

**Annex III**  
**Non-Conforming Measures of Chile with Respect to**  
**Financial Services**

**Introductory Note for the Schedule of Chile**

1. The Schedule of Chile to Annex III sets out:
  - (a) in the headnotes, the limitations or clarifications to the commitments of Chile with respect to the obligations described in Sections I and II;
  - (b) in Section I, pursuant to article 12.9(1) (Non-Conforming Measures), the existing measures of Chile that are not subject to some or all of the obligations imposed by:
    - (i) Article 12.2 (National Treatment);
    - (ii) Article 12.4 (Market Access for Financial Institutions);
    - (iii) Article 12.5 (Cross-Border Trade);
    - (iv) Article 12.8 (Senior Management and Boards of Directors); or
    - (v) Annex 12.9, Section A (Right of Establishment with Respect to Certain Financial Services); and
  - (c) in Section II, pursuant to article 12.9(2) (Non-Conforming Measures), the existing and future measures of Chile that are not subject to some or all of the obligations imposed by:
    - (i) Article 12.2 (National Treatment);
    - (ii) Article 12.3 (Most-Favored-Nation Treatment);
    - (iii) Article 12.4 (Market Access for Financial Institutions);
    - (iv) Article 12.5 (Cross-Border Trade);
    - (v) Article 12.8 (Senior Management and Boards of Directors); or
    - (vi) Annex 12.9, Section A (Right of Establishment with Respect to Certain Financial Services).
2. Each entry in Section I as described in paragraph 1(b) sets out the following elements:
  - (a) **Sector** to which the non-conforming measure applies;

- (b) **Subsector** of the financial services sector to which the non-conforming measure applies;
- (c) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1(b) that, pursuant to Article 12.9, do not apply to the listed measures;
- (d) **Measures** identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the **Measures** element:
  - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement, and
  - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure;
- (e) **Description** provides a general, non-binding description of the **Measures**.

3. Each entry in Section II as described in paragraph 1(c) above sets out the following elements:

- (a) **Sector** to which the non-conforming measure applies or will apply;
- (b) **Subsector** of the financial services sector to which the non-conforming measure applies or will apply;
- (c) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1(c) that, pursuant to Article 12.9(2), do not or will not apply to the listed measures;
- (d) **Measures**, as applicable, identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the **Measures** element:
  - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement, and
  - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure;
- (e) **Description** provides a general, non-binding description of the **Measures**.

4. In accordance with Article 12.9(1)(a) and 12.9(2), the articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the law, regulations, or other measure identified in the Measure or in the Description element of that entry.

## Headnotes

1. Commitments in the financial services sector under this Agreement are undertaken subject to the limitations and conditions set forth in these headnotes and the schedule below.
2. Juridical persons supplying financial services and constituted under the laws of Chile are subject to non-discriminatory limitations on juridical form.<sup>1</sup>
3. Article 12.9(1)(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 12.4 (Market Access for Financial Institutions) and Annex 12.9 Section A (Right of Establishment with Respect to Certain Financial Services).

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<sup>1</sup> For example, partnerships (sociedades de personas) are generally not acceptable juridical forms for financial institutions in Chile. This headnote is not in and of itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

