interpretation and application of this Chapter.

Article 14.5. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 15. REGIONAL AND GLOBAL VALUE CHAINS

Article 15.1. General Provisions

1. The Parties recognize the importance of deepening integration in trade in goods, services and investment through the incorporation of new trade disciplines that recognize the current dynamics in international trade, such as regional and global value chains, with a view to modernizing and expanding the bilateral economic relationship between the Parties.

2. The Parties reaffirm their commitment to regional integration and recognize the importance of the benefits of trade integration being felt by the citizens of both Parties.

3. The Parties recognize that international trade and investment are drivers of economic growth, and that the internationalization of companies and their insertion into regional and global value chains should be facilitated.

4. The Parties stress the importance of micro, small and medium-sized enterprises (hereinafter referred to as "MSMEs"), which include micro, small and medium-sized enterprises and entrepreneurs, in the productive structure of the countries

and their impact on employment, and that their proper integration into regional and global value chains contributes to a better allocation of resources and economic benefits derived from international trade, including the diversification and increase in the value added of exports.

5. The Parties underscore the importance of the participation of the private sector as a key player in regional and global value chains and their governance, and the importance of generating an enabling environment for public-private policies.

6. The Parties recognize the importance for the development of regional and global value chains of aspects such as: a better understanding of cumulation of origin, connectivity, e-commerce, digitalization and Industry 4.0, as catalysts for greater cross-border productive integration.

7. The Parties recognize the importance of the services sector, especially services associated with regional and global value chains, in trade integration.

8. Each Party shall seek to promote internally public awareness of its laws, regulations, policies and practices in matters of regional integration and regional and global value chains.

Article 15.2. International Agreements and Regional Integration Initiatives

1. The Parties reiterate their commitments regarding regional integration and economic cooperation established in ACE N° 35.

2. The Parties ratify the provisions of the WTO Trade Facilitation Agreement.

3. The Parties recognize the provisions of the 2015 Agreement on Bioceanic Corridors.

4. Each Party reaffirms its commitment to implement the obligations contained in other international agreements and initiatives to which it is a party that relate to regional integration and regional and global value chains.

Article 15.3. Cooperative Activities

1. The Parties recognize the benefit of sharing their respective experiences in designing, implementing, strengthening and monitoring policies and programs to encourage the participation of enterprises, especially MSMEs, in regional and global value chains.

2. The Parties shall undertake cooperative activities of mutual interest designed to take better advantage of the complementarities of their economies and to expand the capacity and conditions for enterprises, especially MSMEs, to access and benefit from the opportunities created by this Agreement.

3. Cooperative activities shall be carried out on issues and topics agreed upon by the Parties through interaction with their respective governmental institutions, businesses, educational and research institutions, other non-governmental organizations and their representatives, as appropriate.

4. The Parties shall take into account in cooperation activities, where appropriate, inclusive trade, the participation of women in regional and global value chains, sustainable development and corporate social responsibility.

5. Areas of cooperation may include:

(a) develop programs to identify the attributes that MSMEs and local productive arrangements need to develop in order to insert themselves into regional and global value chains;

(b) to promote the incorporation of MSMEs into the value chains led by trans-Latin multinational companies operating in the region, through joint work with such companies, taking into account the link between investment and the development of supply chains;

(c) develop public-private strategies for detecting opportunities, for example, economic sectors and local productive arrangements with potential for insertion into value chains and the development of productive linkages;

(d) propose joint strategies to analyze and promote the insertion of companies in regional and global service chains, with special emphasis on services associated with regional and global value chains;

(e) to study actions in conjunction with the corresponding government agencies to support the digital trade of goods and services, improve connectivity and promote the formation of regional and global value chains;

- (f) promote greater access to information on the opportunities offered by regional and global value chains for MSMEs;
- (g) sharing methods and procedures for the collection of information, the use of indicators, and the analysis of trade statistics, and
- (h) other matters to be agreed upon by the Parties.

6. The Parties may carry out cooperative activities in the areas indicated in paragraph 5 through:

- (a) workshops, seminars, dialogues and other forums to exchange knowledge, experiences and best practices;
- (b) the creation of a network of experts in regional and global value chains;
- (c) internships, visits and research studies to document and study policies and practices;
- (d) collaborative research and development of best practices on issues of mutual interest;
- (e) specific exchanges of technical expertise and technical assistance, where appropriate, and
- (f) other activities agreed upon by the Parties.

7. Priorities in cooperative activities shall be decided by the Parties based on their interests and available resources.

Article 15.4. Regional and Global Value Chain Committee

1. The Parties establish the Committee on Regional and Global Value Chains (hereinafter referred to as the "Committee") composed of representatives of government institutions responsible for regional and global value chains.

2. The Committee:

- (a) determine, organize and facilitate the cooperative activities referred to in Article 15.3;
- (b) make recommendations to the Administrative Commission on any matter related to this Chapter;
- (c) facilitate the exchange of information on the experiences of each Party with respect to the establishment and implementation of policies, strategies and programs to promote the insertion of companies in regional and global value chains to achieve the greatest possible benefit under this Agreement;
- (d) facilitate the exchange of information on experiences and lessons learned by the Parties through cooperative activities carried out under Article 15.3;
- (e) discuss joint proposals to support policies for the insertion of the Parties in regional and global value chains;
- (f) invite private sector entities, international economic forums, non-governmental organizations or other relevant institutions, as appropriate, to assist with the development and implementation of cooperative activities;
- (g) consider matters related to the implementation and operation of this Chapter;
- (h) upon request of a Party, consider and discuss any matter that may arise regarding the interpretation and application of this Chapter; and
- (i) perform such other work as may be determined by the Parties.

3. The Committee shall meet annually unless otherwise agreed by the Parties, in person or by any other available technological means, to consider any matter arising under this Chapter.

4. The Committee and the Parties may exchange information and coordinate activities by e-mail, videoconference and other forms of communication.

5. In carrying out its responsibilities, the Committee may work with other committees, working groups and subsidiary bodies established under this Agreement.

6. The Parties may decide to invite experts or relevant organizations to the Committee meetings to provide information.

7. Within two (2) years of the first meeting of the Committee, the Committee shall review the implementation of this Chapter and shall report to the Administrative Commission.

8. Each Party shall make use of its existing mechanisms and, if appropriate, develop other mechanisms to publicly report activities carried out under this Chapter.

Article 15.5. Points of Contact

To facilitate communication between the Parties on the implementation of this Chapter, each Party designates the following Contact Point and shall promptly notify the other Party if there is any change in the contact point indicated below:

(a) in the case of Brazil, the Department of Regional Economic Integration of the Ministry of Foreign Affairs, or its successor, and

(b) in the case of Chile, the Directorate of Bilateral Economic Affairs of the Directorate General of International Economic Relations, or its successor.

Article 15.6. Dialogue on Regional and Global Value Chains

The Parties shall make every effort, through dialogue, consultation and cooperation, to reach an understanding on any matter arising in connection with the interpretation and application of this Chapter.

Article 15.7. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 16. Trade and Labour Issues

Article 16.1. Definitions

For the purposes of this Chapter:

ILO Declaration means the 1998 International Labour Organization (hereinafter referred to as "ILO") Declaration on Fundamental Principles and Rights at Work and its Follow-up;

Labour law means the laws and regulations, or provisions of laws and regulations, of a Party that are directly related to the following internationally recognized labour rights

- (a) Freedom of association and the effective recognition of the right to bargain collective;
- (b) The elimination of all forms of forced or compulsory labour;
- (c) The effective abolition of child labour and, for the purposes of this Agreement, the prohibition of the worst forms of child labour;
- (d) The elimination of discrimination in respect of employment and occupation; and
- (e) Acceptable working conditions in respect of minimum wages, working hours, health and safety at work.

Article 16.2. Objectives

The objectives of this Chapter are:

- (a) through dialogue and cooperation, strengthen the broader relationship between the Parties and facilitate the improvement of their capacities to deal with labor issues;
- (b) progressively strengthen the welfare of the Parties' workforces through the promotion of sound labor policies and practices based on decent work and a better understanding of each Party's labor system;
- (c) provide a forum to discuss and exchange views on labor issues of interest or concern to the Parties;
- (d) promote the observance, dissemination and effective application of the national legislation of the Parties;
- (e) develop information exchange and labor cooperation activities on mutually beneficial terms, and

(f) promote the participation of social actors in the development of public agendas through social dialogue.

Article 16.3. Shared Commitments

1. The Parties reaffirm their obligations as members of the ILO and their commitments under the ILO Declaration.
2. Recognizing the right of each Party to establish its own labor standards and, consequently, to adopt or amend its labor legislation, each Party shall endeavor to ensure that its laws establish labor standards consistent with internationally recognized labor rights.
3. The Parties shall promote the implementation of the 2011 United Nations Guiding Principles on Business and Human Rights.
4. The Parties recognize that it is inappropriate to establish or use their laws, regulations, policies and labor practices for protectionist trade purposes.
5. The Parties recognize that non-discrimination and gender equity are fundamental considerations in promoting inclusive and sustainable economic growth and in generating more employment opportunities, income and prospects for all citizens. Likewise, the Parties shall make efforts to adopt policies that remove systemic obstacles to the full participation of women and vulnerable groups in the labor market.

Article 16.4. Labor Rights

1. Each Party shall respect the sovereign right of the other Party to establish its own national policies and priorities and to establish, administer and control its labor laws and regulations.
2. Each Party shall adopt and maintain in its laws and regulations, as well as in the practices deriving therefrom, the following rights as set forth in the ILO Declaration:
 - (a) freedom of association and the effective recognition of the right to collective bargaining;
 - (b) the elimination of all forms of forced or compulsory labor;
 - (c) the effective abolition of child labor, and
 - (d) elimination of discrimination in respect of employment and occupation.
3. In addition, each Party shall adopt and maintain laws, regulations, as well as practices derived therefrom, regulating working conditions with respect to minimum wages, hours of work, and occupational safety and health.

Article 16.5. Non-derogation

The Parties recognize that it is inappropriate to promote trade or investment by weakening or reducing the protection afforded by each Party's labor laws or by refraining from monitoring its labor laws. Accordingly, no Party may derogate from, or otherwise derogate from, or offer to derogate from, or otherwise derogate from, its labor laws or regulations implementing Article 16.4 if to do so would conflict with, weaken, or reduce adherence to a right set out in Article 16.4.2 or a condition of employment referred to in Article 16.4.3 in a manner that affects trade or investment between the Parties.

Article 16.6. Enforcement of Labor Laws

1. No Party shall fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner that affects trade or investment between the Parties after the date of entry into force of this Agreement.
2. Each Party retains the right to exercise reasonable discretion in enforcement and to make good faith decisions on the allocation of resources for labor enforcement activities relating to the core labor rights and acceptable working conditions listed in Article 16.4, provided that the exercise of that discretion and those decisions are not inconsistent with its obligations under this Chapter.
3. Nothing in this Chapter shall be construed to empower authorities of one Party to carry out labour law enforcement activities in the territory of the other Party.

Article 16.7. Forced or Compulsory Labor

1. Each Party recognizes the objective of eliminating all forms of forced or compulsory labor, including forced or compulsory child labor.
2. The Parties agree to identify opportunities for cooperation to exchange information, experiences and best practices in this area.

Article 16.8. Responsible Business Conduct

Each Party shall encourage enterprises operating within its territory or jurisdiction to incorporate, in their internal policies, principles and standards of responsible business conduct, which contribute to achieving sustainable development, in its labor dimension, and which are consistent with its respective applicable legislation and with internationally recognized guidelines and principles that have been adopted or endorsed by that Party.

Article 16.9. Cooperation

1. The Parties recognize the importance of cooperation as a mechanism to effectively implement this Chapter, increase opportunities for knowledge and exchange of good practices of the Parties in order to improve labor standards and further advance common commitments with respect to labor issues and decent work, including the well-being and quality of life of workers and the principles and rights set forth in the ILO Declaration.

2. In the choice of areas of cooperation and the implementation of their activities, the Parties shall be guided by the following principles:

- (a) consideration of each Party's priorities and available resources;
- (b) broad participation of, and to the mutual benefit of, the Parties;
- (c) relevance of capacity and skills development activities, including technical assistance between the Parties to address labor protection issues and activities to promote innovative labor practices in the workplace;
- (d) generation of measurable, positive and meaningful work results;
- (e) resource efficiency, including through the use of technology, as appropriate, to optimize the resources used in cooperative activities;
- (f) complementarity with existing regional and multilateral initiatives to address labor issues, and
- (g) transparency and public participation.

3. Each Party shall seek the views and, as appropriate, the participation of persons or organizations of that Party, including representatives of workers and employers, in identifying potential areas for cooperation and carrying out cooperative activities. Subject to the agreement of the Parties, cooperative activities may involve relevant regional or international organizations, such as the ILO, as well as non-Parties.

4. The financing of cooperative activities carried out under this Chapter shall be decided by the Parties on a case-by-case basis through the Labor Committee established in Article 16.13.4.

5. In addition to the cooperative activities set forth in this Article, the Parties shall, as appropriate, join and take advantage of their respective memberships in regional and multilateral fora to promote their common interests in addressing labor issues.

6. The Parties may carry out the cooperation activities through:

- (a) workshops, seminars, dialogues and other forums to exchange knowledge, experiences and best practices, including online forums and other knowledge-sharing platforms;
- (b) study tours, visits and research studies to document and study policies and practices;
- (c) collaborative research and development related to best practices in areas of mutual interest;
- (d) specific exchanges of technical expertise and technical assistance, where appropriate, and
- (e) other forms as the Parties may decide.

Article 16.10. Public Awareness and Procedural Safeguards

1. Each Party shall facilitate and promote public awareness of its labor legislation, including by ensuring that information related thereto and the procedures for its application and enforcement are available to the public.
2. Each Party shall ensure, as provided in its legal system, that persons with a legally recognized right or interest in a particular matter have appropriate access to impartial and independent tribunals for the enforcement of that Party's labor laws.
3. Each Party shall ensure that proceedings before the courts for the enforcement of its labor laws comply with due process in accordance with each Party's legal system. Any hearing in such proceedings shall be open to the public, except where the Party's legal system requires otherwise.
4. Each Party shall provide, as appropriate under its legal system, that the parties to such proceedings shall have the right to file appeals and to seek review or appeal.
5. Each Party shall provide, in accordance with its legal system, procedures for the effective enforcement of the final decisions of its courts in these proceedings.

Article 16.11. Public Communications

1. Each Party shall, in accordance with its legal system, provide that communications written by a person or organization of that Party on matters relating to this Chapter are received and considered. Accordingly, each Party shall make available to the public, in an accessible manner, its procedures for the receipt and consideration of written submissions, for example by posting them on an appropriate website.
2. A person or organization of a Party may submit a communication to the contact point of that Party, designated pursuant to Article 16.13. In such a case, a Party may provide in its procedures that, in order to be admissible for consideration, a communication must, at a minimum, be submitted:
 - (a) Raise an issue directly relevant to this Chapter;
 - (b) Clearly identify the person or organization making the submission; and
 - (c) Explain, to the best of their ability, how and to what extent the matter raised affects trade or investment between the Parties.
3. Each Party shall respond to such communications in a timely manner in writing and in accordance with its internal procedures.

