

**Agreement between the Government of Chile and the Government of the United States
of America for Cooperation to Facilitate the Implementation of FATCA**

Whereas, the Government of Chile and the Government of the United States of America (each, a “Party,” and together, the “Parties”) seek to build on their existing relationship with respect to mutual assistance in tax matters and desire to conclude an agreement to improve their cooperation in combating international tax evasion;

Whereas, Article 27 of the Convention between the United States and Chile for the Avoidance of Double Taxation with Respect to Taxes on Income (the “Convention”), done at Washington on February 4, 2010 authorizes the exchange of information for tax purposes;

Whereas, the United States of America enacted provisions commonly known as the Foreign Account Tax Compliance Act (“FATCA”), which introduce a reporting regime for financial institutions with respect to certain accounts;

Whereas, the Government of Chile is supportive of the underlying policy goal of FATCA to improve tax compliance;

Whereas, FATCA has raised a number of issues, including that Chilean financial institutions may not be able to comply with certain aspects of FATCA due to domestic legal impediments;

Whereas, intergovernmental cooperation to facilitate FATCA implementation would address these issues and reduce burdens for Chilean financial institutions;

Whereas, the Parties desire to conclude an agreement to provide for cooperation to facilitate the implementation of FATCA based on direct reporting by Chilean Financial Institutions to the U.S. Internal Revenue Service, supplemented by the exchange of information upon request pursuant to the Convention upon its entry into force, and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the Convention;

Now, therefore, the Parties have agreed as follows:

**Article 1
Definitions**

1. For purposes of this agreement and any annexes thereto (“Agreement”), the following terms shall have the meanings set forth below:

- a) The term “**United States**” means the United States of America, including the States thereof, but does not include the U.S. Territories. Any reference to a “**State**” of the United States includes the District of Columbia.
- b) The term “**U.S. Territory**” means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands.
- c) The term “**IRS**” means the U.S. Internal Revenue Service.

- d) The term “**Chile**” means the Republic of Chile.
- e) The term “**Partner Jurisdiction**” means a jurisdiction that has in effect an agreement with the United States to facilitate the implementation of FATCA. The IRS shall publish a list identifying all Partner Jurisdictions.
- f) The term “**Competent Authority**” means:
 - 1) In the case of the United States, the Secretary of the Treasury or his delegate; and
 - 2) In the case of Chile, the Minister of Finance or his authorized representative.
- g) The term “**Financial Institution**” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
- h) The term “**Foreign Reportable Amount**” means, in accordance with relevant U.S. Treasury Regulations, a payment of fixed or determinable annual or periodical income that would be a withholdable payment if it were from sources within the United States.
- i) The term “**Custodial Institution**” means any Entity that holds, as a substantial portion of its business, financial assets for the account of others. An entity holds financial assets for the account of others as a substantial portion of its business if the entity’s gross income attributable to the holding of financial assets and related financial services equals or exceeds 20 percent of the entity’s gross income during the shorter of: (i) the three-year period that ends on December 31 (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the entity has been in existence.
- j) The term “**Depository Institution**” means any Entity that accepts deposits in the ordinary course of a banking or similar business.
- k) The term “**Investment Entity**” means any Entity that conducts as a business (or is managed by an entity that conducts as a business) one or more of the following activities or operations for or on behalf of a customer:
 - 1) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - 2) individual and collective portfolio management; or
 - 3) otherwise investing, administering, or managing funds or money on behalf of other persons.

