

REPUBLICA DE CHILE
MINISTERIO DE RELACIONES EXTERIORES

OFFICIAL TRANSLATION

Under the oath prescribed by Section sixty-three of the Code of Civil Procedure of the Republic of Chile, I do hereby certify that the following translation from the Spanish original numbered 00/3040 is genuine

RUBRICATO NE VARIETUR

DECREE LAW

The document whereof the translation follows hereinbelow is copy of a Decree Law, issued in the Spanish language; authorized and legalized according to Chilean laws, and reads as follows:

VERSION IN FORCE

TEXT REGARDING DECREE LAW N0 211 INCLUDED IN EXECUTIVE DECREE N0 511/1980 ISSUED BY THE MINISTRY OF ECONOMY.
LAW N0 19,610 PUBLISHED IN THE OFFICIAL GAZETTE ON 05/19/99

ARTICLE I - GENERAL PROVISIONS

Section 1. Whosoever enters into or execute, individually or collectively, any action, act or agreement attempting to restrain free competition in business activities within this country, either related to domestic commerce or foreign trade, shall be punished by any of the degrees of short-term imprisonment.

When the offence concerns essential articles or services such as food, garments, housing, medicine or health, the punishment shall be raised by one degree.

Section 2. For the purposes provided for under previous Section, it shall be deemed that the following actions or agreements, amongst others, tend to restrain free competition:

- a) Those related to distribution of quotas, reduction or suspension of production,
- b) Those related to transport;
- c) Those related to trade or distribution, be it wholesale or retail, such as distributon of quotas, or market areas allocation, or exclusive distribution, through one sole individual or body, of the same product made by various manufacturers;
- d) Those determining prices of goods and services, such as agreements on prices or the imposition thereof upon others;
- e) Those affecting the freedom to work or the freedom of workers to become unionized, to meet or bargain, as well as agreements and acts entered into by the business community, unions, or any other groups or associations, attempting to restrain or prevent the freedom of workers to bargain within each company, or those preventing or hampering legitimate access to an activity or a job, and
- f) in general terms, any other action the purpose of which shall be to eliminate, restrain or hamper free competition.

Section 3. If dealing with corporate bodies, and without prejudice to any criminal liability in which their legal representatives or individuals acting on their behalf may have incurred, the winding up of such companies, associations and any other private law corporate bodies, may be ordered.

If dealing with a corporation or a branch of a foreign corporation, the sentence imposing the punishment to be inflicted under this Section shall be registered in the corresponding Trade Register and published, once only, in the Official Gazette.

Section 4. Private persons may not be vested with any monopoly power to carry on business activities such as mining, industry, commerce or services.

The monopoly of certain activities, such as those mentioned in previous paragraph, may only lawfully be reserved for governmental, semigovernmental, public, autonomous or municipal organizations.

Nevertheless, and provided that national interests are at stake, such acts or agreements may be entered into and carried on under a well-founded executive decree authorizing them upon the issuance of a well-founded positive report by the Decision-Making Committee established hereunder, if such acts or agreements are necessary for the stability or development of domestic investments or if any of the institutions mentioned in paragraphs 1 and 2, Section 16, Law 10, 336, are involved therein.

Section 5. Without prejudice to the provisions of this Law, all the statutory or regulatory provisions related to the following activities shall remain in force: industrial and intellectual property, mining, particularly petroleum, production, commerce, and distribution of sodium nitrate, iodine and copper; those referred to the Water Code; those referred to in the Alcohol and Alcoholic Beverages Law; those governing the establishment and running of public or municipal services; those related to banking institutions or the stock exchange, as well as those related to transport, freight, coastal shipping and pledged loans.

Likewise, all statutory and regulatory provisions conferring on the authorities any powers related to their conduct of business activities, including powers to fix maximum prices and to enforce such regulations, shall remain in full force and effect.

All in all, no state monopoly may be established, not even by virtue of the rules referred to in the two previous paragraphs, without a prior positive report from the Decision-Making Committee.

The Decision-Making Committee may request the modification or repeal of any statutory or regulatory provisions, even those mentioned in this Section, should it deem them detrimental to the common interest so far as they may restrain or eliminate free competition.

Section 6. The following bodies and departments shall be in charge of preventing, investigating, rectifying and restraining any attempts against free competition or any abuse incurred by whosoever monopolizes a business activity, even when not constituting an offence:

- a) Regional Preventive Committee;
- b) Central Preventive Committee;
- c) Decision-Making Committee; and
- d) National Financial Commission.

All references to Provincial Preventive Committees, Free Competition Defense Commission and Commissioner made in statutory or regulatory provisions shall be understood as references to the Regional Preventive Committees, the National Financial Commission and the Financial Commissioner, respectively.

