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| **Chile’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* The effective average tariff is very low due to the implementation of an extensive network of RTA/FTAs.
* No quantitative or national treatment restrictions to imports. Only used motor vehicles cannot be imported.
* A local content requirement of 20% on music broadcast by radio stations has been implemented.
* New Foreign Direct Investment (FDI) Law increases legal guarantees to foreign investors.
* Recent measures to modernize customs operations. Pilot for an Authorized Economic Operator (AEO) model program has been extended.
* Proposed changes to Antitrust Law to improve regulations concerning mergers.
* Efforts to continue improving transparency in the public sector are ongoing.

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|   | **Summary of Topics** |

**Tariffs**

Chile applies a flat MFN import tariff of 6% to all products, except for very few non-agricultural products whose MFN tariff is equal to zero. Nevertheless, Chile’s effective average tariff, taking into account RTA/FTAs preferential treatments, was equal to 0.93% in 2015.

Chile is also reducing tariffs through the implementation of new RTA/FTAs. Bilateral free trade agreements with Hong Kong, China; and Viet Nam entered into force in 2014, and with Thailand in 2015.

**Non-Tariff Measures**

Chile does not apply quantitative or national treatment restrictions. Only ozone-depleting substances have to follow registration requirements, as part of international commitments.

Prohibitions on imports of used motor vehicles are still in place. Similarly, the price band system for wheat, wheat flour and sugar remains in place[[2]](#footnote-2).

**Services**

Services Chapters that are part of the FTAs with Hong Kong, China; and Thailand were put in place in 2014 and 2015, respectively. The services chapter of the Pacific Alliance came into force in May 2016.

In the telecommunications sector, Chile has been working with Argentina since the end of 2014 to eliminate roaming charges between both countries.

In April 2015, a law to promote Chilean music was modified to establish that radio stations must include a minimum of 20% of local music (i.e. interpreted or played by Chilean artists) in their daily programming.

**Investment**

A new legal framework applicable to foreign direct investment (FDI) was put in force in January 2016. This new framework guarantees that foreign investors have access to the foreign exchange market; are able to transfer capital and profits overseas as long as they have met their tax duties; and enjoy national treatment with respect to the legal regime applied to them.

The new legal framework also creates a new Investment Promotion Agency to promote investments and attract foreign investors.

**Standards and Conformance**

Chile is participating actively in international standardization activities and continues to align domestic standards with international standards. For example, regarding fuels and electrical products, four proposals on technical regulations and conformity assessment procedures were notified to WTO in 2015. Furthermore, the Superintendency of Electricity and Fuels notified six proposals of conformity assessment procedures by taking into account standards by the International Electrotechnical Commission (IEC)

Public consultations and transparency have also become a well-established features in the process of establishing technical regulations.

Chile has notified 41 proposals to the WTO TBT Committee in 2016, in the following sectors: Electricity and Fuels (16), Construction (9), Health (9), Transport (5) and Agricultural (2). No specific trade concerns have been raised in WTO about these new proposals. The meeting of the WTO TBT Committee in March 2016 only discussed a previously raised concern on proposed amendments to food health regulations.

Chile and the European Union have concluded an Agreement on Trade in Organic Products in 2016, and Chile is negotiating with the Republic of Korea and is having conversations with the United States of America in the same sense.

**Customs Procedures**

In recent years, measures have been implemented to modernize customs operations. More steps in the custom process are now being automated. For example, in the application for certificate of value; processing of applications for qualification of services exports; use of electronic clearance folders to prepare declarations of entry and exit of goods. Procedures such as the issuance of advance rulings were also updated and improved. Agreements on Mutual Cooperation and Assistance in Customs Matters with Turkey and the United States entered into force in 2014 and 2015, respectively.

Chile ran a pilot of an Authorized Economic Operator (AEO) model program from 2015 to end-January 2016 for the export sector. The pilot has been extended to customs brokers, and is expected to begin in July 2016.

