

ANNEX 3-01

Used Vehicles

For the purposes of this Chapter, used vehicle means:

1. In the case of Chile, all vehicles that do not correspond to the definition established in Article 1 (ñ) of Law 18.483, in accordance with the provisions of Article 21 of that law. References to that law shall be understood as referring to any equivalent successor legislation.

2. In the case of Mexico, any of the goods included in headings 87.01 to 87.06 that:

- (a) have been sold or leased;
- (b) have been driven for more than
 - (i) 1,000 kilometres if the vehicle has a gross weight of less than five metric tons; or
 - (ii) 5,000 kilometres if the vehicle has a gross weight of five metric tons or more; or
- (c) were manufactured prior to the current year and at least 90 days have elapsed since the date of manufacture.

ANNEX 3-03

Exceptions to National Treatment

Mexican Measures

Notwithstanding Article 3-03, Mexico may maintain until 1 January 2004 the provisions of the Decree for the Development and Modernization of the Automotive Industry ("Decreto para el Fomento y Modernización de la Industria Automotriz") of 11 December 1989 and the amendments thereto of 31 May 1995, and any renewal or amendment thereto that may be inconsistent with this Agreement.

ANNEX 3-04(3)

Tariff Reduction Programme

Section A –Chilean Products

1. The customs duty applicable to apples (tariff item 0808.10.00) originating in Mexico shall be reduced in accordance with the following timetable:

Year	Customs duty
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1999	8.6%
2000	7.3%
2001	6.1%
2002	4.9%
2003	3.7%
2004	2.4%
2005	1.2%
Effective 1/1/2006	0.0%

2. The customs duties referred to in paragraph 1 shall apply only to imports of apples under an initial annual quota of 2,264.5 metric tonnes, which shall be increased annually starting in 2000 and up to 2005, inclusive, by five per cent over the quota applicable in the preceding year.

3. For quantities in excess of the quota established in paragraph 2, in the period between 1999 and 2005, inclusive, Chile may apply a tariff no higher than its most-favoured-nation tariff in effect at the time of the imports.

4. Effective 1 January 2006, imports of fresh apples (tariff item 0808.10.00) originating in Mexico shall be duty free and not subject to quotas.

5. The first come first served mechanism shall be used for allocating import quotas for apples.

Section B –Mexican Products

1. The customs duty for apples (tariff item 0808.10.01) originating in Chile shall be reduced in accordance with the following timetable:

Year	Customs duty
1999	11.7%
2000	10.0%
2001	8.3%
2002	6.7%
2003	5.0%
2004	3.3%
2005	1.7%
Effective 1/1/2006	0.0%

2. The customs duties referred to in paragraph 1 shall apply only to imports of apples under an initial annual quota of 2,264.5 metric tonnes, which shall be increased annually starting in 2000 and up to 2005, inclusive, by five per cent over the quota applicable in the preceding year.

3. For quantities in excess of the quota established in paragraph 2, in the period between 1999 and 2005, inclusive, Mexico may apply a tariff no higher than its most-favoured-nation tariff in effect at the time of the imports.

4. Effective 1 January 2006, imports of fresh apples (tariff item 0808.10.01) originating in Chile shall be duty free and not subject to quotas.

5. The first come first served mechanism shall be used for allocating import quotas for apples.

ANNEX 3-04(4)

Exceptions

Section A –Chilean Products

Harmonized System of Chile	Description	Legal Regime	Percentage margin of preference over the MFN duty
0306.11.00	Rock lobster (Palinurus spp., Panulirus spp., Jasus spp.)	Free importation	12
0306.12.00	Lobster (Homarus spp.)	Free importation	12
0306.13.10	Shrimp	Free importation	12
0306.13.20	Prawns	Free importation	12
0306.13.90	Other Decapodes natantia	Free importation	12
0306.21.00	Rock lobster (Palinurus spp., Panulirus spp. and Jasus spp.)	Free importation	12
0306.22.00	Lobster (Homarus spp.)	Free importation	12
0306.23.10	Shrimp	Free importation	12

0306.23.20	Prawns	Free importation	12
0306.23.90	Other Decapodes natantia	Free importation	12
0402.10.00	In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%. Exclusively in powdered or solid form.	Free importation	0
0402.21.10	Fat content exceeding 1.5% but not exceeding 6%. Exclusively in powdered or solid form.	Free importation	0
0402.21.20	Fat content exceeding 6% but not exceeding 12%. Exclusively in powdered or solid form.	Free importation	0
0402.21.30	12% fat content. Exclusively in powdered or solid form.	Free importation	0
Harmonized System of Chile	Description	Legal Regime	Percentage margin of preference over the MFN duty
0402.21.40	Fat content exceeding 12% but not exceeding 18%. Exclusively in powdered or solid form.	Free importation	0
0402.21.50	18% fat content. Exclusively in powdered or solid form.	Free importation	0
0402.21.70	Fat content of 24% but not exceeding 26%. Exclusively in powdered or solid form.	Free importation	0
0402.21.80	26% fat content and over. Exclusively in powdered or solid form.	Free importation	0
0402.91.10	Milk in liquid or semi-solid state. Exclusively evaporated milk.	Free importation	0
0406.10.00	Fresh (unripened or uncured) cheese, including whey cheese, and curd	Free importation	0
0406.30.00	Processed cheese, not grated or powdered	Free importation	0
0406.90.00	Other cheese. The following are excluded from this list: - hard paste cheese named "sardo" when its presentation so indicates - hard paste cheese named Reggiano or Reggianito, when its presentation so indicates - hard or semihard paste cheeses with a fat content of 40% or less and a moisture content by weight of non-fatty matter of 47% (named Grana, Parmigiano or Reggiano) or a moisture content by weight of non-fatty matter	Free importation	0

	exceeding 47% but not exceeding 72% (named Danbo, Edam, Fontal, Fontina, Fymbo, Gouda, Havarti, Maribo, Samsøe, Esrom, Italian, Karnhem, Saint-Nectaire, Saint-Paulin or Taleggio).		
0713.33.90	Other	Free importation	12
0806.10.00	Grapes. (during the period from 15/04 to 31/05 each year)	Free importation	12
1001.10.00	Hard wheat	Free importation	0
1001.90.00	Other	Free importation	0
1003.00.00	Barley, except for seed	Free importation	12
1005.90.00	Other, except popping corn and corn-on-the-cob.	Free importation	0
1101.00.00	Wheat or meslin flour	Free importation	0
1107.10.00	Not roasted	Free importation	12
1107.20.00	Roasted	Free importation	12
1507.10.00	Crude oil, including degummed	Free importation	30
1507.90.00	Other	Free importation	0
1508.10.00	Crude oil	Free importation	30
1508.90.00	Other	Free importation	12
1509.10.00	Virgin	Free importation	12
1509.90.00	Other	Free importation	12
1510.00.00	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils and fractions with oils or fractions of heading 1509	Free importation	12
1511.10.00	Crude oil	Free importation	12
1511.90.00	Other	Free importation	12
1512.11.10	Sunflower-seed oil	Free importation	30
1512.11.20	Safflower oil	Free importation	30
1512.19.10	Sunflower-seed oil	Free importation	0
Harmonized System of Chile	Description	Legal Regime	Percentage margin of preference over the MFN duty
1512.19.20	Safflower oil	Free importation	0
1512.21.00	Crude oil, whether or not gossypol has been removed	Free importation	30
1512.29.00	Other	Free importation	0
1513.11.00	Crude oil	Free importation	50
1513.19.00	Other	Free importation	50
1513.21.00	Crude oil	Free importation	71
1513.29.00	Other	Free importation	12
1514.10.00	Crude oil	Free importation	0
1514.90.00	Other	Free importation	0

