

<b>Chapter</b>	<b>Description</b>	<b>Product Specific Rules</b>
72	Iron and steel	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 7208, 7209, 7210, 7213, 7214, 7216, 7217, 7228 and 7229
73	Articles of iron or steel	A regional value content of not less than 40%
74	Copper and articles thereof	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 7408, 7409, 7412, 7413, 7415 and 7419
75	Nickel and articles thereof	A regional value content of not less than 40%
76	Aluminium and articles thereof	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 7604, 7608 and 7610
78	Lead and articles thereof	A regional value content of not less than 40%
79	Zinc and articles thereof	A regional value content of not less than 40%
80	Tin and articles thereof	A regional value content of not less than 40%
81	Other base metals; cermets; articles thereof	A regional value content of not less than 40%

Chapter	Description	Product Specific Rules
82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	A regional value content of not less than 40%
83	Miscellaneous articles of base metal	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 8302, 8308 and 8311
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 8418, 8419, 8421, 8424, 8426, 8429, 8431, 8450, 8451, 8474 and 8481
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 8509, 8516 and 8544
86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds	A regional value content of not less than 40%

Chapter	Description	Product Specific Rules
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for heading 8712
88	Aircraft, spacecraft, and parts thereof	A regional value content of not less than 40%
89	Ships, boats and floating structures	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 8901 and 8902
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	A regional value content of not less than 40%
91	Clocks and watches and parts thereof	A regional value content of not less than 40%
92	Musical instruments; parts and accessories of such articles	A regional value content of not less than 40%
93	Arms and ammunition; parts and accessories thereof	A regional value content of not less than 40%
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings	A regional value content of not less than 40%, <u>except</u> a regional value content of not less than 50% for headings 9403 and 9406
95	Toys, games and sports requisites; parts and accessories thereof	A regional value content of not less than 40%
96	Miscellaneous manufactured articles	A regional value content of not less than 40%

<b>Chapter</b>	<b>Description</b>	<b>Product Specific Rules</b>
97	Works of art, collectors' pieces and antiques	A regional value content of not less than 40%

**DECLARATION OF ORIGIN**

Page: \_\_\_\_ / \_\_\_\_

1. Exporter's name, address, country/place  2. Consignee's name, address, country/place  3. Means of transport and route (as far as known)  Departure date:  Vessel's name/Flight number, etc.:  Port of Discharge:	4. Reference No.: _____  <p style="text-align: center;"><b>Free Trade Agreement between Hong Kong, China and Chile</b></p> Made in _____ (Country/Place) (See notes overleaf)				
6. Item number  7. Marks and numbers of packages  8. Number and type of packages, description of goods (including HS code)	5. <input type="checkbox"/> Non-Party invoicing				

6. Item number	7. Marks and numbers of packages	8. Number and type of packages, description of goods (including HS code)	9. Origin criterion	10. Gross weight or quantity	11. Number and date of invoices

12. Declaration by the exporter:

The undersigned hereby declares that the above details and statement are correct and that all the goods described above were produced in

.....  
(Country/Place)

and that they comply with the rules of origin specified for these goods in the *Free Trade Agreement between Hong Kong, China and Chile*.

.....

Place and date, and signature, name and company of authorised signatory

## NOTES

For the purpose of claiming preferential tariff treatment, the document should be completed legibly by the exporter. All items of the form shall be completed in the English language.

If the space of this document is insufficient to specify the necessary particulars for identifying the goods and other related information, the exporter may provide the information using additional Declarations of Origin.

- Box 1: State the full name, address and country/place of the exporter.
- Box 2: State the full name, address and country/place of the consignee.
- Box 3: Provide the departure date, the name of vessel/flight number and the name of the port of discharge, as far as known.
- Box 4: State the country/place where the Declaration of Origin is made.
- Box 5: In case where invoices are issued by a company located in a non-Party, the "Non-Party invoicing" box shall be ticked (v).
- Box 6: Provide the item number.
- Box 7: Provide the marks and numbers of packages.
- Box 8: Provide the number and type of packages, HS code and description of each good consigned. The HS code should be indicated at the six-digit level.  
The description of the good on a Declaration of Origin should be substantially identical to the description on the invoice and, if possible, to the description under HS code for the good.
- Box 9: For the goods that meet the origin criterion, the exporter must indicate the origin criterion met, in the manner shown in the following table:

Description of Criterion	Criterion (Insert in Box 9)
The good is wholly obtained or produced in the Area of a Party as provided for in Article 4.4	A
The good is produced entirely in the Area of one or both Parties exclusively from originating materials from one or both Parties	B
The good is produced in the Area of one or both Parties using non-originating materials that conform to a change in tariff classification requirement, a regional value content requirement (as provided for in Article 4.5) or other requirements as specified in Annex 4.2	C

- Box 10: For each good, indicate the gross weight or quantity.
- Box 11: Indicate the invoice number and date for each good. The invoices should be those issued for the importation of the good into the importing Party.  
Where invoices are issued by a company located in a non-Party, in accordance with Article 4.19, the "Non-Party invoicing" box in Box 5 shall be ticked (v).  
In cases where the invoice number of the invoice issued by a company located in a non-Party is not known at the time of making the Declaration of Origin, Box 11 is to be left blank.
- Box 12: This Box should be completed, signed and dated by the exporter. The "date" should be the date when the Declaration of Origin is made.

## CHAPTER 5

### CUSTOMS PROCEDURES AND COOPERATION

#### Article 5.1

##### Definitions

For the purposes of this Chapter:

**customs law** means any domestic laws and regulations administered, applied or enforced by the customs authority of a Party;

**customs procedures** means the treatment applied by the customs authority to goods that are subject to customs control;

**Customs Valuation Agreement** means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, which is part of the *WTO Agreement*; and

**express consignments** means all goods imported by an enterprise operating a consignment service for the expeditious international movement of goods that assumes liability to the customs authority for those goods.

#### Article 5.2

##### Objectives and Scope

1. The objectives of this Chapter are to:
  - (a) simplify and harmonise customs procedures of the Parties;
  - (b) ensure predictability, consistency and transparency in the application of customs laws and administrative procedures of the Parties;
  - (c) ensure the efficient and expeditious clearance of goods and means of transport;
  - (d) facilitate trade between the Parties; and

- (e) promote cooperation between the customs authorities, within the scope of this Chapter.

2. This Chapter shall apply, in accordance with the Parties' respective international obligations and customs laws, to customs procedures applied to goods traded between the Parties.

### **Article 5.3**

#### **Facilitation**

1. Each Party shall ensure that its customs procedures and practices are predictable, consistent, transparent and facilitate trade, in accordance with this Chapter.
2. Customs procedures of each Party shall, where possible, conform to the standards and recommended practices of the World Customs Organization, including those of the *International Convention on the Simplification and Harmonization of Customs Procedures* (as amended), known as the *Revised Kyoto Convention*.
3. Customs authorities of the Parties shall facilitate the clearance of goods in administering their customs procedures in accordance with this Chapter.
4. Each customs authority shall provide one or more focal points, electronic or otherwise, through which its traders may submit all information as may be required by the customs authority in respect of the importation of goods.

### **Article 5.4**

#### **Customs Valuation**

The Parties shall determine the customs value of goods traded between them in accordance with Article VII of *GATT 1994* and the *Customs Valuation Agreement*.

### **Article 5.5**

#### **Tariff Classification**

Each Party shall apply the *International Convention on the Harmonized Commodity Description and Coding System* to goods traded between the Parties.



## **Article 5.6**

### **Advance Rulings**

1. Each customs authority shall, subject to its customs law, provide, in writing, advance rulings in respect of the tariff classification and origin of goods ("advance rulings") to an exporter, importer or any person making an application ("applicant") as described in paragraph 2.
2. Subject to its customs law, each Party shall endeavour to develop procedures for advance rulings, which shall provide that an applicant with a justifiable cause may apply for an advance ruling in accordance with this Agreement before the importation of the goods in question.
3. Notwithstanding paragraph 1, a Party may reject an application for an advance ruling by promptly notifying the applicant in writing, setting forth the basis for its decision to decline to issue the advance ruling.
4. Each Party shall provide that advance rulings take effect on the date they are issued, or on another date specified in the ruling. A Party may limit the validity of advance rulings to a period determined by its customs law.
5. A Party may modify or revoke an advance ruling:
  - (a) upon a determination that the advance ruling was based on an error of fact or of law, or the information provided is false or inaccurate;
  - (b) if there is a change in customs law which is consistent with this Agreement; or
  - (c) if there is a change in a material fact, or circumstances on which the ruling is based.

## **Article 5.7**

### **Use of Automated Systems**

The customs authority of each Party shall apply information technology to support customs operations where it is practicable, cost-effective and efficient, particularly in the paperless trading context, taking into account developments on this issue within the World Customs Organization.

## **Article 5.8**

### **Express Consignments**

Each customs authority shall adopt procedures to expedite the clearance of express consignments while maintaining appropriate control, including:

- (a) to provide for pre-arrival processing of information related to express consignments;
- (b) to permit the submission of a single document covering all goods contained in an express consignment, through electronic means if possible; and
- (c) to minimise, to the extent possible, the documentation required for the release of express consignments.

## **Article 5.9**

### **Release of Goods**

Each Party shall adopt or maintain procedures which allow goods to be released within 48 hours of arrival, and at the point of arrival without temporary transfer to warehouses or other locations, unless:

- (a) the importer fails to provide any information required by the importing Party at the time of first entry;
- (b) the goods are selected for closer examination by the customs authority of the importing Party through the application of risk management techniques;
- (c) the goods are to be examined by an agency, other than the customs authority of the importing Party, acting under powers conferred by the domestic laws and regulations of the importing Party; or
- (d) the fulfilment of all necessary customs formalities has not been able to be completed or the release is otherwise delayed by virtue of force majeure.

**Article 5.10**

**Risk Management**

1. The Parties shall administer customs procedures so as to facilitate the clearance of low-risk goods and focus on high-risk goods.
2. To enhance the flow of goods across their borders, the customs authority of each Party shall regularly review its customs procedures.

**Article 5.11**

**Review and Appeal**

Each Party shall ensure that exporters, importers, and persons affected by customs administrative rulings, determinations or decisions have the right to at least one level of administrative or judicial review or appeal in accordance with its domestic law.

**Article 5.12**

**Customs Cooperation**

1. To the extent permitted by their domestic laws and regulations, the customs authorities of the Parties shall assist each other by providing information in relation to:
  - (a) the implementation and operation of this Chapter and, as appropriate, Chapter 4 (Rules of Origin);
  - (b) security of trade between the Parties; and
  - (c) such other issues as the Parties mutually determine.
2. Each customs authority shall provide the other customs authority with timely notice of any modification of its customs law or procedures that is likely to substantially affect the operation of this Chapter.

**Article 5.13**

**Publication and Enquiry Points**

1. Each customs authority shall publish, on the internet or in print form, its customs law and any administrative procedures it applies or enforces.
2. Each customs authority shall designate one or more enquiry points to deal with enquiries from interested persons from either Party on customs matters arising from the implementation of this Agreement, and provide details of such enquiry points to the other customs authority. Customs authorities of the Parties shall notify each other promptly of any amendments to the details of their enquiry points.

## CHAPTER 6

### SANITARY AND PHYTOSANITARY MEASURES

#### Article 6.1

##### Definitions

1. For the purposes of this Chapter, the definitions in Annex A of the *SPS Agreement* are incorporated into and made part of this Chapter, *mutatis mutandis*.
2. The relevant definitions developed by Codex Alimentarius Commission ("Codex"), the World Organization for Animal Health ("OIE") and under the framework of the *International Plant Protection Convention* ("IPPC") shall apply in the implementation of this Chapter.

#### Article 6.2

##### Objectives

The objectives of this Chapter are to:

- (a) facilitate bilateral trade between the Parties, while protecting human, animal or plant life or health in the Area of each Party;
- (b) uphold and enhance implementation of the *SPS Agreement* and applicable international standards, guidelines and recommendations developed by Codex, OIE and under the framework of the IPPC;
- (c) provide a means to resolve, where possible, problems arising from sanitary and phytosanitary measures that may affect trade, and to expand trade opportunities;
- (d) provide a means to improve communication, consultation and cooperation between the Parties on sanitary and phytosanitary matters; and
- (e) strengthen collaboration between the Parties in relevant international bodies that develop international standards, guidelines and recommendations relevant to the matters covered by this Chapter.

### **Article 6.3**

#### **Scope**

This Chapter shall apply to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties.

### **Article 6.4**

#### **Rights and Obligations**

The Parties affirm their rights and obligations with respect to each other under the *SPS Agreement*.

### **Article 6.5**

#### **Transparency and Exchange of Information**

1. The Parties confirm their commitments to implementing the transparency provisions set out in Article 7 and Annex B of the *SPS Agreement* and relevant Decisions and Recommendations on transparency adopted by the WTO Committee on Sanitary and Phytosanitary Measures.
2. Each Party shall notify the other in a timely and appropriate manner in writing through the contact points of any significant food safety issue or change in animal health, plant health or pest status in its Area that is relevant to existing trade.

### **Article 6.6**

#### **Equivalence**

Each Party may make determinations of equivalence consistent with the *SPS Agreement* and in particular with its Article 4, relevant Decisions and Recommendations on equivalence adopted by the WTO Committee on Sanitary and Phytosanitary Measures, and relevant international standards, guidelines and recommendations from the relevant international organisations stated in the *SPS Agreement*.

## **Article 6.7**

### **Adaptation to Regional Conditions**

Each Party may make determinations in relation to regionalisation, pest-free areas, areas of low pest prevalence, zoning and compartmentalisation consistent with the *SPS Agreement* and in particular with its Article 6, relevant Decisions and Recommendations adopted by the WTO Committee on Sanitary and Phytosanitary Measures, and relevant international standards, guidelines and recommendations from the relevant international organisations stated in the *SPS Agreement*.

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## **Article 6.8**

### **Cooperation**

1. The Parties agree to cooperate to facilitate the implementation of this Chapter.
2. The Parties may explore opportunities for further cooperation, collaboration and information exchange on sanitary or phytosanitary matters of mutual interest consistent with this Chapter, including in relevant international standard-setting bodies.

## **Article 6.9**

### **Competent Authorities and Contact Points**

1. The competent authorities responsible for the implementation of the measures referred to in this Chapter are listed in Annex 6.9.1
2. The contact points that have the responsibility relating to communications between the Parties under this Chapter are set out in Annex 6.9.2.
3. The Parties shall inform each other of any significant change in the structure, organisation and division of responsibility of the competent authorities or contact points.

## Article 6.10

### Sub-Committee on Sanitary and Phytosanitary Measures

1. The Parties hereby establish a Sub-Committee on Sanitary and Phytosanitary Measures ("Sub-Committee on SPS") under the Committee on Trade in Goods.
2. The Sub-Committee on SPS shall be comprised of representatives of each Party who have responsibilities for the development, implementation and enforcement of sanitary and phytosanitary measures.
3. The objective of the Sub-Committee on SPS is to facilitate effective implementation of this Chapter by providing a forum for:
  - (a) enhancing mutual understanding of each Party's sanitary and phytosanitary measures and the regulatory processes related to those measures;
  - (b) discussing matters related to the development or application of sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect human, animal and plant health and trade between the Parties;
  - (c) addressing any bilateral issues arising from the implementation of sanitary and phytosanitary measures between the Parties;
  - (d) reviewing progress on addressing bilateral issues arising from the implementation of sanitary and phytosanitary measures between the Parties;
  - (e) coordinating technical cooperation programmes on sanitary and phytosanitary measures;
  - (f) exchanging views on issues relating to the meetings of the WTO Committee on Sanitary and Phytosanitary Measures, Codex, OIE and IPPC; and



(g) holding consultations on the disputes concerning sanitary and phytosanitary matters.<sup>3</sup>

4. The Sub-Committee on SPS may meet at such venues and time as may be agreed by the Parties.

5. The Sub-Committee on SPS may meet in person, unless both Parties mutually agree otherwise, in which case it may meet via teleconference, videoconference or any other means that allow the fulfilment of its objectives.

6. The terms of reference of the Sub-Committee on SPS shall be determined in its first meeting.

7. The Sub-Committee on SPS shall seek to enhance and ensure cooperation between the Parties' agencies with responsibility for sanitary and phytosanitary measures.

8. The Sub-Committee on SPS shall report its activities to the Committee on Trade in Goods.

#### **Article 6.11**

#### **Consultations**

1. At the request of a Party for consultations on any matter arising under this Chapter, the Parties shall enter into consultations. A request for consultations shall be made through the contact points listed in Annex 6.9.2

2. Consultations shall be carried out within 30 days of receiving the request for consultations given by the requesting Party, unless otherwise agreed by the Parties. Such consultations may be conducted via teleconference, videoconference or any other means agreed by the Parties.

3. The consultations under this Article shall be without prejudice to the rights and obligations of the Parties under Chapter 17 (Dispute Settlement) or under the *WTO Dispute Settlement Understanding*.

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<sup>3</sup> It is understood that consultations held pursuant to paragraph 3(g) shall be without prejudice to the rights and obligations of the Parties under Chapter 17 (Dispute Settlement) or under the *WTO Dispute Settlement Understanding*.

**ANNEX 6.9.1**

**COMPETENT AUTHORITIES**

**For Chile:**

General Directorate of International Economic Affairs (DIRECON), Ministry of Foreign Affairs  
Head of SPS Issues Subdepartment  
Market Access Department  
Teatinos 180,  
Santiago, Chile  
Tel: (56)(2) 827 5447 / 827 5338

Agriculture and Livestock Service (SAG), Ministry of Agriculture  
Head of International Affairs Division  
Av. Bulnes 140  
Santiago, Chile  
Tel: (56)(2) 345 1111

Agriculture and Livestock Service (SAG), Ministry of Agriculture  
Head of Livestock Protection Division  
Av. Bulnes 140  
Santiago, Chile  
Tel: (56)(2) 345 1111

Agriculture and Livestock Service (SAG), Ministry of Agriculture  
Head of Agriculture and Forestry Protection Division  
Av. Bulnes 140  
Santiago, Chile  
Tel: (56)(2) 345 1111

Ministry of Health  
Head of Food and Nutrition Department  
Division of Healthy Public Policies and Promotion  
Undersecretary of Public Health  
Tel: (56)(2) 5740393 / 5740474

National Fisheries Service (SERNAPESCA), Ministry of Economy, Development and Tourism  
Head of Animal Health Unit  
Victoria 2832, Valparaíso Chile

Tel: (56)(32) 281 9282  
Fax: (56)(32) 281 9280

**For Hong Kong, China:**

Trade and Industry Department  
Multilateral Division  
Trade and Industry Department Tower  
700 Nathan Road, Kowloon, Hong Kong  
Tel: (852) 2398 5482

Agriculture, Fisheries and Conservation Department  
Head of Inspection and Quarantine Branch  
5-7/F, Cheung Sha Wan Government Offices  
303 Cheung Sha Wan Road, Kowloon, Hong Kong  
Tel: (852) 2150 6602

Food and Environmental Hygiene Department  
Centre for Food Safety  
Superintendent (Import/Export) 3  
43/F, Queensway Government Offices  
66 Queensway, Hong Kong  
Tel: (852) 2867 5572

**ANNEX 6.9.2**

**CONTACT POINTS**

**For Chile:**

Sanitary and Phytosanitary Subdepartment of Market Access Department of the General Directorate of International Economic Affairs (DIRECON) of the Ministry of Foreign Affairs.

**For Hong Kong, China:**

Trade and Industry Department.

## CHAPTER 7

### TECHNICAL BARRIERS TO TRADE

#### Article 7.1

##### Definitions

1. For the purposes of this Chapter, *TBT Agreement* means the *Agreement on Technical Barriers to Trade*, which is part of the *WTO Agreement*.
2. The definitions in Annex 1 of the *TBT Agreement* are incorporated into and made part of this Chapter, *mutatis mutandis*.

#### Article 7.2

##### Objectives

The objectives of this Chapter are to increase and facilitate trade by preventing and eliminating unnecessary obstacles to trade and enhancing bilateral cooperation in accordance with the rights and obligations of the Parties with respect to the *TBT Agreement*.

#### Article 7.3

##### Scope

1. Except as provided in paragraphs 2 and 3, this Chapter applies to all standards, technical regulations, and conformity assessment procedures, as defined in the *TBT Agreement* that may, directly or indirectly, affect trade in goods between the Parties.
2. Purchasing specifications prepared by governmental bodies for production or consumption requirements of such bodies are not subject to this Chapter but are addressed in Chapter 9 (Government Procurement), according to its coverage.
3. This Chapter does not apply to sanitary and phytosanitary measures as defined under paragraph 1 of Annex A of the *SPS Agreement*, which are covered by Chapter 6 (Sanitary and Phytosanitary Measures).

#### **Article 7.4**

##### **Affirmation of *TBT Agreement***

The Parties affirm their existing rights and obligations with respect to each other under the *TBT Agreement*.

#### **Article 7.5**

##### **International Standards**

1. The Parties shall use international standards, guides and recommendations, or the relevant parts of them, to the extent provided in Articles 2 and 5 and Annex 3 of the *TBT Agreement*, as a basis for their technical regulations and related conformity assessment procedures where relevant international standards, guides and recommendations exist or their completion is imminent, except when they or their relevant parts are ineffective or inappropriate to fulfil the legitimate objectives.

2. In determining whether an international standard, guide or recommendation as mentioned in Articles 2 and 5 and Annex 3 of the *TBT Agreement* exists, each Party shall base its determination on the principles set out in relevant Decisions and Recommendations adopted by the WTO Committee on Technical Barriers to Trade since January 1<sup>st</sup>, 1995.

#### **Article 7.6**

##### **Trade Facilitation**

The Parties shall work cooperatively in the fields of standards, technical regulations and conformity assessment procedures with a view to facilitating trade between the Parties, in particular, to identify bilateral initiatives regarding standards, technical regulations and conformity assessment procedures that are appropriate for particular issues or sectors. Such initiatives may include:

- (a) cooperation on regulatory issues, such as convergence or equivalence of technical regulations and standards;
- (b) alignment with international standards;
- (c) reliance on a supplier's declaration of conformity; and

- (d) use of accreditation to qualify conformity assessment bodies, as well as cooperation through recognition of conformity assessment procedures.

#### Article 7.7

##### **Equivalence of Technical Regulations**

1. Consistent with the *TBT Agreement*, each Party shall give positive consideration to accepting as equivalent technical regulations of the other Party, even if these regulations differ from its own, provided that it is satisfied that these regulations adequately fulfil the objectives of its own regulations.
2. A Party shall, at the request of the other Party, explain the reasons why it has not accepted a technical regulation of the other Party as equivalent.

#### Article 7.8

##### **Conformity Assessment Procedures**

1. The Parties recognise that a broad range of mechanisms exist to facilitate the acceptance in the Area of a Party of the results of conformity assessment procedures conducted in the Area of the other Party. For example:
  - (a) accepting the declaration of conformity by a supplier in the Area of the other Party, preferably with the proof from accreditation agencies, where appropriate;
  - (b) promoting recognition of cooperative arrangements between accreditation bodies located in the Areas of the Parties;
  - (c) implementing mutual recognition of conformity assessment procedures conducted by bodies located in the Areas of the Parties;
  - (d) implementing unilateral recognition by one Party of the results of conformity assessment procedures performed in the Area of the other Party with respect to specific technical regulations;
  - (e) recognising accreditation procedures of the other Party for qualifying conformity assessment bodies in the Area of that Party;

- (f) designating conformity assessment bodies located in the Area of the other Party;
- (g) facilitating the consideration of a request by the other Party to recognise the results of conformity assessment procedures conducted by bodies in the Area of the other Party, including through negotiation of agreements in a sector nominated by that other Party; and
- (h) utilising relevant international multilateral recognition agreements and arrangements.

2. The Parties shall exchange information on the mechanisms referred in paragraph 1 and other similar mechanisms with a view to facilitating acceptance of conformity assessment results.

3. Each Party shall accredit, approve, license, or otherwise recognise conformity assessment bodies in the Area of the other Party on terms no less favorable than those it accords to conformity assessment bodies in its Area. Where a Party accredits, approves, licenses, or otherwise recognises a body in its Area assessing conformity with a specific technical regulation or standard and refuses to accredit, approve, license, or otherwise recognise a body in the Area of the other Party assessing conformity with that technical regulation or standard, it shall, at the request of that other Party, explain the reasons for its decision.

4. Each Party shall give positive consideration to a request by the other Party to negotiate and conclude arrangements to facilitate recognition of the results of conformity assessment procedures conducted by bodies located in the Area of the other Party. Where a Party declines such a request, it shall, at the request of that other Party, explain the reasons for its decision.

#### **Article 7.9**

##### **Transparency**

1. Each Party shall ensure that the information relating to technical regulations and conformity assessment procedures is published. Such information should be made available in printed or electronic form.

2. The Parties acknowledge the importance of transparency in decision-making, including providing a meaningful opportunity for interested persons to provide comments on proposed technical regulations and conformity assessment



procedures. Where a Party publishes a notice under Article 2.9 or 5.6 of the *TBT Agreement*, it shall:

- (a) include in the notice a statement describing the objective of the proposed technical regulation or conformity assessment procedure and the rationale for the approach the Party is proposing; and
- (b) transmit the proposal electronically to the other Party through the enquiry point the Party has established under Article 10 of the *TBT Agreement* at the same time as it notifies WTO Members of the proposal pursuant to the *TBT Agreement*.

Each Party should allow at least 60 days after it transmits a proposal under subparagraph (b) for the interested persons of the other Party and the other Party to make comments in writing on the proposal.

3. Where a Party makes a notification under Article 2.10 or 5.7 of the *TBT Agreement*, it shall at the same time transmit the notification to the other Party electronically through the enquiry point established under Article 10 of the *TBT Agreement*.

4. Each Party shall discuss comments received under paragraph 2 with the other Party upon request.

5. At the request of the other Party, a Party shall provide the other Party information regarding the objective of, and rationale for, a standard, technical regulation or conformity assessment procedure that the Party has adopted or is proposing to adopt.

#### **Article 7.10**

##### **Technical Cooperation**

1. Recognising the important relationship between good regulatory practices and trade facilitation, the Parties shall cooperate in the areas of standards, technical regulations and conformity assessment procedures, on a case-by-case basis, including to:

- (a) promote good regulatory practice based on risk management principles;
- (b) improve the quality and effectiveness of their technical regulations;

- (c) develop joint initiatives for managing risks to health, safety and the environment; and
- (d) build understanding and capacity to promote better regulatory compliance.

2. The Parties shall implement this Article by establishing work programmes to, *inter alia*:

- (a) exchange information on, *inter alia*:
  - (i) regulatory systems;
  - (ii) incident analysis;
  - (iii) hazard alerts;
  - (iv) product bans and recalls; and
  - (v) procedures, strategies and programmes for product surveillance activities; and
- (b) cooperate as mutually determined, on, *inter alia*:
  - (i) the development of technical regulations;
  - (ii) regulatory reviews and implementation; and
  - (iii) the development and implementation of risk management principles, including product monitoring, safety, compliance and enforcement procedures.

#### **Article 7.11**

##### **Institutional Arrangements**

1. In order to facilitate communication, each Party shall designate a contact point and exchange the contact details of relevant officials of that contact point, including information on telephone, facsimile, e-mail and other relevant details, no later than 2 months following the date of entry into force of this Agreement.

2. Each Party shall notify the other Party promptly of any change of its contact point or any amendments to the information of the relevant officials.

3. The Parties hereby establish a Sub-Committee on Technical Barriers to Trade ("Sub-Committee on TBT") under the Committee on Trade in Goods to promote and monitor the implementation and administration of this Chapter. The Sub-Committee on TBT shall be comprised of officials from the contact points designated under paragraph 1 and any other representatives of the Parties.

4. The Sub-Committee on TBT may address any matter related to the effective functioning of this Chapter. The responsibilities and functions of the Sub-Committee on TBT shall include:

- (a) promptly addressing any issue that a Party raises related to the preparation, adoption and application of standards, technical regulations or conformity assessment procedures by the other Party;
- (b) enhancing cooperation in the development and improvement of technical regulations and conformity assessment procedures;
- (c) exchanging information on standards, technical regulations and conformity assessment procedures, in response to all reasonable requests for such information from a Party;
- (d) exchanging information, where appropriate, on developments in non-governmental, regional, and multilateral fora related to standardisation, technical regulations and conformity assessment procedures;
- (e) exploring any means aimed at improving access to the Parties' respective markets through elimination of unnecessary technical barriers to trade and enhancing the functioning of this Chapter;
- (f) consulting<sup>4</sup> on any matter arising under this Chapter, at a Party's request; and

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<sup>4</sup> It is understood that consultations held pursuant to paragraph 4 (f) shall be without prejudice to the rights and obligations of the Parties under Chapter 17 (Dispute Settlement) or under the *WTO Dispute Settlement Understanding*.

- (g) addressing any matter related to the effective functioning of this Chapter, including the monitoring, implementation and reviewing of this Chapter, in light of any developments under the *TBT Agreement*.

5. The Sub-Committee on TBT may meet at such venues and time as may be agreed by the Parties. Meetings may also be held via teleconference, videoconference or any other means agreed by the Parties.

6. The Sub-Committee on TBT may, by mutual agreement between the Parties, establish *ad hoc* working groups to undertake responsibilities or carry out functions set out in paragraph 4 if necessary.

7. The terms of reference of the Sub-Committee on TBT shall be determined in its first meeting.

8. The Sub-Committee on TBT shall report its activities to the Committee on Trade in Goods.

#### **Article 7.12**

##### **Annexes and Implementing Arrangements**

1. The Parties, in accordance with Article 16.1.4 (b) (iii), may conclude or amend Annexes to this Chapter setting out agreed principles and procedures relating to technical regulations and conformity assessment procedures applicable to trade between them.

2. The Parties may develop implementing arrangements setting out details for the implementation of Annexes referred to in paragraph 1, or arrangements made in relation to any work under this Chapter.

3. The Parties shall seek to incorporate any existing arrangements concerning technical regulations and conformity assessment procedures that are specifically applicable to trade between the Parties into the Annexes and implementing arrangements.

## CHAPTER 8

### TRADE REMEDIES

#### Article 8.1

##### Countervailing Measures

1. The Parties maintain their rights and obligations regarding countervailing measures under Article VI of *GATT 1994* and the *SCM Agreement*.
2. Except as otherwise provided in paragraph 3, this Agreement does not confer any additional rights or obligations on the Parties with regard to actions taken pursuant to Article VI of *GATT 1994* and the *SCM Agreement* with regard to the application of countervailing measures.
3. Before an investigation is initiated by a Party to determine the existence, degree and effect of any alleged subsidy in the other Party, as provided for in Article 11 of the *SCM Agreement*, the Party considering the initiation of an investigation shall notify in writing the other Party whose products may be subject to such investigation and invite the other Party for consultations with a view to finding a mutually acceptable solution. Consultations must be held as soon as possible but no later than 30 days from the date of receipt of the notification by the other Party, unless the Parties agree to a longer period.<sup>5</sup>

#### Article 8.2

##### Global Safeguard Measures

1. The Parties maintain their rights and obligations under Article XIX of *GATT 1994* and the *WTO Agreement on Safeguards* ("*Safeguards Agreement*").
2. Except as otherwise provided in paragraph 3, this Agreement does not confer additional rights or obligations on the Parties with regard to actions taken pursuant to Article XIX of *GATT 1994* and the *Safeguards Agreement*.

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<sup>5</sup> It is understood that: (a) consultations held pursuant to paragraph 3 shall be without prejudice to the rights and obligations of the Parties under Chapter 17 (Dispute Settlement) or under the *WTO Dispute Settlement Understanding*; and (b) a Party can initiate an investigation before the consultations have been completed.

3. A Party shall promptly notify the other Party of the initiation of any global safeguard investigation and the reasons for initiation. Such notification shall be made in no case later than 7 days upon such initiation.

### Article 8.3

#### Anti-dumping Measures

1. The Parties maintain their rights and obligations regarding anti-dumping measures under Article VI of *GATT 1994* and the *WTO Agreement on Implementation of Article VI of the GATT 1994* ("AD Agreement").

2. Except as otherwise provided in paragraph 3, this Agreement does not confer any additional rights or obligations on the Parties with regard to actions taken pursuant to Article VI of *GATT 1994* and the *AD Agreement* with regard to the application of anti-dumping measures.

3. Pursuant to Article 5.5 of the *AD Agreement*, a Party that has received a properly documented application from an industry in its Area for the initiation of an anti-dumping investigation in respect of goods from the other Party shall, as soon as possible but no later than 7 days following receipt, give written notice to the other Party.

## CHAPTER 9

### GOVERNMENT PROCUREMENT

#### Article 9.1

##### Definitions

For the purposes of this Chapter:

**entity** means an entity listed in Annex 9.1;

**government procurement or procurement** means the process by which a government obtains the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;

**government procurement measure** means any law, regulation, administrative guidance, practice, or procedure of general application relating to government procurement;

**in writing or written** means any worded or numbered expression that can be read, reproduced and later communicated. It may include electronically transmitted and stored information;

**limited tendering** means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice in accordance with Article 9.13.2;

**open tendering** means a procurement method whereby all interested suppliers may submit a tender;

**publish** means to disseminate information in an electronic or paper medium that is distributed widely and is readily accessible to the general public;

**qualified supplier** means a supplier that a procuring entity recognises as having satisfied the conditions for participation;

**selective tendering** means a procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender;

**supplier** means a person that provides or could provide goods or services to an entity; and

**technical specification** means a tendering requirement that:

- (a) sets out the characteristics of:
  - (i) goods to be procured, such as quality, performance, safety and dimensions, or the processes and methods for their production; or
  - (ii) services to be procured, or the processes and methods for their provision;
- (b) addresses terminology, symbols, packaging, marking or labeling requirements, as they apply to a good or service; or
- (c) sets out conformity assessment procedures prescribed by an entity.

## **Article 9.2**

### **Scope**

1. This Chapter shall apply to any government procurement measure adopted or maintained by a Party relating to procurement by an entity:
  - (a) by any contractual means, including purchase, rental or lease, with or without an option to buy;
  - (b) for which the value, as estimated in accordance with Article 9.3, equals or exceeds the relevant threshold specified in Annex 9.2, at the time of the publication of a notice in accordance with Article 9.8; and
  - (c) subject to the provisions specified in Annex 9.1.<sup>6</sup>
2. This Chapter shall not apply to:

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<sup>6</sup> For greater certainty, nothing in this Chapter shall have the effect of obligating either Party to permit the supply of services in relation to government procurement covered by this Chapter unless otherwise specified in the Party's Schedules to Annex 11.6 and to Annex 12.5.



- (a) the purchase or acquisition of goods and services by an entity of a Party from another entity of that Party, except where tenders are called, in which case this Chapter shall apply;
- (b) non-contractual agreements or any form of assistance provided by a Party, including grants, loans, equity infusions, fiscal incentives, subsidies, guarantees, cooperative agreements and purchases for the direct purpose of providing foreign assistance;
- (c) purchases funded by international grants, loans, or other assistance, where the provision of such assistance is subject to conditions inconsistent with this Chapter;
- (d) the procurement or acquisition of fiscal agency or depository services, liquidation and management services for regulated financial institutions, or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;
- (e) hiring of government employees and related employment measures; and
- (f) procurement conducted under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation of a project where that international agreement applies to a Party.

3. Entities of each Party shall not prepare, design or otherwise structure or divide, at any stage of the procurement, any procurement in order to avoid the obligations of this Chapter.

### **Article 9.3**

#### **Valuation**

In calculating the value of a contract for the purpose of ascertaining whether the procurement is covered by this Chapter, a procuring entity shall include the estimated maximum total value of the procurement over its entire duration, taking into account all forms of remuneration provided for in such contracts, including options, premiums, fees, commissions and interest.

## **Article 9.4**

### **Exceptions**

1. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties where the same conditions prevail or a disguised restriction on trade between the Parties, nothing in this Chapter shall be construed to prevent either Party from adopting or maintaining measures:

- (a) necessary to protect public morals, order or safety;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to protect intellectual property; or
- (d) relating to goods or services of persons with disabilities, of philanthropic institutions or of prison labour.

2. The Parties understand that paragraph 1 (b) includes environmental measures necessary to protect human, animal or plant life or health.

3. Nothing in this Chapter shall be construed to prevent either Party from taking any action or not disclosing any information which it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition or war materials, or to procurement indispensable for national security or for national defense purposes.

## **Article 9.5**

### **National Treatment and Non-Discrimination**

1. With respect to any government procurement measure regarding procurement covered by this Chapter, each Party shall grant to goods, services and suppliers of the other Party treatment no less favourable than that accorded by it to domestic goods, services and suppliers.

2. With respect to any government procurement measure regarding procurement covered by this Chapter, neither Party shall allow its entities to:

- (a) treat a locally established supplier less favourably than another locally established supplier on the basis of the degree of foreign affiliation to, or ownership by a person of, the other Party; or

(b) discriminate against a locally established supplier on the basis that the goods or services offered by that supplier are goods or services of the other Party.

3. A Party, including its entities, shall not consider, seek, or impose, at any stage of a procurement, conditions or measures used to encourage its development or improve the balance-of-payments accounts, such as the licensing of technology, investment requirements, counter-trade or other similar requirements.

4. Paragraphs 1 and 2 shall not apply to measures concerning customs duties and charges of any kind imposed on or in connection with importation, the method of levying such duties and charges, other import regulations, including restrictions and formalities, or measures affecting trade in services other than government procurement measures.

5. For the purposes of paragraphs 1 and 2, each Party shall apply to procurement covered by this Chapter the rules of origin that it applies in the normal course of trade.

#### **Article 9.6**

##### **Non-Disclosure of Information**

1. The Parties, their entities and review authorities shall not, except to the extent required by law, disclose confidential information that would prejudice legitimate commercial interests of a particular supplier or that might prejudice fair competition between suppliers without the written authorisation of the supplier that provided the information.

2. Nothing in this Chapter shall be construed as requiring either Party, its entities or review authorities to disclose confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest.

#### **Article 9.7**

##### **Publication of Information on Procurement**

Each Party shall promptly publish its procurement laws, regulations, procedures and administrative guidance of general application relating to procurements covered by this Chapter, and any changes or additions to this information.

## **Article 9.8**

### **Notice of Intended Procurement**

1. For each procurement covered by this Chapter, an entity shall publish in advance a notice of intended procurement inviting interested suppliers to submit tenders for that procurement, except as provided in Article 9.13.2. Each such notice shall be accessible during the entire period established for tendering for the relevant procurement.
2. Each notice of intended procurement shall include a description of the intended procurement, any conditions that suppliers must fulfil to participate in the procurement, the name of the entity issuing the notice, the address where suppliers may obtain all documents relating to the procurement, the time limits for submission of tenders, and the dates for delivery of the goods or services to be procured.
3. Each notice of intended procurement shall be published sufficiently in advance to provide interested suppliers with a reasonable period of time, in light of the nature, circumstances and complexity of the procurement, to obtain the full tender documentation and to prepare and submit responsive tenders by the closing date, or to apply for participation in the procurement where applicable.
4. The Parties agree that entities shall in no case provide less than 10 days between the date on which the notice of intended procurement is published and the final date for the submission of tenders or applications to participate.

## **Article 9.9**

### **Conditions for Participation**

1. Where an entity requires suppliers to register, qualify, or satisfy any other conditions before being permitted to participate in a procurement, each Party shall ensure that a notice is published inviting suppliers to apply for registration or qualification or to demonstrate satisfaction of other conditions for participation.
2. The notice shall be published sufficiently in advance for interested suppliers to prepare and submit responsive applications and for the entity to evaluate and make its determinations based on such applications.
3. Any conditions for participation in the procurement, including the legal, commercial, technical and financial capacity of suppliers, as well as the

verification of qualifications, shall be limited to those which are essential to ensure the supplier's capability to fulfil the contract in question.

4. The commercial, technical and financial capacity of a supplier shall be judged on the basis of both that supplier's global business activity and its activity in the Area of the procuring entity, taking due account of the legal relationship between the supply organisations.

5. Entities shall consider for a particular procurement those suppliers of the other Party that request to participate in the procurement and that are not yet registered or qualified, provided there is sufficient time to complete the registration or qualification procedures within the time period allowed for the submission of tenders.

6. Nothing in this Article shall preclude an entity from excluding a supplier from a procurement on grounds such as bankruptcy, liquidation or insolvency, false declarations relating to a procurement, or significant deficiency in the performance of any obligation under a prior contract.

#### **Article 9.10**

##### **Lists of Registered or Qualified Suppliers**

1. Entities may establish for continuing use a list of suppliers registered or qualified to participate in procurements.

2. Entities shall publish annually or otherwise make available continuously in electronic form a notice inviting interested suppliers to apply for inclusion on the list.

3. Entities shall ensure that suppliers may apply for participation in the list at any time, and that all qualifying suppliers are included within a reasonable period, taking into account the conditions for participation and the need for verification.

4. Where entities require suppliers to qualify for such a list before being permitted to participate in a procurement, and a supplier that has not previously satisfied such requirements or conditions submits an application, the entity shall promptly start the registration or qualification process. The entity shall allow such supplier to participate in the procurement, provided there is sufficient time to complete the registration or procurement procedures within the time period allowed for the submission of tenders.

## Article 9.11

### Technical Specifications

1. Each Party shall ensure that its entities do not prepare, adopt or apply any technical specification with the purpose or the effect of creating unnecessary obstacles to trade between the Parties.
2. Any technical specifications prescribed by an entity shall, where appropriate:
  - (a) be specified in terms of performance and functional requirements, rather than design or descriptive characteristics; and
  - (b) be based on international standards, where applicable, or otherwise on national technical regulations, recognised national standards, or building codes.
3. Each Party shall ensure that its entities do not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, 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, in such cases, words such as "or equivalent" are included in the tender documentation.
4. Each Party shall ensure that its entities do not seek or accept, in a manner that would have the effect of prejudicing fair competition, advice to be used in the preparation or adoption of any technical specification for a specific procurement from a person that may have a commercial interest in that procurement.

## Article 9.12

### Tender Documentation

1. Tender documentation provided to suppliers shall contain all information necessary to enable them to prepare and submit responsive tenders, including the essential requirements and evaluation criteria for the award of the procurement contract.
2. Where entities do not offer direct access to the tender documentation by electronic means, entities shall promptly make available the tender documentation at the request of any interested or, as applicable, qualified supplier.

3. Where an entity modifies the tender documentation, and that modification could impact on the preparation of tenders, it shall publish or transmit all such modifications in writing:

- (a) to all suppliers who have requested tender documentation at the time the criteria are modified, and in the same manner as the original information was transmitted by the entity; and
- (b) in adequate time to allow such suppliers to modify and resubmit their tenders, as appropriate.

### **Article 9.13**

#### **Tendering Procedures**

1. Except as provided for in paragraph 2, entities shall award contracts by means of open or selective tendering procedures, in the course of which all interested suppliers or, in the case of selective tendering, suppliers invited to do so by an entity may submit a tender.

2. Provided that it does not use this provision for the purpose of avoiding competition among suppliers, or in a manner that discriminates against suppliers of the other Party or protects domestic suppliers, a procuring entity may use limited tendering procedures only under any of the following circumstances:

- (a) where, in response to a prior notice, invitation to participate, or invitation to tender under open or selective tendering procedures:
  - (i) no tenders were submitted;
  - (ii) no tenders were submitted that conform to the essential requirements in the tender documentation; or
  - (iii) no suppliers satisfied the conditions for participation; and

provided that the essential requirements of the procurement as set out in the tender documentation have not been substantially modified;

- (b) where, for works of art, or for reasons connected with the protection of exclusive rights, such as patents or copyrights, or where there is an absence of competition for technical reasons, the

goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

- (c) for additional deliveries by the original supplier that are intended either as replacement parts, extensions, or continuing services for existing equipment, software, services or installations, where a change of supplier would compel the entity to procure goods or services not meeting requirements of interchangeability with existing equipment, software, services, or installations;
- (d) for goods purchased on a commodity market;
- (e) when an entity procures a prototype or a first good or service that is developed at its request in the course of, and for, a particular contract for research, experiment, study or original development. When such contracts have been fulfilled, subsequent procurements of such goods or services shall be subject to this Chapter;
- (f) when additional construction services, which were not included in the initial contract but which were within the objectives of the original tender documentation, have, due to unforeseeable circumstances, become necessary to complete the construction services described therein, provided that the total value of contracts awarded for additional construction services does not exceed 50 percent of the amount of the main contract;
- (g) in so far as it is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the entity and beyond its control, the goods or services could not be obtained in time by means of an open or selective tendering procedure;
- (h) for purchases made under exceptionally advantageous conditions that only arise in the very short term, including public auction or unusual disposals, such as those resulting from liquidation, bankruptcy or receivership. This subparagraph is not intended to cover routine purchases from regular suppliers; and
- (i) in the case of a contract awarded to the winner of a design contest provided that the contest has been organised in a manner which is consistent with the principles of this Chapter and that the contest is judged by an independent jury with a view to a design contract being awarded to the winner.



3. An entity shall maintain a record or prepare a written report providing specific justification for any contract awarded by means other than open or selective tendering procedures, as provided in paragraph 2.

#### **Article 9.14**

##### **Treatment of Tenders and Awarding of Contracts**

1. An entity shall receive, open and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process.
2. To be considered for award of a contract, a tender must, at the time of opening by the entity, conform to the essential requirements of the notice of intended procurement or tender documentation and be submitted by a supplier who complies with the conditions for participation.
3. Unless an entity determines that it is not in the public interest to award a contract, it shall award the contract to the supplier that the entity has determined to be fully capable of undertaking the contract and whose tender is determined to be the most advantageous in terms of the requirements and evaluation criteria set out in the tender documentation, or where price is the sole criterion, the lowest price.
4. No entity may cancel a procurement, or terminate or modify awarded contracts, in order to avoid the obligations of this Chapter.

#### **Article 9.15**

##### **Post-Award Information**

1. Entities shall promptly inform suppliers that have submitted a tender of the contract award decision.
2. Entities shall, at the request of an unsuccessful supplier, promptly explain the reasons for the rejection of its tender or the relative advantages of the tender the entity selected.
3. Entities shall, promptly after the award of a contract for a procurement covered by this Chapter, publish a notice containing at least the following information:
  - (a) the name and address of the successful supplier;

- (b) a description of the goods or services supplied; and
- (c) the value of the contract award.

#### **Article 9.16**

##### **Ensuring Integrity in Procurement Practices**

Each Party shall ensure that criminal or administrative penalties exist to address corruption in its government procurement, and that its entities have in place policies and procedures to address any potential conflict of interest on the part of those engaged in or having influence over a procurement.

#### **Article 9.17**

##### **Domestic Review of Supplier Complaints**

1. Each Party shall ensure that its entities accord impartial and timely consideration to any complaints from suppliers regarding an alleged breach of government procurement measures implementing this Chapter arising in the context of a procurement in which they have, or have had, an interest. Where appropriate, a Party may encourage suppliers to seek clarification from its entities with a view to facilitating the resolution of any such complaints.
2. Each Party shall provide suppliers of the other Party with non-discriminatory, timely, transparent and effective access to an administrative or judicial body competent to hear or review complaints of alleged breaches of the procuring Party's government procurement measures implementing this Chapter arising in the context of procurements in which those suppliers have, or have had, an interest.
3. Each Party shall make information on complaint mechanisms generally available.
4. Where an administrative or judicial body may award compensation for any breach of government procurement measures implementing this Chapter, such compensation may be limited to the costs for tender preparation reasonably incurred by the supplier for the purpose of the procurement, or the costs relating to the complaint, or both.

## Article 9.18

### Encouraging Use of Electronic Communications in Procurement

1. The Parties shall encourage their entities to provide opportunities for government procurement to be undertaken through electronic means.
2. In order to facilitate commercial opportunities for their suppliers under this Chapter, each Party shall maintain a single electronic portal for accessing information on government procurement supply opportunities in its Area and on procurement laws, regulations, procedures and administrative guidance of general application published in accordance with Article 9.7.
3. The Parties shall encourage, to the extent possible, the use of electronic means for the provision of tender documents and receipt of tenders.

## Article 9.19

### Modifications and Rectifications of Annex 9.1

1. Either Party may modify its Section under Annex 9.1 provided that it:
  - (a) notifies the other Party in writing and the other Party does not object in writing within 30 days of the notification; and
  - (b) offers within 30 days of the notification acceptable compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification, except as provided in paragraphs 2 and 3.
2. Either Party may make rectifications to its Section under Annex 9.1 in respect of:
  - (a) a change in the name of an entity listed in Annex 9.1;
  - (b) merger of two or more entities listed within Annex 9.1; and
  - (c) the separation of an entity listed in Annex 9.1 into two or more entities that are all added to Annex 9.1,

provided that it notifies the other Party in writing every 2 years, commencing with the entry into force of this Agreement, and the other Party does not object in

writing within 30 days of the notification. A Party that makes such a rectification shall not be required to provide compensatory adjustments.

3. A Party need not provide compensatory adjustments in those circumstances where the Parties agree that the proposed modification to Annex 9.1 covers an entity over which a Party has effectively eliminated its control or influence. Where the Parties do not agree that such government control or influence has been effectively eliminated, the objecting Party may request further information or consultations with a view to clarifying the nature of any government control or influence and reaching agreement on the entity's continued coverage under this Chapter.

4. Where the Parties are in agreement on the proposed modification, rectification or minor amendment, including where a Party has not objected within 30 days under paragraph 1 or 2, the Commission shall give effect to the agreement by modifying forthwith the relevant Section under Annex 9.1.

#### **Article 9.20**

##### **Committee on Procurement**

1. The Parties hereby establish a Committee on Procurement, comprising representatives of each Party.

2. The Committee on Procurement may explore opportunities for further cooperation, collaboration and information exchange on matters relating to this Chapter. Such cooperation, collaboration or information exchange may be carried out in person or via teleconference, videoconference or any other means determined by the Committee. The Committee may also address issues through correspondence, including via electronic communication.

#### **Article 9.21**

##### **Review**

At the request of either Party, the Parties shall review the coverage under this Chapter with the aim of improving their suppliers' access to each other's government procurement market on a reciprocal basis.

**ANNEX 9.1**

**LIST OF ENTITIES AND COVERED GOODS AND SERVICES**

**SECTION 1**

**For Chile:**

**Part A: Entities**

**Ejecutivo (Executive):**

Presidencia de la República (Office of the President of the Republic)  
Ministerio del Interior y Seguridad Pública (Ministry of Interior and Public Security)  
Ministerio de Relaciones Exteriores (Ministry of Foreign Affairs)  
Ministerio de Defensa Nacional (Ministry of National Defense)  
Ministerio de Hacienda (Ministry of Finance)  
Ministerio Secretaría General de la Presidencia (Ministry of the General Secretariat of the President's Office)  
Ministerio Secretaría General de Gobierno (Ministry of the General Secretariat of Government)  
Ministerio de Economía, Fomento y Turismo (Ministry of Economy, Development and Tourism)  
Ministerio de Minería (Ministry of Mining)  
Ministerio de Energía (Ministry of Energy)  
Ministerio de Desarrollo Social (Ministry of Social Development)  
Ministerio de Educación (Ministry of Education)  
Ministerio de Justicia (Ministry of Justice)  
Ministerio del Trabajo y Previsión Social (Ministry of Labor and Social Welfare)  
Ministerio de Obras Públicas (Ministry of Public Works)  
Ministerio de Transportes y Telecomunicaciones (Ministry of Transport and Telecommunications)  
Ministerio de Salud (Ministry of Health)  
Ministerio de Vivienda y Urbanismo (Ministry of Housing and Urban Development)  
Ministerio de Bienes Nacionales (Ministry of National Assets)  
Ministerio de Agricultura (Ministry of Agriculture)  
Ministerio del Medio Ambiente (Ministry of Environment)

**Gobiernos Regionales (Regional Governments):**

Intendencia Región de Arica y Parinacota (Intendancy of Arica y Parinacota Region)

Gobernación de Arica (Governor's Office - Arica)

Gobernación de Parinacota (Governor's Office - Parinacota)

Intendencia Región de Tarapacá (Intendancy of Tarapacá Region)

Gobernación de Iquique (Governor's Office - Iquique)

Gobernación de Tamarugal (Governor's Office - Tamarugal)

Intendencia Región de Antofagasta (Intendancy of Antofagasta Region)

Gobernación de Antofagasta (Governor's Office - Antofagasta)

Gobernación de Loa (Governor's Office - Loa)

Gobernación de Tocopilla (Governor's Office - Tocopilla)

Intendencia Región de Atacama (Intendancy of Atacama Región)

Gobernación de Copiapó (Governor's Office - Copiapó)

Gobernación de Huasco (Governor's Office - Huasco)

Gobernación de Chañaral (Governor's Office - Chañaral)

Intendencia Región de Coquimbo (Intendancy of Coquimbo Region)

Gobernación de El Elqui (Governor's Office - El Elqui)

Gobernación de Limarí (Governor's Office - Limarí)

Gobernación de Choapa (Governor's Office - Choapa)

Intendencia Región de Valparaíso (Intendancy of Valparaíso Region)

Gobernación de Valparaíso (Governor's Office - Valparaíso)

Gobernación de Quillota (Governor's Office - Quillota)

Gobernación de San Antonio (Governor's Office - San Antonio)

Gobernación de San Felipe (Governor's Office - San Felipe)

Gobernación de Los Andes (Governor's Office - Los Andes)

Gobernación de Petorca (Governor's Office - Petorca)

Gobernación de Isla de Pascua (Governor's Office - Isla de Pascua)

Intendencia Región del Libertador Bernardo O'Higgins (Intendancy of Libertador Bernardo O'Higgins Region)

Gobernación de Cachapoal (Governor's Office - Cachapoal)

Gobernación de Colchagua (Governor's Office - Colchagua)

Gobernación de Cardenal Caro (Governor's Office - Cardenal Caro)

Intendencia Región del Maule (Intendancy of Maule Region)

Gobernación de Curicó (Governor's Office -Curicó)  
Gobernación de Talca (Governor's Office - Talca)  
Gobernación de Linares (Governor's Office - Linares)  
Gobernación de Cauquenes (Governor's Office - Cauquenes  
Intendencia Región del Bío Bío (Intendancy of Bío Bío Region)  
Gobernación de Concepción (Governor's Office - Concepción)  
Gobernación de Ñuble (Governor's Office - Ñuble)  
Gobernación de Bío Bío (Governor's Office - Bío Bío)  
Gobernación de Arauco (Governor's Office - Arauco)

Intendencia Región de La Araucanía (Intendancy of La Araucanía Region)  
Gobernación de Cautín (Governor's Office -Cautín)  
Gobernación de Malleco (Governor's Office - Malleco)

Intendencia Región de Los Ríos (Intendancy of Los Ríos Region)  
Gobernación de Valdivia (Governor's Office - Valdivia)  
Gobernación de Ranco (Governor's Office - Ranco)

Intendencia Región de Los Lagos (Intendancy of Los Lagos Region)  
Gobernación de Llanquihue (Governor's Office - Llanquihue)  
Gobernación de Osorno (Governor's Office - Osorno)  
Gobernación de Chiloé (Governor's Office - Chiloé)  
Gobernación de Palena (Governor's Office - Palena)

Intendencia Región de Aysén del General Carlos Ibañez del Campo (Intendancy  
of Aysén del General Carlos Ibañez del Campo Region)  
Gobernación de Coihaique (Governor's Office - Coihaique)  
Gobernación de Puerto Aysén (Governor's Office -Puerto Aysén)  
Gobernación de General Carrera (Governor's Office - General Carrera)  
Gobernación de Capitán Prat (Governor's Office - Capitán Prat)

Intendencia Región de Magallanes y de la Antártica Chilena (Intendancy of  
Magallanes y de la Antártica Chilena Region)  
Gobernación de Magallanes (Governor's Office - Magallanes)  
Gobernación de Última Esperanza (Governor's Office - Última Esperanza)  
Gobernación de Tierra del Fuego (Governor's Office - Tierra del Fuego)  
Gobernación de Antártica Chilena (Governor's Office - Antártica Chilena)

Intendencia Región Metropolitana (Intendancy of Metropolitan Region)  
Gobernación de Maipo (Governor's Office - Maipo)  
Gobernación de Cordillera (Governor's Office - Cordillera)  
Gobernación de Talagante (Governor's Office - Talagante)

Gobernación de Melipilla (Governor's Office - Melipilla)  
Gobernación de Chacabuco (Governor's Office - Chacabuco)  
Gobernación de Santiago (Governor's Office - Santiago)

**Note to Part A:**

Unless otherwise specified within this Part, all agencies subordinate to those listed are covered by this Agreement.

