

# 2026 Chile Investment Climate Statement

## Executive Summary

With the third-highest GDP per capita in Latin America, Chile has historically enjoyed economic stability and prosperity. Chile's solid macroeconomic policy framework gives the country one of the strongest sovereign bond ratings in Latin America. According to its Central Bank, Chile's economic growth was 2.5 percent in 2025.

Despite its relatively small domestic market, Chile has successfully attracted foreign direct investment (FDI), with an FDI to GDP ratio of 81 percent. The country's market-oriented policies create significant opportunities for foreign investors to participate in the country's economic growth. Chile has a sound legal framework, and there is general respect for private property rights. Sectors that attract the most FDI are:

- Mining
- Financial services (including pensions and health insurance)
- Data centers and
- Utilities (including electricity, energy, water, and telecommunications)

Mineral, hydrocarbon, and fossil fuel deposits in Chile are restricted from foreign ownership, but companies may sign resource extraction contracts with the government. A new law passed in July 2025 will streamline sectoral permits for investment projects by agencies and local governments. The government, under the new administration inaugurated on March 11, 2026, prioritizes additional efforts to cut red tape and attract foreign investment, including in resource extraction sectors.

Although Chile is an attractive destination for foreign investment, challenges remain. Chile has not fully complied with its obligations set forth in the Intellectual Property chapter of the U.S.-Chile Free Trade Agreement (FTA). A pension reform passed in January 2025 will establish a mandatory employer contribution to increase savings. This reform also aims to increase

competition by reassigning a randomly selected fraction of individual accounts to the lowest bidder in a mandatory auction process. Some firms currently invested in the system have voiced concerns that the repeated forced auctioning of accounts will lead to poorer service and returns.

## **Section 1. Openness to, and Restrictions upon, Foreign Investment**

### **Policies toward Foreign Direct Investment**

Chile is a market-oriented economy, open to foreign trade and investment, where the government publicly welcomes FDI. Laws and business practices do not discriminate against foreign investors, who receive treatment no less favorable than Chilean nationals and domestic companies. Chile's business climate is generally straightforward and transparent, and its legal and policy framework for FDI promotion has remained consistent through administrations of different political leanings. However, permitting processes for infrastructure, mining, and energy projects are lengthy and outcomes are less predictable in cases involving politically sensitive environmental impact assessments, water rights issues, and indigenous consultations. Recognizing its impact on FDI attraction, over the last year, the government passed legislation to address this issue in part (sectoral permits), as well as deteriorating public security, for which it also created a new ministry.

InvestChile is the government agency responsible for promoting the entry and retention of FDI into Chile. InvestChile carries out programs and services to attract investment, provide legal and sector-specific information, facilitate the establishment of new businesses, and provide export and reinvestment assistance.

### **Limits on Foreign Control and Right to Private Ownership and Establishment**

Foreign investors have broad access to Chilean industries. A new law passed on November 19, 2025, eliminated a restriction on foreign ownership for companies operating in the domestic maritime freight sector – previously capped at 49 percent – though it maintained the requirement that crews be 100 percent Chilean nationals. Since 2019, foreign cruise vessels carrying over 400 passengers are allowed to transit between domestic ports. Some

international reciprocity restrictions apply in the fisheries sector.

With few exceptions, enterprises in Chile may be 100 percent owned by foreigners. Chile only restricts the right to private ownership or establishment in certain sectors it defines as “strategic,” such as nuclear energy and mining. The Constitution establishes the Chilean state’s ownership of all mineral, hydrocarbon, and fossil fuel deposits within Chilean territory. However, Chilean law allows the government to grant concession rights and enter into lease agreements with individuals and companies for exploration and exploitation activities, and to assign contracts to private investors, without discrimination against foreign investors.

Chile does not have an investment screening mechanism. FDI formal approval procedures are expeditious, and investments are usually approved. Some transactions require prior review by the National Economic Prosecutor (Chile’s antitrust authority) or by sector-specific regulators.

## **Business Facilitation**

The Chilean government took significant business facilitation steps over the past decade, introducing online systems for submitting tax information and registering closed corporations (i.e., non-public corporations). The Ministry of Economy’s Unified System for Permits (SUPER) – an online single-window platform – brings together license and permit procedures for investment projects. However, the private sector in general considers the permitting approval process lengthy and overly cumbersome. Chile supports the WTO Joint Initiative on Investment Facilitation for Development.

The initial [steps to establish a foreign-owned limited liability company \(LLC\) in Chile](#) – drafting statutes of a company and obtaining an authorization number – can be done online. Electronic signature and invoicing allow foreign investors to register a company, obtain a taxpayer identification number and get:

- Legal receipts
- Invoices
- Credit and debit notes and
- Accounting registries

A company typically needs to:

- Register with Chile's Internal Revenue Service
- Obtain a business license from a municipality and
- Register either with the Institute of Occupational Safety (public) or with one of three private nonprofit entities that provide work-related accident insurance, which is mandatory for employers

In addition to the steps required of a domestic company, a foreign company establishing a subsidiary in Chile must authenticate the parent company's documents abroad and register the incoming capital with the Central Bank. This procedure, established under Chapter XIV of the Foreign Exchange Regulations, requires a notice of conversion of foreign currency into Chilean pesos when the investment exceeds \$10,000. The registration process at the Registry of Commerce of Santiago is available online.