1515.21.00	Crude oil	Free importation	30
1515.29.00	Other	Free importation	0
1515.50.00	Sesame oil and its fractions	Free importation	30
1515.90.00	Other. Exclusively crude oilicica. Exclusively edible.	Free importation	
1701.11.00	Cane sugar	Free importation	0
1701.12.00	Beet sugar	Free importation	0
1701.91.00	Containing added flavouring or colouring matter	Free importation	0
1701.99.00	Other	Free importation	0
1702.90.00	Other, including invert sugar. Exclusively refined liquid sugar and invert sugar.	Free importation	0
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	Free importation	12
2402.20.00	Cigarettes containing tobacco	Free importation	0
2402.90.00	Other	Free importation	0
2403.10.00	Smoking tobacco, whether or not containing tobacco substitutes in any proportion	Free importation	12
2403.91.00	“Homogenized” or “reconstituted” tobacco	Free importation	0
2403.99.00	Other	Free importation	0
2709.00.00	Petroleum oils and oils obtained from bituminous minerals, crude	Free importation	0
2710.00.10	Petroleum ethers (naphtha solvent, benzene extracts)	Free importation	0
2710.00.21	For aviation engines	Free importation	0
2710.00.29	Other uses	Free importation	0
2710.00.31	For turbine engines	Free importation	0
2710.00.32	Kerosene	Free importation	0
2710.00.33	White spirits	Free importation	0
2710.00.40	Distilled edible oils (gas oil and diesel oil)	Free importation	0
2710.00.51	Fuel oil	Free importation	0
2710.00.61	Lubricating oils, basic	Free importation	0
2710.00.63	Lubricating oils, finished	Free importation	0
2710.00.64	Lubricants for leather	Free importation	0
2711.11.00	Natural gas	Free importation	12
2711.12.00	Propane	Free importation	12
2711.13.00	Butanes	Free importation	12
2711.19.00	Other except: alkanes, used for cutting and soldering (even if blended)	Free importation	12
2711.21.00	Natural gas	Free importation	12
2711.29.00	Other	Free importation	12
6309.00.10	Overcoats, jackets, and raincoats	Free importation	0
6309.00.20	Parkas and jackets	Free importation	0
Harmonized	Description	Legal Regime	Percentage

System of Chile			margin of preference over the MFN duty
6309.00.30	Suits	Free importation	0
6309.00.40	Trousers	Free importation	0
6309.00.50	Dresses and skirts	Free importation	0
6309.00.60	Ensembles including for sports and recreation	Free importation	0
6309.00.70	Shirts and blouses	Free importation	0
6309.00.80	Underwear	Free importation	0
6309.00.91	Bed linen	Free importation	0
6309.00.92	Footwear	Free importation	0
6309.00.93	Socks, hosiery and similar articles	Free importation	0
6309.00.94	Sweaters, pullovers and cardigans	Free importation	0
6309.00.99	Other	Free importation	0

ANNEX 3-04(4)

Exceptions

Section B – Mexican Products

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
0306.11.01	Rock lobster (Palinurus spp., Panulirus spp., Jasus spp.)	Free importation	0
0306.12.01	Lobster (Homarus spp.)	Free importation	0
0306.13.01	Shrimp, prawns and other Decapodes natantia	Free importation	0
0306.21.01	Rock lobster (Palinurus spp., Panulirus spp., Jasus spp.)	Free importation	0
0306.22.01	Lobster (Homarus spp.)	Free importation	0
0306.23.01	Broodstock and postlarvae of peneid shrimp and prawns for aquaculture	Free importation	0
0306.23.99	Other	Free importation	0
0402.10.01	Milk in powdered or solid forms	Licence required	30
0402.21.01	Milk in powdered or solid forms	Licence required	30
0402.91.0	Evaporated milk	Free importation	0

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
1			
0406.10.01	Fresh (unripened or uncured) cheese, including whey cheese and curd	Free importation	0
0406.30.01	Processed (process) cheese, not grated or powdered, with a fat content by weight of 36% or less and a fat content measured in weight of dry extract of over 48%, presented in containers with a net content over 1 kg	Free importation	0
0406.30.99	Other	Free importation	0
0406.90.03	Soft paste cheese, Colonia type: moisture content between 35.5% and 37.7%, ash between 3.2% and 3.3%, fat between 29.0% and 30.8%, protein 25% and 27.5%, salts between 1.3% and 2.7% and acidity between 0.8% and 0.9% expressed in lactic acid	Free importation	0
0406.90.05	Petit Suisse type cheese: moisture content between 68% and 70%, fat between 6% and 8% (on a wet basis), dry extract between 30% and 32%, minimum protein 6%, and ferments whether or not with the addition of fruit, sugar, vegetables, chocolate or honey	Free importation	0
0406.90.06	Egmont type cheese: minimum fat (in dry matter) 45%, maximum moisture 40%, minimum dry matter 60%, minimum salt in the moisture 3.9%	Free importation	28
0406.90.99	Other	Free importation	0
0713.33.99	Other	Licence required	100
0806.10.01	Grapes, fresh (during the period from 15 April to 31 May each year)	Free importation	0
1001.10.01	Hard wheat	Free importation	0
1001.90.99	Other	Free importation	0
1003.00.02	Grains, with hull, except for item 1003.00.01	Licence required	30
1003.00.99	Other	Free importation	0

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
1005.90.99	Other	Free importation	0
1101.00.01	Wheat or meslin flour	Free importation	28
1107.10.01	Not roasted	Licence required	70
1107.20.01	Roasted	Licence required	70
1507.10.01	Crude oil, including degummed	Free importation	0
1507.90.99	Other	Free importation	0
1508.10.01	Crude oil	Free importation	0
1508.90.99	Other	Free importation	0
1510.00.99	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified	Free importation	28
1511.10.01	Crude oil	Free importation	28
1511.90.99	Other	Free importation	28
1512.11.01	Crude oil	Free importation	0
1512.19.99	Other	Free importation	0
1512.21.01	Crude oil, whether or not gossypol has been removed	Free importation	0
1512.29.99	Other	Free importation	0
1513.11.01	Crude oil	Free importation	0
1513.19.99	Other	Free importation	0
1513.21.01	Crude oil	Free importation	28
1513.29.99	Other	Free importation	0
1514.10.01	Crude oil	Free importation	0
1514.90.99	Other	Free importation	0

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
1515.21.01	Crude oil	Free importation	0
1515.29.99	Other	Free importation	0
1515.50.01	Sesame oil and its fractions	Free importation	0
1515.90.02	Copaiba oil, crude	Free importation	50
1515.90.03	Almond oil	Free importation	28
1515.90.99	Other	Free importation	0
1701.11.01	Sugar whose content in sucrose in the dry state corresponds to a polarimetre reading of 99.3 degrees or more and less than 99.5 degrees	Free importation	0
1701.11.99	Other	Free importation	0
1701.12.01	Sugar whose content in sucrose in the dry state corresponds to a polarimetre reading of 99.3 degrees or more and less than 99.5 degrees	Free importation	0
1701.12.99	Other	Free importation	0
1701.91.01	With the addition of flavouring or colouring matter	Free importation	0
1701.99.01	Sugar whose content in sucrose in the dry state corresponds to a polarimetre reading of 99.5 degrees or more and less than 99.7 degrees	Free importation	0
1701.99.99	Other	Free importation	0
1702.90.01	Refined liquid sugar and inverted sugar	Free importation	0
2402.10.01	Cigars, cheroots and cigarillos, containing tobacco	Free importation	0
2402.20.01	Cigarettes containing tobacco	Free importation	0
2402.90.99	Other	Free importation	0
2403.10.01	Smoking tobacco, whether or not containing tobacco substitutes in any proportion	Free importation	0

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
2403.91.01	Tobacco used as wrapper tobacco	Free importation	0
2403.91.99	Other	Free importation	0
2403.99.01	Chewing tobacco	Free importation	0
2403.99.99	Other	Free importation	0
2709.00.01	Petroleum oils and oils obtained from bituminous minerals, crude	Free importation	0
2710.00.01	Pure petroleum mineral oils, without additives (basic lubricating oils), in tanker-car, tanker-ship or tanker-truck	Free importation	0
2710.00.02	Greases or lubricating oils obtained from petroleum minerals, with additives (finished lubricating oils)	Free importation	28
2710.00.03	Lubricating greases	Free importation	28
2710.00.04	Aviation fuel	Licence required	28
2710.00.05	Gasoline, except for item 2710.00.04	Licence required	28
2710.00.06	Kerosene	Licence required	0
2710.00.07	Gas oil or diesel oil	Licence required	28
2710.00.08	Fuel oil	Licence required	28
2710.00.99	Other. Exclusively white spirits	Free importation	28
2711.11.01	Natural gas	Licence required	28
2711.12.01	Propane	Licence required	28
2711.13.01	Butanes	Licence required	28
2711.19.01	Blended butane and propane, liquefied	Licence required	0
2711.19.99	Other	Licence required	28
2711.21.01	Natural gas	Licence required	0
2711.29.99	Other	Licence required	28

Harmonized System of Mexico	Description	Legal regime	Percentage margin of preference over the MFN duty
9			
6309.00.01	Clothing	Free importation	0

ANNEX 3-06

Temporary Admission of Goods

The temporary admission of goods from Mexico specified Article 3-06(1) shall not be subject to payment of the fee established in Article 139 of the Chilean Customs Ordinance (“Ordenanza de Aduanas”) contained in Decree with Force of Law 30 of the Ministry of Finance, Official Gazette, 13 April 1983 (“Decreto con Fuerza de Ley 30 del Ministerio de Hacienda, Diario Oficial, 13 abril 1983”).

