



GLOBAL EXPANSION GUIDEBOOK CORPORATE

Chile



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INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Corporate*.

GLOBAL EXPANSION GUIDEBOOK SERIES

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

CORPORATE

The *Global Expansion Guidebook – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Global Expansion Guidebook – Corporate* covers corporate basics in 54 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that corporate law is dynamic, and the legal regime in the countries surveyed could change.

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CHILE



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FORM OF ENTITY

The most common types of business organizations operating in Chile are (i) *sociedades de responsabilidad limitada* (SRL), or limited liability companies/partnerships; (ii) *sociedades anónimas* (SA), or stock corporations or corporations; (iii) *sociedades por acciones* (SPA), or simplified corporations; and (iv) branches of foreign entities.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

This type of company is mainly regulated by Law No. 3.918 but also by rules applicable to general partnerships and by certain rules contained in the Commerce and Civil Codes. The liability of the members of an SRL is limited to the amount of their contributions or to the higher amount established in the bylaws. Equity rights can only be transferred with the unanimous approval of the partners. There is great flexibility as to the rules that may be included in the bylaws.

The SRL is managed as established in the bylaws. If the bylaws do not state who manages the company, management corresponds to partners, by themselves or by representatives. If a manager is not appointed, all partners may administrate the company. Bylaws may establish different management options, such as appointing certain partner or partners, third parties or even a board of directors.

Corporation (*Sociedad Anónima* or S.A.)

This type of company is mainly regulated by Law No. 18.046 (the Corporations Act) as well as by the Corporations Regulations (*Reglamento de Sociedades Anónimas*).

A corporation may be open (public), closed (private) or special. Open corporations are those that register, voluntarily or by legal obligation, their shares in the Securities Registry and are under control of the Financial Market Commission (*Comisión para el Mercado Financiero* or CMF). Special corporations are expressly established by law (e.g. banks and insurance companies). Closed corporations are those that do not qualify as open or special.

Its capital is divided into shares, which may be transferred without limitation, except for certain exceptions such as those contained in shareholders' agreements. In private corporations, bylaws may establish certain restrictions on the transfer of shares, but in public corporations, this is not allowed. The liability of shareholders is limited to the amount of their capital contributions.

Managed by a board of directors appointed by the shareholders. The board is responsible for administration and representation of the company and is entitled to delegate part of its powers to the CEO and other officers. A director's term of appointment, which is set forth in the bylaws, cannot exceed 3 years. Directors may also be re-elected indefinitely.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Simplified corporations are regulated by special rules contained in the Commerce Code. They are also ruled by their bylaws and by the private corporations' rules in a suppletory manner. Unlike corporations, SpAs may be incorporated and operate with only 1 shareholder. The capital is divided into shares.

Legal regulation for simplified corporations is more flexible than that of corporations as it allows special agreements regarding, for example, management, profit distributions, share ownership, multiple votes and restrictions to voting rights.

Management is flexible. Bylaws may establish different management options, such as appointing certain shareholder or shareholders, 3rd parties or a board of directors.

It is customary for simplified corporations to be managed by an administrator – usually the shareholder – who may act personally and/or through 1 or more agents and/or managers.

Branch of a Foreign Legal Entity (*Agencia*)

A branch acts as an alternative form of entity as it corresponds to the presence of a foreign company (ie, parent) in Chile that does not seek to incorporate a new company, but instead only establishes a branch of the existing foreign company. It is not a separate legal entity, except for in the case of certain tax purposes. The parent company is ruled by its local laws. The Commerce Code and the Corporations Act have certain special rules about the establishment and amendments of the branch for foreign companies and for-profit entities and corporations, respectively.

It is managed by an agent appointed by the parent. The parent grants the agent extensive power to act on its behalf in Chile. This power shall expressly mention that the agent acts in Chile under direct responsibility of the parent.

ENTITY SET UP

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

- Minimum of 2 partners and maximum of 50 partners.
- The liability of the members of an SRL is limited to the amount of their contributions or to the higher amount established in the bylaws.
- Rules for distribution of profits shall be included in the bylaws. Partners have the freedom to decide about this matter in the bylaws.
- Typical charter documents include:

- Articles of incorporation
- Bylaws and its amendments
- Powers of attorney and
- Accounting and tax records.
- Bylaws may establish different management options, such as appointing a certain partner or partners, 3rd parties or even a board of directors.
- Equity rights may only be transferred with the unanimous approval of the partners.
- No publication of financial statements is needed.

Corporation (*Sociedad Anónima* or S.A.)

- Minimum of 2 shareholders.
- May be public or private. May also be special corporations.
- The liability of shareholders is limited to the amount of their contributions to capital.
- Profits distribution decision corresponds to the general ordinary shareholders' meeting. Public corporations shall annually pay, as dividend, at least 30 percent of net profits of each fiscal year.
- Typical charter documents include:
 - Articles of incorporation
 - Bylaws and its amendments
 - Stock certificates
 - A shareholders' registry
 - A book of minutes of shareholders' meetings
 - A book of minutes of board of directors' meetings
 - A book of executives and attorneys and
 - Accounting and tax records.
- Managed by a board of directors appointed by the shareholders. The board is responsible for administration and representation of the company and is entitled to delegate part of its power to the CEO and other officers.

- No limitations to shares transfer. Restrictions may be included in the company's bylaws (not allowed in public corporations) and/or in shareholders' agreements.
- In private corporations, the shareholders' meeting shall appoint account inspectors or external auditors. In public corporations, the shareholders' meeting shall appoint an external auditing firm, which shall be registered with the CMF.

Simplified Corporation (*Sociedades por Acciones* or SpA)

- Minimum of 1 or more shareholders.
- The liability of shareholders is limited to the amount of their contributions to capital.
- Bylaws shall establish profit distribution agreements and what corporate body shall approve distributions. In case of silence, shareholders shall approve distributions at annual shareholders' meetings.
- Typical charter documents include:
 - Articles of incorporation
 - Bylaws and its amendments
 - A stock certificate – however, the company's bylaws may establish that the shares may exist without the need of issuance of a document that physically represents the shares
 - A shareholders' registry
 - A book of minutes of shareholders' meetings
 - If the management of the company is vested in a board of directors, a book of minutes of board of directors' meetings must be kept – and accounting and tax records.
- Management is flexible. Bylaws may establish different management options, such as appointing a certain shareholder or shareholders, 3rd parties or a board of directors.
- No limitation to shares transfer. Restrictions may be included in the company's bylaws and/or in shareholders' agreements. Bylaws may establish minimum or maximum percentages of capital to be controlled, directly or indirectly, by a 1 or more shareholders.
- Publication of financial statements, if requested by the bylaws.

Branch of a Foreign Legal Entity (*Agencia*)

- No minimum or maximum requirement for shareholders or partners of the parent. The parent is ruled by applicable foreign laws.
- The parent company is liable for the actions of the branch in Chile.

- No limitations on remittance of profits from the branch to the parent. Subject to compliance of tax obligations and applicable exchange rules.
- Typical charter documents include:
 - Articles of incorporation of the parent
 - Bylaws of the foreign entity
 - A certificate of good standing of the parent
 - General power of attorney granted by the foreign company to the agent who will represent it in Chile
 - A statement made by the agent and
 - Accounting and tax records.
- Managed by an agent appointed by the parent, granting them extensive powers to acts on its behalf in Chile.
- Every year, the agent shall publish the annual balance of the branch in a local newspaper within 4 months following the closing of the financial period

MINIMUM CAPITAL REQUIREMENT

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

There is no obligation for a minimum capital.

Corporation (*Sociedad Anónima* or S.A.)

There is no obligation for a minimum capital, except in the case of certain special corporations.

Simplified Corporation (*Sociedades por Acciones* or SpA)

There is no obligation for a minimum capital.

Branch of a Foreign Legal Entity (*Agencia*)

There is no obligation for a minimum capital.

LEGAL LIABILITY

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

The liability of the partners of an SRL is limited to the amount of their contributions or to the higher amount established in the bylaws.

Corporation (*Sociedad Anónima* or S.A.)

The liability of shareholders is limited to the amount of their contributions to capital.

