



ACENDER

**Welcome to Chile,
“Let ACENDER be your host”**

Dear friends:

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We appreciate your interest in investing in Chile and we, as ACENDER, are delighted to introduce to you our country and help you in this process and with your strategic and investment decisions.

We are very pleased to provide this document about some of the most required considerations that investors need to know when considering investing in Chile.

We would like to help you in your approach and while entering into our country, thus we present you some of the solutions and services you may have access in Acender which could be very useful when investing and also for the next stages.

We foresee this opportunity of establishing a professional relationship as our commitment in supporting your strategic plans. We are convinced that our knowledge, the quality of our services and our commitment is what is required, and that you will appreciate the value generation in our approach.

As leaders within ACENDER, you have our personal commitment that you will have access to ACENDER's best professionals, and that we will care that your requirements, expectations and milestones were achieved.

Please do not hesitate to contact or call us, should you wish to discuss our credentials and assistance further.

We will be very pleased to meet you,



Ricardo Corral S.
Country Managing Partner



Antonio Castilla F.
International Liaison Partner

This document have been developed **by ACENDER's Deals & Transaction Services**, and his Strategic Intelligence Unit , with the collaboration of the marketing group.

The information contained herein its intended for general use, and it has been obtained from public sources and summarizes most current questions that potential investors in Chilean business have asked. This information will be updated from time to time , and we suggest that application to specific situations or deeper information should be determined through consultation with our financial and tax advisors.

Our Deals & Transaction Services teams will be delighted in helping you to answer more specific questions you may have on just how you should do business in Chile. If so, do not hesitate to contact us.

ACENDER is member of :



Cámara Oficial Española
de Comercio de Chile



Cámara
Chileno *Británica*



Chapter I

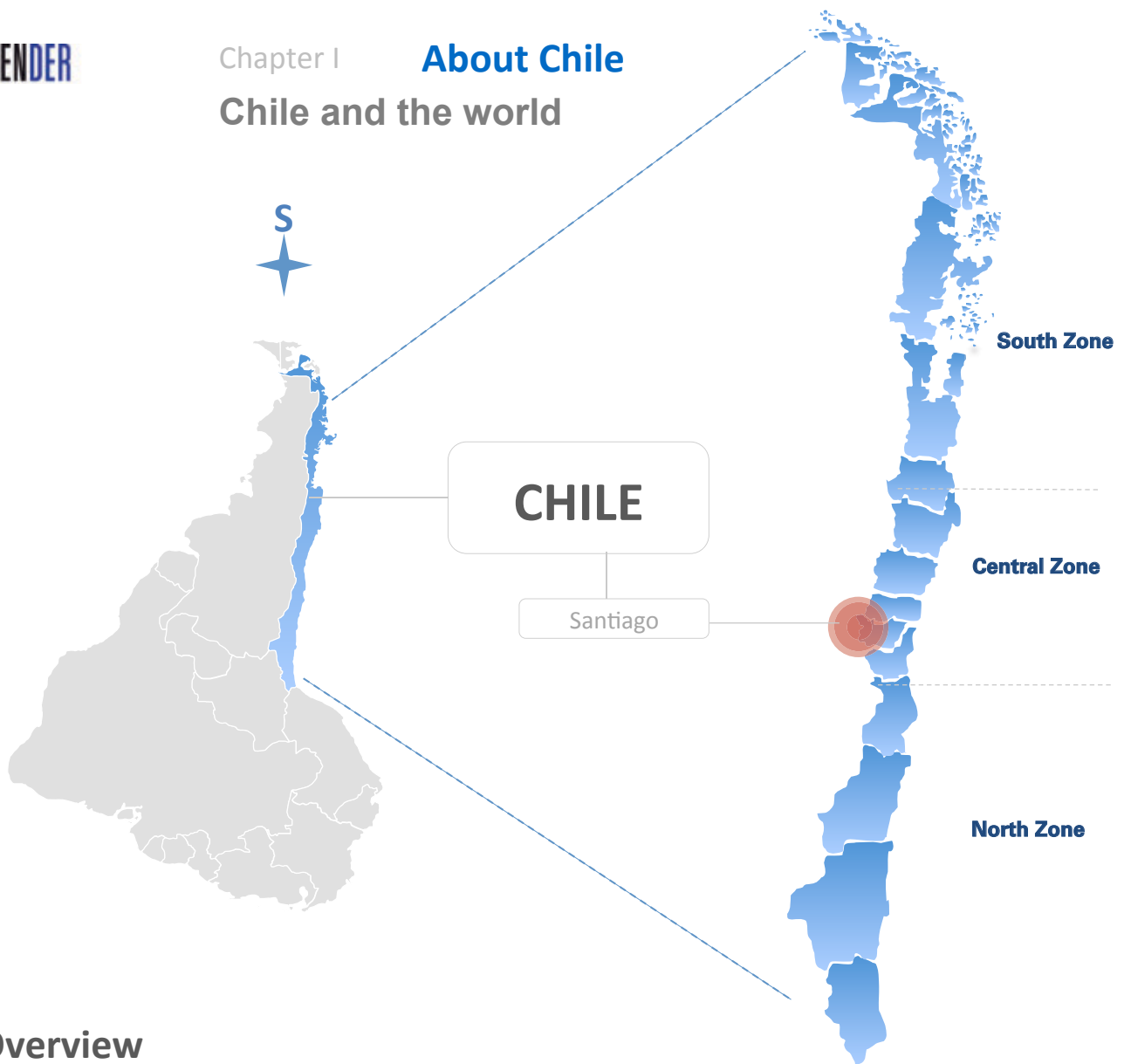
About Chile

Chile and the world



Welcome to Chile “Let ACENDER be your host”

Chile and the world



Overview

Chile, is located in South America, a long and thin piece of land, bordered by Peru and Bolivia to the North, the Andes Mountains and Argentina to the East and the Pacific Ocean to the west. It has a surface area of 756,950 square kilometers.

There are five well-defined geographic regions: the northern desert, the central valley, the southern lake district, the “archipelago” (islands), and the Andean sector. The capital is Santiago, at the central zone, with 6.9 million, or 40% of the national total population. (17,2 millions).

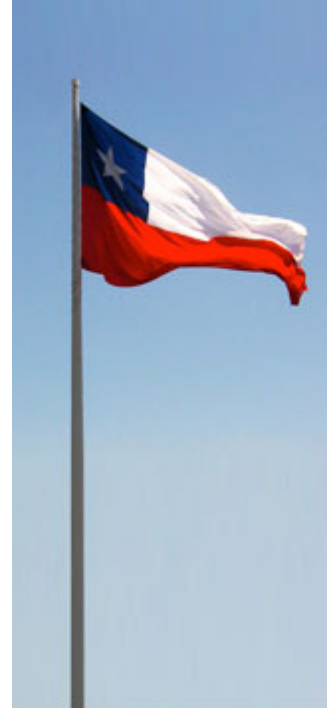


Chile and the world

At a glance

Chile is the best evaluated economy in Latin America and, indeed, one of the best evaluated among emerging economies worldwide. Its sustained economic growth and social progress have been highlighted by different international organizations and, in 2010, it became the first South American country to join the Organization for Economic Co-operation and Development (OECD).

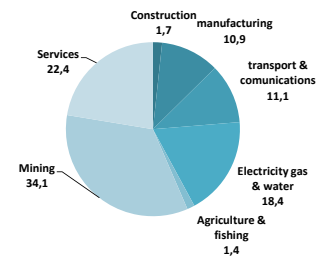
Fiscal discipline is one of the pillars of Chile's solid economy. Its fiscal accounts have shown sustained stability, with an historic surplus in 2007.



Statistics	
Area: Mainland & islands	756,096 km ²
Area: Antarctic	1,250,000 km ²
Total	2,006,096 km ²
Mainland Length	4,200 km
Administrative divisions	15 regions, 53 provinces y 346 municipal districts
Government	The President of the Republic serves as Head of State and Head of Government. Since March 2010, The president is Mr. Sebastián Piñera.

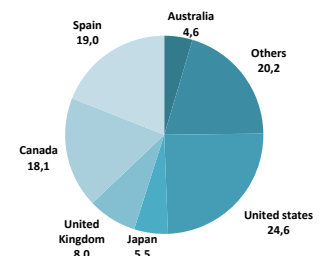
Economy	
-GDP 2012	US\$248,413 million
-GDP per capita (nominal, 2012)	US\$15,410
-GDP per capita (PPP, 2012)	US\$18,419
-Unemployment rate (2013)	6.2% (Jan-Mar)
-GDP growth (2012)	56%
-Exports (2012)	US\$90.900 million
-Imports (2012)	US\$90.000 million

FDI materialized by Sector
1974-2011
(US\$82,021 million)



Social	
-Population	17.2 million
-Population density	20.4 inhabitants /km ²
-Official language	Spanish
-Currency	Peso
-Literacy	98,6%
-Life expectancy	78 years

FDI materialized by Country
1974-2011
(US\$82,021 million)



Chapter II

Why Chile?

Why investing in Chile



Welcome to Chile “Let ACENDER be your host”

Why investing in Chile

Summary of top 10 reasons to invest in Chile

1. **A place to invest**, Chile is the best evaluated economy in Latin America and, indeed, one of the best evaluated among emerging economies worldwide.
2. **A reliable partner**, Chile is a safe and reliable place in which to do business. This is borne out by risk ratings agencies which have maintained their high ratings for Chile.
3. **A competitive country**, Chile has a consolidated position as Latin America's most competitive economy. In the 2012 World Competitiveness Yearbook published by the Institute for Management Development (IMD), Chile took 28th place out of 59 economies.
4. **Attractive business climate**, Chile is one of the 20 most attractive economies in which to do business between 2010 and 2014 and leads Latin America in this field.
5. **A transparent country**, In Transparency International's 2011 Corruption Perceptions Index, Chile obtained a score of 7.2 points, ranking among the 25 best-placed economies out of the 183 countries included in the Index.
6. **Internationally integrated**, Chile's 22 trade agreements, covering a total of 59 countries, have expanded its domestic market of 16.8 million inhabitants to one of over 4,3 billion potential consumers around the world.
7. **A wired country**, In the Networked Readiness Index 2012, published by the World Economic Forum (WEF), Chile took 39th place out of 142 economies, ranking ahead of all other Latin American countries.
8. **A country with talent**, Foreign investors often highlight human capital as one of Chile's main comparative advantages. Chile's higher education system comprises universities, professional training institutes and technical training centers.
9. **Quality of life**, With a geography that contains a privileged variety of landscapes, Chile offers visitors from overseas a perfect mixture of natural beauty, public safety, political stability and modern infrastructure.
10. **Headquarters in Chile**, According to the UBS investment bank, Santiago is one of the world's least expensive cities for the installation of foreign companies.



Why investing in Chile

Summary of top 10 reasons to invest in Chile

1.- A place to invest

Chile is the best evaluated economy in Latin America, it became the first South American country to join the OECD (Organization for Economic Co-operation and Development).

Fiscal discipline and Political Stability are the pillars of Chile's solid economic.

