

**Annex II**  
**Schedule of Chile**

**Sector:** All Sectors

**Obligations Concerned:** National Treatment (Article 10.2)  
Most-Favored-Nation Treatment (Article 10.3)

**Description:** Investment

Chile reserves the right to adopt or maintain any measure relating to the ownership or control of land within five kilometers of the coastline that is used for agricultural activities. Such measures could include a requirement that the majority of each class of stock of a Chilean juridical person that seeks to own or control such land be held by Chilean persons or by persons residing in Chile for 183 days or more per year.

**Sector:** All Sectors

**Obligations Concerned:** National Treatment (Article 10.2)  
Senior Management and Boards of Directors (Article 10.6)

**Description:** Investment

In the transfer or disposal of any interest in stock or asset held in an existing state enterprise or governmental entity, Chile reserves the right to prohibit or impose limitations on the ownership of said interest or asset and on the right of foreign investors or their investments to control any State company created thereby or investments made by the same. In connection with any such transfer or disposal, Chile may adopt or maintain any measure related to the nationality of senior management and members of the Board of Directors.

A “State 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 effective date of this Agreement for the sole purpose of selling or disposing of its interest share in the capital or assets of an existing state enterprise or governmental entity.

**Sector:** All Sectors

**Obligations Concerned:** Most-Favored-Nation Treatment (Articles 10.3, 11.3)

**Description:** Investment and Cross-Border Services

Chile reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

Chile reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement in force or signed after the date of entry into force of this Agreement involving:

- (a) aviation;
- (b) fisheries; or
- (c) maritime matters, including salvage.

<b>Sector:</b>	<p>Communications</p> <p>One-way satellite broadcasting of digital telecommunication services, whether these involve direct home television broadcasting, direct broadcasting of television services, or direct audio broadcasting, and supplementary telecommunication services.</p>
<b>Obligations Concerned:</b>	<p>National Treatment (Article 11.2)</p> <p>Most-Favored-Nation Treatment (Article 11.3)</p> <p>Local Presence (Article 11.5)</p>
<b>Description:</b>	<p><u>Cross-Border Services</u></p> <p>Chile reserves the right to adopt or maintain any measure related to cross-border trade in one-way satellite broadcasting of digital telecommunication services, whether these involve direct home television broadcasting, direct broadcasting of television services, or direct audio broadcasting, and supplementary telecommunication services.</p>
<b>Existing Measure:</b>	<p><i>Ley 18.168</i>, Diario Oficial, octubre 2, 1982, <i>Ley General de Telecomunicaciones</i></p>

<b>Sector:</b>	<p>Communications</p> <p>One-way satellite broadcasting of digital telecommunication services, whether these involve direct home television broadcasting, direct broadcasting of television services, or direct audio broadcasting, and supplementary telecommunication services.</p>
<b>Obligations Concerned:</b>	<p>National Treatment (Article 10.2)</p> <p>Most-Favored-Nation Treatment (Article 10.3)</p> <p>Performance Requirements (Article 10.5)</p> <p>Senior Management and Boards of Directors (Article 10.6)</p>
<b>Description:</b>	<p><u>Investment</u></p> <p>Chile reserves the right to adopt or maintain any measure related to the investors or to the investments of investors of the United States in one-way satellite broadcasting of digital telecommunication services, whether these involve direct home television broadcasting, direct broadcasting of television services, or direct audio broadcasting, and supplementary telecommunication services.</p>
<b>Existing Measure:</b>	<p><i>Ley 18.168, Diario Oficial, octubre 2, 1982, Ley General de Telecomunicaciones</i></p>

<b>Sector:</b>	Issues Involving Minorities
<b>Obligations Concerned:</b>	National Treatment (Articles 10.2, 11.2) Most-Favored-Nation Treatment (Articles 10.3, 11.3) Local Presence (Article 11.5) Performance Requirements (Article 10.5) Senior Management and Boards of Directors (Article 10.6)
<b>Description:</b>	<u>Cross-Border Services and Investment</u>  Chile reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