ANNEX 3-09

Import and Export Measures

Section A – Chilean Measures

1. Notwithstanding Article 3-09, Chile may adopt or maintain measures relating to the domestic sale of domestically-produced copper and other metals, in accordance with the provisions of Articles 7, 8 and 9 of Law 16.624.
2. Notwithstanding Articles 3-03 and 3-09, Chile may adopt or maintain measures relating to the importation of used vehicles.

Section B – Mexican Measures

1. Notwithstanding Article 3-09, Mexico may adopt or maintain prohibitions or restrictions on the importation of goods in heading 63.09.
2. Notwithstanding Article 3-09, Mexico may restrict the granting of import and export permits on the goods listed below, for the sole purpose of reserving foreign trade in those goods for itself:

Heading or subheading	Description
2707.50	Other aromatic hydrocarbon mixtures of which 65 per cent or more by volume (including losses) distils at 250° C by the ASTM D 86 method
2707.99	Only with respect to solvent naphtha, rubber extender oils and carbon black feedstocks

27.09	Petroleum oils and oils obtained from bituminous minerals, crude
27.10	Aviation gasoline; gasoline and motor fuel blending stocks (except aviation gasoline) and reformates when used as motor fuel blending stocks; kerosene; gas oil and diesel oil; petroleum ether; fuel oil; paraffinic oils other than for lubricating purposes; pentanes; carbon black feedstocks; hexanes; heptanes and naphthas
27.11	Petroleum gases and other gaseous hydrocarbons other than: ethylene, propylene, butylene and butadiene, in purities over 50 per cent
2712.90	Only paraffin wax containing by weight more than 0.75 per cent of oil, in bulk (Mexico classifies these goods under HS 2712.90.02) and only when imported to be used for further refining
2713.11	Petroleum coke, not calcinated
2713.20	Petroleum bitumen (except when used for road surfacing purposes under HS 2713.20.01)
2713.90	Other residues of petroleum oils or of oils obtained from bituminous materials
27.14	Bitumen and asphalt, natural; bituminous or oil shale and tar sands, asphaltites and asphaltic rocks (except when used for road surfacing purposes under HS 2714.90.01)
2901.10	Only ethane, butane, pentane, hexane and heptane

3. Notwithstanding Article 3-09, Mexico may adopt or maintain until 1 January 2004 prohibitions or restrictions on imports of the used goods described in the following tariff items in the Tariff Schedule of the General Import Duty Act ("Ley del Impuesto General de Importación"):

(The descriptions are provided for purposes of reference)

Item	Description
8426.91.02	Cranes with hydraulic working, with articulated or rigid booms, with capacity up to 9.9 tons at 1 meter radius
8426.91.03	Isolated elevating cranes, basket type, with carrying capacity equal to or less than 1 ton and up to 15 meters lift
8427.20.01	Fork lift, with explosion or internal combustion engine, with carrying capacity up to 7,000 kilograms, measured at 620 millimetres from the frontal surface of the forks
8429.20.01	Graders
8452.29.04	Machines or heads for industrial use, with straight seams, straight needle and a rotating and oscillating thread linking device, double backstitching, flat bed, and transportation only by impellers (teeth), except alternating foot differential, by triple accompanying needle or intermittent wheel
8471.10.01	Analogue or hybrid automatic data processing machines
8471.30.01	Portable digital automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display
8471.41.01	Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined
8471.49.01	Other, presented in the form of systems
8471.50.01	Digital processing units, except those in subheading 8471.41 and 8471.49, whether or not containing in the same housing one or two of the following types of unit: storage units, input units, output units
8471.60.02	Colour cathode-ray tube monitors
8471.60.03	Laser printers capable of producing more than 20 pages a minute
8471.60.04	Printers, light bar electronic type
8471.60.05	Ink-jet printers
8471.60.06	Thermal transfer printers
8471.60.07	Iconographic printers
8471.60.08	Other laser printers
8471.60.09	Combined input/output units
8471.60.10	Display units with monochrome cathode-ray tubes; display units with flat panels exceeding 30.5 cm (14 inches); other display units excluding those in item 8471.60.02
8471.60.11	Display units without a cathode-ray tube having a display diagonal not exceeding 30.5 cm (14 inches)
8471.60.12	Optical scanners and magnetic ink recognition devices
8471.60.13	Dot matrix printers
8471.60.99	Other
8471.70.01	Storage units
8471.80.01	Other units suitable for physical incorporation into automatic

Item	Description
	data processing machines
8471.80.02	Local area network devices
8471.80.03	Control or adapter units, except those included in item 8471.80.02
8471.80.99	Other
8471.90.99	Other
8474.20.02	Crushing or grinding machines
8474.20.05	Drawer cone crushing, with diameter no more than 1200 millimetres
8474.20.06	Grinding hammer percussion
8504.40.12	Power supplies for the automatic data processing machines of heading 84.71
8701.90.02	Railroad tractors, on tires with mechanical mechanism for pavement
8702.90.01	Trolley busses
8703.10.01	With electric motors
8703.90.01	Electric
8705.10.01	Mobile cranes
8705.20.99	Other
8705.90.01	Street sweepers
8705.90.99	Other
8708.70.01	For trolley busses only: when presented with used tires
8708.70.02	For use with item 8701.90.01. Only when presented with used tires
8708.70.03	Wheel rims of metal alloys, spoked or sports-type, wide base, only when presented with used tires
8708.70.07	Wheel rims of aluminium or aluminium alloys having a diameter exceeding 57.15 cm (22.5 inches). Only when presented with used tires
8708.70.99	Other. Only when presented with used tires
8711.10.01	With reciprocating internal combustion piston engine of a cylinder capacity not exceeding 50 cc
8711.20.01	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cc but not exceeding 250 cc
8711.30.01	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250 cc but not exceeding 500 cc
8711.40.01	With reciprocating internal combustion piston engine of a cylinder capacity exceeding 500 cc but not exceeding 550 cc
8711.90.99	Other
8712.00.04	Bicycles, except those included in items 8712.00.01 and 8712.00.02
8712.00.99	Other
8716.10.01	Trailers and semi-trailers for housing or camping of the caravan type
8716.20.01	Trailers or semi-trailers, closed hopper, pneumatic discharge line for the transportation of bulk products

Item	Description
8716.20.03	Open dump with hydraulic piston
8716.20.99	Other
8716.31.01	Thermal trailers for the transportation of milk
8716.31.02	Steeltank type tankers, including cryogenic or hoppers
8716.31.99	Other
8716.39.01	Trailers or semitrailers of the platform type, with or without stakes, including those accepted for the transport of boxes or metal baskets for cans and bottles or container carriers, or low beds, except those with hydraulic or pneumatic suspension and collapsible gooseneck
8716.39.02	Trailers or semitrailers for the transport of vehicles
8716.39.04	Trailers of the modular platform type with directional axis, including transporter bridge section, hydraulic couplings and/or gooseneck and/or motor for hydraulic conditioning of the equipment
8716.39.05	Semitrailers of the lowbed type, with pneumatic or hydraulic suspension and collapsible gooseneck
8716.39.06	Trailers and semitrailers of the closedbox type, including refrigerated
8716.39.07	Trailers and semitrailers of the steeltank type, including cryogenic and hoppers
8716.39.99	Other
8716.40.99	Other trailers and semi-trailers
8716.80.99	Other

4. Notwithstanding Article 3-09, Mexico may maintain until 1 January 2004, prohibitions or restrictions on the import of goods described in the following headings and subheadings:

(The descriptions are provided for purposes of reference)

Heading or subheading	Description
8407.34	Reciprocal internal combustion piston engines of a cylinder capacity exceeding 1000cc, for vehicles of Chapter 87
8701.20	Road tractors for semi-trailers
87.02	Motor vehicles for the transport of ten or more persons
87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars
87.04	Motor vehicles for the transport of goods
8705.20	Mobile drilling derricks
8705.40	Concrete mixers
87.06	Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05

5. Notwithstanding Article 3-09, Mexico may adopt or maintain prohibitions or restrictions on the import of used goods described in the following headings and subheadings:

(The descriptions are provided for purposes of reference)

Heading or subheading	Description
8407.34	Reciprocal internal combustion piston engines of a cylinder capacity exceeding 1000cc, for vehicles of Chapter 87
8701.20	Road tractors for semi-trailers
87.02	Motor vehicles for the transport of ten or more persons.
87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars
87.04	Motor vehicles for the transport of goods
8705.20	Mobile drilling derricks
8705.40	Concrete mixers
87.06	Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05

ANNEX 3-10

Customs User Fees

For Chile, the fees established in:

(a) Article 190 of Law 16.464; or

(b) Article 62 of Supreme Decree 172 of the Undersecretariat of Aviation, Official Gazette, 10 April 1974, Regulation of Aeronautical Rates and Taxes, ("Decreto Supremo 172 de la Subsecretaría de Aviación, Diario Oficial, abril 10, 1974, Reglamento de Tasas Aeronáuticas e Impuestos").