**Part B: Goods**

This Chapter shall apply to all goods procured by the entities listed in Part A, unless otherwise specified in this Chapter, including this Annex.

**Part C: Services (other than construction services)**

This Chapter shall apply to all services procured by the entities listed in Part A, except the following:

Financial Services:  
All classes

**Part D: Construction Services**

This Chapter shall apply to all construction services procured by the entities listed in Part A, unless otherwise specified in this Chapter, including this Annex.

This Chapter shall not apply to construction services intended for Easter Island (Isla de Pascua).

**Part E: General Notes**

None



## SECTION 2

### For Hong Kong, China:

#### Part A: Entities

1. Agriculture, Fisheries and Conservation Department
2. Architectural Services Department
3. Audit Commission
4. Auxiliary Medical Service
5. Buildings Department
6. Census and Statistics Department
7. Chief Executive's Office (Note)
8. Civil Aid Service
9. Civil Aviation Department
10. Civil Engineering and Development Department
11. Companies Registry
12. Correctional Services Department
13. Customs and Excise Department
14. Department of Health
15. Department of Justice
16. Drainage Services Department
17. Electrical and Mechanical Services Department
18. Environmental Protection Department
19. Fire Services Department
20. Food and Environmental Hygiene Department
21. Government Flying Service
22. Government Laboratory
23. Government Logistics Department
24. Government Property Agency
25. Government Secretariat
26. Highways Department
27. Home Affairs Department
28. Hong Kong Monetary Authority
29. Hong Kong Observatory
30. Hong Kong Police Force (including Hong Kong Auxiliary Police Force)
31. Hongkong Post
32. Immigration Department
33. Independent Commission Against Corruption
34. Information Services Department
35. Inland Revenue Department
36. Intellectual Property Department

37. Invest Hong Kong
38. Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service
39. Judiciary
40. Labour Department
41. Land Registry
42. Lands Department
43. Legal Aid Department
44. Leisure and Cultural Services Department
45. Marine Department
46. Office of the Communications Authority
47. Official Receiver's Office
48. Planning Department
49. Public Service Commission
50. Radio Television Hong Kong
51. Rating and Valuation Department
52. Registration and Electoral Office
53. Secretariat, Commissioner on Interception of Communications and Surveillance
54. Social Welfare Department
55. Student Financial Assistance Agency
56. Trade and Industry Department
57. Transport Department
58. Treasury
59. University Grants Committee Secretariat
60. Water Supplies Department

**Note to Part A:**

This Chapter shall not cover the procurement of armoured car services (CPC 87304) and telecommunications and related services (CPC 752+754) by the Chief Executive's Office.

**Part B: Goods**

This Chapter shall apply to all goods.

**Part C: Services (other than construction services)**

This Chapter shall cover the following services classified according to the United Nations Provisional Central Product Classification (CPC):

	<i>CPC</i>
1. <i>Computer and Related Services</i>	
- Data base and processing services	843+844
- Maintenance and repair service of office machinery and equipment including computers	845
- Other computer services	849
2. <i>Rental/Leasing Services Without Operators</i>	
- Relating to ships	83103
- Relating to aircraft	83104
- Relating to other transport equipment	83101+83102+83105
- Relating to other machinery and equipment	83106+83109
3. <i>Other Business Services</i>	
- Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)	633+8861-8866
- Market research & public opinion polling services	864
- Armoured car services	87304
- Building-cleaning services	874
- Advertising services	871
- Services incidental to forestry and logging	8814
- Services incidental to mining	883
4. <i>Courier Services</i>	7512
5. <i>Telecommunications and Related Services</i>	(Note 1)
- Telecommunications services	752
- Telecommunications-related services	754

- |    |  |   |
|----|--|---|
| 6. | <i>Environmental Services</i>                                |   |
| -  | Sewage services  | 9401  |
| -  | Refuse disposal services                                     | 9402  |
| -  | Sanitation and similar services                              | 9403  |
| -  | Cleaning services of exhaust gases                           | 9404  |
| -  | Nature and landscape protection services                     | 9406  |
| 7. | <i>Financial Services</i>                                    | ex 81<br>(exceptions are set out in Note 2) |
| -  | All insurance and insurance-related services                 |   |
| -  | Banking and other financial services                         |   |
| 8. | <i>Transport Services</i>                                    |   |
| -  | Air transport services<br>(excluding transportation of mail) | 731, 732, 734                               |
| -  | Road transport services                                      | 712, 6112, 8867                             |

**Notes to Part C:**

1. Suppliers of telecommunications and related services may require licensing under the Telecommunications Ordinance, Chapter 106. Suppliers applying for the licences are required to be established in Hong Kong, China under the Companies Ordinance, Chapter 32.

2. This Chapter shall not cover the following Financial Services:

(a) CPC 81402

Insurance and pension consultancy services

(b) CPC 81339

Money broking

(c) CPC 8119+81323

Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services.

- (d) CPC 81339 or 81319

Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments.

- (e) CPC 8131 or 8133

Advisory and other auxiliary financial services on all the activities listed in subparagraphs 5 (a) (v) to (xvi) in the *GATS Annex on Financial Services*, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

- (f) CPC 81339+81333+81321

Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

- (i) money market instruments (cheques, bills, certificate of deposits, etc.);
- (ii) foreign exchange;
- (iii) derivative products including, but not limited to, futures and options;
- (iv) exchange rate and interest rate instruments, including products such as swaps, forward rate agreement, etc.;
- (v) transferable securities; and
- (vi) other negotiable instruments and financial assets, including bullion.

**Part D: Construction Services**

This Chapter shall cover the following construction services in the sense of Division 51 of the CPC:

- All services of Division 51 of the CPC

A construction services contract is a contract which has as its objective the realisation by whatever means of civil or building works, in the sense of Division 51 of the CPC.

**Part E: General Notes to Section 2**

1. Notwithstanding anything in this Annex, this Chapter shall not apply to:
  - (a) all consultancy and franchise arrangements;
  - (b) transportation of mail by air;
  - (c) statutory insurances including third party liability in respect of vehicles and vessels and employer's liability insurance in respect of employees; and
  - (d) purchase of office or residential accommodation by the Government Property Agency.
  
2. Hong Kong, China's obligations under this Chapter with respect to:
  - (a) Chief Executive's Office;
  - (b) Secretariat, Commissioner on Interception of Communications and Surveillance;
  - (c) Services incidental to forestry and logging (CPC 8814);
  - (d) Services incidental to mining (CPC 883);
  - (e) Business network services (CPC 7522);
  - (f) Programme transmission services (CPC 7524);
  - (g) Interconnection services (CPC 7525);
  - (h) Integrated telecommunication services (CPC 7526);
  - (i) Sanitation and similar services (CPC 9403);
  - (j) Cleaning services of exhaust gases (CPC 9404); and

(k) Nature and landscape protection services (CPC 9406)

shall become effective either on the date of the entry into force of this Agreement; or on the date of entry into force for Hong Kong, China of the *Protocol Amending the WTO Agreement on Government Procurement*, adopted by the Decision of the WTO Committee on Government Procurement on Adoption of "*The Protocol Amending the Agreement on Government Procurement*" dated March 30<sup>th</sup> 2012, whichever is later.

3. In applying Article 9.3, where an individual requirement for a procurement results in the award of more than one contract, or in the award of contracts in separate parts, the value of contracts may be taken as the estimated value of the procurement in a 12 month period.

## ANNEX 9.2

### THRESHOLDS

<b>Goods:</b>	SDR 130,000
<b>Services (other than construction services):</b>	SDR 130,000
<b>Construction Services:</b>	SDR 5,000,000

#### Threshold Adjustment Formula

Thresholds shall be converted to the respective national currencies in accordance with the following provisions:

1. Each Party shall calculate and publish the value of the thresholds under this Chapter expressed in the corresponding national currency. These calculations shall be based on the conversion rates published by the International Monetary Fund in its monthly "*International Financial Statistics*".
2. The conversion rates shall be the average of the daily values of the respective national currency in terms of the SDR over the 2 years preceding November 1<sup>st</sup> of the year prior to the thresholds in national currency becoming effective which shall be from January 1<sup>st</sup>.
3. Thresholds expressed in national currencies shall be fixed for 2 calendar years for both Parties.



**CHAPTER 10**  
**ESTABLISHMENT**

**Article 10.1**

**Definitions**

For the purposes of this Chapter:

**establishment** means:

- (a) the constitution, acquisition or maintenance of a juridical person; or
- (b) the creation or maintenance of a branch or a representative office,

within the Area of a Party for the purpose of performing an economic activity;  
and

**juridical person of the other Party** means a juridical person constituted or otherwise organised under the domestic laws and regulations of that Party and engaged in substantive business operations in either Party.

**Article 10.2**

**Scope**

This Chapter shall apply to establishment in all sectors with the exception of sectors covered by Chapter 11 (Trade in Services).<sup>7,8</sup>

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<sup>7</sup> For greater certainty, services and obligations specifically excluded from the scope of Chapter 11 (Trade in Services) do not fall under the scope of this Chapter.

<sup>8</sup> For greater certainty, nothing in this Chapter shall be construed to impose any obligation in relation to measures in respect of: (a) expropriation; (b) full protection and security; (c) compensation for losses owing to a war or any other armed conflict, revolution, state of national emergency, revolt, insurrection or riot; or (d) subrogation. Notwithstanding this, the foregoing does not preclude the domestic laws and regulations of either Party from providing measures in respect of any of these matters.

### **Article 10.3**

#### **National Treatment**

In the sectors inscribed in Annex 10.3, and subject to any conditions and qualifications set out therein, with respect to establishment, each Party shall grant to juridical and natural persons of the other Party treatment no less favourable than that it accords, in like circumstances, to its own juridical and natural persons.

### **Article 10.4**

#### **Right to Regulate**

Subject to Article 10.3, each Party may regulate, with respect to establishment, juridical and natural persons.

ANNEX 10.3

SCHEDULE OF SPECIFIC COMMITMENTS ON ESTABLISHMENT

SECTION 1

CHILE'S SCHEDULE

SECTOR	LIMITATIONS ON NATIONAL TREATMENT FOR ESTABLISHMENT
<b>I. HORIZONTAL COMMITMENTS</b>	
<p><b>All sectors included in this Schedule</b></p>	<p>i). Payments and Transfers</p> <p>Unbound, with respect to the measures adopted or to be adopted by the Central Bank of Chile in conformity with its Constitutional Organic Law ("<i>Ley Orgánica Constitucional del Banco Central de Chile, Ley N°18.840</i>") or other legislation, in order to ensure currency stability and the normal operation of domestic and foreign payments. For this purpose, the Central Bank of Chile is empowered to regulate the supply of money and credit in circulation and international credit and foreign exchange operations. The Central Bank of Chile is empowered as well to issue regulations governing monetary, credit, financial, and foreign exchange matters. Such measures include, <i>inter alia</i>, the establishment of restrictions or limitations on current payments and transfers (capital movements) to or from Chile, as well as transactions related to them, such as requiring that deposits, investments or credits from or to a foreign country, be subject to a reserve requirement ("encaje").</p> <p>ii). <i>Decree Law 600</i> ("<i>Decreto Ley 600</i>")</p> <p><i>Decree Law 600</i> (1974), the Foreign Investment Statute, is a voluntary and special investment regime.</p> <p>As an alternative to the common regime for the entry of capital into Chile, potential investors may apply to the Foreign Investment Committee to be subject to the regime set out in <i>Decree Law 600</i>.</p> <p>The obligations and commitments contained in this Chapter and in this Schedule do not apply to <i>Decree Law 600</i>, Foreign Investment Statute, <i>Law N° 18.657 Foreign Capital Investment Funds Law</i>, to the</p>

continuation or prompt renewal of such laws, to amendments to those laws or to any special and / or voluntary investment regime that may be adopted in the future by Chile.

For greater certainty, it is understood that the Foreign Investment Committee of Chile has the right to reject applications to invest through *Decree Law 600* and *Law N° 18.657*. Additionally, the Foreign Investment Committee has the right to regulate the terms and conditions of foreign investment under the aforementioned *Decree Law 600* and *Law N° 18.657*.

iii). Chile when disposing of the ownership or any other right over State land may only do so to Chilean natural or juridical persons. State land for these purposes refers to State land up to a distance of 10 kilometres from the borderfront and up to a distance of 5 kilometres from the oceanfront.

Corporeal immovable property situated in borderland and declared "borderland zone" by virtue of *Decreto con Fuerza de Ley N° 4, 1967*, by the Ministerio de Relaciones Exteriores may not be acquired, either as property or in another quality, by natural persons with nationality in a neighbouring country or juridical persons with its principal seat in a neighbouring country or with 40 per cent or more of its capital belonging to such natural persons or its effective control is exercised by such natural persons.

iv). In the transfer or disposal of any interest in stock or asset held in an existing State-owned company or Government entity, Chile reserves the right to prohibit or impose limitations on the ownership of said interest or asset, and also on the right of investors of Hong Kong, China or investors from a non-Party to control any State-owned 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 members of the Board of Directors.

For these purposes:

- a) any measure maintained or adopted after the effective date of this Agreement which, at the time of the transfer or disposal, prohibits or limits ownership of such interest or assets or imposes the nationality requirements set forth herein shall be considered to be a measure in force; and
- b) a "State-owned company" 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

	<p>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 or Government entity.</p> <p>v). Chile reserves the right to adopt or maintain any measure related to the acquisition, sale or disposal by an investor of Hong Kong, China of bonds, treasury securities or any other type of debt instruments issued by the Central Bank of Chile (Banco Central de Chile) or the Government of Chile.</p> <p>vi). Chile reserves the right to adopt or maintain any measure related to residence requirements related to the ownership of or investment in coastal lands by investors of Hong Kong, China.</p> <p>Any Chilean natural person or person residing in Chile or a Chilean juridical person shall be able to acquire or control lands used for agricultural activities. Moreover, Chile reserves the right to adopt or maintain any measures related to the ownership or control of such lands. In the case of juridical persons, the majority of each class of stock could be required to be held by Chilean natural persons or by persons residing in the country.</p> <p>A resident shall be any person residing in Chile for 183 days or more per year.</p> <p>vii). Chile reserves the right to adopt or maintain any measure preventing investors of Hong Kong, China and their investments to acquire any of the rights or preferences granted to indigenous peoples.</p> <p>viii). Chile reserves the right to adopt or maintain any measure according rights and preferences to socially or economically disadvantaged minorities.</p>
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**II. SECTOR SPECIFIC COMMITMENTS**

**A. Mining and quarrying**

The State has the right of first refusal, at regular prices and market modalities, regarding mining products originating from exploitations developed in the country where thorium or uranium has a significant presence.

The State may require that producers remove from mining products the portion of non-concessionable substances present in significant quantities in said products and which may economically and technically be separated for their delivery or sale on behalf of the State. For the purposes thereof, economic and technical removal implies that the costs incurred in the recovery of the substances involved, by means of the appropriate technical procedure, as well as the costs incurred in their marketing and delivery, shall be lower than the commercial value of the substance involved.

	<p>The exploration, exploitation and processing of lithium, deposits of any kind existing in ocean waters subject to national jurisdiction and those totally or partially located in certain areas of importance to national security with mining effects, the classification of which shall be made exclusively by law, may be subject to administrative concessions or special operations contracts, according to the requirements and conditions that may be determined by the President of the Republic in each case by means of an Executive Order.</p> <p>Natural atomic materials and extracted lithium, as well as concentrates, by-products or compounds thereof, shall not be subject to any juridical act whatsoever, except when performed or entered into by or with the Chilean Nuclear Energy Commission or with its prior authorisation. Should the Commission deem it advisable to grant such authorisation, it shall also determine the operating terms and conditions.</p> <p>The exploration, exploitation and processing of liquid or gaseous hydrocarbons, deposits of any kind existing in ocean waters subject to national jurisdiction and those that are totally or partially located in certain areas of importance for national security with mining effects, the classification of which shall be made solely by law, may be subject to administrative concessions or special operations contracts, according to the requirements and conditions as the President of the Republic may determine in each case by means of an Executive Order. For added clarity, the term processing shall not include storage, transportation or refining of the energy material referred to in this paragraph.</p>
<b>B. Manufacturing</b>	None
<b>C. Electricity, gas and water supply</b>	None, except with respect to the production of nuclear energy for peaceful purposes shall only be performed by the Chilean Nuclear Energy Commission or, with its authorisation, in conjunction with third parties. Should the Commission determine it is advisable to grant such authorisation, it shall also establish the terms and conditions for operation.

**SECTION 2**

**HONG KONG, CHINA'S SCHEDULE**

SECTOR	LIMITATIONS ON NATIONAL TREATMENT FOR ESTABLISHMENT
<b>I. HORIZONTAL COMMITMENTS</b>	
All sectors included in this Schedule	<p>Unbound with respect to:</p> <ul style="list-style-type: none"> <li>➤ the acquisition or ownership of land and properties in its Area;</li> <li>➤ the privatisation or divestment of corporate entities or assets in government ownership;</li> <li>➤ measures in respect of subsidies or grants, including government-supported loans, guarantees and insurance, that are not inconsistent with Hong Kong, China's obligations under the <i>WTO Agreement</i>;</li> <li>➤ measures in respect of government procurement that are not inconsistent with Hong Kong, China's obligations under Chapter 9 (Government Procurement); and</li> <li>➤ measures in respect of taxation that are not inconsistent with Hong Kong, China's obligations under the <i>WTO Agreement</i>.</li> </ul>
<b>II. SECTOR SPECIFIC COMMITMENTS</b>	
A. Agriculture	None
B. Forestry	None
C. Fishing	<p>Under Section 12 of the <i>Merchant Shipping (Local Vessels) Ordinance</i> (Cap. 548), fishing vessels must be certificated. To be certificated as a Local Vessel Class III "fishing vessel" plying within the waters of Hong Kong, China, if the owner of the vessel is an individual, the owner shall be an individual who holds a valid Hong Kong Identity Card and who is ordinarily resident in Hong Kong, China.</p> <p>Under the <i>Fisheries Protection Ordinance</i> (Cap. 171),</p>

SECTOR	LIMITATIONS ON NATIONAL TREATMENT FOR ESTABLISHMENT
	fishing activities with the use of non-local fishing vessels in the waters of Hong Kong, China are prohibited. Local fishing vessels are required to be registered, if they are to be used for fishing in the waters of Hong Kong, China.
D. Manufacturing	<p>None, except:</p> <p><u>Manufacture and storage of dutiable commodities</u>  To apply for a licence for the manufacture or storage of dutiable commodities under the <i>Dutiable Commodities Ordinance</i> (Cap. 109), the applicant has to appoint a responsible person to be held responsible for the running and management of the premises concerned. The responsible person has to be a Hong Kong resident holding a valid Hong Kong Identity Card.</p> <p><u>Manufacture of optical discs and stampers</u>  To apply for a licence for the manufacture of optical discs or stampers under the <i>Prevention of Copyright Piracy Ordinance</i> (Cap. 544), the applicant has to be a Hong Kong resident holding a valid Hong Kong Identity Card.</p>



**CHAPTER 11**  
**TRADE IN SERVICES**

**Article 11.1**

**Definitions**

For the purposes of this Chapter:

**a service supplied in the exercise of governmental authority** means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;

**aircraft repair and maintenance services** means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;

**commercial presence** means any type of business or professional establishment, including through:

- (a) the constitution, acquisition or maintenance of a juridical person; or
- (b) the creation or maintenance of a branch or a representative office,

within the Area of a Party for the purpose of supplying a service;

**computer reservation system (CRS) services** means services provided by computerised systems that contain information about air carrier's schedules, availability, fares, and fare rules, through which reservations can be made or tickets may be issued;

**measure** means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

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

- (a) central, regional, or local governments and authorities; and

- (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities;

**person** means a natural or a juridical person;

**selling and marketing of air transport services** has the same meaning as such term is defined in paragraph 6 (b) of *GATS Annex on Air Transport Services*, except that "marketing" shall be limited to market research, advertising and distribution;

**service supplier** means any person that seeks to supply or supplies a service;

**services** includes any service in any sector except services supplied in the exercise of governmental authority; and

**trade in services** means the supply of a service:

- (a) from the Area of a Party into the Area of the other Party (Cross-border supply: Mode 1);
- (b) in the Area of a Party by a service supplier of that Party to a person of the other Party (Consumption abroad: Mode 2);
- (c) by a service supplier of a Party, through commercial presence in the Area of the other Party (Commercial presence: Mode 3); and
- (d) by a service supplier of a Party, through presence of natural persons of that Party in the Area of the other Party (Presence of natural persons: Mode 4).

## Article 11.2

### Scope

1. This Chapter shall apply to measures adopted or maintained by a Party affecting trade in services by a service supplier of the other Party, including those related to:

- (a) the production, distribution, marketing, sale and delivery of a service;
- (b) the purchase or use of, or payment for, a service;

- (c) the access to and use of, in connection with the supply of a service, services which are required by the Parties to be offered to the public generally; and
- (d) the presence in its Area of a service supplier of the other Party.

2. This Chapter shall not apply to:

- (a) financial service as defined in Article 12.1; and
- (b) air services, including domestic and international air transportation services, whether scheduled or non-scheduled, and related services, other than:
  - (i) aircraft repair and maintenance services;
  - (ii) the selling and marketing of air transport services; and
  - (iii) computer reservation system (CRS) services.

3. Nothing in this Chapter shall be construed to impose any obligation with respect to:

- (a) government procurement;
- (b) subsidies, including grants, provided by a Party or a state enterprise thereof, including government-supported loans, guarantees, and insurance, or to any conditions attached to the receipt or continued receipt of such subsidies, whether or not such subsidies are offered exclusively to domestic services, service consumers or service suppliers, except as provided for in Article 11.9;
- (c) measures affecting natural persons seeking access to the employment market of a Party; or
- (d) measures regarding citizenship, nationality, residence or employment on a permanent basis.

4. For greater certainty, this Chapter shall not prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its Area, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its

borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms as set out in the Schedule to Annex 11.6 of the Party applying the measures.<sup>9</sup>

### **Article 11.3**

#### **National Treatment**

1. In the sectors inscribed in its Schedule to Annex 11.6, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.<sup>10</sup>

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

### **Article 11.4**

#### **Market Access**

1. With respect to market access through the modes of supply identified in Article 11.1, each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule to Annex 11.6.

2. In sectors where market-access commitments are undertaken, the measures which a Party shall not maintain or adopt, unless otherwise specified in its Schedule to Annex 11.6, are defined as:

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<sup>9</sup> The sole fact of requiring a visa for natural persons of the other Party and not for those of a non-Party shall not be regarded as nullifying or impairing benefits accruing to the other Party under the terms of a specific commitment.

<sup>10</sup> Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

- (a) limitations on the number of services suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
- (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;<sup>11</sup>
- (d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or a requirement of an economic needs test;
- (e) measures which restrict or require specific types of legal entities or joint ventures through which a service supplier may supply a service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

#### **Article 11.5**

#### **Additional Commitments**

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 11.3 or 11.4, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule to Annex 11.6.

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<sup>11</sup> Paragraph 2 (c) does not cover measures of a Party which limit inputs for the supply of services.

## Article 11.6

### Schedule of Specific Commitments

1. The specific commitments undertaken by each Party under Articles 11.3 and 11.4 are set out in its Schedule to Annex 11.6. With respect to sectors where such commitments are undertaken, each Schedule specifies:

- (a) terms, limitations and conditions on market access;
- (b) conditions and qualifications on national treatment;
- (c) undertakings relating to additional commitments; and
- (d) where appropriate, the time-frame for implementation of such commitments and the date of their entry into force.

2. Measures inconsistent with both Articles 11.3 and 11.4 are inscribed in the column relating to Article 11.4. In this case, the inscription will be considered to provide a condition or qualification to Article 11.3 as well.

## Article 11.7

### Domestic Regulation

1. In sectors where specific commitments are undertaken, 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 maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier, for the prompt review of and, where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. Each Party shall ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, including by ensuring that such measures are, *inter alia*:

- (a) based on objective and transparent criteria, such as competence and the ability to supply the service;
- (b) not more burdensome than necessary to ensure the quality of the service; and
- (c) in the case of licensing procedures, not in themselves a restriction on the supply of the service.

