

The maximum permissible credit term for imports is 180 days from the date of the bill of lading under "cobertura corriente." If an importer receives a credit term of over 180 days and remits funds after 180 days but before 365 days, this is considered a "cobertura diferida" for which the importer has to pay a 20 per cent per annum interest penalty. Credit terms beyond 365 days require authorization by the Banco Central, but once this has been obtained no interest penalty is applied.

For imports valued up to \$10 000 (US) f.o.b., the goods can be shipped and payment arranged before the date of issue of the corresponding import report, but the time allowed for completing the operation is limited to 180 days.

The margin of tolerance in both the cost and volume of the goods shipped when compared to those indicated on the proforma invoice is 10 per cent with a maximum variation of \$3 000 (US).

Each import report can include only goods classified under the same chapter heading of the Brussels tariff nomenclature.

All the usual methods of payment are used but importers tend to seek the most flexible terms possible, preferring naturally to operate on a collection basis rather than to establish letters of credit. In the case of payments on collection items, the importer must make a full deposit in pesos to his commercial bank at any time after the arrival of shipping documents. On receiving this deposit the bank will deliver the documents to the importer for the purpose of clearing the goods through customs. Once all documents are checked and customs clearance has been completed, the Banco Central will release the foreign currency to the importer. It is therefore in the exporters' interests to stipulate clearly on all invoices and shipping documents that a deposit in pesos should be obtained by the Chilean commercial bank in a specific number of days.

Banking System and Local Financing

The financial sector is dominated by 37 commercial banks. The state-owned Banco del Estado is Chile's most important. Numerous foreign banks also