

## **ANNEX XI**

REFERRED TO IN ARTICLE 60

**CURRENT PAYMENTS AND CAPITAL MOVEMENTS**

ANNEX XI

CURRENT PAYMENTS AND CAPITAL MOVEMENTS

1. With respect to its obligations under Articles 61 and 62 of the Agreement, Chile reserves the right of the Central Bank of Chile to maintain or adopt measures in conformity with the Constitutional Organic Law of the Central Bank of Chile (“*Ley Orgánica Constitucional del Banco Central de Chile, Ley 18.840*”) (“Law 18.840”) or other legislation, in order to ensure currency stability and the normal operation of domestic and foreign payments. For this purpose, the Central Bank of Chile is empowered to regulate the supply of money and credit in circulation and international credit and foreign exchange operations. The Central Bank of Chile is empowered as well to issue regulations governing monetary, credit, financial and foreign exchange matters. Such measures include, *inter alia*, the establishment of restrictions or limitations on current payments and transfers (capital movements) to or from Chile, as well as transactions related to them, such as requiring that deposits, investments, or credits from or to a foreign country, be subject to a reserve requirement (“*encaje*”). Notwithstanding the above, the reserve requirement that the Central Bank of Chile can apply pursuant to Article 49 No. 2 of Law 18.840 shall not exceed 30 percent of the amount transferred and shall not be imposed for a period which exceeds two years.

2. When applying measures under this Annex, Chile, as established in its laws and regulations, shall not discriminate between EFTA States and any third country with respect to transactions of the same nature.

---