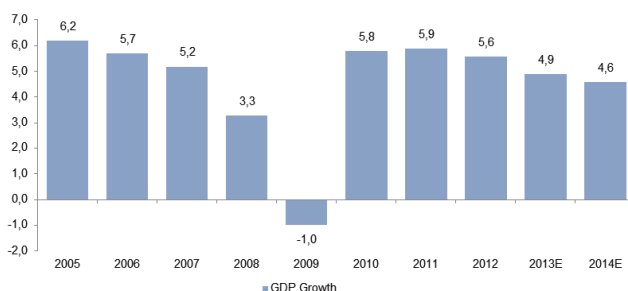
From 2005 to 2012, Chile's GDP grew at an annual average rate of 4.6%, according to the Central Bank of Chile. In 2012, in the midst of the European debt crisis, Chile's economy demonstrated its resilience to adverse international conditions and GDP expanded by 5.6% to US\$268,413 million. As a result, per capita income reached US\$15,410 and, in purchasing power parity terms (PPP), US\$18,419, according to figures published by the International Monetary Fund (IMF) in April 2013.

According to the Central Bank, Chile's important growth in 2011 was the result of two strong quarterly performances - a 9.9% expansion the first quarter, followed by 6.3% the second quarter - explained in both cases by average annual productivity growth of 0.5%.

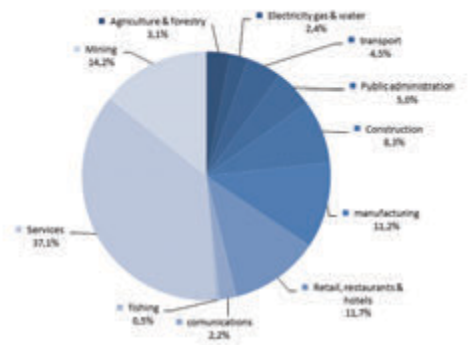
In 2011 the level of production corresponds to services, mining, commerce and industry. Was the fishing industry the fastest growing sector in regards to 2010.

According to the 2011 data, analysts estimate that in 2012 Chile will grow between 4% and 5%. The IMF forecasts a growth of 4.3% for the next period. Keeping that trend, in 2016 Chile will be the second highest GDP per capita in South America.

Chile: Annual GDP growth, 2005-2014
(%, at prices of previous chain-linked year, base year = 2008)



Chile: GDP by sector, 2012 (current prices)
(GDP: US\$268.413 millions)



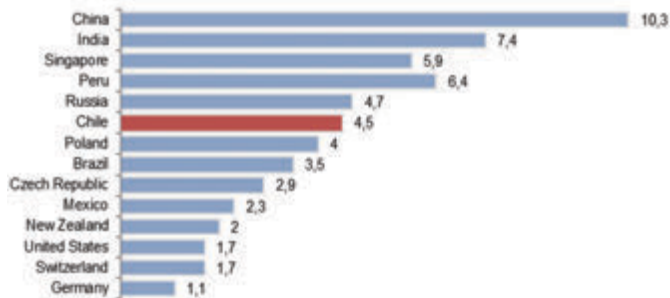
Why investing in Chile

Summary of top 10 reasons to invest in Chile

1.- A place to invest

The World Bank predicts that Chile will grow 5,1% in 2013 to slow down to 4.5% in 2014.

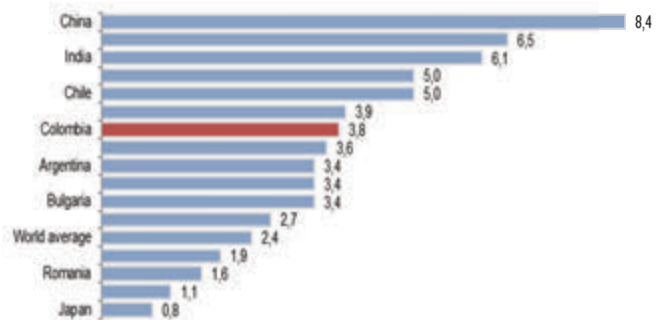
Average Annual GDP growth , 2002-2012
(selected economies%)*



Source: International Monetary Fund – FMI (www.imf.org)

* Between 184 countries

2013 GDP Growth Forecasts
(% real growth, selected economies*)



Source: world bank (www.worldbank.org).

Fiscal Balance

Chile's strong economy is based primarily on fiscal discipline. Fiscal accounts have had a sustained stability, showing a historic surplus in 2007. In 2012, this reached 0.6% of GDP.

Lower taxes

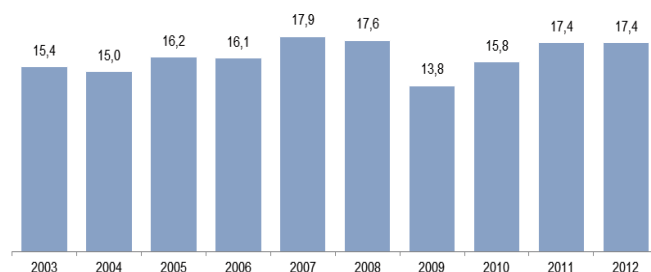
Chile is characterized by a low fiscal burden compared to the other countries of the region. Tax revenues have historically represented between 15% and 19% of GDP and, in the past decade, have not exceeded 20%. In 2012, net tax collection reached US\$47,000 million.

Chile: Fiscal Surplus/Deficit, 2002-2012
(Total central government operations, % of GDP)



Source: www.dipres.cl , direccion de presupuestos

Chile: Net Tax Revenues, 2003-2012
(% of GDP)



Source: www.dipres.cl , direccion de presupuestos

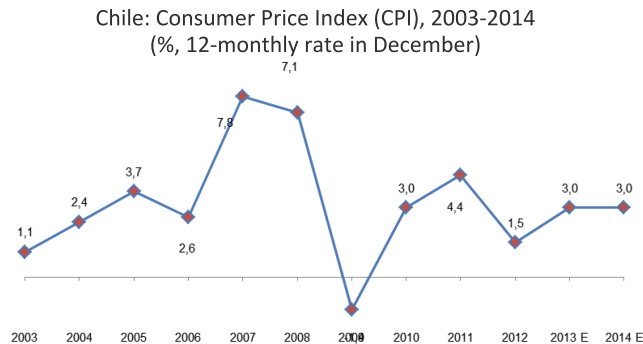
Why investing in Chile

Summary of top 10 reasons to invest in Chile

1.- A place to invest, (Cont.)

Controlled inflation rate

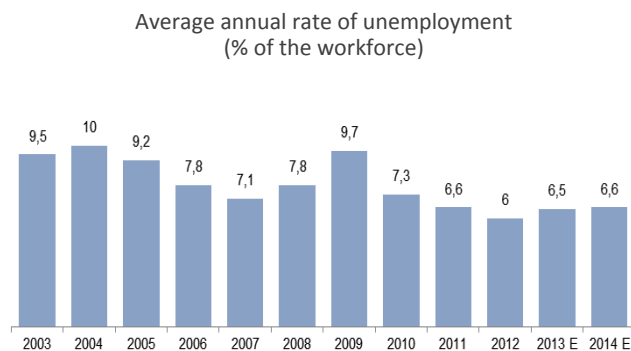
In Chile, the inflation is measured by the Central Bank through the consumer price index ranking between 2% and 4% each year. The IMF forecasts for 2013 and 2014 an inflation close to 3%, placing Chile as the most controlled inflation of the region.



Source: Web page Foreign Investment. Committee , of Gobierno de Chile – Banco Central de Chile (www.bcentral.cl), FMI, www.imf.org
E: estimated by FMI (www.imf.org).

Full employment

After 2009 international crisis, unemployment rate has returned to full employment hovering 7%. The IMF projects by end 2014, unemployment rate will be less than 7%.



Source: Web page Foreign Investment. Committee , of Gobierno de Chile – Banco Central de Chile (www.bcentral.cl), FMI, www.imf.org
E: estimated as of april, 2012 FMI (www.imf.org).

Why investing in Chile

Summary of top 10 reasons to invest in Chile

2.- A reliable partner

According to the risk rating agencies, Chile is a safe and reliable country for companies to come and do business. These agencies have maintained high ratings because Chile has low levels of public debt, a healthy financial system and solid institutions.

Chile's sovereign ratings (as of May 2012)

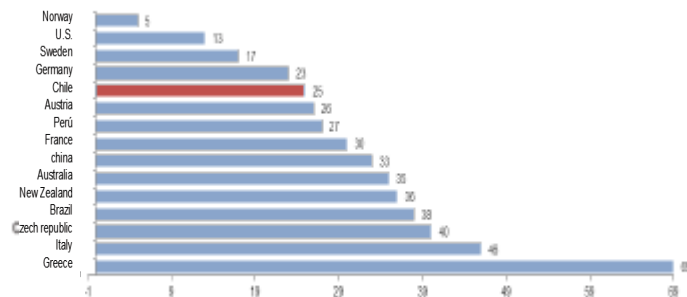
Fitch Ratings	A+
Standard & Poors	AA-
Moody's	Aa3

Source: Web page Foreign Investment Committee , of Gobierno de Chile

Based on January 2013 the published ranking by the Economist Intelligence Unit(EIU), Chile has one of the country lowest risk levels in the world.

EIU analysis consider variables such as political stability, regulatory, tax, labor and macroeconomic, among others.

Risk rating, 2012
(selected economies, ranking*)



Source: Web page Foreign Investment , Committee , of Gobierno de Chile – www.eiu.com * Out of 120 economies; 0 – minimum risk 100- maximum risk

According to Bloomberg, considering the credit default swap (CDS), Chile is positioned eighth less risky country around the world and the safest in Latin America

From 2011 to 2012 regarding the country's economic stability, the World Economic Forum placed Chile among 15 countries with the highest level of global competitiveness

Source: Web page Foreign Investment Committee, of Gobierno de Chile

Why investing in Chile

Summary of top 10 reasons to invest in Chile

3.- A competitive country

Chile, The competitive are measured annually by specialized institutions. Due to competitiveness and sustained economic growth, has become the most competitive economy in Latin America.

The Institute for Management Development (IMD) 2012 report ranked Chile 28th place among 59 countries due to the foreign investment's flow public finance and labor market.

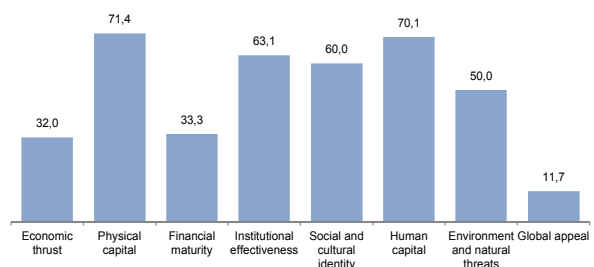
Chile in the IMD World Competitiveness Yearbook 2012

Subsripts / pillars	position
economic Performance	21
domestic economy	11
international trade	54
international investment	10
employment	35
prices	33
government efficiency	16
public finance	4
fiscal policy	30
institutional framework	18
legal framework for business	23
social structure	46
business efficiency	30
productivity and efficiency	23
labor market	31
finance	21
management practices	42
attitudes and values	19
infrastructure	46
basic infrastructure	46
technological infrastructure	43
scientific infrastructure	49
health and environment	43
education	49

Source: Institute for management development www.imd.org – among 59 countries

According to the index of 2012 cities global competitiveness, Economist Intelligence Unit (EIU) and Citigroup, Chile's capital is the third most competitive in Latin America, ranking 68th among 120. This index measures the performance of the largest cities on 31 indicators including the business environment, regulatory framework and quality of life, among others.

Santiago index of cities global competitiveness 2012
(score by category)



Source: Web page Foreign Investment , Committee , of Gobierno de Chile – www.eiu.com economist intelligent unit – scale 1 to 100 points

Why investing in Chile

Summary of top 10 reasons to invest in Chile

4.- An attractive business climate

According to The Economist Intelligence Unit (EIU) ranking, on the business environment Chile is among the 20 most attractive economies for doing business between 2010 -2014, leading the Latin American region. Chile ranks 15th among 82 countries.

