

DOING BUSINESS

UHY is an international organization that provides accounting, business management and consulting services through financial business centers in over 90 countries with over 300 offices worldwide.

The business partners' work together through the network to carry out transnational operations for customers as well as offer expertise and experience within their own national political boundaries specialists worldwide in different sectors of the industry and market are also available for consultation.

This detailed report examines the key issues and information for investors considering business operations in Chile has been provided by the office of representatives.

This publication shows some tools and information required by someone who wants to do business in Chile. Inevitably, the information contained in the following pages in general is subject to change and should be used as a guide only. For specific matters investors must check or obtain more information by hiring a professional advice before making a decisión.

The information in this publication is dated July 2016. If you need more information about business in Chile please contact the following professionals:

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UHY Guinazu & Associates SpA is a medium sized Company in the consulting market in Chile, however, has sought partnerships with other firms in the business and or legal companies in order to strengthen and become an important Alliance in the field. Our office is located in the city of Santiago of Chile and from there we generate business throughout the country. Our internal partners allow us to deliver a comprehensive quality service to our customers and to all those who wish to set up a business in Chile. We have a global organization that allows us to offer services in the areas of tax, accounting, labor, legal, auditing and consulting among others.

We hope to advise you if you need to do business in Chile.

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BUSINESS ENVIRONMENT

HISTORY AND GOVERNMENT

Since its independence in 1810, Chile has been governed by a series of constitutions that have been shown to influence the political currents in the world, but they managed to give political stability for decades. Chile had a republican extended period without major interruptions between the years 1833 until 1973, when a coup led by the military overthrew the elected President of that time.

The current Constitution of Chile that replaced the governing since 1925, was enacted in 1980 and that in its bases indicates that “the State of Chile is unitary” and that the country is a “democratic republic”.

Chile has a presidential regime where both the executive and legislature system are elected by universal suffrage. As the presidential system is a form of representative government, state powers are separated into executive, legislative and judicial systems, each of them autonomous and independent.

GEOGRAPHY

Chile is located in the south western part of the Southern Cone of South America, extending to the Antarctic Continent and reaching the west Easter Island in Polynesia. It also incorporates into its territory, the archipelago of Juan Fernandez, Islands San Felix, San Ambrosio, Sala and Gomez, the exclusive economic zone of 200 miles and the continental platform corresponding to this. Throughout Chile from north to south you can find the desert until the eternal ice, through valleys, lakes, forests, islands, glaciers and rivers.

The surface of Chile Antarctic and insular is of 2,006,000 km²; while its length from the Line of Concord to the Antarctic Pole is more than 8,000 km., the maximum territorial width is 445 kilometers, and its average width is 180 kilometers.

The country is divided into 15 regions: Arica and Parinacota, Tarapaca, Antofagasta, Atacama, Coquimbo, Valparaiso, Metropolitana, libertador General Bernardo O`Higgins, Maule, Bio-Bio, Araucania, de los Rios, Aysen of General Carlos Ibanez del Campo and Magallanes and Chilean Antarctica. These regions are divided into 54 provinces and 346 communes. Its capital is Santiago, located in the Metropolitan Region. Other important cities are Iquique, Antofagasta, La Serena, Valparaiso, Concepcion, Temuco, Puerto Montt and Punta Arenas.

In the north of the country the temperatures are more temperate, on the coast the average is 23 degrees celsius up to 30 celsius. In the downtown area the four seasons are strongly mark, with pleasant temperatures depending on each station. To the south of the country, temperatures drop about 1 degree celsius per 150 meters of altitude in the Andes, being created by these features a Mediterranean climate; the average temperature reaches 20 degrees Celsius in summer while descending to 8 degrees celsius average in winter.

Rainfall usually concentrates in the winter months (May to August), reaching an average of 375 millimeters per year.

THE LABOUR MARKET POPULATION

One of the great features of the Chilean people is the warlike character, heritage of indigenous cultures. Also, the condition of being natural descendants of the Spanish conquerors over the subsequent arrival of other European immigrant groups constitutes a unique population that today has a relatively homogeneous profile, where diversity retains its place.

Chile has an estimated population of 18 million. The Metropolitan Region, where the city of Santiago is located accounts for 40% of the population. According to estimates of the national Institute of Statistics the life expectancy in the country has increased significantly, from 30 years at the beginning of the twentieth century, today average 73 years.

LANGUAGE

The official language is Castilian. Along with this language, a variety of languages exist originating in certain representation.

In northern Chile, about 20,000 people speak the Aymara language, although most are bilingual and use Castilian regularly.

In the central area, specifically in the territory of Easter Island, its original people speak Rapa Nui, the Polynesian language of origin.

In the south, a town bordering the half a million people speak the Mapudungun, the language of the Mapuche ethnic group, although mostly use Castilian as a second language. In all these areas education is taught in both languages, in order to prevent indigenous languages from becoming dead languages.

On the other hand, the Ministry of Education includes teaching foreign languages in schools in the country. The most important of these is English, although there are schools offering French language and German. Product trade agreements with Asia, some colleges and universities are offering courses in Chinese Mandarin.

ECONOMY

Chile is presented in the world as an exemplary country in Latin America. The social political stability, its solid macroeconomic indicators and quality of its human resources have made it possible to achieve its worthy leadership. Therefore, when compared to other emerging countries Chile highlights its privileged position in areas such as country risk, economic and political freedom, competitiveness and quality of life. Along with this, it wields vast mining potential, low corporate taxes, a modern road and telecommunications infrastructure. Highlights for its solid and efficient financial industry, as well as high levels of computer penetration and internet use.

ECONOMIC GROWTH

According to figures released by the Central Bank of Chile, the economy grew on average during the nineties at rates close to 6% annually. In the early years of this new country, growth has declined and although expectations are not as high in the context of an international crisis, the real possibility of growth until 2004 was 4%. It highlights the growth that occurred in 2005 which reached extraordinarily an annual rate of 6%, within a framework of productive order service-oriented, low inflation, fiscal balance and high levels of international reserves. However, due to some internal and external effects it is estimated that the current growth and for the next two years will be around 2%, which is expected to be reversed from 2018.

CREDIBILITY

Macroeconomic management based on pre-established rules and an autonomous and independent Central Bank; guarantee both fiscal and monetary discipline. The existing of stable and transparent rules, and efficient and independent judiciary and the presence of a dynamic and innovative private sector, citing Chile as one of the most competitive countries in the region and a range of stability that is appreciated by foreign investors.

EXPORTS

Currently a large number of companies exported nearly 4,000 different products to 176 countries, among which stands out mainly mining cooper, nitrate and lithium; agriculture wine and a high variety of fruits, sea industry stands out for salmon, canned seafood and fishmeal. Also the export of agricultural frozen products, processed foods, ceramic designs, wood and others. Also a variety of manufactured products as well, because Chile a workforce highly skilled and excellent recognition in the international market, not to mention the large number of services in the area telecommunications and consulting type business that the country offers abroad.

FOREIGN INVESTMENT

Chile has long been attractive for companies that are investing for the first time in Latin America, and who appreciate their political, economic stability and clarity of its business environment and tax matters. But the investors are learning to take this approach one step further and are using Chile not only to gain experience in the region, but also as a base from which to supply other markets. Examples abound, from mining companies such as BHP Billiton, Anglo American and Placer Dome in the north, exporting copper to world markets; Canada's Methanex at the southern end, which produces methanol and sells throughout the world. Agricultural producers and manufacturing companies in sectors ranging from the food industry, production of the best wines in the world, to salmon farming and ship building to assembling computers now provide foreign markets from Chile, taking advantage of its growing network of trade agreements.

TAX REFORM

In the year 2014, Chile amended its tax legislation passing from an integrated system to two tax regimes of which the aim is to generate tax during the year in which the profits

were earned and / or perceived, objective which aims to generate resources that will be used to address structural reforms, education among others, that the Government has considered within the work program. The tax reform and the double taxation treaties that Chile signed with different nations, are in line with the policy we have maintained over the last 30 years, to minimize the tax barriers to investment, therefore avoiding the payment of double taxes to the benefit they receive both in our nation, as when repatriate profits to their countries.

CONSEQUENCES OF CREDIBILITY IN CHILE

Using Chile as a platform for regional operations has created a significant number of new jobs, in addition, to increase technology and service exports in the country, But there are also new less tangible benefits in the form of know-how and technology. In this way, it is forming a virtuous circle that drives the development of Chile and, in turn, benefits their foreign partners.

OUR CURRENCY

The currency in Chile is the peso.

UNITS OF WEIGHTS AND MEASURES

The measurement unit in Chile is the metric system, and to measure weight is the kilogram.

