

## **REPLIES TO QUESTIONS POSED BY JAPAN CONCERNING THE REQUEST FOR AN EXTENSION TO INCORPORATE THE WTO TRIMS AGREEMENT INTO CHILEAN LEGISLATION**

### **Question 1**

The Chilean Government has submitted a bill to the National Congress which, among other things, brings our legal system into line with the TRIMs Agreement. According to the Constitution of 1980, in view of its subject-matter, the bill can only be submitted by the President of the Republic and must originate in the Chamber of Deputies. After an initial reading in the Chamber of Deputies, the bill must be passed on to the Senate, which can approve, reject or amend it, in which case it must return to the Chamber of Deputies for such amendments to be approved. If the Senate's amendments are not approved, a joint committee is formed to address the matter.

Bills are analysed both in the Chamber of Deputies and the Senate by subject-based committees formed to study and discuss them. Once a bill has been approved by the committee responsible for its particular subject-area, it is placed on the plenary agenda of the Chamber and the Senate respectively. The committees are politically representative so that once a bill has been approved at that level, there is little likelihood of its being rejected in the Congressional Session.

The bill is currently in the Economics Committee of the Chamber of Deputies, in its first reading (it has not yet been transmitted to the Congress's other Chamber, the Senate).

### **Question 2**

In view of the political situation which prevailed in Chile for much of last year owing to the presidential election, which ended in a run-off, and in order not to violate its international obligations, the Chilean Government decided to request an extension of the transition period for the Chilean automotive TRIM. In addition to the run-off election, consideration was also given to the fact that the National Congress would be going into recess during the month of February.

### **Question 3**

Article 18 of the bill abolishes the compensatory trade benefit (Article 3 of Law 18.483). This provision allows exemption from payment of duties on imports of CKD (completely-knocked down) and SKD (semi-knocked down) units used for vehicle assembly, to the extent that they are offset by exports of domestic components for an equivalent amount within a period of 12 months.

### **Question 4**

As mentioned in the reply to question 2, Chile has recently been involved in a lengthy presidential election process. The President Elect only came into office on 12 March of this year, so that an adjustment period is inevitable, and the Government teams responsible for coordination with Congress will need a reasonable period of time in which to speed up the legislative process. Furthermore, a bill may be amended or supplemented in either Chamber provided that such changes

are directly in line with the original and fundamental ideas contained therein, and this could delay the adaptation of our legislation to the provisions of the TRIMs Agreement.

**Question 5**

As mentioned in the reply to question 1, the bill is currently before the Congress. The Chilean Government believes that the necessary political conditions exist for the bill to be approved within the period requested. Nevertheless, if it were necessary, the Executive Power would ask that the urgency procedure be applied.

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