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PREAMBLE

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

DEEPEN special ties of friendship and cooperation;

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

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

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

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

PUT into practice their respective rights and obligations under the WTO Agreement, as well as other multilateral and bilateral cooperation instruments;

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

MAINTAIN their respective financial systems sound and stable;

ESTABLISH a common framework of principles and rules for their bilateral trade in government procurement, with a view to its expansion under transparent conditions and as a means of promoting economic growth;

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

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

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

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

PROMOTE the protection and conservation 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 GATS, decide to deepen and extend the bilateral legal framework of the expanded economic space established by ECA 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 existing international agreements to which both Parties are party, including the WTO Agreement. In this regard, each Party:

(a) grant the tariff preferences contained in Article 2 of Title II (Trade Liberalization Program) of ACE Nº 35, and

(b) The origin regime provided for in Article 13, paragraph 1, of Title III (Origin Regime), and contained in Annex 13 and Appendices of ACE No. 35, as well as its amendments, shall apply.

3. If a Party considers that a provision of this Agreement is inconsistent with a provision of another agreement to which both Parties are party, upon request, the Parties shall consult with a view to reaching a mutually satisfactory solution. This paragraph applies without prejudice to the rights and obligations of the Parties under Chapter 22 (Dispute Settlement).

Article 1.2: General Definitions

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

ACE N° 35 means Mercosur - Chile Economic Complementation Agreement N° 35;

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

WTO Agreement means the *Marrakesh Agreement establishing the World Trade Organization;*

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

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

ALADI stands for the Latin American Integration Association;

ALALC stands for Latin American Free Trade Association;

goods means a commodity or product;

Administrative Commission means the Administrative Commission of the Agreement established pursuant to 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-sized 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 stands for Organisation for Economic Co-operation and Development;

WTO means the World Trade Organization;

person means a natural person or a company;

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

Harmonized System (HS) means the *Harmonized Commodity Description and Coding System,* including its General Rules of Interpretation, Section Notes and Chapter Notes, as adopted and applied by the Parties in their respective legislation, and

territory means:

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

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

Chapter 2
FACILITATION OF COMMERCE

Article 2.1: Objectives

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

Article 2.2: Import, Export and Transit Procedures

Each Party shall ensure that its procedures related to the import, export 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

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

(a) import, export and transit procedures, including procedures at ports, airports and other points of entry; the working hours of the competent authorities; and required forms and documents;

(b) the rates of duty and taxes of any kind levied on or in connection with importation or exportation;

(c) duties and charges levied by or on behalf of government agencies on or in connection with importation, exportation or transit;

(d) the 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) restrictions or prohibitions on imports, exports or transit;

(g) the 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 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.

2. Each Party shall, to the extent possible, provide opportunities and adequate time for interested persons involved in foreign trade to comment on proposals for the introduction or modification of rulings of general application relating to import, export and transit procedures prior to the entry into force of such rulings. In no case shall these comments be binding.

3. Each Party shall ensure, to the extent practicable and consistent with its legal system, that new or modified legislation, procedures, duties or fees relating to import, export and transit are published, or information on them is otherwise made publicly available, as soon as practicable, prior to their entry into force.

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

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

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

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

(c) the contact details of your information service(s).

6. Each Party shall establish or maintain enquiry points to respond to reasonable requests for information on customs and other matters related to trade in goods, which may be contacted, to the extent possible in Spanish or Portuguese, through 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 special attention to the needs of MSMEs.

Article 2.4: Advance Rulings

1. Each Party shall issue, prior to the importation of goods into its territory, an advance ruling upon 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, the exporter or producer shall request the advance ruling in accordance with the domestic administrative rules and procedures of the territory of the Party to whom the request is addressed.

3. Advance rulings will be issued with respect to:

(a) the tariff classification of the merchandise;

(b) the application of customs valuation criteria for a particular case, in accordance with the provisions contained in the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade* 1994;

(c) the application of refunds, 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 requester 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.

5. The advance ruling shall be valid as of the date of its issuance or any later date specified therein, and shall remain in effect as long as the facts or 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 party that requested it, as appropriate, in the following cases:

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

(b) when the circumstances or facts on which it is based change; or

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

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

8. Subject to confidentiality requirements under its laws, each Party shall make publicly available, including on the Internet, the advance rulings it issues.

9. The Party issuing the advance ruling may apply appropriate sanctions or measures, including civil, criminal and administrative actions, if the applicant provided false information or omitted relevant facts or circumstances related to the advance ruling, or failed to act in accordance with the terms and conditions of such 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 such acts in its territory has access to:

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

(b) judicial review of administrative acts.

Article 2.6: Dispatch of Goods

1. 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 on reducing clearance times;

(b) allow, to the extent permitted by their legislation and provided that all regulatory requirements have been met, the 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 possible, that its competent authorities in the control of import and export operations of the goods coordinate, inter alia, the requirements for information and documents, establishing a single time for physical verification, without prejudice to the controls that may apply in the case of post-clearance audits.

4. The Parties undertake, to the extent 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 the Clearance of Goods* adopted by the Permanent Technical Committee of the World Customs Organization (hereinafter referred to as the "WCO").

Article 2.7: Temporary Admission

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

2. For the purposes of this Article, temporary admission shall be understood as the regime by virtue of which goods are entered into the territory of a Party for a specific purpose and period of time, with the obligation to be re-exported in the same state, except for depreciation due to normal use, without the payment of customs duties, taxes and other charges that would be levied on their 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

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

(a) will strive to use international standards;

(b) will strive 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 allow the clearance of goods upon arrival once all regulatory requirements have been met;

(d) adopt procedures that allow the option of electronic payment of duties, taxes, fees and charges determined by the customs administration that accrue at the time of import and export;

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

(f) advance in the implementation of the *Standard on the Computerization of the International Cargo Manifest/Customs Transit Declaration* and the Monitoring of the Transit of Goods between the two countries under the *Agreement on International Land Transport* 1990 (hereinafter referred to as "ATIT");

(g) will ensure that the entities responsible for the issuance of international cargo transportation permits issued under the ATIT make progress in computer integration, in order to facilitate the exchange of the respective 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 secure electronic exchange of information;

(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 the 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 logistics chain and contributing significantly to the facilitation and control of trade operations of goods moving between both 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 models, issuance and receipt of documents in electronic format, and

(c) promote mutual recognition of documents in electronic format required 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 ALADI 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, export or transit formalities.

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: Single Window for Foreign Trade

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

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

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

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

(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;

(c) The interoperability of the SWs shall ensure the availability of the information of the documents in accordance with the operating conditions established by the Parties;

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

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

(f) The interoperability of the SWs will 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 administration systems that allow its customs authority to concentrate its inspection activities on higher risk operations, and that simplify the clearance and movement of low risk operations, while respecting the confidentiality of the information obtained through these activities.

2. The customs administrations of each Party shall apply selective control for the release of goods, based on risk analysis criteria, using, among others, non-intrusive means of inspection and tools that incorporate modern technologies, in order to reduce the physical inspection of goods entering its territory.

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

4. This Article shall be applicable, 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 for the release of perishable goods:

(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 when scheduling and conducting the required examinations.

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

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

5. The transfer of goods to such storage facilities, including authorizations for the operator to transfer the goods, may be subject, where required, 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, in accordance with their laws and available resources, shall 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, its 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 field;

(iii) free movement of goods and regional integration;

(iv) facilitation of transit and transshipment movements;

(v) inter-agency coordination at the borders;

(vi) relationships with business operators and other interested parties;

(vii) supply chain security and risk management, and

(viii) use of information technology, data and documentation requirements, and one-stop systems, including work on 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 an effective service to trade operators and other interested parties;

(d) the exchange of best practices in customs valuation, and

(e) promoting 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: Points of Contact

1. The Parties designate Points of Contact 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 relevant officials.

2. For the purposes of this Article, the Points of Contact are:

   (a) in the case of Brazil, the *Market Access Division 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.

3. The responsibilities of the Points of Contact shall include:

   (a) facilitate discussions, requests and the timely exchange of information;

   (b) consult and, as appropriate, coordinate with the competent governmental authorities in its territory on matters related to this Chapter; and

   (c) to carry out such additional responsibilities as may be agreed upon by the Parties.

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 to present 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, adopting, implementing, reviewing and monitoring 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, relating to any matter covered by this Agreement, adopted by the regulatory authorities, and the observance of which is mandatory.

Article 3.2: General Objective

The general objective of this Chapter is to reinforce and encourage the adoption of good regulatory practices, in order to promote the establishment of a transparent regulatory environment with predictable procedures and stages, both for 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 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 deem appropriate.

Article 3.5: Establishment of Coordination Processes or Mechanisms

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

(a) promote the creation and strengthening of internal mechanisms to facilitate effective inter-institutional coordination;

(b) seek to generate internal processes in each competent body for the preparation 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) to encourage that international good regulatory practices, including those established in Article 3.6, be taken into consideration during the preparation phase of drafts and proposals for regulatory measures;

(b) to strengthen coordination and intensify consultation among national governmental institutions to identify possible duplications and avoid creating inconsistent regulatory measures;

(c) to promote good regulatory practice policies in a systematic manner, and

(d) publicly report any proposal to carry out 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 modifications of regulatory measures to public consultation, for a reasonable period of time, allowing interested parties to comment.

2. Each Party shall 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, the regulatory impact assessments conducted should, among other aspects:

(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 outline their potential impacts;

(c) compare the alternatives proposed, pointing out, 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 their competence, mandate, capacity and resources; and

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

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

5. Each Party shall ensure that new regulatory measures are clearly written, concise, organized and easy to understand, 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 internal procedures for the review of existing regulatory measures, as often as it deems 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 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 among regulatory authorities;

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

(e) exchange of data, information, methodologies and impactoregulatory analysis practicesimpacto , with an estimate of the potential costs and benefits of the regulatory measure, as well as 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 domestic regulatory measures are developed and made available in a transparent manner.

Article 3.8: Chapter Administration

1. The Parties shall establish focal points, who shall be responsible for following up on issues related 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 after the entry into force of this Agreement, consider the need for a review of this Chapter, in light of the 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 for:

(a) inter-institutional establecer procesos y mecanismos internos para facilitar coordination, in accordance with Article 3.5;

(b) encourage their competent regulatory authorities to conduct regulatory impact analyses, 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 subsequent 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 on 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 forms part of this Chapter, *mutatis mutandis*.

2. The Parties stress the importance of implementing the Decisions adopted by consensus in 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) protect the health and life of humans, animals and plants in the territory of each Party, while facilitating trade between the Parties;

(b) 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, in accordance with 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. When a risk analysis is necessary, it will 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, should 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 conducting 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 from the other Party a determination of equivalence 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 the guarantees.

that demonstrate 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 case of refusals to authorize establishments for export, the importing Party shall inform the exporting Party of the reasons for 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's 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 existing risks and 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 status or low pest prevalence.

2. In such cases, the pest or disease free or low pest prevalence area or zone should 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 OIE-recognized disease-free areas or zones, 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 the recognition of free areas or zones or areas of low prevalence, the visit should be in accordance with the rules provided for in the SPS Agreement and, in particular, Annex C thereof. Specifically, the visit should be limited exclusively to verifying *in situ* what is technically necessary, without extending beyond what is necessary or generating unnecessary costs.

Article 4.10: Import Control at the Border

1. The importing Party shall take measures 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, in the most expeditious time possible, of the results of the import verification procedures in case of rejected products or products that do not meet the requirements established for importation.

3. The Parties shall seek to reduce the frequency of verification procedures of physical sanitary and phytosanitary controls applied by the importing Party to the products of the exporting Party, according to 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 issues 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 report, within forty-eight (48) hours after confirmation of a problem, changes in animal health, such as the occurrence of diseases or sanitary alerts on food products that meet the criteria for immediate notification as 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 notification rules of the SPS Agreement and, in this regard, will 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, as expeditiously 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 web pages.

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 sign cooperation and activity coordination agreements.

3. The Parties shall endeavor, whenever possible, to coordinate positions in regional or multilateral fora where international standards, guidelines or recommendations on sanitary and phytosanitary matters are developed or aspects related thereto are negotiated.

Article 4.14: Committee on Sanitary and Phytosanitary Measures

1. The Parties hereby 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 in regular meetings at least once a year, unless otherwise agreed by the Parties, in person, by teleconference, videoconference or other means that ensure an adequate level of functioning, and in extraordinary meetings whenever the Parties deem it necessary.

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) 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 case of modifications;

(b) to 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) to establish technical working groups in the fields of animal and plant health and any others they deem pertinent;

(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. The SPS Committee shall establish its own rules of procedure, if possible at its first meeting, to guide its operation. The SPS Committee may revise these rules as 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 e-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 consultations, the case shall be submitted to the SPS Committee, which shall meet in extraordinary session.

Annex I
COMPETENT AUTHORITIES AND CONTACT POINTS

The SPS Committee established in Article 4.14 shall be composed of the following Competent Authorities:

(a) *in the case of* Brazil, *the Agência Nacional de Vigilância Sanitária* -ANVISA- or its successor and the *Ministério de Agricultura, Pecuária e Abastecimento* -MAPA- or its successor, and

(b) in the case of Chile, the Undersecretariat of Public Health, through its Nutrition and Food Department of the Healthy Public Policies Division, or its successor; the National Fisheries and Aquaculture Service, through its Foreign Trade Subdirectorate, or its successor; and the Agriculture and Livestock Service, through its International Affairs Division, or its successor.

For the purposes of this Chapter, the Points of Contact shall be:

(a) in the case of Brazil, the *Agriculture and Commodities Division 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.

Annex II
DIALOGUES ON SPECIFIC SANITARY AND PHYTOSANITARY ISSUES

Article 1: Objectives

With the objective of strengthening mutual confidence and identifying possible areas of convergence for bilateral, regional or international coordination or cooperation, the Parties shall exchange information in the following areas, without prejudice to any other area related to the application of this Chapter:

(a) private sanitary and phytosanitary standards, and

(b) maximum residue limits for agricultural pesticides, veterinary drugs and food and feed additives.

Article 2: Private Sanitary and Phytosanitary Standards

The Parties shall cooperate with each other in the exchange of information on private standards, practices and draft standards, consistent with developments in the WTO SPS Committee. They shall also encourage private entities, when developing private standards, to ensure that these do not constitute unjustified barriers to trade.

Article 3: Authorization, Registration, and Maximum Residue Limits (MRLs) for Agricultural Pesticides, Veterinary Drugs and Maximum Limits (MRLs) for Food Additives for Human and Animal Consumption.

The Parties agree:

(a) exchange information about:

(i) new policies, legislation and guidelines, in particular those aimed at improving the authorization process for veterinary drugs, pesticide products and food and feed additives and their uses; and

(ii) national positions within the framework of the Codex Alimentarius.

(b) facilitate scientific cooperation, dialogue and information exchange, particularly with respect to risk assessment and authorization processes. Also, to exchange information about their systems for establishing MRLs for agricultural pesticides and veterinary drugs and MRLs for food and feed additives for human and animal consumption.

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 elaboration, 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 public bodies that may directly or indirectly affect trade in goods between the Parties.

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

3. Public procurement specifications prepared by government 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 (Public 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, on which they may negotiate initiatives.

trade facilitators 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 purpose of the analysis referred to in paragraph 3 and shall encourage the participation of representatives of their productive sector, under the modality agreed upon by them, 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 carried out 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 will be defined on a case-by-case basis by the Parties. To this end, the Parties will establish *ad hoc* sectoral or thematic working groups, with the actors they deem appropriate, and will seek to develop a work schedule, as well as other aspects that the Parties mutually agree upon.

8. The Parties shall implement the results of the understandings reached under this Article, by means of 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 the basis for a technical regulation that may have a significant effect on trade, a Party shall, at the request of the other Party, explain 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 analyses in accordance with their respective rules and procedures.

5. When drafting technical regulations that 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 Article 4.1 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 its subsequent revisions.

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 established in 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 the products comply with the 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, carried out by bodies located in the territory of the other Party;

(c) accreditation procedures to qualify 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 actively participate 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 subsidiaries of conformity assessment bodies of the other Party 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 the 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 regard 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 to 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 Central Registry of Notifications of the TBT Agreement.

OMC. 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 the technical regulations and conformity assessment procedures adopted 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 months.
(6) months, except when it is not feasible 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. The Party that considers itself affected by a technical regulation, standard, or conformity assessment procedure, which 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) concerned;

(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.
(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) an 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 that considers itself affected is not eliminated by the response of the other Party, the matter may be dealt with 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 between such bodies, mainly in order to achieve the application of the tools mentioned 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 agencies 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 entities 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 *Market Access Division of 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. 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 point of contact or details of relevant officials.

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

(a) provide information or explanation at the request of the other Party, which shall be provided in printed 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) coordinating the participation of relevant governmental authorities, including regulatory authorities, and, as appropriate, other stakeholders, on matters related to this Chapter; and

(c) to carry out the additional responsibilities specified by the Committee.

4. The functions of the Committee shall include:

(a) monitor the implementation and administration of this Chapter, addressing any problems raised by either Party related to its provisions;

(b) promote and increase cooperation for 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 about the work being carried out in non-governmental, regional, multilateral fora and cooperation programs involved in activities related to standards, technical regulations and conformity assessment procedures;

(e) review this Chapter in light of developments in the WTO Committee on Technical Barriers to Trade and make recommendations to modify this Chapter, if necessary;

(f) report to the Administrative Commission on the implementation of this Chapter;

(g) establish, if necessary, for particular issues 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, via teleconference, videoconference or by any other means, as agreed by the Parties.

Annex I

ORGANIC OR ECOLOGICAL PRODUCTS

1. This Annex shall apply to technical regulations, standards or conformity assessment procedures relating to the production, processing and labeling of products from organic production for trade or distribution in the territory of the Parties.

2. Parties are encouraged to:

(a) exchange information on issues related to organic production, certification of organic products, related control systems, audits and audits;

(b) cooperate for the development, improvement and strengthening of international guidelines, standards and recommendations concerning trade in organic products, and

(c) maintain and improve the databases related to organic production of each Party.

3. To ensure compliance with technical regulations, standards or conformity assessment procedures related to the production, processing or labeling of organic products of the Parties, the Parties shall establish appropriate mechanisms.

4. The Parties mutually recognize that their respective organic product certification systems have equivalences that allow the marketing in Chile of organic products certified in accordance with the Brazilian Organic Conformity Assessment System, and the marketing in Brazil of organic products certified in accordance with the National Certification System for Organic Agricultural Products of Chile. The operational aspects of this mutual recognition will be established by consensus by the competent technical units of both Parties.

5. Parties are encouraged to participate in technical exchanges with a view to improving standards, technical regulations and conformity assessment procedures relating to the production, processing or labeling of products from organic production systems.

6. The Parties undertake to deepen their collaboration regarding the production, processing and labeling of products from organic production, by mutually agreed means.

7. For the purposes of this Annex, the Parties understand "organic or ecological product" to mean a product obtained from a production or processing system that complies with the principles and practices established in the laws and regulations of each country governing organic production.

Annex I
LIST OF BRAZIL

INTRODUCTORY NOTES

1. A Party's list indicates, in accordance with Article 6.7, the existing measures of that Party that are not subject to some or all of the obligations imposed by:

(a) Article 6.3;

(b) Article 6.4;

(c) Article 6.5, or

(d) Article 6.6.

2. Each tab of this Annex sets forth the following elements:

Description provides a general, non-binding description of the **Measures**;

Measures identifies the laws, regulations or other measures for which the record has been made. A measure cited in the **Measures** element:

(a) means the measure as modified, continued, renewed, as of the date of entry into force of this Agreement, and

(b) includes any action subordinate to, adopted or maintained under the authority of, and consistent with, such action;

Level of government indicates the level of government that maintains the measure(s) listed;

Obligations Affected specifies the obligation(s) referred to in paragraph 1 that, by virtue of Article 6.7.1, do not apply to the measure(s) listed;

Sector refers to the sector for which the record has been made, and

Sub-sector refers to the sub-sector for which the record has been made.

3. In accordance with Article 6.7.1, the articles of this Agreement specified in the **Affected Obligations** element of a tab do not apply to the law, regulation or other measure identified in the **Measures** element of that tab.

4. For greater certainty, Article 6.7.1(c) refers only to modifications of non-conforming aspects of the **Measurement** element.

5. Brazil reserves the right to add to this Annex non-conforming measures already in existence at the date of signature of the Agreement on the occasion of the review of the Agreement, as provided for in Article 24.6 (General Review of the Agreement).

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Law No. 6,099 of September 12, 1974, Articles 10 and 16.
Law No. 11,371, of November 28, 2006, Articles 5 and 7.
Law No. 4,131 of September 3, 1962, regulated by DecreeNo. 55,762 of February17,1965.
Resolution No. 3,844, of March 23, 2010, of the National Monetary Council.

Description: It is mandatory to register with the Central Bank of Brazil, in a declaratory and electronic form, all foreign capital entered or existing in the country, in currency or goods, including financial movements abroad. This rule applies to foreign direct investment; to foreign credit, including foreign financial leasing; to royalties, technical and similar services, foreign operational leasing, rental and chartering; to guarantees provided by international organizations; and to capital in local currency.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Law No. 10,168, of December 29, 2000.

Description: The Contribution for Intervention in the Economic Domain (CIDE) - Shipments is due by the legal entity holding a license of use or acquiring technological knowledge, as well as by the signatory of contracts involving technology transfer, signed with residents or domiciled abroad. In addition, the CIDE-Shipments is due from a legal entity that is a signatory of contracts involving technical and administrative assistance and similar services rendered by residents or domiciled abroad. Finally, CIDE-Shipments is also due by legal entities that pay, credit, deliver, employ or send royalties, in any capacity, to beneficiaries resident or domiciled abroad.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Law No. 6,099, of September 12, 1974, Article 24, as amended by Law No. 7,132, of October 26, 1983.
Resolution No. 2,309, of August 28, 1996, of the National Monetary Council, Annex, Article 25.

Description: The assignment of a commercial *leasing* contract to an entity domiciled abroad is subject to the prior authorization of the Central Bank of Brazil.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Law No. 9.279, of May 14, 1996, Article 211.
Law No. 4,131 of September 3, 1962.
Resolution No. 3,844, of March 23, 2010, of the National Monetary Council.
Resolution No. 156, of November 9, 2015, of the Presidency of the National Institute of Intellectual Property.

Description: The registration, with the National Institute of Intellectual Property (INPI), of contracts providing for the payment of *royalties* for the exploitation of industrial property rights and payments for *know-how*, technical and scientific assistance and complementary technical services rendered by foreign companies, is a requirement for the completion of the Electronic Registry of Financial Transactions (RDE/ROF) of the Central Bank of Brazil and, consequently, for the remittance of such payments abroad.

The non-conforming measures described in this item, regarding the need to register the contract with the INPI, do not apply to rental/leasing services without operators of machines and equipment, since such services do not involve technology transfer.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Law No. 13,445 of May 24, 2017 (Migration Law).
Decree No. 9,199, dated November 20, 2017.

Description: The foreign worker may apply for a temporary visa for work with or without an employment relationship in Brazil, upon proof of the job offer in the country. For the issuance of temporary residence authorizations, the Ministry of Labor and Employment may require from the foreigner the presentation of a work contract and other documents proving the job offer and the purpose of the entry into the national territory, according to the cases foreseen in the Brazilian legislation.

Brazil reserves the right to exempt the requirement of proof of labor supply and to adopt simplified procedures for temporary residence authorization for the purpose of attracting labor in areas considered strategic for national development or with a shortage of professional skills in the country.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of Central

Measures: Decreto-Leynº5.452,"Consolidation ofLaborLaws"de1de mayo de 1943, Artículo 354.

Description: The proportionality of two thirds of Brazilian employees must be observed by legal entities. A lower proportionality may be established, according to the special circumstances of each activity, by means of an act of the Executive Power, and after duly confirming the insufficiency of the number of Brazilians in the respective activity by the National Labor Department and by the Safety and Labor Statistics Service.

This proportionality is mandatory not only in relation to the total number of employees, but also in relation to the corresponding payroll.

Sector: Professional Services

Subsector: Accounting, auditing and bookkeeping services

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Decree Law No. 9,295 of May 27, 1946.
Resolutions 1,389 and 1,390 of the Federal Accounting Council, dated March 30, 2012.

Description: Non-residents are not allowed to participate in legal entities controlled by Brazilian nationals. Special registration requirements apply for foreign accountants intending to audit firms such as financial institutions and savings banks.

Sector: Real Estate Services

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Law No. 6,530 of May 12, 1978, Articles 4, 5, 16 and 17.
Decree No. 81,871, of June 29, 1978, Articles 1, 6, 7, 10 and 16.
Resolution No. 327, of June 25, 1992, of the Federal Council of Real Estate Brokers, Article 9.

Description: In order to obtain the mandatory registration in the Regional Councils of Real Estate Brokers, the foreign national must prove legal and uninterrupted permanence in the country during the last year and present a diploma of Technical Course in Real Estate Transactions or Real Estate Business Manager.

Sector: Engineering services

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Law No. 5.194 of December 24, 1966, Articles 2, 6, 26, 27, 34, 55, 56 e 59.
Resolution No. 1,007, of December 5, 2003, of the Federal Council of Engineering and Agronomy, Articles 8 and 21.

Description: For foreign professionals who have temporary work visas, with due registration with the Federal Council of Engineering and Agronomy, the contracting entity must maintain, with the foreign professional, for the term of the contract or its extension, a Brazilian professional of identical or higher graduation who also has a contractual relationship with the contracting entity, in order to assist the foreigner as an assistant or deputy.

Sector: Professional services

Subsector: Surveillance services and transportation of valuables

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Law No. 7,102 of June 20, 1983, Articles 11 and 16.

Description: The ownership and management of companies specialized in security services and transportation of valuables are forbidden to foreigners. The profession of security guard may be exercised only by Brazilians.

Sector: Journalism and radio and image broadcasting services

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Federal Constitution, Article 222.
Law No. 10,610 of December 20, 2002, Articles 1, 2 and 7.
Law No. 5,250 of February 9, 1967.
Law No. 4,117, of August 27, 1962, Article 38.
Decree-Law No. 236, of February 28, 1967, Article 7.

Description: The participation of foreigners or Brazilians naturalized less than ten years ago in the capital stock of journalistic and broadcasting companies may not exceed thirty percent of the total capital and voting capital of such companies and may only be held indirectly through a legal entity incorporated under Brazilian law and headquartered in the country.

The editorial responsibility and the activities of selecting and directing the programming are exclusive to Brazilians born or naturalized more than ten years ago, in any social communication media.

Broadcasting companies are prohibited from maintaining assistance contracts with foreign companies or organizations that allow the foreign entity to intervene or have knowledge in the management or guidance of the broadcasting company.

Sector: Communications services

Subsector: Telecommunication Services **Obligations**

Concerned National **Treatment** (Article 6.3) **Level of**

Government: Central

Measures: DecreeNo. 2,617 of June 5, 1988, Articles 1 and 2.

Description: Concessions, permits and authorizations for the operation of telecommunications services of collective interest may be granted or issued only in favor of companies incorporated under Brazilian law, with headquarters and administration in the country, in which the majority of the quotas or shares with voting rights belong to natural persons resident in Brazil or to companies incorporated under Brazilian law and with headquarters and administration in the country.

Authorizations for the operation of restricted interest telecommunications services may be issued to companies incorporated under Brazilian law and headquartered and administered in Brazil, and to other entities or individuals established or resident in Brazil.

Sector: Communications services

Subsector: Satellite telecommunications services

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Federal Constitution, Article 21, XI.
Law No. 9,472, of July 16, 1997, Article 171.
Resolution No. 220, of April 5, 2000, of the National Telecommunications Agency, Annex, Articles 4, 6, 10, 11, 12 and 14.

Description: For the execution of telecommunications services via satellite, preference should be given to the use of Brazilian satellite, when it provides conditions equivalent to those of third parties. The use of a foreign satellite will only be admitted when it is contracted with a company incorporated under Brazilian law and with headquarters and administration in the country, in the capacity of legal representative of the foreign operator.

There will be equivalence when the following conditions are met concomitantly: a) the terms are compatible with the borrower's needs; b) the price conditions are equivalent or more favorable; c) the technical parameters meet the requirements of the borrower's project.

Brazilian satellite is the one that uses orbit and radio spectrum resources notified by the country, or distributed or assigned to it, and whose control and monitoring station is installed in the Brazilian territory.

Sector: Transportation

Subsector: Maritime transportation services
Inland waterway transportation services

Obligations Affected: National Treatment (Article

Level of government: Central

Measures: Law No. 9,432 of January 8, 1997, Articles 4 and 11.

Description: In vessels flying the Brazilian flag, the commander, the chief engineer and two thirds of the crew must be Brazilian.

Vessels registered in the national registry (REB) may enter into collective bargaining agreements for their crews and, in such cases, the commander and chief engineer must be Brazilian.

Sector: Transportation

Subsector: Maritime transportation services
Inland waterway transportation services

Obligations Affected: National Treatment (Article
Most-Favored-Nation Treatment (Article 6.4)

Level of government: Central

Measures: Law No. 9,432 of January 8, 1997, Article 9.
Decree-Law No. 666 of July 2, 1969.

Description: In the traffic between Brazil and the other countries, the national shipowners of the country exporting and importing the goods shall predominate, until equal participation among the same shipowners is achieved.

In Brazilian flag vessels, it will be mandatory, respecting the principle of reciprocity, the transportation of goods imported by any federal, state and municipal public administration agency, directly or indirectly, including public companies and mixed economy companies, as well as those imported with any government benefit and, even those acquired with financing, total or partial, from official credit institutions, as well as with external financing, granted to federal public administration agencies, directly or indirectly. This obligation may be extended to exported goods.

Import or export cargoes, compulsorily linked to transportation in Brazilian flag vessels, may be released in favor of the flag of the exporting or importing country, weighted up to 50% of their total, provided that the legislation of the buying or selling country grants, at least, equal treatment in relation to Brazilian flag vessels.

In case of absolute lack of own or chartered Brazilian flag vessels, for the transportation of the total or part of the percentage corresponding to it, the cargo shall be released in favor of a vessel flying the flag of the exporting or importing country.

The chartering of foreign vessels by voyage or by time, to operate in domestic inland navigation or in the transport of goods in cabotage navigation or in port and maritime support navigation, as well as bareboat in port support navigation, depends on the authorization of the competent body and may only occur in the following cases:

I - when the non-existence or unavailability of a Brazilian flag vessel of the appropriate type and size for the intended transport or support is verified;

II - when the public interest is verified, duly justified; and

III - in the case of substitution to vessels under construction in the country, in a Brazilian shipyard, with an effective contract, for the duration of the construction, for a maximum period of thirty-six months, up to the limit:

a) of contracted deadweight tonnage for cargo vessels;

b) of the contracted gross tonnage for support vessels.

The chartering of a foreign vessel for long-distance or inland navigation on an international route is subject to authorization, when the chartering is carried out by virtue of the application of the suspension of the legal provisions that institute the mandatory nature of transportation on a vessel flying the Brazilian flag.

Sector: Transportation services

Subsector: Air transport services **Obligations**

Concerned: National Treatment (Article 6.3) **Level of**

Government: Central

Measures: Law No. 13,475 of August 28, 2017.
Law No. 7.565, of December 19, 1986 (Brazilian Aeronautics Code), Articles 156 and 158.

Description: The professions of aircraft pilot, flight mechanic and purser are exclusive to native-born or naturalized Brazilians.

The remunerated function of crew members on board domestic or foreign aircraft, when operated by a Brazilian company, is exclusive to holders of specific licenses issued by the Brazilian civil aviation authority and is reserved to native or naturalized Brazilians. The non-remunerated function on board a private air service aircraft may be exercised by licensed crew members, regardless of their nationality.

Foreign pursers may be employed in international air service, provided that the number does not exceed one third of the pursers of the same aircraft.

At the discretion of the aeronautical authority, foreign instructors may be admitted as crew members, on a provisional basis, in the absence of Brazilian crew members, for a period not exceeding six (6) months.

The validity of the license and the technical qualification certificate of foreigners, when there is no international convention or act in force in Brazil and in the country that issued them, will be regulated by Brazilian legislation.

Sector: Transportation

Subsector: Services auxiliary to all modes of transport

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Measures: Normative Resolution No. 7, dated May 30, 2016, of the National Water Transport Agency, Article 13.
Resolution No. 3,290, dated February 13, 2014, of the National Water Transport Agency, Articles 3 and 9.

Description: Only a legal entity constituted under Brazilian law, with headquarters and administration in the country, may request authorization for construction, operation and expansion, as well as respond to public announcement or public call, in the modalities of private use terminal, cargo transshipment station, small public port facility and tourism port facility.

Sector: Air services

Subsector: Specialized air services **Obligations**

Concerned National **Treatment** (Article 6.3) **Level of**

government: Central

Measures: Law No. 7.565, of December 19, 1986 (Brazilian Aeronautics Code), Articles 180, 181, 182 and 183.

Description: The operation of public air services is always subject to prior concession, in the case of scheduled air transport, or to authorization in the case of non-scheduled air transport or specialized services.

The concession will only be given to the Brazilian legal entity that has: I - headquartered in Brazil;
II - at least four-fifths of the voting capital belonging to Brazilians, with this limitation prevailing in any capital stock increase; and
III - management entrusted exclusively to Brazilians.

Voting shares must be registered if the company is a corporation, whose bylaws must expressly prohibit the conversion of non-voting preferred shares into voting shares.

The issuance of preferred shares may be admitted up to a limit of two thirds of the total issued shares.

The transfer abroad of voting shares included in the margin of one-fifth of the voting capital of a Brazilian legal entity is subject to the approval of the aviation authority.

Provided that the final amount of shares held by foreigners does not exceed the limit of one-fifth of the capital, foreign persons, natural or juridical, may acquire shares in the capital increase.

Authorization may be granted:
I - to corporations;
II - to the other companies, headquartered in the country, with a majority of partners, control and management by Brazilians.

In the case of specialized aerial services for teaching, training, research, scientific experimentation and promotion or protection of the soil, environment and similar, the authorization may be granted to civil associations.

Sector: Transportation

Subsector: Road transportation services

Obligations Affected: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of government: Central

Measures: Decree No. 99,704 of November 20, 1990.

Description: Only companies with real and effective domicile in Brazil and created under the laws of Argentina, Bolivia, Brazil, Chile, Paraguay, Peru or Uruguay may be authorized to provide international land transportation services between Brazil and Argentina, Bolivia, Chile, Paraguay, Peru or Uruguay.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of government: Regional / State / Municipal

Measures: All existing non-conforming measures of all states and municipalities of the Federative Republic of Brazil.

Description:

Annex I LIST
OF CHILE

INTRODUCTORY NOTES

1. A Party's Schedule indicates, in accordance with Article 6.7, the existing measures of a Party that are not subject to some or all of the obligations imposed by:

(a) Article 6.3;

(b) Article 6.4;

(c) Article 6.5, or

(d) Article 6.6.

2. Each tab of this Annex sets forth the following elements:

Description provides a general, non-binding description of the **Measures**;

Measures identifies the laws, regulations or other measures for which the record has been made. A measure cited in the **Measures** element:

(a) means the measure as modified, continued, or renewed as of the date of entry into force of this Agreement, and

(b) includes any action subordinate to, adopted or maintained under the authority of, and consistent with, such action;

Level of government indicates the level of government that maintains the measure(s) listed;

Obligations Affected specifies the obligation(s) referred to in paragraph 1 that, by virtue of Article 6.7.1, do not apply to the listed measure(s);

Sector refers to the sector for which the record has been made, and

Sub-sector refers to the sub-sector for which the record has been made.

3. In accordance with Article 6. 7.1, the articles of this Agreement specified in the **Affected Obligations** element of a tab do not apply to the law, regulation or other measure identified in the **Measures** element of that tab.

4. For greater certainty, Article 6.5 refers to non-discriminatory measures.

Sector: All Sectors

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Decree with Force of Law 1, of the Ministry of Labor and Social Security, Official Gazette, January 24, 1994, Labor Code, Preliminary Title, Book I, Chapter III.

Description: Cross Border Trade in Services

At least 85% of the workers of the same employer must be Chilean individuals or foreigners with more than five years of residence in Chile. This rule applies to employers with more than 25 workers with an employment contract. Expert technical personnel will not be subject to this provision, as determined by the Labor Directorate. For greater certainty, an employment contract is not mandatory for the supply of cross-border trade in services.

A worker shall be understood as any natural person who renders intellectual or material services, under dependence or subordination, by virtue of an employment contract.

Sector: Communication

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 18.838, Official Gazette, September 30, 1989, National Television Council, Titles I, II and III.
Law 18.168, Official Gazette, October 2, 1982, General Telecommunications Law, Titles I, II and III.
Law 19.733, Official Gazette, June 4, 2001, Law on Freedom of Opinion and Information and the Practice of Journalism, Titles I and III.

Description: Cross Border Trade in Services

The owner of a means of social communication, such as those that regularly transmit sounds, texts or images, or a national news agency, in the case of a natural person, must have a duly established domicile in Chile, and, in the case of a legal entity, must be incorporated with domicile in Chile or have an agency authorized to operate within the national territory.

The owner of a concession to supply (a) public telecommunications services; (b) intermediate telecommunications services rendered to telecommunications services through facilities and networks established for such purpose; and (c) sound broadcasting, must be a legal entity incorporated and domiciled in Chile.

In the case of free-to-air radio broadcasting services, the board of directors may include foreigners only if they do not represent the majority.

In the case of social media, the legally responsible director and the person who replaces him/her must be Chilean with domicile and residence in Chile, unless the social media uses a language other than Spanish.

Applications for a free-to-air broadcasting concession, submitted by legal entities in which more than 10% of their share capital is held by foreigners, will be granted only to

if it is previously proven that Chilean nationals are granted similar rights and obligations in the applicant's country of origin as those that the applicant will enjoy in Chile.

Sector: Fishing and fishing-related activities

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 18.892, Diario Oficial, December 23, 1989,
General Law of Fisheries and Aquaculture, Titles I, III, IV and IX Decree Law 2.222, Official Gazette, May 31, 1978, Navigation Law, Titles I and II.

Description: Cross Border Trade in Services

Only Chilean natural persons or legal entities constituted under Chilean law and foreigners with permanent residence may hold a permit to harvest and capture hydrobiological species.

Only Chilean vessels may fish in inland waters, in the territorial sea and in the Exclusive Economic Zone. Chilean vessels" are those defined as such in the Navigation Law. Access to industrial extractive fishing activities is subject to prior registration of the vessel in Chile.

Only a Chilean natural or juridical person may register a vessel in Chile. Such juridical person must be incorporated with its main domicile and real and effective seat in Chile. In addition, more than 50% of its capital stock must be held by Chilean natural or juridical persons. For these purposes, a juridical person that has an interest in another juridical person that owns a vessel must comply with all the aforementioned requirements.

A community may register a vessel if (1) the majority of the co-owners are Chileans with domicile and residence in Chile; (2) the administrators are Chilean individuals; and (3) the majority of the rights in the community belong to Chilean individuals or legal entities. For these purposes, a legal entity that is a co-owner of a vessel must comply with all the above mentioned requirements.

An owner (natural or juridical person) of a fishing vessel registered prior to June 30, 1991 shall not be subject to the nationality requirement mentioned above.

In case of reciprocity granted to Chilean vessels by any other country, fishing vessels so authorized by the maritime authorities, in accordance with the powers conferred by law, may be exempted from the above requirements, under conditions equivalent to those granted to Chilean vessels by that country.

Access to artisanal fishing activities will be subject to registration in the Artisanal Fishing Registry. Only Chilean natural persons, foreign natural persons with permanent residence in Chile, or a legal entity constituted by the aforementioned persons may register for artisanal fishing.

Sector: Sporting, Hunting and Recreational Services

Subsector:

Obligations Affected: Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 17.798, Official Gazette, October 21, 1972, Title I.
Supreme Decree 83, of the Ministry of National Defense, Official Gazette, May 13, 2008.

Description: Cross Border Trade in Services

Persons who have weapons, explosives or analogous substances must request their registration before the control authority corresponding to their domicile, for which purpose an application must be submitted to the General Directorate of National Mobilization of the Ministry of Defense.

Any natural or legal person who is registered as an importer of fireworks may request authorization for the importation and internment of these to the General Directorate of National Mobilization, and may even maintain stocks of these elements for their commercialization to persons authorized to carry out pyrotechnic shows. The Supervisory Authority may only authorize pyrotechnic shows if there is a report for their installation, development and safety measures, signed and approved by a calculator programmer registered in the national registers of the General Directorate of National Mobilization or by a professional accredited before said General Directorate.

For the assembly and execution of pyrotechnic shows, at least one fireworks handler must be registered in the records of the General Directorate.

Sector: Specialized Services

Subsector: Customs brokers and forwarders

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Decree with Force of Law 30, of the Ministry of Finance, Official Gazette, April 13, 1983, Book IV.
Decree with Force of Law 2, of the Ministry of Finance, 1998.

Description: Cross Border Trade in Services

Only Chilean natural persons, with residence in Chile, may provide services of customs agents or customs brokers.

Sector: Investigation and Security Services

Subsector: On-call services **Obligations**

Concerned: National Treatment (Article 6.3) **Level of**

Government: Central

Measures: Decree 1.773, of the Ministry of the Interior, Official Gazette, November 14, 1994.

Description: Cross Border Trade in Services

Only Chileans may provide services as private security guards.

Sector: Services Provided to Companies

Subsector: Research Services **Obligations**

Concerned: National Treatment (Article 6.3) **Level of**

Government: Central

Measures: Supreme Decree 711, of the Ministry of Defense, Official Gazette, October 15, 1975.

Description: Cross Border Trade in Services

Foreign natural and juridical persons wishing to conduct research in the 200-mile maritime zone under national jurisdiction shall submit a request six months in advance to the Hydrographic Institute of the Chilean Navy, and shall comply with the requirements established by the respective regulation. Chilean natural and juridical persons must submit an application to the Hydrographic Institute of the Navy at least three months in advance.
(3) months in advance, and must comply with the requirements established by the respective regulation.

Sector: Services Provided to Companies

Subsector: Research Services **Obligations**

Concerned: National Treatment (Article 6.3) **Level of**

Government: Central

Measures: Decree with Force of Law 11, of the Ministry of Foreign Affairs, Official Gazette, December 5, 1968.
Decree 559, of the Ministry of Foreign Affairs, Official Gazette, January 24, 1968.
Decree with Force of Law 83, of the Ministry of Foreign Affairs, Official Gazette, March 27, 1979.

Description: Cross Border Trade in Services

Natural persons representing foreign juridical persons or natural persons domiciled abroad who wish to carry out explorations for scientific, technical or mountaineering work in Chilean border areas shall request the corresponding authorization through a Chilean Consul in the country of domicile of the natural person, who shall immediately and directly forward it to the National Directorate of Borders and Limits of the State. The Directorate may arrange for the expedition to include one or more representatives of the pertinent Chilean activities, in order to participate in and become acquainted with the studies to be carried out.

The Operations Department of the Directorate of State Borders and Limits must decide and inform whether it authorizes or rejects geographic or scientific explorations planned to be carried out by foreign persons or organizations in Chile. The National Directorate of Borders and Limits of the State must authorize and control any exploration for scientific, technical or mountaineering purposes that foreign legal entities or natural persons domiciled abroad wish to carry out in border areas.

Sector: Services Provided to Companies

Subsector: Social science research services

Obligations Concerned: National Treatment (Article 6.3)

Level of Government: Central

Measures: Law 17.288, Diario Oficial, February 4, 1970, Title V.
Supreme Decree 484, of the Ministry of Education, Official Gazette, April 2, 1991.

Description: Cross Border Trade in Services

Foreign natural or legal persons wishing to carry out anthropological, archeological or paleontological excavations, surveys, soundings or collections must request the corresponding permit from the Council of National Monuments. It is a precondition for the permit to be granted that the person in charge of the research belongs to a reliable foreign scientific institution and that he/she works in collaboration with a Chilean state or university scientific institution.

Permits may be granted to (1) Chilean researchers with scientific archaeological, anthropological or paleontological training, as appropriate, duly accredited, and who have a research project and proper institutional sponsorship; and (2) foreign researchers, provided they belong to a reliable scientific institution and work in collaboration with a Chilean state or university scientific institution. Directors and curators of museums recognized by the Consejo de Monumentos Nacionales, professional archaeologists, anthropologists or paleontologists, as appropriate, and members of the Sociedad Chilena de Arqueología shall be authorized to carry out salvage operations. Salvage operations are the urgent recovery of data or archaeological, anthropological or paleontological artifacts or species threatened with imminent loss.

Sector: Services Provided to Companies

Subsector: Printing, publishing and related industries

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 19,733, Official Gazette, June 4, 2001,
Law on Freedom of Opinion and Information and the Practice of Journalism, Titles I and III.

Description: Cross Border Trade in Services

The owner of a means of social communication, such as newspapers, magazines, or texts published on a regular basis with editorial direction in Chile, or a national news agency, in the case of a natural person, must have a duly established domicile in Chile and, in the case of a legal entity, must be incorporated with domicile in Chile or have an agency authorized to operate within the national territory.

Sector: Professional Services

Subsector: Accounting, financial auditing, bookkeeping and tax advisory services

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 18.046, Official Gazette, October 22, 1981, Corporations Law, Title V.
Supreme Decree 702 of the Ministry of Finance, Official Gazette, July 6, 2012, Regulation of Corporations.
Decree Law 1.097, Official Gazette, July 25, 1975, Titles I, II, III and IV.
Decree Law 3.538, Official Gazette, December 23, 1980, Titles I, II, III and IV.
Circular 2.714, October 6, 1992;
Circular 1, January 17, 1989;
Chapter 19 of the Updated Compilation of Rules of the Superintendency of Banks and Financial Institutions on external auditors.
Circular 327, June 29, 1983, and Circular 350, October 21, 1983, of the Superintendency of Securities and Insurance.

Description: Cross Border Trade in Services

External auditors of financial institutions must be registered in the Register of External Auditors of the Superintendency of Banks and Financial Institutions and the Superintendency of Securities and Insurance. Only legal entities legally constituted in Chile as partnerships or associations and whose main line of business is auditing services may be registered in the Register.

Sector: Professional Services

Subsector: Legal services

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Organic Code of Courts, Title XV, Official Gazette, July 9, 1943.
Decree 110 of the Ministry of Justice, Official Gazette, March 20, 1979.
Law 18.120, Official Gazette, May 18, 1982.

Description: Cross Border Trade in Services

Only Chilean and foreign natural persons residing in Chile, who have completed all of their studies in the country, may practice law.

Only attorneys duly qualified to practice law shall be authorized to sponsor a case before Chilean courts and to make the first presentation or demand of each party.

The following documents, among others, must be drafted by attorneys: deeds of incorporation and modifications of companies; deeds of rescission or liquidation of companies; deeds of liquidation of conjugal companies; deeds of partition of assets; deeds of incorporation of legal personality, of associations of canalists and cooperatives; contracts of financial transactions; contracts of issuance of bonds of corporations; and the sponsorship of the application for the granting of legal personality for corporations and foundations.

None of these measures apply to foreign legal consultants practicing or advising on international law or the law of another Party.

Sector: Professional, Technical and Specialized Services

Subsector: Services auxiliary to the administration of justice

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Organic Code of Courts, Titles XI and XII, Official Gazette, July 9, 1943.
Reglamento del Registro Conservador de Bienes Raíces, Titles I, II and III, Diario Oficial, June 24, 1857.
Law 18,118, Official Gazette, May 22, 1982, Title I.
Decree 197, of the Ministry of Economy, Development and Reconstruction, Official Gazette, August 8, 1985.
Law 18.175, Official Gazette, October 28, 1982, Title III.

Description: Cross Border Trade in Services

Auxiliaries in the administration of justice must reside in the same city or place where the court where they will render their services is located.

Public defenders, notaries public and conservators must be Chilean natural persons and meet the same requirements as for judges.

Archivists, public defenders and arbitrators at law must be lawyers, therefore, they must be Chilean or foreign natural persons with residence in Chile, who have completed all of their legal studies in Chile. Lawyers of the other Party may participate in an arbitration when the law of the other Party is involved and the parties to the arbitration so request.

Only Chilean natural persons with the right to vote and foreigners with permanent residence and the right to vote may act as judicial receivers and as procurators of the number.

Only Chilean natural persons and foreigners with definitive residence in Chile or Chilean legal entities may be public auctioneers.

To become a bankruptcy trustee it is necessary to have a professional or technical degree from a university or professional institute.
or a technical training center recognized by Chile. The trustees

Bankruptcy attorneys must have at least three (3) years of experience in commercial, economic or legal areas.

Sector: Transportation

Subsector: Air transportation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Law 18.916, Official Gazette, February 8, 1990, Aeronautical Code, Preliminary Title, and Titles II and III.
Decree Law 2.564, Official Gazette, June 22, 1979, Commercial Aviation Regulations.
Supreme Decree 624 of the Ministry of Defense, Official Gazette, January 5, 1995.
Law 16.752, Official Gazette, February 17, 1968, Title II.
Decree 34 of the Ministry of Defense, Official Gazette, February 10, 1968.
Decreto Supremo 102 del Ministerio de Transportesy Telecomunicaciones, Diario Oficial, June 17, 1981.
Supreme Decree 172 of the Ministry of National Defense, Official Gazette, March 5, 1974.
Supreme Decree 37 of the Ministry of National Defense, Official Gazette, December 10, 1991.
Decree 222 of the Ministry of National Defense, Official Gazette, October 5, 2005.

Description:<u>Cross Border Trade in Services</u>

Only a Chilean natural or juridical person may register an aircraft in Chile. Such juridical person must be incorporated in Chile with its main domicile and real and effective seat in Chile. In addition, the majority of its ownership must belong to Chilean natural or juridical persons, which in turn must meet the above requirements. The aeronautical authority may allow the registration of aircraft owned by foreign legal or natural persons, provided that they are employed in Chile or exercise a permanent professional activity or industry in Chile.

A foreign-registered private aircraft performing non-commercial activities may not remain in Chile for more than thirty (30) days from the date of its entry into the country, unless authorized by the Directorate General of Civil Aeronautics for more than 30 days from the date of its entry into the country. For greater certainty, this measure shall not apply to specialized air services,

except in the case of glider towing services and parachuting services.

Foreign aeronautical personnel who do not have a license granted by the Chilean civil aeronautical authority may exercise their activities in Chile only if the license or qualification granted in another country is recognized by the Chilean civil aeronautical authority as valid. In the absence of an international agreement regulating such recognition, the license or rating shall be granted under reciprocity conditions. In such case, it shall be demonstrated that the licenses and ratings were issued or validated by the competent authority in the State of registration of the aircraft, that the documents are in force and that the requirements demanded to extend or validate such licenses and ratings are equal or superior to the standards established in Chile for analogous cases.

Air transport services may be provided by Chilean or foreign air navigation companies provided that, on the routes they operate, the other States grant similar conditions for Chilean air companies, when they so request. The Civil Aeronautics Board, by founded resolution, may terminate, suspend or limit cabotage services or other kinds of commercial air navigation services, which are performed exclusively within the national territory by foreign companies or aircraft, if their country of origin does not effectively grant or recognize the right to equal treatment to Chilean companies or aircraft.

Sector: Transporta

Subsector: Water transportation and navigation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)

Level of Government: Central

Measures: Decree Law 3.059, Official Gazette, December 22, 1979, Law for the Promotion of the Merchant Marine, Titles I and II
Supreme Decree 237, Official Gazette, July 25, 2001, Regulation of Decree Law 3.059, Titles I and II.
Code of Commerce, Book III, Titles I, IV and V.

Description: Cross Border Trade in Services

Cabotage is reserved to Chilean vessels. Cabotage shall be understood as the maritime, river or lake transportation of passengers and cargo between different points of the national territory, and between these and naval artifacts installed in the territorial sea or in the exclusive economic zone.

