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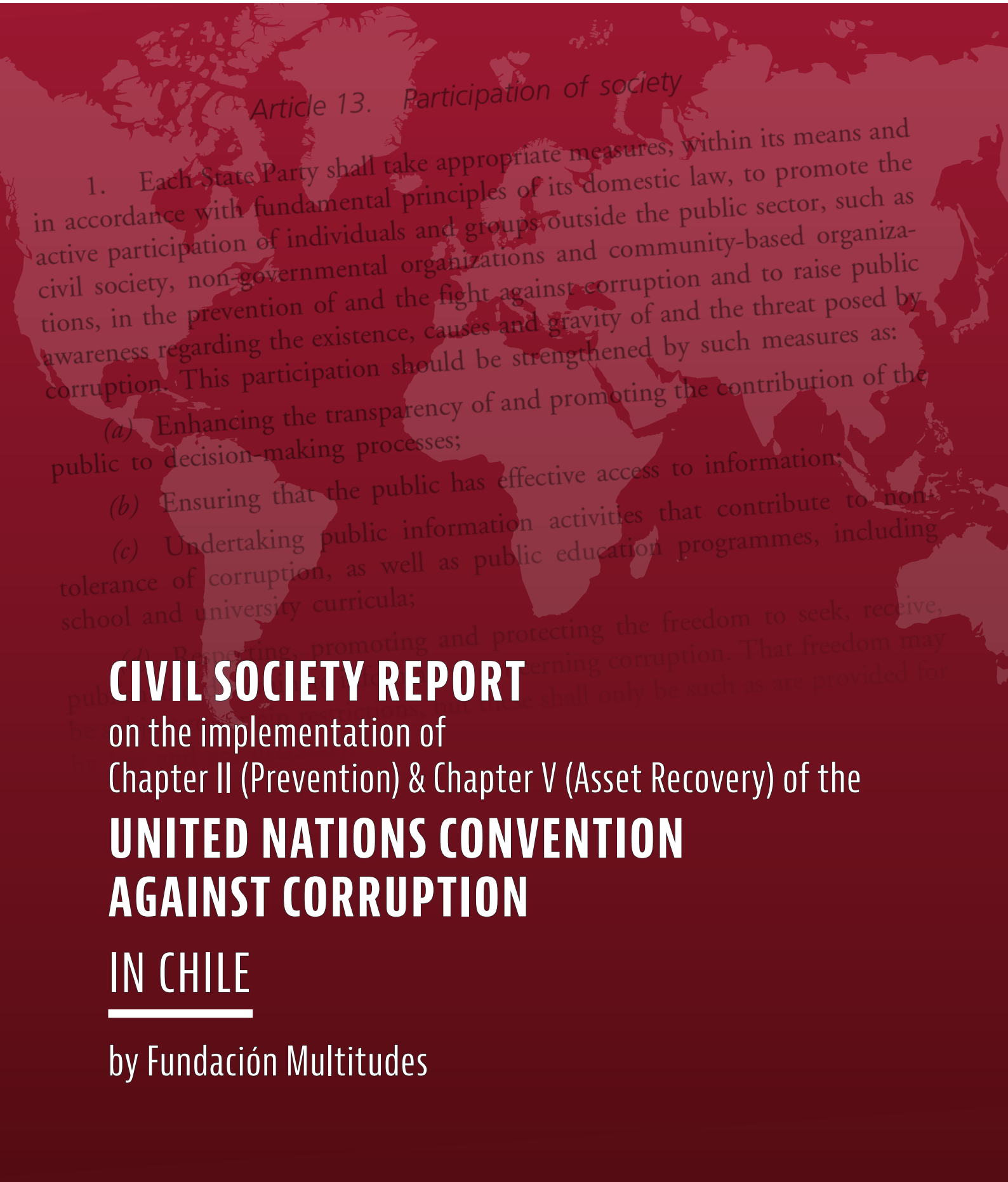

CIVIL SOCIETY REPORT

on the implementation of
Chapter II (Prevention) & Chapter V (Asset Recovery) of the

UNITED NATIONS CONVENTION AGAINST CORRUPTION

IN CHILE

by Fundación Multitudes

Acknowledgments

With the aim of contributing to the national UNCAC review process in Chile in its second cycle, this parallel report was written by Fundación Multitudes, using the guidance materials and report template designed by the UNCAC Coalition and Transparency International. The elaboration of this report was supported by the UNCAC Coalition, made possible by funding provided by the Norwegian Agency for Development Cooperation (Norad) and the Danish Ministry of Foreign Affairs (Danida).

The findings in this report are those of the authors and do not necessarily reflect the views of the UNCAC Coalition and the donors who have made this report possible. Every effort has been made to verify the accuracy of the information contained in this report. All information is believed to be correct as of November 28th, 2022.

The authors of this report are Paulina Ibarra, Ana Quijada, Valeria Acuña, Gabriela Miranda and Cynthia Giuritza of Fundación Multitudes who are grateful for the participation and contributions of representatives of academia, the public sector and citizens in this document. The report was reviewed by Danella Newman of the UNCAC Coalition.

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Fundación Multitudes, since its creation in 2014, has the mission of bringing citizens closer to public institutions, providing them with tools for effective advocacy and accountability, thus expanding the spaces for citizen participation in decision-making.

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Abbreviations

While the abbreviations are provided in both Spanish and English in the following table, they are used in their original Spanish version throughout the report for institutions and laws and in their English version for names of international institutions or initiatives.

Abbr.	Spanish	English
ADP	Alta Dirección Pública	Senior Public Management
ALA	Antilavado de Activos	Anti-Money Laundering
ALM	Asistencia Legal Mutua	Mutual Legal Assistance
AJL	Asistencia Jurídica Legal	Legal Assistance
ANI	Agencia Nacional de Inteligencia	National Intelligence Agency
BIPE	Brigada de Investigaciones Policiales	Police Investigation Brigade
BF	Beneficiarios Finales	Final beneficiaries
BRILAC	Brigada de Lavado de Activos	Money Laundering Brigade
CAIGG	Consejo de Auditoría Interna General del Gobierno	General Internal Government Auditing Council
CDD	Debida Diligencia	Customer Due Diligence
CDE	Consejo de Defensa del Estado	State Defense Council
CFT	Contra el Financiamiento del Terrorismo	Against Terrorist Financing/Combating the financing of terrorism
CGR	Contraloría General de la República	Office of the Comptroller General of the Republic
CMF	Comisión para el Mercado Financiero	Financial Market Commission
COS	Organizaciones de la Sociedad Civil	Civil Society Organizations
CPP	Código Procesal Penal	Criminal Procedure Code
CPLG	Grupo de Políticas y Derecho de la Competencia	Competition Law and Policy Group
CPLT	Consejo para la Transparencia	Council for Transparency
DDC	Debida Diligencia del Cliente	Customer Due Diligence

DEPTE	Declaraciones de Porte y Transporte de Efectivo	Declarations of Carriage and Transportation of Cash
DFL	Decreto con Fuerza de Ley	Decree with Force of Law
DICREP	Dirección General de Crédito Prendario	General Directorate of Pledge Credit
DIRECTEMAR	Dirección General del Territorio Marítimo y Marina Mercante de la Armada de Chile	General Directorate of Maritime Territory and Merchant Navy of the Chilean Navy
DIP	Declaración de Intereses y Patrimonio	Declaration of Interests and Assets
DIPRES	Dirección de Presupuestos del Ministerio de Hacienda	Budget Directorate of the Ministry of Finance
DISIN	División de Seguridad Internacional y Humana	International and Human Security Division
DL	Decreto Ley	Decree of Law
DNSC	Dirección Nacional del Servicio Civil	National Directorate of the Civil Service
EBR	Enfoque Basado en el Riesgo	Risk-Based Approach
ECOSOC	Consejo Económico y Social de las Naciones Unidas	United Nations Economic and Social Council
EFSUR	Entidades Fiscalizadoras Superiores de los Países de América del Sur	Supreme Audit Institutions of South American Countries
ENR	Evaluación Nacional de Riesgo	National Risk Assessment
FNE	Fiscalía Nacional Económica	National Economic Prosecutor's Office
FT	Financiamiento del Terrorismo	Terrorist Financing
GAFI	Grupo de Acción Financiera	Financial Action Task Force
GAFILAT	Grupo de Acción Financiera de Latinoamérica	Latin American Financial Action Task Force
ICAR	Centro Internacional para la Recuperación de Activos	International Center for Asset Recovery
IFAC	Federación Internacional de Contadores	International Federation of Accountants

INTOSAI	Organización Internacional de Entidades Fiscalizadoras Superiores	International Organization of Supreme Audit Institutions
IVA	Impuesto a las Ventas y Servicios	Sales and Services Tax
ML	Lavado de Dinero	Money Laundering
MP	Ministerio Público	Public Prosecutor's Office
NICSP	Normas Internacionales de Contabilidad para el Sector Público	International Public Sector Accounting Standards
NORAD	Agencia Noruega de Cooperación al Desarrollo	Norwegian Agency for Development Cooperation
LA	Lavado de Activos	Money Laundering
LOCBGAE	Ley Orgánica Constitucional de Bases Generales de la Administración del Estado	Constitutional Organic Law of General Bases of the State Administration
OCDE	Organización para la Cooperación y el Desarrollo Económico	Organization for Economic Cooperation and Development
OLACEFS	Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores	Latin American and Caribbean Organization of Supreme Audit Institutions
ONUDD	Oficina de las Naciones Unidas contra la Droga y el Delito	United Nations Office on Drugs and Crime
PDI	Policía de Investigaciones	Investigation Police
PEP	Persona Políticamente Expuesta	Politically Exposed Person
POAS	Planes Operativos Anuales	Annual Operating Plans
ROS	Reporte de Operaciones Sospechosas	Suspicious Operations Report
RTS	Reporte de Transacciones Sospechosas	Suspicious Transaction Report
SADP	Sistema de Alta Dirección Pública	Senior Public Management System
SAR	Reporte de Actividades Sospechosas	Suspicious Activity Reports
SEGPRES	Ministerio Secretaría General de la Presidencia	Ministry General Secretariat of the Presidency
SEGEGOB	Ministerio Secretaría General de Gobierno	Ministry General Secretariat of Government

SENDA	Servicio Nacional para la Prevención y Rehabilitación del Consumo de Drogas y Alcohol	National Service for the Prevention and Rehabilitation of Drug and Alcohol Abuse
SERVEL	Servicio Nacional Electoral	National Electoral Service
SICOGEN	Sistema de Contabilidad General de la Nación	General Accounting System of the Nation
SIGFE	Sistema para la Gestión Financiera del Estado	System for the Financial Management of the State
SO	Sujetos Obligados	Obligated Entities
S/I	Sin Información	Without Information
UAF	Unidad de Análisis Financiero	Financial Analysis Unit
UCIEX	Unidad de Cooperación Internacional y Extradiciones de la Fiscalía	International Cooperation and Extraditions Unit of the Public Prosecutor's Office
UIF	Unidad de Información Financiera	Financial Information Unit
ULDECCO	Unidad Especializada en Lavado de Dinero, Delitos Económicos y Crimen Organizado	Specialized Unit for Money Laundering, Economic Crimes and Organized Crime
UNAC	Unidad Especializada Anticorrupción	Specialized Anti-Corruption Unit
CNUCC/UNCAC	Convención de las Naciones Unidas contra la Corrupción	United Nations Convention against Corruption
UZF	Usuarios Zonas Francas	Free Trade Zone Users

List of Persons Consulted

The people interviewed for the parallel report are listed in the table below:

Name	Job title	Organization or Institution	Date of the interview
Francisco José Silva Durán	Prosecutor	Civil Service	July 20,2022
Hernán Fernández	Deputy Director of the Anti-Corruption Specialized Unit	Public Prosecutor's Office	July 26, 2022
Carlos Pavez	Director	Financial Analysis Unit	August 3, 2022
Carolina Ortega	Chief of Communications	Financial Analysis Unit	August 3, 2022
Nicole Duffau	Senior International Affairs Analyst	Financial Analysis Unit	August 3, 2022
Jaime Lara	Head of Transparency	Financial Analysis Unit	August 3, 2022
Raúl Garcia	National Director	Electoral Service	August 4, 2022
David Ibaceta	General Director	Council For Transparency	August 10, 2022
Juan Cristobal Moreno	Head of *Chile Compras* Observatory	*Chile Compras*	August 26, 2022
Dora Ruiz Madrigal	Head of Collaborative Purchasing Division	*Chile Compras*	August 26, 2022
Hassen Kamal	Development and Legal Consultant	Generación Empresarial Foundation	September 22, 2022
Isidora Castillo	Development Coordinator	Generación Empresarial Foundation	September 22, 2022

Valeria Lübbert	Executive Secretary Public Integrity and Transparency Committee	Ministry General Secretariat of the Presidency	October 17 ,2022
Pamela Cuevas	Chief of Communications	Budget Directorate of the Ministry of Finance	October 24 ,2022
Gonzalo Gaete	Head of the Expenditure Review and Fiscal Transparency Sub-Department	Budget Directorate of the Ministry of Finance	October 24 ,2022

I. Introduction

Chile signed the United Nations Convention against Corruption (UNCAC) in October 2006. This parallel report reviews Chile's implementation of selected articles of Chapter II (Preventive Measures) and Chapter V (Asset Recovery) of the UNCAC. The report is intended as a contribution to the ongoing UNCAC implementation review process covering these chapters. Chile was selected by the UNCAC Implementation Review Group in January 2020 through a drawing of lots for review in the fourth year of the second cycle. A draft of this parallel report was provided to the government of Chile in the context of the on-site visit during August 30 through September 1, 2022.

1.1 Extent. The UNCAC articles and topics that receive special attention in this report are those covering:

Chapter II:

Preventive anti-corruption policies and practices (Article 5)

- Preventive anti-corruption bodies (Article 6)
- Public sector employment (Article 7.1)
- Political financing (Article 7.3)
- Codes of conduct, conflicts of interest and asset declarations (articles 7, 8 and 12)
- Reporting mechanisms and whistleblower protection (Articles 8.4 and 13.2)
- Public procurement (Article 9.1)
- Management of public finances (Article 9)
- Access to information and participation of society (Articles 10 and 13.1)
- Judiciary and prosecution service (Article 11)
- Private sector transparency (Article 12)
- Measures to prevent money laundering (Article 14)

Chapter V:

- Anti-money laundering (articles 52 and 58)
- Measures for the direct recovery of property (articles 53 and 56)
- Confiscation tools (article 54)
- International cooperation for purposes of confiscation (articles 51, 54, 55, 56 and 59)
- Restitution and disposal of assets (article 57)

1.2 Structure. The report begins with an executive summary, which includes the main findings, conclusions and recommendations on the review process, availability of information, as well as implementation and enforcement of selected UNCAC articles. The following part covers the findings of the review process in Chile as well as access to information issues in more detail. Subsequently, the implementation of the Convention is reviewed and examples of good practices and deficiencies are provided. Then, recent developments are discussed and, lastly, recommendations for priority actions to improve UNCAC implementation are given.

1.3 Methodology. The report was prepared by the research team of Fundación Multitudes with technical and financial support from the UNCAC Coalition. The group

made efforts to obtain information for the reports from government offices and to engage in dialogue with Chilean government officials. As part of this dialogue, a draft country visit report from Jamaica and Uzbekistan was provided to us.

The report was prepared using the guidelines and a report template designed by the UNCAC Coalition and Transparency International for use by civil society organizations (CSOs). These tools reflected but simplified the United Nations Office on Drugs and Crime (UNODC) checklist and called for relatively short assessments as compared to the detailed official self-assessment checklist. The report template included a series of questions on the review process and, in the section on implementation, asked for examples of good practices and areas in need of improvement in the articles of UNCAC Chapter II on the prevention of corruption and Chapter V on asset recovery.

In the preparation of this report, the authors took into account the review of Chile conducted by the Financial Action Task Force of Latin America (GAFILAT), specifically, the Fourth Round Mutual Evaluation of the Republic of Chile published in September 2021, as well as the diagnostic according to the 9 principles of asset recovery of the International Centre for Asset Recovery, in Latin America (2022) that evaluates Chile's capacity to recover illicit assets.

II. Executive summary

This report examines Chile's implementation of Chapter II (Preventive Measures) and Chapter V (Asset Recovery) of the United Nations Convention against Corruption (UNCAC) and is intended as a contribution to the UNCAC implementation review process that is currently underway and covers the aforementioned chapters. There was fluid contact and communication with the Ministry of Foreign Affairs of Chile on the UNCAC review process, in which Fundación Multitudes participated in the country visit from August 30 to September 1 in the panel on civil society.

The parallel report was initiated on May 5, 2022, a process in which the Chilean focal point was contacted, then the methodology provided by the UNCAC Coalition was adapted, and lobby hearings and requests for transparency were requested from the institutions selected for the investigation.

2.1 Description of the Official Review Process

Chile is in the second review cycle, which covers Chapters II, Preventive Measures, and V, Asset Recovery and is being reviewed by Jamaica and Uzbekistan. This review began in early 2020, through the Ministry of Foreign Affairs when it submitted the self-assessment checklist to the UNODC, having already made comments and provided feedback. Chile, together with the UNODC Secretariat, organized and carried out the on-site country visit from August 30 to September 1, 2022, in which Fundación Multitudes participated as the CSO writing the parallel report.

2.2 Availability of Information

Throughout this research, three methodologies were used to access the required information. First, by means of requests for access to public information, through the instruments provided for in the Transparency Law No. 20,285, a questionnaire with questions on the corresponding subjects was submitted to 8 public institutions: **Civil Service, Public Prosecutor's Office (Fiscalía), Financial Analysis Unit (UAF), Electoral Service (Servel), Council For Transparency (CPLT), *Chile Compras*, Office of the Comptroller General of the Republic (CGR) and Budget Directorate of the Ministry of Finance** (see Annex 7.4), regarding their role and competencies in the matters described in the UNCAC. The responses of the institutions were rated according to their clarity and format, the time of response and the completeness of the contents reported with respect to the request for information provided.

Secondly, requests for hearings were made to the 8 public institutions mentioned above through the Lobby Law platform, which allows them to manage hearings with authorities, register trips and donations in accordance with the provisions of Law No. 20.730 and its regulations.[1] For the preparation of the interviews, semi-structured guidelines and report templates designed by the UNCAC Coalition and Transparency International were used. As a result, eight lobbying hearings of approximately 1 hour were held, six of which were virtual and two in person. In addition, a questionnaire and interview request was sent to Fundación Generación Empresarial, as part of civil

[1] Law Nº 20.730, https://tinyurl.com/2lqztqfv, date of access: August 26, 2022.

society, regarding their comments and opinions on the chapters consulted, as well as their role in compliance with the articles of the UNCAC.

In a third instance, and by means of a request for access to information, relevant information was requested to the different public institutions mentioned above in order to access data that is not easily accessible on their web pages. The different institutions received the requests for access to information, however, not all of them were answered because they did not fall under the transparency law.

2.3 Implementation in law and in practice

Over the years, Chile has incorporated a series of laws in accordance with the recommendations of the UNCAC focused on different anti-corruption issues. These recommendations, such as international cooperation and cooperation between institutions to combat corruption, seek to provide the different institutions and services of the country with high standards of transparency and probity.

Regarding corruption prevention policies and the agencies that emanate from this legislation, Law No. 19.653[2] has not been subject to major modifications and the regulations on administrative probity have been in force since 1999. To date, the different agencies responsible for investigating, overseeing and sanctioning corruption cases have not been modified either. However, good practices are based on constant monitoring, investigation and sanctioning by specialized agencies.

Chilean public sector labor regulations comply with UNCAC recommendations. There is a public employee portal that each institution uses in a decentralized manner to post job openings. Almost 80% of state employees are recruited through a standardized and rigorously applied merit-based recruitment system, which ensures stability in public employment and continuity in the execution of public services, the other 20% are recruited for short-term contracts or as direct hires. At the beginning of 2022, the Comptroller General's Office issued a rule that establishes that by 2023 new fee-based workers may only be hired for short-term tasks or for jobs that require a level of specialization of temporary employees. In addition, the Chilean law does not include a precise definition that provides elements to determine when an irregularity or lack of administrative probity has been committed, which is precisely what is sought to be denounced. Also, this law does not contemplate the principle of retroactivity, i.e., before 2007, any act that had been reported would not be covered by this law.

Political financing is based on Laws No. 19.884[3] and No. 19.885[4], which generate control mechanisms for the legal financing of parties and candidates, both by the State and the private sector. This applies not only to political campaigns, but also to the annual financing of each constituted party in the country. In recent years, the number of complaints of irregularities has decreased, which is a direct consequence of greater compliance with the regulations by parties and candidates. However, the major deficiency of these laws and of the regulation of the institution in charge (SERVEL) lies in the fact that it acts on the basis of the existence of a complaint of irregularities or misconduct.

[2] Law N° 19.653. https://tinyurl.com/2lks9o6q, date of access: August 26, 2022.
[3] Law N° 19.884, https://bcn.cl/2f90n, date of access: August 17, 2022.
[4] Law N° 19.885, https://bcn.cl/2lxan, date of access: August 17, 2022.

Codes of conduct and conflicts of interest are addressed in Chilean legislation in Law 20.955[5], which mandates ministries and their dependent or related services to establish rules of general application for the development of codes of ethics on official conduct. However, the biggest problem is that the legislation is largely does not apply to local government officials. While the government introduced a bill in 2018 to strengthen public integrity with the aim of preventing conflicts of interest that may arise in the entry and exit of public officials, as well as other issues related to the prevention of anti-corruption acts, in practice there is no institution in charge of taking measures to monitor conflicts of interest related to former public officials in private entities. The bill is currently being processed in the Senate.

Law No. 20.205[6] regulates the protection of officials who report irregularities and breaches of the principle of probity, which includes the rights of public and municipal officials who file complaints with the competent administrative authority. Similarly, Law No. 19.640[7] provides for the protection of victims and witnesses, as well as improvements in their care. Although the norm exists and is partially applied in the country, its weakness is that it only applies to complaints before the administrative statute and has not been updated since 2007. The government of President Boric, presented a law that generates a new complaint mechanism, in charge of the Comptroller General of the Republic, through which whistleblowers may report acts of corruption that may constitute administrative infractions and eventually crimes. Confidentiality and a series of protection measures are guaranteed to avoid reprisals against the whistleblower. The bill is currently in the mixed committee of the Chamber of Deputies due to the rejection of amendments.

The management of public finances is framed in the General Budget Law and Law No. 4,520[8] of the Organic Budget Law, handing over the analysis and tasks necessary for such management to the Budget Directorate of the Ministry of Finance. Although this Directorate has to generate a large amount of inputs and review State expenditures, it is limited to what is allocated by the national budget. Furthermore, it only depends on one Ministry, which makes the implementation of any public policy more bureaucratic.

Law Nº 20.285[9] regulates the principle of Transparency of the Public Function, the right of Access to Information, the procedures for the exercise of the right and establishes rules that give rise to active and passive transparency, through the Council for Transparency. However, in practice, the application of this law is not broad because although it is complied with to generate access to information in the various selected agencies, there are other autonomous institutions that are not accountable or are outside the scope of the law, which ends up being counterproductive and does not cover the entire State in this matter.

[5] Law Nº 20.955, https://www.bcn.cl/leychile/navegar?idNorma=1095821, date of access: August 7, 2022.
[6] Law N° 20.205: https://tinyurl.com/2mpuo9g8, date of access: August 26, 2022.
[7] Law Nº19.640, https://bcn.cl/2jm44, date of access: August 25, 2022.
[8] Law Nº 4520, https://tinyurl.com/2emczkjt, date of access: October 25, 2022.
[9] Law 20.285. https://bcn.cl/2lswp. date of access: August 26, 2022.

The measures for the Public Prosecutor's Office and the Judicial Branch are widely applied in our country, also respecting the constitutional autonomy granted to this branch. The legal framework, as mentioned, is of constitutional rank and is also largely regulated by the Organic Code of Courts[10]. However, limited financial and human resources hinder intersectoral investigations, mainly in the areas of drugs and public corruption.

Transparency in the private sector is not regulated by any law or regulation in the country. This sets a precedent when evaluating this article and its application, since information is often scarce and depends on the will of the private sector. In short, the State of Chile is indebted to this measure.