**Section I**  
**Banking and Other Financial Services (Excluding Insurance)**

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Decreto con Fuerza de Ley N° 3</i>, Official Gazette of December 19, 1997, <i>Ley General de Bancos</i>, Title II, Articles 27, 32, and 34.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XI, Articles 121 and following.</p>
<b>Description:</b>	<p>Banking institutions must be established as corporations (<i>sociedades anónimas</i>) or as branches, under Chilean law, in conformity with the <i>Ley General de Bancos</i> and with <i>Ley N° 18.046</i>, related to the establishment of a foreign corporation agency.</p> <p>The capital and the reserves that foreign banks assign to their branches, must be effectively transferred and converted into domestic currency in conformity with any of the systems authorized by Law or by the <i>Banco Central de Chile</i>.</p> <p>The increases of capital or reserves that do not come from capitalization of other reserves, will have the same treatment as the initial capital and reserves.</p> <p>In the transactions between a branch and its main office abroad, both will be considered as independent entities.</p> <p>No foreign bank will be able to invoke rights derived from its nationality regarding transactions that its branch may carry out in Chile.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 3</i> , Official Gazette of December 19, 1997, <i>Ley General de Bancos</i> , Title II, Article 33.
<b>Description:</b>	The authorization given by the <i>Superintendente de Bancos e Instituciones Financieras</i> to representative offices is subject to revocation if its maintenance is found to be inconvenient, as expressed in the <i>Ley General de Bancos</i> . <sup>2</sup>

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<sup>2</sup> This non conforming measure is not intended to limit any remedies that the investor affected by the revocation of the authorization may have under Chilean law to challenge the measure.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 3</i> , Official Gazette of December 19, 1997, <i>Ley General de Bancos</i> , Title XIV, Article 112.
<b>Description:</b>	Financial companies ( <i>sociedades financieras</i> ) must be established as corporations ( <i>sociedades anónimas</i> ) under Chilean law, in conformity with the <i>Ley General de Bancos</i> .