Simplified Corporation (*Sociedades por Acciones* or SpA)

The liability of shareholders is limited to the amount of their contributions to capital.

Branch of a Foreign Legal Entity (*Agencia*)

The parent company is liable for the actions of the branch in Chile.

In a statement made by the agent, it must be declared, for example, that goods of the company are affected by Chilean law and that the company shall keep easy-to-sell goods in Chile to comply with its obligations.

TAX PRESENCE

The Chilean tax regime levies taxes at 2 levels. First, the company pays a corporate tax on its income. Then, stockholders pay a personal tax on dividends. The structure of the general tax regime is the following:

Corporate income tax is paid by the entity on its income and is payable on an accrued basis. Shareholders or equity holders must pay final taxes on actual distributions. The general tax regime, with a rate of 25 percent (also known as the "Pro Pyme" regime), allows taxpayers who own shares or participations in the first-category taxpayer entities to credit 100 percent of the corporate tax against their final taxes, without restitution of credits. However, this regime is limited by the initial capital, which may not exceed UF85,000 (*Unidades de Fomento*), equivalent to USD3 million, and by the total income of the group, which may not exceed an average of UF75,000 (USD2.9 million) over the last 3 years.

If these limits are exceeded, the shareholders or holders of participations must apply the partially integrated regime, in which, at a rate of 27 percent, they are entitled to credit 100 percent of the corporate income tax paid by the company against the final taxes, with the obligation to refund 35 percent of this credit.

INCORPORATION PROCESS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

SRLs shall be incorporated by public deed, which contains the bylaws. An abstract of the incorporation public deed must be registered in the Registry of Commerce of the company's domicile and published in the Official Gazette within 60 days from the date of the public deed.

Corporation (*Sociedad Anónima* or S.A.)

Corporations shall be incorporated by public deed, which contains the bylaws. An abstract of the incorporation public deed must be registered with the Registry of Commerce of the company's domicile and published in the Official Gazette within 60 days from the date of the public deed.

Simplified Corporation (*Sociedades por Acciones* or SpA)

SpAs may be incorporated by public deed or private instrument duly authorized by a public notary in Chile. Its bylaws are contained in the incorporation public deed or private instrument. An abstract of the incorporation public deed or private instrument must be registered in the Registry of Commerce of the company's domicile and published in the Official Gazette within 60 days from the date of the public deed.

Branch of a Foreign Legal Entity (*Agencia*)

Branches of foreign legal companies are established in Chile by an agent or representative of the parent. For this purpose, the agent shall notarize in its official language and translate into Spanish, if drafted in another language, the following documents:

- (i) Documents that prove that the foreign company is legally constituted according to the law of the country of origin and a certificate of good standing of the company;
- (ii) An authentic copy of the current bylaws of the foreign company; and
- (iii) General power of attorney granted by the foreign corporation to the agent who will represent it.

Additionally, the agent shall make a statement with the mentions required by the Commerce Code or the Corporations Act, as applicable. The statement shall be made by public deed executed on the same date and before the same notary where the abovementioned documents were registered.

An abstract of the notarized documents and the public deed must be registered in the Commercial Registry correspondent to the branch's domicile and published in the Official Gazette within 60 days from the date of notarization.

BUSINESS RECOGNITION

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Well regarded and used regularly by small and medium-sized family enterprises and businesses.

Corporation (*Sociedad Anónima* or S.A.)

Well regarded and widely used for big businesses and companies seeking financing options in the equity market.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Well regarded and used regularly by small and medium-sized enterprises and businesses, especially venture capital.

Branch of a Foreign Legal Entity (*Agencia*)

Not frequently used by foreign companies as it is not a separate legal entity and depends on the parent.

SHAREHOLDER MEETING REQUIREMENTS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Annual meetings of members or managers are not required. Operating agreement provisions will determine any meeting requirement.

Corporation (*Sociedad Anónima* or S.A.)

There must be at least 1 ordinary shareholder meeting per year for shareholders to approve or reject the balance sheet and financial statements of the corporation each fiscal year, among other matters. Some meetings may require the assistance of a Notary Public (eg, amendments to the bylaws). In public and special corporations (and private corporations, if authorized in the bylaws), the meeting may be held via technological means.