This subparagraph 1(k) shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

- l) The term **"Specified Insurance Company"** means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- m) The term **"Chilean Financial Institution"** means (i) any Financial Institution resident in Chile, but excluding any branch of such Financial Institution that is located outside Chile, and (ii) any branch of a Financial Institution not resident in Chile, if such branch is located in Chile.
- n) The term **"Partner Jurisdiction Financial Institution"** means (i) any Financial Institution established in a Partner Jurisdiction, but excluding any branch of such Financial Institution that is located outside the Partner Jurisdiction, and (ii) any branch of a Financial Institution not established in the Partner Jurisdiction, if such branch is located in the Partner Jurisdiction.
- o) The term **"Reporting Chilean Financial Institution"** means any Chilean Financial Institution that is not a Non-Reporting Chilean Financial Institution.
- p) The term **"Non-Reporting Chilean Financial Institution"** means any Chilean Financial Institution, or other Entity resident in Chile, that is described in Annex II as a Non-Reporting Chilean Financial Institution or that otherwise qualifies as a deemed-compliant FFI or an exempt beneficial owner under relevant U.S. Treasury Regulations in effect on the date of signature of this Agreement]
- q) The term **"Nonparticipating Financial Institution"** means a nonparticipating FFI, as that term is defined in relevant U.S. Treasury Regulations, but does not include a Chilean Financial Institution or other Partner Jurisdiction Financial Institution other than a Financial Institution treated as a Nonparticipating Financial Institution pursuant to paragraph 2 of Article 4 of this Agreement or the corresponding provision in an agreement between the United States and a Partner Jurisdiction.
- r) The term **"New Account"** means a Financial Account opened by a Reporting Chilean Financial Institution on or after July 1, 2014.
- s) The term **"U.S. Account"** means a Financial Account maintained by a Reporting Chilean Financial Institution and held by one or more Specified U.S. Persons or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person. Notwithstanding the foregoing, an account shall not be treated as a U.S. Account if such account is not identified as a U.S. Account after application of the due diligence procedures in Annex I.
- t) The term **"Non-Consenting U.S. Account"** means a Financial Account maintained by a Reporting Chilean Financial Institution as of June 30, 2014 with respect to which (i) a Reporting Chilean Financial Institution has determined that it is a U.S. Account in accordance with the due diligence procedures in Annex I, (ii) the laws of Chile prohibit the reporting required under an FFI Agreement absent consent of the Account Holder, (iii) the Reporting Chilean Financial Institution has sought, but was unable to obtain, the required consent to report or the Account Holder's U.S. TIN; and (iv) the Reporting Chilean Financial

Institution has reported, or was required to report, aggregate account information to the IRS as prescribed under sections 1471 to 1474 of the U.S. Internal Revenue Code and relevant U.S. Treasury Regulations.

- u) The term “**Financial Account**” has the meaning set forth in relevant U.S. Treasury Regulations, but does not include any account that is excluded from the definition of Financial Account in Annex II.
- v) The term “**FFI Agreement**” means an agreement that sets forth the requirements, consistent with this Agreement, for the Reporting Chilean Financial Institution to be treated as complying with the requirements of section 1471(b) of the U.S. Internal Revenue Code.
- w) The term “**Account Holder**” means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of this Agreement, and such other person is treated as holding the account. For purposes of the immediately preceding sentence, the term “Financial Institution” does not include a Financial Institution organized or incorporated in a U.S. Territory. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.
- x) The terms “**Cash Value Insurance Contract**” and “**Annuity Contract**” have the meanings set forth in relevant U.S. Treasury Regulations.
- y) The term “**U.S. Person**” means a U.S. citizen or resident individual, a partnership or corporation organized in the United States or under the laws of the United States or any State thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This subparagraph 1(y) shall be interpreted in accordance with the U.S. Internal Revenue Code.
- z) The term “**Specified U.S. Person**” means a U.S. Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any

organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

- aa) The term “**Entity**” means a legal person or a legal arrangement such as a trust.
- bb) The term “**Non-U.S. Entity**” means an Entity that is not a U.S. Person.
- cc) An Entity is a “**Related Entity**” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50 percent of the vote or value in an Entity. Notwithstanding the foregoing, Chile may treat an Entity as not a Related Entity of another Entity if the two Entities are not members of the same expanded affiliated group as defined in section 1471(e)(2) of the U.S. Internal Revenue Code.
- dd) The term “**U.S. TIN**” means a U.S. federal taxpayer identifying number.
- ee) The term “**Controlling Persons**” means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “**Controlling Persons**” shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

2. Any term not otherwise defined in this Agreement shall, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Party applying this Agreement, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