ANNEX 3-11

Export Taxes

1. Mexico may adopt or maintain a duty, tax or other charge on the export of those basic foodstuffs set out in paragraph 3, on their ingredients or on the goods from which such foodstuffs are derived, if such duty, tax or other charge and is used:

(a) to limit to domestic consumers the benefits of a domestic food assistance programme with respect to such foodstuff; or

(b) to ensure the availability of sufficient quantities of such foodstuff to domestic consumers or of sufficient quantities of its ingredients, or of

the goods from which such foodstuffs are derived, to a domestic processing industry, when the domestic price of such foodstuff is held below the world price as part of a governmental stabilization plan, provided that such duty, tax, or other charge

- (i) does not operate to increase the protection afforded to such domestic industry; and
- (ii) is maintained only for such period of time as is necessary to maintain the integrity of the stabilization plan.

2. Notwithstanding paragraph 1, Mexico may adopt or maintain a duty, tax or other charge on the export of any foodstuff to the territory of the other Party if such duty, tax or other charge is temporarily applied to relieve critical shortages of that foodstuff. For purposes of this paragraph, “temporarily” means up to one year, or such longer period as the Parties may agree.

3. For purposes of paragraph 1, “basic foodstuffs” means:

- 4. Beans
- 5. Beef steak or pulp
- 6. Beef liver
- 7. Beef remnants and bones (“retazo con hueso”)
- 8. Beer
- 9. Bread
- 10. Brown sugar
- 11. Canned sardines
- 12. Canned tuna
- 13. Canned peppers
- 14. Chicken broth
- 15. Condensed milk
- 16. Cooked ham
- 17. Corn tortillas
- 18. Corn flour
- 19. Corn dough
- 20. Crackers
- 21. Eggs
- 22. Evaporated milk
- 23. French rolls (“pan blanco”)
- 24. Gelatine
- 25. Ground beef
- 26. Instant coffee
- 27. Low-priced cookies (“galletas dulces populares”)
- 28. Margarine
- 29. Oat flakes
- 30. Pasteurized milk
- 31. Powdered chocolate
- 32. Powdered milk for children

33. Powdered milk
34. Rice
35. Roasted coffee
36. Salt
37. Soft drinks
38. Soup paste
39. Tomato puree
40. Vegetable oil
41. Vegetable fat
42. Wheat flour
43. White sugar

ANNEX 3-15

Automotive Sector

1. Notwithstanding Annex 3-09, Section B, paragraph 4, Mexico shall automatically grant import permits for originating automotive vehicles from Chile classified in headings 87.01, 87.02, 87.03, 87.04, 87.05 and 87.06.
2. For non-originating goods in heading 87.03 that have a minimum regional content of 16 per cent under the transaction value method or 13 per cent under the net cost method, which comply with the pertinent provisions of Chapter 4 (Rules of Origin), the Parties shall establish import quotas as follows:
 - (a) Mexico shall permit 5,000 units to be imported from Chile duty free and shall automatically grant the import permits specified in Annex 3-09 for those units, as set out in paragraph 6; and
 - (b) Chile shall permit an annual number of units not to surpass 50 per cent of the units imported from Mexico in the preceding year to be imported duty free, as set out in paragraph 6.
3. The non-originating goods of paragraph 2 shall be subject to the same rights and obligations established in this Agreement for originating goods, with the exception established in paragraph 1.
4. The goods described in paragraph 2 shall be subject to the provisions of Chapter 5 (Customs Procedures), except for Article 5-02 (Statement and Certification of Origin), 5-03(1)(d) and (2) (Obligations Regarding Importations), 5-04 (Obligations Regarding Exportations) and 5-05 (Exceptions).
5. Notwithstanding Article 5-07(11) (Origin Verifications), if as the result of a verification process Mexico determines, through its customs administration, that a person subject to verification has not complied with the regional value content requirements established in paragraph 2, the use of the mechanism mentioned in that

paragraph shall be suspended until the competent authorities are satisfied that the regional content requirements have been complied with.

6. The first come first served mechanism shall be used by the Parties for the administration and allocation of the quotas mentioned in paragraph 2.

ANNEX 6-01

Investigating Authority

For the purposes of this Chapter, the competent investigating authority shall be:

1. In the case of Chile, the National Commission in Charge of the Investigation of the Existence of Price Distortions in Imported Goods (“Comisión Nacional Encargada de Investigar la Existencia de Distorsiones en el Precio de las Mercaderías Importadas”), or its successor.
2. In the case of Mexico, the Department of Trade and Industrial Development (“Secretaría de Comercio y Fomento Industrial”), or its successor.

ANNEX 6-04

Administration of Emergency Action Proceedings

Institution of a Proceeding

1. An emergency action proceeding may be instituted by the competent investigating authority on its own motion or by a petition by entities specified in domestic law. The entity filing the petition shall demonstrate that it is representative of the domestic industry producing a good like or directly competitive with the imported good.

Contents of a Petition

2. Where the basis for an investigation is a petition filed by an entity representative of a domestic industry, the petitioning entity shall, in its petition, provide the following information to the extent that such information is publicly available from governmental or other sources, or best estimates and the basis therefor if such information is not available:

(a) product description: the name and description of the imported good concerned, the tariff subheading under which that good is classified, its current tariff treatment and the name and description of the like or directly competitive domestic good;

(b) representativeness:

- (i) the names and addresses of the entities filing the petition, and the locations of the establishments in which they produce the domestic good concerned,
 - (ii) the percentage of domestic production of the like or directly competitive good that such entities account for and the basis for claiming that they are representative of an industry, and
 - (iii) the names and locations of all other domestic establishments in which the like or directly competitive good is produced;
- (c) import data: import data for each of the five most recent full years that form the basis of the claim that the good concerned is being imported in increased quantities, either in absolute terms or relative to domestic production, as appropriate;
- (d) domestic production data: data on total domestic production of the like or directly competitive good for each of the five most recent full years;
- (e) data showing injury: quantitative and objective data indicating the nature and extent of injury to the concerned industry, such as data showing changes in the level of sales, prices, production, productivity, capacity utilization, market share, profits or losses, and employment;
- (f) cause of injury: an enumeration and description of the alleged causes of the injury, or threat thereof, and a summary of the basis for the assertion that increased imports relative to domestic production are causing or threatening to cause serious injury, supported by pertinent data; and
- (g) criteria for inclusion: quantitative and objective data indicating the share of imports accounted for by imports from the territory of the other Party and the petitioner's views on the extent to which such imports are contributing importantly to the serious injury, or threat thereof, caused by imports of that good.

3. Petitions, except to the extent that they contain confidential business information, shall promptly be made available for public inspection on being filed.

Consultations

4. As soon as possible after a petition is filed pursuant to paragraph 2 and in all events prior to the institution of an investigation, the Party intending to undertake it shall notify the other Party and invite it to hold consultations to clarify the situation.

5. The Party whose goods are under investigation shall be given adequate opportunity to continue the consultations during the entire investigation period.

6. During the consultations, the Parties may discuss, among other things, matters pertaining to the investigation procedure, elimination of the measure, the matters referred to in Article 6-02(4) and, in general, exchange opinions on the measure.

7. Notwithstanding the obligation to provide adequate opportunity for consultations, the provisions established in 4, 5 and 6 are not intended to impede the authorities of either Party from proceeding expeditiously with the institution of the investigation or making preliminary or definitive determinations, positive or negative, or to impede them from applying measures in accordance with this Agreement.

8. The party that proposes to institute or is carrying out an investigation shall, if so requested, give the Party whose goods are under investigation access to the public file, including the non-confidential summary of the confidential information used to institute the investigation or during its course.

