Reproduced hereunder are:

1. The text of Articles 10 and 11 of Law No. 18,525 (Diario Oficial of 20 June 1986) as amended by Law No. 18,908 (Diario Oficial of 24 January 1990), relevant to the imposition of countervailing duties and the designation and competences of the national authority competent to initiate and conduct investigations referred to in the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.

2. Decree of the Ministry of Finance No. 545 - Diario Oficial of 4 September 1990 which approves the Regulations of Article 11 of Law No. 18,525, concerning investigations into distortions in the prices of imported goods.

This notification replaces the texts reproduced in SCM/1/Add.16/Rev.1.
LAW NO. 18,525, D.O., 30 JUNE 1986

Rules on the Importation of Goods

Article 10. Surcharges of 3 per cent, 5 per cent, 8 per cent, 10 per cent, 12 per cent, 15 per cent, 18 per cent and 20 per cent ad valorem and countervailing duties are hereby established for imports of goods of which the entry into the country causes or threatens serious injury to the domestic industry by entering at diminished prices as a result of artificial effects in their respective markets. The President of the Republic shall determine the goods to which these surcharges and countervailing duties shall apply, as well as their amount and duration, which shall not exceed one year, after receipt of the report by the Commission referred to in the following article.

Article 11. A National Commission shall be established to investigate the existence of distortions in the prices of imported goods. This Commission shall comprise the Inspector-General of the Economy, who shall be its Chairman; two representatives of the Central Bank of Chile, who shall be designated by its Board; a representative of the Ministry of Finance and a representative of the Ministry of the Economy, Development and Reconstruction, who shall be designated by a resolution published in the Diario Oficial; the National Director of Customs; and a representative of the Ministry of Foreign Affairs designated as mentioned above. The above-mentioned members shall have the deputies provided for by law or, as appropriate, as designated by their respective institutions by resolution published in the Diario Oficial.

The Commission shall be responsible for hearing complaints concerning distortions in the prices of internationally traded goods. To that end it shall conduct an investigation in each case. It shall report the opening and subject of an investigation within five working days after the complaint has been duly lodged, by means of a notice published in the Diario Oficial. Within thirty days from the date of such notice, the Commission shall receive whatever information interested parties wish to submit and request any reports it considers necessary. Before reaching a decision it shall also conduct hearings of the interested parties, at their request, to hear their arguments.

1 Article 10 replaced as indicated by No. 4 of the single Article of Law No. 18,908, D.O., 24 January 1990.

2 Paragraph 1 of Article 11 replaced by the insert in the present text by Article 2, No. 9(a), of Law 18,840, D.O., 10 October 1989.

3 The second to penultimate paragraphs of Article 11 in this text replace the previous paragraphs 2, 3 and 4, in accordance with paragraph 5 of the single Article of Law No. 18,908, D.O., 24 January 1990.
The complaint submitted to the Commission shall indicate the distortion and the manner in which it causes or threatens material injury to the domestic industry affected.

Without prejudice to the provisions of the preceding paragraphs, the Commission may on its own initiative conduct the investigations referred to in this article when it possesses information which justifies so doing. Investigations conducted by the Commission on its own initiative shall be subject to the same procedure as is established for investigations upon complaint to the extent applicable.

Within a maximum period of ninety days from the date of publication of the notice in Diario Oficial, the Commission shall make a decision on the facts under investigation on the basis of the information in its possession. If the Commission considers that on the basis of such information it is possible to establish the existence of distortions in the price of the product and that such distortions cause or threaten material injury to the affected domestic industry, it shall so state in the decision it delivers for that purpose, in which it shall recommend, either jointly or separately, the establishment of the minimum customs values referred to in Article 9 or the surcharges and countervailing duties referred to in Article 10.

Before delivering the decision referred to in the previous paragraph and at any stage in the investigation the Commission may request the President of the Republic, through the Minister of Finance, to establish within a period of sixty days provisional surcharges and countervailing duties or minimum customs values. The duration of the surcharges, countervailing duties or minimum customs values applied under this paragraph shall not extend beyond the date at which the final decision is adopted, and shall be payable if they were in force at the time when the Customs Service accepts an import declaration for processing.

The Commission may at any time request the competent authority to modify or repeal measures adopted provisionally.

In the event that when the investigation has been completed the Commission decides that there is no distortion in the price of the goods concerning which it requested provisional measures, or that distortions do exist but do not cause or threaten serious injury to the national economy, the persons affected by the provisional surcharges, countervailing duties or minimum customs values may apply for the refund of such payments. Likewise, the persons concerned may request the total or partial refund of amounts paid under such provisional measures when, following a recommendation by the Commission in the relevant resolution that definitive surcharges, countervailing duties or minimum customs values be imposed, the competent authority does not impose any such measure or adopts a measure for a lower amount than that which had to be paid under the provisional measure. Current interest shall accrue on the amounts to be refunded. Application for refund must be made within ninety days of the date of entitlement to refund, after which the right thereto shall lapse.
The resolutions of the Commission shall be adopted by a majority of votes; in the case of a tied vote the Chairman shall have the deciding vote.