The Financial Analysis Unit (UAF) and its law No. 19.913[11] are the basis for the fight against money laundering in Chile. This law entered into force in December 2003 and goes hand in hand with Law No. 20.393[12], which establishes the criminal liability of legal entities for the crimes of money laundering, financing of terrorism and bribery.

The confiscation of assets and mechanisms for their repossession are also part of Law No. 19.913[13], together with Law No. 20.393. In this context, the Chilean authorities have promoted the implementation of a policy aimed at increasing the seizure and confiscation of assets derived from money laundering and the financing of terrorism, in order to combat the economy of criminal organizations.

To summarize, regarding the different issues to be evaluated in this report, and in accordance with Chilean regulations and legislation, most of them comply with the basis of the recommendations generated by the UNCAC. However, the application of laws for compliance with UNCAC measures and recommendations is what ends up being a bit more complex in Chile. To reiterate, on many occasions the laws and regulations are outdated or are stuck in Congress.

Table 1: Implementation and enforcement summary

UNCAC articles	Status of implementation in law	Status of implementation and enforcement in practice
Art. 5 – Preventive anti-corruption policies and practices	**Fully implemented**	**Good**
Art. 6 – Preventive anti-corruption body or bodies	**Fully implemented**	**Moderate**
Art. 7.1 – Public Sector Employment	**Fully implemented**	**Moderate**

[10] Organic Code of Courts, https://www.bcn.cl/leychile/navegar?idNorma=25563, date of access: November 24, 2022.
[11] Law N°19.913.https://bcn.cl/2k18x, date of access: October 26, 2022.
[12] Law Nº 20.393. https://tinyurl.com/2jop2m46, date of access: October 26, 2022.
[13] See Law N°19.913

Art. 7.3 – Political financing	**Partially implemented**	**Moderate**
Art. 7, 8 y 12 – Codes of conduct, conflicts of interest and asset declarations	**Fully implemented**	**Moderate**
Art. 8.4 y 13.2 – Reporting mechanisms and whistleblower protection	**Partially implemented**	**Poor**
Art. 9.1 – Public procurement	**Partially implemented**	**Moderate**
Art. 9.2 – Management of public finances	**Fully implemented**	**Good**
Art. 10 y 13.1 – Access to information and participation of society	**Fully implemented**	**Moderate**
Art. 11 – Judiciary and prosecution services	**Fully implemented**	**Moderate**
Art. 12 – Private sector transparency	**Not implemented**	**Poor**
Art. 14 – Measures to prevent money laundering	**Fully implemented**	**Good**
Art. 52 y 58 – Anti-money laundering	**Fully implemented**	**Good**
Art. 53 y 56 – Measures for the direct recovery of property	**Partially implemented**	**Moderate**
Art. 54 – Confiscation tools	**Partially implemented**	**Poor**
Art. 51, 54, 55, 56 y 59 – International cooperation for purposes of confiscation	**Partially implemented**	**Good**
Art. 57 – Restitution and disposal of assets	**Partially implemented**	**Poor**

Table 2: Performance of selected key institutions

Name of institution	**Performance in relation to responsibilities covered by the report**	**Brief comment on performance** ***(e.g., inadequate resources, lack of independence, strong expertise)***

Civil Service	Good	The development of mechanisms for hiring public officials through highly digitalized mechanisms favoring transparency and access to public information is noteworthy. However, these mechanisms are applied at the central government level and not at the municipal government level. Codes of ethics and whistleblower mechanisms have been developed. The application of such mechanisms is not mandatory for all state bodies.
Public Prosecutor's Office	Good	The institution's exercise of public criminal prosecution in the manner provided by law and due process is positively evidenced, as well as its active participation in working groups on anti-corruption issues and multisectoral work. Although legislative modifications are required regarding international cooperation on asset recovery and protection of whistleblowers and victims in corruption matters, the institution is considered positively given the willingness to collaborate between institutions, multisectoral working groups and willingness to cooperate with international organizations despite the lack of legal regulations.
Electoral Service	Moderate	The allocation of resources through an unalterable formula is emphasized, and its performance can be improved through a greater amount of resources, cooperation and integration with other government agencies responsible for auditing.
Financial Analysis Unit	Good	The 2021 Fourth Round Mutual Evaluation Report of the Republic of Chile highlights the work and knowledge of the UAF in anti-money laundering measures and as part of the anti-corruption mechanism, giving it a good score in the areas of its competence.
Council for Transparency	Good	The Council for Transparency links access to information and participation of society in general. Based on this, the main functions of the institution, such as guaranteeing, oversight and promotion, operate and extend to the entire public administration. In addition, it has several communication channels to guarantee citizen participation. Today, a greater regional territorial representativeness is being sought,

		working on strategies to implement a system of integrity with the municipalities. On the other hand, the "Transparency 2.0 Law" project facilitates citizen participation, accountability, and the use of public resources. It includes the creation of a single statute of transparency; new obligated subjects; establishes new obligations of active transparency; improves the mechanism and procedure to make effective the right of access to public information; strengthens the sanctioning procedure of infractions and sanctions; creates the Coordination Commission of the Transparency Law; creates the Transparency Portal of the State; strengthens the institutional framework of the Council for Transparency; and institutionally strengthens the Ministry of the SEGPRES in relation to integrity, probity and transparency.
Office of the Comptroller General of the Republic	Good	The Office of the Comptroller General of the Republic is highlighted for its competencies, regulatory body and its role in the Chilean anti-corruption circuit with multiple oversight tools that actively seek to bring citizens closer through various educational tools. At the same time, the Comptroller General's Office participates as a full member of the International Organization of Supreme Audit Institutions and other sectoral, local and international anti-corruption bodies.
Chile Compras	Moderate	The Chile Compras system stands out for the clarity of the different procedures for participating in the government procurement process. However, there is no anti-corruption area as such, and it is difficult to identify specific corruption risks in the public procurement system since there is a limitation when seeking to exchange information with the different state agencies.
DIPRES	Good	The Budget Direction of the Ministry of Finance is in charge of regulating and supervising the execution of public expenditure. It is detected that they fulfill their function in a clear, precise manner and with correct communication with all the organs of the Public Administration, generating constant and precise information regarding the budgetary balances of the

		different institutions, which leads to a clear, efficient and timely budgetary process. However, a very technical language that is not very close to the citizenry and a lack of tools for citizen participation in the budget cycle are detected as a deficiency.

2.4 Recommendations for Priority Actions

1. Promote the implementation of the "National Strategy of Public Integrity" to be the pillar of the Chilean public administration around anti-corruption policies and behaviors.
2. Promote the implementation of a legal framework to generate models of prevention, transparency and monitoring of crimes in the private sector.
3. Implement a systematization, with respect to codes of ethics, internal controls and audits to certify good practices, prevent crimes and typify those cases that incur in irregularities.
4. Implement a national anti-corruption strategy, adding key members to the UNCAC Anti-Corruption Alliance, such as SERVEL.
5. Generate more structure in the Anticorruption Alliance Chile. Adopt an appropriate guideline that allows the Anti-Corruption Alliance UNCAC Chile to create a working group integrated transversally to the public administration, private entities, academia, civil society organizations and international organizations. Provide instruments so that they can work in the planning of the institution, enabling the measurement of impact, greater organization and analysis of results.
6. Promote the Tax Reform project in order to obtain greater resources. Implement the national registry of final beneficiaries of income, and carry out the corresponding sanctions in case of non-compliance.
7. Implement within the regulation an extension of the subjects obliged to report Suspicious Transactions.
8. Include in the electoral financing legislation a specific section that allows campaigns and propaganda on social media platforms. Improve the available instruments to generate greater transparency in the political arena and ensure accountability of electoral expenses. Incorporate the management of reimbursement finances, related to electoral campaigns, and generate a control mechanism, typifying undesirable practices that should include sanctions.
9. Adopt an information systematization mechanism that allows systematizing/standardizing and/or typifying different cases of conflicts of interest.
10. Give priority to the Bill to improve the whistleblower system for public officials.
11. Include within SERVEL regulations a section that allows normalizing/typifying several cases that currently do not fall outside the current legal framework, such as updating the allowed expenses for advertising in social networks, typifying irregularities in case of misinformation, etc.

12. Sanction and implement regulations for the recovery of assets between States Parties.
13. Promote the implementation of laws that allow to generate a more developed stage of what is currently the forfeiture in Chile, such as non-conviction-based forfeiture, extended forfeiture, among others.
14. Implement a data registry of confiscated assets made out of the information provided by the various institutions that manage the issue. Establish this list as the data base of the seized asset. Finally, regarding the confiscation of assets, and the mechanisms to return them, Law No. 19.913 and Law No. 20.393 state that this action only respond to the need of the Courts and the Public Prosecutor's Office to confiscate assets once the sentence has been published, and not as a precautionary measure.
15. Update the national risk assessment of the UAF. It is not known if another one is being worked on as of 2021, since the last one was from 2017 to 2020.

III. Assessment of the Review Process for Chile

Fundación Multitudes, through the UNCAC Coalition, contacted the Ministry of Foreign Affairs of Chile, the institution in charge of organizing the visit of the reviewing countries, as well as coordinating the evaluation process, so we contacted the Division of International and Human Security (DISIN) of the Ministry of Foreign Affairs, specifically with the analyst Julio Torres, who directly provided us with information and documents on the evaluation process and visit of the reviewing countries, including the self-assessment document sent by Chile to the UNODC. When contrasting this information with what is publicly available, the website of the UNCAC Chile Anti-Corruption Alliance is in charge of publishing information on the visit process and currently has a summary of the process of the second and current review cycle[14]. However, the country's self-assessment is not yet available on this page. The date and agenda of the country visit, as well as an invitation to participate in it, was provided by the same analyst Julio Torres to Fundación Multitudes, which took place from August 30 to September 1, 2022.

3.1 Report on the Review Process

Table 3: Transparency of the government and civil society participation in the UNCAC review process

Did the government disclose information about the country's focal point?	Yes	At the time of this report, we were provided with all the information available through the contact with the Ministry of Foreign Affairs.
Has the timetable for the examination process been published anywhere/published?	Yes	The process of participation in the examination has been made public, publishing the stages carried out so far, the last one being the visit involved by the examining countries. More information is available at: http://www.alianzaanticorrupcion.cl/AnticorrupcionUNCAC/convencion-de-las-naciones-unidas-contra-la-corrupcion-uncac-en-chile/
Was civil society consulted in the preparation of the self-assessment?	No	Only public entities participated in the

[14] Anti-Corruption Alliance UNCAC Chile (2022), United Nations Convention Against Corruption (UNCAC) in Chile, https://tinyurl.com/2mfcnba9, date of access: August 26, 2022.

		preparation of the self-assessment checklist.
Was the self-assessment published online or made available to civil society?	Unknown	The summary of the self-assessment was provided to Fundación Multitudes; however, the self-assessment has not been published on the web page.
Did the government agree to a country visit?	Yes	The visit took place from August 30 to September 1, 2022.
Was a visit to the country undertaken?	Yes	The visit took place from August 30 to September 1, 2022.
Was civil society invited to provide input to the official reviewers?	Yes	The following anti-corruption or access to information civil society organizations were invited: Chile Transparente Fundación Multitudes Fundación Generación Empresarial Chile Transparente and Fundación Multitudes participated as part of the meeting with civil society, while Fundación Generación Empresarial participated in the evaluation of Article 14, on the Private Sector, as it is within its area of expertise. The invitation was made directly to the organizations.
Was the private sector invited to provide input to the official reviewers?	Yes	The invited companies/organizations are: Cámara Comercio de Santiago Cámara Chilena de la Construcción

		Both trade associations participated in the evaluation of Article 14, on the Private Sector.
Has the government committed to publish the full country report?	Yes	The visit took place during the drafting of this report, and we are still gathering background information, resolving doubts and analyzing the information provided during the visit, so the full report has not yet been published. However, there is a commitment to publish it, given the Transparency Commitment of the UNCAC Coalition that Chile signed in 2020.[15]

3.2 Access to information

Chilean legislation includes Law No. 20.285 on Access to Public Information, which regulates the principle of transparency in public service, the right of access to information of the bodies of the State Administration, the procedures for the exercise of this right and for its protection, and the exceptions to the disclosure of information.[16] During 2018, the "Transparency 2.0" bill was presented to strengthen the institutionality and procedures for access to public information, amending Law No. 20,285. A unitary statute of transparency and access to public information was established for all State bodies (executive, legislative and judicial), perfecting the procedure for access to information. New powers were conferred on the Council for Transparency (the body in charge of overseeing compliance with the law), establishing transparency obligations with respect to private companies. The bill has already been approved in the Chamber of Deputies and is in its second constitutional procedure before the Senate. Likewise, within Law No. 20.730[17], which regulates lobbying and the actions that represent private interests before authorities and officials, there is the exempt resolution 112[18], which establishes the officials of the Council for Transparency as passive subjects of lobbying, constituting an important input to provide public activity with tools that make its exercise more transparent.

To ensure compliance with the channels for the transparency of public information, hearings were held under the Lobby Law and Requests for Access to Public Information (see point 7.2 Table on requests for access to information). These tools

[15] UNCAC Coalition (2020), Chile signs the UNCAC Review Transparency Commitment. https://tinyurl.com/2pk98bo5, date of access: November 22, 2022.
[16] Law 20.285. https://bcn.cl/2lswp. date of access: August 26, 2022.
[17] Law 20.730. https://bcn.cl/2f8jc, date of access: August 26, 2022.
[18] Exempt Resolution 112. https://bcn.cl/3a0rp, date of access: August 26, 2022.

are open to both natural and legal persons and can be easily found on the platform of the Council for Transparency as well as on the websites of each institution.

To obtain the necessary information for the preparation of this report, in the first instance, eight requests for Access to Information were made through the Transparency Law[19], of which three had their own digital platform to enter the requirement. These can be found on their respective websites and correspond to SERVEL, Comptroller's Office and Public Prosecutor's Office. The remaining five institutions were requested through the platform of the Council for Transparency.

The information provided by the different institutions consulted is in accordance with the questions asked. In addition, due to legal technicalities and questions referring to subjectivity and perception, a high level of response was not obtained. However, a percentage of the answers given both by the institutions consulted and those to which they were referred turned out to be clear and concise for this research. In order to evaluate the private sector and count on the participation of civil society, a questionnaire was sent to Generación Empresarial Foundation and an interview was requested, which was carried out virtually. Finally, bibliography from public institutions and civil society was used, as well as information provided by the media on a few occasions.

Although it is considered relatively easy to enter the platform and submit the request according to the platform's instructions, at the user level it can be complex to know what information may or may not be requested under the Transparency Law at the time of making the request. Also, the information provided is in some cases incomplete, in inadequate format and/or illegible. As a result, some of the responses to our requests with the UNCAC Coalition's questions were discarded as they did not pertain to the topics covered by the law and in other cases they were referred to other sectors, terminating the request and delegating the responsibility of responding to other agencies.

In a second instance, the different organizations and agencies were requested for an interview and/or hearing through the Lobby Law platform, where in general terms there was a good disposition and compliance with the norm at the time of scheduling meetings and responding to the interview guidelines. Only the National Economic Prosecutor's Office (FNE) rejected the request for "not corresponding to Lobbying Law matters" and the Comptroller General of the Republic, to which two requests for a lobbying hearing were made. In the response to the first request, it was recommended to hold another lobbying hearing to the correct unit, instead of referring it internally, as other institutions did. In the case of the second request that was made to said unit, no response was obtained. In addition, it is important to mention that there is abundant information available from the agencies consulted on the web pages (active transparency) of each of them, there is also the possibility of requesting more specific information through the transparency portal (passive transparency).

In sum, despite the fact that there is a limitation of information on the topics that can be requested through the Transparency Law, the information provided by the

[19] Law 20.285. https://bcn.cl/2lswp. date of access: December 20, 2022.

mentioned agencies corresponded to statistics, policies, rules and regulations in line with anti-corruption matters.

Finally, as experiences of access to public information during this research, it was identified that the main problems are not related to the lack of government compilation, the existing legal barriers to access information or the willingness of the government and/or public institutions to allow access to the required information; rather it is associated to how the existing information is available and explained within these platforms so that it is understandable to the general public, as well as, the knowledge of what type of information can or cannot be demanded through the corresponding legal channels.

IV. Assessment of Implementation of the UNCAC Provisions

The following presents an analysis of the implementation of the provisions of UNCAC Chapter II on preventive measures and Chapter V on asset recovery in Chile through the application of laws, regulations and practices, highlighting both good practices and areas for improvement.

4.1 Chapter II – Preventive Measures of Corruption

4.1.1 Art. 5 – Preventive Anti-Corruption Policies and Practices

Chile has a broad legislative framework on anti-corruption issues. In the first place, there is Law No. 18.575, Organic Constitutional Law of General Bases of State Administration (LOCBGAE)[20], which seeks to regulate the essential aspects of State administration as well as to guarantee the civil service career and its technical and professional principles, and Law No. 19.880[21] on Administrative Procedures is also essential. Both laws define an umbrella for the actions of the Public Administration that addresses anti-corruption values. The above is complemented by Law No. 19.645[22], which modernized the provisions of the Criminal Code on corruption offenses and the amendment of the Criminal Code through Law No. 21.121[23] for the prevention, detection and prosecution of corruption. Another parameter is the Public Integrity and Transparency Agenda[24], which seeks to strengthen public institutions. In terms of alliances, there is the Open Government Partnership, a multilateral initiative created in 2011 that seeks to promote the values and pillars of open government, which through co-created action plans promotes anti-corruption measures[25]. There is also the Anti-Corruption Alliance UNCAC Chile[26], a working group created in 2012 that brings together representatives of public and private institutions, academia, civil society and international organizations, with the aim of designing actions and strategies to comply with the UNCAC. It is worth mentioning that this political circuit reflects principles of rule of law, management of public goods, integrity, transparency and accountability.

Regarding the implementation of corruption prevention practices, these will be detailed in the following articles of the report, however, it should be noted that so far, the country does not yet have a national anti-corruption strategy. Incipiently, the Public Integrity Strategy is being prepared, a process that seeks to raise the standards of transparency, anti-corruption and integrity at the State level. This process stands out for its co-creation process that involves civil society, academia, the private sector and the Chilean public administration in a cross-cutting manner. However, this strategy is in the process of definition and pre-project, so that so far there are only sectoral

[20] Law Nº 18.575,https://bcn.cl/2felc, date of access: November 7, 2022.
[21] Law N° 19.880. https://bcn.cl/2ips6, date of access: November 7, 2022.
[22] Law N°19.645 https://bcn.cl/3a0s7, date of access: November 7, 2022.
[23] Law N° 21.121, https://tinyurl.com/2qkh23ke, date of access: November 7, 2022.
[24] Public Integrity and Transparency Commission (2019), Public Integrity and Transparency Agenda of the Government of the Government of President Sebastián Piñera. https://tinyurl.com/2m48dmp8, date of access: November 10, 2022.
[25] Open Government Chile (2022), About us. https://www.ogp.gob.cl/, date of access: November 10, 2022.
[26] Anti-Corruption Alliance Chile (2022), About us. http://www.alianzaanticorrupcion.cl/AnticorrupcionUNCAC/, date of access: November 10, 2022.

alliances and the Anti-Corruption Alliance UNCAC Chile, which involves several key institutions of the anti-corruption circuit, but it is not transversal to the entire public administration, and it is also difficult to measure its impact, organization, working method, planning and results.

Within the anti-corruption policies, transparency is included through Law No. 20.285[27] on access to public information, which regulates the principle of transparency and the right of access to State information. On the other hand, through Law No. 20.730[28], which regulates lobbying, establishing the duty of public officials to record and publicize meetings and hearings requested by lobbyists and private interest managers. This law also provides for the establishment of the website "Lobby Law Platform" where citizens can request meetings with authorities and public officials. On the other hand, there is Law No. 20.500 on associations and citizen participation in public management, which within its competencies implies that each State institution must establish the modalities of participation that citizens will have. These modalities must be kept updated and published. These bodies must make a public account of their actions, plans, policies, programs and budget execution, in turn, there may also be public consultations that must be informed, pluralistic and representative. Finally, they may establish Civil Society Councils, of a consultative nature (COSOC), made up of members of the community related to the subject matter and competence of the respective body[29]. Finally, there are the amendments to the Organic Constitutional Law of Municipalities, which establishes the ways in which citizen groups may participate in community management. In addition, the Anti-Corruption Alliance carries out education, dissemination and participation activities with civil society.

Regarding the evaluation of the effectiveness of measures to prevent and detect corruption, there are reports that seek to assess this reality, for example, the "Radiography of corruption: ideas to strengthen probity in Chile"[30], the report "Public control for a better democracy"[31] by the CGR, and an annual public account that compiles, among other elements, the main results of the audit function[32].

Good Practices

- Chile has a broad regulatory framework of laws to prevent corruption, in addition to providing a good framework for transparency and citizen outreach.
- There is a diversity of actors and issues involved in the regulatory framework for the fight against corruption in the country.
- The Public Integrity Strategy, which seeks to raise standards at the State level in matters of transparency, anti-corruption and integrity, stands out. Moreover, this process stands out especially for its co-creation process involving civil society, academia, the private sector and the Chilean public administration in a cross-cutting manner.

[27] See Law N° 20.285, https://bcn.cl/2f8ep. date of access: November 7, 2022.
[28] See Law N° 20.730, https://bcn.cl/2f8jc, date of access: November 7, 2022.
[29] Law 20.500, https://bcn.cl/2f7nb, date of access: November 7, 2022.
[30] Office of the Comptroller General of the Republic(2020), Radiography of corruption: Ideas to strengthen probity in Chile. https://tinyurl.com/2hwldmm7, date of access: November 7, 2022.
[31] Office of the Comptroller General of the Republic (2021), Public control for a better democracy, https://tinyurl.com/2lcbd4fq, date of access: November 7, 2022.
[32] Office of the Comptroller General of the Republic (2021), Public Account, https://tinyurl.com/2plrq26r, date of access: November 7, 2022.

Deficiencies

- It was found that some key institutions are not integrated in the UNCAC Anti-Corruption Alliance, specifically SERVEL, a key actor in political financing, is not part of the Alliance.
- The Anti-Corruption Alliance does not have a clear operational structure or a clear work plan, which makes it difficult to measure its impact.
- To date, the country does not have a national anti-corruption strategy.

4.1.2 Art. 6 – Preventive Anti-Corruption Bodies

Chile does not have a single body in charge of issues related to corruption prevention, but rather an anti-corruption circuit that acts through different public administration institutions that work individually or in coordination. The key agencies identified are: the Ministry General Secretariat of the Presidency (SEGPRES), the Office of the Comptroller General of the Republic (CGR), the Public Prosecutor's Office (MP), the Electoral Service (SERVEL), the Council for Transparency (CPLT), Chile Compra, the Civil Service, the Financial Analysis Unit (UAF), the State Defense Council (CDE), the Internal Revenue Service (SII), the General Internal Government Auditing Council (CAIGG) and the Financial Market Commission (CMF). However, regarding the mandate of the bodies in charge of preventing corruption, including tasks such as prevention, education and public awareness, some of the institutions interviewed stated that there is a lack of integration between institutions, which hinders clarity in the circuit[33], in addition to the lack of a National Anti-Corruption Strategy to coordinate them in these matters.

In reference to the independence of these bodies, our legal system is articulated on the basis of a system of checks and balances that guarantees the independence of the powers of the State, starting with the Political Constitution that demarcates such independence, in addition to various degrees of autonomy, legal safeguards and competencies delimited in the legal frameworks of the bodies. In the case of autonomous bodies, i.e., those with their own legal personality and assets, there are some of the anti-corruption circuits, precisely to ensure their independence, and ensure their supervisory or regulatory powers, such as the CGR and the Electoral Service.

In order to guarantee the allocation of resources, the Budget Offices of each of the public administration bodies, including those related to the anti-corruption cycle, must prepare the expenditure projects included in the Budget Law, calculating the usual expenditures and consulting the budgetary effects implied by the new programs indicated by the Heads of Services[34]. This allows anti-corruption bodies and projects to have timely and planned resource availability. Each institution must execute the approved budget, adjusting to the accountability systems, both budgetary in charge of the DIPRES, as well as the evaluation of the programs in charge of each institution and institutional performance according to the executive branch.