<b>Sector:</b>	Issues Involving Indigenous Peoples
<b>Obligations Concerned:</b>	National Treatment (Articles 10.2, 10.3) Most-Favored-Nation Treatment (Articles 10.3, 11.3) Local Presence (Article 11.5) Performance Requirements (Article 10.5) Senior Management and Boards of Directors (Article 10.5)
<b>Description:</b>	<u>Investment and Cross-Border Services</u>  Chile reserves the right to adopt or maintain any measure denying investors of the United States and their investments or service providers of the United States any rights or preferences provided to indigenous peoples.

**Sector:** Education

**Obligations Concerned:** National Treatment (Article 11.2)  
Most-Favored-Nation Treatment (Article 11.3)  
Local Presence (Article 11.5)

**Description:** Cross-Border Services

Chile reserves the right to adopt or maintain any measure relating to natural persons who render educational services, including teachers and auxiliary personnel rendering educational services in elementary education, kindergarten, pre-school, special education, primary and high school education, professional, technical, and university education, including educational establishments of any kind as well as sponsors of educational establishments, schools, lyceums, academies, training centers, professional and technical institutes, and/or universities.

This reservation does not apply to the provision of services related to second-language training, corporate, business, and industrial training and skill upgrading, which includes consulting services relating to technical support, advice, curriculum, and program development in education.



**Sector:** Government finances

**Obligations Concerned:** National Treatment (Article 10.2)

**Description:** Investment

Chile reserves the right to adopt or maintain any measure related to the acquisition, sale, or disposal by United States nationals of bonds, treasury securities, or any other type of debt instruments issued by the Central Bank or the Government of Chile. This non-conforming measure is not intended to affect the rights of U.S. financial institutions (banks) established in Chile to acquire, sell, or dispose of such instruments when required for purposes of regulatory capital.

<b>Sector:</b>	Fisheries Fishing-Related Activities
<b>Obligations Concerned:</b>	National Treatment (Articles 10.2, 11.2) Most-Favored-Nation Treatment (Articles 10.3, 11.3)
<b>Description:</b>	<u>Investment and Cross-Border Services</u>  Chile retains the right to control the activities of foreign fishing, including fish landing, first landing of fish processed at sea, and access to Chilean ports (port privileges).  Chile reserves the right to control the use of beaches, land adjacent to beaches ( <i>terrenos de playas</i> ), water-columns ( <i>porciones de agua</i> ), and sea-bed lots ( <i>fondos marinos</i> ) for the issuance of maritime concessions. For greater certainty, “maritime concessions” does not include aquaculture.
<b>Existing Measures:</b>	<i>Decreto Ley 2.222</i> , Diario Oficial, mayo 31, 1978, <i>Ley de Navegación</i>  <i>Decreto con Fuerza de Ley 340</i> , Diario Oficial, abril 6, 1960, sobre <i>Concesiones Marítimas</i>  <i>Decreto Supremo 660</i> , Diario Oficial, noviembre 28, 1988, <i>Reglamento de Concesiones Marítimas</i>

**Sector:** Cultural Industries

**Obligations Concerned:** Most-Favored-Nation Treatment (Articles 10.3, 11.3)

**Description:** Investment and Cross-Border Services

Chile reserves the right to adopt or maintain any measure that accords differential treatment to countries under any existing or future bilateral or multilateral international agreement with respect to cultural industries, such as audiovisual cooperation agreements. For greater certainty, government supported subsidy programs for the promotion of cultural activities are not subject to the limitations or obligations of this Agreement.