FINANCE SYSTEM

At present there are eighteen Banks established and operating in Chile, of these banks are nineteen considered as banks established in Chile, which are: Banco de Chile, international Bank, Scotiabank Chile, Banco de Credito e Inversiones, Banco BICE, HSBC Bank (Chile), Banco Santander-Chile, Banco Itau Chile, Banco Security, Banco Falabella, Deutsche Bank (Chile), Banco Ripley, Rabobank Chile, Banco Consorcio, Banco Penta, Banco Paris, Banco Bilbao Vizcaya Argentaria Chile (BBVA), Banco BTG Pactual Chile. Besides the above, there are five branches of foreign banks, which are: Banco Do Brasil S.A., JP Morgan Chase Bank, Banco de la Nacion Argentina, The Bank of Tokyo-Mitsubishi UFJ, Ltd, China Construction Bank Agency in Chile, Finally, there is a State Bank which corresponds to Banco del estado de Chile. To all of them the Central Bank of Chile is added.

All listed Banks (excluding the Central Bank Chile) are subject to the supervision of the Superintendency of Banks and Financial Institutions (SBIF) and governed by D.F.L. Number 3, of the 26th of November 1997 which sets the revised text of the General banking Law and by the rules issued by this organization, collected through its Current Rules.

The General Banking Law defines what a bank is in its Article Number 40. This definition states that basically is to raise money from the public in order to give in loan, discounting bills, making investments, undertaking financial intermediation, to profit from this money and generally perform any other operation that the law allows.

State Guarantee and Preference for Deposits and Borrowings

The rules of the General Banking Law (Article 65, 123 fifth subsection, 132 and Articles 144 to 153) insure deposits in domestic or foreign currency from a bank or financial institution, the following payments:

In 100% of the amount:

- 1) Current account deposits
- 2) Passbook deposits by sight
- 3) Other deposits
- 4) Term deposits whose maturity dates do not exceed 10 days following the submission of agreement or declaration of compulsory liquidation
- 5) Deposits by passbook with term unconditional turn

90% of the total amount, with capped pay of 108 UF throughout the financial system for each calendar year term deposits, which meet the following requirements:

- 1) The holder is a natural person
- 2) That it is term deposits or passbook accounts

Foreign Investments

BUSINESS AGREEMENTS

Incentives for foreign investment have been promoted by several trade agreements. These agreements achieved the following international alliances:

TRADE AGREEMENTS

The free trade agreements that Chile has signed with other nations, have been key in encouraging companies to adopt this approach. In 1991, Chile signed a Free Trade Agreement (FTA) with Mexico and, in 1996, went on to seal a free trade agreement with Canada and to become an associate of MERCOSUR trading block formed by Argentina, Brazil, Uruguay and Paraguay. In addition, Chile has bilateral agreements of economic complementation and trade agreements with most of the Andean and Central American nations. Also it highlights the existing free trade agreements with the European Union, the United States, China, Canada, South Korea, the EFTA block (formed by Norway, Iceland, Liechtenstein and Switzerland), Singapore, New Zealand and Brunei (which, along with Chile, form the so-called block P4). It also has a Strategic Partnership Agreement with Japan.

INVESTORS TRUST

Thanks to these agreements, companies in Chile now enjoy privileged access and, in many cases, with zero tariff to a market of more than one billion consumers around the world. In response to this opportunity, a growing number of companies like British-Dutch Unilever, the Swiss Nestle, Germany Beiersdorf and Packard Bell, controlled by Japanese capital are

using their facilities in Chile to export to other markets around the region and the rest of the world.

In many cases like Packard Bell, foreign companies have formed strategic alliances with Chilean partners to Access local knowledge. In the nineties, Chilean companies, taking advantage of their experience in a competitive and deregulated domestic market, they began to expand into neighboring countries towards applying the lessons learned. For foreign investors, this is an important advantage because, in addition to their knowledge of export markets, entrepreneurs and Chilean executives have practical experience of operating in other countries.

A number of foreign investors attracted by the world-class telecommunications infrastructure that Chile has, is already using the country as a regional platform. Delta Airlines, Air France, Hewlett-Packard are just three of the companies that have adopted this strategy. All chose Chile to Have support and contact centers through which they sell tickets, answer customer questions and provide other services for the region.

A similar phenomenon is observed in the banking sector. Spanish banking group SCH uses Chile to maintain and develop processing systems for its operations across Latin America, while the US Citigroup has decided to locate a new regional software development center in Santiago.