Regarding the regulation of the civil service career and the appointment of heads in the country, Law No. 19.882[35] refers to civil servants and competencies of the National

[33]Interview with the Director of SERVEL, conducted on July 4, 2022.
[34] DFL 106 (Art.12), https://bcn.cl/2m36z, date of access: November 7, 2022.
[35] Law N° 19.882.https://tinyurl.com/2mvuqd48, date of access: November 7, 2022.

Directorate of the Civil Service and the definitions of the High Public Management (ADP) to which will be subject the officials of exclusive trust and positions of leadership in the management of bodies or units (senior public managers)[36]. The selection of personnel in the public administration is a technical process of evaluation of candidates that includes the verification of requirements, merit factors and competencies. This will be addressed in the corresponding article.

With respect to the inabilities to enter and remain in the public administration, these are regulated by the Administrative Statute, Organic Law No. 18.575 and Law No. 19.863[37], among other rulings. These regulations seek to ensure that there are no conflicts between civil servants and the public administration by establishing incompatibilities, for example, kinship with other civil servants, contracts signed with the public administration, pending litigation with the body, previous disciplinary measures, convictions for crimes, among others. Regarding impartiality, it is established that the functions of senior managers are incompatible with the exercise of unipersonal functions in the management bodies of political parties, in addition to the fact that public servants and authorities are prevented from carrying out, in the exercise of their functions and using public resources, any activity that, through the position they hold, favors or harms candidacies, tendencies or political parties[38]. Public officials are subject to different types of liability, from which disciplinary procedures derive, including criminal liability (in charge of the courts), political liability (enforced by impeachment), civil liability (also in charge of the courts) and finally, administrative liability, that in which public officials incur by failing to comply with an obligation or infringing a prohibition inherent to their position, as a result of which a disciplinary measure is imposed[39]. Sanctions may be imposed by means of a summary investigation, which may entail an annotation in the résumé, a fine or suspension, or by means of an administrative summary that may result in dismissal and the inability to work for 5 years in the State administration, without prejudice to other responsibilities that may have been violated in the investigated act itself.

On the other hand, continuity in the event of suspension, dismissal, resignation, retirement or end of the term of office of the chiefs, acts under the principle of continuity of the civil service, established in Law No. 18,575, which defines that persons holding positions may have the status of incumbents, alternates or subrogates. Substitutes are those officials appointed in that capacity in vacant positions and in those that for any circumstance are not performed by the incumbent, for a period of not less than 15 days, in cases such as vacancies (whose term may not exceed six months), medical leaves, among others. Finally, subrogates are those officials who take over the job of the incumbent or alternate by the sole authority of the law, when the latter are unable to perform their duties.[40]

Citizen complaints and claims are channeled through two main channels, the CGR and the courts of justice. Complaints made to the CGR are statements by means of

[36] See Law N° 19.882.
[37] Law N° 19.863, https://www.bcn.cl/leychile/navegar?i=207386&t=0, date of access: November 7, 2022.
[38] See Law N° 19.882.
[39] Office of the Comptroller General of the Republic (march, 2012), Methodological Guide to Civil Servant Duties, https://tinyurl.com/2fft7ke2, date of access: November 10, 2022.
[40] Law N°18.834. https://bcn.cl/2fxvv, date of access: November 10, 2022.

which the citizen informs specific information related to an eventual irregular situation committed by an official or services subject to the CGR's control, this through its offices or its web page[41], regarding facts that possibly constitute a crime, a complaint can be made to Carabineros, the PDI, prosecutor's office or courts, either personally, as a victim or witness or family member of the same[42].

Moreover, in terms of citizen participation, there are several mechanisms, either promotion of complaint channels, of the competences of the State bodies, investigations or instances of public participation, in addition to the channels opened with the Transparency Law, Lobby Law and Law 20.500 on Citizen Participation. The different bodies of the anti-corruption circuit make annual public accounts, in addition to publishing on their respective websites the budget balance sheets and other compilation reports such as audit reports in the CGR, management data of persons in the Civil Service, report of complaints in the CPLT, among others. The CGR actively promotes the use of its portal to make complaints through its social networks, where they also have awareness and education campaigns on the competencies of the Comptroller's Office as well as other topics such as public and civil servant probity. In addition, referring to reports, the Comptroller's Office also stands out with regular publications on anti-corruption issues, such as the aforementioned "Radiografía de la corrupción: ideas para fortalecer la probidad en Chile" and the report "Control público para una mejor democracia", besides being responsible for La Revista Chilena de la Administración del Estado, a biannual publication of the Centro de Estudios de la Administración del Estado (CEA), which seeks to strengthen governance through the promotion of debate and research on the State Administration and, in particular, public function and probity[43].

The CGR is also a full member of the International Organization of Supreme Audit Institutions (INTOSAI), which is the central organization for external public auditing, with a special status with the Economic and Social Council of the United Nations (ECOSOC)[44], and is the headquarters of the Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS)[45] and the Supreme Audit Institutions of South American countries (EFSUR)[46], a sub-regional group of the OLACEFS.

Good Practices

- The transparency of the information available and the communication channels established with the organs of the anti-corruption circuit are highlighted.
- The role of the Comptroller's Office as an oversight actor of the anti-corruption circuit is highlighted.

[41] Office of the Comptroller General of the Republic (2022), Online reporting, https://tinyurl.com/2hh7gmh6, date of access: November 10, 2022.
[42] Fiscalía. (2022), Víctimas y testigos, https://tinyurl.com/2m6n9efd, date of access: November 10, 2022.
[43] Center of Studies of the State Administration, Chilean Journal of State Administration, https://www.ceacgr.cl/CEA/revista/, date of access: November 10, 2022.
[44] INTOSAI (2022), Members https://www.intosai.org/es/acerca-de-nosotros/miembros,date of access: November 10, 2022.
[45] International Organization of Supreme Audit Institutions (2022), About Us, https://olacefs.com/, date of access: November 10, 2022.
[46] Supreme Audit Institutions of South American countries, About Us, https://efsur.org/, date of access: November 10, 2022.

- The dissemination of the CGR's competencies and complaint channels in its social networks to bring citizens closer to its work is highlighted.
- The participation of the Office of the Comptroller General of the Republic in international cooperation instances of audit institutions such as the INTOSAI, the OLACEFS and the EFSUR is highlighted.

Deficiencies

- There is a lack of clear communication in the anti-corruption circuit and a perceived lack of coordination between the different bodies in charge of anti-corruption.

4.1.3 Art. 7.1 – Public Sector Employment

In order to understand the functioning of public employment in Chile, it is necessary to recognize the different types of hiring currently in place: permanent, contract and fee contract workers. The first are configured as the segmentation that allows equal opportunities for entry, training and promotion, job stability and objectivity in qualifications based on merit and seniority. Secondly, contract workers are those who remain in their position until December 31 of each year at the latest, when their term of office expires, unless an extension has been proposed in advance, and may be renewed indefinitely. Lastly, the persons hired on a fee basis as contract workers are professionals and technicians who are hired for non-regular actions of the institutions and are governed by the rules stipulated in their contract, and the stipend is adjusted to a grade of the scale of remuneration for services. They are not considered public employees and are prevented from enjoying most of the benefits as civil servants. As we will see below, in general, these two types of employees usually perform permanent work, even outside the civil service[47], without access to the civil service career.

According to the "Anuario Estadístico del Empleo Público en el Gobierno Central 2012-2021" of Chile[48], a reduction in the percentage of jobs can be seen in 2021, in comparison with the previous year[49]. Moreover, the distribution of personnel according to legal status in the period between 2012-2021 shows a clear decrease in the percentage of permanent public employees, reaching the lowest point in that range (27.5% in 2021 vs. 39.1% in 2012). Furthermore, an increase in the percentage of contract employees can be seen, increasing by 7.9%. There is a less pronounced increase of contract workers of only 3.8%.

In terms of regulations, Law No. 18.575, in addition to Law No. 19.882[50], which creates the Senior Public Management System (SADP) and the National Civil Service Directorate (DNSC). Recruitment and selection of personnel are framed within this

[47] DIPRES (March, 2022), Annual Public Employment Report, https://tinyurl.com/2p8tpcel, date of access: November 26, 2022.
[48] DIPRES (July, 2022), Statistical Yearbook of Public Employment in the Central Government 2012-2022, https://tinyurl.com/2fknhfok, date of access: November 7, 2022.
[49]See: DIPRES, Statistical Yearbook of Public Employment in the Central Government 2012-2022(July, 2022), p. 15.
[50] See Law Nº 19.882

law. It should be noted that public competitions are used for the appointment of SADP positions[51].

Regarding the reviews of applicants for positions assigned to the SADP, these are carried out periodically, consisting of three instances; first, the request for a sworn statement is generated; then a managerial evaluation is generated and once the list of suitable applicants is formed, the Civil Service reviews the background of the applicants in relation to compliance with ethical standards and competence. There, inabilities and incompatibilities and prevention of conflicts of interest are reviewed, mainly on those who are considered vulnerable to corruption. These criteria act as filters and are applied in all examinations conducted by the Civil Service and/or the High Public Management Council, with respect to all applicants. In this sense, Law 19.882[52] enshrines the principle of equal treatment for all candidates, based on objective criteria such as merit, equity and aptitude.

Taking up again the differentiation that exists within the modalities of hiring within the Chilean public sector, it is possible to recognize a flexibilization. In many cases, the occasionality or specificity of hiring is not such, and public employees are simply framed under a regime that does not allow them to enjoy the rights and benefits that are available to permanent employees. The number of public employees under the endowment modality is around 78.5%, while the number of employees outside the endowment modality is 21.5%[53]. This data is relevant since it gives a guideline of stability in public employment and continuity in the execution of public policies.

For this article, the largest amount of data can be found in the Banco de Estudios del Servicio Civil[54]. However, the most extensive analysis of employment in the public sector was carried out by the DIPRES through the Statistical Yearbook of Public Employment in the Central Government 2012-2021 of Chile[55]. This yearbook presents statistics on the number of people working under contract, on staff, on a fee basis, how many days they actually work, the number of people who are off staff, and the distribution of these throughout the country.

Data such as the increase in the number of personnel in the different ministries stand out, for example, from the central government from 268,021 people in 2012 to 453,154 in 2021. Below is a graph from the aforementioned study.

[51] Civil Service (2022), Senior Public Management Service, https://tinyurl.com/2kb47ow4, date of access: November 7,2022

[52] See Law Nº 19.882.

[53] See: DIPRES, Statistical Yearbook of Public Employment in the Central Government 2012-2022(July, 2022), p.19.

[54] Civil Service. Study Bank (2022), https://www.serviciocivil.cl/banco-de-estudios-2/, date of access: November 22, 2022.

[55]See DIPRES (2022), Statistical Yearbook of Public Employment in the Central Government 2012-2022

Distribution by Stakeholder groups	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Central Goverment	**268.021**	**278.928**	**302.989**	**315.555**	**321.213**	**355.843**	**367.581**	**378.660**	**428.964**	**453.154**
Staff	216.609	223.733	231.717	243.172	255.155	278.254	299.992	317.823	336.577	354.736
Out of Staff	51.412	55.195	71.272	72.383	66.058	57.589	67.589	60.837	92.387	98.418
Rest of the Central Goverment	**152.051**	**156.142**	**167.801**	**173.826**	**176.655**	**185.268**	**188.929**	**195.780**	**204.155**	**207.954**
Staff	120.236	124.418	127.912	134.929	138.149	152.721	157.330	165.668	165.626	166.799
Out of Staff	31.815	31.724	39.889	38.897	38.506	32.547	31.599	30.112	38.529	41.155
Health Services	**115.970**	**122.786**	**135.188**	**141.729**	**144.558**	**150.575**	**176.701**	**171.682**	**204.020**	**212.533**
Staff	96.373	99.315	103.805	108.241	117.006	125.533	131.985	141.316	150.322	156.461
Out of Staff	19.597	23.471	31.383	33.486	27.552	25.042	35.716	30.366	53.698	56.072
Local Education Services							**10.951**	**11.198**	**20.789**	**31.667**
Staff							10.677	10.839	20.629	31.476
Out of Staff							274	359	160	1.191

Graph 1: Distribution by stakeholder groups. DIPRES, p. 15.

Another interesting fact is the variation, and the number of personnel hired under the modality of fees in the public service. The following table provided in the same report shows that in the first place, the number of people hired under the fee modality, as temporary contract workers, has increased. Secondly, there is a greater number of women hired vs. men.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total fee-based personnel										
Part-time or part-time	11.916	13.531	22.883	18.757	18.988	13.951	12.411	12.513	15.836	18.826
Full time	20.724	23.335	26.318	29.274	27.836	22.174	20.590	14.617	29.168	31.095
With permanence of up to one year	13.811	11.705	14.780	21.055	11.420	9.370	8.305	6.844	20.548	17.585
With permanence of more than one year	6.913	11.630	11.538	8.219	16.416	12.804	12.285	7.773	8.620	13.510
Up to 2 years	2.354	4.517	4.919	3.010	7.099	4.913	4.628	3.675	4.193	8.502
More than 2 years and up to 3 years	1.388	2.592	2.434	1923	4.222	4.208	3.221	1.233	1.585	1.770
More than 3 years	3.171	4.521	4185	3286	5.095	3.683	4.436	2.865	2.842	3.238
Total	32.640	36.866	49.201	48.031	46.824	36.125	33.001	27.130	45.004	49.921
Percentage Variation		12,90%	33.5%	-2.4%	-2.5%	-22.8%	-8.6%	-17,8%	65,9%	10,9%
Women										
Part-time or part-time	6.465	7.134	11.637	9.379	9.791	7.023	6.165	6.144	8.468	10.352
Full time	12.131	13.767	15.865	17.601	16.570	13.119	12.585	8.593	18.711	19.909
With permanence of up to one year	8.431	7.357	9.072	12.800	7.011	5.451	5.068	4.919	13.910	11.617
With permanence of more than one year	3.700	6.410	6.793	4.801	9.559	7.668	7.517	4.402	4.801	8.292
Up to 2 years	1.313	2.684	3.142	1.894	4.378	3.218	2.918	2.309	2.570	5.753
More than 2 years and up to 3 years	791	1.435	1.453	1.131	2.510	2.709	2.153	680	873	973
More than 3 years	1.596	2.291	2.198	1.774	2.671	1.741	2.446	1.413	1.358	1.566
Total	18.596	20.901	27.502	26.980	26.361	20.142	18.750	14.737	27.179	30.261
Percentage Variation		12.4%	31.6%	-1.9%	-2.3%	-23,6%	-6.9%	-21.4%	84.4%	11.3%
Men										
Part-time or part-time	5.451	6.397	11.246	9.378	9.197	6.928	6.246	6.369	7.368	8.474
Full time	8.593	9.568	10.453	11.673	11.266	9.055	8.005	6.024	10.457	11.186
With permanence of up to one year	5.380	4.348	5.708	8.255	4.409	3.919	3.237	2.653	6.638	5.968
With permanence of more than one year	3.213	5.220	4.745	3.418	6.857	5.136	4.768	3.371	3.819	5.218
Up to 2 years	1.041	1.833	1.777	1.114	2.721	1.695	1.710	1.366	1.623	2.749
More than 2 years and up to 3 years	597	1.157	981	792	1.712	1.499	1.068	553	712	797
More than 3 years	1.575	2.230	1.987	1.512	2.424	1.942	1.990	1.452	1.484	1.672
Total	14.044	15.965	21.699	21.051	20.463	15.983	14.251	12.393	17.825	19.660
Percentage Variation		13.7%	35.9%	-3.0%	-2.8%	-21.9%	-10.8%	-13%	43.8%	10.3%

Table 2: Personnel under honorary fees, by workday, tenure, and gender (p. 151)

Likewise, in 2015, the Civil Service Models and Development Area developed an analysis of the state of public employment in our country, generating recommendations for both the Civil Service and the Senior Public Management. These recommendations include the design and implementation of a comprehensive public employment model that articulates the different categories of civil servants currently working in the public service[56].

[56] Public Employment Model in Chile: Critical issues, challenges and lines of development for an agenda 2030(2015), https://tinyurl.com/2hhmuupp, date of access: November 22, 2022, p.107.

Finally, the Civil Service offers training on the institution's Code of Ethics for the public sector[57]. In addition, the Centro de Estudios de la Administración del Estado, which belongs to the Office of the Comptroller General of the Republic, offers a course on Ethics, Transparency and Lobbying in the Public Sector for different public officials[58].

Good practices

- There are tools to make selection processes and hiring competitive, open and meritocratic. There is an open public employment portal, where each institution uses it in a decentralized manner to inform the opening of positions.
- There are filters and selection criteria that are uniformly and rigorously applied.
- The Senior Public Management system has a record of complaints related to non-compliance with selection and public contracting processes. Based on the complaints, the institution is generating an improvement in its processes, designing a categorization of them[59].
- The Office of the Comptroller General of the Republic issued a ruling that aims to remedy the labor informality of the State's temporary contract or fee-based workers, establishing that by 2023 they may only persist or be hired under this modality for accidental or transitory work or work with a level of expertise required for non-permanent functions[60].

Deficiencies

- Significant percentage of personnel hired on a contractual or fee basis within public employment. Lack of equal opportunities for entry, training and promotion, job stability and objectivity in qualifications based on merit and seniority.
- Regarding the complaints, it is detected that only those that enter through the Transparency Portal are quantified.
- From the scoring system, it is detected that public positions are usually criticized under the assumptions of poor training of its officials, and in practice, 98% of the staff is in the highest qualification standards. However, it is not possible to access the list of order of merit where the qualifications of the applicants and then civil servants are evidenced.

4.1.4 Art. 7.3 – Political Financing

The financing of politics is decided on by the State, and is provided in two ways: to candidates for elected office, and to political parties established as such and in a manner proportional to the number of votes[61]. In turn, the National Electoral Service (SERVEL) oversees private contributions to candidates and political parties. This by means of Laws No. 19.884[62] and No. 19.885[63], which generated mechanisms both

[57] Civil Service (2022). Integrity Systems and Code of Ethics. https://tinyurl.com/2houf7z7 , date of access: November 21, 2022.
[58] Center for State Administration Studies (2022). Training program.https://tinyurl.com/yj7q93zq , date of access: December 21, 2022.
[59] Civil Service interview, July 20, 2022.
[60] Dictamen N°E173171, https://tinyurl.com/2gxo5cdg, date of access: December 20, 2022.
[61] Gutiérrez, P; Zovatto, D. (2011), Political party financing in Latin America. https://tinyurl.com/2mlqh99u, date of access: November 11, 2022.
[62] Law N° 19.884, https://bcn.cl/2f90n, date of access: August 17, 2022.
[63] Law N° 19.885, https://bcn.cl/2lxan, date of access: August 17, 2022.

for legal private financing of electoral campaigns, establishing limits for donors and candidates, and for the delivery of public resources to parties and candidates. As a counterpart, limits were placed on electoral spending[64].

Law 19.884 refers to the "financing, limits, control and publicity measures of the electoral expenses made by political parties and candidates, as a consequence of the electoral acts" (articles 1 and 2). From this, what corresponds to electoral expenses is defined, being understood as any disbursement or contribution in cash, made by the pre-candidate, as the case may be, the candidate, a political party or a third party in its favor, on the occasion and for the purpose of electoral acts. In short, the Chilean legislation regulates the financing of candidacies in matters such as limits, periods of campaign expenses, the definition/distinction between donation and contribution, in addition to the limits of these, the manner in which the expenses must be reported before to SERVEL and how these are to be reimbursed according to each campaign expense. In the area of political party financing, the legislation delimits the subsidy by the State according to the formula that allocates funds, seeking to encourage political participation but not the proliferation of parties that only seek financing[65].

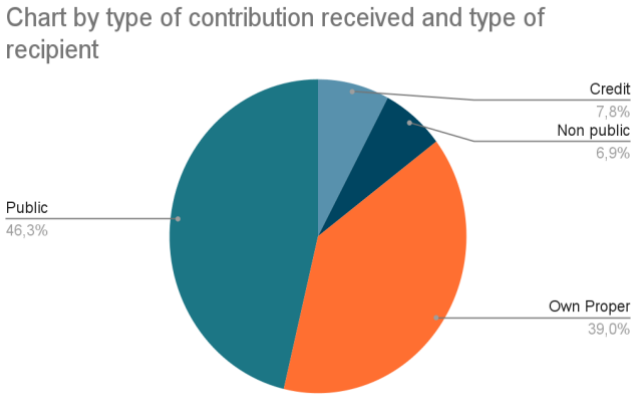
In turn, political parties and candidates are required to keep records of all their income and expenses, including loans and donations they may receive. In addition to submitting a report and corresponding accounting to SERVEL, detailing the income and expenses made during the campaign, and during the year. Failure to value and declare this type of contributions and/or expenses is a violation of Article 40[66] of the Decree with Force of Law (DFL) N°3 of 2017. The current regulation prohibits any state-controlled entity from making financial or in-kind contributions to political parties, political candidates and electoral campaigns[67]. Also, the same regulation defines the regulation with respect to in-kind contributions and other forms of financial support.

The current electoral law does not consider loans to political parties and candidates as donations, whether canceled or unpaid, since any act that constitutes an income in monetary terms to candidates and parties must be declared, as mentioned above.
What the State contributes to the parties is determined according to a formula that is not susceptible to being adulterated, and is related to the votes obtained by the party in the last election of deputies. What happens according to the Service is that the money that the State of Chile contributes to the political parties has and must be used in a certain way and not at the discretion of the parties. In this matter, the control of the use of these resources is present.

SERVEL as an institution handles statistics on different topics such as: level of participation, electoral roll, and the public expenditure allocated to each political party and the electoral expenses corresponding to the different cycles. To date, the electoral expenditure data corresponding to the 2017 Presidential, Parliamentary and Regional Councilors Elections are public, and it can be seen in the following graph that 49.7%

[64] Agostini, C. (n/d). Political Financing in Chile: 2009-2010 Electoral Campaigns. Universidad Adolfo Ibáñez.: https://www.uai.cl/RePEc/uai/wpaper/wp_026.pdf, date of access: August 26, 2022.
[65] Law N° 19.884 & Law N° 19.885.
[66] DFL 3., https://bcn.cl/2f90n, date of access: August 17, 2022.
[67] DFL 2 https://bcn.cl/2f6ur, date of access: August 17, 2022.

of the expenditure corresponds to the public contribution, and 41.9% corresponds to the private contribution of political parties during that electoral cycle[68].



Graph 2: Type of contribution received and type of recipient

Finally, the balance sheets of the different political parties for the year 2021 are available on the web page, and whether they were rejected or not, and the corresponding reasons if they were rejected[69]. As already mentioned, the last electoral cycle evaluated was the one corresponding to 2017, and there is no public data corresponding to the different elections held during 2019 and 2022.

According to different news and reports by CIPER Chile there are cases where political parties and candidates keep money off the books or have found ways to circumvent the regulation of political financing, and as mentioned in the interview conducted with SERVEL, it is only investigated by reporting these cases. In other words, many of the cases that the press has uncovered have gone on to be investigated, and sanctioned accordingly.

Recent cases such as the campaign of Karina Oliva for the governorship of the Metropolitan Region, where seven of her advisors -militants of Comunes- presented invoices for a total of $137 million, where it was sought to establish whether these values are within market prices, and compared with other candidacies. The historical records of SERVEL indicate that four Oliva's advisors are among the best paid in a campaign[70]. On the other hand, the CIPER also inquired about the records of Facebook and Instagram -social networks that make transparent data on advertising expenses- and detected that at least 36 organizations not subject to the control of the Servel, so they are not obliged to declare the origin of their money, have disseminated content in favor or against the new Constitution in the first weeks of the legal campaign period[71].

[68] SERVEL (2022), Election Expenditure Statistics by Type of Contribution Received, Type of Recipient and Type of Election, https://tinyurl.com/2gqffsyy, date of access: November 22, 2022.
[69] SERVEL (2022), Balances, https://servel.cl/balances/, date of access: November 22, 2022.
[70] CIPER Chile. (2021) Rendering of Karina Oliva 's gubernatorial campaign: seven militants of her party submit ballots totaling $137 million. https://tinyurl.com/2g9atvym ,date of access: December 21, 2022.
[71] CIPER Chile (2022). Uncontrolled campaign in the networks: 36 entities have spent $119 million without SERVEL oversight, https://tinyurl.com/2p2wbfcl, date of access: December 23, 2022.