Simplified Corporation (*Sociedades por Acciones* or SpA)

As established in the bylaws; in case of silence, rules for private corporations apply.

Branch of a Foreign Legal Entity (*Agencia*)

Not applicable to Chilean branches. The parent company shall comply with applicable foreign regulation.

BOARD OF DIRECTOR MEETING REQUIREMENTS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Board of directors' meetings - if the company is administered by a board - may be freely established in the bylaws.

Corporation (*Sociedad Anónima* or S.A.)

In public corporations, regular directors' meetings shall be held at least once a month. Private corporations shall indicate the frequency of directors' meetings in the bylaws. If they are not delineated in the bylaws, directors' meetings shall be held at least once per month. The board meeting may be held via technological means, and minutes may be signed by electronic signature.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Board of director meetings may be freely established in corporate bylaws; in case of silence, rules for private corporations apply. The board meeting may be held via technological means. Minutes may be signed by electronic signature if approved by the board.

Branch of a Foreign Legal Entity (*Agencia*)

Not applicable to Chilean branches. The parent company must comply with applicable foreign regulation.

ANNUAL COMPANY TAX RETURNS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Limited Liability Companies file tax returns annually (must be filed before the end of April) and monthly. Its partners file annually (must be filed before the end of April).

Corporation (*Sociedad Anónima* or S.A.)

Corporations file tax returns annually, before the end of April, and monthly. Their shareholders must additionally file annually, before the end of April.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Simplified corporations file tax returns annually, before the end of April, and monthly. Their shareholders additionally file annually, before the end of April.

Branch of a Foreign Legal Entity (*Agencia*)

Branches of foreign legal entities file tax returns annually, before the end of April, and monthly. Their parent companies additionally file annually, before the end of April.

BUSINESS REGISTRATION FILING REQUIREMENTS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Requires initial registration with the Registry of Commerce in order to incorporate the company and when its bylaws are amended.

Corporation (*Sociedad Anónima* or S.A.)

Requires initial registration with the Registry of Commerce in order to incorporate the company and when its bylaws are amended. Additionally, the public corporation and its shares must be registered in the Securities Registry of the CMF.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Requires initial registration with the Registry of Commerce to incorporate the company and when its bylaws are amended.

Branch of a Foreign Legal Entity (*Agencia*)

Requires initial registration with the Registry of Commerce when the branch is established, when the agent's statements are modified and when a new agent is appointed.

BUSINESS EXPANSION

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Limited to 50 partners. An SRL may not operate in the banking industry.

Corporation (*Sociedad Anónima* or S.A.)

No need to change as business expands. Private corporations become public corporations when more than 2,000 shareholders are registered in the shareholders' registry for 12 consecutive months.

Simplified Corporation (*Sociedades por Acciones* or SpA)

A simplified corporation that for 12 consecutive months complies with the conditions that oblige private corporations to register its shares in the Securities Registry of the CMF, shall transform by sole means of law into a public corporation.

Branch of a Foreign Legal Entity (*Agencia*)

No need to change as business expands.

EXIT STRATEGY

Dissolution documents, a final balance sheet and a final tax return are filed with the tax authority. An abstract of the dissolution document shall be registered at the Registry of Commerce and published in the Official Gazette.

ANNUAL CORPORATE MAINTENANCE REQUIREMENTS

A municipal tax is paid in the borough where the entity is domiciled and where the entity has opened branches.

DIRECTOR / OFFICER REQUIREMENTS

A company must have a representative before the tax authorities who is a Chilean resident. This is not applicable to directors and other officers except in the case of certain industries.

For more information on directors' duties, see our [Global Guide to Directors' Duties](#).

LOCAL CORPORATE SECRETARY REQUIREMENT

Not applicable for this jurisdiction.

LOCAL LEGAL OR ADMIN REPRESENTATIVE REQUIREMENT

A company must have a representative before the tax authorities who is a Chilean resident. This is not applicable to directors and other officers except in the case of certain industries.