Article 2 Reporting and Exchange of Information

1. **Directive to Chilean Financial Institutions.** Chile shall direct and enable all Reporting Chilean Financial Institutions to:

- a) register on the IRS FATCA registration website with the IRS by July 1, 2014, and comply with the requirements of an FFI Agreement, including with respect to due diligence, reporting, and withholding;
- b) with respect to Financial Accounts maintained by Reporting Chilean Financial Institutions as of June 30, 2014 identified as U.S. Accounts,
 - (i) request from each Account Holder the Account Holder's U.S. TIN and consent to report and simultaneously inform the Account Holder in writing that, if the U.S. TIN and consent are not given, (1) aggregate information about the account shall be reported to the IRS, (2) information about the account may give rise to a group request by the IRS for specific information about the account, (3) in such case, the account information shall be transmitted to the Chilean tax administration, and (4) the Chilean tax administration may exchange this information with the IRS in accordance with paragraph 2 of this Article;
 - (ii) report annually to the IRS, in the time and manner required by an FFI Agreement and relevant U.S. Treasury Regulations, the aggregate information required with respect to Non-Consenting U.S. Accounts; and
 - (iii) notwithstanding subparagraph (ii), report to the IRS the aggregate number and aggregate value of all Non-Consenting U.S. Accounts no later than January 31 of the year following the year to which the information relates;
- c) with respect to accounts of, or obligations to, Nonparticipating Financial Institutions that exist as of June 30, 2014, and in connection with which the Reporting Chilean Financial Institution expects to pay a Foreign Reportable Amount,
 - (i) with respect to calendar years 2015 and 2016, request from each such Nonparticipating Financial Institution the Nonparticipating Financial Institution's consent to report and simultaneously inform the Nonparticipating Financial Institution in writing that, if such consent is not given, (1) aggregate information about Foreign Reportable Amounts paid to the Nonparticipating Financial Institution shall be reported to the IRS, (2) such information may give rise to a group request by the IRS for specific information about the account or obligation, (3) in such case, the information about the account or obligation shall be transmitted to the Chilean tax administration, and (4) the Chilean tax administration may exchange this information with the IRS in accordance with paragraph 2 of this Article;
 - (ii) with respect to calendar years 2015 and 2016, report to the IRS the number of non-consenting Nonparticipating Financial Institutions to which Foreign Reportable Amounts were paid during the year and the aggregate value of all such payments no later than January 31 of the year following the year to which the information relates;

- d) with respect to New Accounts identified as U.S. Accounts, obtain from each Account Holder consent to report, consistent with the requirements of an FFI Agreement, as a condition of account opening; and
- e) with respect to new accounts opened by, or obligations entered into with, a Nonparticipating Financial Institution on or after July 1, 2014, and in connection with which the Reporting Chilean Financial Institution expects to pay a Foreign Reportable Amount, obtain from each such Nonparticipating Financial Institution consent to report, consistent with the requirements of an FFI Agreement, as a condition of opening the account, or entering into the obligation.

2. **Exchange of Information.**

- a) In the context of FATCA implementation, the U.S. Competent Authority may make group requests to the Chilean Competent Authority based on the aggregate information reported to the IRS pursuant to the directive described in subparagraphs 1(b)(ii) and 1(c)(ii) of this Article, for all the information about Non-Consenting U.S. Accounts and Foreign Reportable Amounts paid to Nonparticipating Financial Institutions that the Reporting Chilean Financial Institution would have had to report under an FFI Agreement had it obtained consent. Such requests shall be made pursuant to Article 27 of the Convention. Accordingly, such requests shall not be made prior to the entry into force of the Convention and shall apply to information for the time period beginning on or after the date of signature of this Agreement.
- b) The information requested pursuant to subparagraph 2(a) of this Article shall be considered information that is foreseeably relevant for carrying out the administration or enforcement of the domestic laws of the United States concerning taxes covered by the Convention and under which taxation is not contrary to the Convention, without regard to whether the Reporting Chilean Financial Institution or another party has contributed to non-compliance of the taxpayers in the group request.
- c) The Chilean Competent Authority shall, within eight months of the receipt of the group request, provide the U.S. Competent Authority with all such requested information in the same format in which the information would have been reported if it had been reported directly to the IRS by the Reporting Chilean Financial Institution. The Chilean Competent Authority shall notify the U.S. Competent Authority and the relevant Reporting Chilean Financial Institution if there will be any delay in the exchange of the requested information. In such case, the provisions of subparagraph 2(b) of Article 3 of this Agreement shall apply with respect to the Reporting Chilean Financial Institution, and the Chilean Competent Authority must exchange the requested information with the U.S. Competent Authority as soon as possible.
- d) Notwithstanding subparagraph 2(c) of this Article, the Chilean Competent Authority is not required to obtain and exchange the U.S. TIN of the Account Holder of a Non-Consenting U.S. Account if such U.S. TIN is not in the