Cultural industries means persons engaged in any of the following activities:

- (a) Publication, distribution, or sale of books, magazines, periodical publications, or printed or electronic newspapers, excluding the printing and typesetting of any of the foregoing;
- (b) Production, distribution, sale, or display of recordings of movies or videos;
- (c) Production, distribution, sale, or display of music recordings in audio or video format;
- (d) Production, distribution, or sale of printed music scores or scores readable by machines; or
- (e) Radiobroadcasts aimed at the public in general, as well as all radio, television and cable television-related activities, satellite programming services, and broadcasting networks.

**Sector:** Social Services

**Obligations Concerned:** National Treatment (Articles 10.2, 11.2)  
Most-Favored-Nation Treatment (Articles 10.3, 11.3)  
Local Presence (Article 11.5)  
Performance Requirements (Article 10.5)  
Senior Management and Boards of Directors (Article 10.6)

**Description:** Investment and Cross-Border Services

Chile reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for reasons of public interest: income security or insurance, social security or insurance, social welfare, public education, public training, health care, and child care.

**Sector:** Environmental Services

**Obligations Concerned:** National Treatment (Article 11.2)  
Most-Favored-Nation Treatment (Article 11.3)  
Local Presence (Article 11.5)

**Description:** Cross-Border Services

Chile reserves the right to adopt or maintain any measure imposing the requirement that the production and distribution of drinking water, the collection and disposal of waste water, and sanitation services, such as sewage systems, waste disposal, and waste water treatment may only be provided by juridical persons incorporated under Chilean law or created in accordance with the requirements established by Chilean law.

This reservation shall not apply to consultancy services retained by said juridical persons.

**Sector:** Construction Services

**Obligations Concerned:** National Treatment (Article 11.2)  
Local Presence (Article 11.5)

**Description:** Cross-Border Services

Chile reserves the right to adopt or maintain any measure with respect to the provision of construction services rendered by foreign juridical persons or legal entities imposing requirements of residence, registration, and/or any other form of local presence, or imposing the obligation of giving financial security for work as a condition for the provision of construction services.

<b>Sector</b>	All Sectors
<b>Obligations Concerned</b>	Market Access (Article 11.4)
<b>Description</b>	<p><u>Investment and Cross-Border Services</u></p> <p>Chile reserves the right to adopt or maintain any measure relating to article 11.4, except for the following sectors and sub-sectors subject to the limitations and conditions listed below:</p> <p><i>Legal services:</i> For (a) and (c): None, except in the case of receivers in bankruptcy (<i>síndicos de quiebra</i>) who must be duly authorized by the Minister of Justice, and they can only work in the place where they reside. For (b): None. For (d): No commitments, except as indicated in Labor Code restriction;</p> <p><i>Accounting, auditing, and bookkeeping services:</i> For (a) and (c): None, except the external auditors of financial institutions must be inscribed in the Register of External Auditors of the <i>Superintendencia de Bancos e Instituciones Financieras</i> and in the <i>Superintendencia de Valores y Seguros</i>. Only firms legally incorporated in Chile as partnerships (<i>sociedades de personas</i>) or associations (<i>asociaciones</i>), and whose main line of business is auditing services, may be inscribed in the Register. For (b): None. For (d): No commitments, except as indicated in Labor Code restriction;</p> <p><i>Taxation Services:</i> For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction;</p> <p><i>Architectural Services:</i> For (c): None. For (d): No commitments, except as indicated in Labor Code restriction;</p> <p><i>Engineering Services:</i> For (c): None. For (d): No commitments, except as indicated in Labor Code restriction.</p> <p><i>Veterinary Services:</i> For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.</p> <p><i>Services provided by midwives, nurses, physiotherapists, and paramedical personnel:</i> For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.</p> <p><i>Computer and Related Services:</i> For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.</p>

*Real Estate Services:* Involving owned or leased property or on a fee or contract basis: For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Rental/leasing services without crew/operators, related to vessels, aircraft, any other transport equipment, and other machinery and equipment:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Advertising services, market research and public opinion polling services, management consulting services, services related to management consulting, technical testing, and analysis services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Services related to agriculture, hunting, and forestry:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction

*Services related to mining, placement and supply services of personnel, investigation, and security services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Maintenance and repair of equipment (not including vessels, aircraft, or other transport equipment), building-cleaning services, photographic services, packing services, and convention services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Printing and publishing services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*National or international long-distance telecommunications services:* For (a), (b), (c), and (d): Chile reserves the right to adopt or maintain any measure that is not inconsistent with Chile's obligations under Article XVI of GATS.