LOCAL OFFICE LEASE REQUIREMENT

An entity must have a local address within the Chilean territory for tax purposes.

OTHER PHYSICAL PRESENCE REQUIREMENTS

Not applicable for this jurisdiction.

SUFFICIENCY OF VIRTUAL OFFICE

A virtual office is not accepted as the legal address for the purpose of registering with the tax authorities, except if, due to the nature of the company's services, said office is in fact the place where the company carries out its main activity. However, a virtual office may be used as a valid address for receiving notifications from the tax authority.

PROVISION OF LOCAL REGISTERED ADDRESS BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Not applicable for this jurisdiction.

PROVISION OF LOCAL DIRECTOR OR CORPORATE SECRETARY BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Not applicable for this jurisdiction.

NATIONALITY OR RESIDENCY REQUIREMENTS FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

Partners or shareholders may be local or foreign. However, they must be registered as such with the tax authority. A company must have a representative before the tax authorities who is a Chilean resident. This is not applicable to directors and other officers, except in the case of certain industries.

RESTRICTIONS REGARDING APPOINTMENT OF NOMINEE SHAREHOLDERS OR DIRECTORS

In private corporations, the position of CEO is incompatible with the company's president, auditor or accountant positions. It is additionally incompatible with the director position in public corporations.

SUMMARY OF DIRECTOR'S, OFFICER'S AND SHAREHOLDER'S AUTHORITY AND LIMITATIONS THEREOF

Corporation (*Sociedad Anónima* or S.A.)

Board of directors: The board of directors represents a company judicially and extrajudicially and is vested with all the powers of administration and disposition that the law or statute does not establish as privative of the shareholders' meeting, without it being necessary to grant it any special power, even for those acts or contracts for which laws require this circumstance. The foregoing does not preclude the representation of the CEO. Consequently, there is not a list of matters submitted to the board of directors; instead, the law defines those matters that can only be agreed by the shareholders given their relevance.

In Chile, directors do not hold the power to represent the company individually. However, the board of directors as a body may delegate some of its powers to the main executives, managers, assistant managers or lawyers of the company; to a director or to a committee of directors; and, for specially determined objects, to other people.

Officers: In corporations, the board of directors must appoint a CEO. Law grants judicial representation of the corporation to the CEO, who also has the power granted by the board. The board may grant additional power of attorney to certain officers.

Shareholders: Each shareholder will have 1 vote for each share it owns. The shareholders meet in ordinary or extraordinary meetings. Law expressly defines which matters shall be discussed in each type of meeting. Ordinary meetings shall be held once a year to decide on the director's election, the annual balance, the distribution of profits and appointment of external auditors, among other issues. Extraordinary meetings may be held at any time, when required by the company, to decide on any matter that the law or the bylaws provide to the knowledge of the shareholders' meetings and provided that such matters are indicated in the corresponding citation. Extraordinary shareholders' meeting matters are the following: the dissolution of the company; the transformation, merger or division of the company and any amendments to its bylaws; the issuance of bonds or debentures convertible into shares; disposal of 50 percent or more of the company's assets; the granting of guarantees to secure obligations of 3rd parties, except if these are subsidiaries, in which case board approval will be sufficient; early dissolution of the company; and bylaw amendments, among others.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Determined by the bylaws. In case of silence, rules of private corporations will apply.

PUBLIC DISCLOSURE OF IDENTITY OF DIRECTORS, OFFICERS AND SHAREHOLDERS

Applicable within public corporations.

MINIMUM AND MAXIMUM NUMBER OF DIRECTORS AND SHAREHOLDERS

At least 3 directors for private corporations and simplified corporations by shares.

The board of public corporations must be composed of at least 5 directors. Public corporations that are required to have a special board committee and must also appoint at least 1 independent director must have a board of seven directors.

MINIMUM NUMBER OF SHAREHOLDERS REQUIRED

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Minimum of 2 partners and maximum of 50 partners. They may be individuals or legal entities and either Chilean or foreign.

Corporation (*Sociedad Anónima* or S.A.)