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

- (a) make publicly available:
  - (i) information on requirements and procedures to obtain, renew or retain any licenses or professional qualifications; and
  - (ii) information on technical standards;
- (b) where any form of authorisation is required for the supply of a service, ensure that it will:
  - (i) within a reasonable period of time after the submission of an application deemed complete under its domestic laws and regulations, consider the application and make a decision as to whether or not to grant the relevant authorisation;
  - (ii) promptly inform the applicant of the decision whether or not to grant the relevant authorisation;
  - (iii) at the request of the applicant, provide without undue delay, information concerning the status of the application; and
  - (iv) where practicable, at the written request of an unsuccessful applicant, provide written reasons for a decision not to grant the relevant authorisation; and
- (c) provide for adequate procedures to verify the competency of professionals of the other Party.

5. Notwithstanding subparagraph (b) of the definition of **measures adopted or maintained by a Party** in Article 11.1, paragraphs 1, 3 and 4 shall not apply where the relevant measures are the responsibility of non-governmental bodies. However, each Party shall encourage such non-governmental bodies to comply with the requirements of paragraphs 1, 3 and 4.

6. If the results of the negotiations related to Article VI.4 of *GATS* enter into effect, the Parties shall jointly review those results with a view to their incorporation into this Agreement, as considered appropriate by the Parties.

## **Article 11.8**

### **Recognition**

1. For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing or certification of service suppliers, and subject to the requirements of paragraph 4, a Party may recognise the education or experience obtained, requirements met, or licenses or certification granted in the Area of the other Party.

2. Where a Party recognises, autonomously or by agreement or arrangement, the education or experience obtained, requirements met, or licenses or certifications granted in the Area of a non-Party, nothing in this Chapter shall be construed to require the Party to accord such recognition to the education or experience obtained, requirements met, or licenses or certifications granted in the Area of the other Party.

3. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 2, whether existing or future, shall afford adequate opportunity for the other Party, upon request, to negotiate its accession to such an agreement or arrangement or to negotiate a comparable one with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that education or experience obtained, requirements met, or licenses or certifications granted in that other Party's Area should be recognised.

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



## **Article 11.9**

### **Subsidies**

Notwithstanding paragraph 3 (b) of Article 11.2, the Parties shall review the issue of disciplines on subsidies related to trade in services in the light of any disciplines agreed under Article XV of *GATS*, with a view to the incorporation of such disciplines into this Agreement.

## **Article 11.10**

### **Review**

Three years after the entry into force of this Agreement and in pursuit of the objectives and purposes of this Chapter, the Commission may review this Chapter, taking into account the developments and regulations on trade in services of the Parties as well as the progress made at the WTO and other specialised forums.

## **Article 11.11**

### **Denial of Benefits**

Subject to prior notification and consultations, a Party may deny the benefits of this Chapter to:

- (a) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of a non-Party and the juridical person has no substantive business operations in the Area of the other Party; or
- (b) service suppliers of the other Party where the service is being supplied by a juridical person that is owned or controlled by persons of the denying Party and the juridical person has no substantive business operations in the Area of the other Party.

ANNEX 11.6

SCHEDULE OF SPECIFIC COMMITMENTS ON TRADE IN SERVICES

SECTION I

CHILE'S SCHEDULE

Sector or subsector <sup>12</sup>	Modes of supply:			(4) Presence of natural persons
	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	
Limitations on market access		Limitations on national treatment		Additional commitments
<b>I. HORIZONTAL COMMITMENTS</b>				
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>i. Payments and transfers 1), 2), 3) and 4). Unbound, with respect to the measures adopted or to be adopted by the Central bank of Chile in conformity with its Constitutional Organic Law ("<i>Ley Orgánica Constitucional del Banco Central de Chile, Ley 18.840</i>") or other legislation, in order to ensure currency stability and the normal operation of domestic and foreign payments. For this purpose, the Central Bank of Chile is empowered to regulate the supply of money and credit in circulation and international credit and foreign exchange operations. The Central Bank of Chile is empowered as well to issue regulations governing monetary, credit, financial, and foreign exchange matters. Such measures include, inter alia, the establishment of restrictions or limitations on current payments and transfers (capital movements) to or from Chile, as well as transactions related to them, such as requiring that deposits, investments or credits from or to a foreign country, be subject to a reserve requirement ("encaje").</p> <p>ii. <i>Decreto Ley 600</i> ("<i>Decreto Ley 600</i>")</p> <p><i>Decreto Ley 600</i> (1974), the Foreign Investment Statute, is a voluntary and special investment regime.</p> <p>As an alternative to the common regime for the entry of capital into Chile, potential investors may apply to the Foreign Investment Committee to be subject to the regime set out in <i>Decreto Ley 600</i>.</p> <p>The obligations and commitments contained in Chapter 11 (Trade in Services) and in this Schedule do not apply to <i>Decreto Ley 600</i>, Foreign Investment Statute, <i>Ley 18.657 Foreign Capital Investment Funds Law</i>, to the continuation or prompt renewal of such laws, to amendments to those laws or to any special and / or</p>			

<sup>12</sup> For illustrative purposes, CPC references means Central Product Classification established by the United Nations Statistics Division (CPC), Series M, N°77, Provisional Central Product Classification, 1991.

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access		Limitations on national treatment	Additional commitments
	<p>voluntary investment regime that may be adopted in the future by Chile.</p> <p>For greater certainty, it is understood that the Foreign Investment Committee of Chile has the right to reject applications to invest through <i>Decree Law 600</i> and <i>Law 18.657</i>. Additionally, the Foreign Investment Committee has the right to regulate the terms and conditions of foreign investment under the aforementioned <i>Decree Law 600</i> and <i>Law 18.657</i>.</p> <p>iii. Original ethnic groups</p> <p>Nothing in this Schedule may be understood as limiting the right to adopt measures establishing rights or preferences to original ethnic groups.</p> <p>iv. Commercial Presence (Mode 3)</p> <p>This Schedule applies only to the following types of commercial presence for foreign investors: sociedades anónimas abiertas y cerradas (public corporations open or closed), sociedades de responsabilidad limitada (private-limited companies), and agencias de sociedades extranjeras (subsidiaries).</p> <p>Real estate acquisitions and the performance of other legal acts in border areas must comply with the provisions of the relevant legislation, which is unbound for the purposes of this Schedule. The border area is defined as land situated within a distance of 10 km from the border and up to 5 km from the coast and the province of Arica.</p> <p>v. Movement of natural persons (Mode 4)</p> <p>Unbound, except for transfers of natural persons within a foreign enterprise established in Chile, in accordance to commercial presence, of senior and specialised personnel who have been employed by the organization for a period of at least two years immediately preceding the date of their application for admission, performing the same type of duties in the parent company of their country of origin. In any case, foreign natural persons may not represent more than 15% of the total staff employed in Chile, when the employer hires more than 25 persons.</p> <p>Senior personnel are those executives who come under the direct supervision of the board of directors of the enterprise established in Chile and who, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• conduct the management of the organisation or one of its departments or subdivisions;</li> <li>• supervise and control the work of other supervisory, professional or managerial employees;</li> <li>• are personally authorised to hire and fire or recommend hiring or firing or any other measure related to personnel.</li> </ul> <p>Specialised personnel are those highly qualified persons who are indispensable to the supply of the service because of their professional knowledge or:</p>			

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment		Additional commitments
	<ul style="list-style-type: none"> <li>• possession of qualifications for a particular type of work or activity requiring specialised technical expertise;</li> <li>• essential knowledge for the supply of the service, research equipment, techniques or management; and</li> <li>• the non-availability of such specialised personnel in Chile.</li> </ul> <p>The category of senior and specialised personnel does not include the members of the board of directors of a company established in Chile.</p> <p>For all legal purposes, senior and specialised personnel must establish domicile or residence in Chile. Providers of services are admitted temporarily, for a period of two years, extendable to two more years. Personnel admitted under these conditions will be subject to the provisions of the labor and social security legislation in force.</p> <p>The temporary presence of natural persons includes also the following categories :</p>	<p>a) A natural person seeking temporary entry, for the purpose of participating in business meetings, performing market or investment studies, generating business contacts or participating in negotiations related to the supply of services in the future, including the setting up of a business or enterprise in the Area of Chile. Temporary entry shall be granted when the business visitor: i) does not perceive remuneration in Chile; ii) is not involved in making direct sales to the public; iii) does not personally supply a service.</p> <p>b) Persons working in a senior position, as defined above, within a legal person, who are responsible for setting up in Chile a commercial presence of a service provider of Hong Kong, China when:</p> <ul style="list-style-type: none"> <li>- the representatives are not engaged in making direct sale or supplying services; and</li> <li>- the service provider has its principal place of business in the Area of Hong Kong, China and has no other representative, office, branch or subsidiary in Hong Kong, China.</li> </ul> <p>vi. Chile reserves the right to adopt or maintain any measure according rights and preferences to socially or economically disadvantaged minorities.</p>		

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

Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Additional commitments
<b>II. SECTOR-SPECIFIC COMMITMENTS</b>			
<b>I. BUSINESS SERVICES</b>			
<u>Professional services</u>	Without prejudice to what is established in Part I (Horizontal Commitments), suppliers of the professional services included in this Schedule may be subject to assessment by the competent authorities in connection with which they must show that they fulfil the requirements designed to ensure that they perform competently in the sector.		
a. Legal services	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
International legal services <sup>13</sup>			
i. Advisory services on matters of international law and foreign law (part of CPC 86190)	(1) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (2) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (2) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (3) None (4) Unbound, except as indicated in the horizontal section.	
ii. Arbitration and mediation/conciliation services (CPC 86602)	(1) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (2) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (2) None, except for arbitration proceedings which, under Chilean legislation, fall within the sole jurisdiction of the national arbitration courts or may be heard by legal arbitrators. (3) None (4) Unbound, except as indicated in the horizontal section.	
b. Accounting, auditing and bookkeeping services <sup>14</sup> :			
i. Financial auditing services	(1) Unbound	(1) Unbound	

<sup>13</sup> Refers solely and exclusively to matters relating to international and foreign law. If an advisory service involves an appearance before a Chilean court of justice or administrative body, then this must be conducted by a lawyer authorised to practise in Chile who fulfils the requirement of being a Chilean national. The same requirement must be fulfilled whenever there is a need for a written instrument to be submitted or a formal procedure carried out before the above-mentioned court or administrative body. The provision of advisory services does not confer the right to use the title of Attorney and therefore does not include representation or advisory services in contentious or non-contentious matters.

<sup>14</sup> Financial statements must be endorsed by a professional legally authorised to practise in Chile.

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>1,2</sup>	Limitations on market access	Limitations on national treatment	Limitations on national treatment	Additional commitments
(CPC 86211)	(2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
ii. Accounting review services (CPC 86212)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
c. Architectural services				
i. Advisory and pre-design architectural services (CPC 86711)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
ii. Architectural design services (CPC 86712)				
d. Engineering services:				
i. Advisory and consultative engineering services (CPC 86721)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
ii. Engineering design services for industrial processes and production (part of CPC 86725)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
iii. Engineering design services relating to sanitary works (CPC 86726)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Limitations on national treatment	Additional commitments
iv. Mechanical engineering design services (CPC 86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	
v. Electrical engineering design services (CPC 86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	
vi. Chemical and process engineering design services (CPC 86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	
vii. Environmental engineering design services (CPC 86726)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	
e. Integrated Engineering Services: Integrated engineering services for energy services (CPC 86733)	(1) Unbound (2) None (3) Unbound (4) Unbound, except as indicated in the horizontal section	(1), (2) and (3) Unbound for anthropological, archaeological and palaeontological studies, research or any other activity conducted in the 200-nautical-mile maritime zone under national jurisdiction and studies in border areas. (4) Unbound, except as indicated in the horizontal section, in which case the restrictions for Modes 1, 2 and 3 apply.	(1), (2) and (3) Unbound for anthropological, archaeological and palaeontological studies, research or any other activity conducted in the 200-nautical-mile maritime zone under national jurisdiction and studies in border areas. (4) Unbound, except as indicated in the horizontal section, in which case the restrictions for Modes 1, 2 and 3 apply.	

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>1,2</sup>	Limitations on market access		Limitations on national treatment	Additional commitments
<b>2. COMPUTER AND RELATED SERVICES</b> a. Consultancy services related to the installation of computer hardware (CPC 841) b. Software implementation services (CPC 842) c. Data processing services (CPC 843) (for the purposes of the entire section, other than data-processing services for financial services) d. Maintenance and repair services of office machinery and equipment including computers (CPC 845)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	



Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Additional commitments	
3. RESEARCH AND DEVELOPMENT SERVICES  a. Research and development services on natural sciences (part of CPC 851) (part of CPC 853) (part of CPC 86751)	(1) and (3) None, except:  The Directorate of Borders and Frontiers may stipulate that an expedition include one or more representatives of relevant Chilean activities. These representatives would participate in and learn about the studies and their scope.  The Directorate of Borders and Frontiers may authorise or refuse geographical explorations in Chile of any kind planned by foreign legal or natural persons.	(1) and (3) None, except:  Foreign natural or legal persons intending to conduct research in the 200-mile maritime zone under national jurisdiction must obtain an authorisation from the <i>Instituto Hidrográfico de la Armada de Chile</i> (Hydrographic Institute of the Chilean Army), in accordance with the relevant regulation. For this purpose, they must submit a request at least six months in advance of the date on which the research is intended to start  The Directorate of Borders and Frontiers may authorise or refuse geographical explorations in Chile of any kind planned by foreign legal or natural persons.	(2) None (4) Unbound, except as indicated in the horizontal section	

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Additional commitments		
<b>4. REAL-ESTATE SERVICES</b>					
a. Real-estate services involving own or leased property (CPC 821)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
b. Real-estate services on a fee or contract basis (CPC 822)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>1,2</sup>	Limitations on market access		Limitations on national treatment	Additional commitments
5. OTHER BUSINESS SERVICES a. Advertising services (CPC 871), except other advertising services (CPC 8719)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
b. Market research and public opinion polling services (CPC 864)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
c. Packaging services (CPC 876)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
d. Services incidental to mining (CPC 883)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	

\* Unbound because not technically feasible.

Modes of supply: Sector or subsector <sup>1,2</sup>	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
	Limitations on market access		Limitations on national treatment	Additional commitments
6. MANAGEMENT CONSULTING SERVICES a. General management consulting services (CPC 86501)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
b. Financial management consulting services (CPC 86502)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.		(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	
c. Marketing management consulting services (CPC 86503)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	
d. Human resources management consulting services (CPC 86504)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
e. Production management consulting services (CPC 86505)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Additional commitments		
f. Public relations services (CPC 86506)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
7. SERVICES INCIDENTAL TO THE MANUFACTURE					
a. Services incidental to the manufacture of metal products, machinery and equipment (CPC 885) Except Manufacture of electrical machinery and apparatus n.e.c., on a fee or contract basis (CPC 8855) and Manufacture of medical precision and optical instruments, watches and clocks, on a fee or contract basis, and Manufacture of medical precision and optical instruments, watches and clocks, on a fee or contract basis (CPC 8857)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
b. Manufacture of textiles, wearing apparel and leather products on a fee or contract basis (CPC 8842)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
c. Manufacture of other non-metallic mineral products, on a fee or contract basis (CPC 8848)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			

Modes of supply: Sector or subsector <sup>12</sup>	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
	Limitations on market access	Limitations on national treatment	Additional commitments	
8. LEASING SERVICES (WITHOUT OPERATOR) a. Leasing or rental services concerning aircraft (without operator) (CPC 83104)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
b. Leasing or rental services concerning agricultural machinery and equipment (without operator) (CPC 83106)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	
c. Leasing or rental services concerning construction machinery and equipment (without operator) (CPC 83107)	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section	(1) Unbound (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.	

<p><b>9. COMMUNICATIONS SERVICES</b></p> <p>Telecommunications services</p> <p><b>BASIC TELECOMMUNICATION SERVICES</b></p> <p>Telecommunications services consist of the transport of electromagnetic signals (sound, data, image and any combination thereof), regardless of the type of technology used.</p> <p>This definition does not cover the economic activity consisting of the provision of a service the content of which requires the use of telecommunications services for its transport. The provision of a service the content of which is transported via telecommunications services is subject to the terms and conditions established for that sector, subsector or activity in Chile's Schedule of Specific Commitments.</p>	<p>In the case of private services the purpose of which is to meet the specific telecommunications needs of particular enterprises, entities or persons by prior agreement, the supply of these services does not give access to traffic from or to public telecommunications network users.</p>	
<p>Chile's Schedule of Commitments excludes basic local telecommunications services, one-way satellite transmissions of Direct-to-Home and Direct-Broadcast-Satellite television services and digital audio services. It also excludes free reception broadcasting services.</p>		
<p>It includes only international and domestic long-distance basic telecommunications services:</p>		

<p>(a) Voice telephone services (CPC 7521)</p> <p>(b) Packet-switched data transmission services (CPC 7523 **)</p> <p>(c) Circuit-switched data transmission services (CPC 7523**)</p> <p>(d) Telex services (CPC 7523**)</p> <p>(e) Telegraph services (CPC 7522)</p> <p>(f) Facsimile services (CPC 7521** + 7529**)</p> <p>(g) Private leased circuit services (CPC 7522** + 7523**) Other: Domestic and international satellite services and satellite links/capacity.</p> <p>Mobile/cellular services: personal communications services, paging services, mobile data transmission services.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Subject to a concession, licence or permit from the Undersecretariat for Telecommunications (SUBTEL). A supplier providing a (domestic and international) long-distance telephone service must be an open corporation.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in the horizontal section</p>	
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\*\* The (\*\*) indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance (e.g. voice mail is only a component of CPC item 7523).



<p><b>VALUE-ADDED SERVICES</b></p> <p>On-line information retrieval Electronic mail Facsimile Data processing Voice mail Electronic data interchange Code and protocol conversion. n. a.</p>	<p>(1) None Subject to a correspondent agreement with an international services concessionaire. (2) Unbound (3) Subject to obtaining a permit. Contract with a public service concessionaire. Complementary service authorization from the Undersecretariat for Telecommunications (SUBTEL). (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	
<p><b>PRIVATE LEASED CIRCUITS</b></p> <p>Voice telephone service Data transmission Electronic mail</p>	<p>(1) Unbound* (2) Unbound (3) Subject to the granting of limited service. (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) Unbound* (2) Unbound (3) None (4) Unbound, except as indicated in the horizontal section.</p>	
<p><b>10. TOURISM AND TRAVEL RELATED SERVICES</b></p> <p>a. Hotels and Restaurants (including catering) (CPC 641) (CPC 642) (CPC 643)</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	
<p>b. Travel agency and tour operator services Travel agencies and tour operators (CPC 74710)</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	<p>(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.</p>	

\* Unbound because not technically feasible.

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access	Limitations on national treatment	Additional commitments		
c. Tourist guide services (CPC 74720)	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) Unbound* (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
<b>11. DISTRIBUTION SERVICES</b> a. Wholesale trade services (CPC 622) (CPC 61111) (CPC 6113) (CPC 6121)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
b. Retailing services (CPC 632)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
<b>12. SPORTING SERVICES</b> a. Sporting and other Recreational Services (CPC 9641)	1) 2) and 3) None, except that a specific type of legal entity may be required for sporting organisations that develop professional activities. In addition, on a National Treatment basis: i) it is not permitted to participate with more than one team in the same category of a sport competition, ii) specific regulations may be established on equity ownership in sporting companies; iii) minimal capital requirement may be imposed. 4) Unbound, except as indicated in the Horizontal Commitments	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.			
<b>13. ENVIRONMENTAL SERVICES</b> (CPC 940)	(1), (3) Unbound, except that the criteria in Article 11.4 shall be applied on the basis of national treatment.	(1) None			

\* Unbound because not technically feasible.

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector <sup>12</sup>	Limitations on market access		Limitations on national treatment	Additional commitments
	2) None 4) Unbound, except as indicated in the Horizontal Commitments.		(2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
14. TRANSPORT SERVICES AUXILIARY AIR TRANSPORT SERVICES				
a. Selling and marketing of air transport services	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
b. Aircraft repair and maintenance services (CPC 8868)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	
c. Computer reservation system services (part of CPC 7523)	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.		(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section.	

SECTION 2

HONG KONG, CHINA'S SCHEDULE

Where appropriate, Hong Kong, China's commitments are referenced to the *Provisional Central Product Classification ("CPC")* as set out in Statistical Office of the United Nations Statistical Papers, Series M, No. 77, *Provisional Central Product Classification, 1991* and on the basis of the *Services Sectoral Classification List* WTO document MTN.GNS/W/120.

Modes of supply: 1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access			Limitations on National Treatment		Additional Commitments	
<b>I. HORIZONTAL COMMITMENTS</b>							
<b>ALL SECTORS INCLUDED IN THIS SCHEDULE</b>							
<b>Part 1</b>							
1), 2), 3), 4) Unbound for any measures with respect to :							
(a) the provision of public law enforcement, ambulance services, correctional services and fire fighting services; and							
(b) the following, to the extent that they are social services established for a public purpose:							
i.) health;							
ii.) education;							
iii.) housing;							
iv.) trainings;							
v.) transport;							
vi.) public utilities;							
vii.) social security; and							
viii.) social welfare.							
<b>Part 2</b>							
4) Unbound except for business visitors and intra-corporate transferees, subject to the following conditions:							
(a) <u>Business Visitors</u>							
I. <u>Definition</u>							
A business visitor means a natural person of Chile:							
				4) Unbound except as indicated in "Limitations on Market Access"		With respect to entry visas/permits for categories of personnel for which market access/national treatment commitments are made, the following information is available on the website of the visa/permit issuing authority:	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>i.) who is seeking temporary entry to Hong Kong, China for the purpose of :</p> <ul style="list-style-type: none"> <li>(1) attending meetings or conferences, or engaging in consultations with business colleagues;</li> <li>(2) taking orders or negotiating contracts for a juridical person located in Hong Kong, China but not selling goods or providing services to the general public; or</li> <li>(3) undertaking business consultations concerning the establishment, expansion or winding up of a juridical person or investment in Hong Kong, China;</li> </ul> <p>ii.) who is not seeking to enter the labour market of Hong Kong, China; and</p> <p>iii.) whose principal place of business, actual place of remuneration and predominant place of accrual of profits remain outside Hong Kong, China.</p> <p>II. <u>Conditions (including duration of stay)</u></p> <p>The commitments:</p> <ul style="list-style-type: none"> <li>i.) shall apply to all (except financial services) sectors in the <i>Services Sectoral Classification List</i> WTO document (MTN.GNS/W/120); and</li> <li>ii.) are limited to entry and temporary stay for a period not exceeding 90 days, provided that normal immigration requirements are met.</li> </ul>			<ul style="list-style-type: none"> <li>(a) relevant ordinances and regulations;</li> <li>(b) application procedures; and</li> <li>(c) pledge on processing time required on average where applicable.</li> </ul>

Modes of supply: 1)	Cross-border supply 2)	Consumption abroad 3)	Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>(b) <u>Intra-corporate transferees</u></p> <p>I. <u>Definition</u>            An intra-corporate transferee means a <b>senior manager</b> or a <b>specialist</b> who is an employee of a service supplier of Chile with a commercial presence in Hong Kong, China.</p> <p>A <b>senior manager</b> means a natural person of Chile within an organisation of Chile who:</p> <ul style="list-style-type: none"> <li>i.) is a senior employee of that organisation with responsibility for the entire organisation's operations, or a substantial part of it, in Hong Kong, China;</li> <li>ii.) has proprietary information of the organisation and receives only general supervision or direction from higher level executives or the board of directors or stockholders of the organisation; and</li> <li>iii.) supervises and controls the work of other supervisory, professional or managerial employees in Hong Kong, China. This does not include a first-line supervisor, unless the employees supervised are professional, nor does this include an employee who primarily performs tasks necessary for the provision of the service.</li> </ul> <p>A <b>specialist</b> means a natural person of Chile within an organisation of Chile who possesses knowledge at an advanced level of technical expertise, possesses proprietary knowledge of the organisation's service, research equipment, techniques, or</p>			

Modes of supply: 1) Sector or Sub-sector	Cross-border supply 2) Consumption abroad Limitations on Market Access	3) Commercial presence Limitations on National Treatment	4) Presence of natural persons Additional Commitments
	<p>management; and who is essential to the operation of the concerned service supplier's establishment in Hong Kong, China.</p> <p><u>Conditions (including duration of stay)</u></p> <p>Natural persons of Chile seeking entry into Hong Kong, China as senior manager or specialist under Hong Kong, China's commitments on intra-corporate transferees shall –</p> <p>i.) be employees who have been in the prior employ of the concerned service supplier which sponsors their entry into Hong Kong, China for a period of not less than one year immediately preceding the date of application for admission; and</p> <p>ii.) during their stay in Hong Kong, China, except with the prior approval of the Government of Hong Kong, China, not change employment or employers.</p> <p>The commitments:</p> <p>i.) shall only apply to the sectors and sub-sectors as set out in <u>Appendix I</u>;</p> <p>ii.) shall only apply to natural persons of Chile of service suppliers of Chile which have a bona fide business establishment operating in Hong Kong, China. The number of natural persons who may seek entry under these commitments shall be reasonable having regard to the size and the nature of the business operation of the relevant</p>		

Modes of supply: 1) Sector or Sub-sector	Cross-border supply 2) Consumption abroad	3) Commercial presence Limitations on National Treatment	4) Presence of natural persons Additional Commitments
	<p><b>Limitations on Market Access</b></p> <p>establishment in Hong Kong, China; and</p> <p>iii.) are limited to entry and temporary stay. Temporary stay implies that the appropriate prior authority will have been applied for and obtained before departure for Hong Kong, China. Temporary stay shall be limited to one year in the first instance, which may be extended up to a total of five years.</p> <p>(c) Temporary entry granted to a natural person of Chile pursuant to Hong Kong, China's commitments on Business Visitors and Intra-corporate Transferees does not exempt that person from the requirements needed to carry out a profession or activity according to the domestic law, and any applicable mandatory codes of practice made pursuant to the domestic law, in force in the Area of Hong Kong, China.</p> <p>(d) Hong Kong, China shall grant temporary entry or extension of stay to the extent provided for in the commitments set out in this Schedule to natural persons of Chile, provided that those natural persons:</p> <p>i.) follow prescribed application procedures for the immigration formality<sup>15</sup> sought; and</p> <p>ii.) meet all relevant eligibility requirements for entry into Hong Kong, China.</p>		

<sup>15</sup> It is understood that "immigration formality" means a visa, permit, pass or other document or electronic authority granting a natural person permission to enter, stay, work or establish commercial presence in the Area of Hong Kong, China.