Moreover, Bloomberg positioned 22nd place among 50 countries in the "best country to do business" for 2012. This study gives importance to the country's degree of economic integration and costs of starting a business.

The report "Doing Business 2012" World Bank collects the advantages of doing business in Chile. In this report, Chile ranks 39th among 183 countries, climbing 14 places since 2010.

Chile is Latin America's economy where it's easier to do business and ranks 56 places higher than the regional average.

Paperwork Reduction

In 2011 was created the law 20,494 was issued to allows people to obtain authorizations, you to get the city hall license.

All this's the initiative of the Ministry of Economy to unlock and simplify the process of starting a business, reducing from 14 days to just one day the ruling of the commercial patent approval.

Headquarters in Chile

Santiago is one of the cheapest cities in the world for the installation of foreign companies according to investment bank UBS. The study was conducted based on New York City. Globally Chile is ranked 31 among 60 countries.

Total cost of occupancy of offices in Latin America, 2009 - 2010 U.S. \$ per year per square foot (selected cities, position) *

Position	City	country	2009	2010
1	Quito	Ecuador	17,84	18,39
2	Lima	Perú	22,52	23,08
5	Ciudad de Panama	Panama	32,05	32,23
8	Santiago	Chile	33,00	36,41
9	Ciudad de Mexico	Mexico	39,36	37,75
11	Montevideo	Uruguay	39,02	40,26
13	Buenos Aires	Argentina	49,86	53,26
15	Sao Paulo	Brazil	81,81	109,03

Why investing in Chile

Summary of top 10 reasons to invest in Chile

5.- A transparent country

Chile has high levels of transparency and low levels of corruption, maintained a constant concern to improve the quality standards of public administration.

According to the index published by www.transparency.org (2011) Chile ranks 22nd among 183 countries, included in the index. Chile is Latin America's leading country with transparency standards similar to those of developed countries.

An example: "Chile Compra", The Government Marketplace

Since 2003 according to Law 19,886 Chile has an automated system for government procurement. More than 850 public organizations, ministries, municipalities, hospitals and armed forces work with the bidding platform www.mercadopublico.cl trading contracts for over U.S.\$ 6,200 million per year. The system also allows international tenders where foreign companies can bid.

Perception Index corruption 2011		
(selected economies, position and score *)		
Country	Position	Score
New Zealand	1	9,5
Denmark	2	9,4
Singapore	5	9,2
Canada	10	8,7
Germany	14	8,0
UK	16	7,6
Chile	22	7,2
U.S.	24	7,1
Spain	31	6,2
REPUBLIC OF KOREA	43	5,4
Czech republic	57	4,4
Brazil	73	3,8
China	75	3,6
Peru	80	3,4

Source: Web page Foreign Investment , Committee , of Gobierno de Chile – transparencia internacional www.transparency.org * Between 183 countries.

Why investing in Chile

Summary of top 10 reasons to invest in Chile

6.- A world integrated country

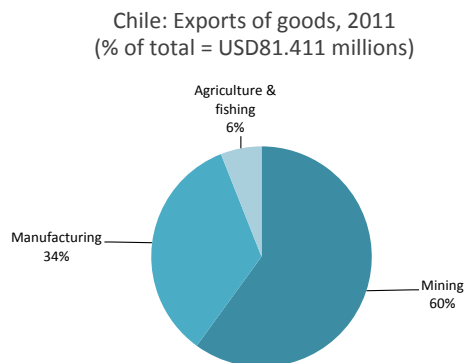
Chile is one of the most open economies in the world and maintains a political and economic relations with most regions.

Total goods traded in 2011 USD152.030 million, with an annual growth rate of 20,2%. In 2011 goods exports amounted USD81.411 million with an annual growth rate of 14,8% mainly due to shipments of copper reaching a record price during the same period (Source: Web page Foreign Investment , Committee , of Gobierno de Chile)



Source: Web page Foreign Investment , Committee , of Gobierno de Chile – Banco central de Chile www.bcentral.cl

In 2011 the main ten products exported by Chile were copper, other minerals, processed foods, fresh fruit, cellulose, salmon and trouts, forest products and wines.



Source: Web page Foreign Investment , Committee , of Gobierno de Chile – Banco central de Chile www.bcentral.cl

Chile's 22nd trade agreement, covering a total of 59 countries, has expanded domestic market of 16,8 million inhabitants to one of over 4.3 billion potential consumers around the world.

Why investing in Chile

Summary of top 10 reasons to invest in Chile

7.- A Globally Connected Country

In the last 30 years, Chile has had a break through In terms of connectivity, mainly due to the concession system created in 1991. According to the Association of Public Infrastructure Concession Companies (COPSA), seven of the world's ten largest developers of transport projects are among more than 30 concession companies with operations in Chile. To date, private companies have invested a total of US \$10,518 million in concession contracts of which 90% corresponds to highways. The system of concessions has been extended from roads and airports to new areas such as agricultural irrigation projects and hospitals.(Source: Web page Foreign Investment , Committee , of Gobierno de Chile).

In the Logistics Performance Index (LPI) published by the World Bank in 2010, Chile ranked 3rd place in Latin America and 49th place globally out of 155 countries.

Chile in the Logistics Performance Index 2010

Indicator	Position *
Overall indicator	49
Customs	41
Infrastructure	50
International shipments	94
Logistics competence	48
Tracking and tracing	40
Timeliness	44

Source: Web page Foreign Investment , Committee , of Gobierno de Chile – World Bank (www.worldbank.org) * Beetwen 155 countries

Telecommunications have played a fundamental role in connecting the different regions as well as in the country's integration with the rest of the world.

Chile: Mobile telephony, 2002-2011 (Nº of subscribers and penetration rates)

Year	Nº of subscribers	Annual growth	Penetration (per 100 inhabitants)	Penetration (% of households)
2002	6.244.310	22,42%	39,44	156,51%
2003	7.268.281	16,40%	45,41	175,97%
2004	9.261.385	27,42%	57,24	210,64%
2005	10.569.572	14,13%	64,65	250,43%
2006	12.450.801	17,80%	75,39	287,08%
2007	13.955.202	12,08%	83,66	311,23%
2008	14.796.593	6,03%	87,83	319,00%
2009	16.450.223	11,18%	96,7	342,62%
2010	19.852.242	20,68%	115,61	399,29%
2011	22.399.969	12,83%	129,29	434,88%

Source: Web page Foreign Investment , Committee , of Gobierno de Chile – subsecretaria de telecomunicaciones (www.subtel.cl)

Why investing in Chile

Summary of top 10 reasons to invest in Chile

8.- A Country with talent

Within the available comparative advantages in Chile, we can find the human capital, supported by the high standards achieved by the country's universities particularly business schools.

MBA Ranking of Latin American Business Schools, 2011

Position	Institution	Country
1	Universidad Adolfo Ibáñez (UAI)	Chile
2	Instituto Tecnológico Autónomo de México (ITAM)	Mexico
3	INCAE Business School	Costa Rica
4	Fundação Getulio Vargas - EAESP	Brazil
5	EGADE Business School - Tecnológico de Monterrey	Mexico
6	Pontificia Universidad Católica (PUC)	Chile
7	Universidad de Los Andes	Colombia
8	IAE Business School - Universidad Austral	Argentina
9	Universidad de Chile	Chile
10	Universidad Torcuato Di Tella	Argentina

Source: Web page Foreign Investment , Committee , of Gobierno de Chile – AméricaEconomía (www.americaeconomia.com).

Chile is also noted for the quality and tradition of its universities. In the Academic Ranking of World Universities (ARWU), published since 2003 by the Center for World-Class Universities (CWCU) of Shanghai Jiao Tong University, two Chilean universities - the Universidad Católica de Chile (PUC) and the Universidad de Chile - are classed among the 500 best in the world among Latin America's best ten.

Latin American Universities in the Academic Ranking of World Universities, 2011

Position	Institution	Country
1	Universidade de São Paulo	Brazil
2	Universidad Nacional Autónoma de México	Mexico
3	Universidad de Buenos Aires	Argentina
4	Universidade Estadual de Campinas	Brazil
5	Universidade Federal de Minas Gerais	Brazil
6	Universidade Federal do Rio de Janeiro	Brazil
7	Universidade Estadual Paulista	Brazil
8	Pontificia Universidad Católica de Chile	Chile
9	Universidade Federal do Rio Grande do Sul	Brazil
10	Universidade Federal de São Paulo	Brazil
11	Universidad de Chile	Chile

Source: Web page Foreign Investment , Committee , of Gobierno de Chile – AméricaEconomía (www.americaeconomia.com).

Why investing in Chile

Summary of top 10 reasons to invest in Chile

9.- Quality of life

According to the Country Brand Index 2011-2012, published by Future Brand, Chile ranked 34th position out of 113 countries. In accordance with The International Living magazine and their Quality of Life Index, Chile ranked 60th place out of 192 countries globally and 3rd place within South America while that the Newsweek magazine gave Chile a score of 74.12 points (out of a maximum of 100) in its report on the world's 100 best countries to live in (2010), ranking it in 30th place globally.

Global Liveability Ranking 2011 (selected Cities, position*)

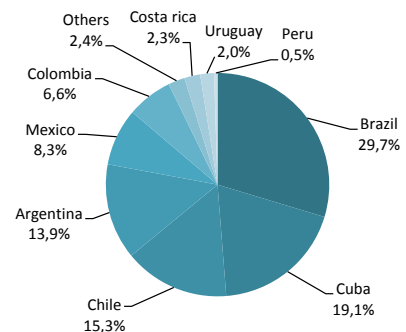
Country	Ranking
Melbourne/Australia	1
Vienna/Austria	2
Toronto/Canada	4
Auckland/New Zealand	10
Tokyo/Japan	16
Barcelona/Spain	34
New York/ US	56
Buenos Aires/Argentina	62
Santiago/Chile	63
Montevideo/Uruguay	65
Athens/Greece	67
Teheran/Iran	132
Karachi/Pakistan	134
Tripoli/Libya	135

On public safety, Chile ranked 38th place, after Uruguay (21st) and Costa Rica (31st), as Latin America's third safest country according to the Global Peace Index.

Healthcare

Chile is the third country, after Brazil and Cuba, where Latin American executives prefer to receive medical treatment. It received 15.3% mentions.

Latin America: Country with best hospitals and clinics, 2011
(according to Latin American executives)



Why investing in Chile

Summary of top 10 reasons to invest in Chile

10.- Headquarters in Chile

According to the UBS investment bank, Santiago is one of the world's least expensive cities for the installation of foreign companies. In its 2011 Price and Earnings Report, the Chilean capital obtained 61.9 points, taking 59th position out of 73 cities in the ranking where first place indicates the most expensive city (Oslo) and New York is the basis of comparison (100 points). The report considers the cost of a basket of 122 goods and services, including three rent categories.

Similarly, in Global Office Rents, a survey of prices in November 2010 by US-based CB Richard Ellis Global Research & Consulting, Santiago had the 8th cheapest rents out of 15 Latin American cities, positioning it as less expensive than regional business centers such as Mexico City, Buenos Aires and São Paulo.

Total occupancy costs (gross rents) for an office in Santiago reached an average US\$36.41 per year per square foot as compared to over US\$100 in São Paulo.