ARTICLE II - CONCERNING REGIONAL AND CENTRAL PREVENTIVE COMMITTEES

Section 7. In each regional capital city there shall be a Regional Preventive Committee that shall consist of the following persons:

- a) The Regional Ministerial Secretary of Economy, who shall chair the Committee;

- b) One member appointed by the Regional Governor; -
- c) A professional graduate appointed by the Regional Council; and
- d) A representative of the Neighborhood Associations, elected by the Chairmen of the Neighborhood Associations of the regional capital city at a meeting specially convened for this purpose by the Regional Commissioner.

In the event of impediment or absence of the member mentioned in letter a) above, he/she shall be replaced by his/her legal deputy. An incumbent and a deputy shall be appointed to hold each of the remaining offices for a two year period.

In the absence of the Chairman or his/her deputy, the Committee shall be chaired, in order of precedence, by any of the members appearing in the above list and present at the meeting.

There shall be a quorum if at least three members are present, and all resolutions shall be adopted by a simple majority. In the case of a tie, whosoever chairs the meeting shall cast the deciding vote.

Section 8. The Regional Preventive Committees shall have the following powers and duties:

- a) to satisfactorily answer any queries about any existing acts or agreements that may be in breach of the provisions hereunder;
- b) To decide regarding whatever queries are brought to their notice regarding the implementation of proposed acts or agreements that may restrain free competition,
- c) to safeguard, within their corresponding jurisdiction, the maintenance of free competition practices and that no misuse is made of monopoly power, with powers to deal - by virtue of their authority or at the request of a third party -with any activity that may alter such free practices or constitute such a misuse, and to propose rectifying measures;
- d) To request the Commission to investigate any acts which may attempt against free competition or which may constitute misuse of monopoly power;
- e) To request the cooperation of any official from any public bodies or services, companies,
- f) institutions or firms in which the State may have direct or indirect participation, involvement or interest, as well as from municipalities;
- f) to adopt, at the request of the Commission, preventive measures for:
 - 1) Suspending, for any period of up to fifteen days, the application of agreements on production quotas of distribution and market areas, or any other agreements that may involve any of the actions described in Sections 1 and 2.

This suspension may be renewed, once only and for the same length of time, upon the Commissioner's request.

2) Establishing, within their jurisdictional areas, maximum prices for goods and services subject to investigation, for any period of up to fifteen days, which may be extended for a similar period by the same Committee, pursuant to a well-founded resolution.

- g) At the request of the Commissioner, to ask the Ministry of Economy, Development and Reconstruction or any other body or public service, to exercise their regulatory powers for controlling business activities in order to prevent any harmful impact of the acts being investigated.

If the matter submitted to the Regional Preventive Committee were of a national nature or related to more than one region, it shall not deal with it and shall refer all the information available to the Central Preventive Committee.

Section 9. An appeal against the decisions and measures adopted by the Regional and Central Preventive Committees, which shall be personally served, may be lodged before the Decision-Making Committee within 5 working days.

This appeal, which shall not suspend the effects of the resolutions being appealed, shall be brought before the corresponding Regional or Central Preventive Committee, who shall remit it, together with any supporting information and accompanied with a report, within seven days.

The Decision-Making Committee shall take a decision on the appeal within fifteen days upon reception thereof. If it were unable to decide within this deadline, the appeal shall be deemed admitted.

The provisions set forth in the previous paragraph shall not apply if the Committee shall decide, by virtue of its own powers, to study the matter in depth, quite apart from what the appellant has requested. To this effect, it shall cause the affected parties to appear and shall inform them of the decision. In this event, the effects of the resolution being appealed shall be suspended.

Section 10. The Central Preventive Committee shall consist of:

a) One representative from the Ministry of Economy, Development and Reconstruction, who shall chair it;

b) One representative from the Treasury;

c) Two university professors - a lawyer and a business administrator - appointed by the Council of Chancellors; and

d) One representative from the Neighborhood Committees, elected by the Chairmen of the Community Federations of Neighborhood Committees of the Metropolitan Region at a special meeting convened for this purpose by the National Commissioner

The corresponding authorities and bodies shall appoint one incumbent representative plus his/her deputy, who shall hold office for two years.

In the absence of the Chairman or his/her deputy, the Committee shall be chaired, in order of precedence according to the above list, by any of the members attending the meeting.

There shall be a quorum if at least three members are present, and all resolutions shall be adopted by a simple majority. In the case of a tie, whosoever chairs the meeting shall cast the deciding vote.

Section 11. The Central Preventive Committee shall act as the Preventive Committee for the Metropolitan Region of Santiago, with all of the powers vested in it under Section 8. In particular, it shall deal

with all such acts or events mentioned in that Section, involving the country as a whole or more than one region.

Section 12. No administrative or judicial appeal may be lodged against the resolutions of the Regional and Central Preventive Committees, except as provided for under Section 9.

Section 13. The resolutions and agreements adopted by the Regional Committees and the Central Committee shall not prevent the Decision-Making Committee and the Commission, as the case may be, from exercising their powers.

Section 14. The acts or contracts entered into or executed in accordance with the decisions taken by the Regional or Central Preventive Committees, shall not give rise to any liability, except in the event that, subsequently and on the basis of new evidence, they are deemed contrary to free competition by the same Committees or the Decision-Making Committee, and upon publication or notice of the resolution making such a statement.

Section 15. The Regional Preventive Committees shall meet in the corresponding Governor's Office or in such other place that they may agree with the positive vote of the member appointed by the Governor.

All expenses that shall be incurred by the Regional Preventive Committees in the discharge of their duties shall be defrayed by the Governor's Office, which shall appoint the public officials who shall render services to such committees. These public officials shall not be entitled to any special payment therefor.

The Central Preventive Committee shall perform its duties at the headquarters of the National Financial Commission, the secretariat of which shall render the services required by such Committee.

ARTICLE III - CONCERNING THE DECISION-MAKING COMMITTEE

Section 16. The Decision-Making Committee shall consist of the following persons:

- a) A Supreme Court Judge, appointed by this Court, who shall chair it;
- b) A Department Head appointed by the Minister of Economy, Development and Reconstruction;
- c) A Department Head appointed by the Minister of the Treasury;
- d) A Dean of a Faculty of Legal and Social Sciences of a University with seat in Santiago, and
- e) A Dean of a Faculty of Economic Sciences from a University with seat in Santiago.

In the event of impediment of the person mentioned in letter a) to act, any other member of the Committee shall be appointed as Chairman by the Supreme Court.

The remaining members of the Committee shall be replaced by their deputies. The members of the Committee shall hold office for two years. Those mentioned in letters d) and e) shall be appointed by drawing lots in the presence of the Committee's Chairman in accordance with the internal rules adopted by the Committee.

A lawyer from the National Financial Commissioner Office shall act as the Secretary of the Committee and he/she or any other professional from that Department shall act as spokesperson for the matters addressed by the Committee.

Section 17. The Decision-Making Committee shall be in charge of the enforcement of the provisions of this Law, shall supervise the correct performance of the duties assigned to the Committees established hereunder, and shall give the general instructions that they shall follow. Its agreements and resolutions shall be binding upon the Preventive Committees.

The Committee's duties and powers shall be:

a) To deal, by virtue of its authority or at the request of the Commissioner, with any events that may be in violation of this Law, to investigate them with the broadest powers, including the authority to request the assistance of the law enforcement officers, to search and force the lock of premises under a search-warrant that shall be issued at its request; to make a decision upon these events and adopt in each case, if necessary, one or more of the following resolutions:

1) Amend or bring to an end whatever acts, contracts, agreements, systems or covenants that are in violation of this Law;

2) Order the modification or winding up of the companies, corporations and any other private law corporate bodies which had taken part in the acts, contracts, agreements, systems or covenants referred to in the previous number;

3) Declare the liable person as being temporarily disqualified from holding any managerial office in professional or trade associations, for a period of time between one and five years;

4) Impose fines of up to an amount equivalent to ten thousand "tax units" to be paid into the Treasury.

The fines shall be reasonably imposed, depending on the working capital or the financial capacity of the offender and the seriousness of the offence;

5) Order the National Commissioner to institute the relevant legal actions under criminal law, regarding the offences referred to in Sections 1 and 2;

b) Give the general instructions that shall be followed by private persons when entering into acts or contracts that may attempt against free competition;

c) Notify in accordance with Sections 4 and 5;

d) Request the amendment or repeal of the legal and regulatory provisions referred to in the final paragraph of Section 5;

e) Hear the appeal referred to in Section 9 and, by virtue of its authority or at the request of any interested party, deal with whatever disputes may arise between two or more Preventive Committees, in particular, when they adopt different resolutions regarding the same subject matter;

f) By virtue of its authority or at the request of a party, and based on the previous report from the Ministry of Labor and Social Security, establish different collective bargaining dates for companies engaged in the same line of business, so as to prevent that bargaining on the same date in different companies may lead to monopolize. A copy of this resolution shall be remitted to the Labor Board, which shall notify the affected parties thereof;

g) Any other powers and duties conferred upon it by law.

Section 18. The Decision-Making Committee shall adopt its resolutions by a majority of votes, with the Chairman's vote deciding, in the case of a tie. There shall be a quorum if at least three members are present at a meeting and no matter shall be transacted in the absence of the Chairman.

The Committee may meet at the Courts of Justice or at such other governmental department that may be determined each year at the first meeting of the Committee.

The grounds for disqualification and challenge under Sections 195 and 196 of the Organizational Code of Courts of Law shall be applicable to all of the Committee's members. The grounds invoked may be accepted by the member concerned; otherwise, the Committee, excluding the member in question, shall make its own decision on the matter. If the grounds for disqualification and challenge were unanimously dismissed, the party invoking such grounds shall be punished by a fine not exceeding twenty "tax units".

Case hearing and resolution under letter a), Section 17 above, shall be subject to following proceedings: -

A. The proceedings shall be in writing, except the hearing, and the parties shall be represented as provided for under Section 1 of Law NO 18,120 concerning appearance in court.

