

**CANADA-CHILE (Services)  
Summary Fact Sheet**

**Table 1: Background Information**

Parties	Canada, Chile	
Type of Agreement	Economic Integration Agreement	
Date of signature	05 December 1996	
Date of entry into force	05 July 1997	
Review envisaged	none	
Website or contact addresses	The text of the Agreement is available at: <a href="http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/chile-chili/menu.aspx?lang=en">http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/chile-chili/menu.aspx?lang=en</a> (English version), or at: <a href="http://www.sice.oas.org/trade/chican_s/chcaind.asp">http://www.sice.oas.org/trade/chican_s/chcaind.asp</a> (Spanish version)	
List of related WTO documents	S/C/N/65 WT/REG38/1 S/C/M/52 WT/REG38/M/1-2-3 WT/REG38/4-Add.1 WT/REG38/5	Notification Summary of the Agreement Terms of reference Minutes Questions and Replies Standard format (services)

**Table 2: Scope and general aspects**

Scope	Sectors	The Agreement has "substantial sectoral coverage".
	Modes of supply	The Chapter on cross-border trade in services deals with cross-border supply, consumption abroad and presence of natural persons (modes 1, 2 and 4) and the Chapter on investment with commercial presence (mode 3).
	Definitions	A "national" is a natural person who is a citizen or permanent resident of one of the Parties. An "enterprise" means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture or other association.
	Positive/negative list	Negative list approach.
	Sector-specific rules	Telecommunications (Chapter I ); Temporary Entry for Business Persons (Chapter K); Financial Services (negotiations were finalized in 2007).
	Sectoral exclusions	Air services including domestic and international air transportation, whether scheduled or non-scheduled, and related services in support of air services, other than aircraft repair and maintenance services during which an aircraft is withdrawn from service, and specialty air services. Financial Service was negotiated as a self-contained Chapter.

**Table 3: Provisions of the Agreement**

Provision	Article	Additional information
MFN/National treatment	Art. H-02, G-02, G-03, and H-03	The Parties must accord to persons of the other Party and services provided by them treatment no less favourable than that accorded in like circumstances to its persons and services provided by them (Art. H-02). They must also accord to investors of the other Party and their investments treatment no less favourable than that accorded in like circumstances to its investors and their investments (Art. G-02). MFN treatment is granted to services providers and to investors and investment of the Parties in the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments (Art. G-03 and Art. H-03). These requirements are subject to reservations in Annexes I-IV of the Agreement. Neither Party may require a service provider of the other Party to establish or maintain a representative office or any form of enterprise, or be resident in its territory as a condition for the cross-border provision of a service (Art. H-05). Performance requirements are also excluded under the investment Chapter (Art. G-06).
Local presence	Art. H-05	A Party is prohibited from requiring a service provider of the other Party to establish or maintain a representative office or any form of

		enterprise, or to be resident, in its territory as a condition for the cross-border provision of a service.
Elimination of discriminatory measures	Art. H-07 and H-08	The adoption of new or more discriminatory measures is prohibited (except for sectors listed in Annex II). Each Party will set out in its Schedule to Annex V its commitments to liberalize quantitative restrictions, licensing and performance requirements or other non-discriminatory measures. The Schedule to Annex IV contains non-discriminatory quantitative restrictions at the national or provincial level whose liberalization or removal the Parties will periodically, or at least every two years, endeavour to negotiate.
Movement of natural persons	Chapter K	The Agreement provides access for business persons (Annex K-03), traders and investors (Section II), intra-company transferees (Section III), and certain professionals (Section IV). A Party may refuse to issue an immigration document authorizing employment to a business person whose temporary entry might affect adversely: the settlement of any labour dispute in progress at the place or intended place of employment; or the employment of any person involved in such dispute (Art. K-03.2). A "Temporary Entry Working Group", comprising representatives of each Party, including immigration officials, is established to consider the implementation and administration of this Chapter and any measures of mutual interest (Art. K-05).
Treatment of third party suppliers	None	
Denial of benefits	Art. G-13 and H-11	Subject to prior notification and consultation, the Parties may withhold the benefits of the Investment Chapter to an investor of the other Party that is an enterprise of such Party and to its investments if investors of a non Party own or control the enterprise and the denying Party: (a) does not maintain diplomatic relations with the non-Party; (b) adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise or to its investments. A Party may also deny the benefits to an investor of the other Party that is an enterprise of such Party and to its investments if investors of a non-Party own or control the enterprise and the enterprise has no substantial business activities in the territory of the Party under whose law it is constituted or organized. A Party may similarly deny benefits to a service provider of the other Party where the Party establishes that: (a) the service is being provided by an enterprise owned or controlled by nationals of a non-Party, and the denying Party adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise; (b) the cross-border provision of a transportation service covered by this Chapter is provided using equipment not registered by a Party. A Party may deny benefits to a services provider owned or controlled by persons of a non-Party who do not engage in "substantial business activities".
Standards/mutual recognition	Art. H-10; Annex H-10.5	Section I of the Annex to the Chapter on cross-border trade in services contains provisions on the processing of applications for licences and certificates, the development of professional standards and temporary licensing of professional services.
Safeguard mechanisms (intra-trade)	None	
Domestic regulations	None	
Subsidies and state aid	Art. H-01(2)(d), and G-08(6)(b)	Subsidies or state-aid on trade in services do not apply to Chapter H and are exempted from key provisions of Chapter G.
IPR	None	

Government Procurement	Chapter K <i>bis</i>	This Chapter applies to any measure adopted or maintained by a Party on procurement by an entity listed in Annex <i>Kbis</i> -01. Each Party accord to goods and services and their suppliers from the other Party, treatment no less favourable that accorded to its own goods, services, and suppliers (Art. <i>Kbis</i> -02).
Competition	Chapter J	The Parties commit to maintain provisions to proscribe anti-competitive business conduct in Canada and Chile, and to take appropriate action as required (Art. J-01). Chapter J also allows for consultation on the effectiveness of the Parties' respective competition laws and for cooperation in the enforcement of competition laws in the free trade area.
Investment	Chapter G	The Agreement provides for disciplines on non-discriminatory treatment through national and MFN treatment (Art. G-02 and 03). It limits the conditions for expropriation and guarantees investors of both Parties compensation if expropriation were to occur (Art. G-10). It also allows investors to take advantage of investor-state dispute settlement provisions which offer access to expedient international arbitration procedures (Section II). A limited number of exceptions have been granted to both Parties (Art. G-08).
General reservations	Chapter O	General exceptions include: measures for national security; balance of payments; taxation; and cultural reasons. Art. O-04 permits governments to adopt or maintain measures to address serious balance-of-payments difficulties or the threat of such difficulties provided that the measures conform to the disciplines of the Article.
Level of Government	Art. A-05	The Parties shall ensure that all necessary measures are taken to give effect to the Agreement's provisions by provincial governments.
Accessions	None	
Dispute resolution	Chapter N Section II	The Parties commit to make every attempt through cooperation and consultation to arrive at a mutually satisfactory resolution of any matter that might affect the interpretation or application of this Agreement. If consultations fail to resolve the matter, either country may request a meeting of the "Free Trade Commission". Section III of Chapter N also provides for the establishment of an "Advisory Committee on Private Commercial Disputes".
Relations with other trade agreements	Art. A-03.1, A-03.2 and A-04	The Agreement affirms the Parties' rights and obligations towards each other under the WTO Agreement and other agreements to which they are party. In case of inconsistency between the Agreement and other agreements under Art. A-03.1, the former will prevail to the extent of the inconsistency, except as otherwise provided. In case of inconsistency between the Agreement and trade obligations in environmental and conservation agreements in Art. A-04, such obligations will prevail to the extent of the inconsistency, provided that where a Party has a choice among equally effective and reasonably available means of complying with such obligations, it chooses the alternative that is the least inconsistent with the Agreement's other provisions.
Institutional provisions	Chapter N	The Agreement establishes the Free Trade Commission and the FTA Secretariat (Art. N-01). The Commission supervises implementation and elaboration of the Agreement and the work of seven bodies created to further the Agreement: the Committee on Trade in Goods and Rules of Origin, the Sub-Committee on Agriculture, the Customs Sub-Committee, the Committee on Telecommunications Standards, the Committee on Anti-Dumping and Countervailing Measures, the Advisory Committee on Private Commercial Disputes, and the Working Group on Temporary Entry. The Secretariat supports the Commission and acts as a registrar for dispute settlement panels (Art. N-02).
Other	Chapter J	Chapter J contains specific obligations for monopolies and state enterprises which complement the provisions of Chapters G and H.

**Table 4a. Canada's services trade with Chile, 1990 - 1999**  
(C\$ million)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Receipts</b>	<b>46</b>	<b>38</b>	<b>29</b>	<b>41</b>	<b>46</b>	<b>130</b>	<b>86</b>	<b>115</b>	<b>67</b>	<b>60</b>
Travel	18	13	11	10	10	13	15	8	15	13
Transportation, of which	13	8	6	6	7	9	6	4	9	6
Freight	1	1	1	3	3	6	3	3	2	3
Commercial	12	14	9	22	26	106	62	98	38	36
Engineering, Construction, and Technical	..	..	..	18	19	96	55	87	30	28
Insurance, and Other Financial	..	..	..	..	2	2	1	1	1	0
Management	..	..	..	..	2	2	2	2	3	3
Miscellaneous	2	2	1	1	2	5	2	5	2	2
Services to Business										
Other	..	..	..	..	2	1	1	3	3	3
Government	3	3	3	3	3	3	3	5	5	5
<b>Payments</b>	<b>13</b>	<b>12</b>	<b>16</b>	<b>23</b>	<b>25</b>	<b>56</b>	<b>42</b>	<b>55</b>	<b>40</b>	<b>35</b>
Travel	6	5	9	11	14	18	24	35	25	24
Transportation of which	3	2	3	7	5	16	8	12	6	3
Freight	0	0	1	4	2	12	1	2	1	1
Commercial	3	4	2	4	4	19	6	4	5	3
Government	1	1	1	1	2	3	3	4	4	4

.. not available or not appropriate.

Source: Standard Format

**Table 4b. Canada's Foreign Direct Investment in Chile under the "Estatudo de la Inversión Extranjera (DL600)", 1974-2008**  
(US\$, thousand)

1974-1998	1999	2000	2001	2002	2003
6,137,112	744,175	141,745	913,019	187,712	367,730
2004	2005	2006	2007*	2008*	TOTAL
83,984	1,837,059	323,802	2,190,124	30,683	<b>12,957,145</b>

\* Provisional figures (until September 2008)

Source: Committee on Foreign Investment

**Table 4c. Canada's Foreign Direct Investment in Chile under the "Estatuto de la Inversión Extranjera", by sector, January-September 2008**  
(US\$, thousand)

Year	Mining	Electricity, gas and water	Business services	Total
2008	1,614,366	562,553	13,205	<b>2,190,124</b>
2009*	12,569	18,114	0	<b>30,683</b>

\* Figures as of September 2009

Source: Committee on Foreign Investment