Foreign merchant vessels may participate in cabotage in the case of cargo volumes of more than 900 tons, after a public bidding process carried out by the user and called with due notice. In the case of cargo volumes equal to or less than 900 tons and there is no availability of vessels under the Chilean flag, the Maritime Authority may authorize the loading of such cargo on foreign merchant vessels.

International maritime transportation of cargo to or from Chile is subject to the principle of reciprocity.

In the event that Chile adopts, for reasons of reciprocity, a measure of cargo reservation in the international transportation of cargo between Chile and a non-Party, the reserved cargo shall be transported in Chilean flag vessels or in vessels reputed as such.

Sector: Transporta

Subsector: Water transportation and navigation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Decree Law 2.222, Official Gazette, May 31, 1978, Navigation Law, Titles I, II, III, IV and V.
Code of Commerce, Book III, Titles I, IV and V.

Description: Cross Border Trade in Services

Only a Chilean natural or juridical person may register a vessel in Chile. Such juridical person must be incorporated with its principal domicile and real and effective seat in Chile. In addition, more than 50 percent of its capital stock must be held by Chilean natural or juridical persons. For these purposes, a juridical person that has an interest in another juridical person that owns a vessel must comply with all the aforementioned requirements.

A community may register a vessel if (1) the majority of the community members are Chilean with domicile and residence in Chile; (2) the administrators are Chilean; and (3) the majority of the rights in the community belong to Chilean individuals or legal entities. For these purposes, a community legal entity with the ownership of a vessel must comply with all the aforementioned requirements to be considered Chilean.

Special vessels owned by foreign natural or juridical persons may be registered in Chile, if such persons meet the following conditions: (1) they are domiciled in Chile; (2) they have the principal seat of their business in the country; or (3) they exercise any profession or commercial activity permanently in Chile.

"Special vessels" are those used in services, operations or for other specific purposes, with special characteristics for the functions they perform, such as tugboats, dredges, vessels for scientific or recreational purposes, among others. For the purposes of this paragraph, a special vessel does not include a fishing vessel.

The maritime authority may grant better treatment based on the principle of reciprocity.

Sector: Transporta

Subsector: Water transportation and navigation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Decree Law 2.222, Official Gazette, May 31, 1978, Navigation Law, Titles I, II, III, IV and V.
Supreme Decree 153, Official Gazette, March 11, 1966, Approves the General Regulations for the Registration of Seafarers, River and Lake Personnel.
Code of Commerce, Book III, Titles I, IV and V.

Description: Cross Border Trade in Services

Foreign vessels must use pilotage, anchoring and port pilotage services when required by the maritime authorities. Only Chilean flag tugboats may be used for towing or other maneuvers in Chilean ports.

To be a captain, it is necessary to be a Chilean national and hold the title of captain conferred by the corresponding authority. To be an officer of Chilean vessels, it is necessary to be a Chilean natural person and to be registered in the Register of Officers. To be a crew member of Chilean vessels, it is necessary to be Chilean, have a registration or permit granted by the Maritime Authority and be registered in the respective Registry. Professional degrees and licenses granted in a foreign country shall be valid to serve as officer on national vessels when the Director so orders by a founded resolution.

The ship's master must be Chilean. The ship's master is the natural person who, in possession of the title granted by the Director of the Maritime Authority, is qualified to command minor vessels and certain special larger vessels.

Fishing skippers, mechanics-motormen, motormen, seamen-fishermen, fishermen, maritime trade employees or technical workers, and industrial and general service crew members of factory or fishing vessels must be Chilean nationals. Foreigners domiciled in Chile shall also be authorized to perform such activities when requested by the shipowners because they are indispensable for the initial organization of the work.

In order to fly the national flag, it is required that the master of the vessel, its officers and crew be Chilean. However, if indispensable, the General Directorate of Maritime Territory and Merchant Marine, by a founded resolution and on a transitory basis, may authorize the hiring of foreign personnel, except for the captain, who shall always be Chilean.

Only Chilean individuals or legal entities may act as multimodal operators in Chile.

Sector: Transporta

Subsector: Water transportation and navigation

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Level of Government: Central

Measures: Commercial Code, Book III, Titles I, IV and V Decree Law 2.222, Official Gazette, May 31, 1978, Navigation Law, Titles I, II and IV.
Decree 90, of the Ministry of Labor and Social Security, Official Gazette, January 21, 2000.
Decree 49, of the Ministry of Labor and Social Security, Official Gazette, July 16, 1999.
Labor Code, Book I, Title II, Chapter III, paragraph 2.

Description: Cross Border Trade in Services

Ship agents or representatives of ship operators, owners or captains, whether natural or juridical persons, must be Chilean nationals.

Port stevedoring and wharfage work performed by natural persons is reserved to Chileans who are duly accredited before the corresponding authority to perform the port work indicated and to have an office established in Chile.

When these activities are carried out by legal entities, they must be legally incorporated in Chile and have their principal place of business in Chile. At least 50% of the capital stock must belong to Chilean individuals or legal entities. Such companies must appoint one or more attorneys-in-fact, who will act on their behalf, who must be Chilean.

All those who disembark, transship and, in general, make use of Chilean continental or insular ports, especially for fishing catches or fishing catches processed on board, must also be Chilean natural or juridical persons.

Sector: Transporta

Subsector: Road transportation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Level of government: Central

Measurements: Decree Supreme 212, from Ministry from Transportation y Telecommunications, Official Gazette, November 21, 1992 Decree 163, of the Ministry of Transportation and Telecommunications, Official Gazette, January 4, 1985.
Supreme Decree 257, of the Ministry of Foreign Affairs, Official Gazette, October 17, 1991.

Description:<u>Cross Border Trade in Services</u>

Providers of land transportation services must register in the National Registry by means of an application to be submitted to the Regional Secretary of the Ministry of Transportation and Telecommunications. In the case of urban services, the interested parties must submit the application to the Regional Secretary with jurisdiction in the locality where the service will be provided and, in the case of rural and interurban services, in the region corresponding to the domicile of the interested party. The application must contain the information required by law, and must be submitted, among other documents, a certified copy of the national identity card and, in the case of legal entities, the public deed of incorporation and that which certifies the name and domicile of its legal representative.

Foreign natural or juridical persons authorized to provide international transportation services in the territory of Chile may not perform local transportation services or participate, in any way, in such activities within the national territory.

Only companies with real and effective domicile in Chile, and created under the laws of Chile, Argentina, Bolivia, Brazil, Paraguay, Peru or Uruguay may be authorized to provide international land transportation services between Chile and Argentina, Bolivia, Brazil, Paraguay, Peru or Uruguay.

In addition, in order to obtain a permit to provide international land transportation services, in the case of foreign legal entities, more than 50% of their capital and effective control of such companies must be in possession of the following

The legal entities must belong to nationals of Chile, Argentina, Bolivia, Brazil, Paraguay, Peru or Uruguay.

Sector: Transportation

Subsector: Road transportation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6-4)

Measures: Law 18.290, Official Gazette, February 7, 1984, Title IV.
Supreme Decree 485 of the Ministry of Foreign Affairs, Official Gazette, September 7, 1960, Geneva Convention.

Description: Cross Border Trade in Services

Motor vehicles with foreign license plates that enter Chile, under temporary admission, under the provisions of the 1949 Geneva *Convention on Road Traffic,* shall circulate freely in the national territory for the period of time contemplated in said Convention, provided they comply with the requirements established by Chilean law.

The holder of a valid international license or certificate issued in a foreign country in accordance with the *Geneva Convention* may drive throughout the national territory. The driver of a vehicle with a foreign license plate who holds an international driver's license must present, whenever requested by the authority, the proofs that enable both the circulation of the vehicle and the use and validity of his personal documentation.

Annex II LIST
OF BRAZIL

INTRODUCTORY NOTES

1. A Party's list indicates, in accordance with Article 6.7, the specific sectors, subsectors or activities for which it may maintain or adopt new or more restrictive measures that are inconsistent with the obligations imposed by:

(a) Article 6.3;

(b) Article 6.4;

(c) Article 6.5, or

(d) Article 6.6.

2. Each tab of this Annex sets forth the following elements:

Description provides a general description of the reserve;

Level of government indicates the level of government that maintains the measure(s) listed;

Obligations Affected specifies the obligation(s) referred to in paragraph 1 that, by virtue of Article 6.7.2, do not apply to the listed measure(s);

Sector refers to the sector for which the record has been made, and

Sub-sector refers to the sub-sector for which the record has been made.

3. In accordance with Article 6.7.2, the articles of this Agreement specified in the **Affected Obligations** element of a schedule do not apply to the sectors, subsectors and activities listed, according to the scope inscribed in the **Description** element of that schedule.

4. For greater certainty, Article 6.5 refers to non-discriminatory measures.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure aimed at promoting technological development, technology transfer, scientific research and the development of technical standards and regulations.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article
Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure that grants rights or preferences to social minorities or less favored or economically disadvantaged regions.

Sector: All

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)
Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to the acquisition or leasing of rural property or to the development of activities in border areas (the strip up to 150 km away along the entire border) and in the following areas: the Amazon Basin, the Atlantic Forest, the Serra do Mar and the Pantanal.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article
Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to the acquisition or lease of rural property or the acquisition of any other real estate right over rural property by foreign natural persons, foreign legal entities or Brazilian legal entities with foreign participation.

For the purposes of this reserve, rural property is an area or real estate that is or may be used for agricultural, livestock, plant extraction, forestry or agro-industrial exploitation.

Sector: Health and social services

Subsector:

Obligations Affected: National Treatment (Article

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to health care.

Sector: All

Subsector:

Obligations Affected: Most-Favored-Nation Treatment (Article 6.4)
Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain market access and national treatment advantages with partner countries of the Southern Common Market (MERCOSUR).

Sector: All

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to access, economic exploitation and shipment abroad of its genetic heritage.

For the purposes of this reserve, genetic heritage means information of genetic origin of plant, animal, microbial or other species, including substances derived from the metabolism of these living beings.

Sector: Professional Services

Subsector:

Obligations AffectedMost-Favored-Nation **Treatment** (Article 6.4)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain measures relating to the procedures for the registration of professionals under bilateral agreements entered into by the respective Professional Councils or other competent authorities.

Sector: Professional Services

Subsector: Research and development services

Obligations AffectedNational **Treatment** (Article 6.3)

Level of government: Central

Description: Trade Services

Brazil reserves the right to limit, throughout the national territory, including the continental shelf and waters under its jurisdiction, field activities and scientific research involving the movement of human and material resources, for the purpose of collecting data, materials, biological and mineral specimens, pieces of native culture and popular culture.

Sector: Educational services

Subsector:

Obligations Affected: National Treatment (Article
Most-Favored-Nation Treatment (Article 6.4)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to the authorization and/or registration concerning the qualification for the issuance of Brazilian diplomas and certificates of education.

This reservation does not apply to language courses and other free courses such as Gastronomy and Chilean Art and Culture courses.

Sector: Cultural industries

Subsector:

Obligations AffectedNational **Treatment** (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)

Level of government: Central

Description: Trade Services

Brazil reserves the right to maintain any measure for the cultural industries sector.

For the purposes of this entry, "cultural industries" includes persons engaged in any of the following activities:

(a) the publication, distribution or sale of books, magazines, periodicals or newspapers in printed or machine-readable form, but not including the sole activity of printing or typesetting any of the foregoing;
(b) the production, distribution, sale or exhibition of films or video recordings;
(c) the production, distribution, sale or exhibition of audio or music video recordings;
(d) the publication, distribution or sale of music in printed or machine-readable form;
(e) film, recording or video game exhibits, or
(f) radiocommunications on which transmissions are made for direct reception by the general public, all radio, television and cable companies and all satellite programming and transmission network services.

Brazil reserves the right to adopt or maintain measures that define rules for the co-production of films with foreign countries and grant national treatment to films co-produced with other countries that have a co-production agreement with Brazil.

Sector: Maritime transport ocean navigation (cargo)

Subsector:

Obligations AffectedMost-Favored-Nation **Treatment** (Article 6.4)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain measures relating to the division and reservation of cargo on a reciprocal basis with countries with which it has bilateral maritime transportation agreements.

Sector: Mining related services

Subsector:

Obligations Affected: National Treatment (Article

Level of government: Central

Description: Trade Services

Brazil reserves the right to maintain any measure related to exploration, exploitation, exploitation and research of mineral deposits and other mineral resources.

Sector: Energy

Subsector:

Obligations Affected: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain any measure related to the transportation, treatment, refining, processing, storage, distribution, compression, liquefaction, decompression, regasification, sale to the public and commercialization of hydrocarbons, petroleum products and petrochemicals throughout the national territory, including the continental shelf and the exclusive economic zone located outside and adjacent to the territorial sea, in mantles or deposits, regardless of their physical state.

Sector: All

Subsector:

Obligations Affected: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Access to Markets (6.5)
Local Presence (6.6)

Level of government: Central

Description: Trade Services

Brazil reserves the right to adopt or maintain measures related to a new service that cannot be classified in the CPC 1991.

The reservation does not apply to an existing service that could be classified in the 1991 CPC, but which previously could not be provided on a cross-border basis due to lack of technical feasibility.

For the purposes of this entry, "CPC 1991" means the Provisional Central Product Classification (Statistical Papers, M Series, No. 77, Department of International Economic and Social Affairs, United Nations Statistical Office, New York, 1991).

Sector: All

Subsector:

Obligations Affected: Market Access (Article 6.5)

Level of government: Central

Description: Trade Services

In addition to the horizontal reservations in this Annex, Brazil reserves the right to adopt or maintain any measure related to Article 6.5 (Market Access), except for the following sectors and sub-sectors subject to the limitations and conditions listed below.

For the purposes of this entry:

(a) "(1)" refers to the supply of a service from the territory of a Party to the territory of any other Party;

(b) "(2)" means the supply of services in the territory of a Party by a person of that Party to a person of the other Party;

(c) "(3)" refers to the supply of services by a person of a Party in the territory of the other Party through commercial presence, and

(d) "(4)" refers to the supply of services by a national of a Party in the territory of any other Party.

Legal services (only consulting in international and Chilean law)
(1) and (2) None.
(3) Foreign law consulting companies must be incorporated in accordance with Brazilian law, with headquarters in Brazil and with the exclusive corporate purpose of providing consulting services in foreign and international law. The company must be composed exclusively of foreign law consultants.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Accounting, auditing and bookkeeping services
(1) Establishment in Brazil is required.
(2) None.
(3) Incorporation is required only for the provision of professional auditing services and other services related to the accounting profession.

(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Tax advisory services (does not include legal services)
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Architectural services, engineering services, integrated engineering services, urban planning and landscape architecture services.
(1) and (2) Unbound.
(3) Foreign service suppliers may only exercise activities in the national territory as long as they are associated with Brazilian service suppliers through "consortiums". The Brazilian partner must maintain the management of the work.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Veterinary Services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Other (biology, pharmacy, psychology, library science)
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Computer and related services, except for time-stamping (n.a.) and digital certification (n.a.)
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Research and development in natural sciences
(1) Unconsolidated.
(2) None.
(3) Authorization for mineral research will only be granted to Brazilians (natural person, individual firm or legally qualified company). Except with the prior consent of the National Security Council, the establishment of companies engaged in the research, extraction, exploitation and use of mineral resources and the participation, under any title, of foreigners, whether natural or legal persons, in a legal person that holds a real right over rural real estate in the Border Zone is prohibited. Authorization will not be granted to carry out operations and

research activities, exploitation, removal or demolition of sunken, submerged, stranded and lost things or goods in waters under national jurisdiction, in marine lands and extensions and in marginal lands, as a consequence of a casualty, lightening or maritime accident, to a foreign natural or legal person or to a legal person under foreign control, which also may not be subcontracted by Brazilian natural or legal persons. Authorization will only be granted for scientific research and investigations by foreigners (natural or juridical person, governmental or private organization) or by international organizations when these derive from contracts, agreements or conventions with Brazilian institutions, except in cases in which no Brazilian entity has shown interest in signing such commitments. Marine scientific research on the continental shelf and in the exclusive economic zone may only be carried out by foreign providers with the prior consent of the Brazilian government.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Research and development in social and human sciences
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Interdisciplinary research and development
(1) Unconsolidated.
(2) None.
(3) None. In the case of inter-disciplinary research and development activities involving research and development in the natural sciences, the restrictions of the corresponding sub-sector must be observed.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Servicios inmobiliarios relativos a bienes raíces property leased; and by commission or contract
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Rental or leasing services without operators: relating to ships without crew; to aircraft without crew; to other transportation equipment without operators; to other machinery and equipment without operators; and to other rental or leasing services of personal property.
(1) and (2) None.

(3) Commercial leasing companies must adopt the legal form of corporations.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Audiovisual content production services for advertising
(1) Foreign participation in production is limited to one third of the advertising film images. Further participation is conditioned to the use of Brazilian professionals and production companies. Advertising films must be spoken in Portuguese, unless the subject of the film requires the use of a foreign language.
(2) Unconsolidated.
(3) In addition to the above conditions (1), foreign participation is limited to 49% of the capital of companies established in Brazil. The management must remain with the Brazilian partners. Professionals are subject to the Brazilian Code of Ethics for Advertising Professionals.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Market and public opinion research
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Management consultancy; services related to management consultancy
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Technical testing and analysis services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Services related to agriculture and forestry (except services related to hunting)
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Services related to fishing (does not include ownership of fishing vessels)
(1) Foreign vessels may only carry out fishing activities in Brazil when authorized by an act of the Minister of State for Agriculture and Supply.

(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Mining-related services
(1) Unconsolidated.
(2) None.
(3) The research and extraction of mineral resources and the exploitation of hydraulic energy potentials may only be carried out by Brazilians or companies incorporated under Brazilian legislation and having their headquarters and administration in the country. In the border zone, the industries related to national security, according to the Executive Power decree and those destined to the research, extraction, exploitation and use of mineral resources, except those of immediate application in civil construction, thus classified in the Mining Code, must have 51% of the capital of the company belonging to Brazilians and the majority of the occupants of administration or management positions must be Brazilians, being assured to them the decision making powers. In the case of an individual or sole proprietorship, the establishment or operation of the service will only be allowed to Brazilians. Foreign service providers may only exercise activities in the national territory as long as they are associated with Brazilian service providers through consortiums. The Brazilian partner must maintain the management of the work.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Services related to manufacturing production
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Placement and staffing services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Technical and scientific consulting services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maintenance and repair services of equipment, except transportation equipment
(1) Unconsolidated.
(2) and (3) None.

(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Building cleaning services
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Photography services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Aerophotometric and aerial survey services
(1) Incorporation under Brazilian law is required, with headquarters and administration in the country.
(2) None.
(3) It is required to be incorporated under Brazilian law, with headquarters and administration in the country, whose corporate purpose is the execution of the aerial surveying service. The participation of a foreign entity, in exceptional cases and declared public interest, requires the authorization of the President of the Republic. The interpretation and translation of the data must be carried out in Brazil, under the full control of the national entity responsible for the instruction of the authorization process.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Packaging Services
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Publishing and printing services
(1) and (2) None.
(3) The ownership of the journalistic companies is exclusive of Brazilian citizens born or naturalized for more than 10 years or of legal entities incorporated under Brazilian law and headquartered in the country.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Convention services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Otros servicios de traducción e interpretation (excluding official translators)
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Postal services (except for activities reserved to the Brazilian designated operator, which include the collection, reception, processing, transport and delivery of letters, postcards and grouped correspondence, for domestic or foreign destinations, including all forms of shipments, whether priority or non-priority, express, etc., as well as the sale of stamps and other forms of postage).
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Telecommunications services: when technical, operational and commercial conditions are equivalent to those of foreign satellites, Brazilian satellites should be used for the provision of satellite telecommunications services.

Local, long distance and international telecommunications services, for public and non-public use, provided through any network technology (cable, satellite, etc.).): voice telephone services; packet-switched data transmission services; circuit-switched data transmission services; facsimile services; private leased circuit services; electronic mail; voice mail; on-line access to databases and information; Electronic Data Interchange (EDI); advanced facsimile, including store-and-forward and store-and- retrieve; code and protocol conversion; on-line data and/or information processing (including transaction processing); other mobile services (analog and digital cellular services; global mobile satellite services; paging services; and trunked services).
(1) and (2) Unbound.
(3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Construction and related engineering services: general construction services; general construction services for civil engineering; installation, erection, and maintenance and repair of prefabricated structures; building completion services; and others
(1) Unconsolidated.

(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Distribution services: commission agents' services; wholesale trade; retail trade; and franchising services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Education services: other education and training services; language courses and other free courses such as gastronomy and Chilean art and culture
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Environmental services (excluding consulting and management services): sewage services; waste disposal services; public cleaning and similar services; flue gas cleaning services; noise abatement services; soil and water cleanup and remediation services.
(1) and (2) None.
(3) None, except that the supply of these services to the Brazilian government (at the federal, state and municipal levels) depends on public concessions and the conditions established therein.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Tourism and travel services: hotels and restaurants
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Tourism and travel services: travel agencies and tour operators; tour guides
(1) and (2) Unbound.
(3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Sports and other entertainment services (except gambling and betting, multiplex services and others)
(1) Unconsolidated.
(2) None.

(3) Sports entities participating in professional competitions and the leagues in which they are organized that are not incorporated as a commercial company or do not contract a commercial company to manage their professional activities, for all legal purposes, are equated to de facto or irregular companies, according to commercial law.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Sports services
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maritime transportation services: passenger transportation
(1) Unconsolidated.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maritime transportation services: transportation of cargo, except transportation of cargo between a port or point located in the territory of Brazil and another port or point located in the same territory, including so-called feeder services and the movement of equipment
(1) None, except for the transportation of cargo from public contracts, cargo financed or subsidized by the Brazilian government and oil and oil products.
(2) None.
(3) It is necessary to incorporate as a Brazilian Navigation Company (EBN), for which it is necessary to own at least one vessel. In order for a vessel to fly the Brazilian flag, it must be registered according to national legislation and registered in the National Registry or in the Brazilian Special Registry (REB).
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maritime transportation services: chartering of vessels with crew
(1) Brazilian shipping companies may charter foreign vessels in cases of: a) unavailability of Brazilian vessels, b) public interest, and c) substitution of a vessel under construction in a Brazilian shipyard.
(2) None.
(3) The chartering of Brazilian vessels mortgaged with the Merchant Marine Fund by companies based in Brazil in

The authorization of the competent authority is required in favor of foreign companies or corporations.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maritime transport services: maintenance and repair of vessels
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Maritime transportation services: towing services
(1) The provision of these services is reserved to Brazilian navigation companies authorized by the competent authority for support navigation. Foreign vessels may only participate in support navigation when chartered by Brazilian navigation companies.
(2) None.
(3) It is necessary to incorporate as a Brazilian Navigation Company (EBN), for which it is necessary to own at least one vessel. In order for a vessel to fly the Brazilian flag, it must be registered according to national legislation and registered in the National Registry or in the Brazilian Special Registry (REB).
(4) Unconsolidated.

Services auxiliary to maritime transport (cargo handling services; warehousing services; customs clearance services; container station and depot services; shipping agency services; and ocean freight forwarding services)
(1) The company must be a legal entity with headquarters in the country.
(2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Air transport services: services auxiliary to air transport; sale and marketing of air transport services; computerized reservation system services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Railroad transportation services: freight transportation
(1) The commitments undertaken in this sub-sector are also subject to the provisions of the Agreement on International Land Transportation (ATIT), and the supply of internal transportation is prohibited.
(2) None.

(3) Government concession is required. The granting of new concessions is discretionary. The number of service providers may be limited.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Road transportation services: freight transportation
(1) The commitments assumed in this sub-sector are also subject to the provisions of the Agreement on International Land Transportation (ATIT), and the supply of internal transportation is prohibited.
(2) None.
(3) None, except for international land transportation, as provided for in the Agreement on International Land Transportation (ATIT) adopted by Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Pipeline transportation services - transportation of other goods, except hydrocarbon products
(1) and (2) Unbound.
(3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Services auxiliary to all types of transportation: loading and unloading services; warehousing services
(1), (2) and (3) None.
(4) Sin consolidar, salvo lo señalado en la "Ley de Migración" y en la "Consolidación de las Leis del Trabajo".

Annex II LIST
OF CHILE

INTRODUCTORY NOTES

1. A Party's Schedule indicates, in accordance with Article 6.7, the sectors, subsectors, or specific activities for which it may maintain or adopt new or more restrictive measures that are inconsistent with the obligations imposed by:

(a) Article 6.3;

(b) Article 6.4;

(c) Article 6.5, or

(d) Article 6.6.

2. Each tab of this Annex sets forth the following elements:

Description describes the coverage of the sectors, subsectors, or activities covered by the form;

Measures in Force identifies, for transparency purposes, the measures in force that apply to the sectors, sub-sectors or activities covered by the fact sheet;

Obligations Affected specifies the obligation(s) referred to in paragraph 1 that, by virtue of Article 6.7.2, do not apply to the sectors, subsectors or activities listed on the fiche;

Sector refers to the sector for which the record has been made, and

Sub-sector refers to the sub-sector for which the record has been made.

3. In accordance with Article 6.7.2, the articles of this Agreement specified in the **Obligations Affected** element of a fiche do not apply to the sectors, subsectors and activities mentioned in the **Description** element of that fiche.

4. For greater certainty, Article 6.5 refers to non-discriminatory measures.

Sector: All

Subsector:

Obligations Concerned: Most-Favored-Nation Treatment (Article 6.4)

Description: Chile reserves the right to adopt or maintain any measure that grants different treatment to countries under any bilateral or multilateral international treaty in force or signed prior to the date of entry into force of this Agreement.

Chile reserves the right to adopt or maintain any measure that accords different treatment to countries under any international agreement in force or entered into after the date of entry into force of this Agreement with respect to:

(a) aviation;

(b) fishing, or

(c) maritime affairs, including salvage.

Measures in force:

Sector: Communication

Subsector: Digital telecommunications services of one-way satellite transmissions, whether direct-to-home television, direct broadcasting of television and direct audio services; complementary telecommunication services; and limited telecommunication services.