B. It shall be ordered that the National Commissioner's complaint and the main case writ be served on the parties concerned, who shall have to answer within fifteen working days or within such longer period of time that the Committee may prescribe.

C. The National Commissioner's complaint, the main case writ, the resolution ordering the service of process and the summons, should be personally served on the parties concerned.

Personal service of process shall be made by a Commissioner for Oaths, by delivery of a complete copy of the resolution and documents giving rise to such service of process. The delivery of an abstract of such documents may be ordered by the Committee.

Personal service of process may be made in any place. The Commissioner for Oaths shall place on record the service of process, as provided for under Section 43 of the Code of Civil Procedure.

The Committee, based only on the report from the Commissioner for Oaths stating that neither the person to be served nor the domicile thereof could be found, may order that the service of process be made as provided for under paragraph 2, Section 44 of the Code of Civil Procedure.

D. The Committee may order that the service of process be made personally, as provided for under Section 54 of the Code of Civil Procedure, whenever it deems that the conditions prescribed therein do exist.

E. Upon the expiration of the term prescribed under letter B of this Section, whether the parties concerned have answered or not to the request, the Committee shall open a ten working day discovery period.

Those parties willing to offer testimony, shall submit their list of witnesses within the second working day of the prescribed discovery period and no more than four witnesses per party shall be allowed to declare.

F. All of the species of evidence referred to in Section 341 of the Code of Civil Procedure shall be admissible as well as any piece of circumstantial evidence or background information that, in the Committee's opinion, may be valid for establishing the relevant facts.

The Committee may decree, at any time during the proceedings, even after the hearing, to take such steps that it may deem necessary to obtain evidences.

G. The procedural steps arising from the inspection of the Court and the interrogatories to be answered will be under the responsibility of a person that should be appointed by the Committee from among its members.

H. Any ancillary claims submitted to the Committee may be resolved directly by the same; otherwise, they shall be conducted together with the main case and admitted as evidence if the Committee shall deem it necessary.

I. Upon expiration of the discovery period, the Committee shall have to declare it closed and shall appoint a date and a time for the hearings. The Committee may decide that the allegations of the lawyers be heard.

J. The Committee, by virtue of its authority, shall conduct all the proceedings until stating that a judgement may be pronounced.

K. The Committee shall take into consideration, in all conscience, the background information and evidence, and shall pronounce a well-founded judgement within forty-five days after having stated that it may be pronounced.

L. All the resolutions adopted by the Committee, including the final judgement, shall not be appealable, except as provided for under Section 19.

M. The resolutions adopted by the Committee should be served by registered letter addressed to the domicile of the person concerned, except such resolutions according to which the discovery period is opened, the judgment is pronounced, and those referred to under letter C, which shall be subject to personal service.

Service by registered letter shall be deemed to have been made three days after depositing the letter in the post office.

N. The Secretary of the Committee and all such other persons appointed by the Chairman of the Committee, may act as a Commissioner for Oaths to take all the relevant procedural steps that may be ordered.

Ñ. In the event that steps should be taken outside the Metropolitan Region of Santiago, the Committee may order that the same are taken by the Preventive Committees or the Regional Committees. To this effect, the Committee shall send them an official letter.

O. The Committee, by virtue of its authority or at the request of any of the parties, may resolved that the necessary precautionary measures to prevent the effects of the events under investigation and to safeguard common interests, are taken within such period of time as it may deem convenient. These resolutions shall be essentially provisional and may be amended or repealed at any time during the proceedings.

P. The provisions of Books I and II of the Code of Civil Procedure shall be supplementary to the provisions of this Section, provided that they are not inconsistent therewith.

Section 19. Only those resolutions of the Decision-Making Committee may be appealed that order the modification or dissolution of a corporate body, the disqualification from holding certain offices at professional or trade associations, and the payment of a fine.

The National Commissioner may also appeal against the resolutions of the Decision-Making Committee regarding the matters referred to in the previous paragraph, even in case of acquittal.

The appeal shall be made before the Decision-Making Committee, directly or through the corresponding Preventive Committee and shall be heard by the Supreme Court upon being heard by the Commissioner of this Court. The appeal shall be made within ten working days after the relevant notice. It shall appear as a priority on the List of Hearings, the hearing may not be suspended, and a judgement in good faith shall be pronounced.

Section 20. Any fines imposed by the Decision-Making Committee shall be paid within ten working days from the date on which the relevant resolution is enforceable.

All in all, a deposit amounting to the fifty percent of the fine imposed, excluding any legal surcharges, shall be required to make the appeal referred to in the previous Section. In the

event that the appeal is made by the National Commissioner, he shall be exempt from this requirement.

In the event that the affected party shall not pay the fine, such party shall be subject, instead, to imprisonment. This punishment shall be applied without further trial, and upon the Commission’s request, by the Judge of the Criminal Court with jurisdiction over the domicile of the offender, and shall correspond to one day of imprisonment for the equivalent to every “monthly vital wage” of fine.