Article 16.12. Institutional Provisions

1. In order to facilitate communication between the Parties for purposes of this Chapter, each Party shall designate a contact point within its Ministry of Labor or Ministry of Foreign Affairs or corresponding entity, within six (6) months following the date of entry into force of this Agreement. Each Party shall notify the other, as soon as possible, of any change in the point of contact.
2. The Parties may exchange information by any means of communication, including the Internet and videoconferencing.
3. The points of contact shall:
 - (a) facilitate frequent communication and coordination between the Parties;
 - (b) attend the Labor Committee established in paragraph 4;
 - (c) report to the Administrative Commission regarding the implementation of this Chapter, if necessary;
 - (d) act as a channel of communication with the public in their respective territories, and
 - (e) work together, including with other appropriate agencies of their governments, to develop and implement cooperative activities, consistent with the other chapters of this Agreement.
4. The Parties establish the Labor Committee (hereinafter referred to as the "Committee"), which may meet to discuss matters of mutual interest, including potential areas of cooperation, the review of the implementation of this Chapter and to address any issues that may arise between them. The Committee shall be composed of high-level government

representatives or their designees responsible for labor and trade matters.

5. The Committee shall meet:

- (a) in regular sessions at least every two (2) years, and
- (b) at extraordinary sessions at the request of any of the Parties.

The ordinary sessions shall be chaired alternatively by each Party and the extraordinary sessions by the Party that requested it. The sessions shall be held, as a general rule, by videoconference or digital means and, in person, every two (2) years if the Parties so agree.

6. The Committee may hold public meetings to report on relevant matters when the Parties so agree.

7. All recommendations of the Committee shall be made by mutual consent.

8. The functions of the Committee shall be:

- (a) supervise the implementation of this Chapter and make recommendations on its future development and, to this end, within three (3) years after the date of entry into force of this Agreement, the Committee shall review its operation and effectiveness in the light of the experience gained;
 - (b) establish priority areas for cooperation activities and approve, during its first year of operation, the cooperation work plan that will have a duration of two (2) years;
 - (c) directing the work and activities established by the same;
 - (d) to approve the publication, in accordance with the terms and conditions it may establish, of reports and studies prepared by independent experts;
 - (e) facilitate consultations through the exchange of information;
 - (f) deal with questions arising between the Parties concerning the interpretation or application of this Chapter, and
 - (g) promote the collection and publication of comparable information on the application of laws, labor standards and labor market indicators on specific issues of interest to the Parties.
9. The Committee may consider any other matter within the scope of this Chapter and take such other action in the exercise of its functions as the Parties may agree.

Article 16.13. Public Participation

1. In carrying out its activities, including meetings, the Committee may provide the means for the reception and consideration of the views of representatives of its labor and business organizations, as well as of persons with a legitimate interest in matters related to this Chapter.
2. For the purposes of paragraph 1, each Party shall establish or maintain and consult with national bodies of tripartite membership or establish mechanisms for that purpose, with the objective of providing views on matters relating to this Chapter.

Article 16.14. Dialogue on Trade and Labor Issues

1. The Parties shall make every effort through dialogue, consultation, exchange of information and, where appropriate, cooperation, to address any matter that may affect the operation of this Chapter.
2. A Party may request a consultation with respect to any matter arising under this Chapter by delivering a written communication to the contact point of the other Party. That Party shall include information that is specific and sufficient to enable the other Party to respond, including identification of the matter at issue under this Chapter.
3. Unless otherwise agreed, the Parties shall meet within ninety (90) days from the date of receipt of the written communication.
4. The Parties shall make every effort to reach an understanding on the matter, which may include appropriate cooperative activities.

5. If the Parties are unable to reach an understanding, a Party may request the Committee to meet to consider the matter by submitting a written request to the other Party's point of contact.
6. The Committee shall meet promptly after delivery of the request and shall seek to reach an understanding on the matter. At the Committee, the Parties shall prepare a report reflecting the outcome of the meeting, which may contain recommendations for actions to be implemented by the Parties as soon as possible.
7. If the Parties to the Committee are unable to reach an understanding, a Party may refer the matter to the Administrative Commission.
8. The meetings and communications held in accordance with this Article shall be confidential. The meetings may be held in person or by any available technological means, as agreed by the Parties.

Article 16.15. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 17. Trade and Environment

Article 17.1. Context and Objectives

1. The Parties recognize that the environment is one of the three dimensions of development sustainable and to be addressed in a balanced way with the social and economic dimensions.

In this regard, the Parties recognize the contribution that trade can make to development sustainable.

2. The Parties recall the 1972 Stockholm Conference on the Human Environment; the United Nations Conference on Environment and Development 1992; the The 1992 Rio Declaration on Environment and Development; Agenda 21 on the Environment and Development Development in 1992; the WTO Agreement; the Earth Summit in Johannesburg on Sustainable Development in 2002; the United Nations Conference on Sustainable Development (Rio+20) in 2012 and its outcome document "The Future We Want and the Agenda 2030 for Sustainable Development.

3. The objectives of this Chapter are:

- (a) To promote mutually supportive trade and environmental policies;
 - (b) Promote high levels of environmental protection that contribute to the objective of sustainable and equitable development;
 - (c) Promote effective environmental law enforcement;
 - (d) Enhancing the capabilities of Parties to address environmental issues on trade, including through bilateral cooperation, and
 - (e) Promote the use of environmental measures in accordance with their objectives legitimate and not as a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, in accordance with the of the WTO.
4. Taking into account their respective national priorities and circumstances, the Parties recognize that greater cooperation to protect and conserve the environment and manage The sustainable use of its natural resources brings benefits that can contribute to the development to strengthen their environmental governance and to complement the objectives of this Agreement.

Article 17.2. Right to Regulate In Environmental Matters

1. The Parties recognize the sovereign right of each Party to establish its own priorities their own levels of internal environmental protection and conservation, as well as establish, adopt or modify its environmental legislation and policies accordingly.
2. Each Party shall ensure that its environmental laws and policies are consistent with the Multilateral Environmental Agreements (hereinafter referred to as "MEAs") of the to be a part of it.

Article 17.3. General Commitments

1. Each Party shall endeavour to ensure that its environmental laws and policies provide for and encourage high levels of environmental protection and to continue to improve their respective levels of environmental protection.
2. The Parties shall not apply their environmental laws and regulations in a manner that constitutes a disguised restriction on trade or unjustifiable or arbitrary discrimination.
3. After the date of entry into force of this Agreement, neither Party shall cease to effectively enforce its environmental laws through any sustained or recurring course of action or inaction affecting trade or investment between the Parties.
4. The Parties recognise that each Party retains the right to exercise discretion and to make decisions with respect to
 - (a) Investigative, judicial, regulatory, and enforcement matters; and
 - (b) The allocation of resources for the enforcement of environmental laws to which has assigned a higher priority.

Accordingly, a Party is in compliance with paragraph 3 if a course of action or inaction reflects the reasonable exercise of that discretion, or results from good faith decisions with respect to the allocation of resources in accordance with that Party's priorities for enforcement of its environmental laws.

5. Without prejudice to Article 17.2, the Parties recognize that it is inappropriate to promote trade or investment by weakening or reducing the protection provided for in their environmental legislation. Accordingly, neither Party shall repeal, or otherwise make without legal effect, or offer to derogate from, or otherwise render ineffective, its environmental legislation, in a way that weakens or reduces the protection afforded in its legislation, in order to encourage trade or investment between the Parties.
6. The Parties shall seek to cooperate on matters of mutual interest within the framework of the WTO Committee on Trade and Environment.
7. Nothing in this Chapter shall be construed to empower the authorities of a Party to conduct environmental enforcement activities in the territory of the other Party.

Article 17.4. Multilateral Environmental Agreements (meas)

1. The Parties recognize that the MEAs to which they are party are important for the protection of the environment and that their implementation is fundamental to achieving the objectives of such agreements as the international community's response to the problems environmental. In this regard, the Parties stress the need to improve mutual support under an appropriate linkage between trade and environmental policies. Accordingly, the Parties reaffirm their commitment to implement the MEAs to which they are party.
2. The Parties agree to cooperate, as appropriate, with respect to environmental matters of mutual interest related to MEAs to which they are party and, in particular, on issues trade-related. The Parties shall also have a dialogue on issues of mutual interest, as follows as appropriate, on multilateral negotiations in the field of trade and environment.

Article 17.5. Access to Justice, Information and Participation In Environmental Matters

1. The Parties reaffirm the full validity of Principle 10 of the 1992 Rio Declaration on Environment and Development, which states that all people should have access to information, as well as the opportunity to participate in decision-making in environmental matters and to have access to justice through administrative and judicial procedures.
2. The Parties agree to exchange information and cooperate with each other in relation to the implementation of Principle 10 of the 1992 Rio Declaration on Environment and Development, promoting the participation of interested citizens.
3. Each Party shall facilitate and promote public awareness of its environmental laws and policies, including enforcement and compliance procedures, by ensuring that relevant information is available to the public.
4. Each Party shall ensure, in accordance with its legal system, that an interested person may request that the competent authorities of that Party investigate alleged violations of its environmental laws and give due consideration to such requests.
5. Each Party shall ensure that judicial or administrative proceedings for the enforcement of its environmental laws, in accordance with its legal system, are available, accessible and comply with due process. Hearings in such proceedings shall be open to the public, unless the Party's legal system provides otherwise.
6. Each Party shall provide for appropriate sanctions and remedies for violations of its environmental laws and ensure their

proper enforcement.

7. Each Party shall receive requests for information from persons or organizations in its territory regarding the implementation of this Chapter, which shall be considered and responded to in accordance with its legal system.

8. Each Party shall make use of existing consultative mechanisms or, if appropriate, establish new mechanisms, to seek views on matters related to the implementation of this Chapter.

9. Each Party shall make its procedures for the receipt and consideration of written submissions available to the public in an accessible manner, for example, by posting them on an appropriate public website.

Article 17.6. Responsible Business Conduct

Each Party shall encourage enterprises operating within its territory or jurisdiction to incorporate, in their internal policies, principles and standards of responsible business conduct that contribute to achieving sustainable development, including its environmental dimension, and that are consistent with their respective applicable legislation and with internationally recognized guidelines and principles that have been adopted or endorsed by that Party.

Article 17.7. Voluntary Sustainability Mechanisms In Their Environmental Dimension

1. The Parties recognize that flexible and voluntary mechanisms, such as voluntary audits and reporting, market-based incentives, voluntary exchange of information and expertise, and public-private partnerships, can contribute to the achievement and maintenance of high levels of environmental protection and complement domestic regulatory measures. The Parties also recognize that such mechanisms should be designed to maximize environmental benefits and avoid creating unnecessary barriers to trade.

2. Pursuant to paragraph 1, if private sector entities or non-governmental organizations develop voluntary mechanisms for the promotion of products based on environmental attributes, each Party shall encourage such entities and organizations to develop voluntary mechanisms that, inter alia:

(a) are truthful, do not mislead the consumer and take into account scientific and technical information;

(b) are based on relevant international standards, guidelines or recommendations and good practices, if applicable and available;

(c) promote competition and innovation, and

(d) do not treat a product less favorably on the basis of its origin.

Article 17.8. Cooperation on Trade and Environment

1. The Parties recognize the importance of cooperation as a mechanism to implement this Chapter, to enhance its benefits and to strengthen the joint and individual capabilities of the Parties to protect the environment and to promote sustainable development, while strengthening their trade and investment relations.

2. Taking into account their priorities, national circumstances and available resources, the Parties shall cooperate to address matters of mutual interest related to the implementation of this Chapter and may include international bodies and organizations or non in this cooperation.

3. Each Party shall designate the authority or authorities responsible for cooperation related to the implementation of this Chapter, to serve as your point of contact The national authorities are responsible for the coordination of cooperation activities.

4. Each Party may share its cooperation priorities and propose cooperation activities related to the implementation of this Chapter.

5. Cooperation may include areas such as: sustainable consumption and production; exchange of experiences and information on training, administration and management of areas design and implementation of cost-effective management or monitoring plans for protected areas creation, recognition, consolidation and territorial and environmental optimization of protected areas; governance and participation of indigenous and local communities in administration and management of protected areas and exchange of experiences and sustainable practices of environmental and territorial management implemented by indigenous and local communities; marine and coastal biodiversity conservation and pollution control; integrated fire management, fire prevention and control and other areas that the Parties agree.

6. Where possible and appropriate, the Parties will seek to complement and use their mechanisms and take into account the relevant work of regional and international organizations.

7. Cooperation may be carried out through various means, including: dialogues workshops, seminars, conferences, collaborative programs and projects, technical assistance for promote and facilitate cooperation and training; the exchange of good practices in policies and procedures and the exchange of experts.

8. Each Party shall, as appropriate, promote public participation in the development and implementation of cooperation activities.

9. All cooperative activities under this Chapter are subject to the availability of funds and human and other resources, as well as to laws and applicable regulations of the Parties. The Parties shall decide, on a case-by-case basis, on the financing of cooperation activities.

Article 17.9. Trade and Biodiversity

1. The Parties recognize the importance of the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising from the utilization of genetic resources, in accordance with their respective legal systems or domestic policies and the key role of biological diversity in achieving sustainable development. They also reaffirm their commitments under the 1992 Convention on Biological Diversity and related legal instruments to which they are party.

2. Each Party shall promote and encourage the conservation and sustainable use of biological diversity, as well as the fair and equitable sharing of benefits arising from the utilization of genetic resources, in accordance with its respective domestic laws or policies.

3. The Parties recognize the importance of respecting, preserving and maintaining the knowledge, innovations and practices of indigenous and local communities that involve traditional lifestyles that contribute to the conservation and sustainable use of biological diversity.

4. The Parties recognize the importance of facilitating access to genetic resources within their respective jurisdictions, in accordance with their international obligations. The Parties recognize the importance of genetic resources for food and agriculture and their special role for food security. Each Party further recognizes that it may require, through domestic measures, prior informed consent for access to genetic resources in accordance with its respective domestic law or policies and, where such access is

The terms of this agreement may also require the establishment of mutually agreed terms, including with respect to the sharing of benefits arising from the utilization of such genetic resources.

5. The Parties also recognize the importance of participation, in accordance with their respective domestic laws or policies, in the development and implementation of measures relating to the conservation and sustainable use of biological diversity, as well as the fair and equitable sharing of benefits arising from the utilization of genetic resources. Each Party shall, as far as possible, make publicly available information on its programs and activities, including cooperation programs, related to the conservation and sustainable use of biological diversity and the fair and equitable sharing of benefits arising from the utilization of genetic resources in accordance with its respective domestic laws or policies.

6. Pursuant to Article 17.8, the Parties shall cooperate to address matters of mutual interest. Cooperation may be carried out through the exchange of information, experiences and training in areas related to, but not limited to:

(a) conservation and sustainable use of biological diversity;

(b) the protection and conservation of ecosystems and ecosystem services, and

(c) access to genetic resources, access to and protection of traditional knowledge associated with genetic resources, and the fair and equitable sharing of benefits arising from the utilization of genetic resources in accordance with their respective domestic laws or policies.

Article 17.10. Invasive Alien Species

1. The Parties recognize that the transboundary movement of terrestrial and aquatic invasive alien species through trade-related pathways may adversely affect the environment, economic activities, development and human health. The Parties also recognize that the prevention, early detection, control and, where possible, eradication of alien invasive species are fundamental strategies for the prevention and mitigation of risks related to the introduction of such species and for the

management of adverse impacts.

