QUESTIONS CONCERNING THE COUNTERVAILING DUTY LEGISLATION OF CHILE

Responses by Chile

Reproduced herewith are replies by the Chilean authorities to questions put by the EEC in document SCM/W/112 on the countervailing duty legislation of Chile (SCM/1/Add.16/Rev.1).

(i) Article 1 of Decree Law No. 742

The President of the Republic is the sole authority who can apply countervailing duties in Chile. Under Decree Law No. 742, the President appoints the Commission as the authority competent to examine a complaint, empowering it to recommend either the application of a countervailing duty or rejection of the complaint.

In deciding whether or not a countervailing duty is to be established, the President of the Republic must necessarily abide by the law, which is the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade. In other words, the Commission examines the complaint, determines the existence of subsidized imports and must establish the causal link between serious injury and a subsidy. Subsequently, it makes a recommendation to the Minister of Finance, who then informs the President of the Republic so that he may make a decision in accordance with the law.

(ii) Paragraph 3 of the Regulations

Paragraph 3 of the Regulations uses the word "shall", and accordingly allows no other possibility, and complaints may be made solely by natural or legal persons to whom the subsidized import is causing or threatening material injury.

The investigating authority, i.e. the Commission, evaluates the alleged injury in respect of all domestic industries manufacturing the product to which the complaint refers. Accordingly, although the complaint may be lodged in respect of only one industry, the investigation covers all industries manufacturing the like product.
(iii) **Section 13 of the Regulations**

The report referred to in section 13 of the technical study carried out by the Central Bank on the basis of which the Commission may, if it deems inappropriate, apply a provisional measure in accordance with the provisions of the GATT Code on Subsidies and Countervailing Duties.

Accordingly, this report is a necessary requirement but is not in itself sufficient for adoption of a provisional nature.