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)
Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure relating to cross-border trade in digital telecommunications services of one-way satellite broadcasting, whether direct-to-home television, direct broadcasting of television services and direct audio broadcasting; complementary telecommunications services; and limited telecommunications services.

Measures in force: Law 18.168, Diario Oficial, October 2, 1982,
General Telecommunications Law, Titles I, II, III, V and VI.

Sector: Minority Issues

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure that grants rights or preferences to socially or economically disadvantaged minorities.

Measures in force:

Sector: Issues Related to Native Populations

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure that grants rights or preferences to indigenous populations.

Measures in force:

Sector: Education

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure with respect to natural persons providing education services in Chile.

The preceding paragraph includes teachers and auxiliary personnel who provide educational services at the pre-school, kindergarten, differential, elementary, middle or high school, professional, technical or university level, and other persons who provide services related to education, including the holders of educational establishments of any type, schools, high schools, academies, training centers, professional and technical institutes or universities.

This reservation does not apply to the provision of training services related to second language, business training, company training, and industrial training and skills upgrading, including consulting services related to technical support, consulting, curriculum and program development in education.

Measures in force:

Sector: Fishi

Subsector: Fishing activities

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)

Description: Chile reserves the right to control the fishing activities of foreigners, including landing, first landing of processed fish at sea and access to Chilean ports (port privilege).

Chile reserves the right to control the use of beaches, beach lands, portions of water and seabed for the granting of maritime concessions. For greater certainty, "maritime concessions" does not include aquaculture.

Measures in force: Decree Law 2.222, Official Gazette, May 31, 1978, Navigation Law, Titles I, II, III, IV and V.
Decree with Force of Law 340, Official Gazette, April 6, 1960, on Maritime Concessions.
Supreme Decree 660, Official Gazette, November 28, 1988, Regulation of Maritime Concessions.
Supreme Decree 123 of the Ministry of Economy, Development and Reconstruction, Undersecretariat of Fisheries, Official Gazette, August 23, 2004, on the Use of Ports.

Sector: Arts and Cultural Industries

Subsector:

Obligations Concerned: Most-Favored-Nation Treatment (Article 6.4)

Description: Chile reserves the right to adopt or maintain any measure that grants different treatment to countries under any existing or future bilateral or multilateral international treaty with respect to the arts and cultural industries, such as audiovisual cooperation agreements.

For greater certainty, government support programs, through subsidies, for the promotion of cultural activities are not subject to the limitations or obligations of this Agreement.

For purposes of this reservation, "arts and cultural industries" includes:

(a) books, magazines, periodicals, or printed or electronic newspapers, but does not include the printing or typesetting of any of the foregoing;

(b) film or video recordings;

(c) music recordings in audio or video format;

(d) printed or machine-readable music;

(e) visual arts, artistic photography and new media;

(f) performing arts, including theater, dance, and circus arts, and

(g) media or multimedia services.

Measures in force:

Sector: Entertainment, Audiovisual and Broadcasting Services

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4)

Description: Chile reserves the right to adopt or maintain any measure related to:

(a) the organization and presentation of concerts and musical performances in Chile;

(b) distribution or exhibition of films or videos, and

(c) broadcasting to the general public, as well as all activities related to radio, television and cable transmission and satellite programming services and broadcasting networks.

Notwithstanding the foregoing, Chile shall extend to service suppliers of Brazil treatment no less favorable than that accorded by Brazil to service suppliers of Chile.

Measures in force:

Sector: Social Services

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure relating to the enforcement of public law and the provision of social readaptation services as well as the following services, insofar as they are social services that are established or maintained for reasons of public interest: income assurance or insurance, social security or insurance services, social welfare, education, public training, health and child care.

Measures in force:

Sector: Environmental Services

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure relating to the imposition of requirements that the production and distribution of potable water, the collection and disposal of sewage and sanitary services, such as sewage, waste disposal and sewage treatment may only be provided by legal entities incorporated under Chilean law or created in accordance with the requirements established by Chilean law.

This reservation does not apply to consulting services contracted by such legal entities.

Measures in force:

Sector: Construction Related Services

Subsector:

Obligations Concerned: National Treatment (Article 6.3)
Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure relating to the supply of construction services by foreign legal persons or entities.

These measures may include requirements such as residency, registration or any other form of local presence, or the obligation to provide financial security for the work as a condition for the provision of construction services.

Measures in force:

Sector: Transporta

Subsector: International inland transportation

Obligations Concerned: National Treatment (Article 6.3)
Most-Favored-Nation Treatment (Article 6.4) Local Presence (Article 6.6)

Description: Chile reserves the right to adopt or maintain any measure related to international land transportation of cargo or passengers in border areas.

In addition, Chile reserves the right to adopt or maintain the following limitations on the supply of international land transportation services from Chile:

(a) the service provider must be a Chilean natural or legal person;

(b) have a real and effective domicile in Chile, and

(c) in the case of a legal entity, it must be legally incorporated in Chile and more than 50% of its capital stock must be owned by Chilean nationals and its effective control in the hands of Chilean nationals.

Measures in force:

Sector: Transportation

Subsector: Road transportation

Obligations Concerned: National Treatment (Articles 6.3)

Description: Chile reserves the right to adopt or maintain any measure authorizing only natural or juridical persons to provide land transportation of persons or goods within the territory of Chile (cabotage). For this purpose, vehicles registered in Chile must be used.

Measures in force:

Sector: All

Subsector:

Obligations Affected: Market Access (Article 6.5)

Description: Chile reserves the right to adopt or maintain any measure related to Article 6.5 (Market Access), except for the following sectors and sub-sectors subject to the limitations and conditions listed below:

Legal services:
(1) and (3) None, except in the case of bankruptcy trustees who must be duly authorized by the Ministry of Justice, and may only work in the place where they reside.
(2) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Accounting, auditing and bookkeeping services:
(1) and (3) None, except that the external auditors of financial institutions must be registered in the Register of External Auditors of the Superintendency of Banks and Financial Institutions and the Superintendency of Securities and Insurance. Only legal entities legally incorporated in Chile as partnerships or associations, and whose main line of business is auditing services, may be registered in the Register.
(2) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Tax advisory services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Architectural services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Engineering services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Integrated engineering services:
(1), (2) and (3) None.

(4) No commitments, except as indicated in the restriction of the Labor Code.

Urban planning and landscape architecture services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Veterinary services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Services provided by midwives, nurses, physiotherapists and paramedical personnel:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Computer and related services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Interdisciplinary research and development services, natural science research and development services, and related scientific services and technical consulting services:
(1) and (3) None, except: any exploration of a scientific or technical nature, or related to mountaineering, that natural or legal persons domiciled abroad seek to carry out in border areas that require authorization and supervision by the Dirección de Fronteras y Límites del Estado. The State Borders and Boundaries Directorate may arrange for the expedition to include one or more representatives of the relevant Chilean activities. These representatives shall participate and be familiar with the studies and their scope.
(2) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Research and development services in the social sciences and humanities:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Real estate services: *involving real estate owned or leased or on a commission or contract basis:*
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Leasing or rental services without operators, relating to ships, aircraft, any other transportation equipment and other machinery and equipment:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Advertising, market research and public opinion polling services, management consulting services, services related to management consulting services, technical testing and analysis services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Services related to agriculture, hunting, manufacturing and forestry:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Mining related services, placement and supply of personnel, research and security services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Maintenance and repair services of equipment (excluding vessels, aircraft or other transportation equipment), building cleaning services, photographic services, packing services, and services rendered on the occasion of assemblies and conventions:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Publishing and printing services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Postal Services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Domestic or international long-distance telecommunications services: For (1), (2), (3) and (4): Chile reserves the right to adopt or maintain any measure that is not inconsistent with Chile's obligations under Article XVI of the GATS.

Intermediate telecommunications services, complementary telecommunications services, limited telecommunications services: For (1), (2) and (3): a concession granted by means of a Supreme Decree issued by the Ministry of Transport and Telecommunications is required for the installation, operation, and exploitation of public and intermediate telecommunications services in the territory of Chile. Only legal entities incorporated under Chilean law are eligible for such concession.

An official pronouncement issued by the Undersecretariat of Telecommunications is required to carry out Complementary Telecommunications Services, which consist of additional services provided through the connection of equipment to public networks. Said pronouncement refers to compliance with the technical standards established by the Undersecretariat of Telecommunications and the non-alteration of the essential technical characteristics of the networks nor the use that they technologically allow, nor the modalities of the basic service provided with them.

A permit issued by the Undersecretary of Telecommunications is required for the installation, operation and development of limited telecommunications services.

International traffic must be routed through the facilities of a company holding a concession granted by the Ministry of Transportation and Telecommunications.

(4): No commitments, except as indicated in the restriction of the Labor Code.

Commission agent services, wholesale trade services, retail trade services, franchising and other distribution services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Services related to the environment:
(1) and (3) No commitments, except for consulting services.
(2) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Hotel and restaurant services (including contract catering services), travel agency and group travel arrangement services, and tour guide services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Sports and other recreational services, excluding gambling and betting:
(1), (2) and (3) None, except that a specific type of legal entity is required for sports organizations engaged in professional activities. In addition, (a) no more than one team may participate in the same category of a sports competition; (b) specific regulations may be established to prevent concentration of ownership of sports organizations; and (c) minimum capital requirements may be imposed.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Services for the operation of sports facilities:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Road transportation services: freight transportation, rental, de vehículos comerciales con conductor; maintenance and repair of road transportation equipment; support services related to road transportation services: (1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Ancillary services in connection with all means of transport: *loading and unloading services, warehousing services, freight forwarding agency services:*
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Pipeline transportation services: transportation of fuels and other products:
(1), (2) and (3) None, except that the service must be supplied by a legal person constituted under Chilean law and the supply of the service may be subject to a concession under national treatment conditions.
(4) No commitments, except as indicated in the restriction of the Labor Code.

Air transport sales and marketing services, computerized reservation system services:
(1), (2) and (3) None.
(4) No commitments, except as indicated in the restriction of the Labor Code.

For the purposes of this reservation:

(1) refers to the supply of a service from the territory of one Party to the territory of another Party;

(2) refers to the supply of a service in the territory of a Party to a person of another Party;

(3) refers to the supply of a service in the territory of a Party by a service supplier of the other Party through commercial presence, and

(4) refers to the supply of a service by a national of a Party in the territory of another Party.

Chapter 6
CROSS-BORDER TRADE IN SERVICES

Article 6.1: Definitions

For the 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 supply of a service in the territory of a Party by an investment, 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 bodies 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 under its laws and residing in the territory of that Party;

service supplier of a Party means a person of a Party that intends to supply or does supply a service;

computer reservation system services means services provided through computerized systems containing information about air carriers' schedules, seat availability, fares and pricing rules, through which reservations can be made or tickets issued;

services supplied in the exercise of governmental authority means, for each Party, any service that is supplied neither on a commercial basis nor in competition with one or more service suppliers, and

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

Article 6.2: Scope of Application

1. This Chapter shall apply to measures adopted or maintained by a Party affecting cross-border trade in services supplied by service suppliers of the other Party. Such measures include measures affecting:

(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 and use of services that are offered to the general public by prescription of a Party in connection with the supply of a service;

(d) the presence in the territory of the Party of a service supplier of the other Party, and

(e) the provision of a bond or other form of financial guarantee as a condition for the provision of a service.

2. In addition to paragraph 1, Articles 6.5, 6.8 and 6.11 shall 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 shall not apply to:

(a) financial services, as defined in Article XII of the Fifty-third Additional Protocol to ACE N° 35;

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

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

(d) subsidies or grants provided by a Party or a state enterprise, including government-supported loans, guarantees and insurance;

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

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

(b) computerized reservation system services.

5. The Parties recognize the importance of air services in facilitating the expansion of trade, strengthening economic growth and benefiting consumers. Accordingly, and without prejudice to paragraph 4, the Parties shall work bilaterally, with the aim of liberalizing air transport, as well as in appropriate fora, such as the International Civil Aviation Organization, to reach a liberal multilateral air services agreement.

6. In the event of any inconsistency between this Chapter and a bilateral, plurilateral or multilateral air services agreement to which both Parties are party, the air services agreement shall prevail in determining the rights and obligations of the Parties.

7. If the GATS Annex on Air Transport Services is amended, the Parties shall jointly review any new definitions, with a view to aligning the definitions in this Agreement with those definitions, where appropriate.

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

Article 6.3: National Treatment

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favorable than that it accords, in like circumstances, to its own services and service suppliers.

2. For greater certainty, whether treatment is accorded in "like circumstances" under paragraph 1 depends on the totality of the circumstances, including whether the relevant treatment distinguishes between services and service suppliers on the basis of legitimate public welfare objectives.

3. For greater certainty, the treatment to be accorded by a Party under paragraph 1 means, in relation to a regional tier of government, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that regional tier of government to service suppliers of the Party of which it is a Party.

Article 6.4: Most-Favored-Nation Treatment

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favorable than that it accords, in like circumstances, to services and service suppliers of any non-Party.

2. For greater certainty, whether treatment is accorded in "like circumstances" under paragraph 1 depends on the totality of the circumstances, including whether the relevant treatment distinguishes between services and service suppliers on the basis of legitimate public welfare objectives.

Article 6.5: Market Access

No Party shall adopt or maintain, whether on the basis of a regional subdivision or of its entire territory, measures that:

(a) impose limitations on the:

(i) number of service providers, either in the form of numerical quotas, monopolies, exclusive service providers or by requiring an economic needs test;

(ii) total value of service or asset transactions in the form of numerical quotas or by requiring an economic needs test;

(iii) total number of services operations or the total quantity of services output, expressed in terms of numerical units designated in the form of quotas or by requiring an economic needs test. This item does not apply to a Party's measures limiting inputs for the supply of services;

(iv) total number of natural persons who may be employed in a given service sector or who may be employed by a service provider and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or by requiring an economic needs test, or

(b) restrict or prescribe the specific types of legal entity or joint venture through which a service provider may supply a service.

Article 6.6: Local Presence

Neither Party shall require a service supplier of the other Party to establish or maintain a representative office or any form of enterprise, or to be resident in its territory, as a condition for the cross-border supply of a service.

Article 6.7: Nonconforming Measures

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

(a) any existing non-conforming measure maintained by a Party:

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

(ii) at the regional level, or

(iii) at the local level of government;

(b) the continuation or prompt renewal of any nonconforming measure referred to in subparagraph (a), or

(c) the modification of any non-conforming measure referred to in subparagraph (a), to the extent that such modification does not diminish the conformity of the measure with 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 measures that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out by that Party in its Schedule to Annex II.

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

Article 6.8: National Regulations

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

2. Each Party shall ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute a disguised restriction on trade in services, while recognizing the right to regulate and introduce new regulations on the supply of services to meet its public policy objectives, including ensuring that such measures, *inter alia*:

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

(b) do not constitute an arbitrary or unjustifiable discrimination among service providers, and

(c) in the case of licensing procedures, do not in themselves constitute a restriction on the supply of the service.

3. Where a Party maintains measures relating to qualification requirements and procedures, technical standards and licensing requirements, the Party shall:

(a) to make them available to the public:

(i) information on requirements and procedures for obtaining, renewing or retaining any license or professional qualification, and

(ii) information on technical standards;

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

(i) within a reasonable time after the submission of an application that is deemed complete under domestic law, consider the application and make a decision on whether or not to grant the relevant authorization;

(ii) the applicant is informed without delay of the decision as to whether or not the relevant authorization has been granted;

(iii) as far as practicable, establish indicative time frames for processing an application;

(iv) at the request of such applicant, be provided, without undue delay, with information concerning the status of the application;

(v) in accordance with that Party's domestic law in the case of an incomplete application, at the request of the applicant, identify the additional information required to complete the application and provide an opportunity to correct minor errors or omissions in the application;

(vi) if an application is refused, inform the applicant, to the extent practicable, of the reasons for the refusal, either directly or at the request of the applicant, and

(vii) in accordance with their legislation, accept copies of authenticated documents in lieu of original documents.

(c) in each sector in which passing an examination is required as a prerequisite for supplying a service in the territory of the Party:

(i) in the event that the examination process is administered by governmental authorities, take reasonable measures to schedule examinations at reasonable intervals, or

(ii) in the event that the examination process is administered only by non-governmental agencies or professional associations, use best efforts to encourage such agencies or associations to schedule examinations at reasonable intervals, and

(iii) in each case, the Party shall ensure that such examinations are open to applicants of the other Party. The possibility of using electronic means to conduct the examinations or conducting them orally and providing the opportunity to take such examinations in the territory of the other Party should be explored.

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 itself restrict the supply of such service. For purposes of this paragraph, "fee" does not include payments for the use of natural resources, payments for auctions, tenders or other non-discriminatory means of granting concessions, or compulsory contributions for the provision of a universal service.

5. Paragraphs 1 to 3 shall not apply to non-conforming aspects of measures that are not subject to the obligations under Article 6.3 or Article 6.5 by reason of an entry in the Schedule of a Party to Annex I, or measures that are not subject to the obligations under Article 6.3 or Article 6.5 by reason of an entry in the Schedule of a Party to Annex II.

6. If the results of the negotiations related to Article VI:4 of the GATS enter into force, the Parties shall jointly review such results with a view to incorporating them into this Agreement, if deemed appropriate by both Parties.

Article 6.9: Mutual Recognition

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

2. If a Party recognizes, autonomously or by means of an agreement or arrangement, education or experience obtained, requirements met, or licenses or certifications granted in the territory of a non-Party, nothing in Article 6.4 shall be construed to require the Party to grant such recognition to education or experience obtained, requirements met, or licenses or certifications granted in the territory of the other Party.

3. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 1, whether existing or future, shall provide adequate opportunity for the other Party, at its request, to negotiate its accession to such an agreement or arrangement or to negotiate a comparable agreement or arrangement. If a Party grants recognition autonomously, it shall provide adequate opportunity for the other Party to demonstrate that education, experience, licenses or certifications obtained or requirements fulfilled in the territory of that other Party should be recognized.

4. A Party shall not grant recognition in a manner that would constitute a means of discrimination between countries in the application of its standards or criteria for the authorization, licensing or certification of service suppliers, or a disguised restriction on trade in services.

Article 6.10: Denial of Benefits

Subject to prior notification and consultation, a Party may deny the benefits of this Chapter to a service supplier of the other Party, if the service supplier is an enterprise:

(a) owned or controlled by persons of a non-Party or of the denying Party, and

(b) has no substantial business 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 their entry into force, all relevant measures of general application relating to this Chapter or affecting its operation. Likewise, each Party shall publish the international agreements it enters into with any country relating to or affecting trade in services.

2. Each Party shall respond, as soon as possible, to all requests for specific information from the other Party on any of its measures of general application referred to in paragraph 1. In addition, and in accordance with its domestic law, each Party shall, through its competent authorities, provide, to the extent possible, information on the measures of general application referred to in paragraph 1.

matters that are subject to notification under paragraph 2, to service suppliers of the other Party upon request.

3. Paragraph 2 shall not be construed to require either Party to disclose confidential information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice privacy or legitimate commercial interests.

4. In the event that a Party makes a modification to any existing non-conforming measure as set out in its Schedule to Annex I pursuant to Article 6.7.1(c), the Party shall notify the other Party, as soon as practicable, of such modification.

Article 6.12: Professional Services

Processing of applications for the granting of licenses and certificates

1. The Parties shall encourage their competent authorities to ensure that, within a reasonable period of time after an application for licenses or certificates is submitted by a natural person of the other Party:

(a) decide on the application and notify the applicant of its decision, or

(b) if the application is incomplete, inform the applicant, without undue delay, of the status of the application and of any additional information required under its legal system.

Development of professional standards

2. The Parties shall encourage the Professional Councils in their respective territories to develop mutually acceptable standards and criteria for the licensing and certification of professional service providers, as well as to submit their recommendations and findings, which may be considered by the Administrative Commission.

3. The standards and criteria referred to in paragraph 2 may be developed in relation to:

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

(b) examinations: qualifying examinations for licensing, including alternative methods of evaluation;

(c) experience: duration and nature of experience required to obtain a license;

(d) conduct and ethics: standards of professional conduct and the nature of disciplinary measures in the event that professional service providers contravene them;

(e) professional development and certification renewal: continuing education and the corresponding requirements to maintain professional certification;

(f) scope of action: extent and limits of authorized activities;

(g) local knowledge: requirements on knowledge of aspects such as local laws and regulations, language, geography or climate; and

(h) consumer protection: alternative requirements to residency, such as bonding, professional liability insurance and client reimbursement funds to ensure consumer protection and public safety.

4. Each Party shall encourage its respective competent authorities to implement any recommendation accepted by the Administrative Commission, as provided in paragraph 2, within a mutually agreed time frame.

Granting of temporary licenses

5. Where agreed by the Parties, each Party shall encourage the relevant agencies in their respective territories to:

(a) develop procedures for the issuance of temporary licenses to professional service suppliers of the other Party;

(b) incorporate the system of specific agreements for each Professional Association according to the specialty, and

(c) formulate the unified professional acquis for each professional applying for temporary practice.

Review

6. The Administrative Commission shall 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 spousal relationship under Chilean law;

dependent means:

(i) in the case of Brazil, partner, without any discrimination; the children of an immigrant beneficiary of a residence permit, or the immigrant who has a son or daughter or an immigrant beneficiary of a residence permit; the ascendant, descendant up to the second degree or siblings of a Brazilian or of an immigrant beneficiary of a residence permit; or the immigrant who has a Brazilian under his or her guardianship or custody, and

(ii) in the case of Chile, a member of the family living with the business person, including parents, children and common-law spouse;

executive means a national who, first and foremost, directs the management of a company, exercising broad decision-making powers and receiving only general supervision or direction from higher-level executives, the board of directors, or shareholders of the company. An executive would not directly perform tasks related to the actual provision of service or operation of the company;

temporary entry means the entry of a business person of one Party into the territory of the other Party, without the intention of establishing permanent residence;

immigration formality means a visa, labor pass or other document or electronic authorization, 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, intra-corporate transferees and their accompanying spouses, and contract service suppliers and their accompanying spouses, enter and reside in the granting Party, or

(iii) in the case of executive dependents, intra-corporate transferees and contract service providers, 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 that receives an application for temporary entry from a national of the other Party who is covered by Article 7.2;

business person means a national of a Party engaged in trade in goods or supply of services or in investment activities;

intra-corporate transferee means an employee of an enterprise of a Party established in the territory of the other Party through a branch, subsidiary or affiliate, who is legally and actively operating in that Party, and who has been transferred by the enterprise to occupy a position in the branch, subsidiary or affiliate of the enterprise in the granting Party, and who is:

(i) **a manager**, which means a national who will be responsible for all or a substantial part of the operations of the enterprise in the Granting Party, receiving general supervision or direction primarily from higher-level executives, the board of directors or shareholders of the enterprise; including the direction of the enterprise or a department or subdivision thereof; the supervision and control of the work of other supervisory, professional or managerial employees; and who has the authority to establish goals and policies of the department or subdivision of the enterprise; or

(ii) **a specialist**, which means a national with advanced trade, technical or professional skills. The person seeking entry must be qualified as one who has the necessary qualifications or accepted alternative credentials that meet the domestic standards of the granting Party for the respective occupation.

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

(A) evidence attesting to the nationality of a Party;

(B) documentation evidencing that the business person will undertake such activities and stating the purpose of entry, and

(C) relevant documentation demonstrating achievement of minimum educational requirements or alternative credentials, respectively.

In addition to the requirements set forth in (A) through (C), temporary entry shall only be granted to business persons who also comply with a Party's immigration measures;

service provider under contract means a national:

(i) who has high technical or personal qualifications, skills and experience, and

(A) who is an employee of an enterprise of a Party that has concluded a contract for the supply of a service in the other Party and has no commercial presence within that Party, or

(B) who has been engaged by an enterprise operating lawfully and actively in the other Party for the purpose of supplying a service under a contract in that Party.

Nothing in (A) or (B) shall preclude a Party from requiring a contract of employment between the national and the enterprise operating in the granting Party, and

(ii) that he has been qualified as having the necessary qualifications, skills and work experience accepted as meeting the domestic standard of his respective occupation within the granting Party, and

business visitor means a national of a Party who seeks to travel to the other Party for business purposes, including investment purposes, and whose remuneration and financial support for the duration of his or her visit is derived from sources external to the granting Party and who is not engaged therein in making direct sales to the general public or in the supply of goods or services. For the purpose of qualifying as a business visitor, a national seeking temporary entry must present:

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

(ii) documentation evidencing that the business person will undertake such activities and stating the purpose of entry, and

(iii) evidence of the international character of the business activity proposed to be undertaken and that the business person does not intend to enter the local labor market. Each Party shall provide that a business person may comply with the requirements set forth in this subparagraph where it demonstrates that:

(A) the source of remuneration for that business activity is outside the territory of the Party authorizing temporary entry, and

(B) the principal place of business of that person and the current place of accrual of its profits, at least predominantly, remain outside such territory.

In addition to the requirements set forth in items (i) through (iii), temporary entry shall only be granted to business persons who also comply with a Party's immigration measures.

Article 7.2: Scope of Application

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

(a) business visitors;

(b) service providers under contract;

(c) executives of a business headquartered in one Party, which is establishing a subsidiary branch of that business in the other Party, or

(d) personnel transferred within a company.

2. This Chapter shall not apply to measures affecting nationals seeking access to the labor market of a Party, nor shall it apply to measures relating to citizenship, nationality, permanent residence or employment on a permanent basis.

Article 7.3: General Obligations

1. Each Party shall apply its measures relating to the provisions of this Chapter in an expeditious manner to avoid undue delay or impairment in trade in goods or services, or in the conduct of 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 their temporary stay in its territory, including those measures necessary to protect the integrity of its borders and to ensure the orderly movement of nationals across its borders, provided that such measures are not applied in a manner that nullifies or impairs the benefits accorded to the other Party 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 prior to entry into a Party shall not be considered as nullifying or impairing the benefits granted to the other Party under the terms of this Chapter and Chapter 6 (Cross-Border Trade in Services).