2. The Committee on Trade and Environment shall coordinate with the Committee on Sanitary and Phytosanitary Measures established under Chapter 4 (Sanitary and Phytosanitary Measures) to identify opportunities for cooperation to exchange information and management experiences on the movement, prevention, early detection, control and, where possible, eradication of invasive alien species, in order to enhance efforts to assess and address the risks and adverse impacts of invasive alien species.

Article 17.11. Marine Capture Fisheries

1. The Parties recognize their role as consumers, producers and marketers of fishery products and the importance of the marine fisheries sector for their development and for the livelihood of their fishing communities, including artisanal and small-scale fisheries. The Parties also recognize that securing the availability of fishery resources is a challenge to the international community. Therefore, the Parties recognize the importance of taking measures aimed at the conservation and sustainable management of fisheries.

2. The Parties recognize that inadequate fisheries management, certain forms of fisheries subsidies that contribute to overfishing and overcapacity, as well as illegal, unreported and unregulated fishing (hereinafter referred to as "IUU fishing"), can have significant negative impacts on trade, development and the environment and recognize the need for individual and collective action to address the problems of overfishing and unsustainable use of fisheries resources. The term "illegal, unreported and unregulated fishing" shall be understood to have the same meaning as paragraph 3 of the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (2001 Plan of Action for IUU Fishing) of the Food and Agriculture Organization of the United Nations (hereinafter referred to as "FAO").

3. In developing and implementing conservation and management measures, Parties shall take into account social, commercial, developmental and environmental concerns and the importance of artisanal or small-scale fisheries to the livelihoods of local fishing communities.

4. Each Party shall seek to operate a fisheries management system that regulates wild marine capture fisheries and is designed to:

(a) prevent overfishing and overcapacity;

(b) reduce bycatch of particularly vulnerable non-target species, including through regulation of fishing gear that results in bycatch and regulation of fishing in areas where bycatch is likely to occur;

(c) promote the recovery of overfished stocks for all marine fisheries in which persons of the Party are engaged in fishing activities, and

(d) promote fisheries management with an ecosystem approach, including through cooperation among the Parties.

Such management system shall be based on the best available scientific evidence and internationally recognized best practices for fisheries management and conservation, as reflected in the relevant provisions of international instruments to ensure the sustainable use and conservation of marine species. These instruments include, inter alia and as applicable, the 1982 United Nations Convention on the Law of the Sea; the 1995 United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (UN Fish Stocks Agreement); the 1995 United Nations Code of Conduct for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (UN Fish Stocks Agreement); and the 1995 United Nations Code of Conduct for the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (UN Fish Stocks Agreement); the FAO Code of Conduct for Responsible Fisheries; the 1993 Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (Compliance Agreement); the 2001 Plan of Action for IUU Fishing; and the 2009 Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing.

5. Each Party shall promote the long-term conservation of sharks, sea turtles, seabirds and marine mammals, through the implementation and effective enforcement of conservation and management measures. Such measures should include, as appropriate:

(a) in the case of sharks: the collection of species-specific information, bycatch mitigation measures, catch limits and finning bans, and

(b) in the case of sea turtles, seabirds and marine mammals: bycatch mitigation measures, relevant conservation and management measures, prohibitions and other measures in accordance with relevant international agreements to which

the Party is a party.

6. In support of efforts to combat IUU fishing practices and to help deter trade in products of species harvested by such practices, each Party shall:

(a) cooperate to identify needs and build capacity to support the implementation of this Article;

(b) support monitoring, control, surveillance, compliance and enforcement systems, including through the adoption or revision, as applicable, of measures to:

(i) deter vessels flying their flag and their nationals from engaging in IUU fishing activities, and

(ii) combat the transshipment at sea of fish or fishery products caught through IUU fishing activities, in accordance with its legal system;

(c) implementing port state measures;

(d) endeavor not to undermine relevant conservation and management measures adopted by RFMOs of which it is not a member, so as not to undermine such measures, including catch documentation schemes.

7. Each Party shall, to the extent possible, provide the opportunity to comment on draft measures designed to prevent trade in fishery products resulting from IUU fishing.

8. For greater certainty, this Article does not apply to aquaculture.

Article 17.12. Forestry Matters

1. The Parties recognize the importance of management and conservation, including sustainable management of forests, for sustainable development.

2. In accordance with their international obligations in forestry matters and their legal system, the Parties undertake to:

(a) to promote the trade of legally harvested forest products, especially those from sustainable forest management;

(b) exchange information and, as appropriate, cooperate on initiatives to promote forest management, including initiatives to combat illegal logging and promote sustainable forest management; and

(c) cooperate, where appropriate, in international fora dealing with the conservation and sustainable management of forests, with a view to sustainable development.

Article 17.13. Sustainable Agriculture

1. The Parties recognize the increasing impact that global changes such as climate change, biodiversity loss, land degradation, droughts and the emergence of new pests and diseases have on the development of productive sectors such as agriculture, livestock and forestry.

2. The Parties recognize the importance of strengthening policies and developing programs that contribute to the development of more productive, sustainable, inclusive and resilient agricultural systems.

3. The Parties will share information and experiences in the development and implementation of integrated policies aimed at incorporating the pillars of sustainable agricultural development. In this regard, the Parties will seek to improve agricultural productivity by considering the protection and sustainable use of ecosystems and natural resources, including water, soil and air, biodiversity and ecosystem services, as well as strengthening the social dimension, in addition to contributing to the effective adaptation and mitigation of the agricultural, forestry and food sectors to global changes.

Article 17.14. Trade and Climate Change

1. The Parties recognize that climate change poses significant risks to communities, infrastructure, the economy, the environment and human health, with potential consequences for international trade, and that efforts are required to build resilience. The Parties also reaffirm the principles and objectives of the United Nations Framework Convention on Climate Change, the Kyoto Protocol and the Paris Agreement and their commitments under the respective instruments.

2. In accordance with the foregoing, each Party shall:

(a) promote the contribution of trade to sustainable development and the transition to a sustainable low-emission economy and climate-resilient development, and

(b) promote actions on mitigation and adaptation to climate change.

3. The Parties recognize, in the context of sustainable development, that there are different economic, social and environmental policy instruments that enable the achievement of national climate change objectives and support the achievement of their international climate change commitments. The Parties may share information and experiences in the development and implementation of such instruments. In particular, the Parties recognize that there are important areas of collaboration between the Parties on climate change adaptation and mitigation.

4. Pursuant to Article 17.8, the Parties shall cooperate to address matters of common interest. Areas of cooperation may include, among others: climate finance; climate governance and institutions; sustainable consumption and production and climate change; air quality co-benefits of greenhouse gas control measures; climate change mitigation and adaptation; resilient water management; sustainable agriculture; energy efficiency; research and development of cost-effective low-emission technologies; development of alternative, clean and renewable energy sources; solutions to deforestation and forest degradation; recovery of degraded areas; monitoring, reporting and verification (MRV) of greenhouse gas (GHG) emissions; methodologies for accounting for GHG emissions reductions under international agreements; carbon pricing mechanisms and other complementary measures to support a low-emissions transition; control of the spread of pests and diseases; preparedness for and action against extreme events related to climate change, such as forest fires, drought and desertification.

Article 17.15. Indigenous and Local Communities

1. The Parties recognize the contribution of indigenous and local communities, defined in accordance with their respective legal systems, to the promotion of sustainable development, including in its environmental dimension, and the importance of promoting trade that is inclusive and that can strengthen this contribution.

2. The Parties will seek to exchange information and experiences and cooperate in areas of mutual interest, such as the participation of indigenous and local communities in environmental management and trade, and the promotion of the contributions that these communities make to sustainable development.

Article 17.16. Trade In Wild Flora and Fauna

1. The Parties affirm the importance of combating illegal trade in wildlife and recognize that this trade undermines efforts to conserve and sustainably manage these natural resources.

2. The Parties, in accordance with their international obligations in the MEAs and their legal system, undertake to:

(a) promote trade in legally obtained wild flora and fauna; and

(b) exchange information and cooperate, as appropriate, on initiatives of mutual interest to improve coordination, communication, and training among authorities in areas such as legal and sustainable trade, and to promote conservation and combat poaching and wildlife trafficking.

Article 17.17. Institutional Provisions

1. In order to facilitate communication between the Parties for purposes of this Chapter, each Party shall designate a contact point within one hundred and eighty (180) days of the date of entry into force of this Agreement. Each Party shall notify the other Party, as soon as possible, of any change with respect to the point of contact.

2. The Parties may exchange information by any means of communication, including the Internet and videoconferencing.

3. The Parties establish the Trade and Environment Committee, which shall be composed of high-level government representatives, or their designees, responsible for environmental and trade issues. The Trade and Environment Committee shall meet every two (2) years, unless otherwise agreed by the Parties.

4. The Trade and Environment Committee shall have the following functions:

(a) to discuss the implementation of this Chapter;

(b) identify potential areas of cooperation, consistent with the objectives of this Chapter;

(c) report to the Administrative Commission regarding the implementation of this Chapter, if necessary, and

(d) consider matters referred by the Parties under Article 17.18.

Article 17.18. Dialogue on Trade and Environment

1. The Parties shall make every effort through dialogue, consultation, exchange of information and, where appropriate, cooperation, to address any matter that may affect the operation of this Chapter.

2. A Party may request a consultation with respect to any matter arising under this Chapter by delivering a written communication to the contact point of the other Party. That Party shall include information that is specific and sufficient to enable the other Party to respond, including identification of the matter at issue under this Chapter.

3. Unless otherwise agreed, the Parties shall meet within ninety (90) days from the date of receipt of the written communication.

4. The Parties shall make every effort to reach an understanding on the matter, which may include appropriate cooperative activities.

5. If the Parties are unable to reach an understanding, a Party may request the Trade and Environment Committee to meet to consider the matter by submitting a written request to the other Party's point of contact.

6. The Trade and Environment Committee will meet promptly after the submission of the application and seek to reach an understanding on the matter. The Trade and Environment Committee will meet promptly after the submission of the application and seek to reach an understanding on the matter.

The Parties shall prepare a report reflecting the outcome of the meeting, which may contain recommendations for actions to be implemented by the Parties as soon as possible.

7. If the Parties to the Trade and Environment Committee are unable to reach an understanding, a Party may refer the matter to the Administrative Commission.

8. The meetings and communications held pursuant to this Article shall be confidential. The meetings may be held in person or by any available technological means, as agreed by the Parties.

Article 17.19. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 18. Trade and Gender

Article 18.1. General Provisions

1. The Parties recognize the importance of mainstreaming a gender perspective in promotion of inclusive economic growth and the fundamental role that gender policies can play in achieving sustainable economic development, which aims, among others, to distribute its benefits among the entire population, offering equal opportunities to men and women in the labour market, in business, trade and industry.

2. The Parties recognize objective 5 of the Sustainable Development Goals of the Agenda 2030 of the United Nations, which seeks to achieve gender equality and empowerment of all women and girls. The Parties reaffirm the importance of promote gender equality policies and practices and develop their capacity in this area, including in the non-governmental sectors, to promote equal rights, treatment and opportunities between men and women and to eliminate all forms of discrimination and violence towards women.

3. The Parties recognize that international trade and investment are drivers of economic growth, and that improving women's access to opportunities and removing obstacles in their countries improves their participation in the national and international economy and contributes to sustainable economic development.

4. The Parties reaffirm the commitments made in the Joint Declaration on Trade and Women's Economic Empowerment on the occasion of the Conference WTO Ministerial in Buenos Aires in December 2017, which aims to achieve the elimination of barriers to women's economic empowerment and to increase the participation of women women in commerce.

5. The Parties also recognise that improving the participation of women in the market and their economic autonomy, access to financing, economic resources and The development of the private sector, which is owned by them, contributes to sustainable and inclusive economic growth and prosperity, to the competitiveness and welfare of society.
6. The Parties affirm their commitment to adopt, maintain and effectively implement their laws, regulations, policies and good practices on gender equality.
7. Each Party shall promote internally public awareness of its laws, gender equality regulations, policies and practices.

Article 18.2. International Agreements

1. Each Party reaffirms its commitment to implement the obligations under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted by the United Nations General Assembly on 18 December 1979.
2. Each Party reaffirms its commitment to the Inter-American Convention on Prevention, Sanctioning and Eradicating Violence against Women (Belém do Pará Convention), adopted by General Assembly of the Organization of American States on September 6, 1994.
3. Each Party reaffirms its commitment to implement the obligations contained in other international agreements to which they are party, which relate to gender equality or women's rights.

Article 18.3. Cooperation Activities

1. The Parties recognise the benefit of sharing their respective design experiences, implementation, monitoring and strengthening of policies and programmes to encourage participation of women in the national and international economy.
2. The Parties shall carry out cooperative activities designed to enhance the and the conditions of women, including women workers, entrepreneurs and businesswomen, to access and benefit fully from the opportunities created by this Agreement. You are activities will include the inclusive participation of women.
3. Cooperation activities shall be based on themes and topics agreed by the Parties through interaction with their respective government institutions, sector entities educational and research institutions, as well as other non and their representatives, as appropriate.
4. Areas of cooperation may include:
 - (a) Developing or strengthening programmes to promote full participation and advancement of women in society, encouraging capacity-building and the improvement of women's skills in work, business and decision-making in all sectors of society, including in the corporate directories;
 - (b) Improving women's access, participation and leadership in the sciences, technology, engineering, mathematics, business and innovation, including education in these areas;
 - (c) Promoting financial inclusion and education, as well as promoting access to financing and financial assistance;
 - (d) Advancing women's leadership and the development of women's networks;
 - (e) Developing good practices to promote gender equality within the companies;
 - (f) Strengthen the participation of women in decision-making positions in the public and private sectors;
 - (g) Promoting women's entrepreneurship and enterprise;
 - (h) Advance care policies and programmes with a gender perspective and shared social responsibility in the public and private sectors;
 - (i) Promote joint projects financed by international organizations that encourage entrepreneurship, investment or export of leading companies by women;
 - (j) Conduct gender-based analysis;
 - (k) Develop and share methods and procedures for data collection The use of indicators and the analysis of gender-sensitive trade-related statistics, and
 - (l) Other matters as agreed by the Parties.

5. The Parties may carry out cooperative activities in the areas identified in paragraph 4 through:

- (a) Workshops, seminars, dialogues and forums to exchange knowledge, experience and good practices;
- (b) Internships, visits and research studies to document and study policies and good practices;
- (c) Collaborative research and development of projects and good practices on issues of mutual interest;
- (d) Specific exchanges of technical expertise and assistance technique, where appropriate, and
- (e) Other activities agreed by the Parties.

6. Priorities for cooperative activities shall be decided by the Parties on the basis of their interests and available resources.

Article 18.4. Trade and Gender Committee

1. The Parties shall establish a Trade and Gender Committee (hereinafter referred to as the "Committee"), composed of representatives of the governmental institutions responsible for trade and gender of each Party.