The data about the income and expenditure records of each of the political parties, together with the electoral expenses of the different candidates, as mentioned are available on SERVEL[72] website according to the election cycle, and so far the most recent for public analysis is that of the year 2017. As for the accessibility of the data, they can be downloaded and lend themselves to private and individual citizen analysis. However, and as mentioned above they are not in a timely manner[73].

The sanctions applied for violation of regulations on financing issues would be delivered in a timely manner, and in a collaborative manner to the Judiciary due to the agreement signed in 2019 between these institutions[74]. As for the celerity of those, it will depend clearly on the time of investigation and resolution of the different cases as highlighted in the interview made to SERVEL[75].

Civil society can oversee the financing of politics, since it can be an oversight body for the different irregularities that may arise from the financing of politics, whether it be monitoring the campaign expenses of each candidate or political party, how political parties are financed, or finally how the state allocates its resources to finance politics. Another tool that civil society must have is to allow itself to be an agent of change, that is, to propose regulations or update legislation in order to make the financing and functioning of electoral campaigns more transparent.

Mechanisms to facilitate public oversight or control, either through declarations of assets and interests, or declarations of expenditures, exist in the legislation, but as detailed throughout the article, they are deficient in terms of timeliness, i.e., they are not updated. The case of sanctions is different, since they are public once the investigation is completed.

The existence of the aforementioned cases highlights the deficiencies in the legislation and regulations in force regarding political financing in its different spheres.

Good Practices

- A decrease in the number of complaints was detected, as a result of greater compliance with the regulations by parties and candidates.[76]
- Clarity and probity are detected once resources are allocated for political parties and candidates.[77]
- SERVEL is empowered to supervise the use of resources provided to the various political parties and candidates. The above allows incurring sanctions in case of irregularities.
- The capacity to generate ex officio audits without the need for a complaint is highlighted[78].
- The obligation to receive and channel all types of complaints from citizens is emphasized.[79]

[72] SERVEL (2022) Archive Module, https://tinyurl.com/2ll98fqz, date of access: December 23, 2022.
[73] As of December 23, the web page had no further information.
[74] SERVEL (2019). SERVEL and the Judicial Branch sign agreement for the delivery of information on judgments, https://tinyurl.com/2jrngjvf, date of access: December 22, 2022.
[75] Interview with the National Director of the Electoral Service, August 4, 2022.
[76] Interview with the National Director of the Electoral Service, August 4, 2022.
[77] Interview with the National Director of the Electoral Service, August 4, 2022.
[78] Interview with the National Director of the Electoral Service, August 4, 2022.
[79] Interview with the National Director of the Electoral Service, August 4, 2022.

- It should be noted that SERVEL has constitutional autonomy.
- SERVEL has an Ethics Committee that oversees good internal practices and collaborates in the prevention of corrupt practices.

Deficiencies

- Rigid precepts are detected, in terms of financing legislation, generating legal loopholes. There are important areas for improvement in electoral and campaign propaganda, for example, in the management of reimbursements not due.
- There is a shortage of resources to generate active and timely audits regarding the use of resources by political parties and their accountability.[80]
- There is a lack of communication and collaboration with different government agencies in the fight against corruption.[81]
- There are communications that include language that is not clear for the general public, with too many technicalities.

4.1.5 Art. 7, 8 y 12 – Codes of Conduct, Conflicts of Interest and Asset Declarations

There are several regulations related to ethics issues of public officials: administrative statutes for municipal officials, LOCBGAE and Law No. 19.633[82]. This law incorporates the declaration of interests for authorities and senior public management and emanates a series of codes of conduct that regulate conflicts of interest. Also, by virtue of the proposals made by the Presidential Advisory Council Against Conflicts of Interest, Influence Trafficking and Corruption, the creation of integrity systems was promoted. Based on the aforementioned legal framework and Law No. 20.955[83], the Civil Service is the coordinating institution that provides and implements rules of general application for the development of codes of ethics and integrity systems.

Integrity systems are instruments that promote behavior that adheres to certain values that contribute to installing integrity standards implemented by public services, and represent dissemination and training processes, channels for consultation, complaints and sanctions associated with the regulations in force, as well as monitoring platforms in each organization. Progress shows that 87% of institutions have integrity systems and 63% of institutions have strengthened their intranet and reporting platforms[84]. Moreover, today there are more than 280 codes of ethics of different institutions[85], which are carried out through participatory methodologies that contain procedures for reporting and consultation, training and dissemination strategies within public organizations and reportability in relation to these matters. At present, there are concrete actions to strengthen the construction of ethical codes, such as the Agenda for Transparency and Probity in Business and Politics and the "Collaboration

[80] Interview with the National Director of the Electoral Service, August 4, 2022.
[81] Interview with the National Director of the Electoral Service, August 4, 2022.
[82] Law N°19.633, https://www.bcn.cl/leychile/navegar?idNorma=143005, date of access: September 7, 2022
[83] Law Nº 20.955, https://www.bcn.cl/leychile/navegar?idNorma=1095821, date of access: September 7, 2022
[84] Open Government Chile (2022), Strategic plan for the strengthening of the Public Integrity System https://tinyurl.com/2zvd5r44, date of access: September 7, 2022.
[85] Interview with Civil Service Prosecutor Francisco José Silva, July 20, 2022.

Agreement for the Construction of Integrity Systems Based on the Construction of Ethics Codes in the 345 Municipalities of the Country" with a projection of implementation in all municipalities by 2026. However, as mentioned, the codes of ethics are not binding or mandatory guidelines for public officials[86].

Regarding conflicts of interest that may arise in the exercise of the position, if there is a situation in which the link to a previous employment in the private sector may detract from the impartiality of an official in the exercise of his or her position, the duty of abstention referred to in Article 12 of Law No. 19.880[87] must be applied. There is a rule that disqualifies from holding office those who are related by ownership or kinship with specialized external consulting firms that participate in the selection process of Senior Public Officers[88]. Law No. 19.886[89] also regulates situations in which there may be conflicts of interest, establishing that no State Administration body, company or corporation may enter into administrative contracts for the provision of goods or services with the executive officers of the same body, or with persons with kinship ties, companies or companies that own shares representing 10% or more of the capital. In 2005, new constitutional reforms were introduced by Law No. 20.050[90], establishing in Article 8 of the Constitution the principle of probity. Thus, the cases regulated by the principle of probity to avoid conflicts of interest are due to kinship, judicial and economic matters. Likewise, Law No. 20.414[91] amended the Constitution in matters of disclosure of the declaration of interests and assets (DIP), providing that the incompatibilities established for deputies and senators shall be applicable to Ministers.

Furthermore, Law No. 20.088[92] establishes as mandatory the declaration of assets for authorities who have a public function (regulated by Decree No. 45 of SEGPRES) and incorporates the obligation to dispose of certain assets that involve a conflict of interest in the exercise of the public function. The declaration of interests and assets (DIP) is public and must be made upon taking office, then every year and finally when they leave office, in compliance with the rules on Public Transparency. In the case of the DIP, the CGR is the agency in charge of overseeing compliance. Officials who are required to provide DIP, have a procedure that assists them in providing such statements directly on the platform available by the Comptroller's Office or are published on the InfoProbidad[93] page.

In short, the CGR has the independence and expertise, along with the necessary resources to fulfill its mandate, and therefore continuously monitors the assets and interest declarations .

In practice, the measures aimed at preventing conflicts of interest related to former public officials of private entities would be applied and are effective in preventing possible conflicts of interest, since the Civil Service together with the High Public Management System have made public each of the selection mechanisms, and would

[86] Interview with Civil Service Prosecutor Francisco José Silva, July 20, 2022.
[87] Law Nº 20.880 https://bcn.cl/2f82e, date of access: September 7, 2022.
[88] See Law Nº 19.882.
[89] Law Nº 19.886, https://bcn.cl/2f72u, date of access: September 7, 2022.
[90] Law Nº 20.050, https://bcn.cl/2f96j, date of access: September 7, 2022.
[91] Law Nº 20.414, https://bcn.cl/2mg2w, date of access: September 7, 2022.
[92] See Law Nº 20.880 https://bcn.cl/2mag8, date of access: September 7, 2022.
[93] Info Probidad (2022), Start ,https://www.infoprobidad.cl/#!/inicio, date of access: September 7, 2022.

seek to mitigate the revolving door effect. However, the positions of trust appointed by the Executive are outside this orbit.

The Civil Service promotes education and training programs on the risks of corruption that disseminate and encourage compliance with the rules of administrative probity and transparency through technical support. They instruct each of the institutions to develop Codes of Ethics and form an Integrity System, led by Senior Service Chiefs, the Code, a coordinator and an integrity committee. In addition, there is an integrity platform to generate channels for consultations and complaints[94]. Each public institution is expected to assume the responsibility of disseminating its respective code of ethics within the organization through its website[95]. Non-compliance with the standards established by the code and that merit a disciplinary sanction by law, will be circumscribed to the disciplinary regime established in the Statute. Once the administrative responsibility of an official has been proven, the disciplinary measures that could be applied are censure, fine, suspension, from thirty days to three months, and dismissal, depending on the seriousness of the act, regardless of civil and criminal liability.

Finally, the Council for Transparency and the CGR play an important role in terms of coordination at the national level among the different public institutions in this regard. Both the Legislative Branch, represented by the National Congress, and the Judicial Branch, internally, have structures aimed at avoiding conflicts of interest and reporting the existence of facts that may constitute violations to the Principle of Probity, among others. The public employment portal[96] and Alta Dirección Pública[97] are two examples of the transparency efforts of the Civil Service.

According to data from the InfoProbidad[98] website, 88.983 declarations of assets and interests have been made to date. In turn, these declarations are distributed as follows according to the same platform:

[94] See, InfoProvidad (2022), Start.
[95] National Civil Service Directorate (2022), Integrity Systems and Code of Ethics, https://www.serviciocivil.cl/sistemas-de-integridad-y-codigo-de-etica/,date of access: September 7, 2022.
[96] National Civil Service Directorate (2022), Public Employment https://www.empleospublicos.cl/, date of access: November 7, 2022.
[97]National Civil Service Directorate (2022), Senior Public Management Portal, https://adp.serviciocivil.cl/concursos-spl/opencms, date of access: November 7, 2022.
[98]InfoProbidad (2022), Start https://www.infoprobidad.cl/#!/inicio, date of access: November 23, 2022.

Graph 3: Types of declarations filed. InfoProbidad (2022)[99]

The criteria for disqualifying a person or disqualifying him or her as a candidate for public office are publicly available, and in practice must be complied with in a fair and lawful manner. Similarly, the declarations of interests and income of public officials are public and accessible to all citizens.

The evidence that the declarations are presented with truthful and accurate information is available to the public, and there is an exhaustive verification process, so that it is correct and accurate.

Furthermore, the CIPER asked the Comptroller's Office how many veracity controls had ended in observations or sanctions to public officials in 2019 and 2020. From the institution they assured that there were: 122 thousand truthfulness errors in the DIP (there can be more than one error per DIP), 1,200 official notices to warn officials about this type of errors and 470 formulations of charges (opening of summary proceedings)[100].

The Comptroller's Office added that "several confidential Suspicious Operation Reports (ROS) have been prepared and sent to the Financial Analysis Unit (UAF) of the Ministry of Finance. In addition, the Unit for the Analysis of Declarations of Interests and Assets has provided various inputs in the audit planning processes, mainly in the context of pandemics, as well as collaborating with other institutions in various investigations"[101].

Good Practices

- The adoption of codes of ethics with channels for consultation and complaints regarding public contracting has been detected.

[99]See Info Probidad (2022), Start.
[100] CIPER Chile. (2021) Transparency useless: conventional Rojas Vade deception reveals serious failure in auditing asset declarations, https://tinyurl.com/2fp8rx47, date of access: December 22, 2022.
[101] See CIPER Chile. (2021) Transparency useless: conventional Rojas Vade deception reveals serious failure in auditing asset declarations

- The Senior Public Management system has a record of complaints related to non-compliance with selection and public contracting processes. Based on the complaints, the institution is generating an improvement in its processes, designing a categorization of them.
- The guidelines for the selection of candidates for the Senior Public Management System to detect conflicts of interest are highlighted.
- The protocol of measures to be adopted when there is a conflict of interest according to the Law is highlighted.

Deficiencies

- The codes of ethics are not fully applied to local governments, so there is no comprehensive approach at all levels of government.
- Only the complaints that enter through the Courts are quantified, although there are more complaint channels.
- There is a lack of clarity and lack of knowledge on the part of the citizens on how to generate a consultation/complaint.
- It is detected that in practice there is no institution in charge of taking measures to supervise conflicts of interest related to former public officials in private entities.
- It is not possible to identify concrete practices to avoid corruption cases in appointments.
- There are no sanctions stipulated by regulations for non-compliance with codes of ethics and conduct.
- There is an information registry of public processes related to complaints where data is published, but there is no follow-up or knowledge of the results.

4.1.6 Art. 8.4 y 13.2 – Reporting Mechanisms and Whistleblower Protection

The main legislation in this area is Law No. 20.205, which seeks to protect civil servants who report irregularities and breaches of the principle of probity, published in 2007. This law incorporates the rights of public and municipal officials who make complaints to the competent administrative authority.[102] It covers all types of misdeeds or dangers to the public interest, and should not be limited to acts of corruption. It was amended in 2007. It should also be noted that Law No. 19.640[103], which establishes the Constitutional Organic Law of the Public Prosecutor's Office, stipulates the protection of victims and witnesses as well as the improvement of their attention. Thus, reporting mechanisms have been established for violations of codes of conduct or standards by public officials, including measures for the protection of whistleblowers.

However, weaknesses are detected in the protection of whistleblowers, as they have no incentive to collaborate and have moderate to insufficient protection measures. During 2020, the government presented a bill that "establishes a Statute for the Protection of Whistleblowers" for acts of corruption, processed under bulletin N°13.565-07. The bill creates a web reporting channel, under the responsibility of the CGR, through which it will be possible to report acts of corruption that may constitute

[102] Sánchez, F. (2010), The protection of whistleblowing: the regulation of whistleblowing in comparative law, https://repositorio.uchile.cl/tesis/uchile/2010/de-sanchez_f/pdfAmont/de-sanchez_f.pdf, date of access: September 7, 2022

[103] Law Nº19.640, https://bcn.cl/2jm44, date of access: August 25, 2022.

administrative infractions and eventually crimes. This seeks to encourage whistleblowers and protect them against any retaliation.

At the time of filing the complaint, a form must be submitted containing information on who is filing the complaint, a detailed account of the facts, the individualization of those who committed them and of the witnesses or those who had notice of them, as soon as the complainant is aware of them. It must also be accompanied by the background information and documents on which it is based, whenever possible[104]. Said denunciation must be formulated in writing and signed by the denouncer. If the complainant is unable to sign, a third party may sign in his place. The identity of the complainant or the data that allow to determine it, as well as the information, background and documents that he/she delivers or indicates on the occasion of the complaint, may be requested to be kept secret from third parties. In sum, it is possible to make an anonymous complaint.

All the constitutional and legal norms for the protection of those involved in criminal proceedings apply only to victims and witnesses (without prejudice to the statute of guarantees of the accused), but none of this applies to whistleblowers. The confidentiality and confidentiality of their identity is not assured, at least with respect to the accused[105], so there would not be a full application of this article. In addition, there are no mechanisms to protect whistleblowers against acts of corruption, such as physical protection, nor protection against workplace or other reprisals.

Although there are no publicly available statistics on the number of complaints received by the different government agencies regarding crimes and breaches of probity, there is public access to data on the number of investigations and sanctions on the website of the Council For Transparency[106].

According to the OECD[107] Chile provides limited protection to whistleblowers in the public sector who report crimes under the Administrative Statute. Whistleblowers are only protected against transfers without consent, suspensions and dismissals. The provision does not protect against other forms of retaliation, such as: reprimands, demotions, changes in responsibilities, denial of privileges, etc. However, there would be no further information about the speed and how well whistleblowers are protected.

Finally, whistleblower protection is also limited in time, i.e., it ends when the report is rejected, or up to 90 days after the completion of the investigation or proceeding. It should be noted that unfounded reports that are proven to be false, as well as those made with the deliberate intent to harm the person, are punishable by dismissal from office.

[104] Law Nº20.205, https://bcn.cl/2k5ma, date of access: November 9, 2022.
[105] Gutiérrez, I. (2018), Whistleblower Protection System in Chile. Diagnostic Report, https://tinyurl.com/2gszl2d4, date of access: November 9, 2022.
[106] CPLT (2022), Summary and Sanctions Data, https://www.consejotransparencia.cl/tableau/ver-mas/, date of access: November 9, 2022.
[107] Association of Certified Financial Crime Specialists. (2016) OECD presents a report for whistleblower protection in the public and private sectors. https://tinyurl.com/2fvkk6tt, date of access: December 23, 2022 ; OCDE. (s/f). Committing to Effective Whistleblower Protection, https://tinyurl.com/2mwopa7u, date of access: December 23, 2022

Good Practices

- Since 2019, collaboration agreements have been in place to promote good practices and mutual training between different organizations and institutions. An outstanding practice that allows to remedy the deficiencies is that Chile Transparente provides a center called Anti-Corruption Legal Advice (ALAC)[108] that allows them to receive anonymous complaints.

Deficiencies

- Law No. 20.205 is outdated and important topics are not considered, such as, for example, that it does not cover State institutions and fees are not protected. It is also noted that protection measures are limited to administrative areas.[109]
- There is no system of compensation for the victim and complainant[110].

4.1.7 Art. 9.1 – Public Procurement

In Chile, Law No. 19.886 (2003) defines and regulates public procurement, which corresponds to all contracts entered into by the government for the acquisition of goods, services and public works, from the most complex contracts, such as those for road construction, to simple contracts, such as those for office supplies.[111]

Clear procedures must now be used to determine the conditions for participation in a bidding process, including the selection and award criteria. This can be seen directly on the service's website, where tenders and their conditions, the stages of each procedure, as well as information on the successful bidders (name, unique identifier, bid), information on the award of the contract and the relevant documents, including the complete contract, are made public.

Chile Compras, as an institution, has the independence, means and powers necessary to exercise its mandate, according to Law No. 19.886[112]. In this sense, *Chile Compras* is autonomous in the administration of the electronic platform where bids are generated, and it is each agency who decides when to buy and from whom to buy through the platform. In turn, such bids and purchasing mechanisms are completely electronic.

Regarding the existence of provisions to ensure that procurement processes are announced and published in such a way that interested bidders can know the offer and that gives them enough time to prepare and submit a bid is not standard and the time required for each purchase, and the launching of the bid through the *Chile Compras* portal will depend on each agency. Moreover, and according to the public procurement regulations, if the amount is less than 30 UTM it becomes an "Agile Purchase" and it is not necessary to enter it into the system. In the interview[113]

[108] ALACChile (2022), https://denunciacorrupcion.cl/, date of access: November 9, 2022.
[109] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.
[110] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.
[111] *Chile Compras* (2002), Strategic Plan 2002 - 2004. Public Procurement System, https://tinyurl.com/2eckbrd5, date of access: October 24, 2022
[112] Law N°19.886, https://bcn.cl/2f72u, date of access: December 21, 2022.
[113] Interview with the *Chile Compras* team, August 26, 2022.

conducted with the institution, the response was that "this data (of each purchase) is available in an open data space".

Regarding the practices to promote integrity in public procurement, there is no anti-corruption area. Instead, it is presented as a particularity that the service has a public procurement observatory, which aims to monitor and analyze the entire process of public procurement that occurs through the portal and through different modalities and typologies. However, in the interview with *Chile Compras*, the interviewees mentioned that it is difficult to identify specific corruption risks in the public procurement system since there is no collaboration or exchange of information between the different state agencies. Bidders are also not required to provide information on their beneficial owners, since it is the State that defines them.

In turn, the main problem lies in "Framework Agreements" which are a figure in which *Chile Compras* selects suppliers according to what is established in each base, which then have their products in the catalog of the store (platform of the same agency). This turns problematic because there is no way to corroborate that it is the same companies who provide the services, and that in the end there is no corruption between private parties, and finally the prevention of corruption and the sanctioning of this depends on the complaints.

Regarding the existence of agencies mandated to supervise compliance with the rules for awarding and executing public contracts, it is the CGR who must ensure compliance with the contracts and any rules arising from this regulation. Although Chilean legislation is quite specific, and seeks that the vast majority of state purchases are made through the *Chile Compras* system, there are exceptions to the rule, such as a natural disaster or public calamity where it is necessary to accelerate the process and the executive will have the powers to do so efficiently. However, the vast majority of contracts are publicly available. The following are exempted from the platform: the hiring of personnel of the State Administration and fee contracts entered into with natural persons to provide services to public agencies; the execution of public works and concession of public works that have not been entrusted to the MOP or do not have specific rules regarding the form of contracting public works; urban works with the participation of third parties and contracts on war material.

Furthermore, there is no list of prohibited companies with which the State should not enter into contracts. This is because, according to *Chile Compras*, it is constantly reviewed or audited if the supplier has no debts with the State, provisional debts, is not condemned for anti-union practices, among other requirements.

Finally, there is no information on the availability of government evaluations or external evaluations on the effectiveness of the public procurement system and the extent to which it is based on transparency, competition and objective criteria in decision-making.

With respect to this article, the main cases to be evaluated come to light after the SARS-COVID 19 virus pandemic. This health emergency resulted in a "public calamity" that warranted declaring a state of constitutional exception of catastrophe throughout the national territory for a period of 90 days, which was constantly renewed until 2021. This not only imposes constitutional measures to restrict mobility, but in this

case, it also enables to a great extent high volume purchases of health institutions without further justification to *Chile Compras*. This can be seen in the guideline issued in April 2020 by the *Chile Compras* board of directors mentioned below.

“Article 8, letter c) of Law No. 19.886, as well as Article 10, No. 3, of the Regulations establish that direct contracting "in cases of emergency, urgency or unforeseen circumstances, qualified by a substantiated resolution of the superior head of the contracting entity, without prejudice to the special provisions for cases of earthquakes and catastrophes contained in the relevant legislation" shall apply[114].”

The aforementioned allowed more than one hundred companies that had been in existence for less than a month to be awarded millionaire contracts with public utilities by direct agreement, that is to say, many times without any competition[115]. Cases such as the Hospital de La Florida, which bought 800 thousand masks at an over price from a company constituted by a relative of Cristóbal Salgado Corvalán, or "EDS JCM Ingeniería y Servicios", which was contracted for the acquisition of 40 thousand family baskets for the Food for Chile program, stand out. The company expanded its business to "wholesale of eggs, dairy products, groceries and other foods" only one day before receiving the request for quotation for the boxes from the Intendencia de Antofagasta[116].

To date, *Chile Compras* has a section on its website where it provides access to the analysis of the different government purchases, and a list of purchases made month by month can be downloaded according to the different government agencies. However, at the time of writing this report, it is not possible to access the link that generates statistics on purchases at a more general level.

Good Practices

- There are clear and concise procedures with respect to the bids that the State carries out for the different entities.
- It is a decentralized and autonomous body. They manage the platform in such a way that each state agency or entity decides who to buy from through the platform.
- It has a digital system and platform, in order to expedite the processing of each purchase.

Deficiencies

- There is no platform or list of companies that cannot carry out or participate in tenders. It is up to each agency whether they participate or not, so this information is not public.
- There is no open data about the evaluation of the process, or the efficiency of public contracting/bidding.

4.1.8 Art. 9.2 – Management of Public Finances

[114] Exempt Resolution 257 B, https://tinyurl.com/yby4s5js, date of access: November 24, 2022.
[115] CIPER Chile (2021), Overpricing and family ties in public purchases from companies created during the pandemic, https://tinyurl.com/y3444unm, date of access: November 24, 2022.
[116] See CIPER Chile (2021), Overpricing and family ties in public purchases from companies created during the pandemic, https://tinyurl.com/y3444unm,

The management of public finances is regulated by Decree Law No. 1.263[117] of the Financial Administration of the State, which establishes the main functions and the circuit formed by the Ministry of Finance, the Budget Office, the Comptroller's Office and the Treasury, in addition to containing definitions of the budget system, the governmental accounting system, the financial program and the public sector budget. In this matter, Law No. 4.520[118] is important, which provides terms, procedures and actors of the Budget Law and the Decree with force of Law No. 106 of the Ministry of Finance, which establishes the attributions of the DIPRES, indicating that it is an agency under the Ministry of Finance whose function is to coordinate the formulation, orientation and application of the State's budgetary policy.