4. Any measures 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 provide for more liberal access or treatment of business persons covered by this Chapter shall be granted to business persons covered by this Chapter. However, with respect to such measures adopted or maintained by a Party on its own initiative, any more liberal access or treatment granted under those initiatives shall be granted only for so long as such measures are in effect.

Article 7.4: Temporary Entry Authorization

1. Each Party shall authorize the temporary entry of business persons, including spouses and dependents of intra-corporate transferees, who are also qualified to enter, in accordance with applicable measures related to public health and safety, as well as those related to national security, in accordance with this Chapter, including as provided for in Annexes I and II.

2. Each Party shall ensure that the fees imposed by its competent authorities, applicable to applications for immigration formalities, do not constitute an unjustifiable impediment to 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 the specific laws and regulations in the territory of the Party granting temporary entry.

Article 7.5: Provision of Information

Each Party shall:

(a) make available to the general public explanatory material on all relevant measures pertaining to or affecting the operation of this Chapter, including any new or amended measures;

(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 containing material explaining the requirements for temporary entry under this Chapter, so that business persons of the other Party may become acquainted with them, and

(c) maintain appropriate mechanisms to respond to inquiries from the other Party, and from interested persons of the other Party, regarding measures affecting the temporary entry and temporary stay of nationals of the other Party.

Article 7.6: Consultations

1. The Parties agree to consult on any matter raised by either Party relating 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 concerns regarding the refusal to grant temporary entry pursuant to the provisions of this Chapter.

2. The procedures indicated in the preceding paragraph shall 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 any obligation on the Parties with respect to their migration measures.

2. Nothing in this Chapter shall be construed to impose any obligations or commitments with respect to other chapters of this Agreement.

Article 7.8: Application of Regulations

1. In the event that a migratory formality is required by a Party, that Party shall expeditiously process complete requests for migratory formalities received from nationals of the other Party covered by Article 7.2, including requests for additional migratory formalities.

2. Each Party shall, upon inquiry by the applicant, and within a reasonable time after the complete application for temporary entry made by a national covered by Article 7.2 has been filed, notify the applicant of:

(a) the status of the application, and

(b) the decision regarding the application including, if approved, the period of stay and other conditions; or, if denied, the reasons for the denial and the avenues for requesting 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) with respect to a denial of temporary entry authorization pursuant to this Chapter, or with respect to a particular case arising under Article 7.3, unless:

(a) the matter refers to a recurring practice;

(b) the affected business person has exhausted available domestic administrative remedies with respect to that particular matter, and

(c) the Parties have undertaken consultations pursuant to Article 7.6.

2. The remedies referred to in paragraph 1(b) shall be deemed exhausted when there is undue delay in the remedial process and the delay is attributable to the Party where the process is being conducted.

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
BRAZI

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
INVESTMENT COOPERATION AND FACILITATION

Section A: Definitions and Scope of Application

Article 8.1: Definitions

For the purposes of this Chapter:

corporation means any entity organized or organized under applicable law, whether or not for profit and whether privately or governmentally owned, including any partnership, foundation, sole proprietorship, joint venture, and unincorporated entity;

enterprise of a Party means an enterprise incorporated or organized under the laws of a Party, which carries on substantial business activities in the territory of the same Party;

State enterprise means an enterprise wholly or majority owned or controlled by a party for the purpose of carrying on business;

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

investment means a direct investment, that is, any asset 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 permits the exercise of ownership, control or a significant degree of influence over 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 an enterprise, regardless of the original maturity date, but does not include, in the case of Brazil, a debt instrument or a loan to a state enterprise not engaged in an arm's length economic activity and, in the case of Chile, a debt instrument issued by a state enterprise, or a loan to a state enterprise;

(d) contractual rights, including turnkey, construction, management, production, concession, revenue sharing and other similar contracts;

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

(f) intellectual property rights as defined or referred to 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 judgment entered 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 enterprise in the territory of the other Party, or the extension of credit in connection with a commercial transaction;

investor means a national, permanent resident, or enterprise of a Party that has made an investment in the territory of the other Party;

freely usable currency means the freely usable currency as determined in accordance with the Articles of Agreement of the International Monetary Fund;

returns means the values obtained from an investment and, in particular, but not limited to, includes royalties, profits, interest, capital gains and dividends; and

territory means:

(a) with respect to Brazil, the territory, including its land and air spaces, exclusive economic zone, territorial sea, continental shelf, soil and subsoil, within which it exercises its sovereign rights or jurisdiction, in accordance with international law and its internal legislation, and

(b) with respect to Chile, the land, maritime and air space under its sovereignty, and the exclusive economic zone and continental shelf over which it exercises sovereign rights and jurisdiction in accordance with international law and its internal legislation.

Article 8.2: Objective

The objective of this Chapter is to facilitate and promote mutual investment by establishing a framework for the treatment of investors and their investments, and for the institutional governance of cooperation, as well as dispute prevention and settlement mechanisms.

Article 8.3: Scope of Application

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

2. For greater certainty,

(a) a Party's requirement that a service supplier of the other Party post a bond or other form of financial security as a condition for supplying a service in its territory does not of itself make this Chapter applicable to the cross-border supply of that service. This Chapter applies to the treatment accorded by that Party to the posted bond or financial security, to the extent that such bond or financial security is an investment;

(b) this Chapter shall not limit in any way the rights and benefits conferred on an investor of the other Party by the laws in force in the territory of a Party or by international law, including the *Agreement on Trade-Related Investment Measures* (TRIMs) of the World Trade Organization; and

(c) The provisions of this Chapter do not preclude the adoption and application of new requirements or restrictions on investors and their investments, provided that they are not inconsistent with this Chapter.

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

Section B: Treatment of Investors and their Investments Article 8.4:

Admission

Each Party shall admit into its territory investments of investors of the other Party made 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 it accords, in like circumstances, to its own investors with respect to the expansion, management, conduct, operation, and sale or other disposition 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 treatment no less favorable than that it accords, in like circumstances, to investments of its own investors with respect to the expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

3. For greater certainty, whether treatment is agreed to in "like circumstances" depends on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments on the basis of legitimate public interest objectives.

4. For greater certainty, this Article shall not be construed to require the Parties to compensate for inherent competitive disadvantages resulting from the foreign character of 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 it accords, in like circumstances, to investors of a non-Party with respect to the establishment, expansion, management, conduct, operation, and sale or other disposition 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 treatment no less favorable than that it accords, in like circumstances, to investments in its territory of an investor of a non-Party with respect to the expansion, management, conduct, operation, and sale or other 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 arising from:

(i) provisions related to the settlement of investment disputes contained in an international investment agreement, including an agreement containing an investment chapter, or

(ii) any international trade agreement, including those creating a regional economic integration organization, free trade area, customs union or common market of which a Party is a member prior to the entry into force of this Agreement.

(b) the possibility of invoking, in any dispute settlement mechanism, standards of treatment contained in an international investment agreement or in an agreement containing an investment chapter to which a Party is a party prior to the entry into force of this Agreement.

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

Article 8.7: Expropriation

1. Neither Party shall expropriate or nationalize the investments of an 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 indemnity shall:

(a) be paid without delay;

(b) be equivalent to the fair market value of the expropriated investment on the date immediately before the expropriation measure was carried out;

(c) not reflect a change in value because the intention to expropriate was known prior to the date specified 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 on the date referred to in paragraph 2 (b), plus interest at market rate, accrued from the date referred to in paragraph 2 (b) to the date of payment.

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

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

Article 8.8: Treatment in the Event of a Dispute

1. With respect to measures such as restitution, indemnification, compensation and other settlement, each Party shall accord to investors of the other Party who have suffered losses on their investments in the territory of that Party due to armed conflict or civil strife, such as war, revolution, insurrection or civil disturbance, treatment no less favorable than that accorded to its own investors or investors of any non-Party, whichever is more favorable to the affected investor.

2. Without prejudice to paragraph 1, each Party shall provide to the investor of the other Party restitution, compensation, or both, as appropriate, pursuant to Article 8.7.2 to Article 8.7.3, in the event that investments of investors of the other Party suffer losses in its territory, in any situation referred to in paragraph 1, resulting from:

(a) the requisition of its investment or part thereof by the forces or authorities of the Host State, or

(b) the destruction of its investment or part thereof 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 covered by this Chapter are published promptly and, where practicable, in electronic form.

2. To the extent possible, each Party shall:

(a) publicize in advance the measures referred to in paragraph 1 which it intends to adopt, and

(b) provide interested persons and the other Party with a reasonable opportunity to comment on the proposed measures.

3. Each Party shall establish or maintain appropriate mechanisms to respond to inquiries from interested persons concerning its regulations relating to matters covered by this Chapter, in accordance with its laws and regulations on transparency. The implementation of the obligation to establish appropriate mechanisms shall take into account budgetary and resource constraints in the case of small administrative bodies.

Article 8.10: National Regulations

Each Party shall ensure that all measures affecting 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 permit the following transfers related to the investment of an investor of the other Party to be made freely and without delay to and from its territory:

(a) the initial contribution to capital or any addition thereto in connection with the maintenance or expansion of such investment;

(b) returns directly related to the investment;

(c) the proceeds from the sale or total or partial liquidation of the investment;

(d) payments made under a contract to which the investor or the investment is a party, including payments made under a loan contract;

(e) payments on any loans, including interest thereon, directly related to the investment, and

(f) payments made pursuant to Article 8.7 and Article 8.8. Where compensation is paid in public debt bonds, the investor may transfer the value of the proceeds from the sale of such bonds in the market, in accordance with this Chapter.

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

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

(a) bankruptcy proceedings, bankruptcy, insolvency or protection of creditors' rights;

(b) compliance with resolutions, judgments or awards issued in judicial, administrative or arbitration proceedings. For greater certainty, this subparagraph includes compliance with resolutions, judgments or awards issued in judicial, administrative or arbitration proceedings of a tax or labor nature;

(c) criminal offenses, or

(d) financial reporting or retention of transfer records when necessary to assist law enforcement or financial regulatory authorities.

4. Each Party may adopt or maintain measures that are inconsistent with its obligations under this Article, provided that they are non-discriminatory and in accordance with the Articles of Agreement of the International Monetary Fund:

(a) in the event of serious imbalances in the balance of payments or external financial difficulties or the threat thereof; or

(b) in those cases in which, due to special circumstances, capital movements generate or threaten to generate serious complications for macroeconomic management, particularly 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 tax treaty in force between the Parties, or

(b) shall be construed so as to prevent the adoption or enforcement of any measure designed to secure the equitable or effective imposition or collection of taxes as provided for in the laws of the Parties.

Article 8.13: Prudential Measures

1. Nothing in this Chapter shall be construed to prevent either Party from adopting or maintaining prudential measures, such as:

(a) the protection of investors, depositors, financial market participants, policyholders, policy beneficiaries, or persons to whom any financial institution has a fiduciary obligation;

(b) maintaining the safety, soundness, solvency, integrity or accountability of financial institutions, and

(c) to ensure the integrity and stability of a Party's financial system.

2. Where such measures are not in accordance with the provisions of this Chapter, they shall not be used as a means of avoiding the commitments or obligations undertaken by the Party under this Chapter.

Article 8.14: Security Exceptions

Nothing in this Chapter shall be construed to mean:

(a) require a Party to provide any information the disclosure of which it considers contrary to its essential security interests;

(b) prevent a Party from adopting measures deemed necessary for the protection of its essential security interests, such as those relating to:

(i) fissile or fusionable materials or those used for their manufacture;

(ii) trafficking in arms, ammunition and war materiel, and other goods and materials of this type or relating to the provision of services, intended directly or indirectly for the purpose of supplying or provisioning military establishments;

(iii) those adopted in times of war or other emergencies in international relations; or

(c) prevent a Party from taking measures in fulfillment of its obligations 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 companies operating in their territory or subject to their jurisdiction apply policies of sustainability and social responsibility and that they promote the development of the host country of the investment.

2. Investors and their investments should make their best efforts to comply with the *OECD Guidelines for Multinational Enterprises* of the Organisation for Economic Co-operation 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 persons involved in the activities of the companies;

(c) stimulate local capacity building through close collaboration with the local community;

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

(e) refrain from seeking or accepting exemptions not contemplated in the legal or regulatory framework related to human rights, environment, health, safety, labor, taxation, financial incentives, or other issues;

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

(g) to develop and implement self-disciplinary practices and effective management systems that promote a relationship of mutual trust between companies and the societies in which they operate;

(h) promoting employee awareness of and compliance with company policies through appropriate dissemination, including through training programs;

(i) refrain from taking discriminatory or disciplinary action against employees who make, in good faith, reports to management or, where appropriate, to the competent public authorities on practices that are contrary to law or company policy;

(j) encourage, to the extent possible, their business partners, including suppliers and contractors, to apply the principles of business conduct consistent with the principles set forth in this Article, and

(k) refrain from any undue interference in local political activities.

Article 8.16: Measures on Investment and the 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 the matters covered by this Chapter.

2. Nothing in this Chapter shall obligate either Party to protect investments made with funds or assets of illicit origin or investments in which the investment is made with funds or assets of illicit origin or investments in which the investment is made with funds or assets of illicit origin.

unlawful acts that have been sanctioned with the loss of assets or acts of corruption were verified.

Article 8.17: Investment and Measures on Health, Environmental, Labor and other Regulatory Objectives

1. A Party may adopt, maintain or enforce any measure it considers appropriate to ensure that investment activities in its territory are carried out taking into account that Party's labor, environmental or health laws, in a manner consistent with the provisions of this Chapter.

2. The Parties recognize that it is not appropriate to encourage investment by lowering the standards of their labor, environmental or health legislation. Accordingly, the Parties shall not waive or otherwise derogate from, relax or offer to waive, relax or derogate from such measures as a means of encouraging the establishment, maintenance or expansion of an investment in their territory.

Section C: Institutional Governance and Dispute Settlement

Article 8.18: Joint Committee for Chapter Administration

1. The Parties hereby establish a Joint Committee for the management of this Chapter (hereinafter referred to as the "Joint Committee").

2. The Joint Committee shall be composed of representatives of the Governments of both Parties.

3. The Joint Committee shall meet at such times, places and by such means as the Parties may agree. The meetings shall be held at least once a year, with the chairmanship of each meeting alternating between the Parties.

4. The Joint Committee shall have the following functions and responsibilities:

(a) oversee 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 Investment Cooperation and Facilitation;

(d) invite the private sector and civil society, when appropriate, to present their views on specific issues related to the work of the Joint Committee, and

(e) attempt to resolve investment issues or disputes amicably, in accordance with the procedures set forth 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, provided it is authorized by the Joint Committee.

7. The Joint Committee may establish its own rules of procedure.

Article 8.19: National Focal Points or Ombudsmen

1. Each Party shall designate a single National Focal Point, whose main responsibility shall be to support investors of the other Party in its territory.

2. In the Federative Republic of Brazil, the National Focal Point, also called Ombudsman, will be at the *Câmara de Comércio Exterior (*CAMEX), which is a Government Council of the Presidency of the Federative Republic of Brazil, of an interministerial nature.

3. In the Republic of Chile, the National Focal Point will be at the Foreign Investment Promotion Agency.

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 consultations of the other Party or of the investors of the other Party, with the competent entities and inform the interested parties of the results of their efforts;

(c) evaluate, in dialogue with the competent governmental authorities, suggestions and complaints received from the other Party or from investors of the other Party and recommend, where appropriate, actions to improve the investment environment;

(d) seek to prevent investment disputes in collaboration with governmental authorities and relevant private entities;

(e) provide timely and useful information on investment regulatory issues, in general, or on 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 carried out expeditiously and in coordination with each other and with the Joint Committee.

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

7. The National Focal Point shall provide accurate and timely responses to requests from the Government and investors of the other Party.

Article 8.20: Exchange of Information between Parties

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

2. The Parties shall, upon request, promptly provide information on, inter alia, the following points:

(a) the legal framework governing investment in its territory;

(b) government investment programs and possible specific incentives;

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

(d) relevant international treaties, including investment agreements;

(e) customs procedures and fiscal regimes;

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

(g) the available infrastructure and relevant public services;

(h) public procurement 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 the information established by the Party that has submitted it, in accordance with its applicable laws.

2. Nothing in this Chapter shall be construed to require either Party to disclose protected information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest, or would prejudice privacy or legitimate business interests. For purposes of this paragraph, protected information includes confidential business information or information privileged or protected from disclosure under the applicable laws of a Party.

Article 8.22: Interaction with the Private Sector

1. Recognizing the key role played by the private sector, each Party shall disseminate to the relevant business sectors of the other Party general information on investment, regulatory frameworks and business opportunities in its territory.

2. Whenever possible, each Party shall publicize this Chapter to its respective public and private financial agents responsible for technical risk assessment and approval of loans, credits, guarantees and insurance related to investment in the territory of the other Party.

Article 8.23: Cooperation between Investment Promotion Agencies

The Parties shall promote cooperation between their investment promotion agencies in order to facilitate investment in their territories.

Article 8.24: Consultations and Direct Negotiations for the Prevention of Disputes

1. Before initiating arbitration proceedings under Article 8.25, the Parties shall endeavor to resolve disputes through direct consultations and negotiations between themselves, and shall submit them to the Joint Committee for review, in accordance with the following procedure.

2. A Party may refuse to discuss in the Joint Committee a matter relating to an 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 an investor in accordance with the following rules:

(a) to initiate the procedure, the Party concerned shall submit in writing its request to the other Party, specifying the name of the investor affected, the specific measure at issue, and the legal and factual basis for the request. The Joint Committee shall meet within sixty (60) days from the date of the request;

(b) in order to reach a solution to the matter, the Parties shall exchange such information as may be necessary;

(c) in order to facilitate the search for a solution between the Parties and, whenever possible, they may participate in the meetings of the Joint Committee:

(i) representatives of affected investors; and

(ii) representatives of governmental and non-governmental entities related to the measure;

(d) the Joint Committee shall, whenever possible, convene special meetings to review matters submitted to it;

(e) the Joint Committee shall have sixty (60) days from the date of its first meeting, which may be extended for an equal period of time by mutual agreement; and

The Committee shall be responsible, upon justification, for evaluating the relevant information on the case presented to it and preparing a report;

(f) the Joint Committee shall present its report at a meeting to be held no later than thirty (30) days after the expiration of the period referred to in subparagraph (e).

(g) the report of the Joint Committee shall include:

(i) identification of the Party that adopted the measure;

(ii) the affected investor identified under paragraph 3(a);

(iii) description of the measure under consultation;

(iv) a list of the steps taken, and

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

(h) in the event that a Party fails to appear at the meeting of the Joint Committee 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 shall make every effort to reach a mutually satisfactory solution.

Article 8.25: Arbitration between the Parties

1. Once the procedure provided for in Article 8.24 has been completed without the dispute having 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 which is the subject matter of the consultations referred to in Article 8.24, in accordance with the provisions of Annex I.

2. 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.

Section D: Agenda for Cooperation and Facilitation of Investment

Article 8.26: Agenda for Cooperation and Facilitation of Investment

1. The Joint Committee will develop and discuss an Agenda for Investment Cooperation and Facilitation on issues relevant to bilateral investment promotion. The topics to be initially addressed will be determined at its first meeting.

2. The results that may emerge from the discussions within the framework of the Agenda may constitute additional protocols to this Agreement or specific legal instruments, as the case may be.

3. The Joint Committee will establish schedules of activities 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" shall 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 shall replace the existing diplomatic channels between the Parties.

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

3. Without prejudice to its regular meetings, after ten (10) years from the entry into force of this Agreement, or earlier, if deemed necessary, the Joint Committee shall conduct a general review of the implementation of this Chapter and make additional recommendations if necessary.

Annex I
ARBITRATION BETWEEN THE PARTIES

Article 1: Scope of Application

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

2. Measures taken pursuant to Articles 8.14, 8.16, 8.17 and the commitments set forth in Article 8.15 shall not be subject to arbitration.

3. A Party may refuse to submit to arbitration a matter relating to an investment made by a national of that Party in the territory of that Party.

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

5. This Annex shall not apply to any dispute if more than five (5) years have elapsed from the date on which the Party knew or should have known of the facts giving rise to the dispute.

Article 2: Establishment of Arbitral Tribunals

1. Once the procedure provided for in Article 8.24 has been completed without the dispute having 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 that is the subject matter of the consultations referred to in Article 8.24. Alternatively, the Parties may opt, by mutual agreement, to submit the dispute to a permanent arbitral institution for the settlement of investment disputes.

2. The arbitral tribunal shall be established and perform its functions in accordance with the provisions of this Annex. If the Parties have chosen, by mutual agreement, to submit the dispute to a permanent arbitral institution for the settlement of investment disputes, such institution shall be governed by the provisions of this Annex, unless the Parties decide otherwise.

3. The request for the establishment of an arbitral tribunal shall identify the specific measure at issue and the factual and legal basis of the claim.

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

Article 3: Terms of Reference of the Arbitral Tribunals

Unless otherwise agreed by the Parties within twenty (20) days from the date of the request for the establishment of the arbitral tribunal, the terms of reference of the arbitral tribunal shall be:

"To examine, objectively and in light of the relevant provisions of Chapter 8 (Investment Cooperation and Facilitation) of the Chile-Brazil Free Trade Agreement, the matter indicated in the request for the establishment of an arbitral tribunal, and to make findings of fact and conclusions of law, making a reasoned determination as to whether or not the measure in question is in conformity with the Agreement."

Article 4: Composition of Arbitral Tribunals and Selection of Arbitrators

1. The arbitral tribunal shall be composed of three arbitrators.

2. Each Party shall appoint, within sixty (60) days from 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 sixty (60) days from the appointment of the last of them, shall appoint the national of a third State, with which both Parties maintain diplomatic relations, and who may not have his habitual residence in any of the Parties, nor be a dependent of any of the Parties, nor have participated in any way in the dispute, and who upon approval by both Parties, within thirty (30) days from the date of his nomination, shall be appointed president of the arbitral tribunal.

4. If within the periods indicated in paragraphs 2 and 3 the necessary appointments have not been made, either Party may request the Secretary General of the Permanent Court of Arbitration at The Hague to make the necessary appointments. If the Secretary General of the Permanent Court of Arbitration at The Hague is a national of a Party or is prevented from exercising such function, the most senior member of the Permanent Court of Arbitration at The Hague who is not a national of a Party shall be invited to make the necessary appointments.

5. All arbitrators shall:

(a) have experience or expertise in Public International Law, International Investment Rules, or in the resolution of disputes arising in connection with International Investment Agreements;

(b) be chosen strictly on the basis of their objectivity, reliability and sound judgment;

(c) be independent and not be associated with any of the Parties, nor with the other arbitrators or potential witnesses, directly or indirectly, nor receive instructions from the Parties, and

(d) comply *mutatis mutandis* with the *Rules of Conduct for the Implementation of the Understanding on Rules and Procedures Governing the Settlement of Disputes* of the World Trade Organization (WTO/DSB/RC/1 of 11 December 1996), or any other rules of conduct established by the Joint Committee.

6. In the event of resignation, incapacity or death of any of the arbitrators appointed pursuant to this Article, a successor shall be appointed within fifteen (15) days in accordance with the provisions of paragraphs 2, 3, 4 and 5, which shall apply *mutatis mutandis* respectively. The successor shall have all the authority and the same obligations as the original arbitrator. The proceedings of the arbitral tribunal shall be suspended as from the date on which the arbitrator

resigns, becomes incapacitated or dies and shall resume on the date on which the successor is appointed.

Article 5: Procedures of Arbitral Tribunals

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

2. The rules of procedure shall ensure that:

(a) the Parties shall have the opportunity to provide at least one written submission and to witness any submissions, statements or responses during the proceedings. Any information or written submissions made by a Party to the arbitral tribunal and answers to the arbitral tribunal's questions shall be made available to the other Party;

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

(c) upon notice to the Parties, and subject to such terms and conditions as the Parties may agree within ten (10) days thereafter, the arbitral tribunal may seek information from any relevant source and consult experts for their opinion or advice on certain aspects of the matter. The arbitral tribunal shall provide the Parties with a copy of any opinion or advice obtained, giving them an opportunity to comment;

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

(e) without prejudice to subparagraph (d), either Party may make public statements of its views on the dispute, but shall treat as confidential information and written submissions submitted by the other Party to the arbitral tribunal and designated as confidential by the arbitral tribunal, and

(f) each Party shall bear the cost of the arbitrators appointed by it, as well as their expenses. The cost of the chairman of the arbitral tribunal and other expenses associated with the conduct of the proceedings shall be borne by the parties in equal proportions.

Article 6: Suspension or Termination of Proceedings

1. The Parties may agree to suspend the arbitration proceedings, at any time, for a period not exceeding twelve (12) months from the date of the joint communication to the chairman of the arbitral tribunal, interrupting the computation of time periods for the duration of such suspension. If the arbitration proceedings are suspended for more than twelve (12) months from the date of the joint communication to the chairman of the arbitral tribunal

(12) months, the proceedings initiated shall be terminated, unless otherwise agreed by the Parties.

2. The Parties may agree to terminate the arbitration proceedings by joint notice to the chairman of the arbitral tribunal at any time prior to the notification of the award to the Parties.

Article 7: Award

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

2. The award shall be made by majority vote, shall be reasoned and signed by the members of the arbitral tribunal.

3. Without prejudice to other elements that the arbitral tribunal deems relevant, the award shall necessarily contain a summary of the submissions and arguments of the Parties; and, findings of fact and conclusions of law, making a reasoned determination as to whether or not the measure in question is in conformity 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 from 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, within fifteen (15) days after the notification of the award, request the arbitral tribunal for clarification or interpretation of the award.

2. The arbitral tribunal shall render its decision within fifteen (15) days following such request.

3. If the arbitral tribunal considers that the circumstances so require, it may suspend enforcement of the award until it decides on the application.

Article 9: Enforcement of the Award

Unless the Parties agree otherwise, the Party complained against shall comply with the award immediately, or if this is not practicable, within a reasonable period of time as mutually agreed by the Parties. Where the Parties fail to agree on the reasonable period of time, within ninety (90) days from the date of the award, the arbitral tribunal shall determine such reasonable period of time.