ARTICLE IV CONCERNING THE NATIONAL FINANCIAL COMMISSION

Section 21. The National Financial Commission shall be a decentralized public service, duly incorporated and supported by its own assets, independent from any other body or service, and supervised by the President of the Republic through the Ministry of Economy, Development and Reconstruction.

The National Financial Commission shall have its headquarters in Santiago. It shall be managed by the National Financial Commissioner, an officer that shall be exclusively appointed by the President of the Republic. He shall be the chief executive officer and shall act as the representative of the Service, in and out of court.

Without prejudice to the general requirements for joining Civil Service, the Commissioner shall have been awarded the professional degree of lawyer, shall have been practicing as such for ten years or, if in the Civil Service, for at least three years.

Section 22. In each regional capital city, except in the Metropolitan Region, there shall be a Regional Financial Commissioner, who shall be in charge of the relevant duties of the entity within the corresponding regional territory, and shall report to the National Financial Commissioner, who shall supervise his/her work.

The provisions of the previous paragraph are without prejudice to the activities that may be carried on in such regions by the National Financial Commission officials posted or assigned thereto to discharge certain duties. To this end, they shall be empowered by virtue of their appointment or assignment.

Section 23. The following positions shall be established at the National Financial Commission as from the first day of the month following the month of publication of this Law:

TITLE	GRADE	POSITION S
Executive Officials appointed exclusively by the President of the	Republic	
National Financial Commissioner	1	1
National Assistant Financial Commissioner	3	1
Department Head	3	4
Department Head	4	4
Regional Financial Commissioner	4	12
Career Jobs		
Section Head	10	1
Section Head	11	2
Sub-Total		25
Professional Staff		
Professional	4	2
Professional	5	2
Professional	6	1
Professional	7	1
Professional	8	1
Sub-Total		7

Supervisory Officials		
Supervisory Official	10	1
Supervisory Official	11	1
Supervisory Official	12	1
Supervisory Official	13	2
Sub-Total		5
Technicians		
Technician	14	1
Technician	15	1
Sub-Total		2
Administrative Staff		
Administrative Official	16	1
Administrative Official	17	1
Administrative Official	18	2
Administrative Official	19	2
Sub-Total		6
Auxiliary Staff		
Auxiliary	19	1
Auxiliary	20	2
Auxiliary	21	2
Sub-Total		5
Total Staff		50

Besides the general requirements prescribed under Law N0 18,834 to join the Civil Service, the following requirements shall be met regarding each of the above-mentioned positions:

Executive Officials:

National Assistant Commissioner: Professional Degree of Lawyer and at least 5 years' professional experience or 3 years' experience or specialization in areas related to the duties to be discharged at the Commission.

Regional Financial Commissioners: Professional Degree of Lawyer and at least 3 years' professional experience.

Department Heads: Professional Degree of Lawyer, Civil Engineer or Business Administrator, Auditor-Accountant or Public Administrator, granted by a University or Public Vocational Institute or Establishment duly accredited by the State. He/She should have at least 3 years' experience.

Section Heads: A professional degree conferred upon completing at least an eight-semester program, by a University or Public Vocational Institute or Establishment duly accredited by the State. He/She should have at least 3 years' experience in Government Administration.

Professionals: For one of the positions under grade 4 and 5 it should be required a Professional Degree of Lawyer. For the remaining position under grade 4 and 5 it shall be required a Professional Degree of Engineer. In both cases, the candidates should have at least 3 years' professional experience.

All the remaining staff: Professional Degree of Lawyer, Engineer, Auditor-Accountant or Public Administrator, granted by a University or a Public Professional Institute or Establishment duly accredited by the State.

Supervisory Officials: Professional Degree of Public Administrator, Auditor-Accountant or any other degree granted upon completing at least an eight-semester program offered by a University, Public Vocational Institute or Establishment accredited by the State.

Technicians: A Degree of Technician or equivalent diploma in economics, finance, computer science or statistics, granted by a Public Tertiary Education Institute or Establishment

accredited by the State; or a Professional Degree of Accountant granted by any of the above-mentioned institutions or a Public Vocational Higher Education School or Institute accredited by the State.

Administrative staff: School Leaving Certificate or equivalent diploma.

Auxiliary staff: Certificate of Completion of Primary School Education.

Section 24. The staff of the National Financial Commission and whosoever is appointed to render services shall be governed by the provisions of this Law and, alternatively, by the provisions of Article I of Decree Law N° 3,551 of 1981, and by the Administrative Rules approved under Law N0 18,834, as amended.

The Personnel Evaluation Board of the National Financial Commission shall consist of the National Assistant Commissioner, who shall chair it, the two senior Department Heads plus a representative of the staff chosen amongst its members.

Section 25. The Salary Scale applicable to the staff of the National Financial Commission shall be the same applicable to the other National Commissions.