## Section 2. Investment and Taxation Treaties

[Chile has signed 55 bilateral investment treaties \(BITs\), 31 of which are currently in force.](#) [Chile also has 34 free trade agreements \(FTAs\) with 66 economies or countries](#), including the U.S.-Chile FTA, which entered into force in 2004 and has an investment chapter. Chile signed two trade agreements that include investment provisions, but which have not yet entered into force:

- The Comprehensive Economic Partnership with the United Arab Emirates and
- The FTA between the Pacific Alliance and Singapore

The U.S.-Chile Bilateral Tax Treaty, signed in 2010, entered into force in December 2023.

## Section 3. Legal Regime

### Transparency of the Regulatory System

Chile's legal, regulatory, and accounting systems are transparent, generally provide clear rules

for competition and a level playing field for foreigners, and are consistent with international norms. However, Chile does not have a centralized regulatory oversight body. Four institutions play key roles in the rule-making process:

- The Ministry General Secretariat of the Presidency (SEGPRES)
- The Ministry of Finance
- The Ministry of Economy and
- The General Comptroller of the Republic

Most regulations come from the national government, but some – particularly those related to land use – are decided at the local level. Both national and local governments are involved in the issuance of environmental permits. Regulatory processes are managed by governmental entities. NGOs and private sector associations may participate in public hearings or comment periods.

In Chile, non-listed companies follow norms issued by the Chilean Accountants Association, while publicly listed companies, multinational companies, and financial companies use the International Financial Reporting Standards (IFRS). IFRS 16 entered into force in January 2019. On January 1, 2022, Chile's Financial Market Commission (CMF) began implementation of the IFRS 17 accounting standards in the Chilean insurance market. IFRS 18 will be mandatory in Chile starting on January 1, 2027.

The legislative process in Chile allows for public hearings during discussion of draft bills in both chambers of Congress. Draft bills submitted to Congress by the Executive Branch are readily available for public comment. Ministries and regulatory agencies are required by law to give notice of proposed regulations and, since 2022, ministries are required to establish citizen participation mechanisms. Some regulations must be evaluated four years after their enactment, and each ministry must publish a list of existing regulations for the public to provide feedback for potential review. For lower-level regulations or norms that do not need congressional approval, there are no formal provisions for public hearing or comment. All decrees and laws are published in the Official Gazette, but there is no other centralized online location to find regulations.

While, according to the OECD, regulatory compliance rates in Chile are generally high, regulators' approach remains punitive and focused on inspection rather than on prevention and fostering compliance. Each institution with regulation enforcement responsibilities has its own sanction procedures. Law No. 19,880 of 2003 establishes the principles for reversal and hierarchical recourse against decisions by the administration. An administrative act can be challenged by lodging an action in the ordinary courts of justice, or by administrative means with a petition to the Comptroller General of the Republic. Affected parties may also make a formal appeal to the Constitutional Court against a specific regulation.

Systemic inefficiencies explain the complexity of Chile's permitting system, which affects domestic and foreign investors alike. A 2019 report from the National Productivity Commission – a presidential advisory body on regulations and public policies – identified challenges including:

- Insufficient human, material, and information resources
- Imprecise deadlines for permits
- Inconsistent regulations and
- Lack of coordination between different agencies

These factors result in the lack of predictability for permit approval, issuance, and revocation.

However, there have been recent regulatory reform efforts. The 2025 OECD Regulatory Policy Outlook highlighted that, in 2022, Chile updated its regulatory impact assessment system, requiring assessments for any major amendments to executive bills. On July 1, 2025, the Chilean Congress passed Law No. 21,770 on Sectoral Authorizations, which aims to streamline investment project approvals by multiple agencies and local governments by reducing timeframes, introducing approval by default, and increasing predictability. A draft bill introduced in January 2024, which aims to modernize the environmental evaluation system – including mandatory indigenous consultation required by the International Labor Organization's Indigenous and Tribal Peoples Convention (ILO 169) – is under discussion in Congress. A bill that establishes the Agency for Quality of Public Policies and Productivity as the oversight body responsible for promoting regulatory coordination, evaluation, and best practices, passed by

the Lower Chamber in September 2024, is under discussion in the Senate. Chile's level of fiscal transparency is excellent. Information on the budget and debt obligations, including explicit and contingent liabilities, is easily accessible online.

## **International Regulatory Considerations**

Chile does not share regulatory sovereignty with any regional economic bloc. However, regulations reference or incorporate several international norms or standards from multilateral organizations (UN, WIPO, ILO, among others). As a member of the WTO, Chile notifies draft technical regulations to the WTO Committee on Technical Barriers to Trade (TBT).

## **Legal System and Judicial Independence**

Chile's legal system is based on civil law. Chile's legal and regulatory framework provides for effective means for enforcing property and contractual rights.

