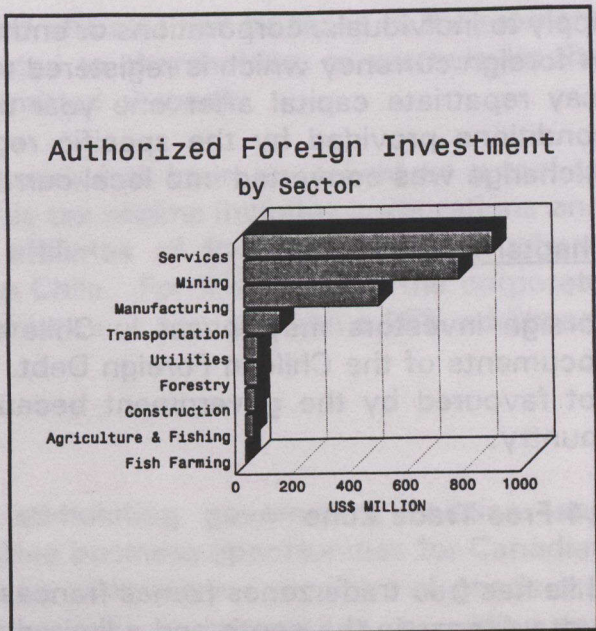


Decree Law 600

The Foreign Investment Committee is the government agency which authorizes the inflow of foreign capital under Decree Law No. 600 and stipulates that terms and conditions of the corresponding contract. It is a very simple piece of legislation based on the principle of non-discrimination between foreign and local investors. It guarantees foreign investors access to the Formal Market for repatriation of capital and profits and grants them special franchises relating taxes and customs duties.



Pursuant to this Law, foreign individuals, corporations or entities may bring capital into the country in the form of freely convertible foreign exchange, tangible assets, technology that can be capitalized, and loans tied to foreign investment projects. The authorization of foreign investment in accordance with the Law is contained in a contract entered into by the investor and the State of Chile.

Since the rights and guarantees awarded to the foreign investor are included in a contract, they may not be abrogated during the period for which they have been agreed upon, even if new legislation containing different rules is enacted. Amendments to the contract are possible only with the agreement of both parties.

The petition to obtain the referred authorization must be granted by the Foreign Investment Committee, which is the only entity legally authorized to accept the entrance of capital from abroad under Decree Law 600 and to stipulate the terms and conditions of the corresponding contracts. This is a very agile institution and the procedure is simple.

The contract establishes the term in which the capital must be brought into the country, which may not exceed three years.

Foreign investors may repatriate their capital and related profits after one year has elapsed, counted as from the date in which it has been brought in. Related profits may be repatriated at any time, without limitation as to the business acquired or organized with the investment.

Chapter XIV

Chapter XIV is increasingly being used by companies to invest in Chile. Its provisions