



RECOMMENDATION 1:

RATIFY THE INTER-AMERICAN CONVENTION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS

PUBLICATION DATE: JANUARY 2001
REITERATION DATE: JANUARY 2003

Chile reports that it has completed the process of ratification of the Inter-American Convention on Mutual Assistance in Criminal Matters and that it is anticipated that the respective instrument of ratification will be formally deposited with the OAS in 2004.

CICAD recognizes the efforts made and encourages the country to take the necessary steps to implement the recommendation within the period envisaged.

RECOMMENDATION 2:

REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO RATIFY THE INTER-AMERICAN CONVENTION AGAINST THE ILLICIT MANUFACTURING OF AND TRAFFICKING IN FIREARMS, AMMUNITION, EXPLOSIVES, AND OTHER RELATED MATERIALS (CIFTA)

PUBLICATION DATE: JANUARY 2001
REITERATION DATE: JANUARY 2003

Chile reports that the National Congress has completed the process of ratifying the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA). The respective instrument of ratification was deposited with the OAS on October 23, 2003.

CICAD expresses its satisfaction that this recommendation has been implemented.

RECOMMENDATION 3:

RATIFY THE UN CONVENTION AGAINST TRANSNATIONAL ORGANIZED CRIME AND SIGN AND RATIFY ITS THREE PROTOCOLS

PUBLICATION DATE: JANUARY 2003

Chile reports that the ratification process, now under way in the Congress, in September 2003, moved to the second constitutional step in the Senate.

The ratification processes for the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (signed in 2002) and the Protocol against the Smuggling of Migrants by Land, Sea and Air (signed in 2002) have not yet begun in the National Congress.

The reports necessary for signature of the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition are still to be received.

However, it is expected that ratification of the Convention and the three protocols thereto will take place in late 2004.

CICAD notes the progress made and encourages the country to complete the processes to fully implement the recommendation within the timeframe indicated.



RECOMMENDATION 4:

ENHANCE, IN THE MEDIUM TERM, NATIONAL CAPABILITY IN THE AREA OF SPECIALIZED PROFESSIONAL TRAINING AT THE UNIVERSITY LEVEL ON DRUG ABUSE PREVENTION, TREATMENT AND REHABILITATION, AND RESEARCH, IN ORDER TO MEET NATIONAL DEMAND FOR PROFESSIONAL TRAINING IN THESE AREAS

PUBLICATION DATE: JANUARY 2003

Chile reports that national demand for professional training on drug-related topics, in keeping with the requirements of the National Anti-Drug Strategy 2003–2008, is currently met by existing supply at the post-certification and graduate levels offered by Chilean and foreign universities.

CICAD expresses its satisfaction that this recommendation has been implemented.

RECOMMENDATION 5:

REITERATE THE RECOMMENDATION MADE IN THE FIRST EVALUATION ROUND 1999-2000 TO STRENGTHEN CHILE'S REGULATORY AND OPERATIONAL FRAMEWORK FOR PREVENTING THE DIVERSION OF CONTROLLED CHEMICAL SUBSTANCES AND, TO THAT END, TO ESTABLISH A NATIONAL AGENCY WITH RESPONSIBILITY FOR SUCH TASKS

**PUBLICATION DATE: JANUARY 2001
REITERATION DATE: JANUARY 2003**

Chile reports that a bill is currently undergoing the legislative process that would replace the drug law now in force. In that context, the executive branch has drafted a directive (No. 381-350) for the creation of a national register of companies preparing, manufacturing, importing, and exporting controlled chemical substances, which is now being discussed in the parliament. If the register is approved in the terms envisaged by the executive branch, this register should begin to be implemented, once the regulations have been drafted, by late 2004. The country also reports that it has obtained assistance from the United Nations Office on Drugs and Crime (UNODC) to use and install National Database System (NDS) software, and for training thereon, to enable the control and oversight of precursor chemicals and pharmaceutical products to be automated.

CICAD recognizes the efforts made and urges the country to persist in its efforts to implement the recommendation effectively if possible, by the end of 2004, taking into account that it was initially assigned during the First Evaluation Round 1999-2000.

RECOMMENDATION 6:

DEVELOP INTERAGENCY INFORMATION AND COMMUNICATIONS NETWORKS AMONG THE NATIONAL ENTITIES RESPONSIBLE FOR CONTROLLING PHARMACEUTICAL PRODUCTS

PUBLICATION DATE: JANUARY 2003

Chile reports that in 2003, there has been regular and active coordination among the entities with responsibility for the control of pharmaceutical products as a first step in establishing a national information and communications system among them. Implementation of the system should be fully under way in 2004.

The country also reports that it has obtained assistance from the United Nations Office on Drugs and Crime (UNODC) to use and install National Database System (NDS) software, and for training thereon, to enable the control and oversight of chemical precursors and pharmaceutical products to be automated.



CICAD recognizes the efforts made and encourages the country to take the necessary steps to implement the recommendation effectively within the period envisaged.