Notice Requirement

9. On instituting an emergency action proceeding, the competent investigating authority shall publish notice of the institution of the proceeding in the official journal of the Party within 30 days after presentation of the petition. The other Party shall be informed of the publication in writing without delay. The notice shall identify the petitioner, the imported good that is the subject of the proceeding and its tariff item number, the nature and timing of the determination to be made, the time and place of the public hearing, dates of deadlines for filing briefs, statements and other documents, the place at which the petition and any other documents filed in the course of the proceeding may be inspected, and the name, address and telephone number of the office to be contacted for more information.

10. With respect to an emergency action proceeding instituted on the basis of a petition filed by an entity asserting that it is representative of the domestic industry, the competent investigating authority shall not publish the notice required by paragraph 9 without first assessing carefully that the petition meets the requirements of paragraph 2, including representativeness.

Public Hearing

11. In the course of each proceeding, the competent investigating authority shall:

- (a) without prejudice to its domestic law of a Party, hold a public hearing, after providing reasonable notice, to allow all interested parties, and any association whose purpose is to represent the interests of consumers in the territory of the Party instituting the proceeding, to appear in person or by counsel, to present evidence and to be heard on the questions of serious injury, or threat thereof, and the appropriate remedy; and

- (b) provide an opportunity to all interested parties and any such consumer association appearing at the hearing to cross-question interested parties making presentations at that hearing.

Confidential Information

12. For the purposes of Article 6-02, the competent investigating authority shall adopt or maintain procedures for the treatment of confidential information, protected under domestic law, that is provided in the course of a proceeding, including a requirement that interested parties and consumer associations providing such information furnish non-confidential written summaries thereof, or where they indicate that the information cannot be summarized, the reasons why a summary cannot be provided. The authorities may determine not to take that information into account unless it is convincingly demonstrated by an appropriate source that the information is correct.

Evidence of Injury

13. In conducting its proceeding the competent investigating authority shall gather, to the best of its ability, all relevant information appropriate to the determination it must make. It shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, including the rate and amount of the increase in imports of the good concerned, the share of the domestic market taken by increased imports, and changes in the level of sales, production, productivity, capacity utilization, profits or losses, and employment. In making its determination, the competent investigating authority may also consider other economic factors, such as changes in prices and inventories, and the ability of firms in the industry to generate capital.

14. Identical goods shall be considered together with goods that, while not being identical in all aspects, have similar characteristics.

Deliberation and Report

15. Except in critical circumstances and in global actions involving perishable agricultural goods, the competent investigating authority, before making an affirmative determination in an emergency action proceeding, shall allow sufficient time to gather and consider the relevant information, hold a public hearing and provide an opportunity for all interested parties and consumer associations to prepare and submit their views.

16. The competent investigating authority shall promptly publish the final determination in the official journal of the Party, setting out its findings and reasoned conclusions on all pertinent issues of law and fact. The determination shall describe the imported good and its tariff item number, the standard applied and the finding made. The statement of reasons shall set out the basis for the determination, including a description of:

- (a) the domestic industry seriously injured or threatened with serious injury;

(b) information supporting a finding that imports are increasing, the domestic industry is seriously injured or threatened with serious injury, and increasing imports are causing or threatening serious injury; and

(c) if provided for by domestic law, any finding or recommendation regarding the appropriate remedy and the basis therefor.

17. In relation to paragraph 16, the competent investigating authority shall not disclose any confidential information provided pursuant to any undertaking concerning confidential information that may have been made in the course of the proceedings.

ANNEX 7-02

Revocation of the Document on Protocol Support

The Protocol Support Document for Trade in Fruit and Vegetables on Phytosanitary Bases signed on 8 March 1991 by the Agriculture and Livestock Service of the Ministry of Agriculture of Chile (“Servicio Agrícola y Ganadero del Ministerio de Agricultura”) and the Directorate General of Plant Health of the Department of Agriculture and Water Resources of Mexico (“Dirección General de Sanidad Vegetal de la Secretaría de Agricultura y Recursos Hidráulicos”) is hereby revoked.

ANNEX 8-01

Services Sectors or Subsectors

1. The Parties shall use the Central Product Classification (CPC) as established by the United Nations Statistics Division, Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991, and updates.

2. The services sectors or subsectors subject to this Chapter are:

(a) computer and related services (Division 84); and

(b) any other established in accordance with Article 8-11(2)(i).

ANNEX 8-09

Authorities Responsible for Notification

For the purposes of Article 8-09, the authorities responsible for notification shall be:

1. For Chile, the Ministry of Economic Affairs (“Ministerio de Economía”), through the Department of Foreign Trade (“Departamento de Comercio Exterior”) or its successor.
2. For Mexico, the Department of Trade and Industrial Development (“Secretaría de Comercio y Fomento Industrial”) through the Directorate General of Standards (“Dirección General de Normas”) or its successor.

ANNEX 8-11

Members of the Committee on Standards-Related Measures

For the purposes of Article 8-11, the Committee shall be composed of:

1. For Chile, the Ministry of Economic Affairs (“Ministerio de Economía”), through the Department of Foreign Trade (“Departamento de Comercio Exterior”) or its successor.
2. For Mexico, the Department of Trade and Industrial Development (“Secretaría de Comercio y Fomento Industrial”) through the International Trade Negotiations Branch (“Subsecretaría de Negociaciones Comerciales Internacionales”) or its successor.

ANNEX 9-10

Transfers 1

1. For the purposes of this Annex:

Chilean juridical person means an enterprise that is constituted or organized in Chile for profit in a form which under Chilean law is recognized as being a juridical person;

date of transfer means the settlement date when the funds that constitute the investment were converted into Chilean pesos, or the date of the importation of the equipment and technology;

existing means in effect on 24 October 1996;

foreign credit means any type of debt financing originating in foreign markets whatever its nature, form or maturity period;

foreign direct investment means an investment of an investor of Mexico, other than a foreign credit, made in order:

- (a) to establish a Chilean juridical person or to increase the capital of an existing Chilean juridical person with the purpose of producing an additional flow of goods or services, excluding purely financial flows; or
- (b) to acquire equity of an existing Chilean juridical person and to participate in its management, but excludes such an investment that is of a purely financial character and that is designed only to gain indirect access to the financial market of Chile;

Formal Exchange Market means the market constituted by the banking entities and other institutions authorized by the competent authority; and

payments for current international transactions means "payments for current international transactions" as defined under the Articles of Agreement of the International Monetary Fund, and for greater certainty, does not include payments of principal pursuant to a loan which are not made in accordance with the maturity dates originally agreed upon in the loan agreement.

2. For the purpose of preserving the stability of its currency, Chile reserves the right:

- (a) to maintain existing requirements that transfers from Chile of proceeds from the sale of all or any part of an investment of an investor of Mexico or from the partial or complete liquidation of the investment may not take place until a period not to exceed
 - (i) in the case of an investment made pursuant to Law 18.657, Foreign Capital Investment Fund Law ("Ley 18.657, Ley Sobre Fondo de Inversiones de Capitales Extranjeros"), five years has elapsed from the date of transfer to Chile, or
 - (ii) subject to subparagraph (c)(iii), in all other cases, one year has elapsed from the date of transfer to Chile;
- (b) to apply a reserve requirement pursuant to Article 49 No. 2 of Law 18.840, Organic Law of the Central Bank of Chile ("Ley 18.840, Ley Orgánica del Banco Central de Chile"), on an investment of an investor of Mexico, other than foreign direct investment, and on foreign credits relating to an investment, provided that such a reserve requirement shall not exceed 30 per cent of the amount of the investment, or the credit, as the case may be;
- (c) to adopt:

- (i) measures imposing a reserve requirement referred to in (b) for a period which shall not exceed two years from the date of transfer to Chile,
 - (ii) any reasonable measure consistent with paragraph 4 necessary to implement or to avoid circumvention of the measures under (a) or (b), and
 - (iii) measures, consistent with Article 9-10 and this Annex, establishing future special voluntary investment programmes in addition to the general regime for foreign investment in Chile, except that any such measures may restrict transfers from Chile of proceeds from the sale of all or any part of an investment of an investor of Mexico or from the partial or complete liquidation of the investment for a period not to exceed five years from the date of transfer to Chile; and
- (d) to apply, pursuant to Law 18.840, measures with respect to transfers relating to an investment of an investor of Mexico that:
- (i) require that foreign exchange transactions for such transfers take place in the Formal Exchange Market,
 - (ii) require authorization for access to the Formal Exchange Market to purchase foreign currency, at the rate agreed upon by the parties to the transaction, which access shall be granted without delay when such transfers are:
 - (A) payments for current international transactions,
 - (B) proceeds from the sale of all or any part, and from the partial or complete liquidation of, an investment of an investor of Mexico, or
 - (C) payments pursuant to a loan provided they are made in accordance with the maturity dates originally agreed upon in the loan agreement, and
 - (iii) require that foreign currency be converted into Chilean pesos, at the rate agreed upon by the parties to the transaction, except for transfers referred to in (ii) (A) through (C) which are exempt from this requirement.

3. Where Chile proposes to adopt a measure referred to in paragraph 2(c), Chile shall, to the extent practicable:

(a) provide in advance to Mexico the reasons for the proposed adoption of the measure as well as any relevant information in relation to the measure; and

(b) provide Mexico with a reasonable opportunity to comment on the proposed measure.

4. A measure that is consistent with this Annex but inconsistent with Article 9-03, shall be deemed not to contravene Article 9-03 provided that, as required under existing Chilean law, it does not discriminate among investors that enter into transactions of the same nature.

5. This Annex applies to Law 18.840, to the Decree Law 600 of 1974 (“Decreto Ley 600 de 1974”) to Law 18.657 and any other law establishing a future special voluntary investment programme consistent with sub-paragraph 2(c)(iii) and to the continuation or prompt renewal of such laws, and to amendments to those laws, to the extent that any such amendment does not decrease the conformity of the amended law with Article 9-10(1) as it existed immediately before the amendment.

ANNEX 9-38(2)

Place for Delivery

For the purposes of Article 9-38(2), the place for delivery of notice and other documents under Section C is:

1. For Chile

Dirección de Asuntos Jurídicos del Ministerio de Relaciones
Exteriores de la República de Chile
Morandé 441
Santiago, Chile

2. For Mexico

Dirección General de Inversión Extranjera
Secretaría de Comercio y Fomento Industrial
Insurgentes Sur 1940, Piso 8,
Colonia Florida,
C.P. 01030, México, D.F.

ANNEX 9-38(4)

Publication of an Award

For the purposes of Article 9-38(4):

1. Where Chile is the disputing Party, either Chile or a disputing investor that is a party to arbitration may make an award public.
2. Where Mexico is the disputing Party, the rules of procedure shall be applied to publication of an award.

ANNEX 9-39

Exclusions from Dispute Settlement. Mexico

A decision by the National Foreign Investment Commission (“Comisión Nacional de Inversiones Extranjeras”) following a review of an investment in accordance with Annex I, page I-M-F-4, with respect to whether or not to permit an acquisition that is subject to review shall not be subject to the dispute settlement mechanism established in Chapter 18 (Dispute Settlement).

ANNEX 9-40

Members of the Committee on Investment and Cross-Border Trade in Services

For the purposes of Article 9-40, the Committee shall be composed of:

1. For Chile, the Directorate General of International Economic Relations (“Dirección General de Relaciones Económicas Internacionales”) of the Ministry of Foreign Relations (“Ministerio de Relaciones Exteriores”) or its successor.
2. For Mexico, the Department of Trade and Industrial Development (“Secretaría de Comercio y Fomento Industrial”) or its successor.

ANNEX 10-12

Professional Services

Purpose

1. This Annex establishes the rules to be observed by the Parties to reduce and gradually eliminate in their territory barriers to the provision of professional services.

Processing of Applications for Licences and Certifications

2. Each Party shall ensure that its competent authorities, within a reasonable time after the submission by a national of the other Party of an application for a licence or certification:

(a) where the application is complete, make a determination on the application and inform the applicant of that determination; or

(b) where the application is not complete, inform the applicant without undue delay of the status of the application and the additional information that is required under the Party's law.

Development of Professional Standards

3. The Parties shall encourage the relevant bodies in their respective territories to develop mutually acceptable standards and criteria for licensing and certification of professional service providers and to provide recommendations on mutual recognition to the Committee.

4. The standards and criteria referred to in paragraph 3 may be developed with regard to the following matters:

- (a) education - accreditation of schools or academic programmes;
- (b) examinations - qualifying examinations for licensing, including alternative methods of assessment such as oral examinations and interviews;
- (c) experience - length and nature of experience required for licensing;
- (d) conduct and ethics - standards of professional conduct and the nature of disciplinary action for non-conformity with those standards;
- (e) professional development and re-certification - continuing education and ongoing requirements to maintain professional certification;
- (f) scope of practice - extent of, or limitations on, permissible activities;
- (g) local knowledge - requirements for knowledge of such matters as local laws, regulations, language, geography or climate; and
- (h) consumer protection - alternatives to residency requirements, including bonding, professional liability insurance and client restitution funds, to provide for the protection of consumers.

5. On receipt of a recommendation referred to in paragraph 3, the Committee shall review the recommendation within a reasonable time to determine whether it is consistent with this Agreement. Based on the Committee's review, each Party shall encourage its respective competent authorities, where appropriate, to implement the recommendation within a mutually agreed time.

Temporary Licensing

6. Where the Parties agree, each Party shall encourage the relevant bodies in its territory to develop procedures for the temporary licensing of professional service providers of the other Party.

Review

7. The Committee shall periodically, and at least once every three years, review the implementation of this Annex.

ANNEX 11-05

Members of the Committee on Air Transportation

For the purposes of Article 11-05, the Committee shall comprise:

1. For Chile, the Civil Aeronautics Board (“Junta de Aeronáutica Civil”) or its successor.
2. For Mexico, the Directorate General of Civil Aeronautics (“Dirección General de Aeronáutica Civil”) or its successor.

ANNEX 12-01

Conformity Assessment Procedures

For the purposes of this Chapter, conformity assessment procedures include:

1. For Chile:

Undersecretariat of Telecommunications, Ministry of Transport and Telecommunications
 (“Subsecretaría de Telecomunicaciones, Ministerio de Transportes y Telecomunicaciones”)

Law 18.168, General Law on Telecommunications (“Ley General de Telecomunicaciones”)

Law 18.838, Law on the National Television Committee (“Consejo Nacional de Televisión”) and amendments thereto

Law 16.643, Law on Abuse of Publicity (“Ley sobre Abusos de Publicidad”)

Supreme Decree 220 of the Ministry of Transport and Telecommunications of 1981, Regulation on the Homologation of Telephone Equipment (“Reglamento de Homologación de Aparatos Telefónicos”)

2. For Mexico:

Undersecretariat of Communications, Department of Communications and Transport (“Subsecretaría de Comunicaciones, Secretaría de Comunicaciones y Transportes”)

Federal Telecommunications Commission (“Comisión Federal de Telecomunicaciones”)

Federal Telecommunications Law (“Ley Federal de Telecomunicaciones”) and its legal and administrative provisions

ANNEX 12-03

Interconnection of Private Circuits

For the purposes of Article 12-03, for Chile, the interconnection of private circuits to public telecommunications transport networks shall not provide access to traffic from such private circuits to public networks or vice versa, regardless of whether the private circuits are leased or owned.

ANNEX 13-04

Temporary Entry for Business Persons

Section A - Business Visitors

1. Each Party shall grant temporary entry to a business person seeking to engage in a business activity set out in Appendix 13-04(A)(1), without requiring that person to obtain an employment authorization, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:

- (a) proof of citizenship of a Party;
- (b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry; and
- (c) evidence demonstrating that the proposed business activity is international in scope and that the business person is not seeking to enter the local labour market.

2. Each Party shall provide that a business person may satisfy the requirements of paragraph 1(c) by demonstrating that:

- (a) the primary source of remuneration for the proposed business activity is outside the territory of the Party granting temporary entry; and

- (b) the business person's principal place of business and the actual place of accrual of profits, at least predominantly, remain outside such territory.

A Party shall normally accept an oral declaration as to the principal place of business and the actual place of accrual of profits. Where the Party requires further proof, it shall normally consider a letter from the employer attesting to these matters as sufficient proof.

3. Each Party shall grant temporary entry to a business person seeking to engage in a business activity other than those set out in Appendix 13-04(A)(1), without requiring that person to obtain an employment authorization, on a basis no less favourable than that provided under the existing provisions of the measures set out in Appendix 13-04(A)(3), provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

4. No Party may:

- (a) as a condition for temporary entry under paragraph 1 or 3, require prior approval procedures, petitions, labour certification tests or other procedures of similar effect; or
- (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1 or 3.

5. Notwithstanding paragraph 4, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with the other Party with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall consult with the other Party, on request, with a view to its removal.