The Commission established in the first paragraph of this Article shall also be responsible for conducting investigations under the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade approved by Decree Law No. 3,567 of 1980 and enacted by Supreme Decree of the Ministry of Foreign Affairs No. 300 of 1981.

Regulations enacted by Supreme Decree of the Ministry of Finance shall establish the necessary procedure for the collection of the duties, taxes and other charges arising out of the provisional imposition of minimum customs values, surcharges and countervailing duties and their refund, where appropriate. The regulations shall also determine the procedures necessary for the implementation of the provisions of this article.

The Central Bank of Chile shall act as the Technical Secretariat of the Commission referred to in the first paragraph of this Article.  

*Paragraph added by paragraph IX(b) of Article Two of Law No. 18,840, D.O., 10 October 1989.

REGULATIONS OF ARTICLE 11 OF LAW NO. 18,525, CONCERNING INVESTIGATIONS INTO DISTORTIONS IN THE PRICES OF IMPORTED GOODS

No. 545 - Santiago, 12 July 1990. Having regard to the provisions of paragraph 11, Article 11 of Law No. 18,525 and the powers conferred upon me by paragraph 8 of Article 32 of the Political Constitution of the Republic of Chile,

I hereby decree as follows:

The following regulations of Article 11 of Law No. 18,525 concerning investigations into distortions in the prices of imported goods are hereby adopted:

Article 1. The National Commission responsible for investigating the existence of distortions in the prices of imported goods, created by Article 11 of Law No. 18,525, shall comprise the following persons:

1. the Inspector-General of the Economy, who shall be its Chairman;
2. two representatives of the Central Bank of Chile, designated by its Board;
3. a representative of the Minister of Finance, designated by resolution published in the Diario Oficial;
4. a representative of the Minister of the Economy, Development and Reconstruction, designated by resolution published in the Diario Oficial;
5. the National Director of Customs; and
6. a representative of the Ministry of Foreign Affairs, designated by resolution published in the Diario Oficial.

The above-mentioned members shall have the deputies provided for by law or, as appropriate, as designated by their respective institutions by resolution published in the Diario Oficial.

The Central Bank shall act as Technical Secretariat of the Commission.

Article 2. The Chairman of the Commission, in addition to his responsibilities as a member of the Commission, shall:

1. convene meetings, indicate the items on the agenda, open and close meetings and guide the discussions;
2. put to the Commission for decision any points of order raised and any votes that are required;

3. cast the deciding vote in the event of a tie; and

4. issue whatever communications are required for the Commission to fulfill its functions.

**Article 3.** The Commission shall hold regular and extraordinary meetings.

Meetings shall take place at the place and time mentioned in the corresponding convocation and shall be devoted to dealing with the items included in their agenda, which shall be drawn up in accordance with the instructions given by the Chairman. Extraordinary meetings of the Commission shall be held at the request of at least two of its members.

Convocations shall be made in writing with at least three days' notice and shall include all available information required for the Commission to fulfill its responsibilities.

The Commission may invite such persons as it decides to attend its meetings.

The Commission shall receive interested parties at their request to hear their arguments.

**Article 4.** The deliberations and decisions of the Commission shall be consigned in an official record kept by the Technical Secretariat, which shall set down the decisions adopted, the votes held and the explanations of votes by the minority.

**Article 5.** Any complaint concerning distortions in the price of imported goods shall be submitted to the Technical Secretariat of the Commission. The complaint shall indicate the distortion and the manner in which it causes or threatens material injury to the domestic industry affected.

Complaints concerning distortions in the price of imported goods may be submitted by any natural or legal person affected, and shall be considered to have been lodged formally on the date when the Technical Secretariat certifies that the particulars specified in the form approved by the Commission for this purpose have been provided in full.

The Commission may on its own initiative conduct the investigations referred to in Article 11 of Law No. 18,525, when it possesses information that justifies so doing. In such cases it shall apply the same procedure as is established for investigations pursuant to a complaint, to the extent applicable.

**Article 6.** The Commission shall reject complaints that are not duly lodged in accordance with the procedure established in the previous article.
Once a complaint has been duly lodged, its processing shall commence with the publication in the Diario Oficial of an extract of the particulars of the complaint, at the expense of the complainant, within five working days of being formally lodged.

Article 7. Once a complaint has been duly lodged, the Commission shall inform the Ministry of Foreign Affairs of the initiation of the investigation, and where appropriate the latter shall notify the countries of which the products are to be investigated with a view to possible consultations that may be required.

Article 8. Within a period of thirty days from the date of the notice mentioned in Article 6 of these regulations, the Commission shall receive the particulars which the parties or any third parties concerned wish to submit and request the necessary reports from whomsoever it considers pertinent.

Where, at the end of the period in question, the particulars of the complaint do not warrant pursuing the investigation, the Commission shall take the decision not to continue it and so notify the interested parties by a notice published in the Diario Oficial.