The allowance established under Section 17 of Law N0 18,091, replaced with Section 10 of Law N0 19,301, shall also apply to both the staff and temporarily hired personnel of the National Financial Commission, and shall be determined in accordance with the provisions thereof. For this purpose, the Treasury shall be informed each year of this matter by the National Financial Commissioner.

The staff and the temporarily hired personnel of the National Financial Commission may be paid an incentive bonus out of this allowance, which shall be governed by the following rules:

a) The bonus shall be paid to the 25% of such public officials belonging or assimilated to the group of the Executives, Professionals and Supervisory Officials, whose previous year performance has been best evaluated.

b) To this end, the results of the public official performance evaluation made in accordance with the regulations governing this matter shall be applicable.

c) The amounts to be paid as bonus may not exceed a fourth of such percentage fixed annually under an executive decree, in accordance with the provisions of paragraph 2, Section 17, Law N0 18,091, and shall be determined therein. The percentage to be received by the public officials excluded from evaluation by reason of their participation in the performance evaluation process shall be also fixed under said executive decree, and such public officials shall not be considered for the purposes of the limit established under letter a) hereunder.

d) The amounts fixed in accordance with the previous letter c), added to the amounts to be paid as allowance under Section 17 of Law N0 18,091, may not exceed, under any circumstances, the maximum percentage or proportion prescribed by the second paragraph of said section.

e) The public officials that are the beneficiaries of the bonus shall only be entitled to it during twelve months after the end of the corresponding performance evaluation process.

f) The bonus shall be paid in four quarterly installments to such public officials who are on active service on the date of payment. The sum to be paid in each installment shall be the amount accrued over the relevant quarter.

g).For tax purposes, it shall be deemed that the sum paid in each installment has accrued in equal amounts over each of the months of the relevant calendar quarter.

Section 26. Staff and temporarily hired personnel of the National Financial Commission shall devote their efforts entirely to the duties assigned to their positions, which shall be incompatible with any other duty in the Civil Service, except the positions referred to under letter a), Section 81, Law N0 18,834. They may not be employed by, or render professional services to individuals or corporate bodies against which the Commission may bring any actions.

The incompatibilities and prohibitions established in the previous paragraph shall not apply to the Regional Financial Commissioners who have to discharge their duties part-time, except

the rendering of services to individuals or corporate bodies against which the Commission may bring any actions.

Section 27. The National Financial Commissioner shall discharge its duties separate from all such authorities or courts before whom he may act. Therefore, he/she may defend the interests entrusted to him/her as he/she may deem convenient according to law, based on his own points of view.

The National Financial Commissioner's duties and powers shall be:

a) To order such investigations that he may deem necessary to prove any violations of this Law and notify the affected party that such investigations shall be initiated. The Board of the Chilean Police of Investigation shall place at the disposal of the National Financial Commissioner - with the Chairman of the Decision-Making Committee being aware of it - such personnel that the Commissioner may require to discharge his/her duties hereunder, and shall take the specific procedural steps that the latter may request with the same purpose.

The National Financial Commissioner may stipulate, with the Chairman of the Decision-Making Committee being aware of it, that the investigations ordered by virtue of his authority or by reason of a formal complaint be kept confidential.

The National Financial Commissioner, with the authorization of the Decision-Making Committee, may order that the affected party should not be notified of the commencement of an investigation.

b) To act as an interested party, representing the general financial interests of the community before the Decision-Making Committee and the courts of law, with all such duties and powers conferred upon him/her in such a capacity.

He/She, acting in person or through his/her delegate, may defend or contest the resolutions adopted by the Decision-Making Committee.

The National Financial Commissioner may endorse any investigations conducted by both the Preventive Committees and the Regional Financial Commissioners, as well as the charges brought by any of them; to this end, he/she shall make his/her accusations or contest the charges before the Decision-Making Committee, submitting a well-reasoned report.

c) To require that the Committees exercise any of his/her powers and adopt preventive measures regarding the investigations that the Commission is conducting.

d) To secure the enforcement of the rulings, decisions, orders and instructions handed down by the Committees or the courts of justice, concerning matters governed by this Law.

e) To issue such reports that are requested by the Decision-Making Committee and the Preventive Committees;

f) To request the cooperation, which shall not be denied, of any public official, whether employed by governmental organizations, service departments or municipalities; firms, entities or companies in which the State or its firms, entities or companies, or any municipalities, may have any interest, representation or investment.

g) To require from any of the offices, service departments or entities referred to in the previous letter f) to place at his/her disposal the background information that may be deemed necessary for the investigations, complaints or legal actions that he/she may have brought or in which he/she may intervene.

The National Financial Commissioner may also gather together and examine, with the cooperation of the corresponding public officials, all the documents, accounting elements and any others he/she may deem necessary.

h) To require from any individuals such information and details he/she may deem necessary for the investigations conducted by him/her.

The individuals and legal representatives of corporate bodies from whom the National Financial Commissioner may require information or details, the submission of which could be deemed harmful for their interests or those of third parties, may request from the Decision-Making Committee to declare such a requirement null and void in whole or in part.

