

When a fishery is declared "fully exploited" and a global annual quota is set, the Sub Secretariat of Fisheries may auction, through public bidding, up to five percent (in weight) of the quota established, allowing for the entry of new operators.

Under the terms of the 1991 legislation, artisanal fishermen have exclusive fishing rights within five miles of the Chilean shoreline. This exclusivity provides the artisanal subsector with longer term stability and security, although it does not guarantee sustainable and effective exploitation of the available fish stocks. Insufficient financial resources among artisanal fishermen has limited their ability to fully exploit the five mile zone.

Ownership: Majority ownership of fishing vessels is reserved for Chilean investors. Foreign investors may hold minority interests of up to 49%. This constraint can be waived if a foreign investor's home country grants majority ownership rights in fishing vessels to Chilean investors. Foreign investors may hold up to a 100% interest in fish processing and aquaculture operations.

Factory Vessels: Both Chilean and foreign-owned factory vessels are forbidden from operating within Chilean territorial waters or the 200-mile Exclusive Economic Zone (E.E.Z.). This regulation does not apply south of 47°S 00' south and 150 nautical miles west of the straight base line if a particular fishery is not considered "fully exploited."

Transferable Fishing Rights: Authorization to fish in a "fully exploited" fishery may be transferred to a third party. "Fully exploited" fisheries are regulated by the imposition of annual quotas limiting the number of vessels operating. If the yearly quota is auctioned, the special fishing rights emerging from and associated with the quota may be divided, transferred, inherited, and rented.

3.2.2 Aquaculture

Site Permits and Authorizations: Site permits (land/water concessions) and authorizations (permits to use fresh or ocean water) to develop aquaculture activities are granted for indefinite periods of time, and are transferable, inheritable and may be mortgaged or otherwise pledged.

Ocean Ranching: "Salmon ranching" operations (i.e. producers which have released salmon to be subsequently harvested in the open seas) are the only entities entitled to legally catch those salmon. Salmon fishing is forbidden in those areas when salmon migrate or spawn. Seasonal fishing bans are applied in areas where wild salmon populations are established.

3.3 Institutional Framework

The following public organizations represent the core of the institutional framework in the fisheries sector: