

CHAPTER XIV¹**GENERAL PROVISIONS**

These Chapter regulations are related to procedures, terms, conditions, and forms that should be used to provide to the Central Bank of Chile, hereafter indistinctly the Bank, with the information regarding operations referred to in Chapter XIV of the Compendium.

For this purpose, are distinguished the following acts:

1. **FOREIGN CURRENCY INCOME TO THE COUNTRY WITH THE AIM TO REPORT CREDITS, DEPOSITS, INVESTMENTS AND CAPITAL CONTRIBUTIONS OPERATIONS.**

- 1.1 Foreign currency income to the country coming from foreign credits, included in this item those obtained by bonds placement abroad by issuers domiciled or residing in Chile referred to in Section.2.1 of Chapter XIV of the Compendium, shall be done through an entity of the Formal Exchange Market, hereafter indistinctly F.E.M..

In order to perceive the foreign currency entered into the country using the foreign credit item, the debtor shall have to deliver the Form included in Annex N° 1 of this Chapter to the Bank's Foreign Exchange and Surveys Department, be it directly or through an Entity of the F.E.M., besides the instructions granted to the F.E.M. to deliver the foreign currency or the product of its liquidation in "Pesos". The aforementioned can be effected previously or simultaneously to the income of foreign currency.

The obligation to report as established in Annex N° 1 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

When the foreign currency enters the country, the F.E.M Entity will verify that the data included of the said Form complies with the terms and documents representative of the credit being reported. Finally, and pursuant to the provisions in Section 10, Chapter I of the Compendium, the F.E.M. Entity shall issue a Form as shown in Chapter I of this Manual, formalizing to the Bank the transference and/or the respective foreign currency liquidation.

- 1.2 The income of foreign exchange to the country by way of deposits, investments and capital contributions coming from abroad, shall be done through a F.E.M. Entity, for which the party concerned will furnish such entity with the data of the respective operation for it to fill-out the Form, besides the instructions to deliver the foreign currency or the product of its liquidation in "Pesos".

The F.E.M. Entity will issue a Form in the manner set in Chapter I of this Manual, to report the Bank about the transference or foreign currency liquidation.

- 1.3 In the event of Buyer Advanced Payments, the information to the Bank must be supplied as set in the Chapters IV of the Compendium and of this Manual.

¹ The English translation of Chapter XIV Procedures and Information Forms Manual it is not a binding version of the said Chapter, and is included for information purposes only. In case of any discrepancy or difference in interpretation, the Spanish original prevails.

2. ABROAD RECEPTION AND USE OF FUNDS BY WAY OF CREDIT, DEPOSITS, INVESTMENT OR CAPITAL CONTRIBUTION ITEMS.

- 2.1 If the debtor receives foreign currency abroad, by way of a foreign credit, and then the foreign currencies are not brought into the country; the debtor shall report to the Bank's Foreign Exchange and Surveys Department directly or through an Entity of the F.E.M. about the operation performed. For this purpose, the debtor or the F.E.M. Entity will deliver the Form included in Annex N° 1 of this Chapter, within the first ten days of the following month once the operation has been realized.

The obligation to report as established in Annex N° 1 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

- 2.2 If the depositary, investor or receiver of the capital contribution, perceives foreign currency abroad by way of deposits, investments or capital contributions, and the foreign currency are not brought in the country, the depositary, investor or receiver of the capital contribution, shall report the Bank's Foreign Exchange and Surveys Department, directly or through an Entity of the F.E.M. regarding the operation realized. For this purpose, the depositary, investor or receiver of the capital contribution shall deliver the Form included in Annex N° 4 of this Chapter, within the first ten days of the following month once the operation has been realized.

The obligation to report as established in Annex N° 4 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

3. CAPITAL CONTRIBUTIONS AND INVESTMENTS PAID WITH SOCIAL RIGHTS IN LEGAL ENTITIES OR SHARES OF COMPANIES DOMICILED ABROAD.

The capital contributions and investments, totally or partially done by foreign investors through the cession of social rights in legal entities or shares of companies established abroad, must be reported using the Form included in Annex N° 4 of this Chapter, within the first ten days of the following month once the operation has been realized.

Such Form must also be used to report the capital contributions generated from capital contributions from foreign investors or companies established according to the provisions set out in article 41 D of the Chilean Income Tax Act, be such capital paid with shares or social rights of companies domiciled abroad which owners are individuals without domicile or residence in Chile.

The obligation to report as established in Annex N° 4 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

4. REMITTANCES OF FOREIGN CURRENCIES TO ABROAD OF CAPITAL REIMBURSEMENT, INTERESTS, INFLATION-INDEXED REAJUSTMENTS AND PROFITS OR OTHER BENEFITS ITEMS, GENERATED DUE TO OPERATIONS CARRIED OUT IN ACCORDANCE WITH THESE REGULATIONS.

Remittances of foreign currency to abroad, for these items, must be carried out by the debtor, depositor, investor or capital contributor through an Entity of the F.E.M., which will issue a Form as established in Chapter I of the Manual.

5. DIRECT PAYMENTS TO ABROAD OF CREDIT, INVESTMENTS, DEPOSITS, AND CAPITAL CONTRIBUTIONS.

- 5.1 If payment obligations derived from credits are fulfilled by means of the disposition of funds kept abroad, the debtor shall report of such circumstance to the Bank, directly or through an Entity of the F.E.M., to the Bank's Foreign Exchange and Surveys Department, using the Form included in Annex N° 2 of this Chapter, within the first ten days of the following month once the operation has been realized.