With respect to the national budget, the Political Constitution of Chile establishes that the President of the Republic shall have the exclusive initiative of the bills related to the Budgetary Administration of the State, including the draft Budget Law, which must be submitted to the National Congress at least three months prior to the effective date. The Congress may only reduce the expenses contained in the bill, and may not approve any new expense charged to the funds of the Nation without indicating the sources of resources to meet such expenses[119]. The Budget Law is annual and applies to all institutions of the public administration.

With respect to the information to be submitted by public agencies to the legislature, the DIPRES must prepare the annual Budget Bill by reviewing the requests of the Public Services. In this sense, the Budget Offices of each of the public bodies must prepare the draft Current and Capital Budgets, calculating the usual expenses of the services and consulting the budgetary effects implied by the new programs indicated by the Heads of Services[120]. In addition, the Ministry of Social Development and Family is in charge of proposing annually the regional public investment goals for the draft of the Budget Law[121].

With respect to the consequences of non-compliance with the regulations governing the budget, the Comptroller's Office is responsible for overseeing the receipt and investment of the Treasury's funds, keeping the general accounts of the Nation and performing prior control, supervising the disciplinary procedures instructed under Law No. 10.336 and other regulatory bodies[122]. The legal function of the CGR is developed through different functions, which for the purposes of this article, are the taking of account and its function of carrying out audits. According to Article 21 of the Law of Organization and Powers of the CGR, it defines that the CGR shall carry out audits to ensure compliance with legal regulations, the safeguarding of public assets and administrative probity, as well as to evaluate internal control systems, budget execution, operations carried out, accuracy of financial statements, veracity of documentation and statutory regulations[123]The CAIG also participates in this process,

[117] Decree of Law N° 1.263 https://bcn.cl/38m84, date of access: December 21, 2022
[118] Law Nº 4.520, https://bcn.cl/36mng, date of access: October 24, 2022
[119] See Law Nº 4.520.
[120] DFL 106 https://bcn.cl/2m36z, date of access: October 24, 2022
[121] Ministry of Social Development and Family (2022), Mission, https://tinyurl.com/2gg6287f, date of access: October 24, 2022
[122] Political Constitution of the Republic, https://www.oas.org/dil/esp/constitucion_chile.pdf,date of access: October 24, 2022
[123] Decree of Law Nº2421, https://bcn.cl/2f904, date of access: October 24, 2022.

its function consists in the technical coordination of the activity of the internal audit units of the Public Services dependent or related to the Executive.

Public officials who incur in irregularities related to public funds may be subject to different types of liability; criminal, political, civil, administrative, and in this case pecuniary liability. Liability will arise for illegal use, abuse or misuse and for any loss of resources that occurs, attributable to their fault or negligence. The jurisdictional function is materialized in a contentious procedure, of double instance, written and of special character called Judgment of Accounts[124].

For its part, the framework for control and evaluation of the performance of public accountants and auditors, in addition to the role of the CGR, the Executive Branch and the authorities in charge of supervising the management of their respective institutions, the DIPRES is in charge of regulating and supervising the execution of public spending, and may request and provide the Fiscal Services with information to facilitate budget control[125], providing the National Congress with periodic information on public finances, supervising the preparation of annual balance sheets, conducting studies and research for a better use of resources, evaluating public programs, integrating the results of evaluations into the budget cycle and establishing institutional commitments to improve the evaluated programs. In addition, the Internal Audit Units of each public service also constitute this cycle of audits, qualifying and evaluating the degree of effectiveness, efficiency and economy with which institutional resources are managed and the organization's purposes are achieved[126]. There is also the General Internal Government Auditing Council (CAIGG), a body that must make proposals regarding the formulation of policies, plans, programs and measures of internal control of government management, which tend to strengthen the proper use of allocated public resources.

With respect to risk management systems, in addition to the above, the DIPRES has gradually and progressively implemented a Management Evaluation and Control System, which aims to promote efficiency and effectiveness in the allocation and use of public resources through the application of evaluation and management control techniques and instruments linked to the budget. Although the process, as in most of the countries that have adopted this good practice, began with the development of indicators and ex post evaluations, complementary initiatives have gradually been incorporated, such as strategic planning, ex ante evaluation and program monitoring.

In relation to revenue and expenditure information, in accounting terms, it is managed by the DIPRES through the State Financial Management System (SIGFE), a web platform that allows central government institutions to keep track of budget execution and accounting at different stages. For its part, the Comptroller's Office manages the National General Accounting System (SICOGEN), a web platform designed to facilitate the capture, validation and publication of the information that entities submit to the Comptroller's Office, which is available to accredited users. Accounting follows international public and private standards, such as the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants

[124] Law N° 10.336, https://bcn.cl/2g7de, date of access: November 25, 2022.
[125] Decree of Law N° 1.263 , https://bcn.cl/2k29c, date of access: November 25, 2022.
[126] SEGPRES “Bases for the Creation of Internal Auditing Units", Document No. 6 and "Bases for the Creation of Internal Auditing Units in Regional Governments", Document No. 6.”).

(IFAC) through the International Public Sector Accounting Standards Board (IPSASB), indirectly adopted by the public and municipal sectors, and the International Financial Reporting Standards (IFRS), directly implemented by State higher education entities and public companies.

Regarding transparency and citizen participation in budget management, the web page of each public agency provides information on the annual budget, the balance of budget management for the previous period, transfers, acquisitions, contracting and the monthly balance updated through the "Active Transparency" section. In addition, together with the public account made by the President of the Republic, the institutions carry out participative public accounts and each institution works with its COSOC, which can incorporate ideas in the budget project. In addition, the CGR periodically publishes studies on matters related to budgetary, financial and equity information[127]. Of importance for this chapter are the State Financial Management Reports, which annually present equity, financial and budgetary information of the General Government Sector, in which the Public and Municipal Sectors are aggregated and consolidated, through a methodology of elimination of reciprocal movements of transfers, also including the equity, financial and budgetary information of Public Companies, State Corporations and CORFO Technological Institutes and State Higher Education Entities. In addition, the University Credit Solidarity Fund and the Central Bank of Chile are presented. Therefore, in each of these sections, the liabilities, assets, equity, income, expenses and flows and the variations between the year of the report and the previous year are indicated.

Good Practices

- It should be noted that on the web page of each public agency, the public can see the annual budget, the budget management balance of the previous period, transfers, acquisitions, contracting, as well as the monthly trial balance updated via the "Active Transparency" section, information that is updated periodically.
- There are standardized norms for preparing budgets in the country.
- There are regulations that require the accountability of budgetary information from public administration agencies.

Deficiencies

- It is detected that Chile presents challenges and deficiencies in terms of citizen participation throughout the budget cycle, an evaluation shared by the Global Initiative for Fiscal Transparency, a report prepared at the request of the Public Expenditure Committee, which is repeated in the Open Budget[128] Survey 2019.
- The language used for public access documents is complex and difficult to access and understand for non-specialized citizens.

4.1.9 Art. 10 y 13.1 – Access to Information and Participation of Society

Law No. 20.285[129] regulates the principle of Transparency of the Public Function, the right of Access to Information, the procedures for the exercise of the right and for its protection and the exceptions to the publicity of information, establishes rules that give

[127] Office of the Comptroller General of the Republic (2022), State Financial Management Reports, https://www.contraloria.cl/web/cgr/igfe3, date of access: December 21, 2022.
[128] Public Expenditure Commission (2021), Public Expenditure Commission Book, https://tinyurl.com/2ktqex94, date of access: September 7, 2022.
[129] See Law N° 20.285.

rise to active and passive transparency, through the Council for Transparency (CPLT), defined as an autonomous corporation, with legal personality and its own assets, whose purpose is to promote transparency in the public function, oversee compliance with the rules in public bodies, apply sanctions in case of violations, and guarantee the right of access to information. Those public bodies that do not comply with the right of access to citizen information require appeals or complaints, which are filed with the CPLT. The main functions of the CPLT are to resolve claims for denial of access to information, issue instructions, require institutions to adjust their procedures to the law, propose regulatory improvements, ensure due confidentiality of confidential data and ensure proper compliance with Law No. 19.628[130], on the protection of personal data.

Within the aforementioned legal framework, the bodies of the State Administration must keep permanently available to the public, through their websites, information on their organizational structure, functions and attributions; regulatory framework, staffing and remuneration; contracting for the supply of goods, provision of services and execution of works; transfers of public funds; acts and resolutions that have effects on third parties; procedures and requirements for access to the services provided by the respective body; design, amounts and access criteria of the benefit programs delivered by the respective body, in addition to the lists of beneficiaries of the social programs in execution; mechanisms for citizen participation; budget allocated and execution reports; results of audits of the budget exercise and all entities in which they have participation, representation and intervention in the institution. The above information must be included in a complete and updated form, and in such a way that it can be easily identified. In turn, every person has the right to request and receive information from any organ of the State Administration through the general attention offices (Oficina de Partes) or in its most used way, through the Transparency Portal, both of the CPLT and of the same organs. The respective authority that was requested, must rule on the request within the established deadlines[131].

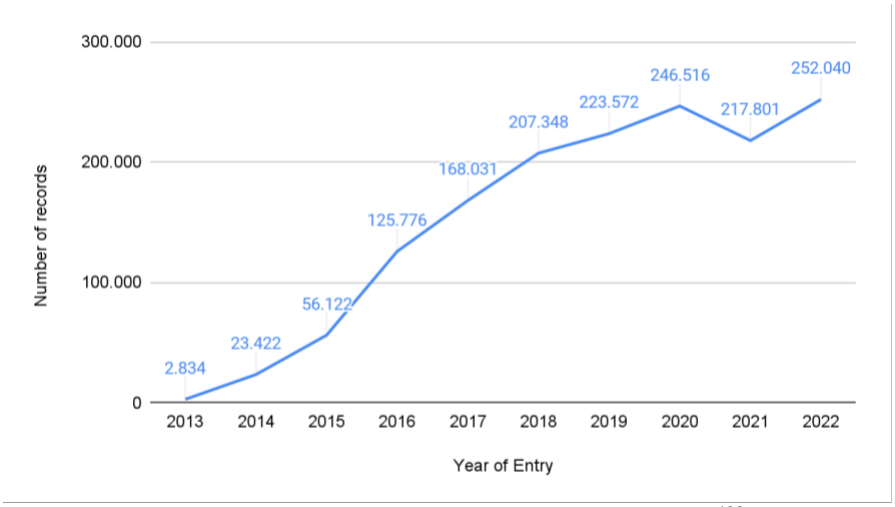
The Board of Directors is made up of four directors appointed by the President of the Republic, with the prior consent of the Senate. The directors serve a term of six years and may only be appointed for one more term. The directors may be removed at the request of the President of the Republic or the Chamber of Deputies for incapacity, misconduct or gross negligence in the performance of their duties. In addition, the expiration of the term for which they were appointed, resignation before the President of the Republic, candidacy for a popularly elected position, and supervening incompatibility, a circumstance that must be qualified by the majority of the directors, excluding the affected person, are causes for removal from office.

Regarding the implementation of this article, it should be noted that since the implementation of the portal, the use of this has been exponential by citizens, where

[130] Law N°19.628, https://www.bcn.cl/leychile/navegar?idNorma=141599, date of access: September 7, 2022.

[131] It may deliver the requested information or refuse to do so. In the latter case, the decision must be founded, specifying the legal grounds and the reasons for total or partial confidentiality, when the information its disclosure affects the due fulfillment of the functions of the organ, particularly, in the case of the prosecution of a crime or offense, in the case of background information for the adoption of a resolution or policy, requirements of a generic nature, referring to a large number of antecedents, when its publicity affects the welfare of the people or affects the security of the Nation and national interest and when it is about documents, data or information that a law of qualified quorum has declared reserved or secret.

so far this year, there are 252.040 requests for transparency, which since the previous year implies an increase of 15%, averaging 15 working days of response to the request.



Graph 4: Applications received per year, CPLT. [132]

In addition, to date[133] 68.609 cases have been filed with the CPLT, of which 56,929 are amparos and 11,680 correspond to claims. Of these, 24% are totally or partially accepted, 8% are rejected, 36% are declared inadmissible, 1% are dismissed, 5% are under analysis and 23% are referred to the alternative system of resolution of appeals to the right of access to information in the Council for Transparency (SARC)[134]. Of the sanctions and fines imposed, 538 processes have been carried out since 2010, of which 375 were summary proceedings, in addition to 296 fines, corresponding to 73.6%, and 138 cases were acquitted, corresponding to 25.7%[135].

These figures are interpreted by the officers as the consequence of a greater effort in the positioning of the CPLT and the recognition, product of the regional activities, training and trust by the citizenship[136]. The aforementioned information is publicly available on the CPLT platform, which has information on the number of hearing requests, information on the drafting, processing, approval, modification, repeal or rejection of agreements, declarations or decisions of the National Congress or its members, including the commissions where 227,887 requests were raised. On the other hand, 123,145 requests were made for the conclusion, modification or termination, under any title, of contracts entered into by taxpayers and which are necessary for their operation, and for the design, implementation and evaluation of policies, plans and programs carried out by the authority, the figure corresponds to 61,292 requests.

[132] CPLT (2022), Statistics and Analysis, https://www.consejotransparencia.cl/estadisticas-y-analisis/, date of access: November 22, 2022.
[133] December 23, 2022.
[134] CPLT (2015) Alternative system for the resolution of appeals to the right of access to information in the Council for Transparency, https://tinyurl.com/2pxjpxuj, date of access: December 23, 2022.
[135] CPLT (2022), Summary and Sanctions Data, https://www.consejotransparencia.cl/tableau/ver-mas/, date of access: December 23, 2022.
[136] See CPLT (2022), Statistics and Analysis.

With respect to the evidence demonstrated, it is suggested that there is effective access to information, however, with respect to the cases in which the request for transparency is denied and/or the claim is declared inadmissible, the reasons range from the fact that the requests are not pertinent to the transparency law, the format does not correspond or is incomprehensible, the information is already publicly available or was sent to the applicant.

However, there have been conflicting cases, for example, where there is no clear judgment on emails. Following a request from the independent investigative media CIPER, CPLT agreed to the release of the emails of the former Undersecretary of the Interior, Juan Francisco Galli, but three months later denied access to the emails of the former Minister of the Interior, Rodrigo Delgado. It was shown that the position of the CPLT in this matter varies radically depending on the composition of the council, if a counselor is disqualified or if its president changes. This gives rise to inconsistencies that may obstruct transparency and prevent from knowing corruption cases[137].

Furthermore, there are other documented cases, in addition to the one mentioned above, in which information has been difficult for journalists, civil society representatives or citizens to obtain access to politically sensitive information or documents, both cases being presented in crisis situations. In the social outburst, different deficiencies were identified in the data and information related to people detained, injured, and circumstances in which the cases of dead people occurred. It was denounced, at the time, that the Government was not very transparent in making official data available to the public, as it provided incomplete information that omitted relevant data, such as the number of wounded and deaths caused by the forces of public order or the army. In addition, human rights organizations denounced that Carabineros prevented access to the public registry of detainees. In this regard, CPLT issued an official notice recalling the public nature of the information on detainees and the obligation of public agencies to facilitate access to it. Despite this notice, it was found that different police stations continued to deny access to the registry. In the first days of November, the Council for Transparency inspected 27 police stations in the Metropolitan, Valparaíso and Biobío regions, finding that 70% of the police units gave free access to the registry of detainees and 30% denied it, so on November 22 it sent a new official communication to Carabineros de Chile[138].

Another case on record was during the COVID-19 pandemic, when the CPLT ordered two summary proceedings against the undersecretaries of the Ministry of Health, the Public Health and Health Care Networks, after detecting that they were not complying with the obligations imposed by the Transparency Law by not submitting and making transparent the reports sent to the WHO with the count of deaths during the pandemic[139]. In both cases, the active role of the CPLT, although in principle with a moderate effect, stands out.

[137] CIPER Chile (2022) Radical turn: Council for Transparency does not agree to the release of former Minister Delgado's e-mails, https://tinyurl.com/2hhzlxa3, date of access: December 23, 2022.
[138] Protected Data Foundation (2019), Freedom of expression in the context of protests and social mobilizations in Chile between October 18 and November 22, 2019, https://tinyurl.com/2l6vwgzq, date of access: December 23, 2022.
[139] CIPER Chile (2021), Ministry of Health faces two summary proceedings for not complying with the Transparency Law, https://tinyurl.com/2ds9bz8v, date of access: December 23, 2022.

Despite the above, there are examples of requests for information that have contributed to inform and shape public debates on issues of transparency, accountability and good governance, or that have helped to highlight or uncover possible cases of corruption or lack of accountability. CPLT's book "Ten years, ten cases" describes ten cases of corruption that were made public through the Transparency Law, including the case of CEMA Chile, unjustified overtime payments in municipalities, unjustified trips of Councilors, among others[140]. In addition, Transparency requests are a tool used broadly in research, whether journalistic, academic or advocacy.

There are also examples of citizen participation in decision-making processes, for example, co-creation processes of certain measures such as the National Public Integrity Strategy[141], OGP Action Plans[142], public consultations, both of central public administration agencies, such as the Ministry of Health[143], Environment[144], among others, as well as consultations of local government agencies, such as municipalities, for example, Las Condes[145].

As stated by the CPLT, measures have been taken to promote an institutional culture of transparency, open data, open door policies, which is demonstrated in the data mentioned above. Furthermore, measures have been adopted to provide people with the opportunity to be consulted during the law drafting process, precisely in the aforementioned consultation processes, but there are also lobbying tools, where interest managers, lobbyists, including citizens and civil society organizations, are well established, being able to request meetings with decision making authorities. In addition, the institutions carry out participatory public accounts and each institution working with its COSOC can incorporate ideas in the budget project through these processes.

Regarding citizen participation, Law No. 20.500[146] recognizes the right of people to participate in its policies, plans, programs and actions, where each State body must establish specific participation modalities, in addition to the duty to give an annual and "participatory" public account to the citizens of its management and budget execution. However, the law does not have transversal mandatory participation mechanisms, in addition to not having an institutional reinforcement to ensure its operation, which ends up leaving in the hands of the will of the political authorities whether or not what is

[140] CPLT (2018), Workbook N°11, "Ten years, ten cases How has the Transparency Law made it possible to detect cases of corruption and irregularities in the Chilean State?", https://tinyurl.com/2ea5mgg3, date of access: December 23, 2022.
[141] SEGPRES (2022), SEGPRES launches public consultation to build National Public Integrity Strategy, https://tinyurl.com/2eq8hbcu, date of access: December 23, 2022.
[142] Open Government Chile (2022), Fourth Action Plan 2018 - 2020, https://tinyurl.com/2mrz2o2n,date of access: December 23, 2022.
[143] Ministry of Health (2022), Public Consultations, https://tinyurl.com/2zzhqcrx, date of access: December 23, 2022.
[144] Ministry of Environment(2022),Public Consultations, https://tinyurl.com/2mu2pklu, date of access: December 23, 2022.
[145] Las Condes (2022), Consultations and Citizen Surveys, https://tinyurl.com/2omjzlyd, date of access: December 23, 2022.
[146] See Law Nº 20.500, https://bcn.cl/2f7nb.

established is carried out or not[147]. In addition, the consultative and informative nature of the instances of participation that are opened, where most of these instances often lack a binding nature, both at the Central and Regional State level, as well as in local governments. However, there are public consultation requirements before issuing certain regulations or other administrative policies; however, it is not possible to verify the existence of any consequence in case of non-compliance with this public participation requirement.

Regarding cases of attacks against civil society groups, anti-corruption and human rights activists, journalists and others who defend or report on corruption, in Chile, these cases are rare, however, there are cases of monitoring of activists[148], in particular, the Mapuche movement, in the context of conflicts in the Araucanía region. Such cases, the units have been dissolved and those responsible prosecuted, however, it is an ongoing conflict, where according to activists these cases are more than those that have been resolved.

Good Practices

- The proactivity in diagnosing areas not covered by regulations, for example, proposals for legislative incidences, stands out.
- The incorporation of regulated entities that receive public funds and/or perform public functions, such as municipal corporations, to the transparency obligations is noteworthy.
- The celebration of agreements with public bodies to facilitate training processes and the promotion of mechanisms to comply with proactive transparency is highlighted.
- The increase in activity, statistics, promotion, public consultations and complaints channeled by the Council For Transparency is highlighted.
- It should be noted that every time the Council For Transparency has declared a public information through a decision, this immediately means an obligation of active transparency.
- The management of statistics regarding the follow-up of the decisions on complaints and appeals of the Board of Directors, with information on the organizations complained against, date and status of the follow-up, is highlighted.
- The launch of the Educa Transparencia educational portal is noteworthy.

Deficiencies

- The CPLT has a limited scope of action, since autonomous bodies such as the Judiciary, the National Congress, the Central Bank, the CGR, the Constitutional Court, state-owned companies and organizations that perform public functions with public funding are not under its purview.
- It has some restricted areas of action with respect to certain areas that conceptually are not classified as to whether they apply to public or private entities, such as, for example, public companies where there are only

[147] Senate (n/d), Report on Law 20.500 on Associations and Citizen Participation in Investment Services Magallanes and Chilean Antarctica Region, https://tinyurl.com/2hrgt9kw,date of access: December 23, 2022.
[148] CIPER Chile (2022), Secret Police Report: Camilo Catrillanca was targeted by Carabineros, https://tinyurl.com/2onyqcu2,date of access: December 23, 2022.

competencies related to active transparency, but not from the point of view of the right of access.

- The allocated funding does not vary according to the incorporation of new obligated subjects, so the institutional capacity is not ideal.
- There is a need to update and improve Law No. 20,500, within the framework of improving the mechanisms of citizen participation, giving it more resources and uniformity.

4.1.10 Art. 11 – Judiciary and Prosecution Services

The constitutional framework recognizes the independence of the three branches of government, executive, legislative and judicial. Article 83 establishes an autonomous, hierarchical body called the Public Prosecutor's Office, which will exclusively direct the investigation of the facts constituting a crime, those that determine punishable participation and those that prove the innocence of the accused and, if necessary, exercise public criminal action in the manner provided by law"[149]. The Public Prosecutor's Office, which is regulated by the Organic Code of Courts and other legal bodies, has several specialized and support units, among which the following stand out: the Specialized Anti-Corruption Unit (UNAC), the Specialized Unit for Money Laundering, Economic Crimes and Organized Crime (ULDECCO); and the International Cooperation and Extraditions Unit (UCIEX)[150].

With respect to transparency, in accordance with the Organic Code of Courts and Law 20.285, the Chilean Judicial Branch has a Transparency Commission[151]. The efforts have positioned the Judicial Branch as one of the most accessible through electronic channels, obtaining outstanding scores in the international rankings prepared by the Justice Center of the Americas (CEJA)[152]. In addition, since 2013 it has been part of the State Transparency Portal, which includes other institutions such as the Office of the Comptroller General of the Republic and the Chamber of Deputies.

In the area of training, it is worth mentioning that the training program for judges includes 48 hours of classes to analyze the judicial function. In addition, the Judicial Academy has continued to offer training courses directly related to the subject for the different members of the Judicial Branch, such as "Access to Public Information and Transparency", "Public Procurement" and "Data Protection", among others.

The procedure for the appointment of the National Prosecutor is set forth in Article 15 of Law Nº. 19.640, which establishes that for purposes of the appointment, the Supreme Court, ninety days prior to the expiration date of the term of the current National Prosecutor, shall call for a public competition. Applicants who meet the requirements will be received in a public hearing called by the plenary of the Supreme Court, in which the background of the candidates will be made known. The Supreme Court shall establish the manner in which this hearing shall be carried out.