This shall be a well-reasoned request and shall be submitted to the National Financial Commission within five days after the notification of the requirement, the effects of which shall be suspended from the date of submission of the request.

The Decision-Making Committee shall, at its next meeting, analyze and adopt a decision on such a request, which shall be accompanied by a verbal or written report from the National Financial Commissioner, and its decision shall not be appealable.

i) To bring a complaint under criminal law, in person or through a delegate, upon the request of the Decision-Making Committee, in accordance with number 5, letter a), Section 17 of this Law.

The National Financial Commissioner may delegate the bringing of such complaint to the lawyers of the Commission, the Regional Financial Commissioners or the Council for the Defense of the State.

j) To enter into and execute all kinds of agreements and acts concerning personal and real property and corporeal or incorporeal assets belonging to the Commission, including such acts and agreements, bound or not by a contract, that allow the ownership to be conveyed and transferred, and the settlement of any rights, actions and obligations.

The settlements referred to in the previous paragraph shall be approved by a Treasury resolution if amounts of over two thousands “UF” are involved.

k) All such other duties and powers prescribed by law.

Section 28: The Regional Financial Commissioners shall be vested with the powers and shall have the duties provided for in Section 27, except those prescribed by letters b), i) and j). They will be further empowered to exercise all such powers and duties delegated to them by the National Financial Commissioner.

If any matter, by reason of its nature, shall be heard by the Decision-Making Committee, this shall be proposed to the National Financial Commissioner by the corresponding Regional Financial Commissioner.

Section 29. The National Financial Commissioner may, whenever it deems necessary, act, whether in person or through his/her delegate, on behalf of the Commission in any action and, likewise, in any instance and regarding any procedural step or proceedings before the courts of justice or administrative or municipal authorities.

All the writs of the Commission and its proceedings before the Committees and courts of justice shall be free of tax, and the lawyers acting on its behalf may appear in person before the higher courts of justice.

Section 30. The Commission and the Preventive Committees may receive and investigate, whichever the case may be, any complaints brought before them by private persons regarding any acts that may be in violation of the provisions of this Law, without prejudice to the right to bring before the proper authorities those that shall be heard by them by reason of its nature.

Section 30 A. Those persons interfering with the investigations being conducted by the National Financial Commission within the scope of its duties, may be punished by imprisonment for up to 15 days.

The arrest warrant shall be issued by a judge of a court having jurisdiction over criminal matters and in accordance with the general rules, at the request of the National Financial Commissioner, upon authorization of the Decision-Making Committee.

All the public officials and any other persons rendering services to the National Financial Commission, shall be obliged to keep confidential all the background information and data that may come to their knowledge by reason of its duties and, in particular, the information obtained by virtue of the powers conferred upon them under letters a), g) and h) of Section 27. Without prejudice to the foregoing, such background information may be used to discharge the duties of the National Financial Commission and to bring actions before the Preventive Committees, the Decision-Making Committee or the courts of justice.

Any violation of this prohibition shall be punished by the penalties prescribed by Sections 246 and 247 of the Criminal Code and by such disciplinary measures that may be taken.

Section 30 B. The members of the Preventive committees and the Decision-Making Committee, in whatever capacity they may be acting, as well as the advisors or consultants rendering their services on a fee-basis to the National Financial Commission, shall be deemed governed by the provisions of Section 260 of the Criminal Code.

Section 30 C. The National Financial Commission shall be funded with the following resources that shall be made part of its assets and administered in accordance with the State Financial Administration Law approved by Decree Law N0 1,263 of 1975, as amended:

- a) The quota allocated annually under the Nation's Budget Law.
- b) The costs and other amounts it may receive for taking part in any actions.
- c) The payments stipulated in consultancy, investigation and any other kind of agreements that it may enter into with universities and any other educational or investigation entities, be the same private or public, domestic or foreign;
- d) All fees it may receive for certificates and copies it shall issue relating to matters dealt with before the Committees and the Commission itself; and
- e) Such other assets and payments that it may received on any account.

All fines levied by the Decision-Making Committee for violations of this Law shall be paid into the Treasury.

ARTICLE V - CONCERNING CRIMINAL PROCEEDINGS

Section 31. All criminal proceedings for offences punishable under this law shall be governed by the ordinary procedures for crimes or simple offences against the public, without any further amendments than those referred to hereinafter.

Section 32. The proceedings may only be instituted upon a complaint brought or an accusation made by the National Commissioner, in person or through a delegate, and, in any event, upon the request made to the Commissioner by the Decision-Making Committee.

Section 33. The committal proceedings shall last for no longer than sixty days. Nevertheless, this term may be extended for up to thirty days and once only, if the Judge deems it essential for the outcome of the investigation. In this case, a well-grounded ruling shall be made and the corresponding Court of Appeals shall be notified.

Section 34. The Commission's delegate may be informed of the committal proceedings at any moment, irrespective of the status thereof.