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 18.840</i> , Official Gazette of October 10, 1989, <i>Ley Orgánica Constitucional del Banco Central de Chile</i> , Title III, Article 41.
<b>Description:</b>	<p>Only banks, juridical persons, stockbrokers and securities agents, all of which must be established in Chile as legal entities, can operate in the Formal Exchange Market.</p> <p>Juridical persons, stockbrokers and securities agents require prior authorization from the <i>Banco Central de Chile</i> to operate in the Formal Exchange Market.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment Senior Management and Boards of Directors
<b>Measures:</b>	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Titles VI and VII, Articles 24, 26 and 27.
<b>Description:</b>	Legal entities performing the activities of stockbroker and securities agent must be established under Chilean law.  The directors, administrators, managers or legal representatives of these legal entities, must be Chileans or foreigners with a residence permit.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Decreto Ley N° 1.328</i>, Official Gazette of December 19, 1979, <i>Ley de Fondos Mutuos</i>, Title I, Articles 3, 6 and 7.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p> <p><i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XXVII, articles 220 to 238.</p>
<b>Description:</b>	The management of mutual funds can be performed only by mutual fund management companies and general fund management companies established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 18.815</i>, Official Gazette of July 29, 1989, <i>Ley de Fondos de Inversión</i>, Title I and II, articles 3, 6 and 7.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, articles 126 to 132.</p> <p><i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XXVIII, articles 220 to 238.</p>
<b>Description:</b>	The management of investment funds can be performed only by investment fund management companies and general fund management companies, established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment National Treatment
<b>Measures:</b>	<p><i>Ley N° 18.657</i>, Official Gazette of September 29, 1987, <i>Ley de Fondos de Inversión de Capital Extranjero</i>, Titles I and II, Articles 12, 14 and 18.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p> <p><i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XXVII, Articles 220 to 238.</p>
<b>Description:</b>	<p>The management of foreign capital investment funds (FICE) can be performed only by foreign capital investment fund management companies, investment fund management companies and general fund management companies, established as special purpose corporations (<i>sociedades anónimas especiales</i>) under Chilean law. However, the administration of foreign capital investment funds created by foreign institutional investors can be managed through a legal representative with domicile in Chile.</p> <p>The capital of a foreign capital investment fund may not be remitted abroad until five years from the date in which the contribution was made.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 19.281</i>, Official Gazette of December 27, 1993, <i>Ley de Administradoras de Fondos para la Vivienda</i>, Title VI, Article 55.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p> <p><i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XXVII, Articles 220 to 238.</p>
<b>Description:</b>	The management of housing funds can be performed only by housing fund management companies and general fund management companies, established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 18.876</i>, Official Gazette of December 21, 1989, <i>Ley de Depósito y Custodia de Valores</i>, Titles I and II, Articles 1 and 18.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p>
<b>Description:</b>	Securities deposit and custody agencies must be established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Title XVIII, Articles 132 and 133.  <i>Ley N° 18.046</i> , Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i> , Title XIII, Articles 126 to 132.
<b>Description:</b>	The activity of securitization can be performed only by special purpose corporations ( <i>sociedades anónimas especiales</i> ) established under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Title VII, Articles 38, 40 and 41.  <i>Ley N° 18.046</i> , Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i> , Title XIII, Articles 126 to 132.
<b>Description:</b>	Stock exchanges must be established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XIX, Article 155.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p>
<b>Description:</b>	<p>Clearing houses of futures, options and other contracts of similar nature that the <i>Superintendencia de Valores y Seguros</i> may authorize, must be established as special purpose corporations (<i>sociedades anónimas especiales</i>) under Chilean law.</p> <p>Only stock exchanges established in Chile and stock brokers who are members of those exchanges can be shareholders of clearing houses.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Title XIV, Articles 71 and 72.
<b>Description:</b>	<p>The activity of credit risk rating and analysis can be performed only by partnerships (<i>sociedades de personas</i>) established under Chilean law.</p> <p>Not less than 60 percent of the partnership's capital must be held by the principal partners.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 19.220</i>, Official Gazette of May 31, 1993, <i>Ley de Bolsa de Productos Agropecuarios</i>, Title I, Articles 1, 2 and 3.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p>
<b>Description:</b>	Cattle and agricultural commodities exchanges must be established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<p><i>Ley N° 19.220</i>, Official Gazette of May 31, 1993, <i>Ley de Bolsa de Productos Agropecuarios</i>, Title IV, Articles 24, 25 and 26.</p> <p><i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132.</p>
<b>Description:</b>	Clearing houses of futures and options on cattle and agricultural commodities must be established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 19.220</i> , Official Gazette of May 31, 1993, <i>Ley de Bolsa de Productos Agropecuarios</i> , Title II, Articles 6, 7, 8, 9, 10 and 11.
<b>Description</b>	Legal entities performing the activity of cattle and agricultural commodities broker must be established under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title V, Article 88.
<b>Description</b>	Mortgage Loans Management Agencies must be established as corporations ( <i>sociedades anónimas</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	Right of Establishment
<b>Measures:</b>	<i>Ley N° 19.491, Official Gazette of January 29, 1997, Administradoras de Recursos Financieros de Terceros Destinados a la Adquisición de Bienes, Articles 1 and 2.</i>
<b>Description:</b>	Companies managing collective plans for the acquisition of certain goods, must be established as special purpose corporations ( <i>sociedades anónimas especiales</i> ) under Chilean law.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Banking and Other Financial Services
<b>Obligations Concerned:</b>	National Treatment
<b>Measures:</b>	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Titles VI and VII, Articles 24 and 26.
<b>Description:</b>	Natural persons performing the activity of stockbroker and securities agent in Chile must be Chileans or foreigners with a residence permit.