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access
Limitations on National Treatment	
Additional Commitments	
<b>II. SECTOR SPECIFIC COMMITMENTS</b>	
<b>1. BUSINESS SERVICES</b>	
<b>A. Professional Services</b>	
Accounting, auditing and bookkeeping services: these are limited to auditing and advisory services on matters such as financial management consultancy, company formation and restructuring, raising of capital, debt-rescheduling, receivership and liquidation (Part of CPC 862)	<p>1) Unbound</p> <p>2) None</p> <p>3) None other than that the provision of statutory auditing services is limited to corporate practices and natural persons licensed as certified public accountants (practising), either as sole proprietors or in partnership</p> <p>4) Unbound except as indicated in Horizontal Commitments</p>
Taxation services (excluding legal services): these are limited to advisory and consulting services to enterprises or individuals on compilation of tax returns, tax planning, review, assessment and back-duty work (Part of CPC 863)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in Horizontal Commitments</p>
	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p> <p>4) Unbound except as indicated in Horizontal Commitments</p>
	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in Horizontal Commitments</p>

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Additional Commitments			
	Limitations on National Treatment			
Sector or Sub-sector	Limitations on Market Access			
Architectural services (CPC 8671)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>		<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None, except that to be registered as a Registered Architect, a person has to have one year's relevant experience in Hong Kong, China before the date of his application for registration; and to be ordinarily resident in Hong Kong, China</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>	
Engineering services (CPC 8672)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>		<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None, except that to be registered as a Registered Professional Engineer, a person has to have one year's relevant experience in Hong Kong, China before the date of his application for registration; and to be ordinarily resident in Hong Kong, China</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>	
Urban planning and landscape architectural services (CPC 8674)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>		<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None, except that to be registered as a Registered Landscape Architect or Registered Professional Planner, a person has to have one year's relevant experience in Hong Kong, China before the date of his application for registration; and to be ordinarily resident in Hong Kong, China</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
Veterinary services : limited to laboratory services for animals and birds (Part of CPC 932)	1) None 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments
B. <u>Computer and Related Services</u> (CPC 84 except for CPC 845 and 8499)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
D. <u>Real Estate Services</u> (CPC 821-822)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
E. <u>Rental/Leasing Services</u> without <u>Operators</u> Relating to ships (CPC 83103)	1) None 2) None 3) None	1) None 2) None 3) None	1) None 2) None 3) None other than that the income derived from international operation of ships registered in the Hong Kong Shipping Register is exempted from Hong Kong, China's profits tax 4) Unbound except as indicated in Horizontal Commitments	
Relating to other transport equipment (excluding services relating to air transport)(CPC 83101-83102)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound except as indicated in Horizontal Commitments 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Relating to other machinery and equipment (excluding transport equipment) (CPC 83106-83109)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1)		2) Cross-border supply	3) Consumption abroad	4) Commercial presence	5) Presence of natural persons
Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment	Additional Commitments
F. Other Services	Business				
Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Market research and public opinion polling services (CPC 864)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Services related to management consulting (CPC 866)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Services incidental to agriculture and forestry: these are limited to the provision	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal	Unbound except as indicated in Horizontal	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal	1) None 2) None 3) None 4) Unbound except as indicated in	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access Commitments		Limitations on National Treatment Horizontal Commitments	Additional Commitments
of advice and guidance relating to crop, livestock and forestry management. These do not include ownership of farms and farming (Part of CPC 881)			Horizontal Commitments	
Services incidental to fishing: these are limited to the provision of advice and guidance relating to marine or freshwater fisheries and fish hatchery services. These do not include ownership of fish ponds and fishing (Part of CPC 882)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Services incidental to manufacturing: these are limited to consulting services only (Part of CPC 884+ 885)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Placement and supply services of personnel (CPC 872)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Investigation services (CPC 87301)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Security services	1) None	1) None	1) None	

Modes of supply: 1) Sector or Sub-sector	Cross-border supply		Consumption abroad		Commercial presence		Presence of natural persons	
	Limitations on Market Access		Limitations on National Treatment		Limitations on National Treatment		Additional Commitments	
(CPC 87302 – 87305)	2) None 3) None other than that service supplier may only provide the service in the form of a company <sup>16</sup> . 4) Unbound except as indicated in Horizontal Commitments				2) None 3) None			
Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 8861 – 8866)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments				1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments			
Building cleaning services (CPC 874)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments				1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments			
Photographic services (CPC875)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments				1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments			
Packaging services (CPC 876)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments				1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments			
Printing, publishing services (CPC 88442)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal				1) None 2) None 3) None 4) Unbound except as indicated in			

<sup>16</sup> "Company" means broadly a company incorporated in Hong Kong, China under the *Companies Ordinance*, or a company incorporated outside Hong Kong, China which establishes a place of business and registered as such in Hong Kong, China under the *Companies Ordinance*.

Modes of supply: 1) Sector or Sub-sector	Cross-border supply 2) Consumption abroad	Commercial presence 3) Limitations on National Treatment	Presence of natural persons 4) Additional Commitments
	Limitations on Market Access	Horizontal Commitments	Additional Commitments
Translation and interpretation services (CPC 87905)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Exhibition management services: these are limited to activities relating to planning, organizing, and managing marketing services for exhibitions, conventions and similar events (Part of CPC 87909)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
<b>2. COMMUNICATION SERVICES</b>			
<b>B. Courier Services:</b> these are limited to the provision of services on a fee or contract basis for the delivery of documents and parcels, but excluding services reserved to the Post Office under the Post Office Ordinance (Part of CPC 7512)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
<b>C. Telecommunication Services</b>				
Additional commitments on regulatory principles (Details at Appendix II)				
<u>Local services</u>				
(a) Voice services	1) None		1) None	
(b) Packet-switched data transmission services	2) None		2) None	
(c) Circuit-switched data transmission services	3) None		3) None	
(d) Telex services	4) Unbound except as indicated in Commitments	Horizontal	4) Unbound except as indicated in Horizontal Commitments	
(e) Telegraph services				
(f) Facsimile services				
(g) Private leased circuit services				
(o) Other				
<u>Mobile services</u>				
- mobile radio telephone services including Cellular and Personal Communications Services				
- mobile data services				
- radio paging services				
<u>International services</u>				
(a) Voice services (resale based only)	1) None other than:		1) None	
(b) Packet-switched data transmission services	- Public external telephone service <sup>17</sup> is not allowed;			
	- For self-provision of external satellite			

<sup>17</sup> "External telephone services" only include person to person voice communications with places outside Hong Kong, China.



Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
			Additional Commitments	
(c) Circuit-switched data transmission services (resale based only)	circuits, connection to the public-switched telephone network (PSTN) at the Hong Kong, China end may be restricted;			
(f) Facsimile services (resale based only)	- For virtual private network connection to the PSTN at the Hong Kong, China end may be restricted;			
(o) Other	- For mobile satellite service, gateway station for mobile satellite traffic is not allowed.			
- Self provision of external satellite circuits for a company if the messages originated from or received at the Hong Kong, China end are intended for the company, its holding, subsidiary or affiliated companies; or for an organisation if the messages originated from or received at the Hong Kong, China end are intended for the common business or activities of the organisation	2) None 3) None other than: - Public external telephone service <sup>17</sup> is not allowed;		2) None 3) None	
- Virtual private network service (resale based only)	- For self-provision of external satellite circuits, connection to the PSTN at the Hong Kong, China end may be restricted;			
- Mobile satellite service	- For virtual private network service, connection to the PSTN at the Hong Kong, China end may be restricted;			
	- For mobile satellite service, gateway station for mobile satellite traffic is not allowed.			
	4) Unbound except as indicated in Horizontal Commitments		4) Unbound except as indicated in Horizontal Commitments	
Value added services:				
(h) Electronic mail	1) None		1) None	
(i) Voice mail	2) None 3) None		2) None 3) None	

Modes of supply: 1)		Cross-border supply		Consumption abroad		Commercial presence		Presence of natural persons	
Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments			
(j)	On-line information and data base access and retrieval	4)	Unbound except as indicated in Horizontal Commitments	4)	Unbound except as indicated in Horizontal Commitments				
(k)	Electronic data interchange (EDI)								
(l)	Enhanced/value-added facsimile services, including store and forward, store and retrieve								
(m)	Videotex and teletex, code, protocol and/or format conversion								
(n)	On-line information and/or data processing (including transaction processing)								
D. <u>Audiovisual Services</u>		1)	None	1)	None				
	Motion picture and video tape production and distribution services (CPC 9611)	2)	None	2)	None				
		3)	None	3)	None				
		4)	Unbound except as indicated in Horizontal Commitments	4)	Unbound except as indicated in Horizontal Commitments				
	Motion picture projection services	1)	None	1)	None				
		2)	None	2)	None				
		3)	None	3)	None				
	- Motion picture projection services in cinemas (Part of CPC 96121)	4)	Unbound except as indicated in Horizontal Commitments	4)	Unbound except as indicated in Horizontal Commitments				
	Sound recording services: these are limited to services relating to the provision of sound-track	1)	None	1)	None				
		2)	None	2)	None				
		3)	None	3)	None				
		4)	Unbound except as indicated in Horizontal Commitments	4)	Unbound except as indicated in Horizontal Commitments				

Modes of supply: 1)		2)	3)	4)
Cross-border supply		Consumption abroad	Commercial presence	Presence of natural persons
Sector or Sub-sector		Limitations on National Treatment		
Limitations on Market Access		Additional Commitments		
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES				
D. <u>Building Completion and Finishing Work</u>				
Interior design services: these are limited to specialised consulting services related to the post-construction design and fitting out of interior living and working spaces (Part of CPC517)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
E. <u>Other</u> Project management services: these are limited to the supervision and coordination of construction projects but do not cover engineering or architectural services and railway	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1)		Cross-border supply		2) Consumption abroad		3) Commercial presence		4) Presence of natural persons	
Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments			
4. DISTRIBUTION SERVICES									
B. Wholesale trade services (CPC 622 excluding 62214 (except for live food animals), 62219 (except for animal feed), 62222 (except for dairy products and eggs), 62223 (except for meat products, poultry and game), 62224, 62251 and 62252)		1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments		1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments					
Wholesale trade services of fishery products (CPC 62224)		1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments		1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in Horizontal Commitments					
C. Retailing services excluding all pharmaceutical, medical, surgical and orthopaedic products (CPC 631-632 except for CPC 63211)		1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments		1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments					

Modes of supply: 1)		Cross-border supply		2) Consumption abroad		3) Commercial presence		4) Presence of natural persons			
Sector or Sub-sector		Limitations on Market Access				Limitations on National Treatment				Additional Commitments	
<b>6. ENVIRONMENTAL SERVICES</b>											
A. <u>Sewage services</u> (CPC 9401)		1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments	1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments		
B. <u>Refuse disposal services</u> : these are limited to collection services of garbage, trash, rubbish and waste from households (Part of CPC 9402)		1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments	1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments		
C. <u>Sanitation and similar services</u> (CPC 9403)		1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments	1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments		
D. <u>Others</u> - Cleaning services of exhaust gas (CPC 9404) - Noise abatement services (CPC 9405) - Nature and landscape protection services (CPC 9406) - Other environmental protection services (CPC 9409)		1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments	1) None	2) None	3) None	4) Unbound except as indicated in Horizontal Commitments		

Modes of supply: 1)		2)	3)	4)
Cross-border supply		Consumption abroad	Commercial presence	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
				Additional Commitments
<b>9. TOURISM AND TRAVEL RELATED SERVICES</b>				
<b>A. Hotels and Restaurants (including catering)</b>				
Hotel services (CPC 6411)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Other lodging services (CPC 64191, 64192, 64194 and 64195)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Restaurant and catering services (CPC 642-643)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
<b>B. Travel Agencies and Tour Operator Services</b>				
Travel agencies and tour	1) None		1) None	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
operator services: these are limited to the business of obtaining for clients carriage and/or accommodation outside Hong Kong, China and the provision of related services such as the furnishing of travel information, advice and planning (Part of CPC 7471)	2) None 3) None other than that only a company may operate tours and open branch offices <sup>18</sup> 4) Unbound		2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	Additional Commitments
<b>10. RECREATIONAL, CULTURAL AND SPORTING SERVICES</b>				
B. <u>Entertainment Services</u> (CPC 9619 except 96192, 96194, 96199)	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments		1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
C. <u>Libraries, Archives, Museums and Other Cultural Services</u> Library and archives services (CPC 9631)	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments		1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
<b>11. TRANSPORT SERVICES</b>				

<sup>18</sup> "Company" means a company incorporated in Hong Kong, China under the *Companies Ordinance*, or a company incorporated outside Hong Kong, China which establishes a place of business and registered as such in Hong Kong, China under the *Companies Ordinance*.

Modes of supply: 1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments		
A. Maritime Services International transport (excluding passenger transport and cabotage <sup>19</sup> transport) (CPC 7212)	1) None 2) None 3) None <sup>20</sup> 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None other than that the income derived from international operation of ships registered in the Hong Kong Shipping Register is exempted from Hong Kong's profits tax 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None other than that the income derived from international operation of ships registered in the Hong Kong Shipping Register is exempted from Hong Kong's profits tax 4) Unbound except as indicated in Horizontal Commitments	Where the following services are not otherwise covered by the obligation enshrined in Article 11.2.1(c), they will be made available to international transport service suppliers on reasonable and non-discriminatory terms and conditions: pilotage; anchorage, berth and berthing services; towing and tug assistance; provisioning, fuelling and watering; garbage collecting and ballast waste disposal; port captain's services; navigation aids; shore-based operational services essential to ship operation, including communications, water and electrical supplies; and			

<sup>19</sup> "Cabotage" covers transportation of passengers or goods between a point in Hong Kong, China and another point in Hong Kong, China, as well as traffic originating and terminating in the same point in Hong Kong, China, provided that this traffic remains within the waters of Hong Kong, China.

<sup>20</sup> "Commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service supplier of the other Party to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element.

- These activities include, but are not limited to:
- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service supplier with which the service seller has established standing business arrangements;
  - (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated service;
  - (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
  - (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of *GATS Annex on Telecommunications*);
  - (e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally with any locally established shipping agency; and
  - (f) acting on behalf of the companies, organizing the call of the ship or taking over cargoes when required.



Modes of supply: 1) Sector or Sub-sector	Cross-border supply	Consumption abroad	Commercial presence	Presence of natural persons
	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
Maritime Auxiliary Services  Rental of vessel with crew: these are limited to services of hiring a vessel with crew under charter party terms for a voyage or period of time	1) None 2) None 3) None  4) Unbound except as indicated in Horizontal Commitments		1) None 2) None 3) None other than that the income derived from international operation of ships registered in the Hong Kong Shipping Register is exempted from Hong Kong's profits tax 4) Unbound except as indicated in Horizontal Commitments	emergency repair facilities.
Maritime cargo handling services: these are limited to activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of the loading/discharging of cargo to/from a ship; the lashing/unlashing of cargo, and the reception/delivery and safekeeping of cargoes before shipment or	1) Unbound except for no limitation on trans-shipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments		1) Unbound except for no limitation on trans-shipment (board to board or via the quay) and/or on use of on-board cargo handling equipment 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1) Sector or Sub-sector after discharge.	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Cross-border supply		Limitations on National Treatment	
Limitations on Market Access		Additional Commitments	
Storage and warehousing services: these are limited to the movement or placing of goods from warehouse to vessels or vice versa	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Customs clearance services: these are limited to activities consisting of carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Container station and depot services: these are limited to activities consisting of storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipment	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1) Sector or Sub-sector	2) Cross-border supply	3) Consumption abroad	4) Commercial presence	5) Presence of natural persons
	Limitations on Market Access	Limitations on National Treatment	Limitations on National Treatment	Additional Commitments
Maritime agency services: these are limited to activities consisting of representing, within a given geographic area, as an agent the business interest of one or more shipping lines or shipping companies for marketing and sales of maritime transport and related services and for acting on behalf of the companies organising the call of the ship or taking over cargoes when required	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Maintenance and repair of vessels: these are limited to businesses related to maintenance and repair of ocean going vessels at anchor or alongside and maintenance and repair of local vessels	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	
Maritime freight forwarding services: these are limited to the activities consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services,	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments	

Modes of supply: 1)	Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
preparation of documentation and provision of business information.			Additional Commitments	
<p>Preshipment inspection services: these are limited to services performed on a fee or contract basis involved in the verification of quality, quantity, price (including currency, exchange rate and financial terms), and/or the customs classification of goods to be exported. Customs or quarantine inspection is not included.</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments</p>		

## APPENDIX I

Hong Kong, China's Commitments on Intra-corporate Transferees apply only to the following sectors / sub-sectors:

### 1. BUSINESS SERVICES

#### A. Professional Services

Accounting, auditing and bookkeeping services: these are limited to auditing and advisory services on matters such as financial management consultancy, company formation and restructuring, raising of capital, debt-rescheduling, receivership and liquidation (Part of CPC 862)

Taxation services (excluding legal services): these are limited to advisory and consulting services to enterprises or individuals on compilation of tax returns, tax planning, review, assessment and back-duty work (Part of CPC 863)

Architectural services (CPC 8671)

Engineering services (CPC 8672)

#### B. Computer and Related Services (CPC 84 except for CPC 845 and CPC 8499)

#### F. Other Business Services

Advertising services (CPC 871)

Management consulting services (CPC 865)

Services related to management consulting (CPC 866)

Placement and supply services of personnel (CPC 872)

### 2. COMMUNICATION SERVICES

#### C. Telecommunication Services

##### Local services

- (a) Voice services
- (b) Packet-switched data transmission services
- (c) Circuit-switched data transmission services
- (d) Telex services
- (e) Telegraph services

- (f) Facsimile services
- (g) Private leased circuit services
- (o) Other

Mobile services

- mobile radio telephone services including Cellular and Personal Communications Services
- mobile data services
- radio paging services

International services

- (a) Voice services (resale based only)
- (b) Packet-switched data transmission services (resale based only)
- (c) Circuit-switched data transmission services (resale based only)
- (f) Facsimile services (resale based only)
- (o) Other

- Self provision of external satellite circuits for a company if the messages originated from or received at the Hong Kong, China end are intended for the company, its holding, subsidiary or affiliated companies; or for an organisation if the messages originated from or received at the Hong Kong, China end are intended for the common business or activities of the organisation
- Virtual private network service (resale based only)
- Mobile satellite service

Value added services:

- (h) Electronic mail
- (i) Voice mail
- (j) On-line information and data base access and retrieval
- (k) Electronic data interchange (EDI)
- (l) Enhanced/value-added facsimile services, including store and forward, store and retrieve
- (m) Videotex and teletex, code, protocol and/or format conversion
- (n) On-line information and/or data processing (including transaction processing)

D. Audiovisual Services

Motion picture and video tape production and distribution services (CPC 9611)

Motion picture projection services

- Motion picture projection services in cinemas (Part of CPC 96121)

Sound recording services: these are limited to services relating to the provision of sound-track

### 3. CONSTRUCTION AND RELATED ENGINEERING SERVICES

#### D. Building Completion and Finishing Work

Interior design services: these are limited to specialised consulting services related to the post-construction design and fitting out of interior living and working spaces (Part of CPC 517)

#### E. Other

Project management services: these are limited to the supervision and coordination of construction projects but do not cover engineering or architectural services

### 11. TRANSPORT SERVICES

#### A. Maritime Transport Services

International transport (excluding passenger transport and cabotage<sup>21</sup> transport) (CPC 7212)

Maritime Auxiliary Services:

- Rental of vessel with crew: these are limited to services of hiring a vessel with crew under charter party terms for a voyage or period of time

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<sup>21</sup> "Cabotage" covers transportation of passengers or goods between a point in Hong Kong, China and another point in Hong Kong, China, as well as traffic originating and terminating in the same point in Hong Kong, China, provided that this traffic remains within the waters of Hong Kong, China.

## APPENDIX II

### Additional Commitments on Regulatory Principles

#### Scope

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

#### Definitions

Users mean service consumers and service suppliers.

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

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

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

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

#### I. Competitive safeguards

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

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

##### 1.2 Safeguards

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

- (a) engaging in anti-competitive cross-subsidisation;
- (b) using information obtained from competitors with anti-competitive results; and



- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

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

### 2.2 Interconnection to be ensured

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

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

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

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

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

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

(a) at any time; or

(b) after a reasonable period of time which has been made publicly known,

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

3. Universal service

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

4. Public availability of licensing criteria

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

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

(b) the terms and conditions of individual licences.

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

5. Independent regulators

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

6. Allocation and use of scarce resources

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

**CHAPTER 12**  
**FINANCIAL SERVICES**

**Article 12.1**

**Definitions**

For the purposes of this Chapter:

**commercial presence** means any type of business or professional establishment, including through:

- (a) the constitution, acquisition or maintenance of a juridical person; or
- (b) the creation or maintenance of a branch or a representative office,

within the Area of a Party for the purpose of supplying a financial service;

**financial service** means any service of a financial nature offered by a financial service supplier of a Party. Financial services include the following activities:

*Insurance and insurance-related services*

- (a) direct insurance (including co-insurance):
  - (i) life
  - (ii) non-life
- (b) reinsurance and retrocession;
- (c) insurance intermediation, such as brokerage and agency;
- (d) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

*Banking and other financial services (excluding insurance)*

- (e) acceptance of deposits and other repayable funds from the public;

- (f) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions;
- (g) financial leasing;
- (h) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;
- (i) guarantees and commitments;
- (j) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
  - (i) money market instruments, including cheques, bills, certificates of deposits;
  - (ii) foreign exchange;
  - (iii) derivative products including, but not limited to, futures and options;
  - (iv) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
  - (v) transferable securities;
  - (vi) other negotiable instruments and financial assets, including bullion;
- (k) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
- (l) money broking;
- (m) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (n) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

- (o) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and
- (p) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (e) through (o), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

**financial service supplier** means any person that seeks to supply or supplies financial services but the term "**financial service supplier**" does not include a public entity;

**juridical person of a Party** means a juridical person constituted or otherwise organised under the laws of Hong Kong, China or Chile. Should such a juridical person have only its registered office in the Area of Hong Kong, China or Chile, it shall not be considered as a Hong Kong, China or a Chilean juridical person respectively, unless it is engaged in substantive business operations in the Area of Hong Kong, China or Chile, respectively;

**measure** has the same meaning as in Article 11.1;

**measures adopted or maintained by a Party** has the same meaning as in Article 11.1;

**person** has the same meaning as in Article 11.1; and

**public entity** means:

- (a) a government, a central bank or a monetary authority of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
- (b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

## Article 12.2

### Scope

1. This Chapter shall apply to measures adopted or maintained by the Parties affecting trade in financial services.
2. For the purposes of this Chapter, trade in financial services is defined as the supply of a financial service through the following modes:
  - (a) from the Area of a Party into the Area of the other Party (Cross-border supply: Mode 1);
  - (b) in the Area of a Party to the financial service consumer of the other Party (Consumption abroad: Mode 2);
  - (c) by a financial service supplier of a Party, through commercial presence in the Area of the other Party (Commercial presence: Mode 3); and
  - (d) by a financial service supplier of a Party, through presence of natural persons in the Area of the other Party (Presence of natural persons: Mode 4).
3. Nothing in this Chapter shall be construed to impose any obligation with respect to:
  - (a) government procurement;
  - (b) subsidies, including grants, provided by a Party or a state enterprise thereof, including government-supported loans, guarantees, and insurance, or to any conditions attached to the receipt or continued receipt of such subsidies, whether or not such subsidies are offered exclusively to domestic services, service consumers or service suppliers;
  - (c) measures affecting natural persons seeking access to the employment market of a Party; and
  - (d) measures regarding citizenship, nationality, residence or employment on a permanent basis.

4. This Chapter shall not apply to:
- (a) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;
  - (b) activities forming part of a statutory system of social security or public retirement plans; and
  - (c) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.
5. For greater certainty, this Chapter shall not prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its Area, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms as set out in its Schedule to Annex 12.5.<sup>22</sup>

### **Article 12.3**

#### **Market Access**

1. With respect to market access through the modes of supply identified in Article 12.2, each Party shall accord financial services and financial service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule to Annex 12.5.
2. In sectors where market-access commitments are undertaken, the measures which a Party shall not maintain or adopt, unless otherwise specified in its Schedule to Annex 12.5, are defined as:
- (a) limitations on the number of financial service suppliers whether in the form of numerical quotas, monopolies, exclusive financial service suppliers or the requirements of an economic needs test;

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<sup>22</sup> The sole fact of requiring a visa for natural persons of the other Party and not for those of a non-Party shall not be regarded as nullifying or impairing benefits accruing to the other Party under the terms of a specific commitment.

- (b) limitations on the total value of financial service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of financial service operations or on the total quantity of financial service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;<sup>23</sup>
- (d) limitations on the total number of natural persons that may be employed in a particular financial service sector or that a financial service supplier may employ and who are necessary for, and directly related to, the supply of a specific financial service in the form of numerical quotas or the requirement of an economic needs test;
- (e) measures which restrict or require specific types of legal entities or joint ventures through which a financial service supplier may supply a financial service; and
- (f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

#### **Article 12.4**

##### **National Treatment**

1. In the sectors inscribed in its Schedule to Annex 12.5 and subject to any conditions and qualifications set out therein, each Party shall accord to financial services and financial service suppliers of the other Party, in respect of all measures affecting the supply of financial services, treatment no less favourable than that it accords to its own like financial services and financial service suppliers.<sup>24</sup>

2. A Party may meet the requirement of paragraph 1 by according to financial services and financial service suppliers of the other Party, either

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<sup>23</sup> Paragraph 2 (c) does not cover measures of a Party which limit inputs for the supply of financial services.

<sup>24</sup> Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant financial services or financial service suppliers.



formally identical treatment or formally different treatment to that it accords to its own like financial services and financial service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of financial services or financial service suppliers of the Party compared to like financial services or financial service suppliers of the other Party.

#### **Article 12.5**

##### **Schedule of Specific Commitments**

1. The specific commitments undertaken by each Party under Articles 12.3 and 12.4 are set out in its Schedule to Annex 12.5. With respect to sectors where such commitments are undertaken, each Schedule specifies:

- (a) terms, limitations and conditions on market access; and
- (b) conditions and qualifications on national treatment.

2. Measures inconsistent with both Articles 12.3 and 12.4 are inscribed in the column relating to Article 12.3. In this case, the inscription will be considered to provide a condition or qualification to Article 12.4 as well.

#### **Article 12.6**

##### **Data Processing in the Financial Services Sector**

1. Each Party shall permit a financial service supplier of the other Party to transfer information in electronic or other form, into and out of its Area, for data processing where such processing is required in the ordinary course of business of such financial service supplier.

2. Where the information referred to in paragraph 1 consists of or contains personal data, the transfer of such information from the Area of one Party to the Area of the other Party shall take place in accordance with the domestic laws and regulations regulating the protection of individuals with respect to the transferring and processing of personal data of the Party out of whose Area the information is transferred.

## **Article 12.7**

### **Effective and Transparent Regulation in the Financial Services Sector**

1. Each Party shall, to the extent practicable, provide in advance to all interested persons any measure of general application affecting financial services that the Party proposes to adopt in order to allow an opportunity for such persons to comment on the measure. Such measure shall be provided:
  - (a) by means of an official publication; or
  - (b) in other written or electronic form.
2. Each Party's appropriate financial authority shall make available to interested persons its requirements for completing applications relating to the supply of financial services.
3. At the request of an applicant, the appropriate financial authority shall inform the applicant of the status of its application. If such authority requires additional information from the applicant, it shall notify the applicant without undue delay.
4. Each Party shall make its best endeavours to implement and apply in its Area internationally agreed standards for regulation and supervision in the financial services sector and for the fight against money laundering. For this purpose, the Parties shall cooperate and exchange information and experience within the Committee on Financial Services referred to in Article 12.11.

## **Article 12.8**

### **Confidential Information**

Nothing in this Chapter:

- (a) shall be construed as requiring a Party to furnish or allow access to information the disclosure of which would impede law enforcement or violate its domestic laws and regulations or otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular enterprises, public or private, or at the time of the disclosure of the information, would be for the purpose of judicial proceedings of the other Party; and

- (b) shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers of financial service suppliers, or any confidential or proprietary information in the possession of public entities.

#### **Article 12.9**

##### **Prudential Carve Out**

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

- (a) the protection of investors, depositors, financial market participants, policy-holders, or persons to whom a fiduciary duty is owed by a financial service supplier;
- (b) the maintenance of the safety, soundness, integrity or financial responsibility of financial service suppliers; and
- (c) ensuring the integrity and stability of a Party's financial system.

2. Where such measures do not conform with this Chapter, they shall not be used as a means of avoiding the Party's commitments or obligations under this Chapter.

#### **Article 12.10**

##### **Recognition**

1. A Party may recognise prudential measures of the other Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement or may be accorded autonomously.

2. A Party that is a party to an agreement or arrangement with a third party such as those referred to in paragraph 1, whether future or existing, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the

sharing of information between the Parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

#### **Article 12.11**

##### **Committee on Financial Services**

1. The Parties hereby establish a Committee on Financial Services, comprising representatives of each Party. The principal representative of each Party shall be an official of the Party's authority responsible for financial services set out in Annex 12.11.
2. The functions of the Committee shall include supervising the implementation of this Chapter and considering issues regarding financial services that are referred to it by a Party.
3. The Committee shall meet at the request of a Party on a date and with an agenda agreed in advance by the Parties. The office of chairperson of the Committee shall be held alternately by each Party. The Committee shall report to the Commission the results of its meetings.

#### **Article 12.12**

##### **Consultations**

1. A Party may request consultations with the other Party regarding any matter arising under this Chapter. The requesting Party shall deliver a written request to the other Party setting out the reasons for the request, including identification of the measure at issue and an indication of the legal basis for the complaint. The other Party shall give sympathetic consideration to the request and shall enter into consultations in good faith, with a view to reaching a mutually satisfactory resolution, within a period of no more than 15 days after the date of receipt of the request. The Parties shall report the results of their consultations to the Committee on Financial Services.
2. Consultations under this Article shall include officials of the authorities of both Parties set out in Annex 12.11.
3. Nothing in this Article shall be construed to require financial authorities participating in consultations to disclose information or take any action that would

interfere with individual regulatory, supervisory, administrative or enforcement matters.

4. Where a financial authority of a Party requires information for supervisory purposes concerning a financial service supplier in the Area of the other Party, such financial authority may approach the competent financial authority in the Area of the other Party to seek the information. The provision of such information may be subject to the terms, conditions and limitations contained in the other Party's relevant laws and regulations or to the requirement of a prior agreement or arrangement between the respective financial authorities.

### **Article 12.13**

#### **Specific Provisions on Dispute Settlement**

1. Except as otherwise provided in this Article, any disputes arising under this Chapter shall be settled in accordance with Chapter 17 (Dispute Settlement).

2. For the purposes of Article 17.5.1, consultations held under Article 12.12 shall be deemed to constitute the consultations under Article 17.3, unless the Parties otherwise agree. Upon initiation of consultations under Article 12.12, the Parties shall provide information to enable the examination of how a measure of a Party or any other matter may affect the operation and application of this Chapter, and give confidential treatment to the information exchanged during consultations. If the matter has not been resolved within 45 days after holding the consultations under Article 12.12 or 90 days after the delivery of the request for consultations under Article 12.12.1, whichever is earlier, the complaining Party may request in writing the establishment of an arbitral panel. The Parties shall report the results of their consultations directly to the Commission.

3. For the purposes of Article 17.7, panelists of the arbitral panel constituted for disputes arising under this Chapter shall meet the requirements set out in Article 17.7 and shall also have expertise or experience in financial services law or practice, which may include the regulation of financial institutions.

4. Consistent with Article 17.12, in any dispute where an arbitral panel finds a measure to be inconsistent with the obligations of this Agreement or finds other nullification or impairment and the measure or nullification or impairment affects:

- (a) only the financial services sector, the complaining Party may suspend concessions or other obligations only in the financial services sector;

- (b) the financial services sector and any other sector, the complaining Party may suspend its concessions or other obligations in the financial services sector that have an effect equivalent to the effect of the measure in the financial services sector; or
- (c) only a sector other than the financial services sector, the complaining Party shall not suspend concessions or other obligations in the financial services sector.

**ANNEX 12.11**

**AUTHORITIES RESPONSIBLE FOR FINANCIAL SERVICES**

**For Chile:**

Ministry of Finance

**For Hong Kong, China:**

Financial Services and the Treasury Bureau; and  
Trade and Industry Department

**ANNEX 12.5**

**SCHEDULE OF SPECIFIC COMMITMENTS ON  
FINANCIAL SERVICES**

**SECTION 1**

**CHILE'S SCHEDULE**

**Introductory note:** Chile may complete the classification of financial services contained in this Schedule on the basis of the Central Product Classification (CPC) or other classification deemed appropriate for the Chilean financial sector and reclassify services already classified on the basis of a new version of the CPC or other appropriate classification.



Modes of supply: 1) Cross-border supply		2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
Sector or subsector	Limitations on market access		Limitations on national treatment		

### SCHEDULE OF FINANCIAL SERVICES COMMITMENTS

<p>1. The conditions affecting all the services sectors as specified in horizontal commitments of Chile's Schedule to Annex 11.6 apply to this Schedule except for the specific provisions of this Schedule.</p> <p>2. The Chilean financial services sector is partially compartmentalised, that is to say the institutions, domestic and foreign, authorised to operate as banks may not participate directly in the insurance and securities business and <i>vice versa</i>. However, subject to authorisation from the <i>Superintendencia de Bancos e Instituciones Financieras</i>, SBIF (Superintendency of Banks and Financial Institutions), domestic and foreign banks operating in Chile may set up subsidiaries, with their own and separate capital, to supply other financial services in addition to their main line of business. The main business of banks is accepting or receiving money from the public on a regular basis and granting money credits represented by securities or commercial paper or any other credit instrument.</p> <p>3. The subsectors and services included in this Schedule are defined in accordance with the relevant Chilean legislation.</p> <p>4. With respect to Mode 4 (movement of natural persons):</p> <p>Unbound, except for transfers of natural persons within a foreign enterprise constituted in Chile in accordance with Mode 3 (commercial presence), of senior and specialised personnel who have been employed by those organisations for a period of at least two years immediately preceding the date of their application for admission, performing the same type of duties in the parent company of their country of origin. In any case, foreign natural persons may not represent more than 15% of the total staff employed in Chile, when the employer hires more than 25 persons.</p> <p>Senior personnel are those executives who come under the direct supervision of the board of directors of the enterprise constituted in Chile and who, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• conduct the management of the organisation or one of its departments or subdivisions;</li> <li>• supervise and control the work of other supervisory, professional or managerial employees;</li> <li>• are personally authorised to hire and fire or recommend hiring or firing or any other measure related to personnel.</li> </ul> <p>Specialised personnel are those highly qualified persons who are indispensable to the supply of the service because of their professional knowledge or:</p> <ul style="list-style-type: none"> <li>• possession of qualifications for a particular type of work or activity requiring specialised technical expertise;</li> <li>• essential knowledge for the supply of the service, research equipment, techniques or management; and</li> <li>• the non-availability of such specialised personnel in Chile.</li> </ul> <p>The category of senior and specialised personnel does not include the members of the board of directors of a company constituted in Chile (<i>Directorio</i>).</p> <p>For all legal purposes, senior and specialised personnel must establish domicile or residence in Chile. Providers of services are admitted temporarily, for a period of two years, extendable to two more years. Personnel admitted under these conditions will be subject to the provisions of the labour and social security legislation in</p>					
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Modes of supply: 1) Cross-border supply		2) Consumption abroad		3) Commercial presence		4) Presence of natural persons	
Sector or subsector		Limitations on market access		Limitations on national treatment		Additional commitments	

force.							
5. Chile may restrict or prescribe on a non-discriminatory basis a specific type of legal entity, including subsidiaries, branches, representative offices or any other form of commercial presence that must be adopted by entities operating in all financial services subsectors.							
6. None of Chile's commitments applies to the social security system, including the <i>Instituto de Normalización Previsional</i> , INP (Institute for Pension Normalisation) under Law 18.689, the pension funds under <i>Decree Law 3500</i> , the <i>Instituciones de Salud Previsional</i> , ISAPRES (Social Security Health Institutions) under Law 18.933, the <i>Fondo Nacional de Salud</i> , FONASA (National Health Fund) under Law 18.469, the <i>Cajas de Compensación</i> (Non Profit Social Security Benefits Administrators) under Law 18.833, Law 16.744 on work accidents, unemployment insurance under Law 19.728, and amendments to those laws, and whether those services are provided by the institutions created by law for those purposes or other financial institutions through which financial services related to the social security system are provided or could be provided.							
7. The commitments relating to Mode 2 do not require Chile to permit financial services providers to do business or solicit in its Area. Chile may define "doing business" and "solicit".							
8. Chile may take measures for prudential reasons through regulatory or administrative authorities, in addition to those who have regulatory responsibilities with respect to financial institutions, such as the Ministry of Labor.							
a) Banking services:							
a.1) Core banking services and bank operations:		1) Unbound.		1) Unbound.			
		2) Unbound.		2) Unbound.			
Acceptance of deposits (Includes only current bank accounts ( <i>cuentas corrientes bancarias</i> ), sight deposits, time deposits savings accounts, financial instruments with repurchase agreements, and warranty deposits or surety bonds.):		3) Foreign banking institutions must be banking companies ( <i>sociedades bancarias</i> ) legally constituted in their country of origin and must put up the capital required by Chilean law.		3) None.			
Credit granting (Includes only ordinary loans, consumer credit, loans in letters of credit, mortgage loans, or		Foreign banking institutions may only operate:		(i) through shareholdings in Chilean banks constituted as corporations in Chile;			
		(ii) by becoming constituted as a corporation in Chile; or					

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
		Limitations on market access	Limitations on national treatment		
<p>mortgage loans in letters of credit, purchase of financial instruments with resale agreements, credit for issue of bank surety bonds or other types of financing, issue and negotiation of letters of credit for imports and exports, issue and confirmation of stand-by letters of credit.)</p> <p>Purchase of publicly-offered securities (includes only purchase of bonds, purchase of letters of credit, subscription and placement as agents of shares, bonds and letters of credit (underwriting).</p> <p>Issue and operation of credit cards (CPC 81133) (includes only credit cards issued in Chile).</p> <p>Issue and operation of debit cards.</p> <p>Travellers' cheques.</p> <p>Transfer of funds (bank drafts).</p> <p>Discounting or acquisition of bills of exchange and promissory notes.</p> <p>Endorsement and guarantee of</p>	<p>(iii) as branches of foreign corporations, in which case the legal personality in the country of origin is recognised. For the purposes of foreign bank branch operations in Chile, the capital effectively invested in Chile is considered, and not that of the main office.</p> <p>No national or foreign, natural or legal, person may acquire directly or through third parties shares in a bank which, alone or added to the shares such a person already possesses, represent more than 10 per cent of the bank's capital without having first obtained the authorisation of the <i>SBIF</i>. In addition, the partners or shareholders of a financial institution may not transfer a percentage of rights or shares in their company in excess of 10 per cent without having obtained authorisation from the <i>SBIF</i>.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>		

Sector or subsector	1) Cross-border supply Limitations on market access	2) Consumption abroad Limitations on national treatment	3) Commercial presence Limitations on national treatment	4) Presence of natural persons Additional commitments
<p>third party liabilities in Chilean currency and foreign currency.</p> <p>Securities custody.</p> <p>Exchange market operations authorised by the Central Bank of Chile.</p> <p>Operations with derivatives authorised by the Central Bank of Chile (Includes only forwards and swaps of currency and interest rate).</p> <p>Acceptance and execution of fiduciary Operations.</p>				
<p>Voluntary pension savings plans (<i>Planes de Ahorro Previsional Voluntario</i>).</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Unbound with regard to Article 12.3.2 (e). Voluntary savings plans may only be offered by banks constituted in Chile under one of the arrangements previously mentioned. These plans require prior authorisation by the <i>SBI/F</i>.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>		
<p>a.2) Complementary banking services:</p>	<p>1) Unbound.</p> <p>The supply of financial services that complement core banking services may be provided directly by those institutions, with prior authorisation from the <i>SBI/F</i>, or through subsidiaries which the latter shall determine.</p>	<p>1) Unbound.</p>		

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Financial leasing (CPC 81120) (these companies may offer leasing contracts for goods acquired at the client's request, i.e. they cannot acquire goods in order to stock them and offer them for leasing).</p>	<p>2) Unbound. 3) Financial leasing services are regarded as complementary banking services and, consequently, the <i>SBIF</i> is empowered to extend or restrict the operation of the financial leasing services which these institutions may offer, and the latter may only offer the services expressly authorised by the <i>SBIF</i>. 4) Unbound, except as indicated in the horizontal section.</p>	<p>2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.</p>	
<p>Advisory and other auxiliary financial services (CPC 8133) (Includes only services indicated in the banking sector in this Schedule).</p>	<p>1) Unbound. 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) Unbound. 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.</p>	
<p>Factoring.</p>	<p>1) Unbound. 2) Unbound. 3) Unbound with regard to Article 12.3.2 (e). Factoring services are regarded as complementary banking services and, consequently, the <i>SBIF</i> is empowered to extend or restrict the operation of the financial factoring services which these institutions may offer, and the latter may only offer the services expressly authorised by the <i>SBIF</i>. 4) Unbound, except as indicated in the horizontal section.</p>	<p>1) Unbound. 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.</p>	

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>Management of funds of third parties performed by: (In no circumstances does this include management of pension funds and voluntary pension savings plans (<i>Planes de Ahorro Previsional Voluntario</i>))</p> <ul style="list-style-type: none"> <li>i) Mutual funds management companies;</li> <li>ii) Investment funds management companies;</li> <li>iii) Foreign capital investment funds management companies; or</li> <li>iv) General funds management companies.</li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound.</li> <li>2) Unbound.</li> <li>3) The management of funds of third parties is regarded as a complementary banking service and, therefore, in the case of banks can only be offered through subsidiaries as constituted in the General Banking Act and with prior authorisation of both the <i>SBIF</i> and the <i>Superintendencia de Valores y Seguros, SVS</i> (Securities and Insurance Supervisor).</li> <li>4) Unbound, except as indicated in the horizontal section.</li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound.</li> <li>2) Unbound.</li> <li>3) None, except for foreign capital investment funds referred to in <i>Law 18.657</i> in which the capital contributed may not be remitted abroad until five years from the date in which the contribution was made.</li> <li>4) Unbound, except as indicated in the horizontal section.</li> </ul>	
<p>Intermediation of publicly offered securities (CPC 81321)</p>	<ul style="list-style-type: none"> <li>1) Unbound.</li> <li>2) Unbound.</li> <li>3) Banks can provide the services of intermediation of publicly offered securities through subsidiaries as constituted in the <i>General Banking Act</i>, either as securities agents and/or as stockbrokers. The description of agents and stockbrokers in horizontal note 1 of the securities services section of this Schedule applies in this case. Except for the requirement to enroll in the relevant register of the <i>SVS</i>, in order to provide these services, bank subsidiaries must comply with the securities laws and the norms issued by the <i>SVS</i>. Prior authorisation from both the <i>SVS</i> and the</li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound.</li> <li>2) Unbound.</li> <li>3) None.</li> </ul>	

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
	Limitations on market access		Limitations on national treatment		

	<p><i>SBIF</i> is required.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>		
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Modes of supply: 1) Cross-border supply		2) Consumption abroad		3) Commercial presence		4) Presence of natural persons	
Sector or subsector		Limitations on market access		Limitations on national treatment		Additional commitments	

<p>b) Insurance and reinsurance services:</p> <p>1. In Chile, the insurance business is divided into two groups: the first group comprises companies that insure property or patrimony (<i>patrimonio</i>) against the risk of loss or damage, while the second comprises those that cover personal risks 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 constituted as legal entities with the sole purpose of covering this type of risk, i.e. loss of or damage to the patrimony 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>Insurance:</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 for CPC 81299) (excluding the <i>Instituciones de Salud Previsional, ISAPRES</i> (social security health institutions) 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 <i>Fondo Nacional de Salud, FONASA</i> (National Health Fund), a public agency financed by the government and the statutory contribution of a</p>		<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Direct insurance services can be provided only by insurance companies constituted in Chile as corporations or as branches of foreign corporations with the sole 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 constituted as corporations or branches with the sole purpose of covering this type of risk.</p> <p>Insurance corporations can be legally constituted only in accordance with the provisions of the law on corporations.</p> <p>For the purposes of foreign insurance branch operations in Chile, the patrimony (<i>patrimonio</i>) effectively invested in Chile is considered, and not that of the main office. Such patrimony must be effectively transferred and converted into domestic</p>		<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>			



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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>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. Does not include sale of insurance for international maritime transport, international commercial aviation and goods in international transit).</p>	<p>currency in conformity with any of the systems authorised by law or by the <i>Banco Central de Chile</i> (Central Bank of Chile). The increases in capital that do not come from the capitalisation of reserves will have the same treatment as the initial capital. In transactions between a branch and its main office or other related companies abroad will be considered as independent entities. No foreign insurance company will be able to invoke rights derived from its nationality regarding transactions that its branch may carry out in Chile.</p> <p>Insurance may be issued directly or through insurance brokers who, to engage in that activity, must be enrolled in the Register maintained by the <i>SYS</i> and must satisfy the requirements of the law.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	
<p>Sale of insurance for international maritime transport, international commercial aviation and goods in international transit (Includes goods transported, the vehicle transporting the goods and any civil responsibility deriving therefrom. Does not include national transport (<i>cabotaje</i>)).</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) The sale of such insurance may only be offered by insurance companies which include this category of risks in their business and are supervised in their country of origin as such.</p> <p>2) The sale of such insurance may only be offered by insurance companies which include this category of risks in their business and are supervised in their country of origin as such.</p> <p>3) Insurance services for international maritime transport, international commercial aviation and goods in international transit may be offered by insurance corporations constituted in Chile and which have the sole purpose of</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) None.</p> <p>2) None.</p> <p>3) None.</p>	

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
		Limitations on market access		Limitations on national treatment	

<p>Insurance brokers for international maritime transport, international commercial aviation and goods in international transit).</p>	<p>developing the business of direct general insurance.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Insurance brokers must be enrolled in the Register maintained by the <i>SYS</i> and fulfil the requirements established by the <i>SYS</i>. Only legal persons legally constituted in Chile for this specific purpose may provide this service.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	
<p>Brokers of insurance for international maritime transport, international commercial aviation and goods in international transit (Includes goods transported, the vehicle transporting the goods and any civil responsibility deriving therefrom. Does not include national transport (<i>cabotage</i>)).</p>	<p>1) To intermediate these types of insurance, brokers must be legal persons supervised in their country of origin.</p> <p>2) To intermediate these types of insurance, brokers must be legal persons supervised in their country of origin.</p> <p>3) Brokers of insurance for international maritime transport, international commercial aviation and goods in international transit must be enrolled in the Register maintained by the <i>SYS</i> and fulfil the requirements established by the <i>SYS</i>. Only legal persons legally constituted in Chile for this specific purpose may provide this service.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Unbound with respect to Article 12.3.2 (e). The voluntary pension savings plans may only be offered by life insurance companies constituted in Chile in accordance with what is set out above. Those plans and associated policies must have prior authorisation from the SVS.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
<p>Reinsurance and retrocession: (Includes reinsurance brokers)</p>	<p>1) Foreign reinsurance companies and foreign reinsurance brokers must be enrolled in the register of foreign insurers maintained by the SVS and fulfill the requirements established by the SVS. Foreign reinsurance brokers 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. Premiums and must have residence in Chile. Premiums ceded under this heading are subject to a 6 percent tax. In the case of the types of insurance covered in <i>Decreto Ley 3.500</i> (Reinsurance to foreign reinsurers, the deduction for reinsurance cannot exceed 40 percent of the total of the technical reserves associated with those types of insurance or a higher percentage if set by the SVS).</p> <p>2) Foreign reinsurance companies and foreign</p>	<p>1) Unbound.</p> <p>2) Unbound.</p>	

Modes of supply: 1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>reinsurance brokers must be enrolled in the register of foreign insurers maintained by the <i>SVS</i> and fulfill the requirements established by the <i>SVS</i>. Foreign reinsurance brokers 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. Premiums ceded under this heading are subject to a 6 percent tax. In the case of the types of insurance covered in <i>Decree Law 3.500 (Decreto Ley 3.500)</i>, involving the cession of reinsurance to foreign reinsurers, the deduction for reinsurance cannot 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>SVS</i>.</p> <p>3) Reinsurance and retrocession services are provided by reinsurance corporations and branches constituted in Chile in accordance with the provisions of the law on corporations and authorised by the <i>SVS</i>. Insurance corporations may also provide reinsurance services as a complement to their insurance business if their articles of association so allow.</p> <p>Reinsurance and retrocession services may also be provided by foreign reinsurers and foreign reinsurance brokers enrolled in the Register maintained by the <i>SVS</i>.</p> <p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p>	<p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
Claim settlement services.	1) Unbound.	1) Unbound.	

Modes of supply: 1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments

	2) Unbound. 3) Claim settlement services may be offered directly by insurance companies constituted in Chile or by legal persons constituted in Chile and registered with the SVS. 4) Unbound, except as indicated in the horizontal section.	2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.	
Auxiliary insurance services (Includes only consultancy, actuarial services and risk assessment).	1) Unbound. 2) Unbound. 3) Auxiliary insurance services may only be provided by legal persons constituted in Chile and registered with the SVS. 4) Unbound, except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.	

c) Securities services:

1. Publicly offered securities may be traded by legal persons whose sole purpose is securities brokerage, either as members of a stock exchange (stockbrokers) or outside the stock exchange (securities agents), and they must be registered with the *Superintendencia de Valores y Seguros, SVS* (Securities and Insurance Commission). However, only stockbrokers may trade shares or their derivatives (subscription options) on the stock exchange. Non-share securities may be traded by stockbrokers or securities agents registered with the SVS.
2. The purpose of financial portfolio management is to diversify investments, on behalf of third parties, over a range of instruments and may be provided by securities traders (stockbrokers and securities agents) as a complementary activity for their clients.
3. Publicly offered securities risk rating services are provided by rating agencies constituted for the sole purpose of rating publicly offered securities, and they must be enrolled in the *Registro de Entidades Clasificadoras de Riesgo* (Register of Risk Rating Agencies) maintained by the SVS. They are inspected and controlled by the SVS. On the other hand, the inspection of rating agencies with respect to the rating of securities issued by banks and financial companies is the responsibility of the *Superintendencia de Bancos e Instituciones Financieras, SBIF* (Superintendency of Banks and Financial Institutions).