Chapter III

Ways to Operate in Chile

Choosing a company structure



Welcome to Chile “Let ACENDER be your host”

Choosing a company structure

Vehicles of investment in Chile

There are four principal legal methods by which a foreign investor can operate in Chile:

1. Appoint a representative or general agent

A representative acts on the basis of a mandate (contained in a contract that the non resident principal confers to a Chilean resident individual or entity) acting on behalf and at the risk of the foreign principal to carry out one or more business transactions.

2. Register a Branch of a foreign corporation

Foreign entities may set up a branch of a foreign corporation. The entity must appoint an agent to set up the branch which must make some statements regarding the Chilean branch. The branch is considered to be the same juridical entity as the head office and has autonomy and legal capacity to become a partner or shareholder of local companies or corporations.

3. Set up a Limited liability individual enterprise (E.I.R.L.)

In Chile an individual can acquire the status of a legal entity as an EIRL, with its own assets and liabilities, separate from those of the individual holder. These companies are subject to the commercial code and can undertake any type of civil and commercial activity, except those reserved by law for corporations.

4. Setting up a legal entity

This alternative requires a minimum of two partners or shareholders, can be formed with one or more foreign partners or shareholders. Nevertheless the Stock company (or company by shares) allows for a sole shareholder. Although there are several alternatives, most common are :

- a) Stock corporations ("S.A.")
- b) Stock companies or Company by Shares ("S.p.A")
- c) Limited liability company or partnership. ("Ltda")



Choosing a company structure

Vehicles of investment in Chile

a) Corporation ["Sociedad Anonima" or "S.A."]

A corporation it's a juridical entity formed by a common fund provided by shareholders who are responsible only for their respective capital contributions. In order to form a corporation, two minimum shareholders are needed which can be individual or other legal entities, Chilean or foreign. Corporations are managed by a Board of Directors, which can be revocable by the shareholders meeting at any time as is established in the entity bylaws. The corporation can be publicly traded or closely held, and must be set up through a public deed before a Public Notary, such public deed contains the bylaws and articles of incorporation of the entity. All corporations are ruled by a specific Chilean law and by the bylaws of the deed.

b) Stock companies or companies by Shares ["Sociedad por Acciones" or "SpA"]

This is the only type of legal entity which can be set up and exist with a single owner/shareholder. Liability is also limited to the amount of contributed capital or agreed to contribute.

It's more flexible than the corporation and its bylaws can establish different series of shares that can participate separately in the results or different ventures, among others. In absence of specific stipulations in the entity's bylaws, the rules governing corporations apply.

The bylaws of a company can be agreed either by a public deed or in a private instrument, where the shareholders signature is notarized, and must contain specific requirements.



Choosing a company structure

Vehicles of investment in Chile

c) Limited liability partnership or company

[“Sociedad de Responsabilidad Limitada” or “Ltda.”].

This type of companies is defined as a contract whereby two or more parties agree to make a contribution in common with the purpose of dividing the proceeds arising from there. Each partner's liability is limited either to the amount of capital he or she contributed or to a greater amount specified in the partnership deed.

A limited liability partnership is formed by a public notarized deed that should contain the items required for a general partnership deed. The name of this entities should contain the name of one or more partners or a reference to the partnership's object, and end with the word “limitada” otherwise each partner is unlimited liable for all the partnership's liabilities.

In General:

All legal entities are set by public deeds granted before a Public Notary. Such public document contains the bylaws and articles of incorporation and constitution of the company. An abstract of the public deed must be published in the official Gazette and registered with the registry of commerce within 60 days of completion thereof.

For the purpose of setting up a limited liability company or a corporation, foreign partners or shareholders must grant powers of attorney authorizing a Chilean resident individual to represent them. These powers of attorney must be granted before a Public notary at the jurisdiction of the interest holder and thereafter apostilled before the corresponding Chilean consulate.



Starting Activities



Individuals or legal entity wishing to undertake an economic activity in Chile, the first step is to obtain a Tax Identification Number or RUT (its Spanish acronym) at Servicio de Impuestos Internos, “SII” (National Tax Service). Applications can be submitted at any of the SII’s offices around the country (see www.sii.cl)

All taxpayers in Chile must have a RUT. For foreign investors It’s is required in the following cases:

- a) Non-resident companies that invest in Chile;
- b) Individuals or legal entities not resident in Chile planning to participate as partners or shareholders;
- c) People not resident in Chile that open agencies or branches in the country or undertake activities through a permanent establishment;
- d) Non-resident individuals such as company representatives, tourists and international officials and their accompanying family members, other non-residents if they invest in the country for example, the acquisition of real estate.

Simplified RUT application process

Individuals and legal entities not resident or domiciled in Chile investing in the country, in order to obtain income from purchase and sale of shares in listed companies, fixed-income assets, instruments of financial intermediation and participation in mutual funds and certain types of contract may use a simplified process for obtaining a RUT through custodian institutions or, in the case of not using a custodian institution, their stockbrokers.

Chapter IV

How to Invest in Chile

Foreign Investment



Welcome to Chile “Let ACENDER be your host”

The rules regulating foreign investment establish in a harmonic and systematic manner the commitments and provisions applying to foreign capital entering Chile. This framework comprises both constitutional and legal provisions.

Principles governing foreign investment in Chile

The regulations governing foreign investment is based on the principles of the Constitution of the Chilean State. These principles are: equality under the law, economic freedom and nondiscrimination.

1.- Non-discrimination:

This principle comes from the constitutional guarantee of equality under the law and ensures, in economic matters, foreign investors receive the same, or no less favorable, treatment as local investors from the State and its agencies.

2.- Non-discretionary treatment:

Procedures relating to foreign investment must be clear transparent and administrative decisions cannot be subjective, thereby providing a guarantee to foreign investors to receive fair treatment.

3.- Economic freedom:

Free access to all the economy's sectors is guaranteed and only the law can, in exceptional circumstances, reserve a certain sector for domestic investment. Article 19 Nº 21 of Chile's Political Constitution guarantees the right to develop any economic activity within the framework of the corresponding regulation, providing it is not contrary to morality, public order or national security.



In general terms, foreign exchange transactions can be freely made in Chile. In order to regulate some areas of the money exchange market, the Chilean regulation establishes a foreign currency market segment called The Formal Exchange Market, composed by banks and exchange houses authorized by The Central bank, where foreign currency may be freely exchanged.

To enter a foreign currency into Chile , either as a loan or capital, must be executed using one of the investment vehicles established in Chilean regulation:

1. Chapter XIV of the Chilean Central Bank's Compendium of Foreign Exchange Regulations.

This statute establishes that the general regime for all credits, deposits, investments and contributions of capital exceeding the amount of U\$10,000 have to be done through the formal exchange market and informed to the Central Bank. The process involves a simple registration of the investor at the Chilean Central Bank, procedures that is usually carried out through a commercial bank.

This procedure allows the foreign investor to have access to the formal exchange market, when he wants to repatriate the profits or the capital.

Capital entering Chile under Chapter XIV is subject to the corresponding general regulation regarding access to the foreign exchange market and the repatriation of capital, as well as any other right or obligation established in this regulation.

Pursuant to the current foreign exchange regulation there is no limitation regarding the timing or amount of profits and capital remitted abroad.

Capital brought in under Chapter XIV cannot subsequently apply to be subject to the provisions of D.L. 600.



2. The Foreign Investment Statute (DI 600).

In order to provide clear, non-discriminatory and non-discretionary rules the Foreign Investment Statute (DL 600) was introduced in 1974. A Foreign Investment Contract is a formal contract signed by a foreign investor and the State of Chile, setting out the rights and obligations of investors using D.L. 600.

Through this optional investment mechanism, the foreign investor obtains various guarantees and the possibility of having tax invariability, opting to pay a tax rate of 42%, instead of the general regime of Additional Tax of 35%.

In the former case, the rate is fixed for a period of up to 10 years or for up to 20 years for industrial and extractive investments of US\$50 million or more.

The investor opting for this tax invariability locks in the total tax payable in Chile and, as a result, any changes to the general system, for example an increase in Additional Tax above 35%, does not affect the investor.

There is also the possibility of contracting to freeze the existing rate of VAT and customs duties applicable to the import of machinery and equipment not manufactured in the country.

Income taxes foreign investment		
Item	Normal taxation	42% alternative
	2012	2012
Profit before tax	1.150	1.150
First category tax	(230)	(230)
Less net distributable	920	920
Withholding tax on distributions or dividends:		
Additional Tax (1)	(403)	(253)
Less tax credit	230	-
Net received by a nonresident parent, partner and shareholder	748	667

Note: The investor may opt out of this special tax regime and, therefore, pay the Additional Tax but, after opting out, may not go back to the tax invariability regime.

(1): The tax credit is added to the dividend to compute the tax basis for the Additional Tax.

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Principles governing foreign investment in Chile

The regulations governing foreign investment is based on the principles of the Constitution of the Chilean State. These principles are: equality under the law, economic freedom and nondiscrimination.

1.- Non-discrimination:

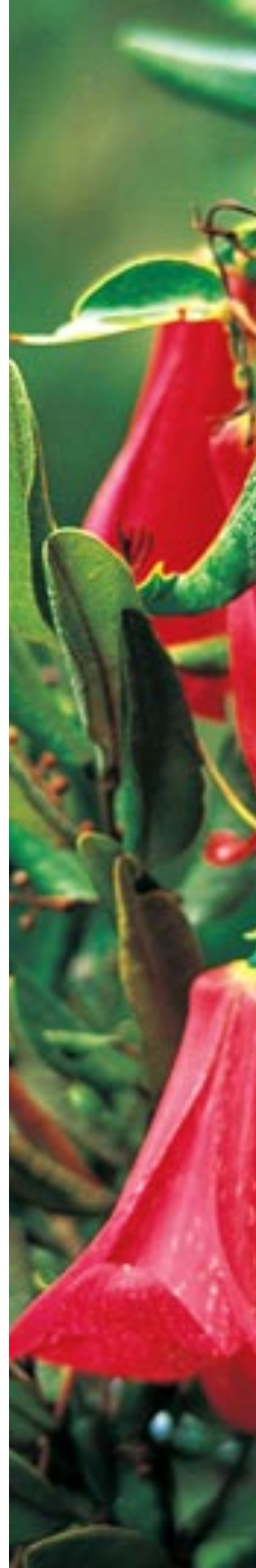
This principle comes from the constitutional guarantee of equality under the law and ensures, in economic matters, foreign investors receive the same, or no less favorable, treatment as local investors from the State and its agencies.

2.- Non-discretionary treatment:

Procedures relating to foreign investment must be clear transparent and administrative decisions cannot be subjective, thereby providing a guarantee to foreign investors to receive fair treatment.

3.- Economic freedom:

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The Foreign Investment Committee may set a minimum amount for applications for a Foreign Investment Contract.

Requirements for signing a D.L. 600 contract

D.L. 600 can be used by:

- a) Foreign individuals.
- b) Foreign legal entities including:
 - Companies (in all their legal forms).
 - Corporations and foundations.
 - Foreign States.
 - International organizations.
- c) Chilean individuals and legal entities resident and domiciled abroad.

Investor rights under D.L. 600

- **Signing of a foreign investment contract:**

Foreign investors bringing capital, tangible assets or other forms of investment into Chile and cannot be modified or rescinded unilaterally by either party.

- **Access to the formal foreign exchange market:**

An investor is guaranteed access to the formal foreign exchange market

- **Capital and profit remittances:**

In order to encourage investment in the production of goods and services, investors are entitled to remit capital one year after its entry.