*Local basic telecommunication services and networks, intermediate telecommunications services, supplementary telecommunications services, and limited telecommunications services:* For (a), (b), and (c): a concession granted by means of a *Decreto Supremo* issued by the *Ministerio de Transportes y Telecomunicaciones* shall be required for the installation,



operation, and exploitation of public and intermediary telecommunications services in Chilean territory. Only juridical persons organized under the Chilean law shall be eligible for such concessions.

An official decision issued by the *Subsecretaría de Telecomunicaciones* shall be required to render Supplementary Telecommunications Services, consisting of additional services provided by hooking up equipment to public networks. Said decision refers to compliance with the technical standards established by the *Subsecretaría de Telecomunicaciones* and non-alteration of the essential technical features of networks or of the permissible technological or basic service modalities provided through them.

A permit issued by the *Subsecretaría de Telecomunicaciones* shall be required for the installation, operation, and development of limited telecommunications services.

International traffic shall be routed through the installations of a company holding a concession granted by the *Ministerio de Transporte y Telecomunicaciones*.

For (d): No commitments, except as indicated in Labor Code restriction.

*Commission agents services, wholesale trade services, retailing services, franchising, and other distribution:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Hotels and restaurants (including catering), travel agencies and tour operators services, and tourist guide services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Entertainment services (including theater, live bands, and circuit services), news agencies services, libraries, archives, museums, and other cultural services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Sporting and other recreational services:* For (a), (b), and (c): None, except that a specific type of legal entity may be required for sporting organizations that develop professional activities. In addition, (1) it is not permitted to participate with more than one team in the same category of a sport competition; (2) specific

regulations may be established on equity ownership in sporting companies; and (3) minimal capital requirements may be imposed. For (d): No commitments, except as indicated in Labor Code restriction.

*Road Transport: Freight transportation, rental of commercial vehicles with operator; maintenance and repair of road transport equipment; supporting services for road transport services:* For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Services auxiliary to all transport:* cargo handling services; storage and warehouse services; freight transport agency services: For (a), (b), and (c): None. For (d): No commitments, except as indicated in Labor Code restriction.

*Pipeline Transport: Transportation of fuels and other goods:* For (a), (b), and (c): None, except that the service has to be supplied by juridical persons established under Chilean law and the supply of the service may be subject to a concession on a national treatment basis. For (d): No commitments, except as indicated in Labor Code restriction.

*Aircraft repair and maintenance services:* For (a): No commitments. For (b) and (c): None. For (d): No commitments, except as indicated in Labor Code restriction;

Chile will set out in this Annex, within one year of the date of entry into force of this Agreement, any existing non-conforming measure that it maintains with respect to energy-related services (services incidental to energy distribution, exploration and development, and energy marketing services) and adult education (educational services related to second-language training, corporate, business, and industrial training and skill upgrading, which includes consulting services relating to technical support, advice, curriculum, and program development in education).

**Consultation Clause:** Either Party shall have the right to raise issues regarding coverage of Annex II on Article 11.4.

For purpose of this non-conforming measure:

1. (a) refers to the supply of a service from the territory of one Party into the territory of the other Party;
2. (b) refers to the supply of a service in the territory of a Party by

one person of that Party to a person of the other Party;

3. (c) refers to the supply of a service in the territory of a Party by an investor of the other Party or by a covered investment; and

4. (d) refers to the supply of a service by a national of a Party in the territory of the other Party.