Modes of supply: 1) Cross-border supply		2) Consumption abroad		3) Commercial presence		4) Presence of natural persons	
Sector or subsector		Limitations on market access		Limitations on national treatment		Additional commitments	

<p>4. Securities custody consists of the physical safe-keeping of securities' certificates and may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole purpose which is securities brokerage. It may also be undertaken by entities that provide depository and custodial services for securities which should be constituted as special corporations with the sole purpose of receiving in deposit publicly offered securities from entities authorised by law and to facilitate operations for the transfer of such securities (centralised securities depositories, <i>depósitos centralizados de valores</i>).</p>	<p>5. Financial advisory services, which involve giving financial advice on financing alternatives, investment appraisal, investment possibilities and debt rescheduling strategies, may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole purpose which is securities brokerage.</p> <p>6. Securities services that may be provided by banking institutions either directly or through subsidiaries are listed in the banking services sector of this Schedule and are excluded from the securities services section of this Schedule.</p> <p>7. The service of managing third parties' funds may be undertaken by the following:</p> <ul style="list-style-type: none"> <li>(a) Mutual funds management companies, those corporations whose sole purpose is the management of mutual funds;</li> <li>(b) Investment funds management companies, those corporations whose sole purpose is the management of investment funds. Without prejudice to the above, those corporations may also manage foreign capital investment funds;</li> <li>(c) Foreign capital investment funds management companies, those corporations whose sole purpose is the management of foreign capital investment funds. The capital brought into those funds may be remitted abroad only after five years from the date on which the capital contribution was made; or</li> <li>(d) General funds management companies, those corporations created for the purpose of managing mutual funds, investment funds, foreign capital investment funds, housing funds or any other fund supervised by the <i>SVS</i>.</li> </ul>	<p>8. The service of clearing houses for stock exchange derivative products may be undertaken by corporations constituted in Chile with that sole purpose. They have the purpose of being the counterpart for all purchases and sales of contracts for futures, securities options and others of similar nature authorised by the <i>SVS</i>.</p>
<p>Intermediation of publicly offered securities, except shares (CPC 81321) (includes subscription and placement as agents, underwriting).</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Brokerage activities must be supplied through a legal person constituted in Chile and require prior enrolment in the Register of stockbrokers and securities agents maintained by the <i>SVS</i>. In addition to the legal requirement concerning patrimony, the</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p><i>SVS</i> may impose more stringent non-discriminatory requirements regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	
<p>Intermediation of publicly offered shares of corporations (CPC 81321) (includes subscription and placement as agents, underwriting).</p>	<p>1) Unbound. 2) Unbound. 3) In order to trade on the stock exchange, intermediaries (stockbrokers) must be constituted as a legal person in Chile. They must acquire a share in the respective stock exchange and be accepted as members of this exchange. Prior enrolment in the Register of stockbrokers and securities agents maintained by the <i>SVS</i> is required for brokerage activities. In addition to the legal requirement concerning patrimony, the <i>SVS</i> may impose more stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.</p>	<p>1) Unbound. 2) Unbound. 3) None.</p>	
<p>Operations in stock exchange derivatives authorised by the <i>Superintendencia de Valores y</i></p>	<p>4) Unbound, except as indicated in the horizontal section. 1) Unbound. 2) Unbound.</p>	<p>4) Unbound, except as indicated in the horizontal section. 1) Unbound. 2) Unbound.</p>	

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

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<p>3) <i>Seguros (SVS)</i> (includes only dollar and interest rate futures, and options on shares. Shares must fulfil the requirements established by the respective clearing house, <i>cámara de compensación</i>)</p>	<p>3) In order to trade on the stock exchange, intermediaries (stockbrokers) must be constituted as legal persons in Chile. They must acquire a share in their respective stock exchange and be accepted as members of this exchange. Prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS is required for brokerage activities. In addition to the legal requirement concerning patrimony, the SVS may impose more stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.</p>	<p>3) None.</p>	
<p>4) Trading in metals on the stock exchange (includes only gold and silver).</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Trading in gold and silver may be carried out by stockbrokers on their own account and for third parties in the stock exchange in accordance with stock exchange regulations. In order to trade on the stock exchange, intermediaries (stockbrokers) must be constituted as legal persons in Chile. They must acquire a share in their respective stock exchange and be accepted as members of this exchange. In addition to the legal requirement concerning patrimony, the SVS may impose more stringent non-</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>	



Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
	Limitations on market access		Limitations on national treatment		
	discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.	4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.		
Securities risk rating (relates solely to rating or giving an opinion on publicly offered securities).	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) In order to offer the service of securities risk rating, providers must be constituted in Chile as a partnership (<i>sociedad de personas</i>). One of the specific requirements to be fulfilled is that not less than 60 per cent of the company's capital must be held by the principal partners (natural or legal persons in this line of business holding a minimum of 5 per cent of the membership rights in the rating agency). They must enrol in the register of risk rating agents kept by the SVS.</p>	4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.		
Securities custody undertaken by securities intermediaries (CPC 81319) (does not include the services offered by suppliers who combine custody, securities clearance and settlement (securities depositaries, <i>depósitos de valores</i> )).	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) For securities custody, intermediaries (stockbrokers and agents) must be constituted in Chile as a legal person. In addition to the legal requirement concerning patrimony, the SVS may impose more</p>	4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons		Limitations on national treatment	Additional commitments
Sector or subsector	Limitations on market access		
	<p>stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p>	
Custody undertaken by entities for the deposit and custody of securities.	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Entities for the deposit and custody of securities must be constituted in Chile as corporations set up for that sole purpose and require authorisation from the SVS.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	
Financial advisory services supplied by securities intermediaries (CPC 81332) (financial advice refers only to the securities services included in this Schedule).	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Financial advisory services supplied by securities intermediaries constituted as legal persons in Chile, require prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS. In addition to the legal requirement concerning patrimony, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the type of</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>	

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
	Limitations on market access		Limitations on national treatment		
	instrument negotiated, and the category of intermediaries to which they apply.				
Financial portfolio management supplied by security intermediaries (This does not include the following: management of mutual funds, foreign capital investment funds, investment funds and pension funds.)	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) Financial portfolio management services supplied by securities intermediaries constituted as legal persons in Chile, require prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS. In addition to the legal requirement concerning patrimony, the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>	<p>4) Unbound, except as indicated in the horizontal section.</p> <p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None.</p>		
Management of funds of third parties performed by: (In no circumstances does this include management of pension funds and voluntary pension savings plans ( <i>planes de ahorro previsional voluntario</i> )) i) Mutual funds management companies.	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) The Fund management service may be carried out by corporations set up for that sole purpose or by a general funds management companies, constituted in Chile, with authorisation from the SVS. Foreign capital investment funds may also be</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None, except for foreign capital investment funds (<i>Law 18.657</i>) in which the capital contributed may not be remitted abroad until five years from the date in which the contribution was made.</p>	<p>1) Unbound.</p> <p>2) Unbound.</p> <p>3) None, except for foreign capital investment funds (<i>Law 18.657</i>) in which the capital contributed may not be remitted abroad until five years from the date in which the contribution was made.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons		Limitations on national treatment	Additional commitments
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
ii) Investment funds management companies iii) Foreign capital investment funds management companies; or iv) General funds management companies.	managed by investment funds management companies. 4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.	
Management of voluntary pension savings plans ( <i>Planes de ahorro previsional voluntario</i> ).	1) Unbound. 2) Unbound. 3) Unbound with respect to Article 12.3.2(e). The voluntary savings plans may only be offered by mutual funds and investment funds managers constituted in Chile in accordance with the terms set out above. Those plans must have prior authorisation from the <i>SYS</i> . 4) Unbound, except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) None. 4) Unbound except as indicated in the horizontal section.	
Service of clearing houses for derivatives (contracts for futures and options on securities).	1) Unbound. 2) Unbound. 3) Clearing houses for futures contracts and options on securities must be constituted in Chile as corporations for that sole purpose and with an authorisation from the <i>SYS</i> . They may only be constituted by stock exchanges and their stockbrokers.	1) Unbound. 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
General deposit warehouses (warrants) (Corresponds to merchandise warehousing services accompanied by the issue of a deposit certificate and a chattel mortgage receipt ( <i>vale de prenda</i> )).	1) Unbound.* 2) Unbound. 3) Provision of warrant services may be carried out only by legal persons duly constituted in Chile who have the supply of warrant services as their sole purpose. 4) Unbound, except as indicated in the horizontal section.	1) Unbound.* 2) Unbound. 3) None. 4) Unbound, except as indicated in the horizontal section.	
d) Other financial services	Banking and other financial services (excluding insurance)		
Provision and transfer of financial information as described in subparagraph (o) in the definition of "financial service" in Article 12.1.	1) None. 2) None. 3) None. 4) Unbound, except as indicated in the horizontal section.	1) None. 2) None. 3) None. 4) Unbound, except as indicated in the horizontal section.	
Financial data processing as described in subparagraph (o) in the definition of "financial service" in Article 12.1.	1) Financial data processing is allowed subject to prior authorisation from the relevant regulator, as required. Where the financial information or financial data processing involves personal data, the treatment of such personal data shall be in accordance with Chilean law regulating the protection of such data.	1) None.	

\* Unbound because not technically feasible.

Sector or subsector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
	Limitations on market access		Limitations on national treatment		

<p>2) Financial data processing is allowed subject to prior authorisation from the relevant regulator, as required. Where the financial information or financial data processing involves personal data, the treatment of such personal data shall be in accordance with Chilean law regulating the protection of such data.</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>2) None.</p> <p>3) None.</p> <p>4) Unbound, except as indicated in the horizontal section.</p>	<p>2) None.</p>		
<p>Advisory and other auxiliary financial services, excluding intermediation and credit reference and analysis, relating to banking and other financial services as described in subparagraph (p) in the definition of “financial service” in Article 12.1.</p>	<p>1) Chile’s commitments on cross-border investment advisory services shall not, in and of themselves, be construed to require Chile to permit the public offering of securities, as defined under its relevant law, in Chile by cross-border suppliers of Hong Kong, China who supply or seek to supply such investment advisory services. Chile may subject the cross-border suppliers of investment advisory services to regulatory and registration requirements.</p> <p>2) Chile’s commitments on cross-border investment advisory services shall not, in and of themselves, be construed to require Chile to permit the public offering of securities, as defined under its relevant law, in Chile by cross-border suppliers of Hong Kong, China who supply or seek to supply such investment advisory services. Chile may subject the cross-border suppliers of investment advisory services to regulatory and registration requirements.</p>	<p>1) None.</p> <p>2) None.</p>		

Modes of supply: 1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments

	3) None. 4) Unbound, except as indicated in the horizontal section.	3) None. 4) Unbound, except as indicated in the horizontal section.	
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SECTION 2

HONG KONG, CHINA'S SCHEDULE

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	
Additional Commitments				
<b>I. HORIZONTAL COMMITMENTS</b>				
ALL SECTORS / SUB-SECTORS INCLUDED IN THIS SCHEDULE	Part 1 of the horizontal commitments in Hong Kong, China's Schedule to Annex 11.6 applies to this Schedule.			
	1), 2)	The commitments made with respect to Mode 1 (cross-border supply) and Mode 2 (consumption abroad) supply of financial services inscribed in this Schedule do not signify a commitment to allow a service supplier from the Area of Chile to solicit business or to conduct marketing in Hong Kong, China.		
	4)	Unbound except for business visitors and intra-corporate transferees, subject to the following conditions: (a) <u>Business Visitors</u>  I. <u>Definition</u> A business visitor means a natural person of Chile: i.) who is seeking temporary entry to Hong Kong, China for the purpose of : (1) attending meetings or conferences, or engaging in consultations with business colleagues; (2) taking orders or negotiating contracts for a juridical person located in Hong Kong, China but not selling goods or providing services to the general public; or (3) undertaking business consultations concerning the establishment, expansion or	4)	Unbound except as indicated in "Limitations on Market Access"
				With respect to entry visas/permits for categories of personnel for which market access/national treatment commitments are made, the following information is available on the website of the visa/permit issuing authority: (a) relevant ordinances and regulations; (b) application procedures; and (c) pledge on processing time required on average where applicable.



Modes of supply:	1)	2)	3)	4)	Presence of natural persons
Sector or Sub-sector	Cross-border supply	Consumption abroad	Commercial presence	Limitations on National Treatment	Additional Commitments
	<p><b>Limitations on Market Access</b></p> <p>winding up of a juridical person or investment in Hong Kong, China;</p> <p>ii.) who is not seeking to enter the labour market of Hong Kong, China; and</p> <p>iii.) whose principal place of business, actual place of remuneration and predominant place of accrual of profits remain outside Hong Kong, China.</p> <p>II. <u>Conditions (including duration of stay)</u></p> <p>The commitments are limited to entry and temporary stay for a period not exceeding 90 days, provided that normal immigration requirements are met.</p> <p>(b) <u>Intra-corporate transferees</u></p> <p>I. <u>Definition</u></p> <p>An intra-corporate transferee means a <b>senior manager</b> or a <b>specialist</b> who is an employee of a service supplier of Chile with a commercial presence in Hong Kong, China.</p> <p>A <b>senior manager</b> means a natural person of Chile within an organisation of Chile who:</p> <p>i.) is a senior employee of that organisation with responsibility for the entire organisation's operations, or a substantial part of it, in Hong Kong, China;</p> <p>ii.) has proprietary information of the organisation and receives only general supervision or direction from higher level executives or the board of directors or</p>				

Modes of supply: 1) Sector or Sub-sector	2) Cross-border supply Limitations on Market Access	3) Consumption abroad Limitations on National Treatment	4) Commercial presence Additional Commitments
	<p>stockholders of the organisation; and</p> <p>iii.) supervises and controls the work of other supervisory, professional or managerial employees in Hong Kong, China. This does not include a first-line supervisor, unless the employees supervised are professional, nor does this include an employee who primarily performs tasks necessary for the provision of the service.</p> <p>A <b>specialist</b> means a natural person of Chile within an organisation of Chile who possesses knowledge at an advanced level of technical expertise, possesses proprietary knowledge of the organisation's service, research equipment, techniques, or management; and who is essential to the operation of the concerned service supplier's establishment in Hong Kong, China.</p> <p><u>Conditions (including duration of stay)</u></p> <p>Natural persons of Chile seeking entry into Hong Kong, China as senior manager or specialist under Hong Kong, China's commitments on intra-corporate transferees shall:</p> <p>i.) be employees who have been in the prior employ of the concerned service supplier which sponsors their entry into Hong Kong, China for a period of not less than one year immediately preceding the date of application for admission; and</p> <p>ii.) during their stay in Hong Kong, China, except with the prior approval of the Government of Hong Kong, China, not change employment or employers.</p>		

Modes of supply: 1)	Cross-border supply 2)	Consumption abroad 3)	Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>The commitments:</p> <p>i.) shall only apply to natural persons of Chile of service suppliers of Chile which have a bona fide business establishment operating in Hong Kong, China. The number of natural persons who may seek entry under these commitments shall be reasonable having regard to the size and the nature of the business operation of the relevant establishment in Hong Kong, China; and</p> <p>ii.) are limited to entry and temporary stay. Temporary stay implies that the appropriate prior authority will have been applied for and obtained before departure for Hong Kong, China. Temporary stay shall be limited to one year in the first instance, which may be extended up to a total of five years.</p> <p>(c) Temporary entry granted to a natural person of Chile pursuant to Hong Kong, China's commitments on Business Visitors and Intra-corporate Transferees does not exempt that person from the requirements needed to carry out a profession or activity according to the domestic law, and any applicable mandatory codes of practice made pursuant to the domestic law, in force in the Area of Hong Kong, China.</p> <p>(d) Hong Kong, China shall grant temporary entry or extension of stay to the extent provided for in the commitments set out in this Schedule to</p>			

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
Sector or Sub-sector		Limitations on Market Access			Limitations on National Treatment			Additional Commitments
		natural persons of Chile, provided that those natural persons: i.) follow prescribed application procedures for the immigration formality <sup>25</sup> sought; and ii.) meet all relevant eligibility requirements for entry into Hong Kong, China.						
<b>II. SPECIFIC COMMITMENTS</b>								
<b>7. FINANCIAL SERVICES</b>								
<b>A. All <u>Insurance</u> and <u>Insurance-Related Services</u></b>								
Life, accident and health insurance services	1) Unbound	None other than that statutory insurers must be purchased from an insurer authorised in Hong Kong, China.			1) Unbound 2) Unbound			
Non-life insurance services	2) None other than that only an incorporated company authorised by the Insurance Authority (IA) or an association of underwriters approved by the IA is permitted to carry on insurance business. 3) In the case of the former, commercial presence must take the form of a subsidiary, branch or representative office, although insurance business shall not be carried out through a representative office.				3) None other than that the chief executive appointed by the authorised insurer shall normally reside in Hong Kong, China.			
	4) Unbound except as indicated in Horizontal Commitments <sup>26</sup>				4) Unbound except as indicated in Horizontal Commitments			

<sup>25</sup> It is understood that “immigration formality” means a visa, permit, pass or other document or electronic authority granting a natural person permission to enter, stay, work or establish commercial presence in the Area of Hong Kong, China.

<sup>26</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China’s banking, securities, insurance and related legislation.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment Additional Commitments	
Reinsurance and retrocession		<ol style="list-style-type: none"> <li>1) None, provided that the insurance company is a company incorporated outside Hong Kong, China and has no agent nor place of business in Hong Kong, China.</li> <li>2) None</li> <li>3) None other than that only an incorporated company authorised by the Insurance Authority (IA) or an association of underwriters approved by the IA is permitted to carry on insurance business. In the case of the former, commercial presence must take the form of a subsidiary, branch or representative office, although insurance business shall not be carried out through a representative office.</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>27</sup></li> </ol>		<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None other than that the chief executive appointed by the authorised insurer shall normally reside in Hong Kong, China.</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>	
Services auxiliary to insurance broking and agency (including agency services)		<ol style="list-style-type: none"> <li>1) None other than claims settlement services, except for settlement of claims under contracts of goods in transit insurance entered into wholly outside Hong Kong, China in respect of goods consigned to Hong Kong, China.</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>27</sup></li> </ol>		<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>	

<sup>27</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China's banking, securities, insurance and related legislation.

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	4)	Presence of natural persons
Sector or Sub-sector		Limitations on Market Access			Limitations on National Treatment		Additional Commitments
B. Banking and Other Financial Services (excluding insurance)	Acceptance of deposits and other repayable funds from the public	<p>1) Unbound</p> <p>2) None</p> <p>3) None other than that:</p> <p>(a) all authorised institutions (i.e. licensed banks, restricted licence banks and deposit-taking companies) shall maintain a physical presence in Hong Kong, China;</p> <p>(b) in the case of an overseas bank seeking to establish a locally incorporated full licensed bank, the bank must:</p> <p>(i) have maintained a locally incorporated restricted licence bank or deposit taking company (or any combination thereof) in Hong Kong, China for at least three continuous years before they can apply for approval from the Hong Kong Monetary Authority (HKMA) for upgrading to a full licensed banks; or</p> <p>(ii) have maintained a branch in Hong Kong, China for not less than three continuous years before they can apply for approval from HKMA to subsidiarise the operation of the branch by transferring the branch operation to a locally incorporated company; and</p> <p>(c) in the case of an overseas bank seeking to establish a representative office in Hong Kong, China, such offices are prohibited from taking deposits and undertaking banking business in general.</p> <p>4) Unbound except as indicated in Horizontal Commitments<sup>28</sup></p>			<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None other than that all authorised institutions (local or overseas) must appoint a chief executive and not less than one alternative chief executive, each of whom shall be an individual and ordinarily resident in Hong Kong, China.</p>		

<sup>28</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China's banking, securities, insurance and related legislation.

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments <sup>29</sup>	Horizontal	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Financial leasing	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments <sup>29</sup>	Horizontal	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
All payment and money transmission services	1) Unbound 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments <sup>29</sup>	Horizontal	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Guarantees and commitments	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments <sup>29</sup>	Horizontal	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in Horizontal Commitments	
Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise the following: - Money market instruments (cheques, bills, certificate of deposits, etc.) - foreign exchange	1) Unbound 2) None 3) None other than the following: Only corporations incorporated in Hong Kong, China, may become members of exchange companies recognised under the <i>Securities and Futures Ordinance</i> (in addition, natural persons born in Hong Kong, China or resident in Hong Kong, China for five of the preceding seven years or partnerships composed of such persons may also		1) Unbound 2) Unbound 3) None other than that for dealing in securities or commodities futures, there is a residence requirement in Hong Kong, China in respect of a sole proprietor, or, in the case of a partnership or company, in respect of at least one partner or director, who is registered as a dealer.	

<sup>29</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China's banking, securities, insurance and related legislation.

Modes of supply: 1)	Cross-border supply 2)	Consumption abroad 3)	Commercial presence 4)	Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
<ul style="list-style-type: none"> <li>- derivative products including futures and options</li> <li>- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc.</li> <li>- transferable securities</li> </ul>	<ul style="list-style-type: none"> <li>become members of the Stock Exchange of Hong Kong Limited<sup>30</sup>)</li> <li>Unbound except as indicated in Horizontal Commitments<sup>31</sup></li> </ul>	<ul style="list-style-type: none"> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ul>		
<ul style="list-style-type: none"> <li>Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues</li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>31</sup></li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None other than that if registration as a dealer is required, as it is in the case of public issues, the limitations as for dealers (above) shall apply.</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ul>		
<ul style="list-style-type: none"> <li>Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>31</sup></li> </ul>	<ul style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ul>		

<sup>30</sup> The residence requirement for memberships can be waived for persons of good reputation with substantial experience of dealing in securities.

<sup>31</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China's banking, securities, insurance and related legislation.



Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>	
1) Advisory and other auxiliary financial services on all the activities listed in subparagraph 5(a)(v) to (xv) of <i>GATS Annex on Financial Services</i> , including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	<ol style="list-style-type: none"> <li>1) None other than commodity trading and investment advisory service</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>32</sup></li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>		
Provision and transfer of financial information, and financial data processing and related software by providers of other financial services	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments<sup>32</sup></li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in Horizontal Commitments</li> </ol>		

<sup>32</sup> Commitments on presence of natural persons are confined to businesses regulated under Hong Kong, China's banking, securities, insurance and related legislation.

## **CHAPTER 13**

### **COMPETITION**

#### **Article 13.1**

##### **Objectives**

1. The Parties recognise the strategic importance of promoting open and competitive markets through the effective application of competition policies for the purposes of enhancing trade and investment, economic efficiency and consumer welfare.
2. With a view to preventing distortions or restrictions of competition which may affect trade in goods or services between them, the Parties shall give particular attention to anti-competitive activities.

#### **Article 13.2**

##### **Promotion of Competition**

1. The Parties agree to promote competition and endeavour to ensure that the design of trade and competition policies and the implementation of domestic laws and regulations give due recognition to the effects on competition by:
  - (a) providing transparency in policies, laws and regulations, and their implementation;
  - (b) maintaining a high-level government commitment to promote competition and enhance economic efficiency;
  - (c) promoting coherent and effective implementation of trade and competition policies within their respective Areas; and
  - (d) fostering appropriate cooperation between trade and competition officials.
2. The Parties recognise that the implementation of paragraph 1 may be subject to the different circumstances of the Parties and the different policy approaches that arise from these circumstances.

### **Article 13.3**

#### **Cooperation and Exchange of Information**

1. The Parties agree to cooperate and coordinate in the area of competition policy by exchanging information on the development of competition policy.
2. Where the Parties have set up their respective regulatory authorities responsible for competition law, the Parties shall encourage their respective regulatory authorities to cooperate in the area of competition law, including through technical assistance as appropriate, consultation, notification and exchanges of information, as permitted by the domestic laws and regulations and overall policy of each Party and within the scope of the responsibilities of each regulatory authority.

### **Article 13.4**

#### **Consultations**

1. At the request of either Party, the Parties shall consult on particular anti-competitive practices adversely affecting trade or investment between the Parties, consistent with the objectives of this Chapter.
2. In the event that consultations in accordance with paragraph 1 do not lead to any satisfactory result, the affected Party may request consultations in the Commission. The Parties involved shall provide the necessary assistance to the Commission to examine the case.

### **Article 13.5**

#### **Review**

The Parties agree to review this Chapter in the Commission with a view to elaborating further steps in light of future developments. The first review shall take place within 3 years after the entry into force of this Agreement.

## **CHAPTER 14**

### **ENVIRONMENT**

#### **Article 14.1**

##### **Objectives**

The objectives of this Chapter are to:

- (a) encourage sound environmental policies and practices and improve the capacities and capabilities of the Parties to address environmental matters;
- (b) promote, through a collaborative approach, the commitments made by the Parties in this Chapter; and
- (c) facilitate dialogue and interaction in a collaborative manner in order to strengthen the broader relationship between the Parties.

#### **Article 14.2**

##### **Key Commitments**

1. The Parties affirm through this Chapter their intention to continue to pursue a high level of environmental protection and to fulfil their respective multilateral environmental commitments and international plans of action in such a way as to contribute to the objective of sustainable development.
2. Each Party shall endeavour to have its environmental laws, regulations, policies and practices in harmony with its international environmental commitments.
3. Each Party shall respect the right of the other Party to set, administer and enforce its own environmental laws, regulations, policies and practices according to its priorities.
4. The Parties agree that it is inappropriate to set or use their environmental laws, regulations, policies and practices for trade protectionist purposes.
5. The Parties agree that it is inappropriate to relax, or not to enforce or administer, their environment laws and regulations so as to encourage trade and investment.

6. Each Party shall promote public awareness of its environmental laws, regulations, policies and practices domestically.

#### **Article 14.3**

##### **Collaborative Framework**

1. The Parties agree to establish a collaborative framework as a means to provide enhanced opportunities to advance the common commitments on environmental protection under the framework of this Chapter, by taking account of their respective priorities and available resources.
2. To implement this framework, the Parties should encourage the establishment and development of direct contacts, including stakeholders as appropriate, in the field of environmental protection.
3. Collaborative activities undertaken in this framework may be implemented through a variety of ways, such as the exchange of best practices and information, visits, workshops and dialogue. The funding of collaborative activities shall be decided by the Parties on a case-by-case basis.
4. The Parties will strive to strengthen their collaboration on trade and environment in appropriate international fora in which they participate.

#### **Article 14.4**

##### **Institutional Arrangements**

1. In order to facilitate communication between the Parties for the purposes of this Chapter, each Party will designate a contact point no later than 6 months after the date of entry into force of this Agreement. Each Party will notify the other Party promptly of any change of the contact point.
2. The Parties may exchange information by any means of communication, including internet and videoconference.
3. The contact points will report to the Commission about the implementation of this Chapter, if necessary.
4. The Parties may agree to meet in order to discuss matters of mutual interest, including areas of potential collaborative activities, reviewing the implementation of this Chapter and addressing any issue that may arise between the Parties.

## **Article 14.5**

### **Consultations**

1. The Parties shall endeavor, at all times, to make every effort to settle in good faith any issue concerning the interpretation, implementation or application of this Chapter through dialogue, collaboration and consultation.
2. A Party may request consultations with the other Party through its contact point regarding any issue concerning the interpretation, implementation or application of Article 14.2. The contact point shall identify the office or official responsible for the issue and assist if necessary in facilitating communication between the Parties.
3. The Parties shall complete the consultations as soon as practicable, following the receipt by the requested Party of the request for consultations pursuant to paragraph 2.
4. If the consultations under paragraph 3 fail to resolve the issue within 6 months following the receipt by the requested Party of the request for consultations, either Party may refer the issue to the Commission for further consideration.

**CHAPTER 15**  
**TRANSPARENCY**

**Article 15.1**

**Definitions**

For the purposes of this Chapter:

**administrative ruling of general application** means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:

- (a) a determination or ruling made in administrative proceedings that applies to a particular person, good or service of the other Party in a specific case; or
- (b) a ruling that adjudicates with respect to a particular act or practice.

**Article 15.2**

**Contact Points**

1. The contact points referred to in Annex 15.2 shall facilitate communications between the Parties on any matter covered by this Agreement.
2. At the request of the other Party, the contact point of a Party shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

**Article 15.3**

**Publication**

1. Each Party shall ensure that its laws, regulations, procedures, and administrative rulings of general application with respect to any matter covered by this Agreement are promptly published or otherwise made available<sup>33</sup> to interested persons and the other Party.
2. To the extent possible, each Party shall:

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<sup>33</sup> Including through the internet or in print form.

- (a) publish in advance any such measure referred to in paragraph 1 that it proposes to adopt; and
- (b) provide interested persons and the other Party with a reasonable opportunity to comment on such proposed measures.

#### **Article 15.4**

##### **Notification and Provision of Information**

1. To the maximum extent possible, each Party shall notify the other Party of any proposed or actual measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect the other Party's interests under this Agreement.

2. At the request of the other Party, a Party shall promptly provide information and respond to questions pertaining to any actual or proposed measure that the requesting Party considers might materially affect the operation of this Agreement or otherwise substantially affect its interests under this Agreement, regardless of whether the requesting Party has been previously notified of that measure.

3. Any notification, request, response or information under this Article shall be provided to the other Party through the relevant contact points.

4. The notification referred to in paragraph 1 shall be regarded as having been provided in accordance with paragraph 3 when the actual or proposed measure has been notified to the WTO in accordance with the *WTO Agreement* and copied to the contact point of the other Party.

5. Any notification, response or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

#### **Article 15.5**

##### **Administrative Proceedings**

With a view to administering in a consistent, impartial and reasonable manner its measures referred to in Article 15.3, each Party shall ensure that, in its administrative proceedings in which these measures are applied to particular persons, goods or services of the other Party in specific cases, it:

- (a) provides, wherever possible, persons of the other Party that are directly affected by a proceeding reasonable notice, in



accordance with its domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated, and a general description of any issues in controversy;

- (b) affords such persons a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and
- (c) follows its procedures in accordance with domestic laws and regulations.

#### **Article 15.6**

##### **Review and Appeal**

1. Each Party shall, where warranted, establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review and correction of final administrative actions regarding matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

- (a) a reasonable opportunity to support or defend their respective positions; and
- (b) a decision based on the evidence and submissions of record or, where required by domestic laws and regulations, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided in its domestic laws and regulations, that such decisions shall be implemented by, and shall govern the practice of, the office or authority with respect to the administrative action that is the subject of the decision.

