

5. For the purposes of this Annex:

Chilean juridical person means an enterprise that is constituted or organized in Chile for profit in a form which under Chilean law is recognized as being a juridical person;

date of transfer means the settlement date when the funds that constitute the investment were converted into Chilean pesos, or the date of the importation of the equipment and technology;

existing means in effect on 24 October 1996;

foreign credit means any type of debt financing originating in foreign markets whatever its nature, form or maturity period;

foreign direct investment means an investment of an investor of Canada, other than a foreign credit, made in order:

- (a) to establish a Chilean juridical person or to increase the capital of an existing Chilean juridical person with the purpose of producing an additional flow of goods or services, excluding purely financial flows; or
- (b) to acquire equity of an existing Chilean juridical person and to participate in its management, but excludes such an investment that is of a purely financial character and that is designed only to gain indirect access to the financial market of Chile;

Formal Exchange Market means the market constituted by the banking entities and other institutions authorized by the competent authority; and

payments for current international transactions means "payments for current international transactions" as defined under the *Articles of Agreement of the International Monetary Fund*, and for greater certainty, does not include payments of principal pursuant to a loan which are not made in accordance with the maturity dates originally agreed upon in the loan agreement.