RECOMMENDATION 7:

DEVELOP AN INFORMATION SYSTEM ON NUMBERS OF PERSONS ARRESTED, TRIED, AND CONVICTED FOR ILLICIT DRUG TRAFFICKING, ILLICIT TRAFFICKING IN FIREARMS AND AMMUNITION, AND OTHER RELATED OFFENSES

PUBLICATION DATE: JANUARY 2003

Chile reports that it maintains, through the Division of Citizen Security of the Ministry of Interior, data on arrests for violations of the drug law. Chile's situation is special regarding prosecutions and convictions, as it has implemented a new penal procedural system. This system is being tested gradually (from 2000 to 2005), so that in some regions of the country, the old system remains in operation and in others, the new system is in place. One place where the old system remains in operation is the State Defense Council, which maintains a register of drug trafficking-related proceedings, containing records on prosecutions and convictions. The new system is operating in the Office of the Attorney General, which maintains records on illicit trafficking in drugs, firearms, and ammunition, and related offenses.

CICAD recognizes the progress made by the country, and encourages Chile to step up its efforts to fully implement the recommendation.

RECOMMENDATION 8:

EXPAND THE DEFINITION OF THE OFFENSE OF MONEY LAUNDERING TO INCLUDE AS PREDICATE OFFENSES OTHER SERIOUS OFFENSES IN ADDITION TO ILLICIT DRUG TRAFFICKING

PUBLICATION DATE: JANUARY 2003

Chile reports that, on December 18, 2003, Law 19.913, came into force. This law expands the definition of money laundering to include additional predicate offenses. Under the new law, these are: Illicit drug trafficking, illicit arms trafficking, terrorism, pornography and prostitution of children, trafficking in persons, corruption, misappropriation of public funds, fraud and extortion, bribery, the offenses contained in the stock market and general banking laws, kidnapping and abduction of minors.

CICAD expresses its satisfaction that this recommendation has been implemented.

RECOMMENDATION 9:

EXTEND ADMINISTRATIVE CONTROLS TO PREVENT MONEY LAUNDERING TO INCLUDE THE ENTIRE FINANCIAL SYSTEM, AS WELL AS OTHER PERTINENT SECTORS OF THE ECONOMY

PUBLICATION DATE: JANUARY 2003

Chile reports that, on December 18, 2003, Law 19.913, came into force, which imposes an obligation to report transactions suspected of involving money laundering assets on: Banks and financial institutions, factoring houses, leasing companies, securitization companies, general fund managers and investment fund managers, the Foreign Investment Committee, currency exchanges and other entities authorized to receive foreign currency, credit card issuers and credit card companies, companies transferring and transporting securities and currency, stock markets, stock



exchange brokers, over-the-counter stock brokers, insurance companies, mutual fund managers, futures and options dealers, duty-free area legal representatives, casinos, game rooms and racetracks, general customs agents, auction houses, real estate agents, notaries, and registrars of lands, mines, and industrial property.

Also, the Securities and Insurance Superintendence, in Circular 1680 of 09/29/03, has issued to all insurance entities, securities intermediaries, fund management companies, and securities depositories a series of instructions pertaining to information on the prevention and control of transactions involving illicit resources.

CICAD expresses its satisfaction that this recommendation has been implemented.

RECOMMENDATION 10:

REITERATE THE RECOMMENDATION FROM THE FIRST EVALUATION ROUND 1999-2000 TO ESTABLISH, WITHOUT DELAY, A FINANCIAL INTELLIGENCE UNIT, AND TO ESTABLISH THE OBLIGATION TO REPORT SUSPICIOUS OR UNUSUAL TRANSACTIONS

**PUBLICATION DATE: JANUARY 2001
REITERATION DATE: JANUARY 2003**

Chile reports that, on December 18, 2003, Law 19.913, was published in the Diario Oficial. This law establishes the Financial Analysis Unit as a public and decentralized service, which is originated in the Finance Ministry, and imposes on a wide range of parties the obligation to report suspicious transactions. The system to report suspicious transactions is to come into operation 150 days after publication of the law in the Diario Oficial.

CICAD expresses its satisfaction that this recommendation has been implemented.

CONCLUSIONS

Chile has implemented five of the ten recommendations assigned to it in the Second Evaluation Round, two of which were reiterated recommendations from the First Evaluation Round (1999–2000).

The country has ratified the Inter-American Convention on Mutual Assistance in Criminal Matters and the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA).

Also, the country has adapted its national capacity for specialized professional training at the university level on prevention, treatment and rehabilitation, and research on drug use.

In the money laundering area, Chile has expanded the definition of this offense and expanded administrative controls to include the entire financial system. However, delays remain in the process of ratifying international instruments related to the fight against organized crime.

Chile has made progress in implementing the remaining five recommendations, one of which was a reiterated recommendation (Strengthening its regulatory and operational framework for preventing the diversion of controlled chemical substances), and has indicated timeframes for full implementation thereof.

CICAD recognizes that Chile has made efforts to fulfill its commitments in the framework of the MEM process and encourages the country to persist in such efforts.