records of the Reporting Chilean Financial Institution. In such a case, the Chilean Competent Authority shall obtain and include in the exchanged information the date of birth of the relevant person, if the Reporting Chilean Financial Institution has such date of birth in its records.

Article 3 **Application of FATCA to Chilean Financial Institutions**

1. **Treatment of Reporting Chilean Financial Institutions.** Subject to the provisions of paragraph 2 of Article 4 of this Agreement, each Reporting Chilean Financial Institution that registers with the IRS on the IRS FATCA registration website and complies with the terms of an FFI Agreement shall be treated as complying with the requirements of, and as not subject to withholding under, section 1471 of the U.S. Internal Revenue Code.
2. **Suspension of Rules Relating to Non-Consenting U.S. Accounts.**
 - a) Subject to subparagraph 2(b) of this Article, the United States shall not require a Reporting Chilean Financial Institution to withhold tax under section 1471 or 1472 of the U.S. Internal Revenue Code with respect to an account held by a recalcitrant account holder (as defined in section 1471(d)(6) of the U.S. Internal Revenue Code), or to close such account, if:
 - (i) the Reporting Chilean Financial Institution complies with the directives in paragraph 1 of Article 2 of this Agreement with respect to the account; and
 - (ii) the Chilean Competent Authority exchanges with the U.S. Competent Authority the requested information described in subparagraph 2(a) of Article 2 of this Agreement within eight months from the date of the receipt of such request.
 - b) If the condition of subparagraph 2(a)(ii) of this Article is not fulfilled, the Reporting Chilean Financial Institution shall be required to treat the account as held by a recalcitrant account holder as defined in relevant U.S. Treasury Regulations, including by withholding tax where required by those U.S. Treasury Regulations, beginning on the date that is eight months after the date of the receipt of the request described in subparagraph 2(a) of Article 2 of this Agreement and ending on the date on which the Chilean Competent Authority exchanges the requested information with the U.S. Competent Authority.
3. **Specific Treatment of Chile Retirement Plans.** The United States shall treat as deemed-compliant FFIs or exempt beneficial owners, as appropriate, for purposes of sections 1471 and 1472 of the U.S. Internal Revenue Code, Chile retirement plans described in Annex II. For this purpose, a Chile retirement plan includes an Entity established or located in, and regulated by, Chile, or a predetermined contractual or legal arrangement, operated to provide pension or retirement benefits or earn income for providing such benefits under the laws of Chile and regulated with respect to contributions, distributions, reporting, sponsorship, and taxation.
4. **Identification and Treatment of Other Deemed Compliant FFIs and Exempt Beneficial Owners.** The United States shall treat each Non-Reporting Chilean Financial Institution as a deemed-compliant FFI or as an exempt beneficial owner, as appropriate, for

purposes of section 1471 of the U.S. Internal Revenue Code.