Many international companies have started to look at the “share services” centralizing internal services such as Accounting and financial management for subsidiaries in different countries as a way to reduce their operational costs. And thanks to the reliability of its telecommunications services and the wide range of highly qualified professionals, Chile has emerged as an attractive alternative business.

DOUBLE TAXATION TREATIES:

They are international legal instruments between two states, which are incorporated into domestic law of each of them and aim to eliminate or reduce international double taxation which affect or hinder the exchange of goods and services and movements of capital, technology and people benefiting exclusively to natural or legal persons resident or domiciled in any of the Contracting States.

In general, these agreements apply to taxes on income and on capital and the procedures that contemplate to eliminate or reduce double taxation as follows:

a) The exclusive tax is granted to one of the Contracting States to tax income or capital, either the State where the company has its domicile or residence or the State where the income arises or has its source;

b) The tax is granted in both Contracting States, but setting a limit rate at which the State of source may tax certain income (interest, royalties) and,

c) A standard in which the Contracting States undertake to avoid double taxation in cases where an income is tax in both States, through the granting of credits or exemptions for taxes paid in the other State is contemplated Contractor.

Chile has double taxation treaties currently in force with Australia; Austria; Belgium; Brazil; Canada; Colombia; Korea; Croatia; Denmark; Ecuador; Spain; Ireland; Malaysia; Mexico; Norway; New Zealand; Paraguay; Peru; Poland; Portugal; United Kingdom; Russia; Sweden; Switzerland and Thailand.

On the other hand it has signed double taxation agreements with Uruguay but not in force; Argentina; China; U.S.; Italy; Japan; Czech Republic and South Africa.

EXPORT AND IMPORT POLICIES

Although world trade is growing rapidly, the free trade agreements are daily bread and OMC tries desperate to regulate every aspect concerning the subject, the fact is that the countries are managing to implement measures to protect their industries.

Some of the most common measures taken by Chile are as follows:

IMPORT POLICIES

General procedures, mainly administrative, to perform an import. Among them includes licenses, standards for customs valuation of goods and pre-shipment inspection. Tariff issues are also included.

TECHNICAL REGULATIONS AND SANITATION:

Consist in specifications regarding the characteristics that must have some products, such as requirements for packaging, marking and labeling, including sanitary, phyto and zoo sanitary measures.

INTELLECTUAL PROPERTY:

Rules governing trade and investment, in order to protect copyrights, trademarks or trade and designations of origin, among others.

SUBSIDIES:

Correspond to the economic support that a States grants to its producers. This support helps reduce production costs, creating a “distortion” in selling prices.

EXPORT SERVICES:

Services are not subject to tariffs. Thus, barriers included in this category refer to laws, rules or regulations that discriminate against the sector or Foreign Service providers. In this area they include: transport, telecommunications, financial services, etc.

COMMERCIAL DEFENSE:

They are temporary measures a country adopts to protect a domestic industry against increased imports (safeguards) or that seeks to address unfair trade practices (dumping) or when there is a public financial contribution by a government or any agency in the territory of a member and a benefit is granted (subsidies), applying a tariff surtax, an anti-dumping or countervailing duty respectively to import the product.

Creating Business

HOW TO OPERATE IN CHILE

Individuals and foreign companies not resident in Chile can develop commercial activities in the following manner:

- Appointing a representative
- Agency or branch of a foreign company
- Partnership, corporation or a corporation by shares
- Sole proprietorship limited liability

Societies can be people or capital. The people constitute for people who compose them and the capital for the contributions, so in the latter partners can be changed without approval of others, precisely what happens in corporations. A social figure widely used today is the Corporations that have mixed rules between people and corporations being its greatest virtue that can be underwritten by a single shareholder. Partnerships in the contract to create, modify or terminate the agreement or consent required of all members. Instead on capital companies it is enough the agreement of the majority over the minority.

In Chile, companies can have any sort of financial gain as long as it is not contrary to the law, morals and good customs. However, the law requires that certain companies that have special purposes can only be carry in a certain way, general corporations, which are normally under the control of the authority, in the case of banks, financial institutions, insurance companies, fund managers mutual funds, pension funds, health insurance institutions, stock exchanges and to a lesser extent, brokerages and brokers are in this category. In addition, as a rule, Chilean law does not require a minimum capital to form a corporation, except in the case of some special corporations.

The companies regulated by the Chilean Civil Code, civil partnership and civil society partnerships, are consensual contracts since the law does not establish solemnities. Other societies, that is, commercial companies, limited by shares and limited liability companies are formed by solemn contracts.

TYPES OF COMPANIES

GROUP COMPANIES

Civil societies Collective partners respond with their personal assets, the share of insolvent taxes the other partner and agreements generally taken unanimously. Civil Societies in Comanditas, the managing partners or managers respond with their personal assets and limited partners for their contribution. The dissolution of these companies, as well as its constitution, is consensual and therefore enough with the consent of the parties that they should not meet any solemnity.

The Collective Commercial, its constitution is a solemn contract which is formed and tested by public deed, which extract is inscribed in the Register of Commerce and published in the Official Journal. The essential mentions are: the full name of the partners, it is a contract that is celebrated in care of people and registered office as this will determine the competence of Real Estate, the courts, and nationality of the society to define the applicable law. The partners respond severally to social obligations under their name, that is, you can pursue any partner to fulfill a social obligation.

LIMITED RESPONSIBILITY COMPANY

They are partnerships in which partners respond to the amount of their contributions. The limited liability civil or commercial is always solemn, must be recorded in deed, which extract must register with the Registry of Commerce and published in the Official Journal. Social changes are all acts that must comply with the formalities of the constitution. In matters not covered by the law that treats companies with limited responsibilities they are additionally governed by the rules of the partnership referred to in the Civil Code and the Commercial Code.

COMPANY BY SHARES

The society by shares (SpA) was created by law 20,190 as a simplified form of anonymous and originally designed for companies of risk capital. A SpA may have one or more shareholders and a very light form of administration, since there is no need to have a directory.

Some of the advantages that have a SpA against an Individual Limited Company (EIRL) is that you can create as a sole proprietorship and then go adding new partners, which can have more than one object and that legal persons may also form this type of company.

A SpA allows great flexibility in administration and the rights and obligations relating to ownership of its shares, allowing suiting the needs of each of the needs of a business.

INDIVIDUAL COMPANY WITH LIMITED LIABILITY

An individual limited liability company is a legal person with own patrimony other than the owners patrimony. For its formation it only requires a natural person, Chilean or foreign.

An individual limited liability Company is constituted by public deed that must contain at least the stipulations laid down by law.

An extract of the deed authorized by the notary before whom it was granted is entered in the commercial register of the domicile of the Company and is published once in the Official Journal within sixty days from the date of the deed.

THE LIMITED PARTNERSHIPS (IN COMANDITA)

In this type of Company there are two kinds of partners: the managers are the only ones who have the power of administration, and the limited partners are passive or capitalist partners. In turn there are two types of companies in comanditas: the Limited Partnership, in which the limited partners are entitled in society and partnerships, and limited by shares, those shares representing the rights of members to be issued as in Corporations. The simple civil partnership is consensual, while commercial commandite simple and limited by shares are solemn.

ANONYMOUS SOCIETY (CORPORATION)

It is defined in the law as a legal entity formed by the meeting of a common fund, provided by shareholders liable only for their respective contributions and managed by a team consisting of a directory of essentially revocable members. The corporation has the same characteristics as the other companies: it is a legal person, its partners shareholders contribute money or estimated cash assets for profit, the losses are supporting the fund made by the shareholders, but are distinguished from other since the rights of partners are represented by shares contained in a title. The administration's shareholders' meeting is conducted by two professional bodies and the board, which appoints a manager. The rights of members are represented in shares of free transferability. These companies are always commercial, even when formed for civilian purposes. The corporation is of solemn character, both in its constitution, modification and dissolution, as it is formed and proof by public deed, which extract is inscribed in the Register of Commerce and published in the Official Journal.

Corporations can be open or closed. The first are those that can publicly offer its shares, for which they must register with the Securities Registry within 60 days of its formation, being subject to the supervision of the Superintendency of Securities and Insurance (SVS). In the case of banks, they are regulated by the Superintendency of Banks and Financial Institutions. Closed joint stock companies cannot make a public offering of its shares, unless voluntarily submit to supervision by the SVS. In any case, open corporations may become closed by agreement of the shareholders' meeting, leaving to be entered in the register of Securities and not being subject to the Control of the Superintendency of Securities and Insurance. The law does not require a minimum capital for its establishment, except in the case of special corporations such as the case of banks or insurance companies.

OPERATIONS THROUGH A REPRESENTATIVE

A representative acts on the basis of a mandate, contained in a contract that the non-resident investor gives a person or entity resident. The representative acts on behalf and at the risk

of the foreign investor to perform one or more business transactions. The principal and the representative are free to agree if the latter receives remuneration or not.

BRANCH OR CHILEAN AGENCY OF A FOREIGN COMPANY

A foreign company must appoint an agent to set up the branch. The legal representative must legalize, among other formal obligations, the following documents which must be written in the official language of the foreign country and must be accompanied by a translation into Castilian, if it's another language:

- Proof that the Company is legally incorporated abroad
- A certification that the Company still exists
- A certified copy of the current statutes of the company
- A general power of attorney issued by the company's legal representative that will represent it in Chile.

This power of attorney should clearly state that the legal representative acts in Chile under the direct responsibility of the company and with wide powers to act on behalf of it.

WORKING MARKET

Labor relations between employers and workers in Chile are regulated by the Labour Code, and its complementary laws, protected under an employment contract.

For all legal purposes it is defined by:

Employer: natural or legal person who uses the intellectual or material services of one or more persons under an employment contract.

Worker: any natural person who renders intellectual or material services, under dependency by subordination under an employment contract.

Self-employed: who in the exercise of the activity in question does not depend on any employer or have workers under his authority.

For purposes of labor law and social security, Enterprise means any organization of intangible personal, material or ordered under a direction to achieving economic goals, social, cultural or benefits, endowed with a particular legal individuality.

The employment contract is the means by which the employer and the worker force, it to render personal service under dependence and subordination of the former, and he to pay for these services a certain remuneration.

THE EMPLOYMENT CONTRACT MUST CONTAIN AT LEAST THE FOLLOWING INFORMATION:

1. place and date of the contract
2. individualization of the parties indicating nationality and dates of birth and income of the worker

3. determination of the nature of the services and the place or city in which they are to be paid. The contract may show two or more specific functions, whether these are alternative or complementary
4. amount, form and period of payment of the agreed remuneration
5. duration and distribution of working hours, except when the Company has a shiftwork system, in which case it will be as mention in the rules of internal procedures
6. term of the contract, and
7. other pacts agreed by the parties.

When for the hiring of a worker and if he needs to change domicile, you must do a testimony of the place of origin.

If for the nature of the services will require the displacement of the worker, it will be understood for place of work the entire geographic zone area that comprises the activity of the company.

The employment contract may be individual or collective. The contract is individual when celebrated between an employer and a worker, and is collective when it is held by one or more trade unions or workers` organizations that come together to bargain collectively, or with each other, in order to establish common conditions of work and pay for a certain time.

The employment contract is consensual, it must be in writing within the time listed below, and signed by both parties in two copies, one being held by each contractor. An employer who does not give in writing the contract within fifteen days of the built-worker or five days in the case of contracts for works, work or certain or less than thirty days duration services shall be punished by the workers body controller.

Modifications of the employment contract must be recorded in writing and must be signed by the parties on the back or in a document attached as an annex.

In the Chilean labor law are considered adults when a person is over eighteen years of age and can freely be contracted for providing services. All children under eighteen and over sixteen can enter into employment contracts if they have express permission of a parent; in their absence, the paternal or maternal grandfather; or in the absence thereof, of the guardians, persons or institutions that have taken over the child.

In regards to the nationality, the law provides that eighty percent, at least, of the workers serving the same employer shall be of Chilean nationality. Exempt from this provision is the employer who does not have more than twenty five workers.

REQUIREMENTS TO GIVE WORK TO FOREIGNERS IN CHILE:

For a foreigner to work in Chile, it must first demonstrate its residence or legal residence in the country and be duly authorized to work and qualified to do so.

Requirements to be met by foreigners for the granting of the visa subject to a work contract:

1. The Company, institution or individual shall have legal residence in the country

2. The employment contract that serves as a foundation must be signed in Chile in a Public Notary, by the employer and employee or those who represent them. If held abroad, it must be signed by the same parties before the diplomatic or consular agent competent duly authenticated by the Ministry of Foreign Affairs according to the procedures laid down in the Code of Civil Procedure.
3. For professionals or specialized technicians, must prove, with duly legalized their title. Otherwise, they shall show proof of their capacity and knowledge in their specialty, by submitting a work certificate or other documents.
4. The exercise of the profession, activity, or work contract, is essential or necessary for the development of the country, may be required for this purpose, the report of the Association or relevant professional or technical school, or competent official body.
5. That the activities performed by the foreigner in Chile are not to be considered dangerous or threatening for national security. If there is doubt about the nature of the work that the applicant has to perform in the country, it must first consult the Ministry of National Defense, and
6. That also, must be verified that the recruitment and contract complies with the general provisions of labor and provisional order which are pertaining.

NORMAL WORKING HOURS:

The working hours shall not exceed forty-five hours a week.

The employer may extend the normal working hours up to two hours a day in the periods immediately preceding Christmas, national holidays and other festivities, in this case the hours that exceed the maximum indicated above, shall be paid as overtime.

Overtime may only be agreed to meet temporary needs or situations of the Company. Such agreements must be in writing and have a transitory effect no more than three months and may be renewed by agreement of the parties. Despite the lack of agreement in writing, shall be deemed extraordinary the work in excess of the agreed working hours, with knowledge of the employer.

Overtime will be paid a recharge of fifty percent on the agree salary for an ordinary working day and must be settled and paid in conjunction with ordinary remunerations for the respective period.

The hours worked for compensation for a permit are not overtime, provided that such compensation has been requested in writing by the employee and authorized by the employer.

REST DURING THE WORKING DAY:

The working day is divided into two parts, leaving between them, at least, a half-hour for lunch. This interim period is not considered work, therefore it is not considered as part of the working day.

Sundays and those days that are declared public holidays, will be of rest, except with respect to the activities authorized by law to work in these days. It's exempted from this rule the activities or tasks that require continuous production work, or by major force requiring the presence of workers. Companies that exempted Sunday rest should give one day off a week in compensation to the activities carried out on Sunday, and one for each public holiday that workers have served.

REMUNERATION:

It means the consideration in cash and additional species in evaluable money to be paid to the worker's employer because of the work contract.

Do not constitute remuneration allocations of mobilization, loss of petty cash, tool wear and meals, travel allowances, family benefits granted in accordance with the law, compensation for years of service, and others who come to extinguish the contractual relationship or generally returns expenses incurred because of work.

IS PART OF THE REMUNERATION:

1. Wages, which is the fixed stipend, in money, paid for equal periods determined in the employment contract for doing their services.
2. Bonus, consisting of the remuneration of overtime work.
3. Commission, which is the percentage of a purchase or sales price, or other operations that the employer carried out with the collaboration of the worker.
4. Participation, which is the share in the profits of a particular business or Enterprise or only one or more sections or branches of it, and
5. Gratification corresponds to a portion of the profits with which the employer benefits the salary of the worker.

The remuneration will be paid in legal currency, with the frequency stipulated in the employment contract and the agreed period may not exceed one month.

The employer shall deduct from the wages the taxes, social security contributions, obligations with welfare institutions, or public bodies.

LEGAL HOLIDAY:

Workers with more than one year of service are entitled to an annual holiday of fifteen working days, for the holiday purpose, Saturday is considered a non-business day.

During the legal holiday, the remuneration shall consist of the salary in the case of workers subject to a fixed remuneration system. In the case of employees with variable remuneration, remuneration shall be the average of the last three months worked.

The legal holiday cannot be compensated in money. Only if the worker taking the necessary requirements to make use of its holiday, ceases to belong to the company, time must be compensated by way of holiday would have been entitled.

ACCOUNTING AND RECORDS

In Chile there are several institutions responsible for controlling the provisions issued by law and to be met by companies incorporated in the country:

CHILEAN ASSOCIATION OF ACCOUNTANTS AG:

The main institution that regulates the profession in Chile is the Association of Accountants of Chile AG, which has its origin in 1932 creating the National Register of Accountants, which brought the profession through the Law number 5.102 then in 1958 was created through law number 13,011 the “Association of Accountants of Chile” Law, to become by operation of Decree Law number 2.757 of 1979 in the current Association of Accountants of Chile AG, which aims to promote rationalization, development and protection of the profession of Accountant activities; spread among the community the role of the profession; ensure their progress, prestige, refinement and prerogatives, by regular and proper exercise; ensure the effective incorporation of accountants to cultural, economic and social development of the country and maintain professional discipline of its members and issuing accounting standards.

SUPERINTENDENCY OF SECURITIES AND INSURANCE (SVS):

The Superintendency of Securities and Insurance is an autonomous institution with legal personality of its own, which is related to the Government through the Ministry of Finance. It aims to top control activities and entities involved in the securities markets and insurance in Chile. Thus, the SVS is responsible for ensuring that the persons or supervised institutions, from its inception until the end of its liquidation, comply with laws, regulations, statutes and other regulations governing the operation of these markets. The Superintendency of Securities and Insurance (SVS) has among its main objectives to ensure the transparency of the markets it oversees, through timely and wide dissemination of public information maintained and collaborate on knowledge and education of investors, policyholders and public in general. All of them essential for the development and proper functioning of those markets elements. Based on these principles, the transparency policy promoted by the Government of Chile and framed in the strategy of bringing government services to citizens.

SUPERINTENDENCY OF BANKS AND FINANCIAL INSTITUTIONS (SBIF):

The Superintendency of Banks and Financial Institutions (SBIF) was created in 1925 and is a public institution, autonomous, whose status is in Title 1 of the consolidated text of the General Law on Banks, according to decree with force of Law number 3 1997 Ministry of Finance, and is related to the Government through the Ministry. The upper head of the SBIF is the Superintendent who is appointed by the President of the Republic.

The mandate imposed by the General Law on Banks to the Superintendency of Banks and Financial Institutions (SBIF), is supervising commercial Banks and other financial institutions, to safeguard depositors or other creditors and the public interest.

ENTITIES THAT REQUIRE AUDITS:

Companies incorporated in Chile under the name of corporations, and deal its shares on the Stock Exchange of Chile, are identified as open corporations, are monitored by the Superintendency of Companies, and must be audited by audit firms with the SVS.

Banks and Financial Institutions, controlled by the Superintendency of Banks and Financial Institutions must be audited by audit firms registered with the SVS.

Corporations that are not open, the audit are requested by the directors to the extent they deem appropriate. In Chile a strong numbers of companies requesting audit services and for that a very interesting market.

THE COMPANY

The firm currently has partners that make up a professional team capable of addressing the multiple needs of management in the areas of auditing, taxation, and human resources, Accounting outsourcing, business services and financial advice.

Each partner manages a portfolio of assigned clients and firm policy, each of which is permanently informed of the progress of work in each company to provide personalized service and continuity in each company.

The organization is qualified through its professionals to assist the Company in a comprehensive manner in the detection and resolution of problems of general administration, which entered with a focus on permanent and global assistance UHY Guinazu & Associates SpA gives its customers.

OUR MISSION:

We are a comprehensive consulting firm, suppliers of services and quality excellence in Business consultants, financial audit, operational, management, Tax, Consulting, Human Resources, Outsourcing, etc. We are constantly strengthening our human capital to provide our clients with effective and innovative solutions that meet their needs honestly and efficiently.

OUR VISION:

Being a company leader in high-quality services in the areas of Tax, Outsourcing, Consulting, Audit and Human Resources. We will always strive to deliver solid knowledge given the experience, background and diversity of our professionals, who are highly qualified and have a mastery of best practices and national and international standards. Our goal is to be a team that provides a comprehensive and personalized service to our customers, under a strict code of conduct.

OUR VALUES:

We are committed to our customers; we work with professionals who are involved in each work and service. We have a wide range of services, the use of international resources, business globalization, cutting edge technology and a continuous training history.

UHY Guinazu & Associates SpA is created in 1989. Its staff is composed of professionals audit accountants of a middle consultancy company.

Since its inception the basis of the services offered by **UHY Guinazu & Associates SpA** was based on the tax advice and related taxes troubleshooting customers with the Internal Revenue Service.

With the passage of time and given the characteristics of the client and according to the needs of these, were incorporated other services such as accounting services, outsourcing audits in human resources, pay-roll (private role), consulting and financial advice. In the last five years have strongly developed the services of financial audit, operational audit, controllership services, organization and method and consultancies related to the formation of holdings, mergers, divisions of companies and due-diligences among others.

The strong commitment to our customers for the constant development and growth of the portfolio, the partners of **UHY Guinazu & Associates SpA** we have demanded ourselves in a way to obtain for Chile the representation of an international firm to support the rigorous and high level quality that we intend to carry out on the work we do for our clients.

In February 2016, **UHY Guinazu & Associates SpA** was incorporated and was named Full Member of UHY International, (Urbach Kahn & Welin PC, Hacker Young and Urback Hacker Young International Limited).