In private corporations, minimum of 2 shareholders and no maximum requirement. They may be individuals or legal entities and either Chilean or foreign. However, if more than 2,000 shareholders are registered in the shareholders' registry for 12 consecutive months, it becomes a public corporation.

In public corporations, minimum of 2 shareholders and no maximum.

Simplified Corporation (*Sociedades por Acciones* or SpA)

A minimum of 1 shareholder and no maximum requirement. They may be individuals or legal entities and either Chilean or foreign.

Bylaws may establish minimum or maximum percentages of capital to be controlled, directly or indirectly, by 1 or more shareholders.

Branch of a Foreign Legal Entity (*Agencia*)

No minimum or maximum requirement for shareholders or partners of the parent company. The parent company is ruled by applicable foreign law.

REMOVAL OF DIRECTORS OR OFFICERS

Directors may be freely removed by the shareholders of a corporation or a simplified corporation. Removal shall affect all directors; individual or collective revocation of 1 or more of its members is not allowed. Officers are freely appointed and removed by the board of directors. If officers are determined in bylaws of a limited liability company, the partners must unanimously agree on the removal.

REQUIRED AND OPTIONAL OFFICERS

The board of corporations shall appoint 1 or more managers. One of them will be the CEO. The board is free to appoint any additional officers.

BOARD MEETING REQUIREMENTS

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Board of directors' meetings – if the company is administered by a board – may be freely established in the bylaws and, in that case, the board meeting may be held via technological means.

Corporation (*Sociedad Anónima* or S.A.)

At least 1 per year for private corporations and 1 per month for public corporations. The board meeting may be held via technological means, and minutes may be signed by electronic signature.

Simplified Corporation (*Sociedades por Acciones* or SpA)

These meetings may be freely established in corporate bylaws; in case of silence, rules for private corporations apply. The board meeting may be held via technological means, and minutes may be signed by electronic signature, if approved by the board.

Branch of a Foreign Legal Entity (*Agencia*)

Not applicable for a Chilean branch. The parent company shall comply with applicable foreign regulation.

QUORUM REQUIREMENTS FOR SHAREHOLDER AND BOARD MEETINGS

In corporations, unless otherwise stated in the bylaws, (i) the assistance quorum for shareholders' meetings is the majority of the issued shares with the right to vote in the first call and the majority of the attending shares in the second call, and the quorum to approve most of the matters is the majority of the attending shares, except regarding certain specific matters when the quorum to approve them is 2/3 of the issued shares with right to vote; and, (ii) for board meetings, the attendance quorum is the majority of the board members and the approval quorum is the majority of the attending board members. There are some other special quorums.

MUST A BANK ACCOUNT BE OPENED PRIOR TO INCORPORATION, AND MUST THE BANK ACCOUNT BE LOCAL?

Not prior to incorporation. It is not mandatory to open an account in a local bank.

AUDITING OF LOCAL FINANCIALS. IF SO, MUST THE AUDITOR BE LOCATED IN LOCAL JURISDICTION, AND MUST THE COMPANY'S BOOKS BE KEPT LOCALLY?

Local financials are audited in open and closed corporations. In the case of public corporations, the auditor must be registered with the CMF. For all entities, company books must be kept locally.

REQUIREMENT REGARDING PAR VALUE OF STOCK

Not applicable for this jurisdiction.

INCREASING OF CAPITALIZATION IF NEEDED

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

Capital is represented by equity rights and is established in the bylaws. The amount of the company's capital may be increased or decreased by means of an amendment to the company's articles of bylaws (complying with formal requirements that include a public deed, registration and publication and notice to the tax authority).

Corporation (*Sociedad Anónima* or S.A.)

Capital is divided into shares and is established in the bylaws. It shall be subscribed to and paid within a period of no longer than 3 years. If not, capital will be decreased *ipso jure* to the amount already subscribed to and paid. Capital may only be increased or decreased by agreement of the shareholders' meeting. That agreement shall be reflected in an amendment of bylaws (complying with formal requirements that include the public deed, registration and publication and notice to the tax authority).

In public corporations, the new shares must be registered in the Securities Registry of the CMF.