2. The Committee:

- (a) determine, organize and facilitate the cooperative activities referred to in Article 18.3;
- (b) make recommendations to the Administrative Commission on any matter related to this Chapter;
- (c) facilitate the exchange of information on each Party's experiences in establishing and implementing policies and programs to address gender issues, in order to achieve the greatest possible benefit under this Agreement;
- (d) facilitate the exchange of information on the experiences and lessons learned by the Parties, through the cooperative activities carried out under Article 18.3;
- (e) discuss and deliberate on the participation of international organizations, bilateral and multilateral development banks, government agencies, educational and research institutions, private sector entities, non-governmental organizations or other relevant institutions, as appropriate and in accordance with the priorities of the Parties, to assist in the development of projects and the implementation of cooperative activities on trade and gender issues.
- (f) consider matters related to the implementation and operation of this Chapter;
- (g) upon request of a Party, consider and discuss any matter that may arise regarding the interpretation and application of this Chapter; and
- (h) perform such other functions as may be determined by the Parties.

3. The Committee shall meet annually, by videoconference or otherwise, and every two (2) years in person, unless otherwise agreed by the Parties, to consider any matter arising under this Chapter.

4. The Committee shall establish a work plan that integrates the cooperative activities set forth in Article 18.3.

5. The Committee and the Parties may exchange information and coordinate activities by e-mail, videoconference and other forms of communication.

6. In carrying out its duties, the Committee may work with other committees, working groups and subsidiary bodies established in this Agreement.

7. The Parties may invite experts or relevant organizations to the meetings of the Committee to provide information.

8. For the development of projects, the Committee may work jointly with international organizations, governmental institutions, private sector entities, educational and research institutions, and other non-governmental organizations, as appropriate.

9. Within two (2) years of the first meeting of the Committee, the Committee shall review the implementation of this Chapter and shall report to the Administrative Commission.

10. Each Party shall make available to the public information on the activities carried out under this Chapter.

Article 18.5. Points of Contact

To facilitate communication between the Parties on the implementation of this Chapter, each Party designates the following Point of Contact and shall promptly notify the other Party if any changes occur:

(a) in the case of Brazil, the Department of Regional Economic Integration of the Ministry of Foreign Affairs (DEIR/MRE), or its successor, and

(b) in the case of Chile, the Directorate of Bilateral Economic Affairs of the Directorate General of International Economic Relations, or its successor.

Article 18.6. Trade and Gender Dialogue

The Parties shall make every effort, through dialogue, consultation and cooperation, to reach an understanding on any matter arising in connection with the interpretation and application of this Chapter.

Article 18.7. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 19. Economic-commercial Cooperation

Article 19.1. Objectives

1. The Parties agree to establish a framework of economic and commercial cooperation activities as a means to expand and disseminate the benefits of this Agreement.

2. The Parties, recognizing the historical accumulation of bilateral technical cooperation, establish that this Chapter does not replace the existing technical cooperation mechanisms between them, but rather strengthens the global vision of the bilateral relationship, focusing on the particularities of this Agreement.

3. The Parties further recognize the important role of the business sector, academia and civil society in general in promoting and fostering mutual economic growth and development.

4. The Parties establish close cooperation aimed, inter alia, at:

(a) strengthen and expand existing bilateral economic and trade cooperation relations, and

(b) deepen and increase the level of cooperative activities between the Parties in the areas covered by this Agreement.

Article 19.2. Scope of Application

1. The Parties reaffirm the importance of all forms of cooperation mentioned in the scope of this Agreement.

2. Cooperation between the Parties shall contribute to the fulfillment of the objectives of this Agreement, through the identification and development of cooperation programs aimed at adding value to their economic-commercial relations.

3. Cooperative activities shall be agreed between the Parties and may include, among others, those listed in Article 19.4.

4. The cooperation between the Parties contemplated in this Chapter shall complement the cooperation and cooperative activities contained in other chapters of this Agreement.

Article 19.3. Areas of Cooperation

1. The areas of cooperation shall consider all matters covered by this Agreement.

2. The Parties may pursue and strengthen areas of cooperation to assist in:

(a) Implementation and dissemination of the provisions of this Agreement;

(b) Improving each Party's ability to take advantage of the economic opportunities created by this Agreement; and

(c) The promotion and facilitation of trade and investment of the Parties.

Article 19.4. Cooperation Activities

In order to achieve the objectives set forth in Article 19.1, the Parties shall encourage and facilitate, as appropriate, the following trade and economic cooperation activities:

- (a) the organization of dialogues, conferences, seminars and training programs related to the matters contained in this Agreement;
- (b) facilitating the exchange of experts, information, documentation and experiences within the scope of this Agreement;
- (c) the promotion of economic and trade cooperation in regional and multilateral fora, and
- (d) the exchange of technical assistance.

Article 19.5. Intellectual Property

1. In addition to the provisions of Article 19.3, the Parties establish close cooperation aimed, inter alia, at:

- (a) strengthen and promote the transfer of technology, production and commercialization of innovative products through actions aimed at increasing mutual understanding of each Party's intellectual property systems and the regulatory processes related to such systems;
- (b) consult on the development of each Party's intellectual property systems and their implications for trade between them;
- (c) serve as a medium for consultations on issues, positions and agendas of the meetings of the World Intellectual Property Organization and the Council for TRIPS Agreement, among others, including regional programs concerning intellectual property, innovation and development, and
- (d) coordinate technical cooperation programs in these areas.

2. Each Party shall ensure in its legal system adequate and effective means to protect geographical indications with respect to any product, in a manner consistent with the TRIPS Agreement.

3. Each Party shall provide the means for any person, including natural persons, juridical persons or other interested parties, to apply for protection of geographical indications. Each Party shall accept applications without requiring the intervention of the other Party on behalf of such persons.

4. When a geographical indication protected under this Agreement is homonymous with the geographical name of a geographical area outside the territory of the Parties, each Party may permit the use of that term to describe and present wines, spirits or aromatized drinks of the geographical area to which it refers, provided that it has been traditionally and consistently used, that its use for this purpose is regulated by the country of origin and that the homonymous indication in question is not misleadingly presented to consumers as originating in the Party concerned.

5. Chile recognizes and protects Cachaça as a geographical indication from Brazil, in accordance with the TRIPS Agreement. Brazil recognizes and protects Pisco as a geographical indication originating in Chile, in accordance with the TRIPS Agreement. This is without prejudice to the recognition that Brazil may grant, in addition to Chile, exclusively to Peru with respect to "Pisco".

6. The preceding paragraph is without prejudice to the publicity measures adopted by the Parties in accordance with their domestic legislation.

7. Each Party may recognize to the other Party geographical indications other than the foregoing, through the Administrative Commission, in accordance with its respective domestic legislation and its international obligations.

Article 19.6. Agricultural Biotechnology

In addition to the provisions of Article 19.3, the Parties agree:

- (a) exchange information:
 - (i) on policies, legislation, guidelines and best practices for agricultural biotechnology products;
 - (ii) with a view to committing efforts to avoid asynchronous authorizations of genetically modified organisms;

(b) coordinate national positions within the framework of relevant international organizations in the sanitary and phytosanitary field, and

(c) discuss specific biotechnology issues that may have an impact on trade.

Article 19.7. Remedies

The Parties shall provide, subject to availability and within the limits of their own capabilities and means, adequate resources for the fulfillment of the objectives of this Chapter.

Article 19.8. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Chapter.

Chapter 20. Transparency

Section A. Transparency

Article 20.1. Definitions

For the purposes of this Chapter:

administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and factual situations, which are generally within the scope of that administrative ruling or interpretation, and which establishes a standard of conduct, but does not include:

(a) a determination or ruling issued in an administrative proceeding that applies to a particular person, good or service of the other Party in a specific case, or

(b) a resolution that decides with respect to a particular act or practice.

Article 20.2. Publication

1. Each Party shall ensure that its rules, procedures and administrative rulings of general application, which relate to any matter covered by this Agreement, are, to the extent practicable, promptly published or made available in such a manner as to enable interested persons and the other Party to become acquainted with them.

2. To the extent possible, each Party:

(a) publish in advance any measure referred to in paragraph 1 that it intends to adopt, and

(b) provide interested persons and the other Party with a reasonable opportunity to comment on the proposed measures.

3. With respect to a draft regulation of general application of a Party with respect to any matter covered by this Agreement that is likely to affect trade between the Parties, and that is published pursuant to paragraph 2(a), each Party shall, to the extent practicable, endeavor to:

(a) publish the draft regulation on an official website, sufficiently in advance for an interested person to evaluate the draft regulation and to formulate and submit comments, which shall be considered by that Party in accordance with its legal system;

(b) include in the publication under subparagraph (a) an explanation of the purpose of, and the motivation for, the proposed regulation, and

(c) publish any significant modifications made to the draft preference regulation on an official website.

4. Each Party shall, as soon as practicable, publish on an official website or in an official journal, regulations of general application adopted by its government on any matter covered by this Agreement that are published pursuant to paragraph 1.

5. A Party may, in a manner consistent with its legal system, comply with the provisions of this Article relating to a proposed regulation by publishing a policy proposal, discussion paper, summary of the regulation or other document containing

sufficient detail to adequately inform interested persons and the other Party.

Article 20.3. Notification and Provision of Information

1. Each Party shall notify the other Party, to the extent possible, of any measure that the Party considers could substantially affect the operation of this Agreement.
2. A Party shall, at the request of the other Party, provide information and reply as soon as possible to its questions concerning any measure, whether or not the other Party has been previously notified of that measure.
3. Any provision of information referred to in this Article shall be made without prejudice to whether or not the measure is compatible with this Agreement.

Article 20.4. Administrative Procedures

In order to administer in a consistent, impartial and reasonable manner all measures referred to in Article 20.2 with respect to persons, goods or services, in particular of the other Party in specific cases, affecting matters covered by this Agreement, each Party shall ensure that:

- (a) administrative procedures are in accordance with the legal system of that Party;
- (b) whenever possible under its legal system, persons of the other Party who are directly affected by an administrative proceeding are given reasonable notice of the commencement of the proceeding, including a description of its nature, a statement of the legal basis under which the proceeding is initiated, and a general description of all issues in dispute; and
- (c) where time, the nature of the administrative proceeding and the public interest permit, persons of the other Party who are directly affected by an administrative proceeding shall be afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action.

Article 20.5. Review and Challenge

1. Each Party, in accordance with its legal system, shall ensure access to judicial or administrative tribunals and procedures for the prompt review and, where warranted, correction of administrative actions relating to matters covered by this Agreement. Such tribunals and judicial or administrative procedures shall be impartial and their members shall have no economic or personal interest in the outcome of the matter.
2. Each Party shall ensure that, before such courts or in such proceedings, the Parties have the right to:
 - (a) a reasonable opportunity to support or defend their respective positions, and
 - (b) a decision based on the evidence and submissions or, in cases where required by its domestic law, on the record compiled by the administrative authority.
3. Each Party shall ensure, subject to challenge or further review as provided in its domestic law, that such decision is implemented by, and governs the practice of, the agency or authority with respect to the administrative action that is the subject of such decision.

Section B. Anti-Corruption

Article 20.6. Scope of Application

1. The Parties affirm their determination to eliminate bribery and corruption in international trade and recognize the need to develop integrity within the public and private sectors and that each sector has complementary responsibilities in this regard.
2. The scope of this Section is limited to measures to eliminate bribery and corruption with respect to any matter covered by this Agreement.

Article 20.7. Measures to Combat Bribery and Corruption

1. Each Party shall adopt or maintain such legislative and other measures as may be necessary to effectively combat bribery and corruption and to ensure compliance with the international conventions to which it is a party, specifically the United

Nations Convention against Corruption, the Inter-American Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

2. The Parties recognize the importance of the criminalization, in their respective legal systems, of the conducts described in the international conventions referred to in paragraph 1. The Parties also recognize that such conducts shall be prosecuted and punished in accordance with the legal system of each Party.

3. In order to prevent corruption and bribery, each Party shall adopt or maintain such measures as may be necessary in accordance with its legal system.

Article 20.8. Cooperation

1. Each Party shall facilitate the exchange of information, through the Contact Points established in Article 20.13, for the purpose of facilitating the investigation and punishment of bribery and corruption, and shall use its best efforts to facilitate and promote international cooperation, in accordance with its legal system.

2. The Parties recognize the importance of international cooperation to prevent and combat bribery and corruption in international trade, including through regional and multilateral initiatives, and shall make their best efforts to work together in this regard, as mutually agreed.

3. The Parties recognize the advantages of sharing their different experiences and best practices in the development, implementation and enforcement of their anti-bribery and corruption laws and policies. The Parties will consider carrying out technical cooperation activities, including training programs, as mutually agreed.

4. The facilitation and promotion of cooperation provided for in this Article shall be without prejudice to the facilitation and promotion of legal cooperation that may take place between the Parties.

Article 20.9. Promoting the Integrity of Public Officials

To combat corruption in matters affecting international trade, each Party shall promote, inter alia, integrity, honesty and accountability among its public officials.

Article 20.10. Participation of the Private Sector and Civil Society

Each Party shall take appropriate measures, within its means and in accordance with the fundamental principles of its legal system, to promote the active participation of individuals and groups outside the public sector, such as businesses, civil society, non-governmental organizations and community-based organizations, in preventing and combating bribery and corruption in matters affecting international trade, and to increase public awareness of the existence, causes and gravity of, and the threat posed by, bribery and corruption.

Article 20.11. Non-Application of Dispute Resolution

Neither Party may have recourse to the dispute settlement mechanism provided for in Chapter 22 (Dispute Settlement) with respect to any matter arising under this Section.

Section C. General Provisions

Article 20.12. Relationship to other Chapters

In the event of any inconsistency between this Chapter and another chapter of this Agreement, the other chapter shall prevail to the extent of the inconsistency.

Article 20.13. Points of Contact

1. The Parties designate the following Points of Contact to facilitate communications between them on any matter covered by this Chapter:

(a) in the case of Brazil, for Section A, it will be Market Access Division (DACCESS) / South American and ALADI Commercial Negotiations Division (DSUL); and for Section B, Combating Transnational Illicit Acts Division (DCIT) / South American and ALADI Commercial Negotiations Division (DSUL), all divisions of the Ministry of Foreign Affairs, and

(b) in the case of Chile, the Directorate of Bilateral Economic Affairs of the Directorate General of International Economic Relations, or its successor.

2. At the request of a Party, the Contact Points of the other Party shall indicate the unit or official responsible for the matter and provide such support as may be required to facilitate communication with the requesting Party.

Chapter 21. ADMINISTRATION OF THE AGREEMENT

Article 21.1. Administrative Commission

1. The Parties hereby establish the Administrative Commission of this Agreement (hereinafter referred to as the "Administrative Commission"), which shall be composed of government officials and shall be chaired alternately by:

(a) in the case of the Federative Republic of Brazil, the Undersecretary for Latin America and the Caribbean of the Ministry of Foreign Affairs or whoever it designates, and

(b) in the case of the Republic of Chile, the Director General of International Economic Relations, or his successor, or his designee;

2. The Administrative Commission shall establish at its first meeting its rules and procedures. All its decisions and recommendations shall be adopted by mutual agreement.

3. The regular meetings of the Administrative Commission shall be held once a year, unless the Parties agree otherwise. Any of the Parties may request that an extraordinary meeting be called.

4. The meetings of the Administrative Committee may be held in person or by any technological means.

5. The Administrative Commission shall hold its first regular meeting within the first year of effectiveness of this Agreement.

