COMMUNICATION FROM THE GOVERNMENT OF CHILE

Preliminary, Conditional Offer of Chile Concerning
Initial Commitments on Trade in Services

I. INTRODUCTION

Chile’s treatment of trade in services is as open, transparent and non-discriminatory as its treatment of trade in goods. At present, the Government does not plan to modify the services régime or policies affecting the services sector. Furthermore, the Government is prepared to enter into broad liberalization commitments to the extent that other parties do likewise.

Chile’s offer sets out a maximum level of commitments that the country is prepared to assume in present circumstances and taking into consideration, in particular, the status of the Uruguay Round negotiations and the need to examine the current situation in the services sector more closely. However, to the extent that the other parties make effective liberalization commitments in areas of particular interest to Chile, Chile would be in a position to consider the possibility of reducing the maximum level of the conditions set out in the present list.

It should be noted that implementation of the instruments referred to in the offer may require approval by the Chilean Parliament.

II. GENERAL CONDITIONS

1. In the framework of the future General Agreement on Trade in Services, the Chilean Government intends to offer the initial commitments attached to the present communication. Chile has the utmost interest in making a substantive contribution to the negotiations to establish multilateral disciplines and liberalize trade in services, as a means of promoting development, particularly in developing countries.

2. Chile’s offer is based on the inclusion, in principle, of all internationally traded services, in accordance with the legislation currently in force in Chile. It is based on the binding of existing levels of protection and, as it stands, will not require amendment of existing laws, rules and regulations. Any future upward adjustment of the "provisions" set out in the present offer which currently protect service activities, will follow the principle that they should be no more restrictive than the present level.

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3. The present offer is conditional, *inter alia*, on the final content of the General Agreement and its annexes, and the extent to which the offers of the other parties are comparable and mutually acceptable.

4. In the event of a dispute arising from the use of subsidies or dumping, the relevant domestic rules on countervailing duties will be applied.

5. Without prejudice to the foregoing, the importation of services, whatever their mode of delivery, shall be subject to the laws, rules and regulations of the Chilean State, which are geared, in particular, to development and national security, the protection of morals, public order, health, cultural values, protection of the consumer and conservation of the environment.

6. Similarly, Chile's trade in services will be governed by the international conventions, agreements and treaties which have been subscribed to by Chile and are in force in the country.

7. The present offer does not imply that the Government of Chile assumes any standstill commitment in respect of the instruments referred to in points 5 and 6.

8. Chile reserves the right to maintain, modify or reduce the present offer at any time before the entry into force of the multilateral agreement, in accordance with the conditions laid down above. It also reserves the right to make any changes of a technical nature in its offer, which it may deem appropriate.

9. This offer does not include or affect any legal arrangements or government policies respecting foreign investment. The above arrangements and policies do not discriminate as to the destination of the investment, whether it goes to the production of goods or services.

III. INITIAL COMMITMENTS

1. Coverage of Commitments:

Chile is prepared to offer, in principle, all internationally tradable services in accordance with the legislation in force.

Services may be imported using the following modes of delivery, and in accordance with the following conditions, qualifications and limitations:

2. Modes of delivery:

A. Cross-border delivery

Limitation and conditions on market access: Conditions and qualifications on national treatment (to be determined)
(i) For specified purpose.

(ii) Market share not less than 15 per cent of the total.

(iii) 35 per cent ad valorem tariff on value of imported services.

B. Movement of consumers

Limitation and conditions on market access:

Conditions and qualifications on national treatment (to be determined)

(i) For specified purpose.

(ii) 35 per cent tariff on value of imported services.

C. Temporary movement of suppliers

Limitation and conditions on market access:

Conditions and qualifications on national treatment (to be determined)

(i) For specified purpose.

(ii) Residence must be less than ninety days per calendar year, with multiple entry and exit.

(iii) Subject to rules on the recognition of qualifications and certificates by the Ministry of Education and the University of Chile.

(iv) 35 per cent tariff on the value of the imported service.

D. Commercial presence

Limitation and conditions on market access:

Conditions and qualifications on national treatment (to be determined)

(i) For specified purpose.

(ii) Permits for commercial presence granted for six months.
(iii) Market share not lower than 15 per cent.

(iv) 35 per cent tariff on the value of the imported service.

Note: Imports of goods in connection with the provision of services shall come under the Chilean régime for trade in goods.
ANNEXES

The following is an indicative, non-exhaustive list of the laws, rules and regulations relating to the services sector in Chile.

1. The Political Constitution of the State.


3. The Income Tax Law.

4. The Value-Added Tax Law.

5. The Legislation concerning Foreign Investment (D.L. 600).


11. Laws, rules and regulations governing specific sectors:
   - Banking law and implementing regulations.
   - Insurance and Securities law and implementing regulations.
   - Securities and Insurance Supervision Regulations.
   - Banking Supervision Regulations.
   - Law No. 18.168 concerning Telecommunications, and Decree No. 133 to 139 of 4 January 1989.
   - Decree Law No. 3475 concerning Stamps and Stamp Duty.
   - Limited Companies Law (No. 18.046)
   - Law No. 18.010 respecting Money Transactions.
   - Legislation concerning Civil Aviation.
   - Advertising Abuses Law.
   - Intellectual Property Law.

SANTIAGO, 26 May 1991