Simplified Corporation (*Sociedades por Acciones* or SpA)

Capital is divided into shares. Capital and the term to pay it is established in the bylaws. In case of silence, the term will be 5 years. If not, capital will be decreased *ipso jure* to the amount already subscribed to and paid.

Bylaws may establish minimum or maximum percentages of capital to be controlled, directly or indirectly, by 1 or more shareholders.

Capital increases or decreases shall be agreed by shareholders in an extraordinary shareholder meeting, and such agreement shall be reflected in an amendment of bylaws (complying with formal requirements that include a public deed, registration and publication and notice to the tax authority). However, in a SpA, bylaws may be amended by all shareholders without the need for a meeting, if all shareholders subscribe to the bylaw amendment, public deed or a private document registered with a notary (complying with formal requirements that include registration and publication and notice to the tax authority).

In an SpA, bylaws may authorize the manager to increase capital of the SpA with the purpose of financing the management of the company or for specific purposes. In this case, a shareholders' meeting is not required.

Decreases in capital amount must be agreed by shareholders with the quorum set out in bylaws. In case of silence, the quorum required will be unanimity.

Branch of a Foreign Legal Entity (*Agencia*)

The statement made by the agent shall contain the effective capital of the branch and the date and form in which such capital will be entered into the branch.

In order to increase or decrease the branch's capital, the agent shall make, by public deed, a statement modifying the one that established the branch. An abstract of such public deed shall be registered in the Commercial Registry correspondent to the branch's domicile and published in the Official Gazette within 60 days. Additionally, compliance of exchange rules is required.

SUMMARY OF HOW FUNDS CAN BE REPATRIATED FROM YOUR JURISDICTION (IE DIVIDENDS OR REDEMPTION)

Subject to compliance of tax obligations and applicable exchange rules, such as Chapter XII of the Compendium of Foreign Exchange Rules of the Central Bank of Chile, DL 600 or other applicable rules. There is no regulatory restriction to repatriation of funds (ie, dividends or redemption).

RESTRICTIONS ON TRANSFERABILITY OF SHARES

Except in connection with certain industries and/or as required by antitrust law, there are no regulatory restrictions to transferability of shares. Restrictions may also be included in the company's bylaws (except in public corporations) and/or in shareholders' agreements.

In an SRL, the sale or assignment of equity rights and incorporation of a new partner requires unanimous approval from other partners.

OBTAINING A NAME AND NAMING REQUIREMENTS

As a general rule, the name of a company shall be established in the bylaws. The name may be freely agreed by shareholders or partners, but the use of a name may be restricted by companies that already use the same name.

Limited Liability Company (*Sociedad de Responsabilidad Limitada* or SRL)

The company's name may contain the name of 1 or more of its partners or a reference to its purpose. The name must be followed by the word "limitada". Without this word, partners will be jointly liable for the company's obligations.

Corporation (*Sociedad Anónima* or S.A.)

The name must include the words "*Sociedad Anónima*" or the acronym "S.A.".

Simplified Corporation (*Sociedades por Acciones* or SpA)

The name must end with "SpA".

Branch of a Foreign Legal Entity (*Agencia*)

The statement made by the agent must include the name under which the company will operate in Chile.

SUMMARY OF "KNOW YOUR CLIENT" REQUIREMENTS

Required by banks, AGFs and insurance companies.

APPROVAL REQUIREMENTS FOR AMENDING CHARTER DOCUMENT

Except regarding certain regulated industries and special corporations, no regulatory approval is required for amending charter documents.

Additionally, in special corporations, bylaw amendments must be authorized by the CMF (except when such amendment to the bylaws is only for the purpose of increasing the capital of the corporation) and, in public corporations, bylaw amendments shall be notified to the CMF.

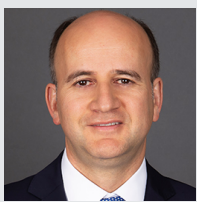
LICENSES REQUIRED TO CONDUCT BUSINESS IN JURISDICTION

Only required for certain industries (ie, banking, insurance, telecom and utilities).

PROCESS OF PURCHASING AND UTILIZING A SHELF COMPANY

Not applicable for this jurisdiction.

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