5. **Special Rules Regarding Related Entities and Branches That Are Nonparticipating Financial Institutions.** If a Chilean Financial Institution, that otherwise meets the requirements described in Article 2 of this Agreement or is described in paragraph 3 or 4 of this Article, has a Related Entity or branch that operates in a jurisdiction that prevents such Related Entity or branch from fulfilling the requirements of a participating FFI or deemed-compliant FFI for purposes of section 1471 of the U.S. Internal Revenue Code or has a Related Entity or branch that is treated as a Nonparticipating Financial Institution solely due to the expiration of the transitional rule for limited FFIs and limited branches under relevant U.S. Treasury Regulations, such Chilean Financial Institution shall continue to be treated as a participating FFI, deemed-compliant FFI, or exempt beneficial owner, as appropriate, for purposes of section 1471 of the U.S. Internal Revenue Code, provided that:

- a) the Chilean Financial Institution treats each such Related Entity or branch as a separate Nonparticipating Financial Institution and each such Related Entity or branch identifies itself to withholding agents as a Nonparticipating Financial Institution;
- b) each such Related Entity or branch identifies its U.S. accounts and reports to the IRS the information with respect to those accounts as required under section 1471 of the U.S. Internal Revenue Code to the extent permitted under the relevant laws pertaining to the Related Entity or branch; and
- c) such Related Entity or branch does not specifically solicit U.S. accounts held by persons that are not resident in the jurisdiction where such Related Entity or branch is located or accounts held by Nonparticipating Financial Institutions that are not established in the jurisdiction where such Related Entity or branch is located, and such Related Entity or branch is not used by the Chilean Financial Institution or any other Related Entity to circumvent the obligations under this Agreement or under section 1471 of the U.S. Internal Revenue Code, as appropriate.

6. **Coordination of Definitions with U.S. Treasury Regulations.** Notwithstanding Article 1 of this Agreement and the definitions provided in the Annexes to this Agreement, in implementing this Agreement, Chile may use, and may permit Chilean Financial Institutions to use, a definition in relevant U.S. Treasury Regulations in lieu of a corresponding definition in this Agreement, provided that such application would not frustrate the purposes of this Agreement.

Article 4 Verification and Enforcement

1. **Minor and Administrative Errors.** Consistent with the terms of an FFI Agreement, the U.S. Competent Authority may make an inquiry directly to a Reporting Chilean Financial Institution where it has reason to believe that administrative errors or other minor errors may have led to incorrect or incomplete information reporting inconsistent with the requirements of an FFI Agreement. The competent authority agreement or arrangement may provide that the U.S. Competent Authority would notify the Chilean Competent Authority when the U.S. Competent Authority makes such an inquiry of a Reporting Chilean Financial Institution regarding the Reporting Chilean Financial Institution's compliance with the conditions set

forth in this Agreement.

2. **Significant Non-Compliance.** The U.S. Competent Authority shall notify the Chilean Competent Authority when the U.S. Competent Authority has determined that there is significant non-compliance with the requirements of an FFI Agreement or this Agreement with respect to a Reporting Chilean Financial Institution. If the non-compliance is not resolved within a period of 12 months after notification of significant non-compliance is first provided by the U.S. Competent Authority, the United States shall treat the Reporting Chilean Financial Institution as a Nonparticipating Financial Institution pursuant to this paragraph 2.

3. **Competent Authority Consultation** The Competent Authorities of Chile and the United States may consult on notified cases of significant non-compliance pursuant to paragraph 2 of this Article. Upon entry into force of the Convention, the Competent Authorities of Chile and the United States shall enter into an agreement or arrangement under the mutual agreement procedure provided for in Article 26 of the Convention which shall:

- a) establish the procedures for the exchange of information described in paragraph 2 of Article 2 of this Agreement; and
- b) prescribe rules and procedures as may be necessary to implement this Article.

4. **Reliance on Third Party Service Providers.** In accordance with the provisions of an FFI Agreement and relevant U.S. Treasury Regulations, Reporting Chilean Financial Institutions may use third party service providers to fulfill the requirements of an FFI Agreement, but these requirements shall remain the responsibility of the Reporting Chilean Financial Institutions.

Article 5

Mutual Commitment to Continue to Enhance the Effectiveness of Information Exchange and Transparency

1. **Treatment of Passthru Payments and Gross Proceeds.** The Parties are committed to work together, along with Partner Jurisdictions, to develop a practical and effective alternative approach to achieve the policy objectives of foreign passthru payment and gross proceeds withholding that minimizes burden.