The obligation to report as established in Annex N° 2 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

- 5.2 In the event that payment obligations derived from deposits, investments or capital contributions be fulfilled by means of the disposition of funds kept abroad, the depositor, investor or capital contributor shall report of such circumstance to the Bank, directly or through and Entity of the F.E.M., to the Bank's Foreign Exchange and Surveys Department, using the Form included in Annex N° 4 of this Chapter, within the first ten days of the following month, once the operation has been realized.

The obligation to report as established in Annex N° 4 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

6. OPERATIONS WITH SHARES IN OPEN CORPORATIONS OR QUOTAS IN INVESTMENT FUNDS REGULATED BY LAW 18.815, WHOSE PURPOSE IS THE CONVERSION OF THE SAME INTO SECURITIES REPRESENTING THEM.

If the foreign currencies income is carried out with the objective of purchasing shares of open corporations or quotas in Investment Funds regulated by Law 18.815, whose purpose is the conversion of those shares or quotas into securities representing them, which in turned shall be traded in foreign markets; or with the purpose of acquiring shares or quotas that are subject to such system, the foreign currencies income shall be effected through an Entity of the F.E.M., and the party concerned will deliver the operation antecedents to complete the Form where the respective foreign exchange operation is formalized and reported. The F.E.M. Entity will issue and deliver the Form to the Bank as provided in Chapter I of the Manual.

In the event that foreign currencies have been entered into the country with the purpose to carry out other investments than those mentioned in the above paragraph, and that later shares or quotas are purchased then, the report obligation regarding those operations shall be complied by the Custodian Bank filling-out the Form included in Annex N° 3 of this Chapter, which shall be submitted to the Central Bank of Chile within the first ten days of the following month in which the operation is reported. The obligation to report as established in Annex N° 3 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

Notwithstanding the above paragraphs, the Custodian Banks participating in the referred to system shall report monthly regarding the operations executed in accordance with this concept to the Bank's Foreign Exchange and Surveys Department, by means of the Form included in Annex N° 3 of this Chapter, which shall be submitted to the Central Bank of Chile within the first ten days of the following month in which the monthly report must be submitted. The obligation to report as established in Annex N° 3 may be fulfilled by filling-out the Form available in section "Other Services" of the Internet site www.bcentral.cl

The operations of this type processed before April 19, 2001 shall be continued to be regulated by the corresponding applicable rules. Notwithstanding the aforementioned, the information that the Custodian Banks must provide before April 19, 2001 regarding said operations, shall be supplied as provided in the abovementioned paragraph.

7. CAPITAL CONTRIBUTIONS CONSTITUTED BY PROFITS REINVESTMENT, DERIVED FROM INVESTMENTS COVERED BY DECREE LAW 600.

In the case of capital contributions referred to in paragraph 4 of Section 2.4 of Chapter XIV of the Compendium, constituted by profits reinvestment, derived from investments carried out by a foreign investor covered by the Foreign Investment Statute instituted in the Decree Law 600 of 1974, including all its amendments (DL 600), said foreign investor shall waive previously and irrevocably the right of remitting profits pursuant to DL 600, and in accordance with the terms and conditions established by the Foreign Investments Committee. Said requirement shall be certified by the respective communication sent to the Bank by the Committee, which shall be added to the antecedents that the investor delivers to the Bank's Foreign Exchange and Surveys Department. Also, the receiver of the referred to capital contribution or its legal representative shall communicate the following information, in writing, to the Bank's Foreign Exchange and Surveys Department:

- a) Identity and country of Capital Contributor
- b) Identity of Contribution Receiver
- c) Economic sector of the Contribution Receiver
- d) Identity, telephone and fax number of the Reporting Person
- e) Operation Date
- f) Currency
- g) Amount

8. FOREIGN INVESTMENTS ENTERED UNDER DL 600

With the purpose to obtain cover by the provisions of Chapter XIV of the Compendium of Foreign Exchange Regulations, foreign investments entered into the country under DL 600, by reason of the termination of the Foreign Investment Contract, agreed with the State of Chile, represented by the President or Executive Vice-president of the Foreign Investments Committee, as it corresponds, according to as prescribed in Section 6 bis of said Chapter; the foreign investor shall communicate, in writing, to the Bank's Foreign Exchange and Surveys Department, and within the term of 10 continuous days elapsed since the notarized date of the public deed in which the termination of the respective Foreign Investment Contract is stated: i) the willingness to maintain in the country and under the provisions of said Chapter, the investment carried out in accordance to DL 600; and, ii) his explicit and irrevocable waive to the right to access to the Formal Exchange Market in order to remit abroad the capital entered under this special regime, as well as the corresponding profits.

Also, in addition to that communication, the foreign investor or its legal representative shall include an authorized copy of said public deed and provide, in writing, the following information to the Bank's Foreign Exchange and Surveys Department:

- a) Identity and country of Foreign Investor
- b) Identity of the Investment Receiver
- c) Economic sector of the Investment Receiver
- d) Identity, telephone and fax number of the Reporting Person
- e) Operation Date
- f) Currency
- g) Amount