Annex II
CHILE

DL 600

1. The obligations and commitments contained in this Chapter do not apply to Decree Law 600, Foreign Investment Statute, or the regulations that replace it, (hereinafter referred to as "DL 600"), and to Law No. 18,657, which Authorizes the Creation of Foreign Capital Investment Funds, 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 DL 600 and the right to regulate the terms and conditions of foreign investment under DL 600 and Law No. 18,657. The authorization and execution of an investment contract under DL 600 by a Brazilian investor or its investment does not create any right on the part of the investor or its investment to carry out particular activities in Chile.

(b) the right to maintain existing requirements on transfers from Chile of proceeds from the total or partial sale of an investment of an investor of a Party or from the total or partial liquidation of the investment, which may occur over a period not exceeding one year:

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

(ii) in the case of an investment made pursuant to Law 18,657, five years from the date of transfer to Chile. Law 18,657 was repealed on May 1, 2014 by Law 20,712. The transfer requirement set forth in this paragraph shall only apply to investments made pursuant to Law 18,657 prior to May 1, 2014 and not to investments made pursuant to Law 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 exceeding 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 an exception to Article 8.11, an investment that enters through an investment contract under LD 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 pursuant to 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 Constitutional Organic Law (Law 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 granted the powers to regulate the amount of money and credit in circulation, the execution of credit and international exchange operations. Likewise, it is granted the power to dictate norms in monetary, credit, financial and international exchange matters. These measures include, among others, the establishment of requirements that restrict or limit current payments and transfers (capital movements) from or to Chile, as well as the operations related to them, such as, for example, establishing that deposits, investments or credits coming from or destined abroad are subject to the obligation to maintain a reserve requirement.

2. In applying measures under this Annex, Chile, as provided 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.

Annex IV FILLING OUT THE DOCUMENTATION

Brazil

Notices and other documents shall be delivered to:

Under-Secretary-General for Economic and Financial Affairs, Ministry of External Relations
Esplanada dos Ministérios - Bloco H - Annex I - Room 224 70.170-900
Brasilia - DF
Brazil

Chile

Notices and other documents shall 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 means a financial institution that does not have a physical presence (senior management and administration) in the country where it was established and licensed to operate; that is not part of a financial conglomerate or corporate group subject to effective supervision; or whose information on the control structure, ownership or identification of the beneficial owner of income attributed to nonresidents is not available to the tax authorities;

corporation means any entity organized or organized under applicable law, whether or not for profit and whether privately or governmentally owned, including any partnership, foundation, sole proprietorship or joint venture;

enterprise of a Party means an enterprise incorporated or organized under the law of a Party, which carries on substantial business activities in the territory of the same Party. For greater certainty, enterprise of a Party does not include a branch of an enterprise of a non-Party;

self-regulatory entity means any non-governmental entity, body or association that exercises proprietary or delegated regulatory or supervisory authority over financial service suppliers or financial institutions established in the territory of the Party;

public entity means a government, central bank or monetary authority of a Party; or any financial institution or entity owned or controlled by a Party;

financial institution means any financial intermediary, including insurance, securities or financial derivatives market institutions, or other enterprise that is authorized to do business and that is regulated or supervised as a financial institution under the laws 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 that is controlled by persons of the other Party;

offshore **financial institution** means any financial institution, established in accordance with the laws and regulations of a Party, that is owned or controlled by a nonresident and whose activities are primarily related to nonresidents of the Party, generally on a scale out of proportion to the size of the economy of such Party in which it is established;

investment

(a) means a direct investment in financial institutions, that is, any asset owned or controlled, directly or indirectly, by an investor of a Party, established or acquired in accordance with the laws of the other Party, in the territory of that other Party, that permits the exercise of ownership, control, or control of a financial institution.

or a significant degree of influence over 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 the equity or capital stock of a financial institution;

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

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

(v) licenses, authorizations, permits and similar rights granted in accordance with the domestic legislation of the Party;

(vi) intellectual property rights as defined or referred to in the TRIPS Agreement;

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

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

(i) public debt transactions such as a loan granted to a Party, or a debt instrument issued by a Party or state enterprise. In the case of Brazil, a debt instrument or a loan to a state enterprise not engaged in economic activities on market terms and, in the case of Chile, a debt instrument issued by a state enterprise, or a loan to a state enterprise;

(ii) an order or judgment entered in a judicial or administrative action;

(iii) portfolio investments;

(iv) pecuniary claims arising exclusively from commercial contracts for the sale of goods or supply of services by an investor in the territory of a Party to a national or enterprise in the territory of the other Party, or the extension of credit in connection with a commercial transaction;

investor means a national, permanent resident, or enterprise of a Party that 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 include all insurance and insurance-related services, and all banking and other financial services (except 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 coinsurance):

   a) life insurance.

   b) non-life insurance.

ii. reinsurance and retrocession.

iii. insurance intermediation activities, such as insurance brokers and agents.

iv. auxiliary insurance services, e.g. consultants, actuaries, risk assessment and loss adjusting.

Banking and other financial services (excluding insurance)

v. acceptance of deposits and other repayable funds from the public.

vi. loans of all types, including personal loans, mortgage loans, factoring and financing of commercial transactions.

vii. leasing services.

viii. all payment and money transfer services, including credit, charge and similar cards, traveler's checks and bank drafts.

ix. guarantees and commitments.

x. trading for its own account or for the account of customers, whether on an exchange, in an over-the-counter market or otherwise, of the following:

   a) instrumentos del mercado monetario (incluidos cheques, bills of exchange and certificates of deposit);

   b) currencies;

   c) derivative products, including, but not limited to, futures and options;

d) exchange and money market instruments, such as swaps and forward rate agreements;

e) transferable securities;

f) other negotiable instruments and financial assets, including metal.

xi. participation in issues of all kinds of securities, including underwriting and placement as agents (publicly or privately) and the provision of services related to such issues.

xii. foreign exchange brokerage.

xiii. asset management, e.g., cash or portfolio management, collective investment management in all its forms, pension fund management, depository and custodial services, and trust services.

xiv. payment and clearing services in respect of financial assets, including securities, derivatives and other negotiable instruments.

xv. provision and transfer of financial information and processing of financial data and related software by providers of other financial services.

xvi. advisory, intermediation and other auxiliary financial services in respect of any of the activities listed in (v) to (xv), including credit analysis and reports, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy, and

SML stands for Sistema de Pagos en Moneda Local.

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 such investors in financial institutions in the territory of the Party.

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

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

(a) Article 8.7 (Expropriation);

(b) Article 8.8 (Treatment in Case of Dispute), only with respect to physical infrastructure losses in 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 Combating Corruption and Illegality);

(h) Article 8.17 (Investment and Measures on Health, Environmental, Labor and other Regulatory Objectives);

(i) Article 8.18 (Joint Committee for the Administration of the Agreement) as referred to in Article 9.15;

(j) Article 8.19 (National Focal Points or Ombudsmen) as referred to in Article 9.16;

(k) Article 8.24 (Consultations and Direct Negotiations for the Prevention of Disputes), with the modifications established in Article 9.17; and

(l) Article 8.25 (Arbitration between the Parties), with the modifications set forth in Article 9.18.

4. The Articles referred to in paragraph 3 are incorporated into and form an integral part of this Chapter, *mutatis mutandis*. No other provision of Chapter 8 (Investment Cooperation and Facilitation) shall apply to the measures described in paragraph 1. For greater certainty, in the event of any inconsistency between the provisions of this Chapter and any other provision of Chapter 8 (Investment Cooperation and Facilitation), the provisions of this Chapter shall prevail to the extent of the inconsistency.

5. Chapter 8 (Investment Cooperation and Facilitation) and this Chapter shall not apply to measures adopted or maintained by a Party relating to:

(a) activities carried out by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;

(b) activities or services that are part of public retirement or pension plans, or social security systems established by law;

(c) activities or services performed by a public entity for the account or with the guarantee or using the financial resources of the Party, including its public entities, or

(d) to subsidies or grants provided by the Parties, including government-backed loans, guarantees and insurance.

6. This Chapter shall not apply to the procurement of financial services.

7. For greater certainty, services provided by an *offshore* financial institution and *shell banks* are not covered by this Chapter.

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 it accords, in like circumstances, to its own investors with respect to the expansion, management, conduct, operation, and sale or other disposition of 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 accord to financial institutions of the other Party and to investments of investors of the other Party in financial institutions of the Party, treatment no less favorable than that it accords, in like circumstances, to its own financial institutions and to investments of its own investors in financial institutions with respect to the expansion, management, conduct, operation, and sale or other disposition of financial institutions and investments.

3. The treatment to be accorded by a Party in accordance with paragraphs 1 and 2 means, with respect to measures adopted or maintained by a regional or state government, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that regional or state government to financial institutions, investors in financial institutions and investments of investors in financial institutions of the Party of which they are a part.

4. For greater certainty, the treatment accorded in "like circumstances" depends on the totality of the circumstances, including whether the relevant treatment distinguishes between investors, investments or financial institutions on the basis of legitimate public interest objectives.

5. For greater certainty, this Article shall not be construed to require the Parties to compensate for inherent competitive disadvantages resulting from the foreign character of investors and their investments.

Article 9.4:Most-Favored-Nation Treatment

1. Each Party shall accord to investors and financial institutions of another Party treatment no less favorable than that it accords, in like circumstances, to investors and financial institutions of a non-Party with respect to the expansion, management, conduct, operation and sale or other disposition of financial service suppliers and investments in its territory.

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

(a) provisions related to the settlement of disputes concerning investment or trade in financial services contained in an international agreement, or

(b) any international trade agreement, including agreements such as those creating a regional economic integration organization, free trade area, customs union or common market to which a Party is a party prior to the entry into force of this Agreement.

Article 9.5: Treatment of Certain Information

1. Nothing in this Chapter shall obligate 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 would impede the application of its laws or would be contrary to the public interest or prejudice the legitimate commercial interests of particular persons.

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

Article 9.6: Prudential Measures

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

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

(b) the maintenance of the safety, soundness, solvency, integrity or financial responsibility of individual financial institutions, as well as the safety and financial and operational integrity of clearing and payment systems; or

(c) to ensure the integrity and stability of a Party's financial system.

2. If the measures referred to in paragraph 1 are not in conformity with the provisions of this Chapter, they may not be used as a means of avoiding the commitments or obligations undertaken by the Parties under this Chapter.

3. Nothing in this Chapter and Chapter 8 (Investment Cooperation and Facilitation) shall apply to non-discriminatory measures of general application taken by any public entity in pursuance of related monetary and credit policies and exchange rate policies. This paragraph shall not affect a Party's obligations under Article
8.11 (Transfers).

4. Notwithstanding Article 8.11 (Transfers), as incorporated into this Chapter, a Party may prevent or limit transfers by or for the benefit of a financial institution, an affiliate of, or a person related to such institution, through the equitable, nondiscriminatory, and good faith application of measures relating to the maintenance of the safety, soundness, integrity, or financial responsibility of financial institutions. This paragraph is without prejudice to any other provision of this Chapter or Chapter 8 (Investment Cooperation and Facilitation) that permits a Party to restrict transfers.

5. For greater certainty, nothing in this Chapter shall be construed to prevent a Party from adopting or applying measures necessary to secure compliance with laws or regulations that are not inconsistent with this Chapter, including those relating to the prevention of deceptive or fraudulent practices, or to address 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 where like conditions prevail, or a disguised restriction on investment in financial institutions covered by this Chapter.

Article 9.7: Regulatory Harmonization

In order to ensure that the process of deepening financial integration between the Parties will guarantee financial stability, each Party will make its best efforts to share best international practices related to the financial and monetary system.

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

1. The Parties recognize that transparent regulations and policies governing the activities of financial institutions are important to facilitate financial institutions' access to and operations in their respective markets. Each Party undertakes to promote 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, to the extent practicable and in accordance with its legislation, shall:

(a) publish in advance any regulations of general application relating to the matters of this Chapter that it intends to adopt;

(b) provide a reasonable opportunity for interested persons and the other Party to comment on the proposed regulation of general application; and

(c) provide a reasonable period of time between the publication of the final regulations of general application and their entry into force.

4. At the time a final regulation is adopted, each Party shall, to the extent practicable and in accordance with its law, address in writing the substantive comments of the Parties.

received from interested persons with respect to the proposed regulation. For greater certainty, each Party may address those comments collectively and publish them in a separate document from the final regulation on an official government website.

5. Each Party shall ensure that standards of general application adopted or maintained by a self-regulatory body of that Party are promptly published or otherwise made available in a manner that enables interested persons to become acquainted with them and, where practicable, shall publish them in electronic form.

6. Each Party shall maintain or establish, to the extent practicable, appropriate mechanisms to respond to inquiries from interested persons, as soon as practicable, with respect to the measures of general application covered by this Chapter, in accordance with its laws and regulations on transparency. The implementation of the obligation to establish appropriate mechanisms shall take into account budgetary and resource constraints.

7. The relevant authorities of each Party shall make publicly available any information regarding the requirements, including any necessary documentation, for completing and submitting requests related to the supply of financial services.

8. At the request of the applicant, the relevant authority of a Party shall inform him/her of the status of his/her application. Where the authority requires additional information from the applicant, it shall notify the applicant without undue delay.

9. The relevant authority of each Party shall, within a reasonable time, make an administrative decision on a complete application by an investor in a financial institution or a financial institution of the other Party relating to the supply of a financial service, and shall notify the applicant of the decision in a timely manner. An application shall not be considered complete until all relevant hearings have been held and all necessary information has been received. Upon request, the relevant authority will inform the applicant of the status of its application. Where the authority requires additional information from the applicant, it shall notify the applicant without undue delay.

Article 9.9: Exchange of Information

1. The Parties shall use their best efforts to establish a process for the exchange of information on financial services, especially in prudential regulations and consolidated supervision regimes, subject to each Party's laws on secrecy and confidentiality of information.

2. The Parties shall use their best efforts to establish a process for the exchange of information between national regulatory or supervisory authorities, and shall cooperate on prudential regulatory advice, with a view to:

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

(b) establish work programs for the exchange of information on matters that are part of the recommendations of the Committee on Payments and Market Infrastructures of the Bank for International Settlements and 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-Regulatory 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 financial service suppliers of the other Party to supply financial services on an equivalent basis with financial service suppliers of the Party, or where the Party directly or indirectly provides such entities with privileges or advantages in the supply of financial services, the Party shall ensure that such entities accord national treatment to financial service suppliers of the other Party established in the territory of the Party.

2. For greater certainty, nothing in this Article precludes a Party's self-regulatory entities from establishing their own non-discriminatory rules, which shall not be construed as an act of the Party.

Article 9.11: Payment and Clearing Systems

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

2. For greater certainty, nothing in this Article precludes the Parties from establishing non-discriminatory regulatory requirements.

Article 9.12: Local Currency Payment System (LCS)

1. The Parties reaffirm the importance of eliminating barriers to trade and of strengthening and deepening regional integration, and leave it to their monetary authorities to analyze the advisability of establishing an MLS between Brazil and Chile.

2. In case they decide to be viable and of reciprocal interest, the Central Bank of Chile - in use of the attributions conferred by the Constitutional Organic Law that governs it - and the Banco Central do Brasil, 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 anMLS.

Article 9.13: Data Processing

1. Subject to prior authorization by the relevant regulator or authority, where required, each Party shall permit financial institutions of the other Party to transfer information into or out of the Party's territory, using any means authorized therein, for processing, when necessary to carry out the ordinary business activities of those institutions.

2. For greater certainty, where the information referred to in paragraph 1 consists of or contains personal data, the transfer of such information shall be carried out in accordance with the legislation on the protection of individuals 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 to prevent the Parties from establishing specific requirements for offshore data processing, including guarantees of access to information.

Article 9.14: Special Formalities and Information Requirements

1. Nothing in Article 9.3 shall be construed to prevent a Party from adopting or maintaining any measure prescribing special formalities in connection with an investment, such as requiring that investors be residents of the Party or that investments be constituted in accordance with the laws or regulations of the Party, provided that such formalities do not significantly impair the protection afforded by a Party to investors of the other Party and to investments in accordance with this Chapter.

2. Notwithstanding Article 9.3, a Party may require an investor of the other Party or a financial institution of the other Party to provide information relating to that investment solely for informational or statistical purposes. The Party shall protect from disclosure information that is confidential and that could adversely affect the competitive position of the investor or the investment. Nothing in this paragraph shall be construed to prevent a Party from obtaining or disclosing information relating to the equitable and good faith application of its laws.

Article 9.15: Joint Committee

1. For the purposes of this Chapter, the Joint Committee shall be as set forth in Article 8.18 (Joint Chapter Management Committee), and shall have the functions set forth in Article 8.18.4 (b), (c) and (d) (Joint Chapter Management Committee).

2. The Joint Committee provided for in Article 8.18 (Joint Committee for the Administration of the Chapter)shall be directed by the officers of the authorities set forth in Annex IV and, where appropriate, by other financial regulators or supervisors in the exercise of the following functions and responsibilities:

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

(b) attempt to resolve investment issues or disputes amicably, in accordance with the procedures set forth in Article 9.17.

3. For the exercise of the functions and responsibilities indicated in the preceding paragraph, the Joint Committee may establish specific rules of procedure and shall meet once a year, or as often as agreed upon.

Article 9.16: National Focal Points or Ombudsmen

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

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

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

(a) to heed the recommendations of the Joint Committee, when dealing with the matters provided for in Article 9.15.2;

(b) handle inquiries from the other Party or from investors in financial institutions of the other Party, and inform the interested parties of the results of their efforts;

(c) provide timely and useful information on investment regulatory issues, in general or on specific projects, upon request; and

(d) report to the Joint Committee on its activities and actions, when appropriate.

Article 9.17: Consultations and Direct Negotiations for the Prevention of Disputes

1. A Party may request in writing consultations with the other Party with respect to any matter related to this Chapter affecting financial services. The other Party shall give due consideration to the request. The Parties shall inform the Joint Committee of the results of the consultations.

2. Consultations shall be conducted by the officials of the authorities set forth in Annex IV and shall be conducted in accordance with Article 8.24 (Direct Dispute Prevention Consultations and Negotiations).

3. A Party may refuse to discuss a consultation regarding an investment in financial institutions if an investor of a non-Party or of the refusing country owns or controls the financial institution established in the Party's territory, or the financial institution does not have substantial activities in the Party's territory.

4. Nothing in this Article shall be construed to require regulatory authorities participating in consultations pursuant to paragraph 1, to disclose

information, or to act in a manner that could interfere with specific regulatory, supervisory, administrative or enforcement matters.

5. Nothing in this Article shall be construed to require a Party to derogate from its relevant legislation relating to the exchange of information between financial regulators, or from the requirements of an agreement or arrangement between the Parties' financial authorities.

Article 9.18: Arbitration between the Parties

1. Once the procedure provided for in Article 9.17 has been completed without the dispute having been resolved, either Party may request in writing to the other Party the establishment of an arbitral tribunal to decide on the same matter which is the subject of the consultations referred to in Article 9.17, in accordance with the provisions of Annex I (Arbitration between the Parties) to Chapter 8 (Investment Cooperation and Facilitation).

2. Annex I (Arbitration between the Parties) to Chapter 8 (Investment Cooperation and Facilitation) applies, as modified by this Article, to arbitrations arising out of the application of this Chapter, *mutatis mutandis*.

3. For the purposes of Article 2 of Annex I (Arbitration between the Parties) to Chapter 8 (Investment Cooperation and Facilitation), consultations held under this Article with respect to a measure or matter shall be deemed to constitute consultations referred to in Article 8.24 (Direct Dispute Prevention Consultations and Negotiations), unless the Parties agree otherwise.

4. For the purposes of Article 4.5(a) of Annex I (Arbitration between the Parties) to Chapter 8 (Investment Cooperation and Facilitation), financial services arbitrators shall have expertise or experience in financial law or practice in financial services, which may include the regulation of financial institutions, unless otherwise agreed by the Parties.

5. 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.

Article 9.19 : General Provisions

Without prejudice to its regular meetings, after ten (10) years after the entry into force of this Agreement, or earlier if deemed necessary, the Joint Committee shall conduct a general review of the implementation of this Chapter, and make additional recommendations if necessary.

Annex I
BRAZI

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 Law 4,595/1964 (monetary, credit and exchange policy, legal mandate of the Central Bank of Brazil), or the rules that replace them.

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

Annex III
CHILE

DL 600

1. The obligations and commitments contained in this Chapter do not apply to Decree Law 600, Foreign Investment Statute, or the regulations that replace it, (hereinafter referred to as "DL 600"), and to Law No. 18,657, which Authorizes the Creation of the Foreign Capital Investment Fund, 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 DL 600 and the right to regulate the terms and conditions of foreign investment under DL 600 and Law No. 18,657. The authorization and execution of an investment contract under DL 600 by a Brazilian investor or its investment does not create any right on the part of the investor or its investment to carry out particular activities in Chile.

(b) the right to maintain existing requirements on transfers from Chile of proceeds from the total or partial sale of an investment of an investor of a Party or from the total or partial liquidation of the investment, which may occur over a period not exceeding one year:

(i) in the case of an investment made pursuant to 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 paragraph shall only be applicable 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 exceeding five (5) years from the date of the 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 through an investment contract under LD 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 pursuant to 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 Constitutional Organic 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 granted the powers to regulate the amount of money and credit in circulation, the execution of credit and international exchange operations. Likewise, it is granted the power to dictate norms in monetary, credit, financial and international exchange matters. These measures include, among others, the establishment of requirements that restrict or limit current payments and transfers (capital movements) from or to Chile, as well as the operations related to them, such as, for example, establishing that deposits, investments or credits coming from or destined abroad are subject to the obligation to maintain a reserve requirement.

2. In applying measures under this Annex, Chile, as provided 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).

Annex IV
AUTHORITIES RESPONSIBLE FOR FINANCIAL SERVICES

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: Consumer Protection Online

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 conlas 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: Hurt, 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 CONTRACTING

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.

Rule 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.

Annex I
BIDS

Section A: Central Government Entities

List of Brazil

1. Presidency of the Republic
2. Vice-Presidency of the Republic
3. Advocacia-Geral da União
4. Special Advisory to the President of the Republic
5. Civil House of the Presidency of the Republic
6. President of the Republic's Personal Office
7. Institutional Security Cabinet of the Presidency of the Republic
8. Ministry of Agriculture, Livestock and Supply
9. Ministry of Science, Technology, Innovation and Communications
10. Ministry of Culture
11. Ministry of Defense
12. Ministry of Education
13. Ministry of Finance
14. Ministry of Industry, Foreign Trade and Services
15. Ministry of National Integration
16. Ministry of Justice
17. Ministry of Health
18. Ministry of Transparency, Inspection and Comptroller General
19. Ministry of Cities
20. Ministry of Foreign Affairs
21. Ministry of Mines and Energy

22. Ministério do Esporte

23. Ministry of Environment

24. Ministry of Planning, Development and Management

25. Ministry of Labor

26. Ministry of Tourism

27. Ministry of Transportation, Ports and Civil Aviation

28. Special Secretariat for Social Communication

29. Government Secretariat of the Presidency of the Republic

30. Secretaria do Programa de Parceria de Investimentos

Comments to Section A:

(a) The following entities are not included: INCRA (National Institute of Colonization and Agrarian Reform); ANATER (National Agency for Technical Assistance and Rural Extension); AEB (Brazilian Space Agency); CNEN (National Commission of Nuclear Energy); and INPI (National Institute of Industrial Property).

(b) State-owned companies related to the entities listed in Section A are not included.

(c) the General Notes and Repeals set forth in Section G apply to this Annex.

Note to Brazil's List to Section A

1. Ministério da Defesa e Ministério da Educação: this Chapter does not apply to the public procurement of clothing classified under the headings of the Common Nomenclature of MERCOSUR (NCM) 61051000, 61061000, 61091000, 61099000, 61102000, 62034200, 62052000 carried out by the Ministério da Defesa and by the Ministerio da Educação.

2. Instituto Nacional da Propriedade Industrial: this Chapter does not apply to the public procurement of typing services (typing), digitalization and guarding of documents and information technology services, especially computer development and support, database management, support to employees (physical and virtual), access to the internal network and service desk.

3. Presidência da República, Ministério das Relações Exteriores e Ministério da Justiça: this Chapter does not apply to services related to information technology: development and maintenance of software used in the cryptography of communications, storage and maintenance of databases containing personal information on Brazilian citizens, resulting from document and/or passport requests; development and maintenance of software responsible for the process of elaboration of

documents issued by the diplomatic service to Brazilian citizens; production of passport books (CPC 32610); and services related to boundary demarcation activities.

4. Unless otherwise specified in this Section, all agencies that are subordinate to those listed entities are covered by this Chapter.

Executive

Chile List

1. Presidency of the Republic

2. Ministry of the Interior and Public Security

3. Ministry of Foreign Affairs

4. Ministry of National Defense

5. Ministry of Finance

6. Ministry General Secretariat of the Presidency

7. Ministry General Secretariat of Government

8. Ministry of Economy, Development and Tourism

9. Ministry of Mining

10. Ministry of Energy

11. Ministry of Social Development

12. Ministry of Education

13. Ministry of Justice and Human Rights

14. Ministry of Labor and Social Security

15. Ministry of Public Works

16. Ministry of Transportation and Telecommunications

17. Ministry of Health

18. Ministry of Housing and Urban Development

19. Ministry of National Assets

20. Ministry of Agriculture

21. Ministry of Environment

22. Ministry of Sport

23. Ministry of Women's Affairs and Gender Equity

24. National Council for Culture and the Arts

Regional Governments

All the Governorates All the
Governorships

Note from Chile

Unless otherwise provided in this Section, all agencies that are subordinate to those listed entities are covered by this Chapter.

Section B: Sub-central or Federal Government Entities

List of Brazil

Upon the entry into force of this Agreement, Brazil shall initiate an internal consultation process with its state governments with the purpose of achieving its incorporation, on a voluntary basis, under the scope of this Chapter. Brazil shall conclude such consultations no later than two (2) years after the entry into force of this Agreement and shall notify Chile of the results of such consultations no later than two (2) years after the entry into force of this Agreement.