Article 9. The decisions taken by the Commission during the investigation shall be set down in the corresponding official record.

The information relating to an investigation in the possession of the Commission shall be public, except where it is confidential by nature or the interested party who submitted it has explicitly requested confidentiality for good reason. In the latter cases, the interested party shall submit a non-confidential summary, and if in that case the summary is not submitted in good time without good reason, the Commission may dispense with such confidential information.

Article 10. Within a maximum period of ninety days from the date of publication of the notice in the Diario Oficial, the Commission shall make a decision concerning the matters under investigation on the basis of the information in its possession. If, in the opinion of the Commission, on the basis of such information it is possible to establish the existence of distortions in the price of the imported product and that such distortions cause or threaten material injury to the domestic industry affected, it shall so state in the decision it adopts for that purpose. In its decision it shall recommend, jointly or separately, the establishment of the minimum customs values referred to in Article 9 of Law No. 18,525 or the surcharges and countervailing duties referred to in Article 10 of that Law.

Article 11. The Technical Secretariat shall prepare a report on the investigation within the time-limit mentioned in the previous article. The report shall contain the particulars of the verification, analysis and quantification of the distortions under investigation and a study of their impact on the domestic industry of the product or products in question, trends in imports and their share in domestic consumption, prices and such other information as the Commission considers necessary.
The decision of the Commission shall be transmitted together with the information and conclusions of the investigation to the President of the Republic, through the Minister of Finance, who shall in turn inform the Chairman of the Commission of the final decision. The decision of the Commission shall be communicated to interested parties once the competent authority has adopted and published it in the Diario Oficial.

**Article 12.** Before taking the decision referred to in the previous article the Commission may, at any stage in the investigation and within a period of sixty days of its initiation, when it deems it necessary request the President of the Republic, through the Minister of Finance, to establish provisional minimum customs duties, surcharges or countervailing duties as referred to in Article 9 and 10 of Law No. 18,525.

The minimum customs values, charges and countervailing duties referred to in the previous paragraph shall remain in force until such time as the competent authority adopts a final decision on the case under consideration, and shall be payable if they were in force at the time when an import declaration was accepted for processing. Nevertheless, the Commission may at any time request the President of the Republic to modify or repeal such provisional measures. The decisions of the President of the Republic concerning the above-mentioned matters shall be made by means of a decree published in the Diario Oficial.

In the case that provisional measures are applied and the Commission decides that no distortion exists or that the distortion does not cause or threaten serious injury to the national economy, it may request the President of the Republic to repeal them; parties affected by such provisional measures may apply for the refund of the amount they have thus paid. They may also request the total or partial refund of the amount paid under such measures in the case where the Commission has recommended the application of such measures but they have not been imposed by the competent authority or have been imposed for an amount lower than the amount which had to be paid under the provisional measures.

Current interest shall accrue on the amounts to be refunded. Interested parties must apply for a refund within ninety days of the date on which they became entitled to such refund, after which the right thereto shall lapse.

**Article 13.** The duties, taxes and other charges resulting from the provisional establishment of surcharges and countervailing duties shall be collected by entering the percentage to be applied in the import declaration and the amount to be paid under such measures in the voucher of receipt of payment, which amount shall be the result of applying the percentage of the surcharge or countervailing duty to the customs value of the item.

**Article 14.** The duties, taxes and other charges resulting from the provisional establishment of minimum customs values shall be collected by replacing in the import declaration the customs value that should have been entered in accordance with the normal rules of valuation by the provisional
minimum customs value to be applied, provided it is higher than the former amount.

**Article 15.** In the event of the refund of duties, taxes and other charges resulting from the provisional establishment of minimum customs values, surcharges and countervailing duties, the importer requesting the refund must submit an application to the regional director or administrator at customs with whom the import declaration in question was lodged together with an a certified copy of the corresponding import declaration - voucher of receipt of payment.

**Article 16.** The Commission shall comply with the rules established by these Regulations, to the extent appropriate, in the investigations under the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade, approved by Decree Law No. 3,567 of 1980 and enacted by Supreme Decree of the Ministry of Foreign Affairs No. 300 in 1981.

In the case of such investigation, the Commission shall in any case notify, through the Ministry of Foreign Affairs, the country (countries) party (parties) to the General Agreement of Tariffs and Trade of which the export subsidies are to be investigated.

**Article 17.** If the President of the Republic accepts the recommendation of the Commission concerning the application of definitive special measures to correct a distortion in the import of the products that are the subject of a complaint, the Commission may at any time recommend, on the basis of the information in its possession, that the measures in force be modified or eliminated before they are due to expire.

In any case, such recommendations shall be made after notification of the interested parties who participated in the corresponding investigation.

**Article 18.** Supreme Decree of Finance No. 475 of 1990 is hereby repealed.

For review, information and publication. PATRICIO AYLWIN AZOCAR, President of the Republic. Alejandro Foxley Rioseco, Minister of Finance.

Transcribed for your information. Yours faithfully, Marta Tonda Mitri, Deputy Under-Secretary of Finance.