2. **Development of Common Reporting and Exchange Model.** The Parties are committed to working with Partner Jurisdictions and the Organisation for Economic Co-operation and Development on adapting the terms of this Agreement and other agreements between the United States and Partner Jurisdictions to a common model for automatic exchange of information, including the development of reporting and due diligence standards for financial institutions.

Article 6

Consistency in the Application of FATCA to Partner Jurisdictions

1. Chile shall be granted the benefit of any more favorable terms under Article 3 or Annex I of this Agreement relating to the application of FATCA to Chilean Financial Institutions afforded to another Partner Jurisdiction under a signed bilateral agreement pursuant to which the other Partner Jurisdiction commits to undertake the same obligations as Chile described in Article 2 of this Agreement, and subject to the same terms and conditions as described therein and in Articles 4, 6, 8, and 9 of this Agreement.

2. The United States shall notify Chile of any such more favorable terms, and such more favorable terms shall apply automatically under this Agreement as if such terms were specified in this Agreement and effective as of the date of the signing of the agreement incorporating the more favorable terms, unless Chile declines the application thereof.

Article 7

Reciprocal Information Exchange

Upon entry into force of the Convention, consistent with its obligations under the Convention, the United States shall cooperate with Chile to respond to requests pursuant to the Convention to collect and exchange information on accounts held in U.S. financial institutions by residents of Chile. In addition, when and to the extent Chile seeks to collaborate with the United States to implement FATCA based on direct reporting by Chilean Financial Institutions to the Government of Chile, followed by the transmission of such information to the United States, the United States is willing to negotiate such an agreement on the same terms and conditions as similar agreements concluded with Partner Jurisdictions, subject to the Parties having determined that the standards of confidentiality and other prerequisites for such cooperation are fulfilled.

Article 8

Confidentiality

1. The Chilean Competent Authority shall treat any information received from the United States pursuant to paragraph 2 of Article 2 and Article 4 of this Agreement as confidential and shall only disclose such information as may be necessary to carry out its obligations under this Agreement. Such information may be disclosed in connection with court proceedings related to the performance of the obligations of Chile under this Agreement.

2. Information provided to the U.S. Competent Authority pursuant paragraph 2 of Article 2 and Article 4 of this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) of the Government of the United States concerned with the assessment, collection, or administration of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, U.S. federal taxes, or the oversight of such functions. Such persons or authorities shall use such information only for such purposes. Such persons may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person, entity, authority, or jurisdiction. Notwithstanding the foregoing, where Chile provides prior, written consent, the information may be used for purposes permitted under the provisions of a mutual legal assistance treaty in force between the Parties that allows for the exchange of tax information.

Article 9

Consultations and Amendments

1. In case any difficulties in the implementation or interpretation of this Agreement arise, either Party may request consultations to develop appropriate measures to ensure the fulfillment of this Agreement.

2. This Agreement may be amended by written mutual agreement of the Parties. Unless otherwise agreed upon, such an amendment shall enter into force through the same procedures

as set forth in paragraph 1 of Article 10 of this Agreement.

Article 10
Annexes

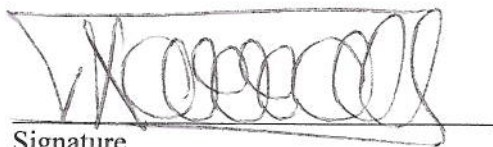
The Annexes form an integral part of this Agreement.

Article 11
Term of Agreement

1. This Agreement shall enter into force on the date of Chile's written notification to the United States that Chile has completed its necessary internal procedures for entry into force of this Agreement.
2. Either Party may terminate this Agreement by giving notice of termination in writing to the other Party. Such termination shall become effective on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.


Done at Santiago de Chile, this 5th day of March, 2014.
in duplicate in the English language. A Spanish language text shall be prepared which shall be considered equally authentic upon an exchange of diplomatic notes between the Parties confirming its conformity with the English language text.



Signature

Felipe Larraín B.
Name

FOR THE GOVERNMENT OF
CHILE:



Signature

STEPHEN M. LISTON
Name

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA: