

approached US\$1 billion in June 1993. Firms under foreign ownership accounted for one fifth of total assets; another important share (37%) was held by subsidiaries of domestic banks. The shares in total capital were 23% and 24%, respectively. Total assets under management of securities dealers surpassed US\$500 million in June 1993, with almost 70% of these belonging to the foreign-owned companies. (See Table 3 in the Statistical Appendix.)

According to the Securities Law, the requirements of capital, solvency, and liquidity are set through general regulations by the Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros). The operation of stock brokers and securities dealers can be performed only through the establishment of a corporation in Chile, that must be registered at the Superintendency. Other activities that have the same requisite are mutual funds, capital funds, risk classification companies, financial consultants, and so on.

As noted previously, the legislation only provides for the requisites established by the Superintendency. So, besides from the need to establish a corporation and other adequacy standards, there is no discrimination between securities dealers or stock brokers owned by foreign or domestic capital.

16.5 Chilean Financial Services and NAFTA

The need to have a separate NAFTA chapter for financial services stems from the rather particular characteristics of this sector: (a) trade in financial services differs substantially from