Laws governing issues of interest to foreign investors are found in several statutes, including the:

- Commercial Code of 1868
- Civil Code
- Labor Code and
- General Banking Act

Chile has specialized courts for dealing with tax and labor issues.

The judicial system in Chile is generally transparent and independent. The likelihood of government intervention in court cases is low and state-owned enterprises or other government institutions are not given favorable treatment. If a state-owned firm is involved in a dispute, the Government of Chile may become directly involved through the State Defense Council, which represents the government interests in litigation cases related to expropriations. Regulations can be challenged before the court system, the National Comptroller, or the Constitutional Court, depending on the nature of the claim.

## Laws and Regulations on Foreign Direct Investment

Chile's framework for foreign investment is set by Law No. 20,848 of 2015, which created InvestChile and the Agency for the Promotion of Foreign Investment (APIE), the successor to the former Foreign Investment Committee. The [InvestChile website](#) provides relevant laws, rules, procedures, and reporting requirements for investors.

Several new laws relevant for FDI entered into force in 2025, including:

- Law No. 21,752, which established a new framework for distributing the total allowable catch quota between the artisanal and industrial fishing sectors
- Law No. 21,750, which amends the Public Works Concessions Law to establish new safety and surveillance obligations for road works concession holders
- Law No. 21,757, which establishes a gradual mechanism to increase women's participation on corporate boards and
- The Framework Law on Sectoral Authorizations, which modernizes Chile's permit system by establishing minimum procedural standards to standardize, simplify, and make more predictable the processing of sectoral authorizations for investment projects by government agencies

## Competition and Antitrust Laws

The National Economic Prosecutor (FNE) is the agency responsible for defending and promoting competition in all markets, according to Chile's Competition Defense Law (Law Decree No. 211). The FNE undertakes preventive control of mergers or acquisitions to determine whether they can substantially reduce competition in the affected markets. The FNE also conducts investigations for antitrust offenses, including:

- Abuse of a dominant position
- Predatory pricing
- Unfair competition and
- Interlocking directorates

The FNE may file complaints before the Free Competition Tribunal (TDLC). TDLC decisions may be appealed to and reviewed by Chile's Supreme Court.

In May 2025, the FNE sued Google for allegedly restricting free competition in the markets for app distribution and paid subscriptions to services using payment systems within apps, at least since 2019. The FNE is seeking an \$89 million fine against Google.

In June 2025, the Supreme Court upheld a ruling from the TDLC in February 2024 against TWDC Enterprises 18 Corp. (a Disney Group subsidiary) for submitting false information about its merger with 21st Century Fox in the cable television services market in 2018. The Supreme Court confirmed the TDLC's \$2.3 million fine on Disney. In May 2025, the Supreme Court upheld the ruling issued by the TDLC in 2024 against TNT Sports (owned by Warner Bros. Discovery), a Chilean soccer pay-tv channel, and confirmed a \$28 million fine – the highest ever under Chilean competition law – for abusing its dominant position through its practices regarding pay-tv operators.

## **Expropriation and Compensation**

Chilean law grants the government authority to expropriate property, including foreign-owned property, only for public interest or national interest purposes, on a non-discriminatory basis and in accordance with due process. The government has not nationalized a private firm since 1973. Expropriations of private land take place in a transparent manner, and typically only when the purpose is to build roads or other types of infrastructure. The law requires the payment of immediate compensation at fair market value, in addition to any applicable interest.

## **Dispute Settlement**

### ***ICSID Convention and New York Convention***

Chile is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention).

National arbitration law in Chile includes the Civil Procedure Code (Law No. 1,552, modified by Law No. 20,217 of 2007) and Law No. 19,971 on International Commercial Arbitration.

### ***Investor-State Dispute Settlement***

Local courts respect and enforce foreign arbitration awards, and there is no history of extrajudicial action against foreign investors.

The U.S.-Chile FTA's investment chapter provides the right for investors to submit claims under the ICSID Convention, the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules, or any other mutually agreed upon arbitral institution. Under the U.S.-Chile FTA, companies can initiate a claim if they do not achieve a resolution in previous consultations with the Chilean government. One U.S. investor took legal action against the Chilean state before domestic courts, after the government allegedly breached the terms of a public procurement contract for school food programs.

### ***International Commercial Arbitration and Foreign Courts***

Mediation and binding arbitration exist in Chile as alternative dispute resolution mechanisms. A suit may also be brought in court under expedited procedures involving the abrogation of constitutional rights. The U.S.-Chile FTA investment chapter encourages consultations or negotiations before recourse to dispute settlement mechanisms. If the parties fail to resolve the matter, the investor may submit a claim for arbitration. Provisions in Section C of the FTA ensure that the proceedings are transparent by requiring that all documents submitted to or issued by the tribunal be available to the public, and by stipulating those proceedings be public. The FTA investment chapter establishes clear and specific terms for making proceedings more efficient and avoiding frivolous claims. Chilean law is generally to be applied to all contracts. However, arbitral tribunals decide disputes in accordance with FTA obligations and applicable international law. The tribunal must also accept *amicus curiae* submissions.

The Chilean Judiciary Code and the Civil Procedure Code govern domestic arbitration. Local courts respect and enforce foreign arbitral awards and foreign courts' judgments. International commercial arbitration in Chile follows the International Commercial Arbitration Act, modeled

on the 1985 UNCITRAL Model Law on International Commercial Arbitration. In addition to this statute, Law Decree No. 2,349 regulates public sector international contracts and sets forth a framework for the State and its entities to submit their disputes to international arbitration.

No Chilean SOEs have been involved in investment disputes in recent decades. A Chilean government agency filed an arbitration case in February 2021 against a U.S. firm at the International Chamber of Commerce International Court of Arbitration. On April 26, 2024, both parties settled the dispute amicably and agreed on amendments to the contract that was the matter of dispute.

## **Bankruptcy/Insolvency Regulations**

Chile's 1982 Insolvency Law was updated in October 2014. The current law aims to clarify and simplify liquidation and reorganization procedures for businesses to prevent criminalizing bankruptcy. It also established the new Superintendence of Insolvency and created specialized insolvency courts. Creditors' approval is required to select the insolvency representative and to sell debtors' substantial assets. The creditor also has the right to object to decisions accepting or rejecting creditors' claims. However, the creditor cannot request information from the insolvency representative. The creditor may file for insolvency of the debtor, but for liquidation purposes only. The creditors are divided into classes for the purpose of voting on the reorganization plan; each class votes separately, and creditors in the same class are treated equally.

## **Section 4. Industrial Policies**

### **Investment Incentives**

The Chilean government generally does not subsidize foreign investment, but there are some incentives available in the same terms for both domestic and foreign investors. Incentives include:

- Tax incentives for investment projects in Chile's northernmost and southernmost regions

- Deductions of up to 50 percent of R&D expenses for investments of at least \$7,000
- VAT exemption on imports of capital goods (machines, vehicles, equipment, and accessories) for investment projects of at least \$5 million and
- Up to \$80,000 in equity-free funds, along with Chilean work visas, for select entrepreneurs through the Start-Up Chile public accelerator program to develop technology-based businesses in Chile, which are eligible for corporate income tax breaks for their first three years of operation

## **Foreign Trade Zones/Free Ports/Trade Facilitation**

Chile has two free trade zones:

- In the northern port city of Iquique and
- In the southern port city of Punta Arenas

Merchants and manufacturers in these zones are exempt from corporate income tax, value added taxes (VAT) – on operations and services that take place inside the free trade zone – and customs duties. The same exemptions also apply to manufacturers in the Chacalluta and Las Americas Industrial Park in Arica (Arica and Parinacota Region). Mining, fishing, and financial services are not eligible for free trade zone concessions. Foreign-owned firms have the same investment opportunities in these zones as Chilean firms. The process for setting up a subsidiary is the same inside as outside the zones, regardless of whether the company is domestic or foreign owned.

## **Performance and Data Localization Requirements**

Chile does not follow “forced localization,” nor does it apply requirements for foreign IT providers to turn over source code and/or provide access to encryption. There are no restrictions on the free transmission of customer or business-related data outside the country, and no local data storage requirements. Chile’s Intellectual Property Law protects all forms and modes of computer programs. However, foreign firms’ international data transfers must comply with data protection standards set by Law No. 21,719 on Personal Data Protection and

Treatment, modeled after the European Union’s General Data Protection Regulation (GDPR), which will enter into force in December 2026 and will be subject to fines for non-compliance.

Neither InvestChile nor the Central Bank applies performance requirements on proposed investment projects. U.S.-Chile FTA’s investment chapter prohibits performance requirements on all investments, while it spells out certain exceptions for government procurement, export programs, and foreign aid programs, as well as non-discriminatory health, safety, and environmental requirements.

## **Section 5. Protection of Property Rights**

### **Real Property**

Property rights and interests are recognized and generally enforced in Chile. There is a recognized and generally reliable system for recording mortgages and other forms of liens.

There are no restrictions on foreign ownership of buildings and land, nor restrictions on foreign and/or non-resident investors regarding land leases, and no time limit on the property rights acquired by them. The only exception, based on national security grounds, is for land located in border territories, which may not be owned by nationals or firms from border countries, without prior authorization of the President of Chile.

Unoccupied properties can always be claimed by their legal owners. Usurpation is a criminal offense, and several kinds of eviction procedures are allowed by the law, though they can sometimes be onerous and lengthy.

### **Intellectual Property**

Chile’s 1970 Industrial Property Law provides a broad legal framework for the protection of intellectual property (IP) rights, which has been updated several times in recent years. Law No. 21,335 of 2022 introduced protections of non-traditional trademarks, provisional patent applications, and the right to claim compensation for patent usurpation. Law No. 21,595 of 2023 on economic crime imposed high penalties on trade secrets theft, including incarceration. In the last decade, the Industrial Property National Institute (INAPI) - Chile’s IP authority –

introduced an online application process for all patents and trademarks and reduced its patent backlog significantly. In 2025, it reached its shortest average processing time for trademark applications (8.4 months) and for patents applications without a pre-grant opposition (2.3 years). However, Chile's marketing approval system for pharmaceutical products still fails to resolve previous patent issues and does not protect rightsholders against unfair commercial use and/or unauthorized disclosure of data generated for the marketing approval. Chile's health public procurement agency (CENABAST) introduced in 2025 a voluntary notification mechanism with the industry that would address previous patent issues before public purchases.

Law No. 21,426 of 2022 established new sanctions and procedures against trade in illicit and counterfeit goods. A 2023 law against organized crime and two bills from 2025 that address counterfeit goods' public health risks, and links with money laundering crimes, would strengthen these authorities. During 2025, the Intellectual Property Brigade (BRIDEPI) of the Chilean Investigative Police (PDI) seized 1,148,152 counterfeit products worth a total of \$10.2 million, while the National Customs Service seized over nine million counterfeit products. Expertise in IP law has grown among Chilean judges, and dozens of IP violation cases have been prosecuted in Chilean courts in the last two years, mostly involving counterfeits and unauthorized use of trademarks. However, stakeholders note enforcement efforts have been insufficient against high levels and new forms of online piracy.

Chile's Congress is reviewing legislation which could impact the IP environment. In January 2026, it resumed discussion of a bill, submitted by the Executive Branch in December 2021, to establish protection against the circumvention of technological protection measures (TPMs). On June 9, the lower chamber's Economy Committee approved the bill, which will proceed to a plenary vote before moving to the senate. Congress is also considering a bill to regulate artificial intelligence (AI), submitted by the government in May 2024 and inspired by the EU AI Act (Regulation 2024/1689). Legislators have debated whether to include a broad copyright exception for the training of AI models.

Since 2007, Chile has been on the United States Trade Representative's (USTR) Special 301 Priority Watch List, which notes significant challenges regarding pending IP obligations under the U.S.-Chile FTA. These include Chile's failure to pass implementing legislation of the 1991

Act of the International Union for the Protection of New Varieties of Plants Convention (UPOV 1991), as well as pending discussion of legislation on TPMs. Challenges also include the need to:

- Clarify the scope of activities criminalized under Chile’s 2018 law against satellite piracy
- Clarify remedies, penalties, and available procedures of Chile’s 2018 law against satellite piracy and
- Improve Chile’s internet service provider liability framework to permit effective and expeditious action against online piracy

Chile is not listed in the USTR’s Notorious Markets List. For additional information about national laws and points of contact at local IP offices, please see [WIPO’s country profiles](#).

## **Section 6. Financial Sector**

### **Capital Markets and Portfolio Investment**

Chile’s developed capital markets are open to foreign portfolio investors. Foreign firms offer services in Chile in areas such as:

- Financial information
- Data processing
- Financial advisory services
- Portfolio management
- Voluntary saving plans and
- Pension funds

Under the U.S.-Chile FTA, Chile significantly opened its insurance sector, with very limited exceptions. The Santiago Stock Exchange is Chile’s dominant stock exchange, and the third largest in Latin America, but it has lower market liquidity than other OECD countries’ stock exchanges. A pension reform passed in January 2025 will increase the mandatory contribution

rate and help increase Chile's capital markets depth through investments made by pension funds administrators.

The free flow of financial resources into Chile's real economy allows its commodity export-dependent economy to adjust to external shocks. Chile accepted the obligations of the International Monetary Fund's Article VIII (sections 2, 3 and 4) and maintains a free-floating exchange rate system, free of restrictions on payments and transfers for current international transactions. Credit is allocated on market terms, and its various instruments are available to foreigners. The Central Bank of Chile (CBC) reserves the right to restrict foreign investors' access to internal credit in case of a credit shortage but has not exerted this authority to date.

## **Money and Banking System**

Chile has the highest banking services penetration rate in Latin America, with more than 90 percent of adults having a bank account. The Chilean banking system is healthy and competitive. Under the 2019 General Law of Banks (LGB) guidelines, all Chilean banks met Basel III requirements, ahead of its implementation deadline on December 1, 2025. The Financial Market Commission (CMF), a public institution, is the financial regulator overseeing banks, insurance companies and the stock market. The banking system's liquidity position (Liquidity Coverage Ratio) is on average above 200 percent, more than twice the regulatory limit (100 percent). As of December 2025, according to the CMF, the capital adequacy ratio of the system was 17.2 percent and remains robust even when including discounts due to market or operational risks. Non-performing loans (i.e., loans 90 days past due) were 2.42 percent compared to 2.35 percent in December 2024. Total assets of the Chilean banking system amounted to \$454.9 billion. The largest six banks accounted for 85.4 percent of the system's assets:

- Banco de Crédito e Inversiones
- Banco Santander-Chile
- Banco Estado
- Banco de Chile

- Itaú Chile and
- Scotiabank Chile

The Central Bank of Chile (CBC) conducts monetary policy, is constitutionally autonomous from the government, and is not subject to regulation by the CMF.

Foreign banks are allowed to operate in Chile. Out of 17 banks currently in Chile, five are foreign owned (including three out of the six largest) and three are branches of foreign banks. All of them are subject to the same Chilean banking law requirements and CMF supervision as domestic banks. There are also 25 representative offices of foreign banks in Chile, six of them from the United States. There are no reports of correspondent banking relationships withdrawal in Chile. To open a bank account in Chile, a foreigner must present a Chilean ID Card or passport and a Chilean tax ID number, as well as proof of address and income/solvency.

## **Foreign Exchange and Remittances**

### ***Foreign Exchange***

Foreign investors are not restricted from converting, transferring, or repatriating funds associated with an investment, and they have access to foreign exchange in the official inter-bank currency market. Law No. 20,848, which regulates FDI, protects foreign investors from arbitrary discrimination and guarantees their access to the formal foreign exchange market, as well as the free remittance of capital and profits. The CBC may require that certain international exchange operations be carried out exclusively in the Formal Exchange Market (MCF) – comprised of banks and other institutions authorized by the CBC – and/or that they be reported to the CBC:

- Derivatives
- Credits
- Investments
- International transport companies and
- Payment card operators

Chile has had a free-floating (flexible) exchange rate system since 1999. The CBC reserves the right to intervene, under extraordinary deviations of the currency from its fundamentals, to preserve financial stability, but not to maintain a determined exchange rate level. The CBC has used this authority seven times since 1999 – most recently when it injected \$25 billion into the foreign exchange market between July and September 2022 following an unusual depreciation of the Chilean peso (CLP) due to external shocks.

### ***Remittance Policies***

Investors may remit profits generated by investments any time after tax obligations are fulfilled and may remit capital after a year of its entry into the country. In practice, this permanency requirement does not restrict productive investment, because projects normally need more than one year to mature. Under the investment chapter of the U.S.–Chile FTA, the parties must allow free transfer and without delay of covered investments into and out of its territory, including:

- Transfers of profits
- Royalties
- Sales proceeds and
- Other remittances related to the investment

However, for certain types of short-term capital flows, this chapter allows Chile to impose transfer restrictions for up to 12 months, only if those restrictions do not substantially impede transfers, in which case damages accrue from the date of the initiation of the measure. In practice, these restrictions have not been applied in the last two decades.

### **Sovereign Wealth Funds**

The Government of Chile maintains two sovereign wealth funds (SWFs), established by the 2006 Fiscal Responsibility Law, built with savings from years with fiscal surpluses:

- The Economic and Social Stabilization Fund (FEES) had approximately \$3.9 billion in assets under management as of February 2026. Its purpose is to fund public debt

- payments and temporary deficit spending to keep a countercyclical fiscal policy.
- The Pensions Reserve Fund (FRP) had approximately \$10.3 billion in assets under management as of February 2026. Its purpose is to anticipate future payment needs to those eligible to receive pensions, but whose contributions to the private pension system fall below a minimum threshold.

The Chilean government invests both SWFs entirely abroad into foreign currency-denominated instruments, including:

- Sovereign bonds
- Treasuries
- Corporate and high-yield bonds
- Mortgage-backed securities from U.S. agencies and
- Stocks

Approximately 68.4 percent of the FEES (\$2.7 billion), as well as 52.4 percent of the FRP (\$5.3 billion), were invested in assets based in the United States as of February 2026.

Chile is a member of the International Forum of Sovereign Wealth Funds (IFSFWF) and adheres to the Santiago Principles.

## **Section 7. State-owned Enterprises**

Chile had 28 state-owned enterprises (SOEs) as of 2024, of which 27 are commercial companies and one (FOINSA) is an infrastructure fund that facilitates public-private partnership projects. Twenty-five of the SOEs are not listed and are fully owned by the government, while the remaining three are majority government-owned. Chilean SOEs include:

- 10 in the port management sector
- Six in the services sector
- Three in the defense sector

- Three in the mining sector (including CODELCO, the world's largest copper producer, and ENAP, an oil and gas company)
- Two in transportation
- One in the water sector
- One TV station and
- One state-owned bank (Banco Estado)

The state holds a minority stake in four water companies, subsequent to privatization. In 2024, total assets of Chilean SOEs amounted to approximately \$81.2 billion, while their total net income was approximately \$2 billion. Chilean SOEs employed 47,484 people in 2024.

The Public Enterprises System (SEP) – a public agency – oversees SOE governance and appoints board directors for 20 Chilean SOEs. The rest – including the largest SOEs such as CODELCO, ENAP and Banco Estado – have their own governance, outlined by the laws that regulate them, and report to the Executive Branch. CODELCO's board has a mix of seats appointed by an independent high-level civil service committee and others appointed by government authorities.

[The Budget Directorate keeps an updated list of SOEs](#), including their financial management information.

In general, Chilean SOEs work under strict budget constraints and compete in commercial terms under the same regulatory and tax frameworks as private firms. The exception is ENAP, which is the only company allowed to refine oil in Chile. Some SOEs operate in natural monopoly sectors such as:

- Water
- Infrastructure
- Ports and
- Transportation

Some also operate through public-private partnerships or joint ventures with private firms.

In general, Chilean SOEs operating in the domestic market provide non-discriminatory treatment in their purchases. CODELCO competes globally as one of the biggest copper producers and a joint venture partner for private mining companies in two large lithium projects. ENAP has oil and gas investments abroad through branches in Argentina, Ecuador and Egypt. There are no significant investments from Chilean SOEs in the United States. As an OECD member, Chile adheres to the OECD Guidelines on Corporate Governance for SOEs.

## **Privatization Program**

Chile does not have a privatization program.

## **Section 8. Corruption**

Chile's framework for combatting public corruption includes the:

- 2009 Transparency Law
- 2014 Lobby Law and the
- 2016 Law on Integrity in Public Service

Anti-corruption laws require the government to disclose, upon request:

- Policymaking information
- Assets and interests for high-level government officials, lawmakers, and their family members and
- Lobby activities

Political parties are subject to a 2016 law that established limits and transparency rules on campaign financing, party governance, and party funding.

The autonomous Transparency Council oversees the implementation of norms on public access to government information, and the semi-autonomous Comptroller General of the Republic oversees enforcement of asset disclosure and other norms preventing conflicts of interest.

A 2018 law expanded the criminal offenses of bribery and kickbacks to include benefits of any

kind that private companies might offer to public officials. A 2024 law expanded the scope of economic crimes and strengthened related sanctions, while providing incentives for firms to establish internal crime prevention models.

The central public procurement agency ChileCompra allows users of its website to anonymously report irregularities in government procurement. An executive decree defined sanctions for public officials who do not adequately justify direct contracts. The Comptroller General's office oversees the control of the legal aspects, management, pre-audit and post-audit functions of all civil service activities. Private companies have increasingly incorporated internal control measures, as well as ethics committees, into their corporate governance frameworks. Additionally, Chile Transparente (Chilean branch of Transparency International) developed a Corruption Prevention System to facilitate private firms' compliance with the Corporate Criminal Liability Law.

Chile is a party to the:

- Organization of American States (OAS) Inter-American Convention Against Corruption
- United Nations Convention against Corruption (UNCAC) and
- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Anti-Bribery Convention)

Chile is also an active member of the Open Government Partnership (OGP).

NGOs that investigate corruption operate in a free and adequately protected manner. U.S. firms have not identified corruption as an obstacle to FDI.

## **Section 9. Political and Security Environment**

While a generally secure and stable country, Chile experienced episodes of serious civil unrest in 2019 motivated by social and political demands. The government addressed this by opening a constitutional revision process, which ended after Chileans rejected two new constitution drafts in referendums in September 2022 and December 2023. As a result, Chile's current constitution, in force since 1980 and amended through 69 laws, remains in place.

Some areas of southern Chile experience politically motivated violence related to a longstanding conflict over unresolved land and political rights claims from members of the indigenous Mapuche people, which in total comprise nearly half a million inhabitants in the La Araucania and Bio Bio regions. These groups, found within a relatively small number of indigenous communities, have tried to push farmers and forestry companies from their neighboring lands by violent means. In addition to occupation of private lands, their tactics include arson attacks on:

- Forestry contractors' machinery and vehicles
- Plantations
- Farms and
- Churches

These actions and the ensuing conflict with security forces have resulted in nearly a dozen deaths, injuries, and property damage. In recent years, politically motivated violence has mixed with organized criminal activity, mostly drug trafficking and lumber theft in two provinces of the La Araucania and Bio Bio regions. The government has applied Chile's Anti-Terrorist Law against these groups. The law was reformed in February 2025 to specify terrorist activities and expand sanctions. Since October 2021, a State of Emergency – which allows the Chilean armed forces to support police actions to clear transportation routes – has been in effect in the affected provinces. In May 2024, the leader of the oldest and largest terrorist group behind attacks related to the indigenous conflict was sent to prison for inciting violence, theft, and illegal occupation. In April 2025, arsonists set fire to more than 50 vehicles and machines at the headquarters of the Rucalhue hydroelectric plant (a \$350 million investment) in Biobio, leading to concerns from Chilean industry on the impacts to the investment climate. In May 2025, a Presidential Commission for Peace and Understanding, launched in June 2023, presented a proposal to address this conflict through dialogue between indigenous people, the government, and the private sector. The proposal may be reviewed by the current administration.

In the last 20 years, anarchist groups have carried out several small-scale attacks with explosive and incendiary devices, targeting banks, police stations, public transportation, universities, and

churches, mostly in Santiago. Most of these attacks occurred during times of minimal civilian foot traffic, without causing casualties. Their frequency increased significantly during the social unrest in 2019 but has decreased since. Half a dozen activists are currently convicted and imprisoned for attacks between 2014 and 2020 that claimed about 15 injuries among civilians and police officers.

Chile's civil society is active, and demonstrations occur relatively frequently. Although most are peaceful, violent actors sometimes take advantage of protests to commit crimes against property or the police. The number of protests, and their level of violence, have decreased in the six years since widespread civil unrest in 2019, which included:

- Violent incidents such as arson attacks against metro stations and two churches in Santiago
- Attacks on several police stations and government buildings and
- Looting of supermarkets, pharmacies, and stores

On rare occasions, workers' strikes have resulted in damage to corporate property or a disruption of operations. Some firms have publicly expressed concern that during a contentious strike, law enforcement has appeared reluctant to protect private property.

Violent crime has risen in Chile over the past decade, though rates of violent crime are still low compared to much of the region. The following crimes are now more common, especially in larger cities:

- Carjackings
- Vehicle thefts
- Telephone scams and
- Residential break-ins

Chile's homicide rate fell from 6.1 to 5.4 per 100,000 inhabitants in 2025. In the last five years, transnational criminal organizations like Tren de Aragua and Fujian Bang have begun to establish operations in Chile, in many cases led by migrants who entered Chile illegally. In

March 2026, President Kast issued a presidential decree to create a legal regime to disincentivize illegal migration and combat transnational criminal organizations.

## Section 10. Labor Policies and Practices

Unemployment in Chile averaged 8.6 percent during 2025, while the labor participation rate was 62.1 percent of the working age population, estimated as 16.5 million people in December 2025. There is an adequate availability of professionals and workers – both Chilean nationals and legal migrants – in:

- Extractive industries
- Agriculture
- Manufacturing and
- Services

However, there is a relative shortage of specialized labor skills in the industrial, life sciences, and information technology sectors, and of skilled technicians in the mining sector. The National Institute of Statistics (INE) estimates informal employment in Chile was 26.2 percent of the workforce as of December 2025.

Chile's Labor Code stipulates that employers must hire Chileans for at least 85 percent of their staff, except in the case of firms with less than 25 employees. However, this rule is loosely enforced, specialists and foreigners with direct Chilean relatives are exempt from it, and permanent residents (foreigners living in Chile legally for at least five years) are considered as Chileans for the purpose of its application.

Employees with at least one year of service are entitled to statutory severance pay equivalent to 30 days of the last monthly remuneration earned, for each year of service, capped at 11 years. This amount is payable to workers dismissed without cause, or whose contract is terminated for economic reasons. Domestic workers are entitled upon termination, regardless of the reason, to an unemployment insurance benefit, co-funded by employee and employer contributions equivalent to three percent of the monthly remuneration. The employer's

contributions shall be paid for a maximum of 11 years by the same employer. Another fund made up of employer and government contributions is used for complementary unemployment payments when needed.

Labor and environmental laws are not waived to attract or retain investments.

During 2024 (latest available data), 11,772 unions and 2,697 workers' federations were active. In the same period, 1,266,573 people belonged to a union and 285,176 workers were covered by collective bargaining agreements. In 2024, 18.1 percent of workers who could potentially join a union or association were registered as members. Unions can form nationwide labor associations and can affiliate with international labor federations. Contracts are normally negotiated at the company level. Workers in public institutions do not have collective bargaining rights, but national public workers' associations undertake annual negotiations with the government.

The Labor Directorate under the Ministry of Labor is responsible for enforcing labor laws and regulations. Both employers and workers may request mediation from the Labor Directorate as an alternate dispute resolution mechanism.

Labor Directorate data shows that 710 legal strikes involving 114,567 workers took place in 2024 (latest data available). As legal strikes in Chile have a restricted scope and duration, in general they do not present a risk for foreign investment.

Chile has laws and regulations that generally align with internationally recognized labor rights and generally enforces them. These include:

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labor
- The effective abolition of child labor, including minimum-age protections for employment
- The elimination of discrimination with respect to employment and occupation and
- A safe and healthy working environment

Since January 1, 2026, Chile's monthly minimum wage is CLP 539,000 (about \$579) for all occupations, including household domestic staff. Workers older than 64 or younger than 18 are eligible for a special minimum wage of CLP 402,082 (about \$432) per month. Information on potential gaps in law or practice with international labor standards by the International Labor Organization is pending.

Collective bargaining is not allowed in companies or organizations dependent upon the Defense Ministry or whose employees are prohibited from striking, such as in health care, law enforcement, and public utilities. Labor courts can require workers to resume work upon a determination that a strike causes serious risk to health, national security, the supply of goods or services to the population, or to the national economy.

The U.S.-Chile FTA, in force since January 1, 2004, requires the United States and Chile to maintain effective labor and environmental enforcement.

Chile is ranked Tier I in the U.S. State Department's Trafficking in Persons Report, indicating the government fully complies with the Trafficking Victims Protection Act's minimum standards for eliminating trafficking, including for labor exploitation.

Under a 2023 law, Chile had a 44-hour work week, which was lowered to 42 hours on April 26, and will be set at 40 hours from April 26, 2028. President Kast expects to maintain the provisions of the law; however, his government plans to propose some adjustments for flexibility on implementation. Provisions on premium compensation for overtime work are not affected by the new law. The law provided exemptions from restrictions on hours of work for some categories of workers such as:

- Managers
- Administrators
- Employees of fishing boats
- Restaurant, club, and hotel workers
- Drivers
- Airplane crews

- Remote workers and
- Professional athletes

## **Section 11. Contact for More Information**

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