
GUIDE ON THE ESTABLISHMENT OF A FOREIGN BANK'S BRANCH IN CHILE

In accordance with the General Banking Act, the establishment of a foreign bank's branch in Chile is ruled by four complementary provisions, id est: Articles 32, 27, 28 and 29, respectively.

In accordance with the provisions in Article 32 above mentioned, the banks organized abroad, in order to establish a branch in Chile shall have to firstly obtain from the Superintendency of Banks and Financial Institutions a provisional certificate of authorization upon submission of an application in the manner indicated below.

Additionally, in their constitution, they must comply with the provisions in Articles 121 and 122 of Law No. 18,046 on Stock Corporations.

A. PROVISIONAL CERTIFICATE.

The application submitted to the Superintendency shall accompany the following information:

1. Certificate of legal existence issued by the competent authority in the country where the main office is seated.
2. Name and domicile of the main office.
3. Effective capital that shall be used for the branch's functioning, that may not be less than the equivalent in pesos to 800,000 Unidades de Fomento. But, according Article 51 of the General Banking Act, at the time of the execution of the instrument of constitution of a bank or at the time of the authorization granted to a branch of a foreign bank to start its operations, the minimum capital shall be 50% paid.
4. Corresponding power of attorney granted to the individual who shall proceed with the branch establishment in Chile.
5. Documentation allowing to accredit that in the country where the main office is operating, a supervision procedure allows to adequately monitor the risk of its operations and that counts with prior authorization of the inspection organism from the country where the main office is constituted.

Once all the above mentioned is in the hands of the Superintendency, this one shall issue, if appropriate, the provisional certificate of authorization, with a term of ten months to be counted from the date of granting.

B. DEFINITIVE AUTHORIZATION.

1. **Protocolization:** Upon revision by this Superintendency, the following documents duly legalized and translated into Spanish from the official language of the country of origin shall be protocolized:
 - a. Company's by-laws;
 - b. Certificate of legal existence;
 - c. Agreement of the bank's BOD to open a branch in Chile;
 - d. A general power of attorney granted by the Company to the agent that shall represent it in the country.

2. **Declaration:** By public deed of the same date and before the same Notary protocolizing the above mentioned documents, the representative duly empowered shall declare on behalf of the Company:
 - a. The name under which the branch will function in Chile and that its subject is the banking business according to the General Banking Act, and to the corresponding rules he declares to be acquainted with;
 - b. That the branch's properties are affected to the Chilean laws, especially to respond to the obligations to be complied in Chile;
 - c. The effective capital it shall have in the country, that shall not be less than the equivalent in pesos to 800,000 Unidades de Fomento, when the definitive resolution of authorization is issued;
 - d. Domicile of the agency in Chile and of the main office abroad.

3. **Resolution:** Once all the above mentioned information and documentation are in the hands of the Superintendency, it shall dictate the resolution approving the branch's establishment.

4. **Legalization of the Resolution:** The resolution and an abstract of the main office's by-laws certified by the Superintendency, shall be registered in the Register of Commerce of the corporate domicile and shall be published in the Official Gazette within sixty days counted from the date of the approving resolution.

C. AUTHORIZATION TO THE FUNCTIONING.

Once the preceding procedures are performed and the total capital is verified, the Superintendent shall verify if the banking enterprise is prepared to start operations and, if so, the authorization to the functioning shall be granted.