Section B - Traders and Investors

1. Each Party shall grant temporary entry and provide confirming documentation to a business person in a capacity that is supervisory, executive or involves essential skills, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry, seeking to:

- (a) carry on substantial trade in goods or services principally between the territory of the Party of which the business person is a citizen and the territory of the other Party into which entry is sought; or
- (b) establish, develop, administer or provide advice or key technical services to the operation of an investment to which the business person or the business person's enterprise has committed, or is in the process of committing, a substantial amount of capital.

2. No Party may:

- (a) as a condition for temporary entry under paragraph 1, require labour certification tests or other procedures of similar effect; or
 - (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.
3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry.

Section C - Intra-Company Transferees

1. Each Party shall grant temporary entry and provide confirming documentation to a business person employed by an enterprise who seeks to render services to that enterprise or a subsidiary or affiliate thereof, in a capacity that is managerial, executive or involves specialized knowledge, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry. A Party may require the business person to have been employed continuously by the enterprise for one year within the three-year period immediately preceding the date of the application for admission.
2. No Party may:
- (a) as a condition for temporary entry under paragraph 1, require labour certification tests or other procedures of similar effect; or
 - (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.
3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with the other Party with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall consult with the other Party, on request, with a view to its removal.

Section D – Professionals

1. Each Party shall grant temporary entry and provide confirming documentation to a business person seeking to engage in a business activity at a professional level in a profession set out in Appendix 13-04(D)(1), if the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:
- (a) proof of citizenship of a Party; and
 - (b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry.

2. No Party may:
 - (a) as a condition for temporary entry under paragraph 1, require prior approval procedures, petitions, labour certification tests or other procedures of similar effect; or
 - (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.
3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with the other Party with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall consult with the other Party, on request, with a view to its removal.

ANNEX 13-04(1)

Country-Specific Rules for the Temporary Entry of Business Persons

For the purposes of Article 13-04:

1. For Chile:
 - (a) business persons who enter Chile in any of the categories set out in Annex 13-04 shall be considered to engage in activities that are useful or beneficial for the country;
 - (b) business persons who enter Chile in any of the categories set out in Annex 13-04 shall be in possession of a temporary residence visa, which may be renewed for consecutive periods, provided the conditions under which it was granted are maintained. Such persons may not apply for permanent residence or change their immigration status, unless they comply with the general immigration requirements established in Decree Law 1.094 of 1975 ("Decreto Ley 1.094 de 1975") and Supreme Decree 597 of 1984 ("Decreto Supremo 597 de 1984"); and
 - (c) business persons entering Chile may also obtain an identity card for foreigners.
2. For Mexico:
 - (a) business persons who enter Mexico in any of the categories set out in Annex 13-04 shall be considered to engage in activities to further national development; and
 - (b) business persons who enter Mexico in any of the categories set out in Annex 13-04 shall have the status of non-immigrant visitors and may apply for extensions provided the conditions under which they

originally entered are maintained. Such persons may apply to change their immigration status under domestic law (the General Population Law) (“Ley General de Población”) (Article 42 (III) and Article 59).

APPENDIX 13-04(A)(1): BUSINESS VISITORS

Definitions

For the purposes of this Appendix, territory of the other Party means the territory of the Party that is not the Party into which temporary entry is sought.

Research and Design

- Technical, scientific and statistical researchers conducting independent research or research for an enterprise located in the territory of the other Party.

Growth, Manufacture and Production

- Purchasing and production management personnel conducting commercial transactions for an enterprise located in the territory of the other Party.
- Harvester owners supervising a harvesting crew admitted under applicable law.

Marketing

- Market researchers and analysts conducting research or analysis independently or for an enterprise located in the territory of the other Party.
- Trade fair and promotional personnel attending a trade convention.

Sales

- Sales representatives and agents taking orders or negotiating contracts for goods or services for an enterprise located in the territory of the other Party but not delivering goods or providing services.
- Buyers purchasing for an enterprise located in the territory of the other Party.

Distribution

- Customs brokers providing consulting services regarding the facilitation of the import or export of goods.

After-Sales Service

- Installers, repair and maintenance personnel, and supervisors, possessing specialized knowledge essential to a seller's contractual obligation, performing services or training workers to perform services, pursuant to a warranty or other

service contract incidental to the sale of commercial or industrial equipment or machinery, including computer software, purchased from an enterprise located outside the territory of the Party into which temporary entry is sought, during the life of the warranty or service agreement.

General Service

- Professionals engaging in a business activity at a professional level in a profession set out in Appendix 13-04(D)(1).
- Management and supervisory personnel engaging in a commercial transaction for an enterprise located in the territory of the other Party.
- Financial services personnel (insurers, bankers or investment brokers) engaging in commercial transactions for an enterprise located in the territory of the other Party.
- Public relations and advertising personnel consulting with business associates, or attending or participating in conventions.
- Tourism personnel (tour and travel agents, tour guides or tour operators) attending or participating in conventions or conducting a tour that has begun in the territory of the other Party.
- Translators or interpreters performing services as employees of an enterprise located in the territory of the other Party.

APPENDIX 13-04(A)(3): EXISTING IMMIGRATION MEASURES

For the purposes of Annex 13-04(A)(3), existing immigration measures are:

1. In the case of Chile, Section I, paragraph 6 of Decree Law 1.094, Official Gazette 19 July 1975 (“Decreto Ley 1.094, Diario Oficial, 19 de julio de 1975”), the Immigration Law (“Ley de Extranjería”) and Section III of Supreme Decree 597 of the Ministry of the Interior, Official Gazette 24 November 1984, Immigration Regulations (“Decreto Supremo 597 del Ministerio del Interior, Diario Oficial, 24 de noviembre de 1984, Reglamento de Extranjería”).
2. In the case of Mexico, Chapter III of the General Demography Law, 22 July 1992 (“Ley General de Población, 22 de julio de 1992”) and amendments thereto, including the amendment of 8 November 1996, and Chapter VII of the Regulations of the same Law, 17 November 1976.

APPENDIX 13-04(D)(1): PROFESSIONALS

PROFESSION	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS
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PROFESSION	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS
Scientist	
Agriculturist (including Agronomist)	Licenciatura Degree
Animal Breeder	Licenciatura Degree
Animal Scientist	Licenciatura Degree
Apiculturist	Licenciatura Degree
Astronomer	Licenciatura Degree
Biochemist	Licenciatura Degree
Biologist	Licenciatura Degree
Chemist	Licenciatura Degree
Dairy Scientist	Licenciatura Degree
Entomologist	Licenciatura Degree
Epidemiologist	Licenciatura Degree
Geneticist	Licenciatura Degree
Geologist	Licenciatura Degree (University Title)
Geochemist	Licenciatura Degree
Geophysicist	Licenciatura Degree
Horticulturist	Licenciatura Degree
Meteorologist	Licenciatura Degree
Oceanographer	Licenciatura Degree (University Title)
Pharmacologist	Licenciatura Degree
Physicist	Licenciatura Degree
Plant Breeder	Licenciatura Degree
Poultry Scientist	Licenciatura Degree
Soil Scientist	Licenciatura Degree
Zoologist	Licenciatura Degree
General	
Accountant	Licenciatura Degree; or Audit Accountant or Public Accountant (University Title)
Architect	Licenciatura Degree

PROFESSION	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS
Computer Systems Analyst	Licenciatura Degree; or Post-Secondary Certificate and three years experience
Disaster Relief Insurance Claims Adjuster (employed by an insurance company located in the territory of a Party, or an independent claims adjuster)	Licenciatura Degree, and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims; or three years experience in claims adjustment and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims
Economist	Licenciatura Degree
Engineer	Licenciatura Degree
Forester	Licenciatura Degree
Graphic Designer	Licenciatura Degree; or Post-Secondary Certificate and three years experience
Hotel Manager	Licenciatura Degree in hotel/restaurant management; or Post-Secondary Certificate in hotel/restaurant management, and three years experience in hotel/restaurant management
Industrial Designer	Licenciatura Degree; or Post-Secondary Certificate and three years experience
Interior Designer	Licenciatura Degree; or Post-Secondary Certificate and three years experience
Land Surveyor	Licenciatura Degree
Landscape Architect	Licenciatura Degree
Lawyer	Licenciatura Degree
Librarian	Licenciatura Degree
Management Consultant	Licenciatura Degree; or equivalent professional experience as established by statement or professional credential attesting to five years experience in a field of specialty related to management consulting