Section 35 The Courts of Law shall weigh the evidence fairly.

Section 36. All of the actions taken under a certain agreement or act punishable under Sections 1 and 2 shall be tried as one sole offence.

Section 37. A Judge of the relevant Court of Appeals, as an individual court, shall have original jurisdiction.

TEMPORARY PROVISIONS OF LAW N0 19, 610

Section 1. A Committee consisting of the Minister of Economy, Development and Reconstruction, the Undersecretary of Economy, and the National Financial Commissioner, shall be in charge of selecting the personnel necessary to fill the positions established under Section 23 of the text approved under Section 1 of this Law. The positions shall be filled, within 120 days as from the date this law shall come into force, and this process shall not be governed by the permanent regulatory provisions applicable to fill vacancies, provided that the requirements under the above-mentioned Section 23 are met. However, Executive Officials and Professionals may be excluded from the experience requirement.

The personnel employed under a fee payment system and temporarily hired, assimilated to a salary grade and rendering services on the date of publication of this Law, may be assigned to any of such positions.

The staff personnel not assigned to any of such positions shall be entitled to the compensation established under Section 148 of Law N0 18,834, without prejudice to their entitlement to pension, annuity or other benefits under a social security system. This compensation shall be compatible with whatever severance pay which they may be entitled to. Nonetheless, it may not be paid together with the compensation established in the provisional Section 20 of the same law, in the event that such payment shall be lawful, and the persons concerned shall opt for any of such payments, according to their own interests.

Those public officials who receive the benefits described in the previous paragraph may not be appointed or employed by the National Financial Commission, either under a provisional contract or under a fee payment system, for at least five years after having been released, unless they previously return the equivalent in "UF" of the compensation received, plus any usual interest applicable to inflation-pegged operations.

Section 2. The personnel selected shall continue to receive the same salary; should there be any differences, these shall be paid as a supplementary payment and shall be subject to social security contributions at the same rate as the salary that shall serve as the basis for their calculation. This supplementary payment shall be absorbed by any increases in the permanent salary of a public official, except those stemming from general increases granted to the public sector.

Likewise, this personnel shall continue to be entitled to the biennial periods already accrued and the period of time attributable to a new biennial period, and shall continue to be entitled to retirement according to the provisions of Section 132 of the Statutory Decree N0 338 of 1960 in connection with the temporary provisions of Sections 14 and 15 of Law N0 18,834, and to the right, if applicable, conferred by temporary provisions of Section No. 2, Law No. 18, 972.

Section 3. Without prejudice to the provisions of Section 30 C of the text approved by Section 1 of this Law, the assets of the National Financial Commission shall consist of all personal and real property acquired by the Commission or the Government and used exclusively for the running of the Commission. The ownership of such assets shall be deemed as having been conveyed to the Commission by operation of law.

In order to make the required registrations and entries in the relevant Registers of Real Property or in the National Register of Motor Vehicles, the National Financial Commissioner shall issue a resolution in which he shall identify the real property and vehicles being transferred according to these provisions. Such resolution shall be notarized as a public deed.

In the case of any doubt, it shall be the President of the Republic's duty to determine, under an executive decree issued through the Ministry of National Property, if any property is being used exclusively for the running of the National Financial Commission or otherwise.

Section 4. The provisions of Section 25 of the text approved by Section 1 of this Law, regarding the incentive bonus for good performance, shall be applicable as from the date on which the relevant positions are in force, considering the evaluation of the previous year performance. The quarterly installments accrued from such date until the issuance of the relevant executive decree, shall be paid in a lump sum.

Section 5. As from the date on which the positions established under Section 23 of the text approved by Section 1 of this Law enter into force, the National Financial Commission shall be authorized to employ up to 60 public officials, as provided for under the Government Budget Law currently in force. The limit established under the second paragraph, Section 9, Law 18,834, shall not be applicable to the temporarily hired personnel included in this group of public officials.

Section 6. Such expenses that shall be incurred for the enforcement of this Law during this year, shall be paid out of the funds provided for under the National Financial Commission Budget currently in force. Notwithstanding the foregoing, the Treasury, debiting item 50-01-03-25-33.104 of the budget account called "Tesoro Público" (Public Funds), may make supplementary contributions equivalent to the expenses that cannot be paid out of the Commission financial resources.

(Translator's note: UF = Monetary Unit daily adjustable according to the Consumer Price Index.

TAX UNIT = A unit adjusted on a monthly basis according to the Consumer Price Index)

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FRANCISCO FERNANDEZ FREDES

NATIONAL FINANCIAL COMMISSIONER

The relevant seal is affixed.

The signature of Mr. Francisco Fernandez F. is legalized at the Ministry for Foreign Affairs of Chile.

Illegible signature

Manuel Verdejo M. -Legalization Officer

May 23, 2000.

Seal: MINISTRY OF FOREIGN AFFAIRS OF CHILE

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this 7th day of August, 2000