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[149] Judiciary (2022), Institutional https://tinyurl.com/2jjxc2c6, date of access: October 24, 2022

[150] Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International,https://tinyurl.com/2lzqygyj, date of access: October 24, 2022

[151] Organic Code of Courts, https://www.bcn.cl/leychile/navegar?idNorma=25563, date of access: November 24, 2022

[152] Judiciary (2022). Transparency, https://tinyurl.com/2dszzmmt, date of access: December 24, 2022

In terms of public ethics, the Judicial Branch has adopted a Code of Ethics, following the Ibero-American Model Code of Judicial Ethics[153]. It also has an Ethics Commission. In addition, in 2019 the Prosecutor's Office of Chile began, with the support of UNDP, the implementation of an Integrity System within it[154]. In Chile, no measures as such have been adopted to guarantee the transparency of the judicial process given the mandate of the UNCAC, this since the measures to provide transparency emanate mainly by the Chilean legislation and the regulations of the Criminal Procedure Code (CPP), according to Article 19, all types of information must be delivered by the corresponding authorities to the Court; likewise according to Article 182 the investigative folder, and any other type of procedure, can be kept under secrecy. However, the Judge may be requested to lift such secrecy. Finally, the sentences and agreements are public and may be requested through the electronic system of the Judiciary[155]. One of the ways in which the integrity of the Judicial Branch in Chile could be evaluated is the Judicial Branch Quality Index, which is a measurement system that quantifies the management of the Judicial Branch, focusing on the opinion of the users of this institution[156]. However, there is no public information in this regard.

According to Law No. 20.880, judges, prosecutors and the high directives of the Judicial Branch must carry out the DIP. For this purpose, an electronic portal[157] was enabled on the same page of the Judiciary, which is publicly accessible. The obligation of supervising and analyzing each of the declarations corresponds to the Judicial Prosecutor's Office[158]. In turn, if irregularities have been detected in this process, it is the responsibility of the Judicial Prosecutor's Office to detect such irregularities and sanction or allow them to be corrected.

The only procedure that exists for the assignment and distribution of cases is the one provided by Article 27 ter. and Article 165 in the Organic Code of Courts, where the distribution of cases depends on whether there is a Court of Appeals in the Court[159], or if not, on the Court Clerk, in addition to the referral according to the type of office. As for possible interferences or conflicts of interest, it is the judge or minister himself who must declare himself incompetent, or failing to do so, the lawyers handling the case.

[153] Judiciary (2018), Ibero-American Code of Judicial Ethics, https://tinyurl.com/2pygfa8r, date of access: November 11, 2022.
[154] Public Prosecutor 's Office and UNDP (december, 2018), Integrity System Project for the Public Prosecutor's Office, https://tinyurl.com/2l6nzxmc, date of access: November 14, 2022.
[155] Code of Criminal Procedure, https://www.bcn.cl/leychile/navegar?idNorma=176595, date of access: November 11, 2022.
[156] Judiciary. (2022), Judicial Branch Quality of Justice Index (iPJUD), https://tinyurl.com/2ry8laap, date of access: November 14, 2022.
[157] Judiciary (2022), Virtual Judicial Office, https://tinyurl.com/2nn5k6qf, date of access: December 20, 2022.
[158] Judiciary (2022), Declaration of net worth and interests law N°20.880, https://www.pjud.cl/post/patrimonio-intereses-ley-20880, date of access: November 10, 2022.
[159] Organic Code of Courts, https://www.bcn.cl/leychile/navegar?idNorma=25563, date of access: November 11, 2022.

The codes of conduct and disciplinary mechanisms that govern the Judicial Branch are referred to ACTA No. 108-2020[160], which results in an Agreed Order on Procedure to investigate the disciplinary responsibility of the members of the Judicial Branch. Said Agreed Order, is an administrative official document in which a series of measures are established to investigate and sanction, as appropriate, the different members of the Judicial Branch. This is based on Articles 532 and 537 of the Organic Code of the Courts, which establish different codes of conduct for Magistrates, Judges and Prosecutors. However, the number of sanctions applied to members of the judiciary has not been found. What is available in the Jurisprudential Search Engine of the Supreme Court, and is the information available to the public, are 65 cases of Judicial Prevarication[161]. However, and through the collection of information, it was possible to rescue a journalistic investigation by the newspaper La Segunda in 2012 about the sanctions to judges by the Supreme Court. This publication states that "more than half of the sanctions applied in the period refer to judges who committed various types of negligence: a total of 26 cases"[162]. Among the negligence committed, the following stand out: drunk driving, failure to comply with working hours and failure to issue rulings within the legal term.

As mentioned above, so far the only mechanisms to designate cases are regulated by the Organic Code of Courts. Likewise, there would not be a way to prevent conflicts of interest, since it is expected that each of the parties that could enter into conflict declares itself ineligible.

In anti-corruption matters, the MP points out that the capacity is limited in terms of investigation, both the Prosecutor's Office in the Specialized Anti-Corruption Unit and the Anti-Corruption Brigade of the Investigative Police of Chile (PDI) try to concentrate on the configuration of the crimes and not on the recovery of assets, since when assets subject to seizure and forfeiture are identified, they are referred to the Asset Laundering Unit. In this regard, the authorities reported a lack of incentives and poor coordination between authorities.[163]

Regarding the declaration of interests and assets, during 2020 the Prosecutor's Office analyzed 2,012 declarations of this type; a total of 2,094 audits were carried out regarding the completeness, truthfulness and accuracy of the declarations. In terms of the appeals system, there was a decrease of 33.51% with respect to the previous year.

Regarding the cases that were resolved during the year 2020, 70.56% more than the previous year, of which 65.10% were accepted, which implies that almost 10 percentage points more than the previous year were accepted. On the other hand, during 2020, case admissions in the Supreme Court increased by 274.77% more than in 2019. Regarding completed cases, more than 308.59% more cases were decided

[160]Minute No. 108-2020 (2020), Agreed Order 108, https://www.bcn.cl/leychile/navegar?idNorma=1149561, date of access: November 14, 2022.
[161] Judiciary. (2022). Supreme Court Jurisprudential Search Engine. https://juris.pjud.cl/busqueda?Buscador_Jurisprudencial_de_la_Corte_Suprema date of access: November 16, 2022.
[162] La Segunda (2012), Punishing misconduct judges: Their indiscipline and the Supreme Court's hand in sanctioning them. https://tinyurl.com/2gkdp5nx, date of access: November 15, 2022.
[163] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.

than in 2019, while the cases that remained pending correspond to 31.88% more than in the previous year[164].

Good Practices

- There is a clear articulation between the Public Prosecutor's Office and the Financial Analysis Unit (UAF), facilitating an efficient flow of intelligence and the various criminal proceedings. Likewise, the CGR is considered a strategic ally for the Public Prosecutor's Office in the investigation of corruption crimes. Most criminal investigations arise as a result of audits carried out by the CGR, which detects irregularities that are referred to the Public Prosecutor's Office.
- The Public Prosecutor's Office has several units specialized in the fight against corruption, money laundering and organized crime, and international cooperation.

Deficiencies

- Law No. 19.640 is outdated with respect to the current needs of international assistance for purposes of confiscation and recovery of assets, as well as in the protection of whistleblowers and victims.
- There appears to be a lack of resources for the investigation of crimes, recovery of assets, as well as a lack of incentives and a deficient articulation between authorities.
- It is detected that not enough human and economic resources are allocated to promote and implement the investigation in a cross-cutting manner to other crimes, mainly in the area of drugs and public corruption.[165]

4.1.11 Art. 12 – Private Sector Transparency

Regarding the transparency of the private sector, there is no other legislation or regulation that appeals to this article. The private sector in Chile has no further regulation beyond the monetary sphere, and in this line, the Financial Market Commission was created with the mandate to ensure the proper functioning, development and stability of the financial market, supervising the entities of the securities, insurance, banking and financial institutions markets, including, among others, those companies that are registered in the Securities Register kept by the Financial Market Commission[166], and banks and financial institutions, including, among others, those companies that are registered in the Securities Registry kept by the Commission, either because they are issuers of publicly offered securities or because they are corporations that have 500 or more shareholders or, at least, 10% of their subscribed capital belongs to at least 100 shareholders.

In this context, and with regard to "improving accounting and auditing standards in the private sector", it should be noted that the Commission has the power, conferred by Article 5.6 of D.L. No. 3.538[167], to set the standards for the preparation and

[164] National Institute of Statistics. (2020) Annual Judicial Statistics Report 2020. https://tinyurl.com/2qj4lbra ,date of access: December 20, 2022

[165] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.

[166] CMF (2022), Audited Entities, https://tinyurl.com/, date of access: November 11, 2022.

[167] D.L. Nº 3.538, https://tinyurl.com/2lz3jddf, date of access: September 7, 2022.

presentation of the annual reports, balance sheets, statements and other financial statements of the audited entities and to determine the principles according to which they must keep their accounts, however, public and private organizations are not obliged to do so. In this sense, since there are no regulations that position this practice, it is weakened at the operational level, and there are no sanctions at a general legal level, except for those that each one carries out independently. There may be sanctions such as the dismissal of the employee who has not reported the conflict of interest and/or the filing of a complaint with the Public Prosecutor's Office for a possible crime that may have been committed. This information is not usually systematized, without constituting a typification of practices and crimes. In addition, private entities are not required by law to publish information on the persons that compose it, nor is it required to publish the beneficial owners (BF) in the case of companies. However, it is increasingly common for private organizations to publish their members, especially senior managers, on a voluntary basis. Circular 57 of the Financial Analysis Unit (UAF)[168], establishes the obligation to report BF of individuals and legal structures, but it is only applicable to organizations covered by the UAF. Although the databases or instances to access the information are increasingly closer and easily accessible, there are no fines to be imposed or verification processes.

So far, a central registry of BFs has not been developed. The Chilean tax authority and tax collector, the SII, is currently working on a draft law, which seeks to make it the body in charge of developing, maintaining and using this mechanism.

The current regulations that regulate the procedures, limitations, rights and obligations for private entities are contemplated in IFRS (International Financial Reporting Standards), as well as the CMF contains regulations related to the obligation of private institutions (advisors, clients, banks and financial institutions).

Good Practices

- Conflicts of interest of organizations have been sanctioned by the Chilean Courts of Justice, according to CMF.[169].
- Individuals who have served in organizations such as the Financial Market Commission (CMF) are restricted from performing functions in the private sector. They are obliged to report their Corporate Governance (Board of Directors and General Manager).

Deficiencies

- There is a lack of legal framework. Alliances to generate crime prevention models together with the organizations are managed on a voluntary basis.
- The adoption of measures to prevent corruption, the generation of private sector audits, as well as the application of civil, administrative or criminal sanctions, requires a legal framework.
- The current cooperation between different agencies is based on voluntarism, without the support of regulations.
- Lack of norms and procedures to oblige private entities to carry out their activities in accordance with transparency guidelines.

[168] UAF (2022) Start, https://www.uaf.cl/, date of access: November 11, 2022.
[169] Interview with Fundación Generación Empresarial team, September 22, 2022.

4.2 Chapter V

4.2.1 Art. 14 – Measures to Prevent Money Laundering

This article highlights the National Anti-Money Laundering (LA) and Counter Terrorist Financing (CFT) System. This system, coordinated by the UAF, involves all obligated entities (SO) to report suspicious operations of Money Laundering (AL) / Terrorist Financing (TF) to the UAF and the public institutions that regulate and prosecute ML and TF in the country, including the Central Bank, CMF, Ministry of the Interior, Ministry of Finance and Foreign Affairs, Public Prosecutor's Office, Crédito Prendario, SII, Customs, superintendencies and police. Also supporting the work of the Public Prosecutor's Office are the Chilean Navy's General Directorate of Maritime Territory and Merchant Marine (Directemar), the PDI's Money Laundering Brigade (BRILAC) and the Carabineros' Drug and Criminal Organizations Investigation Departments.[170]

The most important law in this area is No. 19.913, which creates the UAF and the various provisions on money laundering and money laundering[171]. The purpose of the UAF is to prevent and impede the use of the financial system and other sectors of economic activity for the commission of any of the crimes described in Article 27 of the aforementioned law and in Article 8 of Law No. 18.314[172]. Law No. 19.913 defines the competences of the UAF in addition to defining the offenses and sanctions that SOs may incur, definition and processes of seizure and confiscation of assets in investigations for ML, definition of the processes that SOs must carry out when informing the UAF of the acts or operations carried out or performed by them, the acts or operations carried out or to be carried out by any of the natural or legal persons individualized in the lists prepared by the Security Council, as well as to report the acts, transactions or operations carried out or attempted by any natural or legal person that has committed, commits or attempts to commit acts of terrorism or to participate in them or facilitate their commission[173]. The legal framework of this article is completed with regulatory circulars issued by the UAF, among which Circular No. 49 (2012), Circular No. 59 (2019) and Circular No. 57 (2017) stand out[174].

Circular 49 UAF, in its Title II, speaks of the obligation of SOs to create and maintain records for the purpose of detecting indications that allow them to identify suspicious behavior of their clients and generate risk profiles. The Circular also mandates that SOs must keep the following four permanent records for a minimum period of five years and at the disposal of the UAF: Record of Cash Transactions, Record of Customer Due Diligence (CDD), Record of Transactions by Politically Exposed Persons (PEP) and Record of Electronic Transfers.[175]

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[170] UAF (2022), National AML/CFT System, https://www.uaf.cl/estrategia/sistema.aspx, date of access: November 18, 2022.
[171] Law N° 19.913, http://bcn.cl/1v3yz, date of access: November 18, 2022.
[172] Law Nº 18.314, https://bcn.cl/2k8cn,date of access: November 11, 2022.
[173] See Law N° 19.913.
[174] UAF (2022), UAF Normative, https://www.uaf.cl/legislacion/norm_sector.aspx?id=2&id1=, date of access: November 11, 2022.

[175] Circular N° 49, https://www.uaf.cl/legislacion/norm_sector.aspx?id=2&id1=, date of access: November 11, 2022.

Title III of the mentioned Circular 49, refers specifically to CDD, stating the obligation of SOs to identify and know their customers in order to prevent money laundering. To this end, CDD shall be carried out before or during the establishment of a permanent legal relationship between the respective customer and the SO, when one or more occasional transactions are carried out with a customer with whom there is no permanent legal relationship, and this is for an amount equal to or greater than USD 1,000, whether a single transaction or several transactions that appear to be linked, and when there is suspicion of ML/FT, regardless of the thresholds defined above. SOs should generate a customer file, which should be kept up to date. If a customer refuses to provide all or part of the information requested, this will be considered an immediate alarm, and a suspicious transaction report (STR) will be sent to the UAF. Circular 59 also adds that SOs must develop a continuous analysis of the behavior of their customers, their acts and/or transactions throughout the relationship, in order to ensure that they correspond to the customer's stated purpose, business line and risk profile, including the origin of the funds. Also by virtue of the National ML/FT Risk Assessment published by the UAF and sectoral risks, the UAF may determine the intensity of the CDD measures by sector, classifying the CDD procedure as enhanced or simplified.

Chapter IV of Circular 49 deals with PEPs, where they are defined as Chileans or foreigners who perform or have performed prominent public functions in a country for at least one year after the end of their term of office, members of the leadership of political parties, government officials, judicial officers, senior military officers, senior executives of state-owned enterprises, as well as spouses, relatives up to the second degree of kinship of the aforementioned, and finally, persons with whom a joint action pact has been concluded. SOs must implement CDD measures with PEPs, as well as establish appropriate risk systems, management approval to establish business relations with a PEP and take measures to define source of wealth.

With regard to risk assessment and its consideration in the application of measures to prevent money laundering, Chile has a National LA/FT Risk Assessment (NRA), a tool that analyses the economic and legal threats and vulnerabilities that Chile faces with regard to LA/FT, and their impact, considering the presence of mitigants in the process. Among the main risks identified are drug money laundering, whether through drug production, cash or internal drug trafficking, corruption and human trafficking. The ENR served as the basis for the elaboration of the second National Strategy for the Prevention and Combating of Money Laundering and Terrorist[176] Financing generated by the institutions of the National ALA/CFT System.

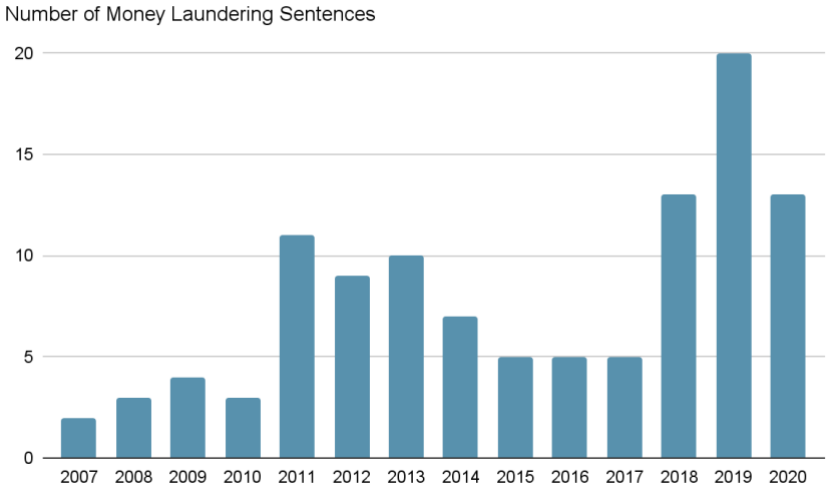
The GAFILAT report, as relevant to this article, concludes that SOs in the financial sector implement measures proportionate to the risks they assess. In general terms, the GAFILAT report (2021) concludes that SOs apply adequate CDD and record keeping measures. Another point to note is that, unlike FIs, designated non-financial businesses and professions (DNFBPs) are not required to identify BF, although some appear to do so. In particular, banks, insurance companies, AFPs and securities showed proper implementation of CDD measures and record keeping for a period of 5 years as required. However, bureaux de change and remittance houses showed low

[176] UAF (2017), National Money Laundering and Terrorist Financing Risk Assessment, https://www.uaf.cl/ArchivoEstatico/Evaluacion_Nacional_de_RiesgosLAFT.pdf, date of access: November 11, 2022.

implementation of enhanced CDD and record keeping. As mentioned, enhanced CDD obligation is established in higher risk situations, which the financial sectors do well and DNFBPs to a lesser extent. Chile's SOs pay attention to transactions with drug exporting countries, in line with the findings of the ENR which has pointed to drug trafficking as the main threat to the ALA/CFT system. [177] The report also states that the financial sectors comply with the enhanced CDD classification PEP during the relevant period.[178]

In the interview with UAFs, it was also noted that there are significant challenges in terms of implementation, particularly with regard to the frequency and intensity of supervisions[179]. Although actions have been taken to ensure coordination among supervisors, with regard to FIs there are significant challenges in coordination between the CMF and the UAF. It is detected that although the work done by the UAF is remarkable, it could make use of a range of autonomy, supervision and proactive investigation of corruption and money laundering cases[180]. SOs that should report cases of corruption, such as banks, do not report irregularities within their institutions in a timely manner; the practice of reporting when the news is already in the hands of the media has become evident. This confirms the point that in general, it is not that the UAF does not have the capacity to analyze, but that SOs are not complying with whistleblowing and reporting.[181]

With regard to the figures on money laundering and money laundering, the UAF launched a case-by-case analysis of money laundering convictions from 2007 to 2020[182]. According to the above, the following graph was drawn up. An increase in the number of cases can be noted from 2017 onwards, with the highest number of convictions for this type of crime so far in 2019 (20).



Graph 5: Number of Money Laundering Sentences
Source: Own elaboration

[177] See GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 101.
[178] See GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 105.
[179] Interview with the Financial Analysis Unit team, August 3, 2022.
[180] Interview with the Financial Analysis Unit team, August 3, 2022.
[181] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.
[182] UAF (2021), Report on Money Laundering Typologies and Warning Signs in Chile, https://www.uaf.cl/descargas/entidades/Casos2021.pdf, date of access: November 24, 2022, p.2 – 5.

The amount of data available depends purely on whether these cases have been sentenced or not, since as mentioned above the UAF can disseminate data once the investigation is no longer ongoing, and a sentence has been handed down. There are no publicly available figures on the number of ongoing investigations, or whether they have reached court.

Finally, the Brigada Investigadora de Lavado de Activos, BRILAC, through an investigation detected during 2020, about 7 billion in funds obtained from illicit activities, among which fraud against the Treasury and smuggling are the main ones. The figure is part of the report, which reports only on the operational results of this specialized unit and does not include, for example, seizures made in the framework of the Drug Law. However, this report is not public.[183]

Good Practices

- It is noted in the GAFILAT report (2021) that Chile has developed two National Strategies for Preventing and Combating LA/TF (together with their action plans). The Action Plan 2018-2020 shows a significant degree of progress in this area[184].
- Good understanding of ML risks and the application of these in LA/FT policies is detected.
- The GAFILAT report (2021) detects that, in general terms, SOs apply due diligence measures and adequate record keeping[185].
- Recommendation 10 of the GAFILAT report (2021), in reference to DDC, is rated as mostly complied with.

Deficiencies

- Deficient communication from the UAF with other public institutions, which relate to the institution in a dual manner (as a partner and as an informant)[186].
- There are significant challenges regarding the frequency and intensity of supervision and coordination between the CMF and the UAF.
- SOs, such as banks, do not report irregularities within their institutions in a timely manner.
- There is a delay in the formulation of a National Strategy to Prevent and Combat Money Laundering and Financing of Terrorism for the current period.
- The obligation to consider as PEPs those persons entrusted with a prominent role by an international organization is noteworthy.[187]

4.2.2 Art. 52 y 58 – Anti-Money Laundering

Law No. 20.393 (2009) establishes the criminal liability of legal entities for the crimes of money laundering, financing of terrorism and bribery. This law goes hand in hand with Law No. 19.913.

[183] PDI (2021), A Look at Money Laundering in Chile, https://tinyurl.com/2pzusw6r, date of access: November 24, 2022.
[184] See, GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 8.
[185] See, GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 100.
[186] Interview with the Financial Analysis Unit team, August 3, 2022.
[187] See GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p.192.

According to Law No. 20.393[188], IFs that must undergo the due diligence process are banks, cooperatives, issuers of credit cards and payment cards with provision of funds, appraisal firms of general deposit warehouses and mutual guarantee companies, institutions that place funds on a massive scale, representative offices of foreign banks, payment card operators, companies that support the banking business, cooperative business support, collection, factoring, mutual guarantee, real estate leasing and appraisal companies.

Moreover, "safe harbor" type provisions do not exist in Chile as such. However, Law 19.628[189] states that any person may process personal data, as long as it is done in accordance with this law and for purposes permitted by the legal system, and the UAF has the power to request information from institutions of interest to them. The protection of this data is the responsibility of the UAF itself, and it may be requested for the corresponding investigations. Likewise, the Public Prosecutor's Office may investigate and will keep the investigative file secret.

In turn, according to the interview with the UAF[190] and the bibliography reviewed, there have been agreements for some time with the Superintendency of Casinos and Gaming, the Superintendency of Pensions and the financial market for the purpose of reporting suspicious transactions, since these are not considered in the aforementioned law. Furthermore, the prohibition of shell banks is based on the fact that if the financial entities comply with the regulations of the Superintendency of Banks and Financial Institutions, by the nature of their functions, they may be used to deposit and transfer funds, the purpose of which is to attempt to legitimize assets derived from drug trafficking or other illicit operations, or which are used, for example, to obtain materials and/or other logistic elements necessary for the financing of terrorism[191].

As for the financial accounts that public officials have abroad, these must be declared, as well as the properties and participation in companies based abroad[192]. In addition, public officials must disclose their assets through the DIP. These declarations are verified by the CGR, or in the case of the Judiciary by the corresponding Prosecutor's Office. According to Law 20.880[193] , authorities and officials who do not complete or submit their DIP late will be sanctioned. The declarations are publicly available.

Law 19.913, in its articles 19 and 20 defines a set of offenses and their respective penalties, applicable to natural and legal persons supervised by the service that fail to comply with the legal obligations to prevent LA/FT[194]. In turn, as mentioned above, the UAF as an agency has the power to request data and information from institutions of interest to them. The protection of these data is the responsibility of the UAF itself,

[188] See Law Nº 20.393.
[189] Law N° 19. 628, https://bcn.cl/3a0ih, date of access: November 18,2022.
[190] Interview with the Financial Analysis Unit team, August 3, 2022.
[191] Superintendency of Banks and Financial Institutions (2008), Chapter 1-14 Prevention of Money Laundering and the Financing of Terrorism, https://tinyurl.com/2nmykgc8, date of access: November 18, 2022.
[192] Law N° 20.880, https://bcn.cl/2z7do, date of access: August 17, 2022.
[193] See Law N° 20.880.
[194] UAF (2022), Sanctions. https://tinyurl.com/2qdghbtm date of access: November 18, 2022.

and they may be requested for the corresponding investigations. Likewise, the Public Prosecutor's Office may investigate and will keep the investigative file secret. In addition, according to the interview with the UAF[195], this unit has the necessary independence to have regulations and norms. However, according to them, it would be an improvement to have more resources for investigations and corresponding oversight. In the interview conducted with the Unit, those present stated that money laundering allegations should be investigated, but no information or figures can be provided in this regard.

As mentioned above, Chile periodically conducts money laundering risk assessments to determine anti-money laundering risks or vulnerabilities through the GAFILAT[196] assessment. In this way, risks and vulnerabilities would be addressed in the best way, thus having the UAF as the body that regulates and generates appropriate guidelines to reduce risks, in addition to working together with institutions such as Chilean Customs and the Public Prosecutor's Office. In addition, according to the GAFILAT evaluation, all the entities indicated as SO must apply the LA/FT prevention measures contained in the ALA/CFT Law and the regulations issued by the UAF, as well as by their prudential regulators[197]. Sanctions are imposed once the Unit detects irregularities, and thus investigates. Suspicious transaction reports (STRs) are constantly being cross-checked, analyzed and processed by the UAF, through the information requested from the SOs.

Good Practices

- The GAFILAT evaluation (2021) highlights the role of the UAF, which has direct and indirect access to various sources of information, and has technological tools that allow it to develop an operational, strategic, timely and quality analysis.[198] It also has security systems to adequately protect the confidentiality of financial intelligence information, providing the MP with an important volume of information for related cases.
- The Public Prosecutor's Office makes good use of financial intelligence. It should be noted that 78% of the convictions for money laundering during the period evaluated used financial intelligence information from the UAF.[199]
- The GAFILAT report (2021) highlights the level of understanding of the risks in terms of the UAF, the Public Prosecutor's Office, PDI, Carabineros and the Superintendence of Gaming Casinos (SCJ).[200]

Deficiencies

- According to the interview conducted with public institutions, one aspect that could be improved is that not all public agencies generate reports to the UAF, limiting its work and range of action and oversight.[201]
- There is an absence of "safe havens" regulations.

[195] Interview with the Financial Analysis Unit team, August 3, 2022.
[196] Interview with the Financial Analysis Unit team, August 3, 2022.
[197] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p.10.
[198] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p. 5.
[199] Interview with the Financial Analysis Unit team, August 3, 2022.
[200] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p.29.
[201] Interview with the Financial Analysis Unit team, August 3, 2022.

4.2.3 Art. 53 y 56 – Measures for the direct recovery of property

Regarding the regulation of this article in Chile, the States Parties and their legal representatives are not prevented from appearing before the courts of Chile in the case of direct recovery of assets, since they can channel such actions through the mechanisms of mutual assistance in civil and criminal matters, in such case, a foreign State could file a lawsuit, since the assets located in Chile are subject to the jurisdiction of Chilean laws, even if their owners are foreigners and do not reside in the country, without prejudice to the provisions of international treaties and contracts, mainly contained in Article 16 of the Civil Code[202]. Unless the channel is carried out through mutual assistance or international treaties (multi- or bilateral), there is no record of foreign States Parties being considered a "special category" of claimant, although this may be an obstacle for the participation of States Parties in the mentioned instances, in the reviewed bibliography there is no record of difficulties[203].

Regarding the right to compensation for damages or harm to States, again there is no specific legal statute, however, in the same logic as before, the criminal process, the civil action can only be brought by the victim and to the extent that the State can be considered as such, it may decide to bring the action in the same criminal proceeding, or in a civil proceeding, since the legislation allows this alternativity in Article 59 of the Code of Criminal Procedure (CPP)[204]. The norms referring to the compensation of damages are mentioned in the CPP, and its different effects, in articles 59, 78, 189, 240, 340, 348, 413. The effect is summarized in "The conviction will also provide for the confiscation of the instruments or effects of the crime or their restitution, when appropriate"[205]. The Civil Code mentions in article 1556, that within the compensation is considered the emerging damage and loss of profits, except for the cases in which the law expressly limits it, however, regarding the non-pecuniary damage[206], in Chile there is the figure of "moral damage" that in the case of individuals would include non-pecuniary damages, however, in Chile a doctrine of "pretium doloris"[207] is used to define this compensation, which could limit its application to States Parties.

Regarding the application of the framework, it is worth mentioning that Chile's cooperation relations with other countries are in accordance with what is established internationally, standing out for its proactive and collaborative collaboration, in addition to the fact that Chile has bilateral and multilateral agreements that facilitate such cooperation. In this regard, in Chile there has not been a case in which a State Party has filed a claim for damages in Chilean courts. Regarding evidence that the country has shared asset recovery information, the UCIEX has a record of international assistance requests.

[202] DFL 1, https://bcn.cl/2f8ub, date of access: November 18, 2022.
[203] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International
[204] Law N° 19.696 https://leyes-cl.com/codigo_procesal_penal/59.htm, date of access: November 18, 2022.
[205] See Law N° 19.696, https://bcn.cl/2f7dm.
[206] See DFL 1.
[207] Barrientos, M. (2008), From non-pecuniary damage to non-pecuniary damage: overcoming pretium doloris https://tinyurl.com/2qkyynfg date of access: November 18, 2022.

Regarding whether statistics and information on asset recovery cases are published online, it is worth mentioning that in Chile there is no central data system on confiscated assets. However, there are public reports on such cases, such as the annual report by the UAF on convictions for money laundering, as well as the report "Money laundering convictions in Chile 2007-2020"[208].

Good practices

- The International Center for Asset Recovery (ICAR)[209] recognizes that Chile's asset recovery policies have focused on compliance with GAFI recommendations related to money laundering and terrorist financing. This has led Chile to substantially comply with the GAFI standards in the fourth evaluation round.
- In this context, the Chilean authorities have promoted the implementation of a policy aimed at increasing the seizure and confiscation of assets derived from money laundering and the financing of terrorism, in order to combat the economy of criminal organizations.[210]

Deficiencies

- There is no clear regulation that considers States Parties as a special category of claimant or that specifies their appearance before Chilean courts, which could lead to dissonance with other States Parties in the scenarios presented.
- It is detected that the asset recovery data are complex to find since there is no centralized system for them.
- It is evident that there is no adequate mechanism for the custody and administration of assets.[211]

4.2.4 Art. 54 – Confiscation Tools

Chile does not have in its legal system the concept of extended confiscation, non-conviction-based forfeiture or forfeiture of ownership. Despite this, the country provides international cooperation, which includes cases of non-conviction-based forfeiture[212]. However, there are institutional efforts to incorporate a mechanism for the forfeiture of proceeds and instrumentalities of crime, a process that is in the third constitutional procedure in the Chamber of Deputies[213]. Notwithstanding the foregoing, problems are detected in the application of this mechanism in the event of the death of the person criminally responsible, his escape or the statute of limitations

[208] See UAF (2021), Report on Typologies and Warning Signs of Money Laundering in Chile.
[209] Centre for Asset Recovery, Latin America (2022), "Chile's capacity to recover illicit assets: A diagnosis according to the 9 principles of asset recovery International", https://baselgovernance.org/sites/default/files/2022-07/220721_Diagnostico_Chile.pdf, date of access: November 22, 2022, p. 6.
[210] Interview with the Deputy Director of the Specialized Anticorruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.
[211] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 26.
[212] See, GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 232.
[213] Chamber of Deputies (2019), Provides for the extinction of ownership over the proceeds and instruments of crime, in the cases and in the manner indicated, https://tinyurl.com/2lgp4g6e, date of access: November 22, 2022.

of the criminal action, since confiscation is an accessory penalty to the main criminal process[214].

Regarding whether Chilean legislation provides for the confiscation of assets of foreign origin through the crime of money laundering or another crime of equivalent effect, although this is not specifically regulated, Law No. 19.913, Article 33, indicates that the same penalty shall be applied if the assets come from an act carried out abroad, which is punishable in its place of commission and in Chile constitutes any of the crimes mentioned in the aforementioned law. In addition, Article 37 mentions that during the investigation of the crimes contemplated in said law, in those cases in which as a consequence of acts or omissions of the accused it is not possible to decree the seizure or any real precautionary measure on the goods that are the object or product of the same, the court may declare the seizure of other goods owned by the accused for a value equivalent to that related to the crimes. Likewise, upon request of a foreign competent authority, the seizure of assets for an equivalent value may be ordered, where the corresponding court may order the confiscation of the seized or restrained assets[215].

In the case of predicate offenses committed abroad that could result in dual criminality, conviction in the country of origin or other cases, in addition to the aforementioned regulations, Chile is guided by the principles of Mutual Legal Assistance (ALM) even in the absence of dual criminality and, even when the conduct being investigated in the requesting State does not constitute a crime in Chile, the national authorities provide cooperation, governed by the principle of reciprocity mentioned[216]. Regarding whether there are instruments to deal with situations in which a criminal conviction cannot be obtained, specifically in the absence of confiscation without a conviction, as mentioned Chile has not criminalized confiscation without a conviction, however, to date, there is no record of any practical case of this[217]. However, according to the central authority, such execution in Chile would be processed before a court under article 12 of the CPP, which gives validity to the foreign sentence. Likewise, the authorities expressed that it would not be necessary to request the enforcement of the foreign judgment through the exequatur procedure[218].

Analyzing the applicability of the legal framework, the confiscation of assets of foreign origin through the sentence for a money laundering offense, which may be related, under Article 13 of the CPP, "shall have value in Chile the judgments handed down by foreign courts". In order to materialize the measure, the State Party must accompany the confiscation resolution with an ALM requesting the execution of the resolution. In addition, in matters of money laundering, Article 37, second paragraph, provides precisely that it is possible to accede to the requests of a foreign competent authority in this matter.

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[214] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 36.
[215] See Law N°19.913.
[216] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 26.
[217]See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 130.
[218] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 26.

As will be discussed in other articles, there is no centralized data management around the figure of forfeiture, so the accessible information related to non-conviction based forfeiture and mutual legal assistance provided in cases of non-conviction based forfeiture is rather diffuse.

In accordance with the above, and article 23 of the UNCAC, according to the information gathered by ICAR in its report "Chile's capacity to recover illicit assets: A diagnosis according to the 9 principles of asset recovery" (2022) there is a low application of non-conviction-based forfeiture compared to other countries in the region in this matter. Despite this, the country has made efforts to include the figure of forfeiture by equivalent value, focused mainly on the criminal liability of the legal person and in the context of the crime of money laundering, a matter in which the country is also below the regional standard[219]. In turn, the Phase 4 evaluation report of the OECD Working Group on Transnational Bribery reports that confiscation is rarely imposed in corruption cases.

According to the CPP, it is up to the guarantee judges to execute the confiscation. In practice, however, this does not happen at all, because even when criminal confiscation has been obtained, Chile's asset recovery system encounters serious problems in its national and international enforcement. As a result, the authorities of the Public Prosecutor's Office have taken the initiative to coordinate with various institutions to intervene in the enforcement of the sentence. The authorities reported that, as of 2012, Chile had never liquidated a property confiscated by sentence and that, as of November 2021, there were 119 confiscated properties, of which 80 are registered in the name of the Treasury. Of the latter, only 21 have been liquidated or auctioned and for 26 properties it has been ratified that it will not be possible to register them due to the time elapsed. Finally, the Public Prosecutor's Office indicates that as of the date of the exploratory mission there were no cases in which forfeiture for an equivalent value had been applied[220].

As for seizure figures, to date they are published in the Drug Trafficking Observatory conducted by the Prosecutor General's Office in the year 2021. The main findings are that during the year 2020, Carabineros de Chile only in anti-drug procedures, seized 351 firearms, registering the highest presence of these in the Metropolitan region with 26% (92 weapons), followed by the region of Valparaiso with 19% (67 weapons). In terms of vehicles, 541 vehicles were seized, 21% (111) in the Metropolitan Region and 15% (81) in the Valparaíso Region. In addition, $1,640,206,733 (one billion six hundred and forty million two hundred and six thousand seven hundred and thirty-three pesos) in local currency was seized, with the Metropolitan Region accounting for 31%, followed by the Los Lagos Region with 17%.[221]

[219] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 6.
[220] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International p. 36
[221] Public Prosecutor 's Office (2021),Observatory on Drug Trafficking, Report 2021, http://www.fiscaliadechile.cl/Fiscalia/quienes/observatorio_2021.pdf, date of access: November 26, 2022. p. 96.

On the other hand, and as mentioned in section 4.2.2 UAF conducted a case-by-case analysis of money laundering during 2021, and in 2011 in case 41, $10.058.328 in cash was seized[222].

Good Practices

- It is noted that law enforcement authorities are aware of the importance of confiscation, and there are protocols, manuals and best practices focused on this purpose.[223]
- The application of seizures and other precautionary measures is verified, within a system that seeks to ensure the immobilization of goods and assets, with the purpose of subjecting them to the results of the criminal process.[224]
- In GAFILAT's opinion, there is a good level of control of cross-border trafficking of money and securities.

Deficiencies

- There are limitations in the management of seized and forfeited assets, including the lack of clear identification of functions throughout the circuit[225].
- Chile does not have in its legal system the figure of prolonged or extended confiscation, non-conviction-based confiscation or forfeiture.
- The penalty of confiscation is detected as a secondary role of convictions.

4.2.5 Art. 51, 54, 55, 56 y 59 – International Cooperation for Purposes of confiscation

In terms of the legal framework, the Prosecutor General's Office has several specialized units that are of special note for this article, including UNAC, ULDECCO and UCIEX. In this regard, Chile has ratified the Inter-American Convention on Mutual Assistance in Criminal Matters, in 2003, where UCIEX acts as the central authority, which also serves as the central authority for the purposes of the Inter-American Convention against Corruption[226]. In addition, there are international treaties, which are enforceable in the country and in the absence of a treaty, Chile provides ALM based on the principle of reciprocity and the principles of international law.[227] In the field of bilateral treaties, Chile has signed a number of treaties that include rules on confiscation of assets, some examples are the treaties concluded with Switzerland, Italy, Spain, Peru, Paraguay and Uruguay, among others[228]. All of the above allows Chile to have a legal framework to provide forms of ALM and international ALA/CFT cooperation. This is reflected in the GAFILAT rating, which gives a favorable assessment to immediate result 2, and considers the recommendation as moderately complied with and recommendations 37 and 38 as complied with[229].

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[222] See UAF (2021), Report on Typologies and Warning Signs of Money Laundering in Chile, p. 232.
[223] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p. 9.
[224] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p. 9.
[225]See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p. 9.
[226] OAS (2022), Inter-American Convention on Mutual Assistance in Criminal Matters, https://tinyurl.com/2prbkoed, date of access: November 15, 2022
[227] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 39.
[228] Segovia, A. (2019),Transnational asset recovery in criminal proceedings. In: Naquira J., Rosemblut V. (ed), Estudio de Derecho Penal Económico Chileno, p. 205-248.
[229] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 39.

Regarding the securing of assets, during the investigation stage, the Public Prosecutor's Office may request in writing to the judge of guarantees to decree precautionary measures included in the Civil Code, such as the retention in banks or financial institutions of deposits, the impediment of transactions or actions that facilitate the conversion of illicit proceeds or disguise their illicit origin, the prohibition to enter into acts and contracts on specific assets and to notify their registration in all kinds of records[230]. In turn, within the framework of Law No. 19.913 and Law No. 20.000, the Public Prosecutor's Office may request the judge of guarantees to decree any precautionary measure necessary to prevent the use, exploitation, benefit or destination of any kind of goods, securities or money originating from the crimes that are the subject matter of the proceedings[231].

Regarding the implementation of the framework, according to the ICAR (2020), it states that Chile does not have an adequate asset management system and agency. In addition, in Principle 4 on Seizure and other securing measures, it states that Chile has a legal framework that allows the application of precautionary measures and complies with the minimum set out in the conventions.[232]
Regarding ALM requests, given that confiscation has the legal nature of a penalty, a conviction from the requesting country is required for the Chilean authorities to validate it and proceed as provided by the CPP, which states that the execution of foreign criminal sentences shall be subject to the provisions of international treaties ratified by Chile in force. On the other hand, in statistical terms, according to the 2019 Management Results Report of the Public Prosecutor's Office, Chile had 1.124 active requests and 524 passive requests, requests that included formal and informal requests for assistance, complaints and extraditions and that mostly came from countries such as Bolivia, Peru, Colombia, Argentina and the United States. Despite the above, it was not possible to obtain statistics on the number of AML requests processed with respect to the application of precautionary measures related to the seizure, confiscation and recovery of assets.

According to the GAFILAT's evaluation, the lack of legislation on forfeiture is a challenge in the case of ALM with requesting States that have the figure of non-conviction-based forfeiture due to the lack of identity with a similar mechanism in Chile. As of the date of the GAFILAT report, no case has been presented in which the patrimonial execution of a foreign judgment ordering non-conviction-based forfeiture or the extinction of ownership in Chile has been requested. In this regard, Chile has several requests for passive ALM that do not require judicial authorization, since they do not involve the application of coercive measures. However, in the case of freezing, seizure, lifting of bank secrecy or any measure that limits fundamental rights, it will be necessary to process it through the courts, in which case it would be necessary to rely on the principle of dual criminality. However, in the case of international cooperation for the freezing of assets in an asset forfeiture process, the UCIEX has referred to the

[230] DFL 1, https://bcn.cl/2f6t3, date of access: November 26, 2022
[231] See Law N°19.913.
[232] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 7.

Supreme Court of Justice so that the latter may decide whether the freezing will be processed through the civil or criminal justice system[233].

Chile is part of information exchange networks, such as the Egmont Group, of which it has been a member since 2005[234]. In addition, Chilean authorities are part of multiple international networks. Ultimately, MP can make requests through INTERPOL, the GAFILAT Asset Recovery Network (RRAG), Council of Europe Convention on Cybercrime 24/7 Network.

So far there have been no international asset recovery cases where the provisions of the UNCAC have proven inadequate to enable effective international cooperation.

In Chile there are 65 international cooperation treaties in force for confiscation and money laundering purposes. As mentioned in the articles discussed throughout this research, the largest case of international cooperation in the area of money laundering is the Honduras case.

Good Practices

- In general, Chile offers a wide range of mutual legal assistance in a constructive and timely manner, as well as extradition. ALM and extradition requests are channeled through the International Cooperation and Extradition Unit of the Prosecutor's Office (UCIEX) and are facilitated by multiple cooperation tools both regionally and globally.
- With respect to Mutual Legal Assistance, the country complies with internationally established parameters and stands out for its proactive, collaborative and constructive collaboration with respect to international judicial cooperation for asset recovery purposes.[235]
- The Public Prosecutor's Office actively participates as Chile's representative in the forums organized by the OECD, where the authorities meet to gather information from the press of the member countries that could be linked to bribery issues to foreign public officials, specifically about transnational companies that invest in different countries. Chile has opened multiple legal proceedings thanks to the information provided in these forums.[236]

Deficiencies

- The shortcomings exposed on confiscation in the country may affect international cooperation in this regard, since there is no regularization in terms of asset recovery, as well as a lack of negotiation capacity from Chile to other international organizations.[237]

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[233] UAF (2022) EGMONT, https://www.uaf.cl/asuntos/egmont.aspx, date of access: November 21, 2022.
[234] Díaz, M. (2019), Money Laundering and Terrorism Financing Prevention System in Law 19.913, which creates the Financial Analysis Unit, https://tinyurl.com/2fwfu75u, date of access: August 26, 2022.
[235] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 7.
[236] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022.
[237] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022

- Although Chile has several bilateral and multilateral international cooperation agreements, there is no chapter for asset recovery in particular and none that specifies money laundering.[238]

4.2.6 Art. 57 – Restitution and disposal of assets

The restitution and disposal of assets is regulated by the CPP, specifically Articles 21 and 31, in addition to the CPP, and Laws No. 20.000 and No. 19.913. Chile does not have an asset recovery office. In addition, the situation is aggravated by the lack of a specific recovery policy with indicators related to seizures and forfeitures.[239]

For this reason, it is difficult to track data regarding the assets seized in the different processes, a diagnosis that coincides with that of ICAR (2022) "Chile's capacity to recover illicit assets". The aforementioned report states that Chile has not adopted the recommendations of international conventions and organizations, as it does not have a system and agency for asset management in case of confiscation. For this reason it does not comply with the international standard, maintaining a weak and ineffective structure in the administration of illicit assets[240]. In this same aspect, it was not possible to identify norms that require a final judicial decision in the requesting State Party to proceed with the restitution of confiscated assets or the restitution of assets to other States. However, there are cases of confiscation in the country, which were regulated thanks to international standards and good international cooperation for confiscation, in which significant seizures and confiscations have been achieved, such as the cases of Clan Mazza, Honduras case, Yaupel case, Oro case, Verde Austral case and La Polar case[241] .

In the national scenario, according to the GAFILAT report, the approach adopted to detect, seize and confiscate monetary instruments includes, for example, intelligence processes carried out by the UAF. In addition, to a certain extent, the goods subject to seizure are the product of seizures and other precautionary measures, in addition to a good level of control of cross-border trafficking of money and valuables[242], through the Declarations of Cash Carrying and Transportation (DPTE) observed by Customs.

The Dirección General del Crédito Prendario (DICREP) acts in particular to publicly auction seized and confiscated assets and those whose disposal has been judicially ordered[243]. The proceeds of the auction are deposited in a special SENDA fund to be used in drug use prevention, treatment and rehabilitation programs.

Through a request for access to information to the Public Prosecutor's Office, the following data was provided: from 2005 to 2021, 63 requests for mutual legal assistance related to asset recovery have been received and 92 requests have been sent. Likewise, the requests reported have been issued in investigations for all types of crimes, not only those related to corruption.

[238] Interview with the Deputy Director of the Specialized Anti Corruption Unit of the National Prosecutor's Office of the Public Prosecutor's Office, July 26, 2022
[239] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 7.
[240] See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 7.
[241] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p.70.
[242] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p. 9.
[243] See, GAFILAT (2021), “Fourth Round Mutual Evaluation of the Republic of Chile”, p.69.

Similarly, the fact that they are related to asset recovery means that the proceedings requested in these instruments include requests for asset identification, lifting of bank secrecy, seizure, freezing, confiscation and return, but in no case does it refer to the number of requests in which the repatriation of assets was actually obtained[244].

Good Practices

- The GAFILAT report indicates that it can be concluded that seizures are consistent with the country's risk profile, with a greater presence of seizures related to drug trafficking, corruption and smuggling, although to a lesser extent with respect to other high-risk crimes.

Deficiencies

- Chile does not have an asset recovery office. This is aggravated by the absence of a specific asset recovery policy that is supported by indicators linked to seizures and forfeitures.[245]
- There is no consolidated system for the collection of data on assets that would provide detailed information on seized assets that could be compared with the information on the amounts seized by judgments.[246]
- Likewise, there is a lack of clear identification of the roles of the competent authorities to enforce seizures and the administration of such assets.