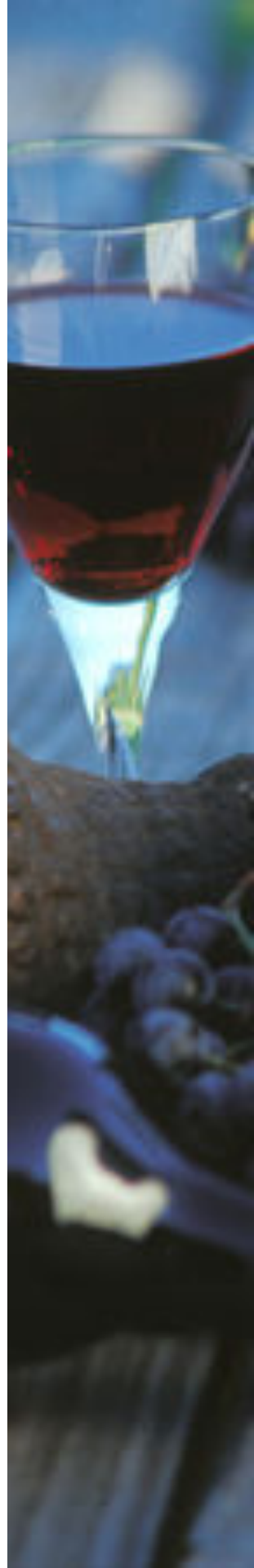
- **Free access to all sectors of the economy:**

Within the limits established by Chilean law, investors can undertake any type of economic activity.

- **Right of appeal in case of discrimination:**

Article 9 of D.L. 600 establishes the principle of non-discrimination, guaranteeing that, in the exercise of their business activities, foreign investors operating under this law will be subject to the same laws and regulation as local

- **investors in the same sector of activity.**



2. The Foreign Investment Statute (DI 600). [Cont.]

The Foreign Investment Statute was modified in 2005 by Law 20,026, with the purpose of granting new rights for a period of a maximum of 15 years for investments greater than US\$50,000,000 destined to mining projects. These rights consists of:

Keeping the invariability Mining Activity Tax. Consequently, they would not be affected by an increase of the rate, tax basis, or any other modifications that is introduced and that directly makes the specific Mining Activity Tax more onerous;

They will not be affected by any new tribute, including royalties, canons or similar tax burden, specifically levied on mining activities, established after the signature of the respective foreign investment contract, that is based on or considers when calculating its basis or amount, the incomes on mining activities or the investments, assets or rights used in mining activities;

Invariability in the amounts or form of calculation form the mining licenses of exploration and the mining licenses of operation in force at the time of the signature of the respective contract, and which make those licenses more onerous.

Nevertheless, in order to have access to the benefits the following conditions must be fulfilled:

- Companies that receive the investment are required to have its financial statements audited by external auditors;
- Individual and consolidated financial statements must be submitted quarterly and annually to the Chilean Superintendence of Securities and Insurance ("SVS"). Also, an ownership structure report must be filed annually;
- The mining project must be described in the respective foreign investment application for which it can use the format of Law 19,300 on Environment General Bases



3. Bringing loans into the country

In case of the foreign companies want to bring a foreign loan, the central bank don't require a prior authorization. The most important detail about the transaction must be submitted to the Formal Exchange market (FEM) and this information should be send to the central bank before the funds are handed over to the debtor.

Foreign exchange restrictions on foreign investment

Just exist some information requirements about certain operations through the FEM (Banks and Exchange Houses)

Debt-to-equity swap investment

This system has been repealed. if existing some investors who used this system before, they can still remit their investment and profits abroad with no time limit.

4. Regulatory environment

a) Tax concessions

There are no tax holidays but a number of tax reductions and partial exemptions are contemplated.

b) Investment policy

The best incentive is the opportunity to take advantage of the country's rich natural resources with a stable legal framework and a reasonable tax regime that do not discriminate between local and foreign investors. There are a number of tax concessions, regional and industry incentives generally available to investors.

c) Investors restrictions

All activities related to the exploitation or exploration of hydrocarbons are undertaken exclusively by the state and are closed to private enterprise, notwithstanding the right to assign "risk contracts to private investors, including foreign investor in designated areas.



5. Protection for Foreign Investors

Chile has negotiated and concluded several Bilateral Investment Treaties, which provide investors protection from discrimination. The principles of national treatment and most favored nations are recognized.

Treaties signed by Chile also grants investors from contracting states free transfer of capital, profits, interest and other funds. Some restrictions may apply, in accordance with national law.

Chile's 22 trade agreements, covering a total of 59 countries, have expanded its domestic market of 16.8 million inhabitants to one of over 4,302 million potential consumers around the world (representing 85.7% of global GDP and 62% of the world's population). At present, 93% of Chile's exports take place under the preferential terms of these trade agreements, which include:

Free Trade Agreements: Australia, Canada, Central America, China, Colombia, EFTA (Norway, Switzerland, Iceland and Liechtenstein), Malaysia, Mexico, Panama, Peru, South Korea, Turkey and the United States.

Economic Association Agreements:

European Union (EU), Japan and P4 (New Zealand, Singapore and Brunei Darussalam as well as Chile).

Economic Complementation Agreements:

Bolivia, Cuba, Ecuador, Mercosur and Venezuela.

Partial Scope Agreements:

India.

Agreements negotiated (but not yet in force):

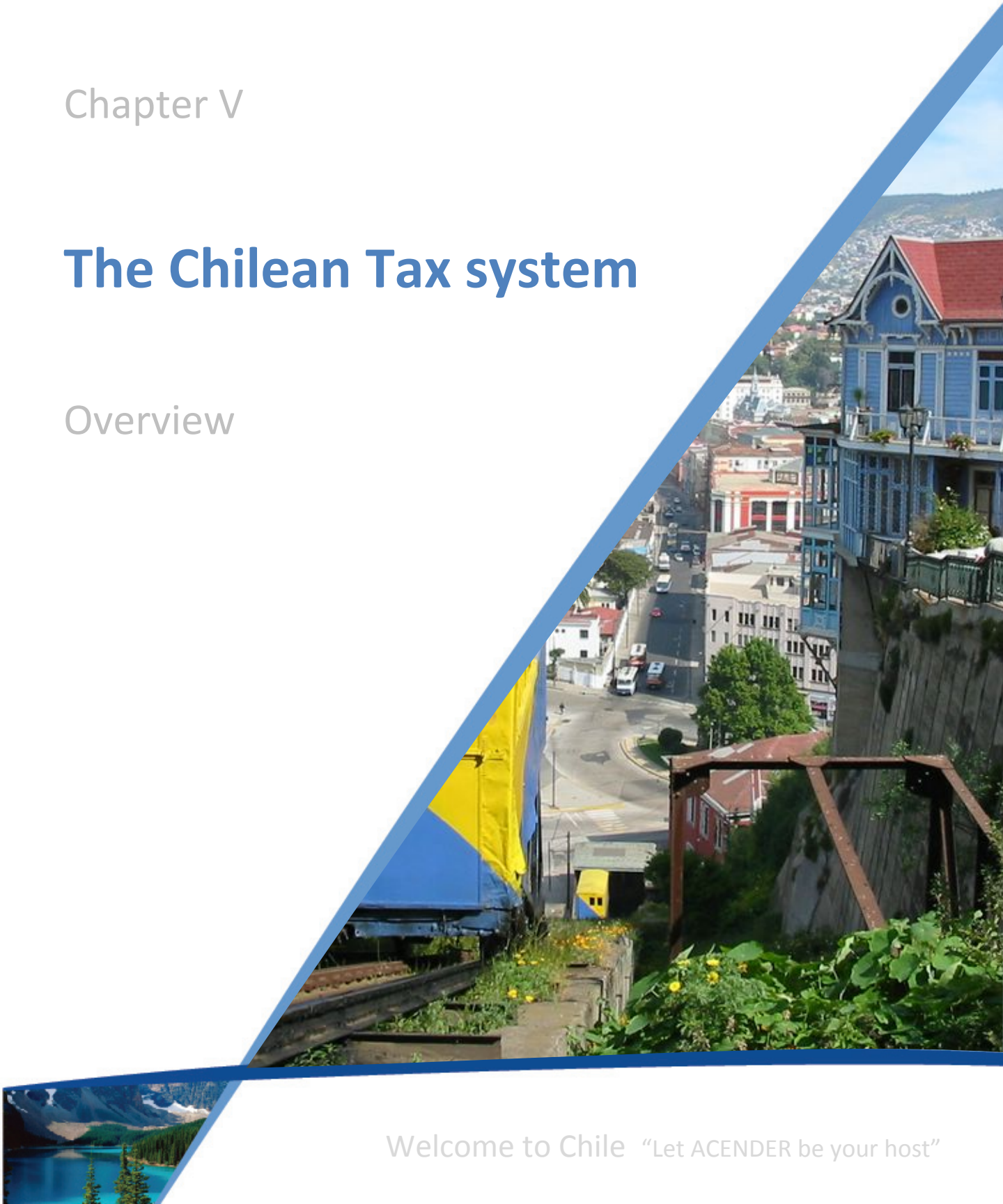
Nicaragua and Vietnam.



Chapter V

The Chilean Tax system

Overview



Welcome to Chile “Let ACENDER be your host”

Overview



I. General

Taxes are imposed only by the central government, and there is no federal regime. Besides some municipal licenses may be applicable to develop some economic activities.

II. Legislation

The Chilean constitution guarantees Chilean residents an equal tax burden. It also states that only a law approved by the Chilean congress may establish, revoke, reduce or remit taxes of any kind or nature.

III. Administration

The institutions in charge of the inspection and control of taxes in Chile is “Servicio de Impuestos Internos” (“SII”).

This institution is also in charge of issuing instructions, rulings and interpretation to the tax laws. The “SII” has a special inspection unit for large corporate tax payers included in a special list.

IV. Tax compliance

For Tax purposes, the Tax period is the calendar year, irrespective of the corporate tax year. Accordingly, annual financial statements must be prepared as of December 31 of every year.

- The annual income tax return must be presented during the month of April of each year.
- The First Category Tax or corporate tax is payable on accrued income on a yearly basis.
- The Second Category Tax is withheld and paid to the Treasury by the employer on a monthly basis.

Monthly taxes are due the 12th. Day of the following month.

Summary of main taxes

Regarding tax matters, it is necessary to consider the various taxes that may apply over the business and understand the manner in which the business and its owners pay taxes. Please consider that taxes shown below, may be subject to changes so before taking any decision consult the tax specialist.

The main taxes applicable to a business in Chile are:

The main tax rates	
Name of Tax	%
1st category	20%
2nd Category	
Self-employed persons (professionals, directors of corporations, professional partnerships, and others)	No tax (1)
Employees (if subject to an employment contract, this is the only tax payable).	Exempt to 40% (1)
Complementary Tax (resident individuals)	Exempt to 40%
Additional Tax (nonresident individuals and nonresident legal entities)	35%
Withholding of Additional Tax:	
Royalties paid abroad, in general	30% (2)
Computer programs and others	15% (3)
Royalties paid abroad for film and video	20%
Royalties paid abroad for authors' and edition rights	15%
Engineering or technical work	15% (4)
Professional or technical services	15% (4)
Other services paid abroad	35%
Interest to foreign corporations	35%
Interest to foreign banks and registered financial institutions	4% (5)
Marine freight	5% (6)
Insurance premiums to foreign insurers	22%
Reinsurance premiums to foreign reinsurers	2%
Single taxes	
Disallowed expenses of corporations (penalty taxes)	35%
Single tax payable on the capital gain on the sale of shares	20% (7)

(1) Second category income can be subject to the Global Complementary Tax or to the Second Category Tax. Partnerships formed by professionals can choose to be subject to the First Category Tax regime.

(2) A deductibility limit of 4% of the total amount of the annual sales and services applies when the total or partial payment of the royalties is made to related companies, unless these are taxed with a rate of 30% or more in the beneficiary's country.

(3) The tax is raised to 30% if rendered by a related party or by an entity in a tax haven.

(4) The tax is raised to 20% if rendered by a related party or by an entity in a tax haven.

(5) Interest on any excesses indebtedness is taxed with an additional 31%, provided that the borrowing is deemed to be related.

(6) There are exemptions based on reciprocity.

(7) The single tax on capital gains applies when the specific requirements of the income tax law are met. In general, capital gains on the sale of publicly traded shares are exempt. The rate will decrease to 18.5% in 2012 and to 17% in 2013 onwards.

Summary of main taxes

I. Principal Taxes

1. Municipal business license

1.1. According to the Chilean tax system, Income taxation is based on two factors: the taxpayer's place of residence and the source of the income. Chilean taxes are divided into category taxes, which tax income from certain activities, and global taxes, which tax all income.

a) Category taxes First category Tax, this tax is proportional to the incomes. This tax is allowed as a credit against the global taxes due.

b) Special Mining tax known as Mining Royalty

c) Second Category Tax with a progressive rate applied on income of self-employed persons and professionals is classified as second category income.

1.2 Global Tax, Complementary Tax on the total income from both categories of resident individuals. Additional Tax on the total income from both categories in cases of withdraw, distributed as dividends, or remitted abroad for non-resident individuals or non-resident legal entities.

2. Value added tax (VAT)

2.1. Vat rate is a flat 19% and it's applicable on the price charged for certain sales and services. The Vat law considers a credit and debit Mechanism.

3. Stamp Tax

3.1 In general terms, any kind of documentation that contains a loan or credit transactions for money borrowed is subject to the Stamp Tax.

4. Capital gain Tax,

4.1. In general Capital Gains are taxed as normal business income.

5. Municipal business license

5.1. Municipal taxes consist in licenses or permits that levy the exercise of certain business and professional activities including Commerce, industrial activities or similar profitable activities

6. Taxation on salaries and other remuneration to individuals

6.1. Tax on salaries and other remunerations: Depending on the nature of the activities undertaken (whether employees or independent contractors/ professionals). Second category tax and global complementary tax are personal taxes at progressive rates.



Summary of main taxes

12. Taxation of different types of business establishments

Only Chilean source income is taxable, Taxable income is determined on the basis of the actual profits earned in its activities in Chile. When the accounting records do not reflect actual profits, the "SII" can determine presumptive net income using either of the following bases:

- By multiplying the agency's gross income by the parent company's ratio of net income to gross income.
- By multiplying the agency's total assets by the parent company's ratio of net income to total assets.

13. Specific tax on mining activities (Mining Activity Tax)

The Law No.20,026 established a tax which is known as Mining Royalty. This tax is in addition to the regular taxes.

On October 21, 2010 was introduced an amendments to the tax rate and specifically for mining operators with sales higher than 50,000 metric tons of fine copper. The value of a metric ton of fine copper is calculated according to the average value at the London Metal Exchange.

Mining exploiters whose annual sales exceed the equivalent of the value of 50,000 metric tons of fine copper pay a progressive tax rate that varies between 5% and 14%. The mining exploiters whose annual sales are inferior to 12,000 metric tons of fine copper do not pay this tax.

14. Foreign tax credit

According with the income tax law, and under certain conditions, the investors are entitled to a credit against the First Category Tax. The credit is capped at 30% in the case of dividends and 20% in the case of branch profits.



Summary of main taxes

15. Treaties to avoid double taxation

Currently Chile have a double taxation treaties are in force with the following countries, some of them are: Argentina*, Belgium, Canada, Colombia, Mexico, Brazil, Norway, Korea, Ecuador, Peru, Spain, France, Poland, United Kingdom, Denmark, Croatia, New Zealand, Ireland, Malaysia, Paraguay, Portugal, Thailand, Sweden and Switzerland.

- The double taxation treaties with Argentina is based on the exemption principle.

Withholding Tax Rates - Countries With Which Chile Has A Double Taxation Agreement

Country	Dividends %	Interest %	Royalties %
Belgium	15	5-15	5-10
Brazil	10-15	15	15
Canada	5-15	10-15	10
Colombia	0 - 7	5-15	10
Croatia	5-15	5-15	5-10
Denmark	5-15	5-15	5-10
Ecuador	5-15	5-15	10
France	15	5-15	5-10
Ireland	5-15	5-15	5-10
Malaysia	5-15	15	10
Mexico	5-10	5-10-15	10
New Zealand	15	10-15	10
Norway	5-15	5-15	5-10
Paraguay	10	10-15	15
Peru (protocol amending the convention)	10-15	15	15
Poland	5-15	5-15	5-10
Portugal	10-15	10-15	5-10
South Korea	5-10	5-15	5-10
Spain	5-10	5-15	5-10
Switzerland	15	5-15	5-10
Sweden	5-10	5-15	5-10
Thailand	10	10-15	10-15
United kingdom	5-15	5-15	5-10

Note: The Agreement with Argentina is not included in the table as its clauses differ from the agreements that Chile has concluded with any other country.
Source: http://www.sii.cl/portales/inversionistas/info_inversionistas/tasas_retencion_ing.htm

This table shows the maximum rate on withholding tax applicable by Chile and the other Contracting States on the specific income mentioned and where the requirements provided by the relevant Convention are met. (See particular situation for dividends).

The application of the lower or higher rate showed in the table will depend on the provisions of each Convention. For example, in some Conventions the lower rate on dividends will apply in cases of direct investment (where there is a participation of a certain % in the voting stock of the company paying the dividends); in the case of interest, where its beneficial owner is a bank or insurance company; or in the case of royalties where the payment is for the use or the right to use any industrial, commercial or scientific equipment;

Dividends

The Additional tax levied by Chile on profit distributions (or dividends) will not be affected by the rates provided in the Conventions. Therefore, the rates on dividends showed in the table will only be applicable in relation to the tax applicable on distributions made from the other Contracting State to a resident of Chile.

Summary of main taxes

16. Article 41D of the Income Tax Law (Law No.19,840)

Only Chilean In relation with the Chilean Income Tax Law, the publicly traded corporations and closely held are not considered as domiciled in Chile and therefore, they will only pay taxes in the country on their Chilean source income. By multiplying the agency's gross income by the parent company's ratio of net income to gross income.

The Article 41D allows the following:

- Foreign investors to establish Chile as a base for their investments into third countries and,
- The participation of shareholders domiciled or resident in Chile in said companies, but limits their possibilities of ownership.

17. Customs duties

The Law No.20,026 established a tax which is known as Mining Royalty. This tax Customs duties are 6% ad valorem for virtually all imported goods and products.

Chile has signed free trade agreements (FTAs) with Australia, Canada, Mexico, the United States, the European free trade association (EFTA), Central America, South Korea, Panama, Japan, China and Turkey. FTAs seek to eliminate, within a given period of time, customs duties applied by the contracting States.

Chile has also entered into other agreements with Bolivia, India, Colombia, Brazil, Cuba, Venezuela, Peru, Ecuador, Argentina, among others, in order to reduce or eliminate customs duties.

Chile have the category of an associate member of MERCOSUR

18. Chilean income taxes on expatriate's remunerations (expatriate executive)

According with "SII", A resident is defined as a person who either is domiciled in Chile or is physically present in Chile for more than six consecutive months. For a period of three years (which can be extended by the Chilean IRS), only Chilean source income of a resident expatriate is subject to income taxes.

After the third year, worldwide income is taxed.

For cases in a nonresident expatriate gives technical services, professional services or engineer services is subject to a 15% and is subject to a 20% if receive remunerations due to scientific, cultural or sporting activities.



Summary of main taxes

19. Tax on fringe benefits (expatriate executives)

In general, fringe benefits are either not allowed as a deduction for the employer or are taxed as income to the employee. some of the more usual fringe benefits and that have special treatment, are:

- Foreign service allowance or differential
- Housing (or rent) allowance
- Housing provided by the employer
- Home leave for the employee and his or her family
- Tax equalization
- Bonuses and profit sharing
- All expenses relating to company cars including depreciation.
- The severance payments established by law are essentially non-taxable, although there are limits.

II. Tax incentives for Special business

20. Oil industry

This incentive are relating with companies that enter into a petroleum-operating contract with the Chilean State, they are subject to a 50% tax applied on their retribution as contractors. Foreign nonresident subcontractors are subject to a flat 20% tax on their gross fees.

21. Radioactive substances.

This incentive are relating with companies that enter into a contract with Comisión Chilena de Energía Nuclear to explore, exploit or process radioactive substances can be granted a tax treatment similar to that of the petroleum industry.

22. Free trade zones.

Definition:

A free trade zone is an area of territory surrounding a port or airport that for the purposes of import duties is deemed to be outside Chilean territory. All operations within the free trade zone are exempt for first category tax and value-added tax and foreign goods imported into the free trade zone are exempt from import duties



Summary of main taxes

23. Regional incentives

In this context, is referred to activities located in the extreme North or I Region and extreme South or XI and XII Regions and Chiloé Province are granted a partial exemption on the personal income tax of employees. Besides, employers receive a subsidy equivalent to the 17% of the de remunerations with its corresponding annual limit.

24. Export incentives

If the finished products are exported within certain time periods, some Private export warehouses allow exporters to use foreign raw materials and parts in their manufacturing processes without paying custom duties.

III. Special business or tax incentives

25. Forestry industry

There are incentives for reforestation of marginal and degraded land. Incentives have also been created for small farmers.

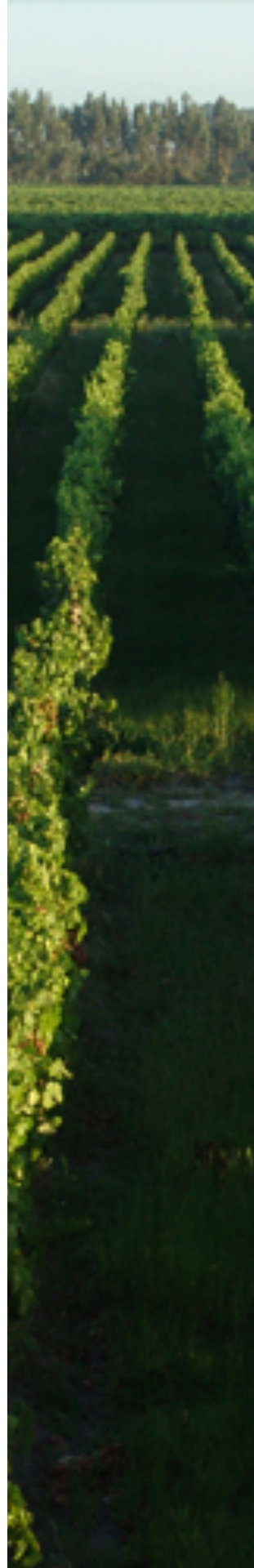
26. Research and development activities

Established a tax incentive for private investment in research and development. Law No 20.241.-

If one contracts are related to research and development and are duly certificated by The Corporation for Development and Production (CORFO), then the credit equivalent to 35% of this contracts can reduce the corporate tax.

27. Solar thermal systems (Law N°20.365)

Construction companies will have the right to deduct from the obligatory provisional payments established in the Income Tax Law, a credit equivalent to all or part of the value of the solar thermal systems installed in the real estate they built.



Summary of main taxes

IV. Others

Taxes on royalty payments

The Chilean tax law said, unless that Chile has executed a treaty to avoid double taxation, all royalties paid abroad are subject to a withholding tax at the rate of 30%. exist some exceptions for certain royalty payments enjoy a reduced rate of 15%. for example, royalties related to the use and exploitation of patents, industrial models, integrated circuit designs, new varieties of vegetation, and computer programs on any type of physical support.

Taxes on interest on loans

In Chile As a general rule, interest on loans coming from abroad is subject to a withholding tax of 35%. but if the loans have been granted from abroad by a foreign or international bank or financial institution, as well as by certain foreign pension funds and insurance companies the amount of tax can decrease to 4%.

In case of that "excess indebtedness" exists, consistent in a debt-equity ratio exceeding 3 x1, the interest on the excess indebtedness is subject to an additional 31% tax payable by the borrower.



Chapter VI

Our Solutions

How we can help you



Welcome to Chile “Let ACENDER be your host”

How we can help you

Acender can help foreign investors in different stages of their strategic decision, from planning to execution. Helping in their approach to each market, searching for partners and also with project finance.

Stage I Planning : Approach to the country and Industry / market

Work performed by our Strategic Intelligence Unit, which provides surveys, analysis and reports related to :

- Country overview
- Specific Industry or market overview & competitive environment
- Regulatory framework analysis
- Market benchmark
- Strategies to enter (organic growth or acquisitions)

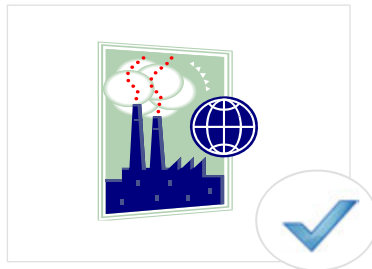


How we can help you

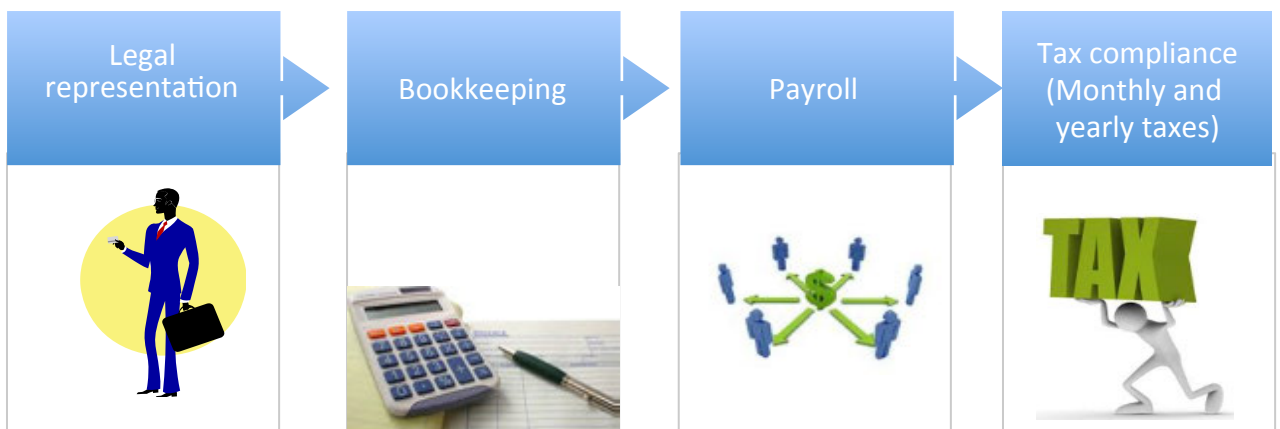
Acender can help foreign investors in starting a business in Chile and helping also with their administrative functions (Outsourcing, Tax , Audit, I.T. solutions and Marketing) .

Stage II Starting an operation : Work performed by our Outsourcing consulting services group.

a) Helping in setting a company and starting a business



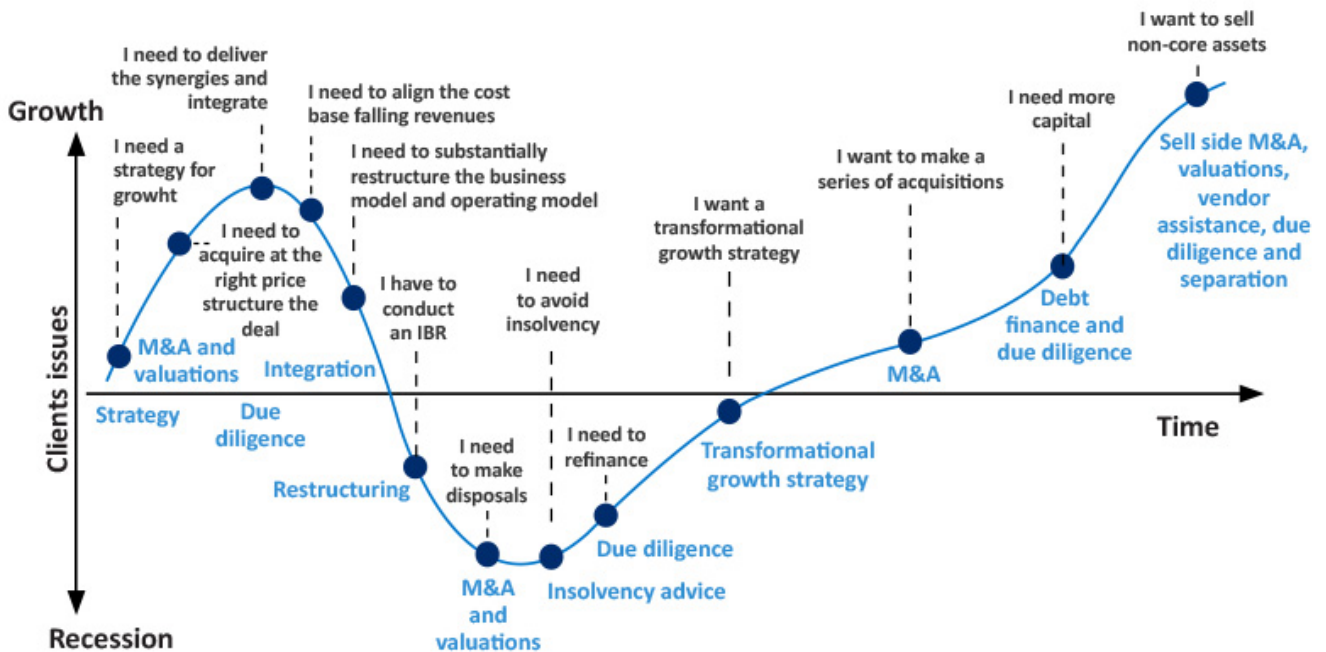
b) Helping with a flexible administrative structure Outsourcing services of:



How we can help you

Acender can help foreign investors in different stages of their strategic decision, from planning to execution. Helping in their approach to each market, searching for partners and also in project finance.

Stage III Strategies to Growth: Work performed by our Deals & Transaction services group .



Deals & Transaction services and solutions

Chapter VII

Credentials

How we can help you



Welcome to Chile “Let ACENDER be your host”

How we can help you

Our teams have been involved in several deals, projects, investment and disposals , either in Chile and in other Latin American countries.

Some of the clients and projects that our professionals have been involved :

Clients

Diana Naturals (France).	Varel (USA).	(Switzerland).
Areas (Spain).	Grupo Brescia (Peru).	OPTrust (Canada).
Prudential (USA).	Celfin.	Amerigo (Spain).
Securiguard (USA).	Bancomext (Mexico).	Mitsubishi corp. (Japan).
Amec (Canada).	BBVA (Spain).	Aurubis (Alemania).
Fresenius Kabi (Germany).	BNP Paribas (France).	Inv. Consolidadas (Andronico Luksic).
Presto.	Minera Esperanza.	Thomson Reuters (USA).
Millennium fund (USA).	Opticas GMO.	Iberdrola.
Regus (UK).	Invesco.	Principal Financial group (USA).
Quark expeditions Inc. (Canada).	Lavalin (Canada).	Grupo Sura (Colombia).
Bradesco (Brazil).	Ontario Teacher Pension Plan (Canada).	Masisa.
Cooke Aquaculture Inc. (Canada).	Polar star Mining (Canada).	Unilever.
DSI Soprofint industrial	Mitsui & Co. (Japan).	Sumitomo Metal Mining (Japan).
Equifax.	Prosegur (Spain).	Transam.
HDI Gerling (Germany).	SN Power (Norway).	Zurich (Switzerland).
ISS.	VTR.	Grupo Calidra (Mexico).
JSW Mining (India).	Aguas Andinas	Canada Pension Plan Inv. Board.
Laureate (USA).	Bank of America (USA).	Canterbury Graasland (N.Zeland).
Hercules Do Brasil.	Monte Paz (Uruguay).	Biotoscana.
Quiñenco.	Dole.	Molinera San Cristobal.
Securitas (Sweden).	Gendre Management	Quicorp (Peru)..
Universia (Spain).		

How we can help you

Our teams have been involved in several deals, projects, investment and disposals , either in Chile and in other Latin American countries.

Some of the deals and projects that our professionals have been involved :

Deals and Transactions

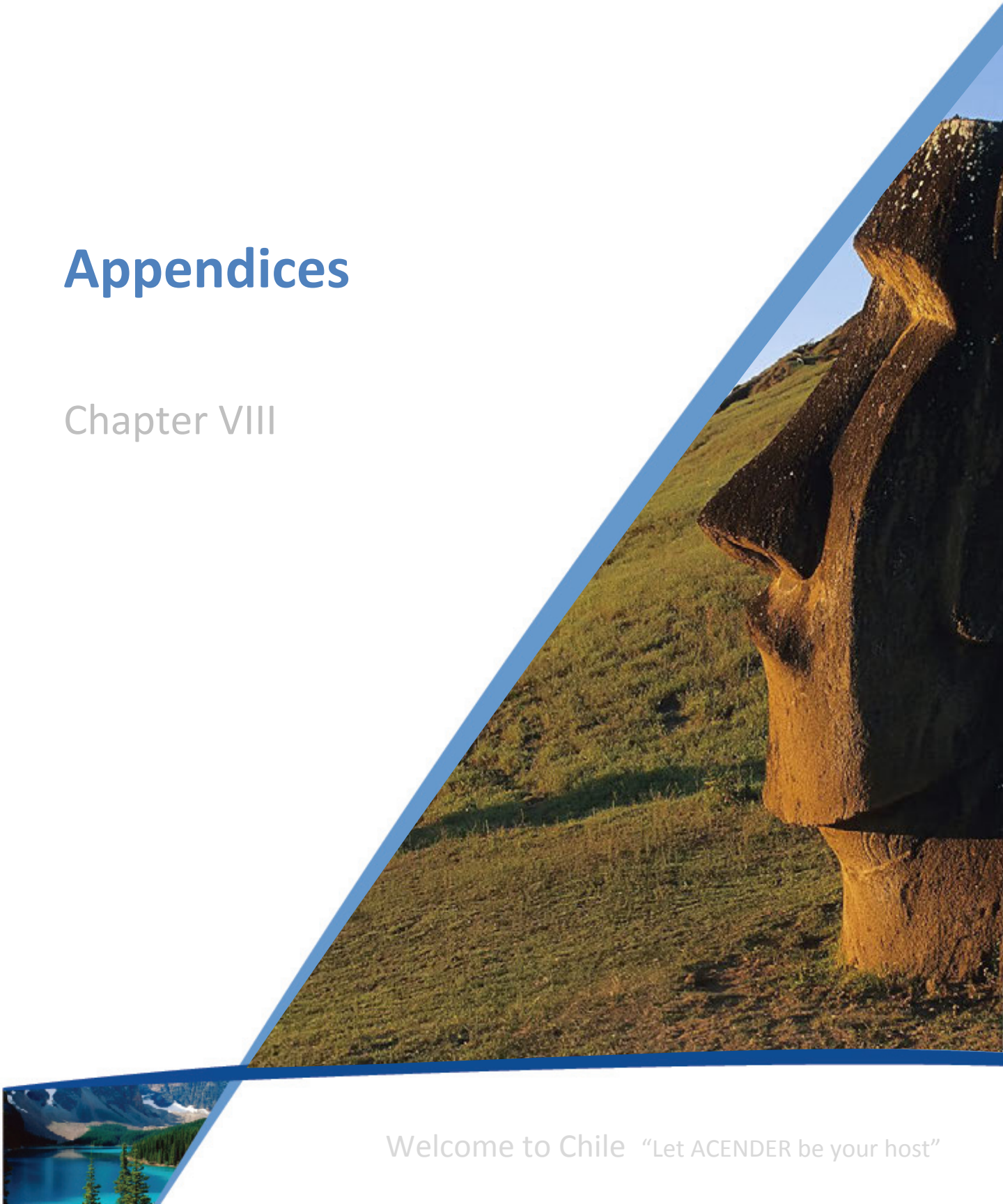
Biofrut.
Cadena Gatsby.
AFP Bansander.
Worldwide Security.
Cadeldepe.
Laboratorios Sanderson.
Sanderson Perú.
BBVA BEX.
Turismo Antartica XXI.
AFP Cuprum.
Salmones Cupquellan.
Fosminas.
Agrihmerc.
Datum.
ISE Chile Seguros Generales.
Glanzend.
Santa FéMining.
IP Escuela de Musica Moderna.
Logos Quimica Ltda.
ESSO chile.
Seguricorp.
Trabajando.com.
Varel.
Triconos mineros.