Reforms in tax laws in 2015 brought some changes related to customs. The new law has specified different forms of smuggling and has increased penalties against offenders for smuggling goods.

**Intellectual Property Rights**

Since 2013, Chile has made some significant progress regarding its intellectual property system. In this context, the program “sello de origen” has been able to identify and promote the use of geographical indications, appellations of origin, collective and certification trademarks. Also, Chile has continued its work towards the approval in Congress of the bill that amends the Law N°19.039 of industrial property in order to enhance procedures for applications for industrial privileges. Moreover, in 2014, the National Institute of Industrial Property initiated its operations as an international search authority (ISA/IPEA) under the Patent Cooperation Treaty.

In addition, Chile ratified the Beijing Treaty on Audiovisual Performances in 2014 and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled in 2015.

**Competition Policy**

In July 2016, Congress approved a Draft Bill proposing changes in the Antitrust Law. After this Bill enters in force, it will have a substantial impact on the Chilean competition system and the way the Chile’s antitrust agency works.

The main proposed amendments concern strengthening the deterrence effect of cartel persecution by increasing the fines proportional to illegal gains obtained or in accordance to annual sales, as well as criminal persecution of hard core cartels, including imprisonment for executives found guilty. In addition, it provides for a mandatory notification system for merger review, in which after certain thresholds, mergers could only be approved by the competent authority.

The Draft bill also include new powers to the antitrust agency to conduct market research and request information to private undertakings for such effects. These new powers also include some tools that will help in the antitrust agency’s functions, such as the possibility to make legislative recommendations; financial fines to market agents that do not appear before the antitrust agency or do not provide the information required by the antitrust agency, without prior justification; and imprisonment to those that provide false information.

**Deregulation/Regulatory Reform**

Efforts to improve transparency are ongoing. All public institutions have a section on transparency in their websites, which contain the mechanisms how citizens can participate actively and obtain information. Moreover, Chile is currently implementing a law to regulate lobbying before authorities and officials.

An OECD study on the Chilean Regulatory Governance system will be published in April 2016 and its results are intended to serve as a stepping stone for further improvements in the Central Government.

**Mobility of Business Persons**

In 2015, the Immigration Regulation was modified in order to streamline some related migration management procedures. Also, the immigration tourist card was eliminated and all information is recorded electronically instead.

**RTA/FTAs**

Chile has implemented a comprehensive RTA/FTA network with 26 RTA/FTAs in force[[3]](#footnote-3).

1. \* This brief report was prepared with information from Chile’s submission of 2016 APEC Individual Action Plan (IAP) template; the 2015 WTO Trade Policy Review – Report by the Secretariat – Chile; the OECD’s Assessment of Merger Control in Chile 2014; the WTO TBT Information System; and Biblioteca del Congreso Nacional de Chile websites. [↑](#footnote-ref-1)
2. Due to the international prices of those products, the price band system (PBS) has not been applied during the last 10 years [↑](#footnote-ref-2)
3. Chile’s RTA/FTAs in force are the following ones: Chile–Venezuela (1993), Chile–Bolivia (1993), Chile–Ecuador (1994), Chile–MERCOSUR (1996), Chile–Canada (1997), Chile–Mexico (1999), Chile–Central America (2002), Chile–EU (2003), Chile–United States (2004), Chile–EFTA (2004), Chile–Korea (2006), P4 (2006), Chile–China (2006), Chile–India (2007), Chile–Japan (2007), Chile–Panama (2008), Chile–Cuba (2008), Chile–Peru (2009), Chile–Colombia (2009), , Chile–Australia (2009), Chile–Turkey (2011), Chile–Malaysia (2012), , Chile–Viet Nam (2012), Chile-Hong Kong, China (2014), Chile-Thailand (2015) and Pacific Alliance’s Additional Protocol (May 1st, 2016). [↑](#footnote-ref-3)