**ANNEX 15.2**

**CONTACT POINTS**

For the purposes of Article 15.2.1, the contact points shall be:

- (a) in the case of Chile, the Directorate on Bilateral Economic Affairs of the General Directorate of International Economic Affairs, Ministry of Foreign Affairs, or its successor; and
- (b) in the case of Hong Kong, China, the Trade and Industry Department, or its successor.

## CHAPTER 16

### ADMINISTRATION

#### Article 16.1

##### Free Trade Commission

1. The Parties hereby establish a Free Trade Commission.
2. The Commission shall be comprised of government officials of each Party and shall be co-chaired by senior government officials of the Parties.
3. The Commission shall:
  - (a) review the general functioning of this Agreement;
  - (b) review, consider and, as appropriate, decide on specific matters related to the operation, application and implementation of this Agreement, including matters reported by committees or working groups established under this Agreement;
  - (c) supervise and coordinate the work of committees, working groups and contact points established under this Agreement; and
  - (d) take such other action as the Parties may agree.
4. The Commission may:
  - (a) establish, refer matters and delegate responsibilities to any committee or working group;
  - (b) consider and adopt any amendment to this Agreement on:
    - (i) the Tariff Schedules in Annex 3.4, to accelerate tariff elimination;
    - (ii) the Product Specific Rules of Origin in Annex 4.2;
    - (iii) the Annexes to Chapter 7 (Technical Barriers to Trade); and
    - (iv) the entities listed in Annex 9.1,

subject to completion of necessary domestic legal procedures by each Party;<sup>34</sup>

- (c) seek to resolve disputes that may arise regarding the interpretation, implementation or application of this Agreement, without prejudice to the dispute settlement mechanism in accordance with Chapter 17 (Dispute Settlement);
- (d) issue interpretations of this Agreement; and
- (e) seek the advice of non-governmental persons or groups on matters covered by this Agreement.

## Article 16.2

### Procedures of the Commission

1. The Commission shall meet within the first year of entry into force of this Agreement and thereafter at such interval as the Parties may agree. The Commission shall meet alternately in the Area of each Party, unless the Parties otherwise agree.
2. The Commission shall also meet in special session within 30 days from the date of receipt of the request of a Party or as otherwise mutually determined by the Parties, with such sessions to be held in the Area of the other Party or at such location as may be agreed by the Parties.
3. All decisions of the Commission shall be taken by mutual agreement.
4. The Commission shall establish its rules and procedures.

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<sup>34</sup> Chile shall implement any amendment adopted by the Commission pursuant to paragraph 4(b) through executive agreements in accordance with Article 54, number 1, paragraph 4 of the *Constitución Política de la República de Chile*.

## CHAPTER 17

### DISPUTE SETTLEMENT

#### Article 17.1

##### Scope

1. Unless otherwise provided for in this Agreement, this Chapter shall apply with respect to the avoidance or settlement of disputes between the Parties concerning the implementation, interpretation or application of this Agreement, which includes wherever a Party considers that:

- (a) a measure of the other Party is inconsistent with its obligations under this Agreement;
- (b) the other Party has otherwise failed to carry out its obligations under this Agreement; or
- (c) a benefit the Party could reasonably have expected to accrue to it under this Agreement is being nullified or impaired as a result of a measure that is not inconsistent with this Agreement.

2. For the avoidance of doubt, the Parties agree that this Agreement shall be interpreted in accordance with the customary rules of treaty interpretation of public international law and consistently with the Preamble of this Agreement.

3. Should any matter arise regarding the implementation, interpretation or application of Chapter 14 (Environment), it will be resolved through the procedures provided in Article 14.5.

4. Neither Party may have recourse to procedures provided under this Chapter for any matter arising under Chapter 13 (Competition).

#### Article 17.2

##### Choice of Dispute Settlement Procedure

1. Where a dispute regarding any matter arises under this Agreement and under another free trade agreement to which both Parties are party or the *WTO Agreement*, the complaining Party may select the dispute settlement procedure in which to settle the dispute.

2. Once the complaining Party has requested the establishment of a panel under an agreement referred to in paragraph 1, the dispute settlement procedure selected shall be used to the exclusion of the others.

3. Except as provided in this Article, this Chapter is without prejudice to the rights of the Parties to have recourse to dispute settlement procedures available under other agreements to which they are party.

### **Article 17.3**

#### **Consultations**

1. Either Party may request in writing consultations with the other Party concerning any matter on the implementation, interpretation or application of this Agreement.

2. The requesting Party shall deliver the request to the other Party, setting out the reasons for the request, including identification of the measure at issue and an indication of the legal basis for the complaint, and providing sufficient information to enable an examination of the matter.

3. The Party to which the request is made shall enter into consultations in good faith, with a view to reaching a mutually satisfactory resolution, within a period of no more than:

- (a) 15 days after the date of receipt of the request for urgent matters, including those concerning perishable goods; or
- (b) 30 days after the date of receipt of the request for all other matters.

4. The Parties shall make every effort to arrive at a mutually satisfactory resolution of the matter through consultations under this Article. In conducting the consultations, the Parties shall treat any information exchanged in the course of consultations which is designated by a Party as confidential in nature on the same basis as the Party providing the information.

5. In consultations under this Article, a Party may request the other Party to make available personnel of its government agencies or other regulatory bodies who have expertise in the matter subject to consultations.

6. The consultations under this Article shall be confidential and without prejudice to the rights of either Party in any further proceedings.

## Article 17.4

### Good Offices, Conciliation or Mediation

1. The Parties may at any time agree to good offices, conciliation or mediation. They may begin and be terminated at any time.
2. Proceedings involving good offices, conciliation and mediation, and in particular positions taken by the Parties during those proceedings, shall be confidential and without prejudice to the rights of either Party in any further proceedings.

## Article 17.5

### Establishment of Arbitral Panels

1. The complaining Party that requested consultations under Article 17.3 may request in writing the establishment of an arbitral panel if:
  - (a) the responding Party does not enter into consultations within the time-frames specified in Article 17.3.3 (a) or (b), or a period otherwise mutually agreed by the Parties; or
  - (b) the consultations fail to settle a dispute within 30 days after the date of receipt of the request for consultations under Article 17.3.2 in cases of urgency, including those which concern perishable goods, or 60 days after the date of such receipt regarding all other matters.
2. Any request to establish an arbitral panel pursuant to this Article shall identify:
  - (a) the specific measure at issue;
  - (b) the legal basis of the complaint, including any provision of this Agreement alleged to have been breached or whether there is a claim pursuant to Article 17.1 (c), and any other relevant provisions; and
  - (c) the factual basis for the complaint.
3. The arbitral panel shall be established and perform its functions in a manner consistent with this Chapter.
4. The date of the establishment of an arbitral panel shall be the date on which the chair is appointed.

## **Article 17.6**

### **Terms of Reference of Arbitral Panels**

Unless the Parties agree otherwise within 20 days from the date of receipt of the request for the establishment of the arbitral panel, the terms of reference of the arbitral panel shall be:

“To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitral panel pursuant to Article 17.5, to make findings of law and fact, procedural rulings and determinations on whether the measure is not in conformity with this Agreement or is causing nullification or impairment in the sense of Article 17.1 (c) together with the reasons therefore, and to issue a written report for the resolution of the dispute. The arbitral panel may make recommendations for resolution of the dispute.”

## **Article 17.7**

### **Composition of Arbitral Panels**

1. An arbitral panel shall comprise 3 panelists.
2. Each Party shall, within 30 days after the date of receipt of the request for the establishment of an arbitral panel, appoint 1 panelist who may be a natural person of such Party and propose up to 3 candidates to serve as the third panelist who shall be the chair of the arbitral panel. The third panelist shall be a national of a non-Party and shall not have his or her usual place of residence in either Party, nor be employed by either Party, nor have dealt with the dispute in any capacity.
3. The Parties shall agree on and appoint the third panelist within 45 days after the date of receipt of the request for the establishment of an arbitral panel, taking into account the candidates proposed pursuant to paragraph 2.
4. If a Party has not appointed a panelist pursuant to paragraph 2 or if the Parties fail to agree on and appoint the third panelist pursuant to paragraph 3, the panelist or panelists not yet appointed shall be chosen within 7 days by lot from the candidates proposed pursuant to paragraph 2 and be appointed accordingly.



5. All panelists shall:

- (a) have expertise or experience in law, international trade or other matters covered by this Agreement, or the resolution of disputes arising under international trade agreements;
- (b) be chosen strictly on the basis of objectivity, reliability and sound judgment;
- (c) be independent of, and not be affiliated with or receive instructions from, the government of either Party; and
- (d) comply with a code of conduct, to be provided in the Rules of Procedure referred to in Article 17.13.

6. If a panelist appointed under this Article dies, becomes unable to act or resigns, a successor shall be appointed within 21 days from the date both Parties have received written notice of the vacancy or from the date both Parties become aware of the vacancy, whichever is the earlier, in accordance with the appointment procedure provided for in paragraphs 2, 3 and 4, which shall be applied, respectively, *mutatis mutandis*. The successor shall have all the powers and duties of the original panelist. The work of the arbitral panel shall be suspended for a period beginning on the date the original panelist dies, becomes unable to act or resigns. The work of the arbitral panel shall resume on the date the successor is appointed.

#### **Article 17.8**

##### **Proceedings of Arbitral Panels**

1. The arbitral panel shall meet in closed session, unless the Parties decide otherwise. If the Parties decide that the panel meeting is open to the public, part of the meeting may however be held in closed session, if the arbitral panel, on application by either Party, so decides for good reasons. In particular, the arbitral panel shall meet in closed session when the submissions and arguments of a Party contain business confidential information.

2. The Parties shall be given the opportunity to provide at least 1 written submission and to attend any of the presentations, statements or rebuttals in the proceedings. All information or written submissions submitted by a Party to the arbitral panel, including any comments on the draft report and responses to questions put by the arbitral panel, shall be made available to the other Party.

3. The arbitral panel shall consult with the Parties as appropriate and provide adequate opportunities for the development of a mutually satisfactory resolution.

4. The arbitral panel shall aim to make its decisions, including its report, by consensus but may also make its decisions, including its report, by majority vote.

5. After notifying the Parties, and subject to such terms and conditions as the Parties may agree if any within 10 days after such notification, the arbitral panel may seek information from any relevant source and may consult experts to obtain their opinion or advice on certain aspects of the matter. The panel shall provide the Parties with a copy of any advice or opinion obtained and an opportunity to provide comments. Where the arbitral panel takes the information or technical advice into account in the preparation of its report, it shall also take into account any comments by the Parties on the information or technical advice.

6. The deliberations of the arbitral panel and the documents submitted to it shall be kept confidential.

7. Notwithstanding paragraph 6, either Party may make public statements as to its views regarding the dispute, but shall treat as confidential, information and written submissions submitted by the other Party to the arbitral panel which that other Party has designated as confidential. Where a Party has provided information or written submissions designated to be confidential, that Party shall, within 28 days of a request of the other Party, provide a non-confidential summary of the information or written submissions which may be disclosed publicly.

8. Unless the Parties agree otherwise, each Party shall bear the cost of its appointed panelist and its own expenses. The cost of the chair of an arbitral panel shall be borne by the Parties in equal shares. Other expenses associated with the conduct of the proceedings shall be borne by the Parties in equal shares unless the arbitral panel decides otherwise.

#### **Article 17.9**

##### **Suspension or Termination of Proceedings**

1. The Parties may agree that the arbitral panel suspends its work at any time for a period not exceeding 12 months from the date of such agreement. In the event of such a suspension, the time-frames set out in paragraphs 2, 5 and 7 of Article 17.10 and paragraph 7 of Article 17.12 shall be extended by the amount of time that the work of the arbitral panel was suspended. If the work of the arbitral panel has been suspended for more than 12 months, the

authority for establishment of the arbitral panel shall lapse unless the Parties agree otherwise.

2. The Parties may agree to terminate the proceedings of the arbitral panel by jointly notifying the chair of the arbitral panel at any time before the issuance of the report to the Parties.

#### **Article 17.10**

##### **Report**

1. The report of the arbitral panel shall be drafted without the presence of the Parties. The panel shall base its report on the relevant provisions of this Agreement and the submissions and arguments of the Parties, and may take into account any other information provided to the arbitral panel pursuant to paragraph 5 of Article 17.8.

2. Unless the Parties agree otherwise, the arbitral panel shall, within 120 days after the date of its establishment, or within 60 days after the date of its establishment in cases of urgency, including those which concern perishable goods, submit to the Parties its draft report.

3. The draft report shall contain both the descriptive part summarising the submissions and arguments of the Parties and the findings, procedural rulings and determinations of the arbitral panel. The arbitral panel may make recommendations for resolution of the dispute in its report. The findings, procedural rulings and determinations of the panel and, if applicable, any recommendations cannot add to or diminish the rights and obligations of the Parties provided in this Agreement.

4. When the arbitral panel considers that it cannot submit its draft report within the 120-day or 60-day period referred to in paragraph 2, it may extend that period with the consent of the Parties.

5. A Party may provide written comments to the arbitral panel on its draft report within 15 days after the date of submission of the draft report to the Parties.

6. After considering any written comments on the draft report, the arbitral panel may reconsider its draft report and make any further examination it considers appropriate.

7. The arbitral panel shall issue its final report, within 30 days after the date of submission of the draft report to the Parties. The report shall include any separate opinions on matters not unanimously agreed, not disclosing which panelists are associated with majority or minority opinions.

8. The final report of the arbitral panel shall be made available to the public within 15 days after the date of its issuance, subject to the requirement to protect confidential information.

9. The report of the arbitral panel, other than any recommendations made, shall be final and binding on the Parties.

#### **Article 17.11**

##### **Implementation of the Report**

1. Unless the Parties agree otherwise, the Party complained against shall eliminate the non-conformity with this Agreement or the nullification or impairment in the sense of Article 17.1 (c) as determined in the final report of the arbitral panel, immediately, or if this is not practicable, within a reasonable period of time.

2. The Parties shall continue to consult at all times on the possible development of a mutually satisfactory resolution.

3. The reasonable period of time referred to in paragraph 1 shall be mutually determined by the Parties. The reasonable period of time should not exceed 12 months from the date of the issuance of the arbitral panel's final report to the Parties unless the Parties agree otherwise. Where the Parties fail to agree on the reasonable period of time within 45 days after the date of issuance of the final report of the arbitral panel referred to in Article 17.10, either Party may refer the matter to an arbitral panel as provided for in Article 17.12.7, which shall determine the reasonable period of time.

4. Where there is disagreement between the Parties as to whether the Party complained against eliminated the non-conformity or the nullification or impairment in the sense of Article 17.1 (c) as determined in the report of the arbitral panel within the reasonable period of time as determined pursuant to paragraph 3, either Party may refer the matter to an arbitral panel as provided for in Article 17.12.7.

#### **Article 17.12**

##### **Non-Implementation – Compensation and Suspension of Concessions or Other Obligations**

1. If the Party complained against notifies the complaining Party that it is impracticable, or the arbitral panel to which the matter is referred pursuant to Article 17.11.4 confirms that the Party complained against has failed, to eliminate the non-conformity with this Agreement or the nullification or impairment in the sense of Article 17.1 (c) as determined in the final report of

the arbitral panel within the reasonable period of time as determined pursuant to Article 17.11.3, the Party complained against shall, if so requested, enter into negotiations with the complaining Party with a view to reaching mutually satisfactory compensation.

2. If there is no agreement on satisfactory compensation within 20 days after the date of receipt of the request mentioned in paragraph 1, the complaining Party may suspend the application to the Party complained against of concessions or other obligations under this Agreement, after giving notification of such suspension 30 days in advance. Such notification may only be given after the 20-day period has lapsed. Concessions or other obligations under this Agreement shall not be suspended while the complaining Party is pursuing negotiations under paragraph 1.

3. The compensation referred to in paragraph 1 and the suspension referred to in paragraph 2 shall be temporary measures. Neither compensation nor suspension is preferred to full elimination of the non-conformity with this Agreement or the nullification or impairment in the sense of Article 17.1 (c) as determined in the final report of the arbitral panel. The suspension shall only be applied until such time as the non-conformity with this Agreement or the nullification or impairment in the sense of Article 17.1 (c) is fully eliminated, or a mutually satisfactory resolution is reached.

4. In considering what concessions or other obligations to suspend pursuant to paragraph 2:

- (a) the complaining Party should first seek to suspend concessions or other obligations with respect to the same sector(s) as that in which the final report of the arbitral panel referred to in Article 17.10 has found the non-conformity with this Agreement or the nullification or impairment of benefits in the sense of Article 17.1 (c); and
- (b) if the complaining Party considers that it is not practicable or effective to suspend concessions or other obligations with respect to the same sector(s), it may suspend concessions or other obligations with respect to other sectors. The notification of such suspension pursuant to paragraph 2 shall indicate the reasons on which it is based.

5. The level of suspension referred to in paragraph 2 shall be equivalent to the level of the nullification or impairment.

6. If the Party complained against considers that the requirements for the suspension of concessions or other obligations by the complaining Party set

out in paragraph 2, 3, 4 or 5 have not been met, it may refer the matter to an arbitral panel.

7. The arbitral panel that is established for the purposes of this Article or Article 17.11 shall have, wherever possible, as its panelists, the panelists of the original arbitral panel. If this is not possible, then the panelists to the arbitral panel that is established for the purposes of this Article or Article 17.11 shall be appointed pursuant to Article 17.7. The arbitral panel established for the purposes of this Article or Article 17.11 shall issue its report within 60 days after the date when the matter is referred to it. When the arbitral panel considers that it cannot issue its report within the aforementioned 60-day period, it may extend that period for a maximum of 30 days with the consent of the Parties. The report shall be made available to the public within 15 days after the date of issuance, subject to the requirement to protect confidential information. The report shall be final and binding on the Parties. If the arbitral panel finds that the responding Party has complied with the findings and rulings, the complaining Party shall promptly stop the suspension of benefits under Article 17.12.

#### **Article 17.13**

##### **Rules of Procedure**

The Commission shall adopt the Rules of Procedure which provide for the details of the rules and procedures of arbitral panels established under this Chapter, upon the entry into force of this Agreement. Unless the Parties agree otherwise, the arbitral panel shall follow the Rules of Procedure adopted by the Commission and may, after consulting the Parties, adopt additional Rules of Procedure not inconsistent with the rules adopted by the Commission.

#### **Article 17.14**

##### **Application and Modification of Rules and Procedures**

Any time period or other rules and procedures for arbitral panels provided for in this Chapter, including the Rules of Procedure referred to in Article 17.13, may be modified by mutual consent of the Parties. The Parties may also agree at any time not to apply any provision of this Chapter.

## CHAPTER 18

### EXCEPTIONS

#### Article 18.1

##### General Exceptions

1. For the purposes of Chapters 3 to 8 (Trade in Goods, Rules of Origin, Customs Procedures and Cooperation, Sanitary and Phytosanitary Measures, Technical Barriers to Trade and Trade Remedies), Article XX of *GATT 1994* and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*. 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 living and non-living exhaustible natural resources.
2. For the purposes of Chapters 10 to 12 (Establishment, Trade in Services and Financial Services), Article XIV of *GATS* (including its footnotes) is incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that the measures referred to in Article XIV (b) of *GATS* include environmental measures necessary to protect human, animal or plant life or health.
3. Nothing in this Agreement shall be construed to prevent a Party from taking action authorised by the Dispute Settlement Body of the WTO. A Party taking such action shall inform the Commission to the fullest extent possible of measures taken and of their termination.

#### Article 18.2

##### Security Exceptions

1. Nothing in this Agreement shall be construed:
  - (a) to require a Party to furnish or allow access to any information the disclosure of which it considers contrary to its essential security interests;
  - (b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:
    - (i) relating to fissionable and fusionable materials or the materials from which they are derived;

- (ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials, or relating to the supply of services as carried on directly or indirectly for the purpose of supplying or provisioning a military establishment; or
  - (iii) taken in time of war or other emergency in external relations; or
- (c) to prevent a Party from taking any action in pursuance of the obligations applicable to it under the *United Nations Charter* for the maintenance of international peace and security.

2. A Party taking action under paragraphs 1(b) and (c) shall promptly inform the other Party to the fullest extent possible of measures taken and of their termination.

### **Article 18.3**

#### **Taxation Measures**

1. Except as provided in this Article, nothing in this Agreement shall apply to taxation measures.

2. Nothing in this Agreement shall affect the rights and obligations of the Parties under any tax convention or other arrangement on taxation in force between the Parties. In the event of any inconsistency relating to a taxation measure between this Agreement and any such convention or other arrangement on taxation, the latter shall prevail to the extent of the inconsistency.

3. Any consultations between the Parties about whether an inconsistency relates to a taxation measure shall be referred to the designated authorities of the Parties. The designated authorities shall consider the issue and decide whether the tax convention or arrangement prevails. If within 6 months of the referral of the issue to the designated authorities, they decide with respect to the measure that gives rise to the issue that the tax convention or arrangement prevails, no procedures concerning that measure may be initiated under Chapter 17 (Dispute Settlement). Neither may such procedures be initiated during the period the issue is under consideration by the designated authorities.

4. Article 3.3 shall apply to taxation measures to the same extent as Article III of *GATT 1994*.



5. Articles 10.3 and 11.3 and 12.4 shall apply to taxation measures to the same extent as covered by the *GATS*.

6. For the purposes of this Article, **taxation measure** means any measure relating to direct or indirect taxes, but does not include:

- (a) a customs duty; or
- (b) the measures listed in subparagraphs (b) and (c) of the definition of **customs duties** in Article 2.1.

7. For the purposes of paragraph 3, **designated authority** means:

- (a) in the case of Hong Kong, China, to be designated by the Director-General of Trade and Industry or his authorised representative; and
- (b) in the case of Chile, the *Director del Servicio de Impuestos Internos, Ministerio de Hacienda*, or an authorised representative of the *Ministro de Hacienda*.

#### Article 18.4

##### Measures to Safeguard the Balance of Payments

1. Where a Party is in serious balance of payments and external financial difficulties or under threat thereof, it may adopt or maintain restrictive measures with regard to trade in goods, trade in services, and establishment under Chapter 10 in accordance with:

- (a) *GATT 1994* and the *WTO Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994*; or
- (b) Article XII.2 of *GATS*, including on payments, transfers or capital movements,

as applicable.

2. The Parties shall endeavour to avoid the application of the restrictive measures referred to in paragraph 1.

3. Any restrictive measure adopted or maintained under this Article shall be non-discriminatory and of limited duration and shall not go beyond what is necessary to remedy the balance of payments and external financial situation.

4 In determining the incidence of restrictions adopted or maintained under paragraph 1, each Party may give priority to economic sectors which are more essential to its economic development. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular sector.

5. Any restrictions adopted or maintained by a Party under paragraph 1, or any changes therein, shall promptly be notified to the other Party and present, as soon as possible, a time schedule for their removal.

6. The Party adopting or maintaining any restrictions under paragraph 1 shall consult promptly with the other Party. Such consultations shall assess the balance of payments situation of the Party concerned and the restrictions adopted or maintained under this Article, taking into account, *inter alia*, such factors as:

- (a) the nature and extent of the balance of payments and the external financial difficulties;
- (b) the external economic and trading environment of the consulting Party; and
- (c) alternative corrective measures which may be available.

The consultations shall address the compliance of any restrictive measures with paragraphs 3 and 4. All findings of statistical and other facts presented by the International Monetary Fund relating to foreign exchange, monetary reserves and balance of payments shall be accepted and conclusions shall be based on the assessment by the Fund of the balance of payments and external financial situation of the consulting Party.

#### **Article 18.5**

##### **Disclosure of Information**

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information provided in confidence by the other Party pursuant to this Agreement. Such information shall be used only for the purposes specified, and shall not be otherwise disclosed without the specific written permission of the Party providing the information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

2. Nothing in this Agreement shall be construed as requiring a Party to furnish or allow access to information the disclosure of which would impede law enforcement or violate its domestic law or otherwise be contrary to the public interest or which would prejudice the legitimate commercial interests of particular enterprises, public or private, or at the time of the disclosure of the

information, would be for the purpose of judicial proceedings of the other Party.

## **CHAPTER 19**

### **FINAL PROVISIONS**

#### **Article 19.1**

##### **Annexes and Footnotes**

The Annexes and footnotes to this Agreement constitute an integral part of this Agreement.

#### **Article 19.2**

##### **Amendments**

1. This Agreement may be amended by the Parties by agreement in writing or by the Commission pursuant to Article 16.1.4(b).
2. All amendments to this Agreement shall enter into force 60 days after the date of the last notification by which the Parties inform each other that the necessary domestic legal procedures have been completed, or on such other date as may be agreed by the Parties.
3. All amendments shall, upon entry into force, constitute an integral part of this Agreement.

#### **Article 19.3**

##### **Amendment of the *WTO Agreement***

If any provision of the *WTO Agreement* that the Parties have incorporated into this Agreement is amended, the Parties may consult each other on whether to amend this Agreement.

#### **Article 19.4**

##### **Succession of Treaties or International Agreements**

Subject to Article 19.3, any reference in this Agreement to any other treaty or international agreement shall be made in the same terms to its successor treaty or international agreement to which a Party is party or which is applicable to the Area of a Party.

## **Article 19.5**

### **Memorandum of Understanding on Labour Cooperation**

The Parties shall enhance their dialogue and cooperation on labour matters through the *Memorandum of Understanding on Labour Cooperation between Chile and Hong Kong, China* concluded by the Parties separately from but alongside this Agreement.

## **Article 19.6**

### **Future Work Programmes**

1. Upon the entry into force of this Agreement, the Parties will initiate negotiations on investment in accordance with the terms of reference established by the Notes exchanged between them alongside this Agreement.
2. The Parties shall review, 2 years after the entry into force of this Agreement and at the request of either Party, their taxation measures with the purpose of improving the disciplines contained in Article 18.3.

## **Article 19.7**

### **Entry into Force and Termination**

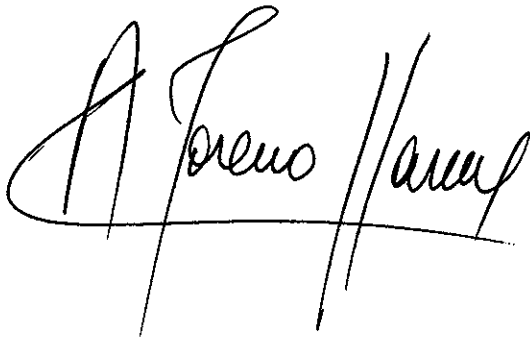
1. The entry into force of this Agreement is subject to the completion of the necessary domestic legal procedures by each Party.
2. This Agreement shall enter into force 60 days after the date of the last notification by which the Parties inform each other that the procedures under paragraph 1 have been completed, or on such other date as may be agreed by the Parties.

3. Either Party may terminate this Agreement by written notification to the other Party. This Agreement shall expire 180 days after the date of such notification.

**IN WITNESS WHEREOF**, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

**DONE** at Vladivostok, Russian Federation, in duplicate, this September 7<sup>th</sup> 2012, in the English language.

**For the Government of the  
Republic of Chile**



**For the Government of the Hong  
Kong Special Administrative  
Region of the People's Republic of  
China**