Empresas Melon.
Tunel San Cristobal.
BancoEstado AGF.
Syndicated loan for Minera
Esperanza.
Opticas GMO.
RBS Seguros de Vida.
VST Ingenieros.
Chépica Primera de Pencahue.
Project El Morro from Xstrata.
Teleemergencia.
Ibener.
Transam y Will.
Grupo Aguas Nuevas.
Arbitraje Bancomext - Global
Vias.
Cementos Melón.
Proyecto Caserones de Minera
Lumina.
Nestle-Soprole.
Minera Standard Uno.
Iridium Concesiones de
infraestructura.
Cementos Pacasmayo.

Fundicion Altonorte.
Canal 13.
Legal Publishing.
Aguas Andinas.
ING.
Prodemac.
Minera Quadra.
Santander Seguros de Vida y
Seguros Generales.
Cales Inacesa.
Molinera Ferrer.

Appendices

Chapter VIII



Welcome to Chile “Let ACENDER be your host”

International agreements America

Trade and tax treaties signed by Chile:

Bilateral Investment Promotion and Protection Agreements (BIPPAS)

AMERICA				
Country		Language	Signed	Status
	Argentina	Spanish	August 2, 1991	In force since February 27, 1995
	Bolivia	Spanish	September 22, 1994	In force since July 21, 1999
	Brazil	Spanish	March 22, 1994	Not in force
		Portuguese		
	Colombia	Spanish	January 22, 2000	Not in force
	Costa Rica	Spanish	July 11, 1996	In force since July 8, 2000
	Cuba	Spanish	January 10, 1996	In force since September 30, 2000
	Ecuador	Spanish	October 23, 1993	In force since February 21, 1996
	El Salvador	Spanish	November 8, 1996	In force since November 18, 1999
	Dominican Republic		November 28, 2000	Not in force
	Guatemala	Spanish	November 8, 1996	In force since December 10, 2001
	Honduras	Spanish	November 11, 1996	In force since January 10, 2002
	Nicaragua	Spanish	November 8, 1996	In force since December 10, 2001
	Panama	Spanish	November 8, 1996	In force since December 21, 1999
	Paraguay	Spanish	August 7, 1995	In force since September 16, 1997
	Uruguay	Spanish	October 26, 1995	In force since April 22, 1999
	Venezuela	Spanish	April 2, 1993	In force since May 17, 1994









After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile

International agreements Europe

Trade and tax treaties signed by Chile

Bilateral Investment Promotion And Protection Agreements (BIPPAS)

EUROPE				
Country		Language	Signed	Status
	Austria	English	September 8, 1997	In force since November 17, 2000
	Belgium	Spanish	July 15, 1992	In force since August 5, 1999
	Croatia	English	November 28, 1994	In force since July 31, 1996
	Czech Republic	Spanish	April 24, 1995	In force since December 2, 1996
	Denmark	English	May 28, 1993	In force since November 30, 1995
	Finland	Inglés	May 27, 1993	In force since June 14, 1996
	Francia	Spanish	July 14, 1992	In force since December 5, 1994
	Germany	Spanish	October 21, 1991	In force since June 18, 1999
	Greece	English	July 10, 1996	In force since March 7, 2003
		Spanish		Not in force
	Hungary	Spanish	March 10, 1997	Not in force
	Iceland	Spanish	June 26, 2003	In force since August 12, 2006
	Italy	Spanish	March 8, 1993	In force since June 23, 1995
	Netherlands	English	November 30, 1998	Not in force
	Norway	Spanish	June 1, 1993	In force since November 4, 1994
	Poland	Spanish	July 5, 1995	In force since September 22, 2000
	Portugal	Spanish	April 28, 1995	In force since February 24, 1998
	Romania	Spanish	July 4, 1995	In force since August 27, 1997
	Spain	Spanish	October 10, 1991	In force since April 27, 1994
	Sweden	Spanish	May 24, 1993	In force since February 13, 1996
	Switzerland	French	September 24, 1999	In force since August 22, 2002
	Turkey	English	August 21, 1998	Not in force
	Ukraine	Spanish	October 30, 1995	In force since August 29, 1997
	United Kingdom	English	January 8 1996	In force since June 23, 1997

After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile

International agreements Asia, Oceania, Middle East and Africa

Trade and tax treaties signed by Chile

Bilateral Investment Promotion And Protection Agreements (BIPPAS)

ASIA, OCEANIA AND MIDDLE EAST

Country	Language	Signed	Status
 China	English	March 23, 1994	In force since October 14, 1995
 Indonesia	English	April 7, 1999	Not in force
 Lebanon	English	October 13, 1999	Not in force
 Malaysia	English	November 11, 1992	In force since August 4, 1995
 New Zealand	English	July 22, 1999	Not in force
 Philippines	Spanish	November 20, 1995	In force since November 6, 1997
 Vietnam	English	September 16, 1999	Not in force

AFRICA























Country	Language	Signed	Status
 South Africa	English	November 12, 1998	Not in force
 Egypt	English	August 5, 1999	Not in force
 Tunisia	English	October 23, 1998	Not in force

After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile

International agreements Free trade Agreements (FTA)

Trade and tax treaties signed by Chile:

FREE TRADE AGREEMENTS (FTA)				
Country		Signed	Status	Country
	Argentina	ACE N° 16	August 02, 1991	Not in force since MERCOSUR agreement was signed
	Australia	TLC-CI	July 30, 2008	In force since March 06, 2009
	Bolivia	ACE N° 22	April 06, 1993	In force since July 01, 1993
	Canada	TLC-CI	December 05, 1996	In force since July 05, 1997
	Central America	TLC	October 18, 1999	Bilateral protocols in force with Costa Rica, El Salvador, Honduras and Guatemala
	China	TLC	November 18, 2005	In force since October 01, 2006
	Colombia	TLC-CI	November 27, 2006	In force since May 08, 2009
	Corea	TLC-CI	February 15, 2003	In force since April 01, 2004
	Cuba	AAP	December 20, 1999	In force since June 27, 2008
	Ecuador	ACE N° 65	March 10, 2008	In force since January 25, 2010
	EFTA	TLC	June 26, 2003	In force since December 01, 2004
	United States	TLC-CI	June 06, 2003	In force since January 01, 2004
	India	AAP	March 08, 2006	In force since August 17, 2007
	Malaysia	TLC	November 13, 2010	In force since April 18, 2012
	MERCOSUR	ACE N° 35	June 25, 1996	In force since October 01, 1996
	Mexico	TLC-CI	April 17, 1998	In force since July 31, 1999
	Japan	TLC-CI	March 27, 2007	In force since September 03, 2007
	P4	AAE	July 18, 2005	In force since November 08, 2006
	Panama	TLC	June 27, 2006	In force since March 07, 2008
	Peru	TLC-CI	August 22, 2006	In force since June 27, 2008
	Turkey	TLC	July 14, 2009	In force since March 01, 2011
	European Union	AAE	November 18, 2002	In force since February 01, 2003
	Venezuela	ACE N° 23	April 02, 1993	In force since July 01, 1993

After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile
















International agreements Double Tax Treaties

Trade and tax treaties signed by Chile:

AMERICA

Country	Signed	Status
 Argentina	January 01, 2004	In force
 Brazil	January 01, 2004	In force
 Barbados	-	Under negotiation
 Canada	January 01, 2000	In force
 Colombia	January 01, 2010	In force
 Ecuador	January 01, 2004	In force
 United States	-	Completed negotiations
 Mexico	January 01, 2000	In force
 Paraguay	January 01, 2009	In force
 Peru	January 01, 2004	In force
 Uruguay	-	Under negotiation

EUROPE

Country	Signed	Status
 Germany	-	Under negotiation
 Austria	-	Under negotiation
 Belgium	January 01, 2011	In force
 Croatia	January 01, 2005	In force
 Denmark	January 01, 2005	In force
 Spain	January 01, 2003	In force
 France	January 01, 2007	In force
 Ireland	January 01, 2009	In force
 Italy	-	Under negotiation
 Norway	January 01, 2004	In force
 Poland	January 01, 2004	In force
 Portugal	January 01, 2009	In force
 United Kingdom	January 01, 2005	In force
 Sweden	January 01, 2006	In force
 Switzerland	January 01, 2011	In force

After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile

International agreements Double Tax Treaties

Trade and tax treaties signed by Chile:

ASIA AND OCEANIA

Country		Signed	Status
	Australia	-	Completed negotiations
	Korea	January 01, 2004	In force
	India	-	Completed negotiations
	Malaysia	January 01, 2009	In force
	New Zealand	January 01, 2007	In force
	Russia	-	Pending legislative approval
	Thailand	January 01, 2011	In force

After being signed, agreements have to be ratified by Congress before they can come into force. In Chile, agreements come into force once they have been published in the Official Gazette.

Source : Web page , Foreign Investment Committee, of Gobierno de Chile

Main sources**Central Bank of Chile**

Web site: www.bcentral.cl

Chile Budget direction ("Dipres")

Web site: www.dipres.gob.cl

Chilean Internal Revenue Service ("SII")

Web site: www.sii.cl

Chilean Superintendence of Securities and Insurance ("SVS").

Web site: www.svs.cl

Foreign Investment Committee

Web site: www.foreigninvestment.cl

Institute for management development

Web site : www.imd.org

International Monetary Fund ("FMI")

Web site: www.imf.org

Santiago Stock Exchange

Web site: www.bolchile.cl





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Technology Consulting
Risk Consulting
ACENDER
TAX
ERP Services