List of Chile

Chile will be willing to initiate negotiations with the purpose of including municipalities in the coverage of this Chapter, provided that Brazil voluntarily includes the State Governments in the Chapter, once the respective consultation process is completed.

Section C: Other entities

List of Brazil

1. INFRAERO (Brazilian Airport Infrastructure Company)

2. VALEC Engenharia, Construções e Ferrovias S.A.

3. EMBRAPA (Brazilian Agricultural Research Corporation)

4. Casa da Moeda do Brasil

Comments to Section C

In the event that some of the listed entities follow internal procedures different from the Brazilian General Bidding Law, at least paragraphs 1, 2 and 3 of Article V, relating to general principles and national treatment and non-discrimination, shall apply.

List of Chile

1. Empresa Portuaria Arica
2. Empresa Portuaria Iquique
3. Empresa Portuaria Antofagasta
4. Coquimbo Port Company
5. Empresa Portuaria Valparaíso
6. San Antonio Port Company
7. Empresa Portuaria Talcahuano San Vicente
8. Empresa Portuaria Puerto Montt
9. Empresa Portuaria Chacabuco
10. Empresa Portuaria Austral
11. Chacalluta Airport, Arica
12. Diego Aracena Airport, Iquique
13. Cerro Moreno Airport, Antofagasta
14. Mataveri Airport, Easter Island
15. Arturo Merino Benítez Airport, Santiago
16. El Tepual Airport, Puerto Montt
17. General Carlos Ibáñez del Campo Airport, Punta Arenas

Section D: Assets

This Chapter applies to all property acquired by the entities listed in Sections A through C, subject to the Notes to the respective Sections and the General Notes.

Section E: Services

This Chapter applies to all services contracted by the entities listed in Sections A through C, subject to the Notes to the respective Sections, the General Notes and the Notes to this Section, except for those services excluded in each Party's list.

List of Chile

The following services, as detailed in the Common Classification System, are excluded:

1. Financial and Related Services All classes

List of Brazil

The following services, as detailed in the Common Classification System, are excluded:

1. Financial and Related Services All classes

Section F: Construction Services

This Chapter applies to all CPC 51 construction services contracted by the entities listed in Section A through C, subject to the Notes to the respective Sections and the General Notes.

Notes from Chile:

Notwithstanding the provisions of any provision of this Chapter:

1. This Chapter does not apply to all construction services for Easter Island.

Section G: General notes

Unless otherwise provided, the General Notes and Derogations contained in Section "G" of each Party's specific commitments apply without exception to this Chapter, including all Sections of this Annex.

General Notes on Brazil

This Chapter does not apply to public contracting programs to favor micro and small enterprises.

This Chapter does not apply to public procurement of goods and services purchased through food and nutrition security and school feeding programs that

support family farmers or family farming cooperatives with specific registration, in accordance with national legislation.

This Chapter does not apply to public procurements related to goods or services of non-profit institutions engaged in social assistance, education, research and institutional development and to procurements of private law social entities subject to management contracts.

This Chapter does not apply to public procurements in which there is technology transfer of strategic products for the "Sistema Único de Saúde ("SUS") and for the acquisition of strategic inputs for health.

This Chapter does not apply to public procurements related to science, technology and innovation policies, including procurements related to information and communication technology, nuclear energy and aerospace policies, defined as strategic by act of the Executive Branch, pursuant to national legislation.

This Chapter does not apply to public procurements made by Brazilian embassies, consulates or foreign service missions, exclusively for their operation and management.

Notwithstanding the provisions of Article 12.4.4 prior justification, provided that such conditions and the manner of considering them are of a non-discriminatory nature and are indicated in the bidding documents and, to the extent possible, in the notices, Brazil reserves the right, in accordance with its legal system, to request, take into account, require or enforce special compensatory conditions, which may involve, among others, local contracting or subcontracting of productive processes, technology transfer, investment location and national content, in public procurement procedures, which shall be applicable to all bidders without any distinction whatsoever.

No later than one (1) year from the entry into force of the Agreement and every two (2) years thereafter, Brazil shall report to Chile on the status of the special countervailing measures applied under its legislation, in order to examine the evolution of this Chapter, including the reservation indicated in the previous paragraph. This information shall be brought to the attention of the Joint Committee.

Section H: **Thresholds**

Sections A to C:

a) Goods and Services: 95,000 SDR

b) Construction Services: 5,000,000 SDRs

Calculation of Thresholds:

1. Each Party shall calculate and convert the value of the thresholds into its respective national currency using the conversion rates of the daily values of the respective national currency in terms of SDRs, published monthly by the IMF in the "International Financial Statistics", over a period of two (2) years prior to October 1 of the year before the thresholds become effective, which shall be as of January 1 of the following year.

2. Each Party shall notify the other Party in its respective national currency of the value of the newly calculated thresholds no later than one (1) month before such thresholds take effect. The thresholds expressed in the respective national currency shall be fixed for a period of up to two (2) years, i.e. calendar years.

3. A Party shall consult if a significant change in its national currency in relation to the SDR or the national currency of the other Party would create a significant problem with respect to the application of this Chapter.

Section I: Publications

Brazil

All information on public procurement is published at the following e-mail addresses:

Legislation and Case Law: www.planalto.gov.br and www.comprasgovernamentais.gov.br Public

procurement opportunities for goods and services: www.comprasgovernamentais.gov.br

Oportunidades na contratação de concessões de obra pública e contractsBOT: www.projetocrescer.gov.br and www.epl.gov.br/logistica-brasil

Sistema de Cadastramento Unificado de Fornecedores(SICAF): https://www3.comprasnet.gov.br/SICAFWeb/index.jsf

Chile

www.mercadopublico.cl or

www.chilecompra.cl www.mop.cl

www.diariooficial.cl

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 recognize the value of developing their competition and competition advocacy enforcement policies 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 internal operating procedures, unless their disclosure is required by the legal system of the Parties.

3. Upon request of a Party, the other Party shall make available to it public information related to:

(a) its policies and actions to promote competition;

(b) its competition law enforcement policies and practices, and

(c) the exemptions and exclusions of its competition laws, provided that the request is made in accordance

specify the particular good or service and the market in question and include information explaining how the exemption or exclusion may hinder trade or investment between the Parties.

4. Each Party shall ensure that the final decision finding a violation of its competition laws is made available in writing and sets forth, in non-criminal matters, the findings of fact and reasoning, including legal and, if applicable, economic analysis, 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 are publicly available, or if publication is not practicable, are otherwise publicly available, in a manner that allows interested persons and the other Party to become aware of them. Each Party shall ensure that the version of the decision or order that is published, or is publicly available, does not contain confidential information, in a manner that is consistent with its respective legal systems.

Article 13.8: Consultations

In order to promote understanding between the Parties, or to address specific matters arising under this Chapter, at the request of a Party, consultations shall be held. 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 give sympathetic consideration to the concerns of the requesting Party.

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 LABOR AFFAIRS

Article 16.1: Definitions

For the purposes of this Chapter:

ILO Declaration means the *International Labor Organization* (hereinafter referred to as "ILO") *Declaration on Fundamental Principles and Rights at Work and its Follow-up* of 1998;

labor law means the laws and regulations, or provisions of the laws and regulations, of a Party that are directly related to the following internationally recognized labor rights:

(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, for the purposes of this Agreement, the prohibition of the worst forms of child labor;

(d) the elimination of discrimination in respect of employment and occupation, and

(e) acceptable working conditions with respect to minimum wages, working hours, occupational safety and health.

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-repeal

The Parties recognize that it is inappropriate to promote trade or investment by weakening or reducing the protection afforded in each Party's labor laws or by refraining from enforcement of its labor laws. Accordingly, neither Party shall repeal or otherwise render ineffective, or offer to repeal or otherwise render ineffective, its labor laws or regulations implementing Article 16.4 if repealing or otherwise rendering ineffective would be inconsistent with, undermine, 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. Neither Party shall fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting 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 enforcement discretion and to make good faith decisions on the allocation of resources for labor-related enforcement activities relating to the fundamental labor rights and acceptable conditions of work listed in Article 16.4, provided that the exercise of such discretion and such decisions are not inconsistent with its obligations under this Chapter.

3. Nothing in this Chapter shall be construed to empower the authorities of a Party to carry out labor 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 best practices of the Parties in order to improve labor standards, and further advance the Parties' efforts in the implementation of this Chapter.

common commitments regarding labor issues and decent work, including the welfare 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 written submissions from a person or organization of that Party on matters related to this Chapter shall be received and considered. Accordingly, each Party shall make publicly available, 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 that Party's point of contact designated under Article 16.13. In such a case, a Party may provide in its procedures that, in order to be admitted for consideration, a submission shall, at a minimum:

(a) raise a matter directly relevant to this Chapter;

(b) clearly identify the person or organization submitting the communication, and

(c) explain, to the best of its ability, how and to what extent the matter raised affects trade or investment between the Parties.

3. Each Party shall respond in a timely manner to such communications in writing and in accordance with its domestic 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 THE ENVIRONMENT

Article 17.1: Context and Objectives

1. The Parties recognize that the environment is one of the three dimensions of sustainable development and that it should be addressed in a balanced manner with the social and economic dimensions. In this regard, the Parties recognize the contribution that trade can make to sustainable development.

2. The Parties recall the 1972 *Stockholm Conference on the Human Environment*; the 1992 *United Nations Conference on Environment and Development*; the 1992 *Rio Declaration on Environment and Development*; the 1992 *Agenda 21 on Environment and Development*; the 1992 WTO Agreement; *the* 2002 *Johannesburg Earth Summit on Sustainable Development*; the 2012 United Nations *Conference on Sustainable Development (Rio+20)* and its outcome document "The Future We Want" and the *2030 Agenda for Sustainable Development*.

3. The objectives of this Chapter are:

   (a) promote mutually supportive trade and environmental policies;

   (b) promote high levels of environmental protection that contribute to the goal of sustainable and equitable development;

   (c) promote effective enforcement of environmental legislation;

   (d) building the capacity of the Parties to address trade-related environmental issues, including through bilateral cooperation, and

   (e) promote the use of environmental measures in accordance with their legitimate objectives and not as a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, in accordance with WTO agreements.

4. Taking into account their respective national priorities and circumstances, the Parties recognize that enhanced cooperation to protect and conserve the environment and sustainably manage their natural resources brings benefits that can contribute to sustainable development, strengthen their environmental governance and 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 environmental priorities, its own levels of domestic environmental protection and conservation, as well as to establish, adopt or modify its environmental legislation and policies accordingly.

2. Each Party shall ensure that its environmental legislation and policies are consistent with the Multilateral Environmental Agreements (hereinafter referred to as "MEAs") to which it is a party.

Article 17.3: General Commitments

1. Each Party shall endeavor to ensure that its environmental laws and policies provide for and encourage high levels of environmental protection and 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 an unjustifiable or arbitrary discrimination.

3. After the date of entry into force of this Agreement, no Party shall fail to effectively enforce its environmental law through a course of action or inaction that is sustained or recurrent and that affects trade or investment between the Parties.

4. The Parties recognize that each Party retains the right to exercise discretion and make decisions with respect to:

(a) investigative, judicial, regulatory and law enforcement matters; and

(b) the allocation of resources for the enforcement of environmental laws that have been 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 regarding the allocation of resources in accordance with that Party's priorities for the enforcement of its environmental laws.

5. Notwithstanding Article 17.2, the Parties recognize that it is inappropriate to promote trade or investment by weakening or reducing the protection provided by their environmental laws. Accordingly, neither Party shall repeal, or otherwise render legally ineffective, or offer to repeal, or otherwise render legally ineffective, its environmental law in a manner that weakens or reduces the protection afforded under its law in order to encourage trade or investment between the Parties.

6. The Parties shall seek to cooperate on matters of mutual interest in 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 environmental problems. In this regard, the Parties stress the need to enhance mutual supportiveness 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 the MEAs to which they are party and, in particular, on trade-related issues. The Parties shall also discuss issues of mutual interest, 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 in Trade and Environmental Matters

1. The Parties recognize the importance of cooperation as a mechanism to implement this Chapter, to enhance its benefits and to strengthen the Parties' joint and individual capacities 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-governmental organizations 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 its national contact point for the coordination of cooperative 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 with a view to improving the quality of life of the population.

The Parties have agreed to: 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 the administration and management of protected areas and exchange of experiences and sustainable environmental and territorial management practices implemented by indigenous and local communities; conservation of marine and coastal biodiversity and pollution control; integrated fire management, fire prevention and control and other areas that the Parties may agree upon.

6. Where possible and appropriate, the Parties shall seek to complement and use their existing cooperation 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 to promote and facilitate cooperation and training; the exchange of best 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 cooperative activities.

9. All cooperative activities under this Chapter are subject to the availability of funds and human and other resources, as well as the applicable laws and regulations of the Parties. The Parties shall decide, on a case-by-case basis, the funding of cooperative 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 that

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.

climate change. 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
COMMERCE AND GENDER

Article 18.1: General Provisions

1. The Parties recognize the importance of incorporating a gender perspective in the promotion of inclusive economic growth and the fundamental role that gender policies can play in achieving sustainable economic development, which aims, inter alia, to distribute its benefits among the entire population, providing equal opportunities for men and women in the labor market, business, trade and industry.

2. The Parties recognize goal number 5 of the *Sustainable Development Goals of the United Nations 2030 Agenda*, which seeks to achieve gender equality and the empowerment of all women and girls. The Parties reaffirm the importance of promoting gender equality policies and practices and developing 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 against women.

3. The Parties recognize that international trade and investment are engines of economic growth, and that improving women's access to opportunities and removing barriers in their countries enhances 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 WTO Ministerial Conference in Buenos Aires in December 2017*, which aims to achieve the elimination of barriers to women's economic empowerment and increase women's participation in trade.

5. The Parties also recognize that improving women's participation in the labor market and their economic autonomy, access to finance, economic resources and ownership of these resources contribute to sustainable and inclusive economic growth, prosperity, competitiveness and the well-being of society.

6. The Parties affirm their commitment to adopt, maintain and effectively implement their gender equality laws, regulations, policies and good practices.

7. Each Party shall internally promote public awareness of its gender equality laws, regulations, policies and practices.

Article 18.2: International Agreements

1. Each Party reaffirms its commitment to implement its obligations under the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW), adopted by the United Nations General Assembly on December 18, 1979.

2. Each Party reaffirms its commitment to the *Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women* (Convention of Belém do Pará), adopted by the 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 it is a party that refer to gender equality or women's rights.

Article 18.3: Cooperative Activities

1. The Parties recognize the benefit of sharing their respective experiences in designing, implementing, monitoring and strengthening policies and programs to encourage women's participation in the national and international economy.

2. The Parties shall carry out cooperative activities designed to improve the capacity and conditions for women, including women workers, businesswomen and entrepreneurs, to fully access and benefit from the opportunities created by this Agreement. These activities shall include the inclusive participation of women.

3. Cooperative activities will be based on issues and topics agreed upon by the Parties through interaction with their respective governmental institutions, private sector entities, educational and research institutions, as well as other non-governmental organizations and their representatives, as appropriate.

4. Areas of cooperation may include:

(a) develop or strengthen programs to promote the full participation and advancement of women in society, encouraging capacity building and the improvement of women's skills in the workplace, business and decision-making spheres in all sectors of society, including on corporate boards of directors;

(b) improve women's access, participation and leadership in science, 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) to develop good practices to promote gender equality within companies;

(f) strengthen the participation of women in decision-making positions in the public and private sectors;

(g) promoting women's entrepreneurship and entrepreneurship;

(h) advance in care policies and programs with a gender perspective and shared social responsibility in the public and private sectors;

(i) promote joint projects financed by international organizations that promote entrepreneurship, investment or export of companies led by women;

(j) gender-based analysis;

(k) develop and share methods and procedures for the collection of intersectional sex-disaggregated data, the use of indicators and the analysis of gender-sensitive trade-related statistics, and

(l) other matters to be agreed upon by the Parties.

5. The Parties may carry out cooperative activities in the areas indicated in paragraph 4 through:

(a) workshops, seminars, dialogues and forums to exchange knowledge, experiences and best practices;

(b) internships, visits and research studies to document and study policies and best practices;

(c) collaborative research and development of projects and best practices on issues of mutual interest;

(d) specific exchanges of technical expertise and technical assistance, where appropriate, and

(e) other activities agreed upon by the Parties.

6. Priorities in cooperative activities shall be decided by the Parties based on 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 will consider all those matters covered in this Agreement.

2. The Parties may carry out and strengthen areas of cooperation to assist in:

   (a) the implementation and dissemination of the provisions of this Agreement;

   (b) improving the ability of each Party to take advantage of opportunities

created by this Agreement, and

(c) the promotion and facilitation of trade and investment of the Parties.

Article 19.4: Cooperative 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 SHOW
SLIDE

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* (DACESS) / *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 21.2: 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 dispute settlement process between the Parties with respect to the rights and obligations provided for in this Agreement.

2. The Parties shall at all times endeavor to reach agreement on the interpretation and application of this Agreement, and shall make every effort to reach a mutually satisfactory solution on any matter that may affect its operation.

Article 22.2: Scope of Application

Except as otherwise provided in this Agreement, the dispute settlement provisions set forth 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) where a Party considers that a measure of the other Party is inconsistent with the obligations of this Agreement, or that the other Party has otherwise failed to comply with its obligations under this Agreement, and

(c) where a Party considers that a measure of the other Party causes nullification or impairment of benefits it could reasonably have expected under Chapters 2 (Trade Facilitation), 4 (Sanitary and Phytosanitary Measures), 5 (Technical Barriers to Trade), 6 (Cross-Border Trade in Services) and 12 (Government Procurement).

Article 22.3: Election of Forum

1. Disputes on the same matter arising in connection with the provisions of this Agreement, the WTO Agreement or any other trade agreement to which the Parties are parties, may be resolved in any such forum, at the option of the complaining Party. Notwithstanding the foregoing, the Twenty-first Additional Protocol to ACE No. 35 shall not apply to disputes arising between the Parties on matters governed exclusively by this Agreement.

2. For this purpose, it shall be understood that two proceedings deal with the same matter when they refer to the same measure or to the same allegation of non-conformity or annulment or impairment.

3. Once the complaining Party has requested the establishment of an arbitral tribunal under this Chapter or under one of the agreements referred to in paragraph 1, or has requested the establishment of a panel under the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, which forms part of the WTO Agreement, the forum selected shall be exclusive of any other forum.

4. Nothing in this Agreement shall be construed to prevent a Party from taking a measure consistent with the WTO Agreement, including a suspension of concessions and other obligations authorized by the WTO Dispute Settlement Body, or a measure authorized under a dispute settlement procedure of another trade agreement to which both Parties are parties.

Article 22.4: Consultations

1. Either Party may request in writing to the other Party that consultations be held with respect to any matter referred to in Article 22.2.

2. The requesting Party shall deliver the request for consultations in writing to the other Party, and shall state in its request the reasons for the request, including identification of the measure at issue or any other matter at issue, and an indication of the facts and legal basis of the request.

3. The consulted Party shall respond in writing within ten (10) days from the date of receipt of the request, unless the Parties agree otherwise. Consultations shall be held within thirty (30) days from the date of receipt of the request for consultations, or within another mutually agreed period of time.

4. Consultations under this Article shall be entered into in good faith, with a view to reaching a mutually satisfactory solution.

5. Consultations may be held in person or by any available technological means, according to the agreement of the Parties. Unless otherwise agreed by the Parties, face-to-face consultations shall be held in the capital of the consulted Party.

6. Consultations will be confidential.

7. In the consultations, each Party:

(a) provide sufficient information to permit a full examination of the measure or matter in question, and

(b) shall give confidential information received during the consultation the same treatment with respect to confidentiality as is accorded to it by the Party that provided it.

8. The Parties shall make every effort to provide each other with the information requested during the consultations and to allow, at the request of either Party, specialized personnel from their government agencies or other regulatory entities with competence in the subject matter of the consultations to participate in the consultations.

9. The consultation period shall not exceed sixty (60) days from the date of receipt of the request for consultations, unless the Parties agree on a different period.

Article 22.5: Good Offices, Conciliation and Mediation

1. The Parties may at any time agree to use 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 upon by the Parties.

3. Either Party may initiate, suspend or terminate at any time the procedures established under this Article.

4. Good offices, conciliation and mediation proceedings are confidential and without prejudice to the rights of the Parties in any other proceedings.

Article 22.6: Establishment of an Arbitral Tribunal

1. If a mutually satisfactory solution has not been reached within the time limit set forth in Article 22.4.9, the complaining Party may request the establishment of an arbitral tribunal.

2. The requesting Party shall state the reasons for its request, including identification of the measure or other matter at issue, indication of the legal basis of the claim, and shall deliver the request to the other Party. If nullification or impairment is claimed, it shall so state.

3. Unless otherwise agreed by the Parties, the arbitral tribunal shall be established and perform its functions in accordance with the provisions of this Chapter and the Rules of Procedure in Annex I.

4. The arbitral tribunal shall be deemed to be established upon acceptance of the last of its members, pursuant to 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 be composed of 3 arbitrators.

2. Each Party shall designate, within twenty (20) days from the date of receipt of the request for the establishment of the arbitral tribunal, an arbitrator and an alternate arbitrator, who may be of its own nationality, and shall propose up to 3 candidates to act as chairman of the arbitral tribunal, from among whom one arbitrator and one alternate shall be designated.

3. If a Party fails to appoint its arbitrator within the time limit provided for in paragraph 2, the arbitrator shall be appointed by the other Party in accordance with the Rules of Procedure.

4. The Parties shall make every effort to appoint by mutual agreement the chairman of the arbitral tribunal, from among the candidates proposed by the Parties, within twenty (20) days after the expiration of the time limit provided for in paragraph 2. If the Parties fail to reach agreement on the chairman of the arbitral tribunal within the period specified, the chairman and his alternate shall be appointed by lot by the Parties in accordance with the Rules of Procedure.

5. The president of the arbitral tribunal shall not be a national of either Party, nor shall he or she have his or her current place of residence in the territory of either Party, nor be or have been employed by either Party, unless otherwise agreed by the Parties.

6. In the event of death, challenge, inability or resignation of any of the arbitrators appointed pursuant to this Article, his alternate shall take over. If the alternate is unable to act for the same reasons, a successor shall be selected in accordance with the appointment procedure provided for in paragraphs 2, 3 and 4, which shall apply *mutatis mutandis*. The successor shall have all the authority and the same duties as the original arbitrator. The work of the arbitral tribunal shall be suspended as from the date of death, challenge, incapacity 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 undertake in writing to act in accordance with the provisions of this Chapter, the Rules of Procedure and this Agreement.

9. All arbitrators shall:

(a) have specialized knowledge or experience in law, international trade, matters related to the matters contained in this Agreement, or in the settlement of disputes arising from international trade agreements;

(b) be chosen strictly on the basis of their objectivity, reliability and sound judgment;

(c) be independent, not bound to the Parties and not receive instructions from the Parties, and

(d) comply with the Code of Conduct set forth in Annex II.

10. The chairman of the arbitral tribunal, in addition to meeting the requirements set forth in paragraph 9, shall be a jurist.

11. Persons who have participated in any of the alternative means of dispute resolution referred to in Article 22.5 may not act as arbitrators in the same dispute.

Article 22.8: Arbitral Tribunal Terms of Reference

1. Unless otherwise agreed by the Parties, no later than fifteen (15) days from the date of receipt of the request for the establishment of the arbitral tribunal, the terms of reference of the arbitral tribunal shall be:

"To examine, in an objective manner and in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of the arbitral tribunal and to make findings, 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 states that a measure nullifies or impairs benefits within the meaning of Article 22.2(c), the terms of reference shall so state.

3. At the request of the complaining Party, the Parties may agree that the arbitral tribunal shall make findings as to the extent of the adverse trade effects caused by the non-conformity or the nullification or impairment. In such a case, the terms of reference shall expressly so state.

Article 22.9: Role of the Arbitral Tribunal

1. The function of the arbitral tribunal is to make an objective assessment of the matter submitted to it, including an analysis of the facts of the case and the applicability of and compliance with this Agreement.

2. The tribunal shall make its findings, determinations and recommendations on the basis of the provisions of this Agreement, its analysis of the facts of the case, the arguments and evidence presented by the Parties, the provisions of international law applicable in the matter, 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* 1969. With respect to any provision of the WTO Agreement that has been incorporated into this Agreement, the arbitral tribunal shall also consider the relevant interpretations contained in the WTO panel and Appellate Body reports adopted by the WTO Dispute Settlement Body.

3. The arbitral tribunal shall be established and perform its functions in accordance with the provisions of this Chapter and the Rules of Procedure, unless the Parties agree otherwise.

Article 22.10: Rules of Procedure

1. Unless otherwise agreed by the Parties, the hearings of the arbitral tribunal shall be held in the capital city of the Party complained against.

2. Unless otherwise agreed by the Parties, the arbitral tribunal established pursuant to this Chapter shall follow the Rules of Procedure contained in Annex I. The arbitral tribunal may establish, in consultation with the Parties, supplementary rules of procedure that do not conflict with the provisions of this Agreement.

3. The Rules of Procedure shall guarantee to each Party:

(a) the opportunity to submit at least initial and rebuttal written pleadings;

(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 shall the documents designated as confidential or reserved by any of the Parties. Hearings before the arbitral tribunal shall be closed to the public, unless otherwise agreed by the Parties.

5. Notwithstanding the provisions of paragraph 4, the Parties may make public statements of their views on the dispute, but shall treat as confidential or proprietary the information and information contained therein.

documents provided by the other party to the arbitral tribunal that the latter has designated as confidential or privileged.

6. Where a Party has provided documents classified by it as confidential or restricted, that Party may provide a non-confidential or non-restricted summary at the request of the other Party, which may be made public.