**Section I**  
**Insurance and Insurance-related Services**

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	Senior Management and Board of Directors
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title III, Article 58.  <i>Decreto Supremo N° 863 de 1989 del Ministerio de Hacienda</i> , Official Gazette of April 5, 1990, <i>Reglamento de los Auxiliares del Comercio de Seguros</i> , Title I, Article 2, letter c).
<b>Description:</b>	Administrators and legal representatives of legal entities performing the activity of insurance brokerage must be Chileans or foreigners with a residence permit.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	National Treatment
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 16.
<b>Description:</b>	Reinsurance brokerage can be performed by foreign reinsurance brokers. These brokers shall be juridical persons, demonstrate that the entity is legally established in its country of origin and authorized to intermediate risks ceded from abroad, and provide the date that such authorization was granted. Such entities shall designate a representative in Chile to represent them with broad powers. The representative may be subject to summons and must have residence in Chile.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	Market Access Senior Management and Board of Directors
<b>Measures:</b>	<i>Decreto con Fuerza de Ley 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title III, Article 62.
<b>Description:</b>	Legal entities performing the activity of claim settlement must be organized under Chilean law. The administrators and legal representatives of these legal entities must be Chileans or foreigners with a residence permit.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	National Treatment
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 20.
<b>Description:</b>	In the case of the types of insurance covered in <i>Decreto Ley 3.500</i> , involving the cession of reinsurance to foreign reinsurers, the deduction for reinsurance can not exceed 40 percent of the total of the technical reserves associated with those types of insurance or a higher percentage if set by the <i>Superintendencia de Valores y Seguros</i> .

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	National Treatment
<b>Measures:</b>	<p><i>Decreto con Fuerza de Ley N° 251, Official Gazette of May 22, 1931, Ley de Seguros, Title I, Articles 58 and 62.</i></p> <p><i>Decreto Supremo N° 863 de 1989 del Ministerio de Hacienda, Official Gazette of April 5, 1990, Reglamento de los Auxiliares del Comercio de Seguros, Title I, Article 2, letter c).</i></p>
<b>Description:</b>	Natural persons performing the activity of insurance brokerage and claim settlement must be Chileans or foreigners with a residence permit.

## Section II

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	All Subsectors
<b>Obligations Concerned:</b>	Right of Establishment Market Access
<b>Description:</b>	Chile reserves the right to adopt measures that restrict or require specific types of juridical form or establishment, such as subsidiaries, with respect to financial conglomerates, including the entities forming part of it.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	All Subsectors
<b>Obligations Concerned:</b>	Cross Border Trade
<b>Measure:</b>	<i>Ley 18.840</i> , Official Gazette of October 10, 1989, <i>Ley Orgánica Constitucional del Banco Central de Chile</i> , Title III.
<b>Description:</b>	The purchase of financial services, by persons located in the territory of Chile and its nationals wherever located, from financial services suppliers of the United States shall be subject to the exchange rate regulations adopted or maintained by the <i>Banco Central de Chile</i> in accordance with its Organic Law ( <i>Ley 18.840</i> ).

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	All Subsectors
<b>Obligations Concerned:</b>	National Treatment Senior Management and Board of Directors
<b>Description:</b>	<p>In the transfer or disposal of any interest in stock or asset held in an existing state enterprise or governmental entity, Chile reserves the right to prohibit or impose limitations on the ownership of said interest or asset, and on the right of foreign investors or their investment to control any State company created thereby or investments made by the same. In connection with any such transfer or disposal, Chile may adopt or maintain any measure related to the nationality of senior management and member of the Board of Directors.</p> <p>A <b>State company</b> shall mean any company owned or controlled by Chile by means of an interest share in the ownership thereof, and it shall include any company created after the effective date of this Agreement for the sole purpose of selling or disposing of its interest share in the capital or assets of an existing state enterprise governmental entity.</p>

**Sector:** Financial Services

**Subsector:** Banking and Other Financial Services

**Obligations Concerned:** National Treatment

**Measure:** *Decreto Ley N° 2.079*, Official Gazette of January 18, 1978, *Ley Orgánica del Banco del Estado de Chile*.

*Decreto Ley N° 1.263*, Official Gazette of November 28, 1975, *Decreto Ley Orgánico de Administración Financiera del Estado*, Article 6.

**Description:** Chile may grant advantages or exclusive rights to *Banco del Estado de Chile*, a Chilean state owned bank, including but not limited to the following: the management of the Chilean government financial resources is made only through deposits in the *Cuenta Única Fiscal* and in its subsidiary accounts, all of which must be kept at *Banco del Estado de Chile*.

**Sector:** Financial Services

**Subsector:** Insurance and Insurance-related Services

**Obligations Concerned:** Market Access

**Description:** Chile reserves the right to adopt or maintain any measure with respect to Article 12.4 (Market Access), except for the insurance services scheduled below and under the terms, limitations and conditions specified therein.

<b>Subsector</b>	<b>Limitation on Market Access</b>
<p><b><u>Insurance and reinsurance services:</u></b></p> <p>1.- In Chile, the insurance business is divided into two groups: the first group comprises companies that ensure goods and property against the risk of loss or damage, while the second comprises those that provide insurance or guarantee, within or at the end of a certain term, a capital sum, a paid-up policy or an income for the insured or his beneficiaries. The same insurance company may not be constituted in such a way as to cover both categories of risk.</p> <p>2.- Credit insurance companies, even though classified in the first group, must be established as corporations with the sole purpose of covering this type of risk, i.e. loss of or damage to the property of the insured as a result of the non-payment of a money debt or loan, being also permitted to cover guarantee and fidelity risks.</p> <p>3.- The Chilean insurance schedule does not include insurance related to the social security system.</p>	
<p><b>Insurance:</b></p> <p>Sale of direct life insurance (does not include insurance related to the social security system) (CPC 81211)</p> <p>Sale of direct general insurance (CPC 8129, except 81299) (excluding social security institutions (<i>ISAPRES</i>) i.e. legal persons set up for the purpose of providing health benefits to persons who opt to become members and financed through the statutory contribution of a percentage of taxable income fixed by law or a higher amount, as the case may be. It also excludes the National Health Fund (<i>FONASA</i>), a public</p>	<p>Insurance services can be provided only by insurance corporations established in Chile for the exclusive purpose of developing this line of business, either direct life insurance or direct general insurance. In the case of general credit insurance (CPC 81296), they must be established as insurance corporations with the exclusive purpose of covering this type of risk. Insurance corporations can be legally constituted only in accordance with the provisions of the law on corporations. Insurance may be taken out directly or through insurance brokers who, to engage in that activity, must be enrolled in the Register maintained by the</p>

<p>service financed by the government and the statutory contribution of a percentage of taxable income fixed by law, which is jointly responsible for paying benefits under the optional health scheme which persons not members of an <i>ISAPRE</i> may join).</p>	<p><i>Superintendencia de Valores y Seguros</i> (SVS) and must satisfy the requirements of the law.</p>
<p><b>Insurance brokers (CPC 81401)</b></p>	<p>Must be enrolled in the Register maintained by the SVS and fulfill the requirements established by the SVS. Only legal persons legally constituted in Chile for this specific purpose may provide this service.</p>
<p><b>Reinsurance and retrocession (Including reinsurance brokers)</b></p>	<p>Reinsurance services are provided by reinsurance corporations established in Chile in accordance with the provisions of the law on corporations and authorized by the SVS. Corporations may also provide reinsurance services as a complement to their insurance business if their articles of association so allow.</p> <p>Reinsurance services may also be provided by foreign reinsurers and foreign reinsurance brokers enrolled in the Register maintained by the SVS.</p>

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Insurance and Insurance-related Services
<b>Obligations Concerned:</b>	Cross-border Trade
<b>Measures:</b>	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 4.
<b>Description:</b>	All types of insurance that Chilean law makes or may make compulsory, and all insurance related to social security, cannot be contracted outside Chile. This reservation shall not apply to the types of insurance included in Chile's commitments listed in paragraph 3(a)(i) and 3(a)(ii) of Annex 12.5.

<b>Sector:</b>	Financial Services
<b>Subsector:</b>	Social Services
<b>Obligations Concerned:</b>	National Treatment Most Favored Nation Treatment Market Access Cross-border Trade Senior Management and Board of Directors Right of Establishment
<b>Description:</b>	Chile reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for reasons of public interest: income security or insurance, social security or insurance, social welfare, public education, public training, health care and child care.