4.3 Statistics

Money Laundering

Information/intelligence stage	Year: 2019	Year: 2020	Year: 2021
Number of deferral orders adopted in reported transactions	S/I	S/I	S/I
Number of suspicious transaction reports (ROS) filed by each category of obligated entities: - Banks and financial institutions - Non-Financial Business and Professions (NFBP)[247]	4.798	6.201	9.738
Number of SARs sent to law enforcement agencies and on which further analysis has	511	295	514

[244] Request for Access to Information from Fundación Multitudes to the Public Prosecutor's Office, SIAU ID. No. 18060 and 18065.
[245] See, GAFILAT (2021), "Fourth Round Mutual Evaluation of the Republic of Chile", p. 70.
[246]See Centre for Asset Recovery, América Latina (2022), Chile's capacity to recover illicit assets: A diagnostic according to the 9 principles of asset recovery International, p. 7.
[247] UAF (2021), "Integral Management Balance"https://www.uaf.cl/acerca/balance.aspx, date of access: August 24, 2022.

been performed[248]			
Number of suspicious cash activities at the border reported to the UIF (including those based on declarations and smuggling)	S/I	S/I	S/I
Number of money laundering investigations conducted independently by law enforcement agencies (without a prior STR)[249]	100	90	108
Number of staff dedicated full time (or full time equivalent) to money laundering at the FIU	S/I	S/I	70

The increase in STRs in 2021 is not only explained by the growing trend of individuals and legal entities registered in the Register of Reporting Entities of the UAF, but also by the increased reportability of banks and the financial sector, and the increase in transactions due to the excess liquidity present in the economy, many of which were considered by some regulated entities as suspicious of ML/TF.[250]

4.5 Information on asset recovery cases

Since there is no centralized asset recovery system, the cases presented are based on those found in the GAFILAT report (2020) where international cooperation for asset recovery could be verified:

1) Honduras case, involving the State of Chile and Honduras. Embezzlement of public funds in Honduras and money laundering in Chile. Year 2015[251].
   - Criminal offense. The origin of the procedure was given by the Honduran justice, which requested the extradition of Ciuffardi (the accused who is Chilean) in January 2015, which was granted by the Supreme Court, ordering her to be tried in Chile for the crimes committed in the Central American country.
   - The process has been finalized. This was carried out through an abbreviated trial developed in the 9th Court of Guarantee of Santiago, instance that determined in addition to the sentence, the confiscation of all real estate and vehicles that Ciuffardi had acquired in Chile and Honduras with the defrauded money, the penalty of confiscation amounted to USD$560,615,924[252].

[248] See UAF (2021), “Integral Management Balance”
[249] See UAF (2021), “Integral Management Balance”
[250] See UAF (2021), “Integral Management Balance”
[251] Public Prosecutor 's Office (2015), Natalia Ciuffardi is sentenced to 5 years of probation for money laundering committed in Honduras, https://tinyurl.com/2l3set34, date of access: November 25, 2022.
[252] See UAF (2021), “Integral Management Balance”

- A lack of legal definition was detected; however, cooperation was based on mutual assistance.

2) Mazza case, involving the State of Chile and the United States. Money laundering crime.[253]
   - Criminal offense committed by Mazza of Chilean nationality, who was prosecuted in Chile for the crime of money laundering and was also charged and convicted in the United States for the crime of transferring sums of money in cash without a license, having to serve a sentence of 3 years of effective imprisonment, being deported to Chile in May 2010.
   - Within the framework of this investigation, the New York Prosecutor's Office offered to share with the Republic of Chile, for the collaboration provided in the investigation, 50% of the funds seized in the United States (USD$3,577,327.32).
   - This was a seizure made by the US justice system and was governed by the provisions of that country, which considered sharing funds with other agencies that collaborated in an investigation that concluded with the seizure of money. In this context, the equivalent of US$1,776,398.1 was obtained for the Chilean Treasury.

[253] Office of the Comptroller General of the Republic (2018), Responses compiled by the Office of the Comptroller General of the Republic, based on contributions from the Public Prosecutor's Office, the State Defense Council, the Financial Analysis Unit and the Financial Market Commission, in the context of the UNCAC Anti-Corruption Alliance, https://tinyurl.com/2hpkyprj, date of access: November 25, 2022.

V. Recent Developments

With respect to the issues addressed throughout the report, there are clear developments that directly influence the fight against corruption.

On the one hand, we have the process to establish a new Constitution of Chile, which is a result of the social outbreak that occurred in the country in 2019. This process began on October 25, 2020, when a plebiscite was held to consult the citizens on whether or not a new constitution should be drafted. After a majority vote in favor, on July 4, 2021, the Constitutional Convention in charge of drafting the new Constitution was installed. On September 4, 2022, a new plebiscite was held for the citizens to approve or reject the proposed new Constitution, which resulted in a majority vote against the draft. However, there could still be a new process to establish a new Constitution for the country or a range of reforms in key areas addressed by this parallel report. As of November 2022, there are no updates on a new process or reforms.

On the other hand, the National Public Integrity Strategy[254] was announced by President Gabriel Boric in his Public Account on June 1, 2022, which aims to establish a culture of ethics, anti-corruption and the promotion of ethical values to protect the public interest and strengthen democracy. The approach of the Strategy, which includes civil society, the private sector, groups in vulnerable situations and all State bodies or with State participation, considers five axes, with their consequent objectives, around which the concept of integrity is articulated:

- Public Resources
  - Ensure the proper use of public resources
  - Increase transparency of public resources
  - Increase participation in the budget process.
- Public Function;
  - Promote a culture of integrity in state institutions.
  - To ensure the ethical performance of public officials.
- Politics;
  - To have participatory and transparent political parties.
  - Reducing the risks of corruption in electoral campaigns
- Transparency;
  - Increase transparency standards for public officials.
  - Strengthen the effectiveness of the right of access to information.
  - Improve the effectiveness of public information
- Private Sector.
  - Strengthen the regulatory framework for integrity and transparency in the private sector.
  - Promote an ethical business culture

This strategy is under the coordination of the Commission for Public Integrity and Transparency of SEGPRES and is currently in the phase of co-creation of the objectives, subsequently the process will continue with the formulation of the

[254] Public Expenditure Commission (2022), Public Consultation, National Public Integrity Public Integrity Strategy, https://consultaintegridad.gob.cl/, date of access: November 24, 2022.

measures and action plans of the Strategy, as well as instances of progress monitoring.

On the other hand, the government of President Gabriel Boric announced the tax reform in July 2022 bulletin N° 15170-05[255], which includes substantial changes to taxes and fiscal resources in Chile, in order to obtain more resources, in addition to increasing productive diversification and decentralization. The project involves a strengthening of the Internal Revenue Service with an expansion of its capabilities and obligations in addition to a refinement of the concept that already exists of Final Beneficiary (Circular N°57, of 2017 of the Financial Analysis Unit). [256]Among the main aspects of this amendment are:

- A national registry of beneficial owners of income is established and will be administered by the SII.
- It will contain information on beneficial owners of legal entities, investment funds, and other entities without legal personality.
- The information will be kept by the SII for at least 10 years.
- The definition and extension of the SO to be reported to the SII.
- State agencies, within the framework of their functions and attributions, will have complete and timely access to the registry.
- The information on the name and identity card or identification will be of public access only with respect to those final beneficiaries that receive subsidies from the State or contract with it.
- Penalties are established in case of not complying in a timely or complete manner.

In March 2021, the bill that modernizes the Public Procurement System to improve the quality of public spending, increase the standards of probity and transparency and introduce circular economy principles in State purchases, corresponding to Bulletin No. 14137-05, was introduced in the Chamber of Deputies by a message from the President of the Republic. The bill was approved by the Chamber of Deputies and the Senate. This amendment includes the following matters:

- Extends the scope of application of public procurement rules.
- Modifies the single-supplier ground for direct deals.
- Improves the registration of suppliers and makes it mandatory.
- Makes information on contract execution public.
- Establishes minimum standards of probity and transparency for all purchases with public resources.
- It establishes sanctions for purchases made in contravention of probity.
- It requires declarations of assets and interests to be made by officials of the Public Procurement and Contracting Directorate.
- It includes procurement procedures that encourage innovation.
- Establishes the study of purchasing needs as a first step.
- Circular economy principles are introduced
- Extends the powers of the Public Procurement Tribunal.
- Increases the powers of the Public Procurement and Contracting Directorate.

[255] Chamber of Deputies(2022), Establishes tax reform towards a fiscal pact for development and justice,https://tinyurl.com/2mfnkyqr, date of access: October 24, 2022
[256] Circular Nº 57 (2017), https://tinyurl.com/2qjd7ocb, date of access: October 26, 2022

In March 2020, the government of President Gabriel Boric presented a bill that "Establishes a Statute for the Protection of Whistleblowers" for acts of corruption, processed under bulletin No. 13.565-07[257]. The bill creates a web-based whistleblower channel, under the responsibility of the Office of the Comptroller General of the Republic, through which whistleblowers can report acts of corruption that may constitute administrative infractions and possibly crimes. In order to encourage responsible whistleblowing, the procedure guarantees the confidentiality of the whistleblower's identity, establishing a series of protective measures to prevent reprisals against the whistleblower. The bill is currently in the mixed committee of the Chamber of Deputies due to the rejection of amendments.

In September 2018, the government of President Sebastián Piñera presented the "Transparency 2.0" bill to strengthen the institutional framework and procedures for access to public information, which amends Law No. 20.285 (Transparency Law), under bulletin No. 12.100-07[258]. Among the amendments included in this reform is a unitary statute of transparency and access to public information for all State bodies, the procedure for access to information is improved, new powers are conferred to the Council for Transparency, transparency obligations are established with respect to private companies holding concessions for sanitation, electricity and public works, as well as for private non-profit entities that receive transfers from the Treasury, among other aspects. The bill is in its second constitutional procedure before the Senate.

Likewise, in the same year, the Government presented a bill that "Strengthens Public Integrity", which is being processed under Bulletin N°11.883-06. The initiative aims to prevent the existence of conflicts of interest that may arise in the entry and exit of authorities in the State Administration, as well as other matters related to the prevention of anti-corruption acts. It is in its first constitutional procedure in the Senate.

[257] Chamber of Deputies (2019), Establishes a new statute for the protection of whistleblowers against acts against administrative probity, https://tinyurl.com/2gqho5c2, date of access: August 25, 2022.
[258] Chamber of Deputies (2018), Amends Law No. 20.285 on Access to Public Information, https://tinyurl.com/2zmamxvv, date of access: August 25, 2022.

VI. Recommendations

Policy and Practice Recommendations for Chapter II on Preventive Measures:

1. Promote a national anti-corruption strategy, in the case of Chile, the Public Integrity Strategy, which strengthens the anti-corruption circuit, through the coordination between the various bodies with competences in this area.
2. Provide the UNCAC Anti-Corruption Alliance with a clear structure and charter for action.
3. Provide the Financial Analysis Unit with a wider range of action, increasing its autonomy, oversight and proactive investigation of corruption and money laundering cases. Along with this, increase both their human and economic capacity to be able to grant these powers.
4. Generate intersectoral roundtables as coordination/collaboration bodies for access to information and open government issues.
5. Publish manuals with good practices on integrity issues and codes of conduct for the various institutions.
6. Develop greater powers for sanctions related to codes of ethics.
7. Have greater fiscal transparency and citizen participation throughout the budget cycle, with the aim of moving towards greater efficiency in public spending.
8. Make explicit objectives for public spending at the final results level. It is recommended that the set of country objectives be made explicit, simplifying the language for greater understanding and citizen engagement.
9. Have a register of complaints for the Senior Public Management system integrated among the various state agencies in a systematized way, which allows for follow-up and the ability to resolve them, with greater powers.
10. Make publicly available the list of the order of merit of civil servants and a procedural manual that instructs concrete practices to prevent cases of corruption.
11. Generate guidelines and set them up as strict procedures based on regulations in relation to sanctions for cases of non-compliance with codes of conduct. In case of non-compliance with codes of ethics and conduct, sanctions could be promoted, based on regulations, to contemplate general situations that can be replicated in particular cases. At the same time, make them public through reports freely accessible for a greater audience.
12. Strengthen the current integrity committees of the various institutions, which could report the cases that arise to a body that centralizes the issues detected in order to be able to adjust procedures and thus be able to generate more effective and comprehensive regulations.
13. Draft a legal framework to promote the prevention of private sector crime, the adoption of audits and civil, administrative or criminal sanctions, with reference to Article 12 of the UNCAC.
14. Update Law N°20.500, in the framework of improving mechanisms for citizen participation, giving it greater resources and uniformity.
15. Update and improve tools such as declarations of interest and assets. Dependent on a body whose members do not have exclusive dedication.
16. Assign competencies to the Civil Service so that it can resolve complaints about public procurement.

17. Provide SERVEL with human and economic capacities to be able to generate active and timely audits regarding the use of resources by political parties and their accountability.
18. Include modifications to the regulations in order to be able to observe electoral and campaign propaganda, generating improvements in the management of reimbursements that are not due.
19. Allocate human and economic resources to the bodies as their competencies include oversight tasks in the different areas of corruption.
20. Generate training instances for citizens to be able to generate consultations/complaints, through social media platforms and/or specialized media campaigns.
21. Incorporate conflicts of interest relating to former public officials in private entities.
22. Incorporate sanctions stipulated by law for non-compliance with codes of ethics and conduct, generating follow-up and results, generating a system of compensation for the victim and the whistleblower.
23. Promote a public platform where companies that could participate in public procurement are listed.

Recommendations for policies and practices relating to Chapter V on Asset Recovery:

24. Monitor and require banks, private companies and SOs to report cases of corruption and embezzlement to comply with their duties to report cases within their institutions.
25. Strictly monitor and oversee operations carried out by Politically Exposed Persons (PEPS), as they belong to the highest authorities within the country, also including persons from relevant international organizations.
26. Regulate the methods of collaboration and implementation of asset recovery within international cooperation.
27. Strengthen the communication system between the UAF, the Public Prosecutor's Office (Fiscalía), the Special Police Investigations Brigade (BIPE) of the PDI, the Carabineros Intelligence Directorate, the Ministry of Justice and the National Intelligence Agency (ANI), through digital and secret channels where confidentiality and communication between institutions is guaranteed.
28. Implement a system of reporting to the UAF by all public administration organizations.
29. Improve the UAF reporting system to electronic reporting.
30. Implement expedited channels with other public institutions that are beneficiaries/partners of the UAF and provide information to its work.
31. Implement awareness raising and capacity building initiative to increase the level of understanding of ML/TF risk in key authorities such as law enforcement and SO with strategic importance, as well as a greater depth in terms of TF risks, those associated with free zones, UZF and sectors of greater materiality.
32. Improve the ALA/CFT regulatory framework in the criminalization of ML and FT.

33. Improve parallel financial investigations in terms of resources for investigative work. Also, the application of effective, proportionate and dissuasive sanctions.
34. Improve timely access to identification and updating of BF by competent authorities.
35. Improve supervision and coordination between the UAF and the CMF.
36. Improve the legal framework for asset forfeiture, especially with the incorporation of the figure of applied, extended, non-conviction-based and extended confiscation.
37. Incorporation of norms that complement Law 19.640 through international assistance for asset confiscation and recovery purposes.
38. Promote and disseminate measures for the protection of whistleblowers and victims. Make progress on the bill that “Establishes a New Statute of Protection in Favor of the Whistleblower” corresponding to bulletin 13565-07.
39. Provide greater resources to promote and implement the investigation of ML/FT crimes in a cross-cutting manner, creating a specific fund for this purpose, which could be partly financed by resources from the confiscation of assets.
40. Centralize accessible data on asset recovery operations run by the agency that generates the custody and administration of such assets.
41. Update Law 20.205 to improve administrative protection measures.

VII. Annex

7.1 Table on access to information requests

ID Number	Institution	Date of Request	Response Date	Information Requested	Information Provided
AB-006W0000444	**SERVEL**	14/07/2022.	Extension 09/08/2022 Delivery 24/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices. Art. 7.3 - Political financing	In the process of analyzing the documents submitted.
REF N° 906.488/2022	**CGR**	15/07/2022	25/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices. Art. 6 - Corruption Prevention Body or Bodies Art. 9.2 - Management of public finances	In the process of analyzing the documents submitted.
AE011T0002967	**Chile Compras**	15/07/2022	21/07/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices. Art. 9.1 - Public procurement	The request is forwarded by means of an official letter to the Office of Chile Compras and the request is closed.
CT001T0016124	**CPLT**	15/07/2022	Extension 10/08/2022 Delivery 26/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 6 - Corruption prevention body or bodies. Art. 7, 8 and 12 - Codes of Conduct, Conflict of Interest and Asset Disclosure Art. 10 and 13.1 - Access to information and participation of society	In the process of analyzing the documents submitted. Referral to SEP.
DEN LT N°534-22	**Prosecutor's office**	15/07/2022	05/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 6 - Corruption prevention body or bodies. Art. 14 - Measures to prevent money laundering Art. 52 and 58 - Combating money laundering Art. 53 and 56 - Measures for direct recovery of assets Art. 54 - Confiscation tools Art. 51, 54, 55, 56 and 59 - International cooperation for purposes of confiscation	It was forwarded for and for appropriate purposes, to the Director of the International and Human Security Division (DISIN) of the Ministry of Foreign Affairs of Chile. Chile.
AE005T0000300	**UAF**	18/07/2022	08/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 14 - Measures to prevent money laundering. Art. 52 and 58 - Combating money laundering	In the process of analyzing the documents submitted.

AH005T0000895	**FNE**	18/07/2022	16/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 6 - Corruption prevention body or bodies. Art. 12 - Private Sector Transparency	In the process of analyzing the documents submitted.
AH005T0000895	**Civil Service**	18/07/2022	Extension 16/08/2022 Delivery 18/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 7.1 - Public sector employment. Art. 7, 8 and 12 - Codes of Conduct, Conflicts of Interest and Asset Declarations	In the process of analyzing the documents submitted.
SIAU ID. Nº 18060 y 18065	**Public Prosecutor's Office**	23/09/2022	Extension 14/10/2022	UNCAC Coalition's guiding questions on the following articles: Art. 11 - Judiciary Art. 52 and 58 Anti-money laundering	Referred to the judiciary.
AE002AW1220802	**Budget Directorate of the Ministry of Finance**	19/10/2022	-	UNCAC Coalition's guiding questions on the following articles: Art. 9.2 - Management of Public Finances	A face-to-face interview was arranged in order to clarify some issues, and a questionnaire was requested. To date, it has not been possible to receive a response to the questionnaire.
CT001T0016124	**Enterprise System**	23/09/2022	23/09/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices.	It responds to the referral of the case to the Council For Transparency
AL004T0000228	**DICREP**	29/08/2022	Extension 21/09/2022 Delivery 5/10/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices. Art. 52 and 58 Anti-money laundering	Analysis in relevant chapters.
AE007T0006980	**National Customs Service**	05/08/2022	Rejection 31/08/2022	UNCAC Coalition's guiding questions on the following articles: Art. 5 - Corruption prevention policies and practices. Art. 52 and 58 Anti-money laundering	This request is the result of the UAF referral. However, it is not part of a request for access to public information.

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7.3 Basic information on the institutions consulted

Service	Area of responsibility
Civil Service Address: Morandé 115, Santiago de Chile Web Page: https://www.serviciocivil.cl/ Twitter: https://twitter.com/ServicioCivilCL Facebook: https://www.facebook.com/ServCivil/ Instagram: @serviciocivilcl	The Civil Service is a decentralized public service, with legal personality and its own assets, which is related to the President of the Republic through the Ministry of Finance. Since its creation, the Civil Service has actively participated in the process of professionalization and improvement of public management, promoting and advising government services, agencies and authorities on Strategic People Management.
Public Prosecutor's Office Address: Catedral 1437, Santiago de Chile Web Page: http://www.fiscaliadechile.cl/Fiscalia/index.do Twitter: @fiscaliadechile Instagram: @fiscaliadechile	Chile's Fiscalía (or Public Prosecutor's Office) is an autonomous body, whose function is to direct the investigation of crimes, bring the accused to court and provide protection to victims and witnesses. The Public Prosecutor's Office is not part of any of the three branches of government. It is organized into a National Prosecutor's Office, headed by the National Prosecutor, and 18 Regional Prosecutor's Offices.

Council for Transparency Address: Morandé 360 7th floor, Santiago de Chile Web Page: https://www.consejotransparencia.cl/ Twitter:@ctransparencia Facebook: https://www.facebook.com/ctransparencia Instagram: @ctransparencia	The Council for Transparency (CPLT) is an autonomous corporation under public law, with legal personality and its own assets, created by the Law on Transparency of the Civil Service and Access to Information of the State Administration. Its main task is to ensure proper compliance with this law.
Electoral Service Address: Esmeralda 611/615, Santiago de Chile Web Page: https://www.servel.cl/ Twitter: @ServelChile Facebook: https://www.facebook.com/ServelChile Instagram: @servel.chile	SERVEL's mission is to contribute to democracy by promoting informed citizen participation; supporting the role of political parties and the exercise of the rights of independents; the creation of the Electoral Register and Electoral Roll; the organization of electoral processes; the control of financing and the income and expenditure of electoral campaigns and political parties.
Unidad de Análisis Financiero Address: Moneda 975, 17th floor, Santiago de Chile Web Page: https://www.uaf.cl/ Twitter: @uaf_chile	The Financial Analysis Unit (UAF) is a decentralized public service, with its own legal personality and assets, created by Law No. 19.913. The objective of the UAF is to prevent and impede the use of the financial system, and other sectors of Chilean economic activity, for the commission of money laundering (ML) and financing of terrorism (FT).
Office of the Comptroller General of the Republic Address: Teatinos N° 56, Santiago de Chile Web Page: https://www.contraloria.cl/web/cgr/ Twitter: @Contraloriacl Facebook: https://www.facebook.com/contraloriacl Instagram: @contraloriacl	The Office of the Comptroller General of the Republic (CGR) is a supreme oversight body of the State Administration, which is provided for in the Constitution and is autonomous from the Executive Branch and other public bodies. It controls the legality of administrative acts and safeguards the correct use of public funds. Its work is of a legal, accounting and financial nature, and its objective is to safeguard the principle of legality and efficiency in public administration.
Chile Procures Address: Monjitas 392 - 8th Floor, Santiago de Chile Web Page: https://www.chilecompra.cl/ Twitter: @chilecompra Facebook: https://www.facebook.com/profile.php?id=100064656435287 Instagram: @chilecompra	The State requires inputs for its operation and to provide services to citizens throughout the country. Thus, the ChileCompra Directorate is the institution in charge of managing this platform, operating with a unique regulatory framework based on transparency, efficiency, universality, accessibility and non-discrimination. It is a decentralized public

	service, under the Ministry of Finance, and subject to the supervision of the President of the Republic.
Ministry of Foreign Affairs Address: Teatinos 180, Santiago de Chile. Web Page: https://www.minrel.gob.cl/ Twitter:@Minrel_Chile Facebook: https://www.facebook.com/MinrelChile/?ref=bookmarks Instagram: @cancilleriachile	Its mission is to contribute to the formulation of Chile's foreign policy, leading and coordinating its implementation through its organizational structure and the interaction of public and private actors, to ensure the interests of the country and its citizens in its relations with the world.
Budget Directorate of the Ministry of Finance Address Teatinos 120, Santiago de Chile Web page: https://www.dipres.gob.cl/598/w3-channel.html Twitter: @DipresChile	The Budget Directorate of the Ministry of Finance (Dipres) is the technical agency in charge of ensuring the allocation and efficient use of public resources, through the application of financial management, programming and management control systems and instruments, within the framework of fiscal policy. It formulates the Budget Law, makes modifications to the current budget by means of decrees, prepares monthly cash programs and records the monthly expenditure, actual and accrued by the Institution. The Budget Directorate reports to the Ministry of Finance and is organized through a series of administrative divisions under the direction of the Budget Director.
Ministerio Secretaría General de la Presidencia (SEGPRES) Address: La Moneda Palace s/n - Phone: +56 2 2690 4000 Web page: https://www.minsegpres.gob.cl/ Facebook: https://www.facebook.com/segpres Instagram: @segpres	The Ministry General Secretariat of the Presidency is the highest level governmental advisory entity in charge of facilitating and coordinating the development and fulfillment of the government's programmatic and legislative agenda by advising the President of the Republic and Ministers of State in political, legal and administrative matters and in the government's relations with the National Congress, political parties and social organizations. In addition, to ensure the achievement of an effective general programmatic coordination of the government's management. Participate in the elaboration of the legislative agenda and follow up on the processing of bills. To carry out studies and analyses relevant to decision making.
Generación Empresarial Foundation	Generación Empresarial Foundation is a non-profit organization, which since 1995, seeks to

Address: Avenida Las Condes 9460, of. 1503, Las Condes, Santiago de Chile Web page: https://fge.ong/contacto/ LinkedIn: https://cl.linkedin.com/company/fundaci%C3%B3n-generaci%C3%B3n-empresarial	promote integrity in organizations, ethics and best practices in companies. It supports companies and institutions in the management of their ethics and compliance cultures, developing and implementing concrete tools such as the Barometer of Values and Organizational Integrity; platforms for whistleblower hotlines and conflict of interest declarations, training in regulations and compliance, workshops on ethical dilemmas, and several instances of meetings for its associates and clients to promote best practices.