Article 2.12. Functions of the Administrative Committee

1. The Administrative Commission shall:

(a) to ensure the correct application of the provisions of this Agreement;

(b) evaluate the results achieved in the implementation of this Agreement;

(c) oversee the work of all committees established under this Agreement, as well as committees and working groups established pursuant to paragraph 2(b), and

(d) to hear any other matter that may affect the operation of this Agreement or that may be entrusted to it by the Parties.

2. The Administrative Commission may:

(a) to make decisions to:

(i) to implement the provisions of this Agreement that require a development contemplated herein, and

(ii) to amend the Code of Conduct for Arbitral Dispute Resolution Procedures and the Rules of Procedure for Arbitral Tribunals in Chapter 22 (Dispute Resolution).

(b) establish such committees and working groups as it deems appropriate within the framework of this Agreement;

(c) request the advice of persons or entities it deems appropriate;

(d) recommend amendments to this Agreement to the Parties, and

(e) adopt other actions, within the scope of its functions, that ensure the achievement of the objectives of this Agreement.

3. Each Party shall implement, in accordance with its legal system, the actions of the Administrative Commission referred to in paragraph 2. Chile shall implement such actions by means of "implementing agreements", in accordance with paragraph 4 of numeral 1 of Article 54 of the Political Constitution of the Republic of Chile.

Article 21.3. Points of Contact

1. The Parties designate the following General Points of Contact to facilitate communications between them on any matter covered by this Agreement:

(a) in the case of Brazil, the South American and ALADI Commercial Negotiations Division (DSUL), Ministry of Foreign Affairs, or its successor, and

(b) in the case of Chile, the Directorate of Bilateral Economic Affairs of the Directorate General of International Economic Relations, or its successor.

2. At the request of a Party, the General Contact Point of the other Party shall indicate the unit or official responsible for the matter and provide such support as may be required to facilitate communication with the requesting Party.

3. Except as otherwise provided in each Chapter, each Party shall notify the other Party in writing of the other points of contact referred to in this Agreement within three (3) months of the date of entry into force of this Agreement.

Annex I. RULES OF PROCEDURE OF ARBITRAL TRIBUNALS

Application

1. These Rules of Procedure of arbitral tribunals (hereinafter referred to as the "Rules") are established pursuant to Article 22.10.

2. Unless otherwise agreed by the Parties, these Rules shall apply to the arbitration proceedings contemplated in this Chapter.

Definitions

3. For purposes of these Rules:

non-business day means all Saturdays, Sundays, holidays or any other day established by a Party as a non-business day and notified as such under Rule 14;

document means any submission or writing, in paper or electronic format, filed or delivered during an arbitration proceeding;

Contact unit means the office that each Party designates in accordance with Rule 62 to provide administrative support to an arbitral tribunal;

Administrative Unit means the designated Unit of the responding party charged with performing the functions referred to in Rule 63;

Party complained against means the party against which a claim is made and requests the establishment of an arbitral tribunal under Article 22.6;

Claimant Party means a Party that makes a claim and files a request for the establishment of an arbitral tribunal under Article 22.6;

representative of a Party means the person appointed by that Party to act on its behalf in the arbitral proceedings;

arbitral tribunal means an arbitral tribunal established in accordance with Article 22.6.

Terms of reference

4. Within fifteen (15) days from the date of delivery of the request for the establishment of the arbitral tribunal, the Parties may agree on terms of reference other than those set forth in Article 22.8, which shall be communicated to the Administrative Unit within that period.

5. The Administrative Unit shall inform the arbitral tribunal and the Parties of the agreed terms of reference within two (2) days from the date of acceptance of the last arbitrator appointed.

Submission and delivery of documents

6. The Parties, through their Contact Units, or the arbitral tribunal, shall deliver any documents to the Administrative Unit, which shall forward them to the arbitral tribunal and to the Contact Units of the Parties.

7. No document shall be deemed to be delivered to the arbitral tribunal or to the Parties unless made in accordance with

the foregoing Rule.

8. All documents shall be delivered to the Administrative Unit by any physical or electronic means of transmission that provides a record of the sending or receipt thereof. In the case of delivery of a physical document, an original and copies for each arbitrator and for the other Party shall be submitted to the Administrative Unit. The Administrative Unit shall acknowledge receipt and deliver such document, by the most expeditious means possible, to the arbitral tribunal and to the Contact Unit of the other Party.

9. Minor errors of form contained in any document may only be corrected by the Parties by delivery of a document clearly indicating such errors and the corresponding rectification, within seven (7) days from the date of delivery. Such corrections shall not affect the time limits established in the timetable of the arbitration proceedings referred to in Rule 10.

10. No later than ten (10) days after the date of acceptance of the last arbitrator appointed, the arbitral tribunal, in consultation with the Parties, shall establish a working timetable containing the maximum time limits and dates by which submissions of documents and hearings are to be made. The timetable shall allow sufficient time for the Parties to complete all stages of the proceedings. The arbitral tribunal may modify the timetable after consultation with the Parties and shall notify them, by the most expeditious means possible, of any such modification.

11. For the purposes of drawing up the timetable referred to in Rule 10, the arbitral tribunal shall take into account the following minimum time limits:

(a) two (2) days after the establishment of the work schedule, for the complaining Party to deliver its initial written submission;

(b) twenty-eight (28) days following the date of delivery of the initial pleading for the Party complained against to deliver its response.

12. Any delivery of documents to a Contact Unit under these Rules shall be made during its normal business hours.

13. If the last day for delivery of a document to a Contact Unit or Administrative Unit falls on a non-business day in that Party, or on any other day on which such Units are closed, the document may be delivered on the following business day.

14. Each Party shall provide the Administrative Unit with a list of the non-business days in that Party, as well as the normal business hours of its Contact Units, no later than ten (10) days prior to the date of the meeting.

(10) days after the date of acceptance of the last arbitrator appointed.

Treatment of confidential information

15. When a Party wishes to designate specific information as confidential, it shall enclose such information in double brackets, include a cover page that clearly indicates that the document contains confidential information and identify the corresponding pages with a legend that so indicates.

16. Pursuant to Article 22.10.6, where a Party submits to the arbitral tribunal a document containing information designated as confidential, it may, at the request of the other Party, provide a non-confidential summary thereof within thirty (30) days of the request.

17. During and even after the arbitration proceedings, the Parties, their representatives, the arbitrators or any other person involved in the arbitration proceedings shall keep confidential the information qualified as such, as well as the deliberations of the arbitral tribunal, the draft award and the comments thereon.

18. The Administrative Unit shall take all reasonable measures necessary to ensure that experts, stenographers and other persons involved in the arbitration proceedings safeguard the confidentiality of information qualified as such.

Functioning of arbitration tribunals

19. Once an arbitrator has been appointed pursuant to Article 22.7, the Administrative Unit shall notify the arbitrator by the most expeditious means possible. Together with the communication, a copy of the Code of Conduct and an affidavit of confidentiality and compliance with the Code of Conduct shall be sent to each person appointed to the arbitral tribunal, whether as principal or alternate arbitrator. Each person appointed to the arbitral tribunal shall have three (3) days to communicate his or her acceptance, in which case he or she shall return the duly signed affidavit to the Administrative Unit. If the designated person does not communicate his/her acceptance to serve on the arbitral tribunal in writing to the Administrative Unit within the indicated period, it shall be understood that he/she does not accept the position.

20. The Administrative Unit shall inform the Parties, by the most expeditious means possible, of the response of each

person appointed to the arbitral tribunal or of the fact that no response has been received. Once the persons appointed to the arbitral tribunal as arbitrators and alternate arbitrators have communicated their acceptance, the Administrative Unit shall so communicate, by the most expeditious means possible, to the Parties.

21. Pursuant to Article 22.7.7, any Party may challenge an arbitrator or a candidate arbitrator if it considers that he or she does not meet the requirements set forth in Article 22.7.9.

21.1. Request for challenge of arbitrator or alternate arbitrator appointed by a Party

(a) Any Party that becomes aware of an alleged violation or breach by the arbitrator or alternate arbitrator appointed by the other Party of the requirements for appointment as arbitrator or of the obligations set forth in the Code of Conduct and in Article 22.7.9 may request his or her challenge. The request for challenge shall be reasoned and notified in writing to the other Party, to the challenged arbitrator and to the arbitral tribunal within fifteen (15) days from the date of the challenge.

appointment or as soon as the fact giving rise to the recusal request becomes known.

(b) The Parties shall attempt to reach an agreement on the challenge within fifteen (15) days following the notification of the request. The arbitrator may, after the challenge has been raised, resign from his function, without this implying acceptance of the validity of the reasons for the challenge.

(c) If the parties are unable to reach an agreement or if the challenged arbitrator does not resign, the request for challenge shall be decided by the chairman of the arbitral tribunal within fifteen (15) days after the expiration of the time limit set forth in (b). In the event that the chairman of the arbitral tribunal has not accepted his designation by the date of expiration of the time limit set forth in (b), the challenge request shall be submitted once the chairman of the arbitral tribunal has accepted his designation.

(d) If, pursuant to (b) or (c), the request for disqualification of the original arbitrator is granted or the original arbitrator resigns, the substitute arbitrator appointed pursuant to Article 22.7 shall act as the original arbitrator. If the challenge concerns an incumbent arbitrator who was an alternate arbitrator, the merits of the challenge shall entitle the appointing Party to appoint a new incumbent arbitrator in accordance with Article 22.7.

21.2. Challenge of the chairman of the arbitral tribunal

(a) Any Party that becomes aware of an alleged violation or breach by the chairman of the arbitral tribunal of the requirements for appointment as chairman of the arbitral tribunal or of the obligations set forth in the Code of Conduct and Article 22.7.9 may request the removal of the chairman of the arbitral tribunal. The request for disqualification shall be reasoned and notified in writing to the other Party, to the chairman of the arbitral tribunal and to the arbitral tribunal within fifteen (15) days of the appointment, drawing of lots or from the time the fact giving rise to the request for disqualification becomes known.

(b) The Parties shall attempt to reach an agreement on the challenge of the chairman of the arbitral tribunal within fifteen (15) days of the notification of the challenge. The chairman of the arbitral tribunal may, after the challenge has been raised, resign from his office, without this implying acceptance of the validity of the reasons for the challenge.

(c) If it is not possible to reach an agreement or if the challenged arbitrator does not resign, the request for challenge shall prevail and the alternate arbitrator shall take over. Each party may request the challenge of the chairman of the arbitral tribunal only once. However, a request for a challenge of the presiding arbitrator in which the presiding arbitrator has resigned pursuant to (b) shall not be counted as a request for a challenge for the purposes of this subsection.

22. The time limits provided for in this Chapter and in these Rules, which are counted from the appointment of the last arbitrator, shall begin to run from the date on which the arbitrator accepted his appointment.

23. The chairman of the arbitral tribunal shall preside at all its meetings. The arbitral tribunal may delegate to its chairman the power to make administrative and procedural decisions.

24. The arbitral tribunal shall perform its functions in person or by any technological means, as agreed by the Parties.

25. Only the arbitrators may participate in the deliberations of the arbitral tribunal, unless, after prior notice to the Parties to the dispute, the tribunal allows the presence of their assistants and, where appropriate, interpreters.

26. For procedural matters not covered by these Rules, the arbitral tribunal, in consultation with the Parties, may establish supplementary rules of procedure, provided that they do not conflict with the provisions of the Agreement and these Rules. When supplementary rules of procedure are adopted, the chairman of the arbitral tribunal shall immediately notify the Parties.

Hearings

27. The Parties shall designate their representatives before the arbitral tribunal, and may appoint counsel to defend their rights.

28. The presiding arbitrator shall fix the place, date and time of the hearing, in consultation with the Parties, subject to Rule 10. The date of the hearing shall be fixed after the Parties have filed their initial and counter-submissions, respectively. The Administrative Unit shall notify the Parties, by the most expeditious means possible, of the place, date and time of the hearing.

29. Unless otherwise agreed by the Parties, the hearing shall be held in the capital of the Party complained against.

30. When it considers it necessary, the arbitral tribunal may, with the agreement of the Parties, convene additional hearings.

31. All arbitrators must be present at the hearings, otherwise they cannot be held. The hearings shall be held in person. However, the arbitral tribunal, subject to the consent of the Parties, may agree that the hearing be held by any other means.

32. All hearings shall be closed to the public. However, when a Party for justified reasons so requests, and with the agreement of the other Party, such hearings may be open, except when information designated as confidential by one of the Parties is being discussed. Unless otherwise agreed by the Parties, the presence of the public at the hearings of the arbitral tribunal shall be by simultaneous transmission by closed-circuit television or any other technological means.

33. If a Party wishes to submit confidential information during the hearing, it shall so advise the Administrative Unit at least ten (10) days prior to the hearing. The Administrative Unit shall take the necessary steps to ensure that the hearing is conducted in accordance with Rule 32.

34. Unless the Parties agree that the hearing shall be open, only those present may be present at the hearings:

(a) representatives of the Parties, officials and advisors designated by them, and

(b) assistants to the arbitrators and interpreters if required.

In all circumstances, the presence of any person from whom a benefit could reasonably be expected from access to confidential information is excluded.

35. The Parties may object to the presence of any of the persons referred to in Rule 34 no later than two (2) days before the hearing, stating the reasons for such objection. The objection shall be decided by the arbitral tribunal prior to the commencement of the hearing.

36. No later than five (5) days prior to the date of the hearing, each Party shall submit to the Administrative Unit a list of the persons who will attend the hearing as representatives and other members of its delegation.

37. The hearing shall be conducted by the presiding arbitrator, who shall ensure that the Parties are given equal time to present their oral arguments.

38. The hearing will be conducted in the following order:

(a) pleadings

(i) the Complaining Party's allegation, and

(ii) pleading of the Party complained against.

(b) replies and rejoinders

(i) reply of the complaining Party, and

(ii) rejoinder of the Party complained against.

39. The arbitral tribunal may put questions to any Party at any time during the hearing.

40. The Administrative Unit shall adopt the necessary measures to keep a system for recording the oral presentations. Such record shall be made by any means, including transcription, that ensures the preservation and reproduction of its contents. At the request of any of the Parties or the arbitral tribunal, the Administrative Unit shall provide a copy of the record. In the case of a hearing closed to the public, such record may only be requested by the Parties or the arbitral tribunal.

Complementary documents

41. The arbitral tribunal may put questions in writing to any Party at any time during the proceedings, and shall determine the period of time within which it shall deliver its answers.

42. Each Party shall be given the opportunity to comment in writing on the answers referred to in Rule 41 within such period of time as the arbitral tribunal may prescribe.

43. Notwithstanding the provisions of Rule 10, within ten (10) days after the date of the conclusion of the hearing, the Parties may submit supplementary written submissions in connection with any matter that has arisen during the hearing.

Burden of proof with respect to incompatible measures and exceptions

44. Where the complaining Party considers that a measure of the Party complained against is inconsistent with the obligations under the Agreement; or that the Party complained against has otherwise failed to comply with the obligations under the Agreement, it shall have the burden of proving such inconsistency or failure, as the case may be.

45. Where the Party complained against considers that a measure is justified by an exception under the Agreement, it shall have the burden of proving it.

46. The Parties shall offer or submit evidence with the initial and rebuttal pleadings in support of the arguments made in such pleadings. The Parties may also submit additional evidence in their rebuttal and rejoinder pleadings.

Ex parte contacts

47. The arbitral tribunal shall not meet or contact either Party in the absence of the other.

48. No arbitrator may discuss any matter relating to the arbitration proceedings with any Party in the absence of the other Party and the other arbitrators.

49. In the absence of the Parties, an arbitral tribunal may not meet or have discussions concerning the subject matter of the arbitral proceedings with a person or entity that provides information or technical advice.

Information and technical advice

50. The arbitral tribunal may not request information or technical advice pursuant to Article 22.10.7, whether at the request of a Party or on its own initiative, later than ten (10) days after the date of the hearing.

51. Within five (5) days after the date on which the arbitral tribunal consults with the Parties on the request for information or technical advice, it shall select the person or entity to provide such information or technical advice.

52. The arbitral tribunal shall select experts or advisors strictly on the basis of their expertise, objectivity, impartiality, independence, reliability and sound judgment.

53. The arbitral tribunal may not select as an expert or advisor a person who has, or whose employers, partners, associates or relatives have, a financial, personal or other interest that may affect his or her independence and impartiality in the proceeding.

54. The arbitral tribunal shall deliver a copy of its request for information or technical advice to the Administrative Unit, which in turn shall deliver it by the most expeditious means possible to the Parties and to the persons or entities that are to provide the information or technical advice.

55. The persons or entities shall deliver the information or technical advice to the Administrative Unit within the period of time established by the arbitral tribunal, which in no case shall exceed ten (10) days from the date on which they received the request from the arbitral tribunal. The Administrative Unit shall deliver to the Parties and to the arbitral tribunal, by the most expeditious means possible, the information provided by the experts or technical advisors.

56. Either Party may comment on the information provided by the experts or technical advisors within five (5) business days from the date of delivery. Such comments shall be submitted to the Administrative Unit, which, in turn, no later than the following day, shall deliver them to the other Party and to the arbitral tribunal.

57. Where a request for information or technical advice is made, the Parties may agree to suspend the arbitration proceedings for a period of time to be determined by the arbitral tribunal in consultation with the Parties.

Computation of deadlines

58. All time limits set forth in this Chapter, in these Rules or by the arbitral tribunal shall be calculated from the day following the day on which the notice, request or document relating to the arbitration proceedings was received.

59. In the event that any action is required to be taken before or after a date or event, the day of that date or event shall not be included in the computation of the term.

60. When the period begins or expires on a non-business day, the provisions of Rule 13 shall apply.

61. All time limits established in this Chapter and in these Rules may be modified by mutual agreement of the Parties.

Contact unit

62. Each Party shall designate a Contact Unit to provide administrative support to the arbitral tribunal. Once designated, its address shall be communicated to the Administrative Commission no later than sixty (60) days from the date of entry into force of this Agreement.

Administrative unit

63. The Administrative Unit shall have the following functions:

(a) provide administrative assistance to the arbitral tribunal, the arbitrators and their assistants, interpreters, translators, persons or entities selected by the arbitral tribunal to provide information or technical advice and other persons involved in the arbitral proceedings;

(b) make available to the arbitrators, upon acceptance of their appointment, documents relevant to the arbitration proceedings;

(c) keep a copy of the complete file of each arbitration proceeding;

(d) inform the Parties of the amount of the costs and other expenses associated with the arbitration proceeding that each Party will bear, and

(e) organize logistical issues related to the hearings.

Costs and other associated expenses

64. Each Party shall bear the cost of the arbitrator it appoints or should have appointed pursuant to Article 22.7, as well as the cost of his or her assistants, if any, travel, accommodation and other expenses associated with the conduct of the proceeding. Unless otherwise agreed by the Parties, the remuneration of the arbitrators shall be paid according to the WTO scale of payments for non-governmental arbitrators in a dispute before the WTO as of the date on which the complaining Party requests the establishment of the arbitral tribunal under Article 22.6.

65. The costs of the chairman of the arbitral tribunal, his assistants, if any, their travel, lodging and other expenses associated with the proceedings shall be borne by the Parties in equal proportions.

66. Each arbitrator shall keep a complete record of the expenses incurred and submit a settlement, together with supporting documents, for the purpose of determining their relevance and subsequent payment. The same shall apply to assistants and experts.

67. The amount of the fees of the arbitrators, their assistants and experts, as well as the expenses that may be authorized, shall be established by the Administrative Commission.

68. When the chairman of the arbitral tribunal or an arbitrator requires one or more assistants to carry out his work, he shall agree with both parties.

Compliance review and suspension of benefits arbitration court

69. Without prejudice to the foregoing rules, in the case of a proceeding conducted pursuant to Article 22.16 the following shall apply:

(a) where a Party requests the establishment of the arbitral tribunal, it shall deliver its initial written statement within five (5) days after the constitution of the arbitral tribunal pursuant to Article 22.16;

(b) the other Party shall deliver its counter-submission within fifteen (15) days from the date of receipt of the original submission, and

(c) subject to the time limits set forth in the Agreement and these Rules, the arbitral tribunal shall establish the time limit for the delivery of any supplementary documents, ensuring that each Party has an equal opportunity to submit documents.

Procedure for selecting the chairman of the arbitral tribunal in case of non-appointment

70. Unless otherwise agreed by the Parties, the following procedure shall apply for the purpose of selecting the chairman of the arbitral tribunal pursuant to Article 22.7:

- (a) the drawing of lots shall take place in the capital of the claimant Party;
- (b) the complaining Party shall notify the Party complained against of the date of the draw at least five (5) days in advance. The Party complained against shall designate a representative to be present during the drawing of lots;
- (c) the claimant Party shall provide a container containing envelopes containing the names of the candidates for presiding arbitrators, in accordance with Article 22.7. The Party complained against shall check each envelope before it is sealed for the drawing of lots;
- (d) Once all the envelopes have been sealed and inserted in the container, the representative of the Party complained against shall draw one of them, at random and without the possibility of discerning the identity of the candidate whose name appears on the envelope;
- (e) the candidate whose name is on the envelope drawn shall be the chairman of the arbitral tribunal.

71. If, after the notification referred to in Rule 70 (b), the representative of the Party complained against fails to appear at the drawing of lots, or if such representative refuses to draw an envelope from the container pursuant to Rule 70 (d), the complaining Party shall draw the envelope.

72. If a Party fails to submit its list of candidates, the chairman of the arbitral tribunal shall be designated by lot from the list submitted by the other Party.

Procedure for selecting an arbitrator in case of non-appointment

73. If a Party fails to appoint its arbitrator within the time period provided for in Article 22.7, the arbitrator shall be appointed by the other Party from the indicative list of WTO panelists for the Party that failed to appoint the arbitrator. In the event that candidates from that list are not available, the arbitrator shall be selected from the indicative list of WTO panelists for any Member other than the Parties.

Chapter 22. Dispute Resolution

Article 22.1. Objectives

1. This Chapter seeks to provide an effective, efficient and transparent solution process of disputes between the Parties with respect to the rights and obligations provided in this Agreement.
2. The Parties shall endeavor at all times to reach agreement on the interpretation and application of this Agreement, and will make every effort to reach a solution mutually satisfactory in any matter that could affect its operation.

Article 22.2. Scope of Application

Unless otherwise provided in this Agreement, the provisions on settlement of disputes established in this Chapter shall apply:

- (a) To the prevention or settlement of all disputes between the Parties relating to the interpretation or application of this Agreement;
- (b) When a Party considers that a measure of the other Party is incompatible with the obligations of this Agreement, or that the other Party has otherwise breached the obligations assumed in this Agreement, and
- (c) When a Party considers that a measure of the other Party causes cancellation or impairment of the benefits that could reasonably have been expected according to the Chapters 2 (Trade Facilitation), 4 (Sanitary and Phytosanitary Measures), 5 (Technical Barriers to Trade), 6 (Cross-Border Trade in Services) and 12 (Public Procurement).

Article 22.3. Choice of Forum

1. Disputes over the same matter that arise in relation to the provisions of this Agreement, in the WTO Agreement or in any other commercial agreement of which the Parties be part, may be resolved in any such forum, at the option of the

complaining Party. Without prejudice thereof, the Twenty-First Additional Protocol to ACE No. 35 shall not apply to disputes arising between the Parties on matters regulated exclusively in this Agreement.

2. To this end, it will be understood that two procedures deal with the same matter when they refer to the same measure or the same allegation of disagreement or nullification or impairment.

3. Once the complaining Party has requested the establishment of an arbitral tribunal under this Chapter or one of the agreements referred to in paragraph 1, or well, has requested the establishment of a special group under the Relative Understanding to the Rules and Procedures Governing the Settlement of Differences, which is part of the WTO Agreement, the selected forum will be exclusive of any other.

4. Nothing in this Agreement shall be construed as preventing a Party from adopt a measure consistent with the WTO Agreement, including a suspension of concessions and other obligations authorized by the Dispute Settlement Body of the WTO, or a measure authorized in the framework of a dispute settlement procedure of another commercial agreement with respect to which both Parties are parties.

Article 22.4. Consultations

1. Either Party may request in writing to the other Party the performance of consultations regarding any matter referred to in Article 22.2.

2. The requesting Party shall provide in writing the request for consultations to the other Party, and shall indicate in your request the reasons for it, including the identification of the measure in question or any other matter in question, and an indication of the facts and legal bases of the request.

3. The Party consulted will respond in writing within ten (10) days following the date of receipt of the request, unless the Parties agree otherwise. The consultations will take carried out within thirty (30) days following the date of receipt of the request for consultations, or within another mutually agreed period.

4. Consultations under this Article will be conducted in good faith, with a view to arriving at a mutually satisfactory solution.

5. Queries may be made in person or by any technological means available, in accordance with the agreement of the Parties. Unless the Parties agree otherwise, the face-to-face consultations will be held in the capital of the Party consulted.

6. The consultations will be confidential.

7. In the consultations, each Party:

(a) Provide sufficient information to allow a full examination of the measure or subject in question, and

(b) Will give the confidential information received during the consultation the same treatment in confidentiality matter granted by the Party that has provided it.

8. The Parties will make every effort to provide each other with information requested during consultations and so that, at the request of one of the Parties, it participates in the specialized staff consultations of your government agencies or other entities regulators with competence in the matter that is the subject of the consultations.

9. The period of consultations shall not exceed sixty (60) days following the date of receipt of the request for consultations, unless the Parties agree on a different term.

Article 22.5. Good Offices, Conciliation and Mediation

1. The Parties may at any time agree to the use of alternative means of dispute resolution, such as good offices, conciliation or mediation.

2. Such alternative means of dispute resolution shall be conducted in accordance with the procedures agreed by the Parties.

3. Either Party may initiate, suspend or terminate at any time the procedures established under this Article.

4. The procedures of good offices, conciliation and mediation are confidential and without prejudice of the rights of the Parties in any other procedure.

Article 22.6. Establishment of an Arbitral Tribunal

1. If, after the period established in Article 22.4.9 has elapsed, no agreement has been reached mutually satisfactory solution, the complaining Party may request the establishment of an arbitral tribunal.
2. The requesting Party shall indicate the reasons for its request, including the identification of the measure or other matter in question, the indication of the legal basis of the claim and will deliver the request to the other Party. If cancellation or impairment is claimed, you must indicate it.
3. Unless the Parties agree otherwise, the arbitral tribunal shall be established and shall perform its functions in accordance with the provisions of this Chapter and the Rules of Procedure of Annex I.
4. The arbitral tribunal shall be deemed established at the time of the acceptance of the last of its members, in accordance with Article 22.7.
5. An arbitral tribunal may not be established to review a proposed measure.

Article 22.7. Composition of the Arbitral Tribunal

1. The arbitral tribunal shall consist of 3 arbitrators.
2. Each Party shall designate, within twenty (20) days following the date of receipt of the request for the establishment of the arbitral tribunal, a titular and an alternate arbitrator, who may be of his own nationality, and propose up to 3 candidates to act as president of the arbitral tribunal, among which a holder and an alternate will be appointed.
3. If a Party does not designate its arbitrator within the period provided in paragraph 2, it shall be appointed by the other Party in accordance with the Rules of Procedure.
4. The Parties shall make every effort to designate by common agreement the president of the arbitral tribunal, among the candidates proposed by the Parties, within twenty (20) days following the expiration of the period provided in paragraph 2. If the Parties fail to reach an agreement Regarding the president of the arbitral tribunal in the aforementioned period, the president and his deputy shall be designated by lot drawn by the Parties in accordance with the Rules of Procedure.
5. The president of the arbitral tribunal shall not be a national of any of the Parties, nor may he have their current place of residence in the territory of any of the Parties, or be or have been employed by any of the Parties, unless the Parties agree otherwise.
6. In case of death, recusal, impossibility or resignation of any of the arbitrators appointed in accordance with this Article, shall assume his substitute. If the substitute could not assume for the same reasons, a successor will be selected according to the procedure of designation provided for in paragraphs 2, 3 and 4, which will be applied mutatis mutandis. The successor You will have all the authority and the same obligations as the original arbitrator. The work of the court arbitration shall be suspended from the date of death, challenge, impossibility or resignation of the arbitrator or his alternate, and shall resume on the date on which the successor is appointed.
7. Any Party may challenge an arbitrator or a candidate in accordance with the provisions of the Rules of Procedure.
8. The members of the arbitral tribunal, upon accepting their appointment, shall assume in writing the commitment to act in accordance with the provisions of this Chapter, the Rules of Procedure and this Agreement.
9. All arbitrators must:
 - (a) Have specialized knowledge or experience in law, trade international, matters related to the matters contained in this Agreement, or in solving controversies derived from international commercial agreements;
 - (b) Be chosen strictly according to their objectivity, reliability and good judgment;
 - (c) Be independent, not be bound to the Parties and not receive instructions from the Parties, and
 - (d) Comply with the Code of Conduct provided in Annex II.
10. The president of the arbitral tribunal, in addition to complying with the requirements indicated in the paragraph 9, must be a jurist.
11. People who have participated in any of the alternative means of solving disputes referred to in Article 22.5, may not act as arbitrators in the same controversy.

Article 22.8. Terms of Reference of the Arbitral Tribunal

1. Unless the Parties agree otherwise, no later than fifteen (15) days after the date of receipt of the request for the establishment of the arbitral tribunal, the terms of reference of the arbitral tribunal will be:

"To examine, objectively and in light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of the arbitral tribunal and formulate conclusions, determinations and recommendations, in accordance with Articles 22.11 and 22.12 ".

2. If, in its request for the establishment of an arbitral tribunal, the complaining Party indicates that a measure nullifies or impairs benefits within the meaning of Article 22.2 (c), the terms of reference will indicate so.

3. At the request of the complaining Party, the Parties may agree that the arbitral tribunal formulate conclusions on the degree of adverse trade effects generated by the dissatisfaction or nullification or impairment. In this case, the terms of reference should expressly indicate it.

Article 22.9. Role of the Arbitral Tribunal

1. The function of the arbitral tribunal is to make an objective assessment of the matter that has been submitted, including an analysis of the facts of the case and the applicability and compliance with this agreement.

2. The tribunal shall issue its findings, determinations and recommendations based on the provisions of this Agreement, its analysis of the facts of the case, the arguments and evidences submitted by the Parties, the applicable provisions of international law, and in accordance with the rules of interpretation of international law as reflected in Articles 31 and 32 of the Vienna Convention on the Law of Treaties of 1969. With regarding any provision of the WTO Agreement that has been incorporated into this Agreement, the arbitral tribunal will also consider the relevant interpretations contained in the Reports of the panels and the Appellate Body of the WTO, adopted by the WTO Dispute Settlement Body.

3. The arbitral tribunal shall be established and shall perform its functions in accordance with the provisions of this Chapter and the Rules of Procedure, unless the Parties agree another thing.

Article 22.10. Rules of Procedure

1. Unless the Parties agree otherwise, the hearings of the arbitral tribunal shall be held in the capital of the Party complained against.

2. Unless the Parties agree otherwise, the arbitral tribunal established in accordance with this Chapter will follow the Rules of Procedure contained in Annex I. The court arbitration may establish, in consultation with the Parties, supplementary procedural rules that do not conflict with the provisions of this Agreement.

3. The Rules of Procedure shall guarantee to each Party:

(a) The opportunity to present at least initial and rebuttal arguments in writing;

(b) The right to at least one hearing before the arbitral tribunal, and

(c) The right to present oral arguments.

4. The deliberations of the arbitral tribunal shall be confidential, as well as the documents Qualified as confidential or reserved by any of the Parties. Hearings before the arbitral tribunal shall be closed to the public, unless the Parties agree otherwise.

5. Notwithstanding the provisions of paragraph 4, the Parties may make public statements on your views on the controversy, but will treat the information as confidential or proprietary of the documents delivered by the other Party to the arbitral tribunal that it has qualified as confidential or reserved.

6. When a Party has submitted documents qualified by it as confidential or reserved, that Party may submit a non-confidential or non-reserved summary at the request of the another Party, which may be made public.

7. At the request of one of the Parties or on its own initiative, provided that both Parties agree, the arbitral tribunal may seek information and request technical advice from any person or entity that it deems pertinent in accordance with the Rules of Procedure. Information or obtained advice will not bind the arbitral tribunal. The arbitral tribunal shall provide the Parties a copy of any opinion or advice obtained and the opportunity to make comments.

8. After consultation with the Parties, and unless they agree otherwise, within ten (10) days following its establishment, the

arbitral tribunal will set the schedule for its work, taking into account the provisions of Article 22.12.

9. The arbitral tribunal shall seek to adopt its decisions unanimously, including its award. Yes this is not possible, you can adopt them by majority.

10. Written communications, oral arguments or presentations at the hearing, the award of the arbitral tribunal, as well as other written or oral communications between the Parties and the court arbitration, relating to the proceedings of the arbitral tribunal, shall be conducted in Spanish or in Portuguese, unless the Parties agree otherwise.

Article 22.11. Award Project of the Arbitral Tribunal

1. The arbitral tribunal shall notify its draft award to the Parties within a period of ninety (90) days, counted from its establishment, unless the Parties agree on a different term.

2. In case of urgency, the arbitral tribunal shall notify its draft award to the Parties within of the sixty (60) days following the date of its establishment, unless the Parties agree a different term.

3. In exceptional cases, if the arbitral tribunal considers that it can not issue the draft award within the term of ninety (90) days or another that the Parties have agreed, shall inform in writing to the Parties the reasons justifying the delay, together with an estimate of the deadline which will issue your award draft. Any delay shall not exceed a period of thirty (30) days, unless the Parties agree otherwise.

4. The arbitral tribunal shall base its draft award on the relevant provisions of this Agreement, in the writings and oral arguments of the Parties, as well as in any information and technical advice received in accordance with this Agreement.

5. The draft award will contain:

(a) A summary of the oral arguments and arguments of the Parties;

(b) The conclusions with their factual and legal grounds;

(c) Determinations in a well-founded manner on whether a Party has complied or not with its obligations under this Agreement, or if the measure of that Party is a cause of nullification or impairment under the terms of Article 22.2 (c), or any other determination requested by the Parties in the terms of reference, and

(d) Its recommendations, where applicable, for the Party complained against to place its measures in accordance with this Agreement.

6. Either Party may submit to the arbitral tribunal written observations to the draft of the award, within a period of fifteen (15) days counted from the notification of the draft award or any other period established by the arbitral tribunal.

7. After considering such observations, the arbitral tribunal may reconsider its draft award and carry out any further examination that it considers relevant.

Article 22.12. Award of the Arbitral Tribunal

1. The award of the arbitral tribunal shall be final, unappealable and binding for the Parties from of the reception of the respective notification. It shall be adopted in accordance with the provisions of Article 22.10.9, shall be founded, and shall be subscribed by the president of the arbitral tribunal and by the other arbitrators. The arbitrators may not base dissent votes, and must maintain the confidentiality of the vote.

2. The arbitral tribunal shall notify the Parties of its award within thirty (30) days, counted from the notice of the draft award, unless the Parties agree otherwise.

3. The conclusions, determinations and recommendations of the arbitral tribunal may not be increase or decrease the rights and obligations of the Parties established in this Agreement.

4. Unless the Parties agree otherwise, any of them may publish the award after thirty (30) days of being notified, subject to the protection of the information confidential or reserved.

Article 22.13. Suspension and Termination of the Procedure

1. The Parties may agree at any time during the procedure, through a joint communication addressed to the president of the arbitral tribunal, the suspension of the work of the arbitral tribunal for a period not greater than twelve (12) months

following the date of such communication.

2. The arbitral tribunal shall resume its work if the Parties so agree within the time limit of twelve (12) months referred to in paragraph 1.

3. If the work of the arbitral tribunal is suspended for more than twelve (12) months, the terms of reference of the arbitral tribunal shall be without effect, unless the Parties agree otherwise. If the terms of reference of the arbitral tribunal are without effect and the Parties have not reached an agreement on the resolution of the dispute, nothing of the provisions of this Article will prevent a Party from initiating a new proceeding concerning the same matter.

4. At any stage of the procedure prior to the notification of the award, the Parties may terminate the procedure through a joint communication addressed to the president of the arbitral tribunal.

Article 22.14. Implementation of the Award

1. Once the award of the arbitral tribunal has been notified, the Parties shall reach an agreement on the implementation of the award, in the terms of the determinations, conclusions and recommendations of the arbitral tribunal.

2. Either Party may request, within fifteen (15) days following the date of notification of the award, a clarification of the same. The arbitral tribunal shall rule on the request within fifteen (15) days following its presentation. The period of time from the request until the pronouncement of the arbitral tribunal will not be counted for the purpose of the term referred to in Article 22.15.

3. If in his award the arbitral tribunal determines that the measure in question is incompatible with obligations of this Agreement, or that the measure causes nullification or impairment in the terms of Article 22.2 (c), the requested Party shall eliminate the non-conformity or the cancellation or the impairment, whenever possible.

4. Unless the Parties agree otherwise, the Party complained against shall have a deadline reasonable to eliminate the disagreement or nullification or impairment if it is not feasible to do so immediately.

5. The Parties shall endeavor to agree on a reasonable period of time. If the Parties fail agree within a period of forty-five (45) days following the presentation of the award final, any Party may, no later than sixty (60) days after the presentation of the award final, send the request to the president of the arbitral tribunal to determine the reasonable time.

6. The president of the arbitral tribunal shall take into consideration that the reasonable time shall exceed six (6) months from the notification of the award pursuant to Article 22.12. However, that period may be shorter or longer, depending on the circumstances particular of the controversy.

7. The president will determine the reasonable term no later than ninety (90) days after the date of receipt of the request in accordance with paragraph 5.

Article 22.15. Non-implementation - Compensation or Suspension of Benefits

1. The Parties, at the request of the complaining Party, shall initiate negotiations with a view to establish mutually acceptable compensation if:

(a) The complaining Party has notified the complaining Party that it does not intend to eliminate nonconformity or nullification or impairment, or

(b) After the expiration of the reasonable period established in accordance with the Article 22.14.4, there is disagreement as to whether the requested Party has eliminated the dissatisfaction or nullification or impairment.

2. Such compensation will be temporary and will be granted until the dispute is resolved.

3. If the Parties:

(a) They do not agree to compensation in accordance with paragraph 1, within the thirty (30) days after the submission of the request for compensation of the Claiming party, or

(b) Have agreed on compensation in accordance with this Article and the complaining Party considers that the Party complained against has not complied with terms of the agreement reached, the complaining Party may communicate to the complained Party, in writing, its decision to temporarily suspend benefits and other equivalent obligations provided in this Agreement, tending to obtain compliance with the award.

4. The communication shall specify:

- (a) The date on which the suspension will begin, in accordance with paragraph 6;
- (b) The level of benefits or other equivalent obligations that it proposes to suspend, and
- (c) The limits within which the suspension will apply, including what the benefits or obligations provided in this Agreement that will be suspended.

5. Suspension of benefits and other obligations will be temporary, and may be applied only up to the time when the disagreement or the nullification or impairment has been eliminated. The level of suspension will be equivalent to the level of nullification or impairment.

6. The complaining Party may initiate the suspension of benefits thirty (30) days after The subsequent date between the dates on which:

- (a) Make the communication in accordance with paragraph 3, or
- (b) The arbitral tribunal notifies the award pursuant to Article 22.16.

7. When considering benefits or other obligations to be suspended in accordance with this Article:

- (a) The complaining Party will seek, first, to suspend benefits or other obligations in the same sector or sectors that are affected by the measure that the arbitral tribunal has concluded is incompatible with this Agreement or that causes nullification or impairment within the meaning of Article 22.2 (c), and
- (b) If the complaining Party considers that it is not feasible or effective to suspend benefits or other obligations within the same sector or sectors, may suspend benefits or other obligations in another sector or sectors, with the exception of Chapter 12 (Public Contracting). The complaining Party must indicate the reasons why The decision is based on the notification to initiate the suspension.

Article 22.16. Examination of Compliance and Suspension of Benefits

1. The requested Party may, within thirty (30) days following the date of the communication made by the complaining Party in accordance with Article 22.15.3, request that the arbitral tribunal established in accordance with Article 22.6 be reconstituted for to determine indistinctly or jointly:

- (a) If it considers that the level of benefits or other obligations that the complaining Party proposed to suspend is excessive, or the complaining Party has not observed the provisions in Article 22.15, or
- (b) If it considers that the requested Party has eliminated the non-conformity or the cancellation or the impairment that the arbitral tribunal has determined exists.

2. The requesting Party shall indicate the specific measures or issues in the dispute and provide a brief summary of the legal bases of the resulting claim enough to present the problem clearly.

3. The arbitral tribunal shall be reconstituted within a term of thirty (30) days counted as upon receipt of the request and shall notify its draft award to the Parties within:

- (a) The forty-five (45) days following its reconstitution to examine the application pursuant to paragraph 1 (a) or 1 (b), or
- (b) Sixty (60) days after reconstitution to examine the request according to paragraphs 1 (a) and 1 (b).

4. The Parties may submit observations to the draft award in accordance with the Article 22.11.6. The arbitral tribunal may reconsider its draft award in accordance with what is established in Article 22.11.7.

5. The arbitral tribunal shall notify its award to the Parties within:

- (a) Fifteen (15) days after the presentation of the draft award, in cases to examine the request in accordance with paragraph 1 (a) or 1 (b), or
- (b) Twenty (20) days following the presentation of the draft award, in cases to examine the request in accordance with paragraphs 1 (a) and 1 (b).

6. If any of the original arbitrators can not be part of the arbitral tribunal, it will be applied the provisions of Article 22.7.

7. If the arbitral tribunal determines that the level of benefits or other obligations that proposed to suspend is excessive, or that the complaining Party has not observed the provisions of the Article 22.15, shall establish the manner in which the complaining Party may suspend benefits or other obligations. The complaining Party may only suspend benefits or other obligations in a manner consistent with the determination of the arbitral tribunal.

8. If the arbitral tribunal determines that the requested Party has eliminated the disagreement or nullification or impairment, the complaining Party may not suspend benefits or other obligations.

Article 22.17. Emergency Cases

1. In cases of urgency, the terms established in this Chapter shall be reduced by half, unless something different is established in it.

2. Without prejudice to the provisions of Article 22.11.1, the arbitral tribunal shall apply the term established in Article 22.11.2 when the complaining Party so indicates in the request of the establishment of the arbitral tribunal.

3. For the purposes of this Chapter, disputes shall be understood as cases of urgency relating to perishable goods, which comprise those goods that are decomposed quickly due to its natural characteristics, especially if conditions do not exist adequate storage.

Annex II. CODE OF CONDUCT FOR ARBITRATION DISPUTE RESOLUTION PROCEEDINGS

Preamble

Considering that the Parties attach paramount importance to the integrity and impartiality of procedures established in accordance with this Chapter, the Parties establish this Code of Conduct in compliance with Article 22.7.9 (d).

Article 1. Definitions

For the purposes of this Code of Conduct:

(a) Arbitrator means the person designated by the Parties under Article 22.7 to join an arbitral tribunal and has accepted his appointment to the position;

(b) Assistant means a person who provides support to the referee;

(c) Affidavit means the Affidavit of Confidentiality and Compliance with the Code of Conduct, which is included in the Appendix of this Code of Conduct;

(d) Expert means a person who provides information or technical advice in accordance with Rules 50 to 57 of Annex I;

(e) Family means the spouse or partner of the arbitrator, their relatives consanguineous and by affinity, and the spouses of such persons;

(f) Procedure means, unless otherwise specified, the procedure of an arbitral tribunal under this Chapter;

(g) Arbitral tribunal means the arbitral tribunal established pursuant to Article 22.6;

(h) Contact unit means the office that both Parties designate for provide administrative support to the arbitral tribunal, in accordance with the Rule 62 of Annex I, and

(i) Administrative unit means the designated Unit of the Party claimed, in accordance with Rule 63 of Annex I.

Article 2. Current Principles

(a) The arbitrators shall be independent and impartial and shall avoid conflicts of interest, direct or indirect. They should not receive instructions from any Government or governmental or non-governmental organization.

(b) The arbitrators and former arbitrators shall respect the confidentiality of the procedures of the arbitral tribunal.

(c) The arbitrators must disclose the existence of any interest, relationship or issue that might influence its independence or impartiality and that could reasonably create an appearance of impropriety or bias. There is an appearance of impropriety or bias when a reasonable person, with knowledge of all relevant circumstances that a reasonable investigation could throw,

it would conclude that the capacity of an arbitrator to carry out his duties with integrity, impartiality and Competition is deteriorated.

(d) This Code of Conduct does not establish under what circumstances the Parties they will disqualify an arbitrator.

Article 3. Responsibilities Towards the Procedure

The referees and former referees will avoid being or appearing incorrect and will keep a high level of conduct to preserve the integrity and impartiality of the settlement procedure controversies.

Article 4. Disclosure Obligations

(a) Throughout the procedure, the arbitrators have a permanent obligation to disclose interests, relationships and issues that may be linked to the integrity or impartiality of the arbitration procedure of dispute resolution.

(b) As expeditiously as possible, after it is known that one of the Parties has appointed a person as arbitrator to serve on the arbitral tribunal, the Administrative unit shall provide such person with a copy of this Code of Conduct and the Affidavit.

(c) The person appointed to the arbitral tribunal shall have three (3) days to accept your appointment, in which case you must return to the Unit the Sworn Statement duly signed. The designated person to integrate the arbitral tribunal will disclose any interest, relationship or issue that could influence its independence or impartiality or that it could reasonably create the appearance of impropriety or bias in the procedure. To such In effect, the person appointed to the arbitral tribunal shall carry out all the reasonable efforts to have knowledge of such interests, relationships and matters To this end, it must disclose, as a minimum, the following interests, Relations and matters:

(i) Any economic or personal interest in:

(A) The procedure or its result, and

(B) An administrative procedure, an internal judicial procedure or another international dispute settlement procedure that involves issues that can be decided in the procedure for which it is being considered;

(ii) Any economic interest of your employer, partner, associate or relative in:

(A) The procedure or its result, and

(B) An administrative procedure, a judicial procedure national or other international procedure for the settlement of differences that involve issues on which you can decide in the procedure for which it is being considered;

(iii) Any current or previous economic, commercial, or professional, family or social with any of the Parties interested in the procedure or its lawyers or any relationship of that nature that involve your employer, partner, associate or relative, and

(iv) Public defense or legal or other representation about any controversial issue in the procedure or that involves the same goods or services.

(d) Once appointed, the arbitrator shall continue to make reasonable efforts to take note of any interest, relationship or issue mentioned in the subparagraph (c) and shall disclose them. The obligation of disclosure constitutes a permanent duty that requires arbitrators to disclose any interest, relationship personal and matter that may arise at any stage of the procedure.

(e) In case there is any doubt as to whether an interest, personal relationship or issue should be disclosed under subparagraphs (c) or (d), an arbitrator must choose please the disclosure. The disclosure of an interest, personal relationship or matter is understands without prejudice to whether the interest, personal relationship or matter is covered by subparagraphs (c) or (d), or if it merits correction, in accordance with numeral 6 (g), or disqualification.

(f) The disclosure obligations set forth in subparagraphs (a) to (e) must not interpreted in such a way that the burden of a detailed disclosure makes it practical to serve as arbitrators to the people of the legal or business community, depriving Parties of the services of those who could be the most qualified to serve as arbitrators.

Article 5. Performance of the Functions by the Arbitrators

(a) Bearing in mind that the prompt resolution of disputes is essential for this Agreement will work effectively, the arbitrators will perform their duties a complete and expeditious manner during the entire course of the procedure.

- (b) The arbitrators shall ensure that the administrative unit can, at all times reasonable, to contact the arbitrators to carry out the tasks of the arbitral tribunal.
- (c) The arbitrators shall perform their duties fairly and diligently.
- (d) The arbitrators shall comply with the provisions of this Chapter.
- (e) An arbitrator shall not deny the other arbitrators of the court the opportunity to participate in all aspects of the procedure.
- (f) The arbitrators shall not establish ex parte contacts in relation to the procedure, in accordance with Rule 47 of Annex I.
- (g) The arbitrators shall consider only the matters presented in the proceedings and that are necessary to make a decision and will not delegate their duty of decision to another person.
- (h) The arbitrators shall take the necessary measures to ensure that their assistants comply with paragraphs 3, 4, 5 (d), 5 (f) and 8 of this Code of Conduct.
- (i) The arbitrators shall be prevented from disclosing aspects related to real or potential of this Code of Conduct, unless the disclosure is with both Contact units and address the need to determine if a referee has violated or could violate this Code of Conduct.

Article 6. Independence and Impartiality of the Arbitrators

- (a) The arbitrators must be independent and impartial. The arbitrators will act in a just and will not create the appearance of impropriety or bias.
- (b) The arbitrators shall not be influenced by their own interests, external pressures, political considerations, public pressure, loyalty to a Party or fear of criticism.
- (c) The arbitrators may not, directly or indirectly, incur any obligation or accept some benefit that could somehow interfere, or appear to interfere, with the correct fulfillment of their obligations.
- (d) The arbitrators shall not use their position in the arbitral tribunal to promote interests personal or private. The arbitrators will avoid actions that can create the impression that there are other people who are in a special position to influence them. The arbitrators will do everything possible to prevent or discourage others people who have such influence.
- (e) The arbitrators shall not allow their previous or current relations or economic, commercial, professional, family or social responsibilities influence their behavior or reasoning.
- (f) The arbitrators shall avoid establishing any relationship or acquiring any interest that is likely to influence their impartiality or that could reasonably create the appearance of impropriety or bias.
- (g) If an interest, personal relationship or matter of an arbitrator is incompatible with the subparagraphs (a) to (f), the arbitrator may accept the designation of an arbitral tribunal or may continue to serve in an arbitral tribunal, as appropriate, if the Parties exempt the violation or if, after the arbitrator has taken action to mitigate the violation, the Parties determine that the incompatibility has ceased to exist.

Article 7. Obligations of Former Arbitrators

Former arbitrators will prevent their actions from creating the appearance of having been partial in the performance of their duties or who could have benefited from the decisions of the court arbitral.

Article 8. Confidentiality

- (a) The arbitrators and former arbitrators shall not divulge or use at any time non-public information related to a procedure or acquired during the same, except for the purposes of the procedure itself, or disclose or use such information for personal or other benefit, or to affect unfavorably the interests of others.
- (b) The arbitrators shall not disclose an award of the arbitral tribunal issued by virtue of this Chapter before the Parties publish the final award. The referees and former referees will not disclose at any time the identity of the arbitrators in the majority or minority in a proceeding under this Chapter.
- (c) The arbitrators and former arbitrators shall not disclose at any time the deliberations of an arbitral tribunal or the

opinion of an arbitrator, except when required by law.

(d) The arbitrators shall not make public statements about the merits of a pending procedure.

Article 9. Responsibilities of the Assistants, Advisers and Experts

Paragraphs 3, 4, 5 (d), 5 (f), 7 and 8 also apply to assistants, advisers and experts.

Appendix. AFFIDAVIT OF CONFIDENTIALITY AND OF COMPLIANCE OF THE CODE OF CONDUCT

1. I acknowledge receiving a copy of the Code of Conduct for Procedures Arbitration of Dispute Settlement pursuant to Chapter 22 of the Free Trade Agreement between the Republic of Chile and the Federative Republic of Brazil.

2. I acknowledge having read and understood the Code of Conduct.

3. I understand that I have a permanent obligation to disclose interests, personal relationships and matters that may be linked to the integrity or impartiality of the arbitration procedure of dispute resolution. As part of that obligation, I make the following sworn statement:

(a) My economic interest in the procedure or its result is as follows:

(b) My economic interest in any administrative procedure, procedure judicial process and other international dispute settlement procedures related to matters that could be decided in the procedure for the which I am under consideration is the following:

(c) Economic interests that any employer, partner, associate or family member may have in the procedure or its result are the following:

(d) Economic interests that any employer, partner, associate or family member may have in any administrative procedure, judicial procedure internal and other international dispute settlement procedures that involve matters that can be decided in the procedure for which I am under consideration are the following:

(e) My previous or current economic, commercial, professional relationships, family or social issues with any party interested in the proceedings or with their lawyers, are the following:

(f) My previous or current economic, commercial, professional relations, family or social issues with any party interested in the proceedings or with their attorneys, in which any employer, partner, associate or family, are the following:

(g) My public defense or legal or other representation related to any controversial issue in the procedure or involving the same assets or Services is as follows:

(h) My other interests, relationships and issues that may affect the integrity or impartiality of the dispute settlement procedure and that they have not been disclosed in subparagraphs (a) through (g) in this initial statement are the following:

Subscribed on _____ of the month _____, of the year ____.

By: First name _____ Firm _____

Chapter 23. Exceptions

Article 23.1. General Exceptions

1. For the purposes of Chapter 2 (Trade Facilitation), of Chapter 4 (Sanitary Measures) and Phytosanitary) and Chapter 5 (Technical Barriers to Trade), Article XX of the GATT 1994 and its interpretative notes are incorporated into this Agreement and are part of it, mutatis mutandis.

2. For the purposes of this Agreement, the Parties understand that the measures referred to in Article XX (b) of the GATT 1994 include environmental measures necessary to protect human, animal or plant life or health and that Article XX (g) of the GATT 1994 it is applied to measures related to the conservation of non-renewable natural resources.

3. For purposes of Chapter 6 (Cross-Border Trade in Services), Chapter 7 (Temporary Entry of Business Persons), Chapter 10 (Electronic Commerce) and the Chapter 11 (Telecommunications), paragraphs (a), (b) and (c) of Article XIV of the GATS are

incorporated into this Agreement and are part of it, mutatis mutandis. The Parties understand that the measures to those referred to in Article XIV (b) of the GATS include necessary environmental measures to protect human, animal or plant life or health.

4. Nothing in this Agreement shall be construed as preventing a Party from adopt a measure, including maintaining or increasing a customs tariff, that is authorized by the Dispute Settlement Body of the WTO or that is taken as a result of a decision by a dispute settlement panel under a free trade agreement trade in respect of which the Party adopting the measure and the Party against which the measure are part.

5. Nothing in this Agreement shall be construed as obligating a Party to provide or allow access to information whose disclosure would be contrary to its legal order or could prevent the application of the law, or that would otherwise be contrary to the public interest or that could prejudice the legitimate commercial interests of certain companies, public or private.

6. Subject to the international obligations of each Party, each Party may establish appropriate measures to respect, preserve and promote traditional knowledge and traditional cultural expressions.

Article 23.2. Security Exceptions

1. For the purposes of this Agreement, Articles XXI of the GATT 1994 and XIV bis of the GATS they are incorporated and are part of it, mutatis mutandis.

2. Nothing in this Agreement shall be construed as:

(a) Require a Party to provide or allow access to any information whose disclosure it considers contrary to their essential security interests, or

(b) Prevent a Party from applying measures it deems necessary for the compliance with its obligations with respect to the maintenance or restoration of peace or international security or for the protection of their own essential interests security.

Article 23.3. Temporary Safeguard Measures

1. Nothing in this Agreement shall be construed as preventing a Party from that adopts or maintains measures that restrict payments or transfers for transactions of current account in the case of experiencing serious difficulties in your balance of payments and finances external, or threats to them.

2. Nothing in this Agreement shall be construed as preventing a Party from adopt or maintain measures that restrict payments or transfers related to the movements of capital:

(a) In the case of serious difficulties in its balance of payments and external finances, or threats to them, or

(b) When, in exceptional circumstances, payments or capital transfers cause or threaten to cause serious difficulties for macroeconomic management.

3. Any measure adopted or maintained in accordance with paragraphs 1 or 2 shall:

(a) Be applied in a non-discriminatory manner so that none of the Parties receive less favorable treatment than any other non-Party;

(b) Be compatible with the Agreement Establishing the International Monetary Fund;

(c) Avoid unnecessary harm to the commercial, economic and financial interests of the other party;

(d) Not go beyond what is necessary to overcome the circumstances foreseen in the paragraphs 1 or 2;

(e) Be temporary and be eliminated progressively as soon as the situations specified in paragraphs 1 or 2.

4. With respect to trade in goods, the Parties shall apply the Fifteenth Protocol Additional to ACE No. 35.

5. With respect to trade in services, nothing in this Agreement shall be construed as meaning prevent a Party from adopting restrictive trade measures in order to safeguard your external financial position or the balance of payments. These restrictive measures should be compatible with the GATS.

6. A Party that adopts or maintains measures in accordance with paragraphs 1, 2, 4 or 5 shall:

- (a) Promptly notify the other Party of the measures taken, including any modification in them;
- (b) Promptly initiate consultations with the other Party to review the measures adopted or maintained by it:
- (i) In the case of capital movements, promptly respond to the other Party requesting consultations related to the measures taken by it, provided that such consultations were not taking place outside the framework of this agreement.
- (ii) In the case of current account restrictions, if related inquiries with the measures adopted by it are not carried out within the framework of the Agreement on the WTO, the Party, if requested, will promptly initiate consultations with the other party.

Article 23.4. Tax Measures

1. For the purposes of this Article:

Designated authorities means:

- (a) In the case of Brazil, the Secretário da Receita Federal do Brasil, and
- (b) In the case of Chile, the Undersecretary of Finance;

Tax agreement means an agreement to avoid double taxation or another agreement or international settlement in tax matters; Tax measures include excise taxes, but do not include:

- (a) Any tariff or charge of any kind applied to, or in connection with, the import of a merchandise, and any form of surcharge or surcharge applied in relation to such import, or
- (b) Any antidumping or countervailing duty.

2. Except as provided in this Article, nothing in this Agreement shall apply to tax measures.

3. Nothing in this Agreement shall be construed to prevent adoption or application of any measure designed to guarantee the imposition or fair collection or effective taxation in accordance with the provisions of the legislation of the Parties. The Parties understand that this paragraph must be interpreted by reference to the footnote of Article XIV (d) of the AGCS as if the Article was not restricted to services or direct taxes.

4. Nothing in this Agreement shall affect the rights and obligations of the Parties that derive from any tax agreement. In case of any incompatibility between the provisions of this Agreement and any tax treaty, the provisions of the referred agreement will be applied to the extent of the incompatibility.

5. In the case of a tax agreement between the Parties, if any difference arises over the existence of any incompatibility between this Agreement and the tax treaty, the difference refer to the authorities designated by the Parties. The designated authorities of the Parties will have six (6) months from the date of submission of the difference to make a determination about the existence and degree of any incompatibility. If those designated authorities agree, the term may be extended up to twelve (12) months from the date of referral of the difference. The determination made by the designated authorities will be binding on the Parties according to this paragraph.

6. Articles 6.3 (National Treatment) and 6.4 (Most-Favored-Nation Treatment) will apply to tax measures to the extent that they are covered by the GATS.

Chapter 24. Final Provisions

Article 24.1. Annexes and Appendices

The annexes and appendices to this Agreement constitute an integral part thereof.

Article 24.2. Entry Into Force and Compliance

- 1. The entry into force of this Agreement will be subject to compliance with the procedures provided for in the legal system of each Party.
- 2. This Agreement will enter into force ninety (90) days after the date on which the Secretariat General of LAIA notifies the Parties that they have received the last communication from the Parties informing the fulfillment of the requirements

established in their internal legislations.

3. Either Party may denounce this Agreement by notification via diplomatic to the other Party. This Agreement will cease to produce its effects one hundred and eighty (180) days after the date of such notification.

4. The General Secretariat of LAIA will be the depository of this Agreement, from which it will send copies duly authenticated to the Parties.

Article 24.3. Additional Protocol to Ace No. 35

This Agreement will be incorporated into ACE No. 35 through an additional protocol.

Article 24.4. Amendments

1. The Parties may adopt any amendment to this Agreement.

2. Any amendment to this Agreement shall form part of it and shall take effect in accordance with the procedure established in Article 24.2.2, unless the Parties agree otherwise.

Article 24.5. Amendments to the Wto Agreement

In the event that any provision of the WTO Agreement that the Parties have Parties to this Agreement shall be amended, the Parties shall consult with respect to the need to amend this Agreement.

Article 24.6. General Review of the Agreement

The Parties will make a general revision of this Agreement, in order to update and expand its disciplines, the second year following the date of its entry into force.

Signed in Santiago, on November 21, 2018, in Spanish and Portuguese, being both texts equally authentic.

FOR THE GOVERNMENT OF THE REPUBLIC OF CHILE

Roberto Ampuero Espinoza

Minister of Foreign Affairs

FOR THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

Aloysio Nunes Ferreira

Minister of Foreign Affairs

Marcos Jorge de Lima

Minister of Industry, Foreign Trade and Services