7. At the request of a Party or on its own initiative, provided that both Parties so agree, the arbitral tribunal may seek information and technical advice from any person or entity it deems relevant under the Rules of Procedure. The information or advice obtained shall not bind the arbitral tribunal. The arbitral tribunal shall provide the Parties with a copy of any opinion or advice obtained and an opportunity to comment.

8. After consultation with the Parties, and unless otherwise agreed by them, within ten (10) days, the Parties shall
(10) days after its establishment, the arbitral tribunal shall fix the timetable for its work, taking into account the provisions of Article 22.12.

9. The arbitral tribunal shall seek to reach its decisions unanimously, including its award. If this is not possible, it may 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 arbitral tribunal, relating to the arbitral tribunal proceedings, shall be conducted in Spanish or Portuguese, unless otherwise agreed by the Parties.

Article 22.11: Draft Award of the Arbitral Tribunal

1. The arbitral tribunal shall notify its draft award to the Parties within ninety (90) days of its establishment, unless the Parties agree on a different time limit.

2. In case of urgency, the arbitral tribunal shall notify its draft award to the Parties within sixty (60) days from the date of its establishment, unless the Parties agree on a different time limit.

3. In exceptional cases, if the arbitral tribunal considers that it cannot issue the draft award within the ninety (90) day period or such other period as the Parties may have agreed, it shall inform the Parties in writing of the reasons justifying the delay, together with an estimate of the period of time within which it will issue its draft award. Any delay shall not exceed a period of thirty (30) days.
(30) days, unless otherwise agreed by the Parties.

4. The arbitral tribunal shall base its draft award on the relevant provisions of this Agreement, the submissions and oral arguments of the Parties, as well as any information and technical advice it has received pursuant to this Agreement.

5. The draft award shall contain:

(a) a summary of the Parties' briefs and oral arguments;

(b) the conclusions with their factual and legal grounds;

(c) determinations on the merits as to whether or not a Party has complied with its obligations under this Agreement, or whether that Party's measure is grounds for nullification or impairment under 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 bring its measures into conformity with this Agreement.

6. Any Party may submit written observations on the draft award to the arbitral tribunal within fifteen (15) days after the notification of the draft award or any other time limit set by the arbitral tribunal.

7. After considering such observations, the arbitral tribunal may reconsider its draft award and conduct any further examination it deems appropriate.

Article 22.12: Award of the Arbitral Tribunal

1. The award of the arbitral tribunal shall be final, unappealable and binding on the Parties upon receipt of the respective notification. It shall be made in accordance with the provisions of Article 22.10.9, shall be reasoned, and shall be signed by the chairman of the arbitral tribunal and by the other arbitrators. The arbitrators may not cast dissenting votes, and shall maintain the confidentiality of the vote.

2. The arbitral tribunal shall notify the Parties of its award within thirty (30) days of the notification of the draft award, unless the Parties agree otherwise.

3. The findings, determinations and recommendations of the arbitral tribunal may not add to or diminish the rights and obligations of the Parties set forth in this Agreement.

4. Unless otherwise agreed by the Parties, either Party may publish the award after thirty (30) days of having been notified, subject to the protection of confidential or reserved information.

Article 22.13: Suspension and Termination of Proceedings

1. The Parties may agree at any time during the proceedings, by a joint communication addressed to the chairman of the arbitral tribunal, to suspend the work of the arbitral tribunal for a period not exceeding twelve (12) months from the date of such communication.

2. The arbitral tribunal shall resume its work if the Parties so agree within the twelve (12) month period 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 lapse, unless the Parties agree otherwise. If the terms of reference of the arbitral tribunal lapse and the Parties have not reached an agreement on the settlement of the dispute, nothing in this Article shall prevent a Party from initiating a new proceeding concerning the same subject matter.

4. At any stage of the proceedings prior to the notification of the award, the Parties may terminate the proceedings by a joint communication addressed to the president of the arbitral tribunal.

Article 22.14: Implementation of the Award

1. Upon notification of the arbitral tribunal's award, the Parties shall agree on the implementation of the award, in accordance with the findings, conclusions and recommendations of the arbitral tribunal.

2. Either Party may, within fifteen (15) days from the date of notification of the award, request clarification of the award. The arbitral tribunal shall decide on the request within fifteen (15) days of its submission. The period of time from the request to the decision of the arbitral tribunal shall not be counted for the purposes of the time limit referred to in Article 22.15.

3. If in its award the arbitral tribunal determines that the measure in question is inconsistent with the obligations of this Agreement, or that the measure causes nullification or impairment in terms of Article 22.2(c), the Party complained against shall eliminate the non-conformity or the nullification or impairment, whenever possible.

4. Unless the Parties agree otherwise, the Party complained against shall have a reasonable period of time to eliminate the non-conformity or nullification or impairment if it is not practicable to do so immediately.

5. The Parties shall endeavor to agree on the reasonable period of time. If the Parties fail to agree within forty-five (45) days after the rendering of the final award, any Party may, not later than sixty (60) days after the rendering of the final award, refer the request to the presiding arbitrator to determine the reasonable period of time.

6. The presiding arbitrator shall take into consideration that the reasonable period of time shall not exceed six (6) months from the notification of the award under Article 22.12. However, such period may be shorter or longer, depending on the particular circumstances of the dispute.

7. The President shall determine the reasonable period of time not later than ninety (90) days following the date of receipt of the request pursuant to paragraph 5.

Article 22.15: Non-Implementation - Compensation or Suspension of Benefits

1. The Parties shall, at the request of the complaining Party, enter into negotiations with a view to establishing mutually acceptable compensation if:

(a) the Party complained against has notified the complaining Party that it does not intend to eliminate the nonconformity or the nullification or impairment, or

(b) after the expiration of the reasonable period of time established pursuant to Article 22.14.4, there is disagreement as to whether the Party complained against has eliminated the nonconformity or the nullification or impairment.

2. Such compensation shall be of a temporary nature and shall be granted until the dispute is resolved.

3. If the Parties:

(a) do not agree to compensation in accordance with paragraph 1, within thirty (30) days after the filing of the request for compensation by the complaining Party, or

(b) have reached an agreement on compensation pursuant to this Article and the complaining Party considers that the Party complained against has not complied with the terms of the agreement reached,

the complaining Party may communicate to the Party complained against, in writing, its decision to suspend temporarily benefits and other equivalent obligations under this Agreement in order to obtain compliance with the award.

4. The communication shall specify:

(a) the date on which the suspension shall commence, in accordance with paragraph 6;

(b) the level of benefits or other equivalent obligations it proposes to suspend, and

(c) the limits within which the suspension shall apply, including which benefits or obligations provided for in this Agreement shall be suspended.

5. The suspension of benefits and other obligations shall be temporary, and may be applied only until such time as the nonconformity or nullification or impairment has been eliminated. The level of suspension shall be equivalent to the level of nullification or impairment.

6. The claiming Party may initiate the suspension of benefits thirty (30) days after the later of the dates on which:

(a) make the communication in accordance with paragraph 3, or

(b) the arbitral tribunal notifies the award in accordance with Article 22.16.

7. In considering the benefits or other obligations to be suspended pursuant to this Article:

(a) the complaining Party shall first seek to suspend benefits or other obligations in the same sector or sectors affected by the measure that the arbitral tribunal has found to be inconsistent with this Agreement or to cause nullification or impairment within the meaning of Article 22.2(c), and

(b) if the complaining Party considers that it is not practicable or effective to suspend benefits or other obligations within the same sector(s), it may suspend benefits or other obligations in another sector(s), with the exception of Chapter 12 (Government Procurement). The complaining Party shall indicate the reasons on which such decision is based in the notification to initiate the suspension.

Article 22.16: Compliance Review and Suspension of Benefits

1. The Party complained against may, within thirty (30) days from the date of the communication made by the complaining Party pursuant to Article 22.15.3, request that the arbitral tribunal established pursuant to Article 22.6 be reconvened to determine either jointly or severally:

(a) if it considers that the level of benefits or other obligations that the complaining Party proposes to suspend is excessive, or the complaining Party has failed to comply with Article 22.15, or

(b) if it considers that the Party complained against has eliminated the non-conformity or the nullification or impairment that the arbitral tribunal has found to exist.

2. The requesting Party shall indicate the specific measures or issues in dispute and provide a brief summary of the legal basis of the complaint sufficient to present the problem clearly.

3. The arbitral tribunal shall be reconstituted within thirty (30) days of receipt of the request and shall notify its draft award to the Parties within thirty (30) days:

(a) forty-five (45) days after its reconstitution to consider the application under paragraph 1(a) or 1(b), or

(b) sixty (60) days after its reconstitution to consider the application under paragraphs 1(a) and 1(b).

4. The Parties may submit comments on the draft award in accordance with Article 22.11.6. The arbitral tribunal may reconsider its draft award in accordance with Article 22.11.7.

5. The arbitral tribunal shall notify its award to the Parties within:

(a) within fifteen (15) days after the submission of the draft award, in cases where the application is considered under paragraph 1(a) or 1(b), or

(b) twenty (20) days after the submission of the draft award, in cases where the application is considered under paragraphs 1(a) and 1(b).

6. If any of the original arbitrators is unable to serve on the arbitral tribunal, the provisions of Article 22.7 shall apply.

7. If the arbitral tribunal determines that the level of benefits or other obligations proposed to be suspended is excessive, or that the complaining Party has failed to comply with Article 22.15, it 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 Party complained against has eliminated the non-conformity or the nullification or impairment, the complaining Party may not suspend benefits or other obligations.

Article 22.17: Emergency Cases

1. In cases of urgency, the time limits established in this Chapter shall be reduced by half, unless otherwise provided for in this Chapter.

2. Notwithstanding the provisions of Article 22.11.1, the arbitral tribunal shall apply the time limit set forth in Article 22.11.2 where the complaining Party so indicates in the request for the establishment of the arbitral tribunal.

3. For the purposes of this Chapter, urgent cases shall be understood as disputes relating to perishable goods, which include those goods that decompose rapidly due to their natural characteristics, especially in the absence of adequate storage conditions.

Annex II
CODE OF CONDUCT FOR ARBITRATION DISPUTE RESOLUTION PROCEEDINGS

Preamble

Considering that the Parties attach paramount importance to the integrity and fairness of the proceedings conducted pursuant to this Chapter, the Parties establish this Code of Conduct in compliance with Article 22.7.9(d).

1. Definitions

For purposes of this Code of Conduct:

(a) **arbitrator** means the person appointed by the Parties in accordance with Article 22.7 to serve on an arbitral tribunal and that he 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 set forth in the Appendix to 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 member** means the spouse or cohabitant of the arbitrator, his or her relatives by blood 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 under Article 22.6;

(h) **Contact Unit** means the office that both Parties designate to provide administrative support to the arbitral tribunal, pursuant to Rule 62 of Annex I, and

(i) **Administrative Unit** means the Designated Unit of the Party complained against, in accordance with Rule 63 of Annex I.

2. Current Principles

(a) Arbitrators shall be independent and impartial and shall avoid direct or indirect conflicts of interest. They shall not receive instructions from any government or governmental or non-governmental organization.

(b) Arbitrators and former arbitrators shall respect the confidentiality of the proceedings of the arbitral tribunal.

(c) Arbitrators must disclose the existence of any interest, relationship or matter that might influence their independence or impartiality and that might reasonably create an appearance of impropriety or bias. An appearance of impropriety or bias exists when a reasonable person, with knowledge of all relevant circumstances that a reasonable inquiry might reveal, would conclude that an arbitrator's ability to perform his or her duties with integrity, impartiality and competence is impaired.

(d) This Code of Conduct does not establish under what circumstances the Parties shall disqualify an arbitrator.

3. Responsibilities towards the Procedure

Arbitrators and former arbitrators shall avoid being or appearing improper and shall maintain a high standard of conduct to preserve the integrity and impartiality of the dispute resolution process.

4. Disclosure Obligations

(a) Throughout the proceedings, arbitrators have a continuing obligation to disclose interests, relationships and matters that may be linked to the integrity or fairness of the arbitration dispute resolution proceedings.

(b) As expeditiously as possible, after it becomes known that a Party has appointed a person as an 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 serve on the arbitral tribunal shall have three (3) days to accept his or her appointment, in which case he or she shall return the duly signed Affidavit to the Administrative Unit. The person appointed to the arbitral tribunal shall disclose any interest, relationship or matter that might influence his or her independence or impartiality or that might reasonably create the appearance of impropriety or bias in the proceeding. To this end, the person appointed to the arbitral tribunal shall make all reasonable efforts to become aware of such interests, relationships and matters. For this purpose, he or she shall disclose, at a minimum, the following interests, relationships and matters:

(i) any economic or personal interest of yours in:

(A) the procedure or its outcome, and

(B) an administrative proceeding, a domestic judicial proceeding or other international dispute settlement proceeding involving issues that may be decided in the proceeding for which it is being considered;

(ii) any financial interest of your employer, partner, associate or family member in:

(A) the procedure or its outcome, and

(B) an administrative proceeding, a domestic judicial proceeding or other international dispute settlement proceeding involving issues that may be decided in the proceeding for which it is being considered;

(iii) any current or previous relationship of an economic, commercial, professional, family or social nature with any of the Parties involved in the proceeding or their counsel or any such relationship involving their employer, partner, associate or family member, and

(iv) public advocacy or legal or other representation on any matter in controversy in the proceeding or involving the same goods or services.

(d) Once appointed, the arbitrator shall continue to make every reasonable effort to become aware of any interest, relationship or matter referred to in subparagraph (c) and shall disclose them. The duty of disclosure is an ongoing duty requiring arbitrators to disclose any interests, personal relationships and matters that may arise at any stage of the proceeding.

(e) If there is any doubt as to whether an interest, personal relationship or matter should be disclosed under subparagraph (c) or (d), an arbitrator must choose in favor of disclosure. Disclosure of an interest, personal relationship or matter is without prejudice to whether the interest, personal relationship or matter is covered by subparagraphs (c) or (d), or whether it merits cure under 6(g) or disqualification.

(f) The disclosure obligations set forth in subparagraphs (a) through (e) should not be interpreted in such a way that the burden of detailed disclosure would make it impractical to serve as arbitrators to persons in the legal or business community, thereby depriving the Parties of the services of those who might be best qualified to serve as arbitrators.

5. Performance of duties by arbitrators

(a) Bearing in mind that the prompt settlement of disputes is essential to the effective functioning of this Agreement, the arbitrators shall perform their duties in a thorough and expeditious manner throughout the course of the proceedings.

(b) The arbitrators shall ensure that the Administrative Unit can, at all reasonable times, contact the arbitrators to perform the duties of the arbitral tribunal.

(c) Arbitrators shall perform their duties fairly and diligently.

(d) Arbitrators shall comply with the provisions of this Chapter.

(e) An arbitrator shall not deny the other arbitrators of the tribunal the opportunity to participate in all aspects of the proceedings.

(f) The arbitrators shall not establish *ex parte* contacts in connection with the proceeding, pursuant to Rule 47 of Annex I.

(g) Arbitrators shall consider only those matters presented in the proceedings that are necessary to reach a decision and shall not delegate their decision making duties to any other person.

(h) Arbitrators shall take the necessary steps to ensure that their assistants comply with paragraphs 3, 4, 5(d), 5(f) and 8 of this Code of Conduct.

(i) Arbitrators shall be precluded from disclosing matters relating to actual or potential violations of this Code of Conduct, unless the disclosure is with both Contact Units and addresses the need to determine whether an arbitrator has violated or may violate this Code of Conduct.

6. Independence and impartiality of arbitrators

(a) Arbitrators must be independent and impartial. Arbitrators shall act fairly and shall not create the appearance of impropriety or bias.

(b) Arbitrators shall not be influenced by self-interest, external pressure, political considerations, public pressure, loyalty to a Party or fear of criticism.

(c) Arbitrators may not, directly or indirectly, incur any obligation or accept any benefit that could in any way interfere, or appear to interfere, with the proper performance of their duties.

(d) Arbitrators shall not use their position in the arbitral tribunal to promote personal or private interests. Arbitrators shall avoid actions that may create the impression that other persons are in a special position to influence them. Arbitrators shall make every effort to prevent or discourage others from claiming to have such influence.

(e) Arbitrators shall not allow their past or present financial, business, professional, family or social relationships or responsibilities to influence their conduct or judgment.

(f) Arbitrators shall avoid establishing any relationship or acquiring any financial interest that is likely to influence their impartiality or that might reasonably create the appearance of impropriety or bias.

(g) If an interest, personal relationship or matter of an arbitrator is incompatible with subparagraphs (a) through (f), the arbitrator may accept appointment to an arbitral tribunal or may continue to serve on an arbitral tribunal, as appropriate, if the Parties waive the violation or if, after the arbitrator has taken steps to alleviate the violation, the Parties determine that the incompatibility no longer exists.

7. Obligations of former arbitrators

Former arbitrators shall avoid any appearance that their actions may create the appearance that they were biased in the performance of their duties or that they could have benefited from the decisions of the arbitral tribunal.

8. Confidentiality

(a) Arbitrators and former arbitrators shall not at any time disclose or use non-public information relating to a proceeding or acquired during a proceeding, except for the purposes of the proceeding itself, nor shall they disclose or use such information for personal gain or for the benefit of others, or to adversely affect the interests of others.

(b) Arbitrators shall not disclose an award of the arbitral tribunal rendered under this Chapter before the Parties publish the final award. Arbitrators and former arbitrators shall not at any time disclose the identity of the arbitrators in the majority or minority in a proceeding under this Chapter.

(c) Arbitrators and former arbitrators shall not at any time disclose the deliberations of an arbitral tribunal or the opinion of an arbitrator, except as required by law.

(d) Arbitrators shall not make public statements about the merits of a pending proceeding.

9. Responsibilities of assistants, consultants and experts

Paragraphs 3, 4, 5(d), 5(f), 7 and 8 also apply to assistants, advisors and experts.

Appendix
AFFIDAVIT OF CONFIDENTIALITY AND COMPLIANCE WITH THE CODE OF CONDUCT

1. I acknowledge having received a copy of the Code of Conduct for Arbitral Dispute Settlement Procedures under Chapter 22 of the Free Trade Agreement between the Republic of Chile and the Federative Republic of Brazil.

2. I acknowledge that I have read and understood the Code of Conduct.

3. I understand that I have a continuing obligation to disclose interests, personal relationships and matters that may be linked to the integrity or fairness of the arbitration dispute resolution proceeding. As part of that obligation, I make the following affidavit:

(a) My pecuniary interest in the proceeding or its outcome is as follows:

(b) My pecuniary interest in any administrative proceedings, domestic judicial proceedings and other international dispute settlement proceedings relating to matters that may be decided in the proceeding for which I am under consideration is as follows:

(c) The economic interests that any employer, partner, associate or family member may have in the proceeding or its outcome are as follows:

(d) The economic interests that any employer, partner, associate or family member may have in any administrative proceeding, domestic judicial proceeding and other international dispute settlement proceedings involving matters that may be decided in the proceeding for which I am under consideration are as follows:

(e) My past or present economic, business, professional, family or social relationships with any party interested in the proceeding or their attorneys are as follows:

(f) My former or present economic, business, professional, family or social relationships with any party interested in the proceeding or their attorneys, involving any employer, partner, associate or relative, are as follows:

(g) My public defense or legal or other representation relating to any matter in controversy in the proceeding or involving the same goods or services is as follows:

(h) My other interests, relationships and matters that may affect the integrity or fairness of the dispute resolution proceeding and that have not been disclosed in subparagraphs (a) through (g) in this initial statement are as follows:

Subscribed on the_____of the month_____of the year____.

By:

Name

Signature

Chapter 23
EXCEPTIONS

Article 23.1: General Exceptions

1. For the purposes of Chapter 2 (Trade Facilitation), Chapter 4 (Sanitary and Phytosanitary Measures) and Chapter 5 (Technical Barriers to Trade), Article XX of GATT 1994 and its interpretative notes are incorporated into this Agreement and form part thereof, *mutatis mutandis*.

2. For the purposes of this Agreement, the Parties understand that the measures referred to in Article XX(b) of GATT 1994 include environmental measures necessary to protect human, animal or plant life or health and that Article XX(g) of GATT 1994 applies to measures relating 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 Chapter 11 (Telecommunications), paragraphs (a), (b) and (c) of Article XIV of the GATS are incorporated into and made a part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XIV(b) of the GATS include environmental measures necessary to protect human, animal or plant life or health.

4. Nothing in this Agreement shall be construed to prevent a Party from adopting a measure, including maintaining or increasing a customs duty, that is authorized by the WTO Dispute Settlement Body or that is taken as a result of a ruling by a dispute settlement panel under a free trade agreement to which the Party adopting the measure and the Party against which the measure is taken are parties.

5. Nothing in this Agreement shall be construed to require a Party to furnish or allow access to information the disclosure of which would be contrary to its legal system or would impede law enforcement, or which would otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular enterprises, 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 purposes of this Agreement, Articles XXI of GATT 1994 and XIV bis of GATS are incorporated into and form part thereof, *mutatis mutandis*.

2. Nothing in this Agreement shall be construed to mean:

   (a) require a Party to provide or permit access to any information the disclosure of which it considers contrary to its essential security interests, or

(b) prevent a Party from applying measures it considers necessary for the fulfillment of its obligations with respect to the maintenance or restoration of international peace or security or for the protection of its own essential security interests.

Article 23.3: Temporary Safeguard Measures

1. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining measures restricting payments or transfers for current account transactions in the event of serious difficulties in, or threats to, its balance of payments and external finances.

2. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining measures restricting payments or transfers related to capital movements:

(a) in the event of serious difficulties in its balance of payments and external finances, or threats thereto, or

(b) when, in exceptional circumstances, payments or capital transfers cause or threaten to cause serious difficulties for macroeconomic management.

3. Any action taken or maintained under paragraph 1 or 2 shall:

(a) be applied in a non-discriminatory manner so that no Party receives less favorable treatment than any other non-Party;

(b) be compatible with the *Articles of Agreement of the International Monetary Fund*;

(c) avoid unnecessary damage to the commercial, economic and financial interests of the other Party;

(d) not go beyond what is necessary to overcome the circumstances provided for in paragraphs 1 or 2;

(e) be temporary and be phased out progressively as soon as the situations specified in paragraph 1 or 2 improve.

4. With respect to trade in goods, the Parties shall apply the Fifteenth Additional Protocol to ACE No. 35.

5. With respect to trade in services, nothing in this Agreement shall be construed to prevent a Party from adopting trade-restrictive measures in order to safeguard its external financial position or balance of payments. Such restrictive measures shall be consistent with the GATS.

6. A Party adopting or maintaining measures pursuant to paragraphs 1, 2, 4 or 5 shall:

(a) promptly notify the other Party of the measures adopted, including any modification thereof;

(b) promptly enter into consultations with the other Party to review the measures adopted or maintained by it:

(i) in the case of capital movements, respond promptly to the other Party requesting consultations regarding the measures adopted by it, provided that such consultations were not being conducted outside the framework of this Agreement.

(ii) in the case of current account restrictions, if consultations regarding the measures adopted by it are not conducted within the framework of the WTO Agreement, the Party shall, if requested, promptly enter into 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 *Secretary of the Federal Revenue of Brazil*, and

(b) in the case of Chile, the Undersecretary of Finance;

tax treaty means a convention for the avoidance of double taxation or other international agreement or arrangement 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 importation of a good, and any form of surcharge or surtax applied in connection with such importation, or

(b) any anti-dumping duty or countervailing measure.

2. Except as provided in this Article, nothing in this Agreement shall apply to taxation measures.

3. Nothing in this Agreement shall be construed to prevent the adoption or enforcement of any measure designed to secure the equitable or effective imposition or collection of taxes as provided for in the laws and regulations of the Parties. The Parties understand that this paragraph is to be interpreted by reference to the footnote to Article XIV(d) of the GATS as if the Article were not restricted to services or direct taxes.

4. Nothing in this Agreement shall affect the rights and obligations of the Parties under any tax treaty. In the event of any inconsistency between the provisions of this Agreement and any tax treaty, the provisions of such treaty shall apply to the extent of the inconsistency.

5. In the case of a tax treaty between the Parties, if any dispute arises as to the existence of any inconsistency between this Agreement and the tax treaty, the dispute shall be referred to the authorities designated by the Parties. The designated authorities of the Parties

shall have six (6) months from the date of referral of the dispute to make a determination as to the existence and extent of any inconsistency. If those designated authorities so agree, the period may be extended to twelve (12) months from the date of referral of the dispute. The determination made by the designated authorities shall be binding on the Parties under this paragraph.

6. Articles 6.3 (National Treatment) and 6.4 (Most-Favored-Nation Treatment) shall apply to taxation measures to the extent 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 Denunciation

1. The entry into force of this Agreement shall be subject to the fulfillment of the procedures provided for in the legal system of each Party.

2. This Agreement shall enter into force ninety (90) days after the date on which the General Secretariat of ALADI notifies the Parties of having received the last communication from the Parties informing compliance with the requirements established in their domestic legislation.

3. Either Party may denounce this Agreement by notification through diplomatic channels to the other Party. This Agreement shall cease to produce its effects one hundred and eighty (180) days after the date of such notification.

4. The General Secretariat of ALADI shall be the depository of this Agreement, of which it shall send duly authenticated copies to the Parties.

Article 24.3: Additional Protocol to ACE No. 35

This Agreement will be incorporated to ACE Nº 35 by means of an additional protocol.

Article 24.4: Amendments

1. The Parties may adopt any amendment to this Agreement.

2. Any amendment to this Agreement shall become part of this Agreement and shall enter into force in accordance with the procedure set forth in Article 24.2.2, unless otherwise agreed by the Parties.

Article 24.5: Amendments to the WTO Agreement

In the event that any provision of the WTO Agreement that the Parties have incorporated into this Agreement is amended, the Parties shall consult with respect to the need to amend this Agreement.

Article 24.6: General Revision of the Agreement

The Parties shall conduct a general review of this Agreement, with a view to updating and expanding its disciplines, the second year following the date of its entry into force.

Subscribed in Santiago, on the 21st day of the month of November 2018, in Spanish and Portuguese, both texts being equally authentic.

BY 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