PROFESSION	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS
Mathematician (including Statistician)	Licenciatura Degree
Range Manager	Licenciatura Degree
Research Assistant (working in a post-secondary educational institution)	Licenciatura Degree
Scientific Technician/Technologist	Possession of theoretical knowledge of any of the following disciplines: agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology or physics; and the ability to solve practical problems in any of those disciplines, or the ability to apply principles of any of those disciplines to basic or applied research
Social Worker	Licenciatura Degree (University Title)
Sylviculturist (including Forestry Specialist)	Licenciatura Degree
Technical Publications Writer	Licenciatura Degree; or Post-Secondary Certificate and three years experience
Urban Planner (including Geographer)	Licenciatura Degree
Vocational Counsellor	Licenciatura Degree
Medical/Allied Professional	
Dentist	Licenciatura Degree or Doctor en Odontología
Dietician	Licenciatura Degree; Nutritional Dietician (University Title)
Medical Laboratory Technologist	Licenciatura Degree
Nutritionist	Licenciatura Degree
Occupational Therapist	Licenciatura Degree
Pharmacist	Licenciatura Degree
Physician (teaching or research only)	Licenciatura Degree or Médico Cirujano/Médico (University Title)
Physiotherapist/Physical Therapist	Licenciatura Degree (University Title)
Psychologist	Licenciatura Degree

PROFESSION	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS
Recreational Therapist	Licenciatura Degree (University Title)
Registered Nurse	Licenciatura Degree (University Title)
Veterinarian	Licenciatura Degree (University Title)
Teacher	Licenciatura Degree

ANNEX 14-01

Specific Definitions of State Enterprises

For the purposes of Article 14-04(3), for Mexico, State enterprise does not include Compañía Nacional de Subsistencias Populares and its subsidiaries or any successor enterprise and its subsidiaries, for the purpose of the sale of maize, beans and powered milk.

ANNEX 15-21

Renewal of a Trademark

Chile shall adapt its legislation to apply Article 15-21 within no more than five years after this Agreement enters into force.

ANNEX 15-24

Designations of Origin

1. Chile shall recognize “Tequila” and “Mezcal” as designations of origin to be used exclusively for originating Mexican products. Accordingly, Chile shall not permit the import, manufacture or sale of products under the designation of origin “Tequila” or “Mezcal”, unless they have been prepared and certified in Mexico under the applicable Mexican laws, regulations and standards.

2. Mexico shall recognize “Pisco”, “Pajarete” and “Vino Asoleado” as designations of origin to be used exclusively for originating Chilean products and wines with a Chilean designation of origin determined by a bipartite committee, on the basis of Appendix 15-24, within one year after this Agreement enters into force. Accordingly, Mexico shall not permit the import, manufacture or sale of products under those designations of origin, unless they have been prepared and certified in Chile under the applicable Chilean laws. The above is without detriment to rights that Mexico may recognize exclusively to Peru, in addition to Chile, with regard to “Pisco”.

APPENDIX 15-24

WINE-PRODUCING REGION	SUBREGION	ZONE	AREA	
1. Atacama Region	Valle de Copiapó			
	Valle del Huasco			
2. Coquimbo Region	Valle del Elqui		Vicuña	
			Paiguano	
	Valle del Limarí		Ovalle	
			Monte Patria	
			Punitaqui	
			Río Hurtado	
	Valle del Choapa		Salamanca	
			Illapel	
	3. Aconcagua Region	Valle del Aconcagua		Panquehue
		Valle Casablanca		
4. Valle Central Region	Valle del Maipo		Santiago (Peñalolén, La Florida)	
			Pirque	
			Puente Alto	
			Buin (Paine, San Bernardo)	
			Isla de Maipo	
			Talagante (Peñaflor, El Monte)	
			Melipilla	
	Valle del Rapel	Valle del Cachapoal	Rancagua (Graneros, Mostazal, Codegua, Olivar)	
			Requínoa	
			Rengo (Malloa, Quinta de Tilcoco)	
			Peumo (Pichidegua, Las Cabras, San Vicente)	
		Valle de Colchagua	San Fernando	
			Chimbarongo	
			Nancagua (Placilla)	
			Santa Cruz (Chépica)	
			Palmilla	
			Peralillo	
Valle del Curicó	Valle del Teno	Rauco (Hualañé)		
		Romeral (Teno)		
	Valle del Lontué	Molina (Río Claro, Curicó)		
		Sagrada Familia		
Valle del Maule	Valle del Claro	Talca (Maule, Pelarco)		

WINE-PRODUCING REGION	SUBREGION	ZONE	AREA
			Pencahue
			San Clemente
		Valle Loncomilla	San Javier
			Villa Alegre
			Parral (Retiro)
			Linares (Yerbas Buenas)
		Valle del Tutuvén	Cauquenes
5. Southern Region	Valle del Itata		Chillán (Bulnes, San Carlos)
			Quillón (Ranquil, Florida)
			Portezuelo (Ninhue, Quirihue, San Nicolás)
			Coelemu (Treguaco)
	Valle del Bío-Bío		Yumbel (Laja)
			Mulchén (Nacimiento, Negrete)

ANNEX 17-01(1)

Members of the Free Trade Commission

For the purposes of Article 17-01, the members of the Free Trade Commission are:

1. For Chile, the Minister of Foreign Relations or his successor.
2. For Mexico, the Secretary of Trade and Industrial Development or his successor.

ANNEX 17-01(2)

Committees and Sub-Committees

Committee on Trade in Goods (Article 3-16)

Sub-Committee on Customs (Article 3-16)

Sub-Committee on Agriculture (Article 3-16)

Sub-Committee on Rules of Origin (Article 3-16)

Sub-Committee on Non-Agricultural Goods (Article 3-16)

Committee on Sanitary and Phytosanitary Measures (Article 7-11)

Sub-Committee on Agricultural Chemicals (Article 7-11)

Sub-Committee on Food Safety (Article 7-11)

Sub-Committee on Fisheries (Article 7-11)

Sub-Committee on Animal Health (Article 7-11)
Sub-Committee on Plant Health (Article 7-11)

Committee on Standards-Related Measures (Article 8-11)
Sub-Committee on Telecommunications Standards (Article 8-11)

Committee on Investment and Cross-Border Trade in Services (Article 9-40)

Committee on Air Transportation (Article 11-04)

Committee on Temporary Imports (Article 13-06)

Committee on Trade and Competition (Article 14-05)

Advisory Committee on Private Commercial Disputes (Article 18-19)

ANNEX 17-01(3)

Implementation of Modifications Approved by the Commission

The Parties shall implement the decisions of the Commission referred to in Article 17-01(3)(c) under their domestic law, through the following procedure:

1. For Chile, under a supreme decree formalized through the Office of the Comptroller General (“Contraloría General de la República”) and published in the official journal.
2. For Mexico, through publication in the official journal.

ANNEX 17-02

Remuneration and Payment of Expenses

1. The Commission shall establish the amounts of remuneration and expenses that will be paid to the panellists, their assistants, experts and members of scientific review boards.
2. The remuneration of panellists, their assistants, experts and members of scientific review boards, their travel and lodging expenses, and all general expenses of panels shall be borne equally by the Parties.
3. Each panellist, assistant, expert and member of scientific review boards shall keep a record and render a final account of the person’s time and expenses, and the panel shall keep a similar record and render a final account of all general expenses.

ANNEX 18-02 NULLIFICATION AND IMPAIRMENT

1. If a Party considers that any benefit it could reasonably have expected to accrue to it under any provision of:

- (a) Part Two (Trade in Goods),
- (b) Part Three (Technical Standards),
- (c) Chapter 10 (Cross-Border Trade in Services), or
- (d) Chapter 15 (Intellectual Property),

is being nullified or impaired as a result of the application of any measure that is not inconsistent with this Agreement, the Party may have recourse to dispute settlement under this Chapter.

2. A Party may not invoke:

- (a) paragraph 1(a) or (b), to the extent that the benefit arises from any cross-border trade in services provision of Part Two (Trade in Goods) or Three (Technical Standards),
- (b) paragraph 1(c), or
- (c) paragraph 1(d),

with respect to any measure subject to an exception under Article 19-02 (General Exceptions).

ANNEX 19-05

Competent Authorities

For purposes of Article 19-05 competent authority means:

1. In the case of Chile, the Director of the Internal Revenue Service, Ministry of Finance (“Director del Servicio de Impuestos Internos, Ministerio de Hacienda”) or his successor.

2. In the case of Mexico, the President of the Tax Administration System (“Presidente del Sistema de Administración Tributaria”) or his successor.

CHAPTER 20: FINAL PROVISIONS